



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Monday, 9th March, 2015

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 19 January 2015 (Pages 3 - 4)
 - (b) Matters Arising
4. **Progress report on delivery of the Social Value Policy and Procurement Strategy** (Pages 5 - 16)

Report of the Executive Director, Resources.
5. **Cumulative Sickness Absence April - December 2014** (Pages 17 - 38)

Report of the Executive Director, Resources.
6. **Agency Workers and Interim Managers - Performance Management Report Quarter 3 (1 October to 31 December 2014).** (Pages 39 - 52)

Report of the Executive Director, Resources
7. **Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.**

Private Business

Nil

Chris West, Executive Director, Resources, Council House Coventry

Friday, 27 February 2015

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, 19 January 2015

Present:

Members: Councillor D Gannon, Cabinet Member, Strategic Finance and Resources
Councillor T Sawdon (Shadow Cabinet Member)

Employees: T Savill, Resources Directorate
H Peacocke, Resources Directorate
J Smith, Resources Directorate

Public Business

24. Apologies

None.

25. Declarations of Interest

None.

26. To agree the minutes of the meeting held on 8 December 2014

The minutes of the Cabinet Member meeting held on 8 December were confirmed and signed as a true record.

27. Matters Arising

None.

28. Policy for Discretionary Rate Relief (Excluding Charities)

The Cabinet Member considered a report from the Executive Director, Resources, which pointed out that following the business rates retention scheme in 2013 there came the introduction of some new reliefs. To prevent the need for a change to primary legislation, the Government introduced these as additional discretionary rate reliefs (not to be confused with the discretionary rate relief for charitable and non-profit making organisations).

Within the guidelines there was a best practice statement that Councils should ensure they have a policy to cover all of the discretionary reliefs in the event of any challenges. This was reiterated by CIPFA & IRRV. The report set out a draft policy for the granting of discretionary rate reliefs and the Cabinet Member was asked to approve the same.

Resolved: That the Cabinet Member, Strategic Finance and Resources, approves the Policy for Discretionary Rates Relief (Excluding Charities).

29. **Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.**

None

(Meeting closed at 2.25 pm)



Cabinet Member (Strategic Finance and Resources)
Finance and Corporate Services Scrutiny Board (1)

09 March 2015
02 February 2015

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:

Progress report on delivery of the Social Value Policy and Procurement Strategy

Is this a key decision?

No

Executive Summary:

The Finance and Corporate Services Scrutiny Board have requested a progress report on the delivery of the Social Value Policy and the Procurement Strategy. The Constitution requires that a report is taken to Cabinet Member Strategic Resources and Finance on the delivery of the Procurement Strategy through the Procurement Board. This report fulfils those requirements and details the progress made in these specific areas.

Recommendations:

The Finance and Corporate Services Scrutiny Board (1) are requested to consider the progress detailed in the report and forward any recommendations to the Cabinet Member (Strategic Finance and Resources).

The Cabinet Member (Strategic Finance and Resources) is requested to:

- 1) Consider the recommendations from the Finance and Corporate Service Scrutiny Board (1).
- 2) Note the progress made against the Social Value Policy and the Procurement Strategy and recommend that the Council continue to support the delivery against these mechanisms

List of Appendices included:

Appendix 1 Three social value case studies

Other useful papers:

Procurement Strategy 2010/2015

http://www.coventry.gov.uk/downloads/file/2879/procurement_strategy

Social Value Policy

http://www.coventry.gov.uk/info/17/doing_business_with_the_council/198/procurement_and_com_missioning/5

Business Charter for Social Responsibility

http://www.coventry.gov.uk/info/17/doing_business_with_the_council/198/procurement_and_com_missioning/6

National Procurement Strategy

<http://www.local.gov.uk/web/lg-procurement>

Has it been or will it be considered by Scrutiny?

The Finance and Corporate Services Scrutiny Board have requested a progress report on the delivery of the Social Value Policy and the Procurement Strategy. The Constitution requires that a report is taken to Cabinet Member Strategic Resources and Finance on the delivery of the Procurement Strategy through the Procurement Board. This report fulfils those requirements and details the progress made in these specific areas.

Has it been 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:

Progress report on the delivery of the Social Value Policy and the Procurement Strategy

1. Context

1.1 The sub regional Procurement Strategy 2010/2015 was adopted by Cabinet Member Strategic Finance and Resources on 16th June 2010. Subsequently the Social Value Policy was adopted by Full Cabinet on the 11th February 2014 and incorporates the Public Service (Social Value) Act 2012 that came into force on 31st January 2013. This report details how the delivery of the Social Value Policy has been incorporated into the delivery of the Procurement Strategy and the outcomes that have been achieved.

2. Progress since the Procurement Strategy and Social Value Policy were adopted

2.1 Social Enterprise West Midlands (SEWM) have indicated that we were the first authority in the West Midlands to formally adopt a Social Value policy. In addition we are now not just Social Value Champions but a Social Innovation Partner with SEWM which demonstrates our commitment to improving the social, environmental and economic wellbeing of our City (separate report taken to Cabinet Member, Community Development, Co-operatives and Social Enterprise on the 5th November 2014). Cllr Abbott, Cabinet Member Community Development, Co-operative and Social Enterprise, received the Social Enterprise Inspire Award for her work with social enterprises.

2.2 To complement the Social Value Policy which applies to all contracts let by the authority, a Business Charter for Social Responsibility (BCfSR) was drafted in consultation with key partners. The purpose of this charter is that companies can sign up on a voluntary basis if they have existing contracts or are keen to work with the Council in the future. The BCfSR was adopted by Cabinet Member (Strategic Finance and Resources) on 21st October 2013.

2.3 To develop the policy the Assistant Director Procurement pulled together a cross authority group of colleagues working on areas which can impact on Social Value and this group continues to meet to discuss progress and iron out any issues that people were facing with implementation of the policy. The principles of the policy have now been embedded into our day to day activities and the benefits are beginning to be delivered to the residents of Coventry.

2.4 The BCfSR was launched in conjunction with Coventry's Wellbeing Charter on the 31st March 2014 with 6 Businesses signing up to the Charter at the event to reinforce their commitment towards delivering more benefits to the residents of Coventry.

2.5 The table below details actions and outcomes from social value related work.

No.	Action/outcome
1.	A Social Value recording process has been established including Coventry's Social Value Procurement Framework to guide colleagues to identify the Social Value that can be generated for the residents
2.	The Procurement Outline Document (POD which is the business case for procurement activity taken to Procurement Panel/Board) template has been revised to include consideration of the social value impact the procurement could have on our local community. Panel and Board members are therefore able to challenge the business case if they feel not enough cognisance has been given to the policy
3.	Close working relationships with commissioning colleagues have been established to ensure that social value is considered early on in the consultation process (pre-procurement stage) as this is the stage where maximum impact can be made.

4.	Contractual clauses have been embedded within tender documents to mandate the delivery of Social Value in contracts.
5.	A review of tender documentation took place in consultation with the voluntary sector, to ensure that artificial barriers to the third sector submitting compliant bids were removed.
6.	A review of all contracts on the contracts register was completed to identify which contracts could have the most social, economic and environmental impacts.
7.	Presentations and training events for procurement and commissioning staff on social value and how it can be used legally in the procurement process have been delivered.
8.	Carbon footprint has been reduced by encouraging suppliers to work with their employees in planning travel and use of cars.
9.	Local companies have been used against frameworks e.g. Scape Minor works, leading to employing more than 25 local people to deliver the work via sub-contracting
10.	Young people's skills have been developed via the Shared Apprenticeship Schemes on some of our bigger construction projects including Friargate Bridge, AT7 Centre extension, Transport Museum Extension, public realm projects as well as other projects delivered via Section 106 funding.
11.	Social benefits have been delivered by linking suppliers with local schools to boost their confidence and to raise awareness of various career options.
12.	The Council has been awarded the Best 'Small Business Friendly' Procurement Policy as part of the FSB's annual Local Authority Awards.
13.	82 externally funded grant awards have been issued to date (up until end June 2014) that include a clause for the grantee to work with the Council's Employer Hub for their recruitment ensuring the jobs created from the grants remain local. To date 10 companies have made contact with the employer hub. The process is being rolled out to cover all grants to businesses that the Council manages.

- 2.6 Three of the above examples have been written up as case studies which have been attached as (Appendix 1) explaining the impact on our local community.
- 2.7 The Procurement and Commissioning Service have exceeded their savings targets for 2014/15 and are on track to deliver against the 2015/16 targets.
- 2.8 In July 2014 the Local Government Association launched a new National Procurement Strategy (NPS) and Martin Reeves has been appointed as the NPS's Chief Executive Champion. Performance of the Procurement and Commissioning Service has been RAG rated against the four themes of the NPS, Making savings, supporting local economies, leadership and modernisation. The results show that a significant number of the requirements are already being delivered by the Procurement and Commissioning Service. A summary of performance against the 92 targets is below:-

RAG summary January 2014			
Theme	Red	Amber	Green
Making savings	1	8	26
Supporting Local Economies	1	4	17
Leadership	1	2	16
Modernisation	0	4	12
Total	3	18	71

- 2.9 The summary shows that the Procurement and Commissioning Service's performance and strategic direction are on the whole, in line with the NPS. The three reds are where it is questionable what benefits adopting these practices would bring to Coventry and the ambers are where there is partial implementation or working practices are currently being rolled out
- 2.10 Analysis of performance against the NPS has also been completed for Solihull and Warwickshire and whilst Coventry's performance is similar to Solihull's, Warwickshire's is significantly different. Warwickshire has a policy that the Procurement team only become involved for expenditure over £500k which means that their leadership team do not require the same control over expenditure, procurement policies, practices and techniques as exists in Coventry and Solihull.
- 2.11 The preference for the 2010-2015 procurement strategy was for a shared sub regional strategy and the belief is that this preference has not changed. The different policies and performance levels between the authorities does not necessarily mean that strategic direction cannot be shared, simply that local implementation may be different. However this doesn't help delivery on the ground for category managers as there is less standardisation which could lead to loss of economies of scale or category managers having to work with service professionals rather than procurement staff which involves more work.
- 2.12 A further report will be brought back to Members once the detail of the updated sub regional procurement strategy has been worked through, in the summer.
- 2.13 Monthly reports on savings and procurement activity conducted through the Procurement Panels and Procurement Board have been taken to Audit and Procurement Committee, where Members have had the opportunity to ask questions and seek reassurance that appropriate action is being taken.
- 2.14 In 2013, the Procurement and Commissioning Service were finalists in the Go Awards and Society of Procurement Officers in Local Government (SOPO) Awards for outstanding achievement in Procurement, for their work on the sub regional tendering system. The sub regional tendering system has single sign on for suppliers. This means that they can choose categories that they are interested in and receive email alerts for all contracts being let in that category for Coventry, Solihull, Warwickshire and all of the Warwickshire District Councils.

3. Results of consultation undertaken

- 3.1 Various consultations have taken place for individual services as contracts have been let in line with the procurement strategy. The consultation has been appropriate for the type of service that is being let and has ranged from co-design of services to issuing draft tender documents two weeks before they are formally issued. Responses have been considered and appropriate adjustments made.

4. Timetable for implementing this decision

- 4.1 The Procurement Strategy and Social Value Policy are already in place, this report is a review of progress against the existing strategy and policy.

5. Comments from the Executive Director, Resources

- 5.1 Financial implications
Specific Procurement & Commissioning targets were included in the medium term financial strategy for the period 2013/14 to 2015/16 - £2M rising to £8M. These are cross-cutting savings targets, and the delivery of these savings are closely monitored and managed through Procurement Panels and Procurement Board. In addition, there will be other

commissioning savings that are delivered as part of other projects and medium term financial strategy targets.

The targets have been fully delivered in 13/14, and are on track for full delivery in 14/15 and 15/16 savings.

Procurement Board agree the evaluation criteria for services and tenders in the process of being commissioned/re-commissioned, and will consider the financial implications of applying the social value policy as part of that process.

5.2 Legal implications
There are no legal implications of 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 / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The Procurement Strategy takes direct cognisance of the council's core aims. The strategy helps to deliver those aims through wise use of the Council's purchasing power in the community in a sustainable way.

6.2 **How is risk being managed?**

The procurement strategy aims to minimise risk for the council when spending money on goods, works and services

6.3 **What is the impact on the organisation?**

The procurement strategy defines the strategic direction for procurement activity in the authority. This impacts on the way in which contracts are let and the value for money achieved, helping to make best use of scarce resources.

6.4 **Equalities / EIA**

The procurement strategy gives due regard to equalities. Standard tender documentation ensures that the correct questions are asked of suppliers who wish to work with the council.

6.5 **Implications for (or impact on) the environment**

The procurement strategy gives due regard to environmental considerations and work delivered under the social value policy ensures that opportunities for sustainability are maximised.

6.6 **Implications for partner organisations?**

Relationships have been developed appropriately with partner organisations from the private, public, third sector and social enterprises. The voluntary sector have been involved in re writing the standard procurement documentation to ensure that we are not unnecessarily excluding organisations from bidding on a level playing field with the private sector.

Report author(s):

Name and job title:

Liz Welton, Assistant Director, Procurement

Directorate:

Resources

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Names of approvers for submission: (officers and members)				
Finance: Rachael Sugars	Finance Manager	Resources	19.01.15	21.01.15
Legal: Christine Forde	AD Legal & Democratic Services & Monitoring Officer	Resources	19.01.15	21.01.15
Director: Chris West	Executive Director	Resources	09.01.15	12.01.15
Members: Cllr Damian Gannon	Cabinet Member (Strategic Finance and Resources)		09.01.15	12.01.15

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www.coventry.gov.uk/meetings

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Working in partnership we have identified the barriers that construction employers were facing when taking on apprentices and have developed a model to combat those barriers.

Coventry City Council is the accountable body for the Scheme and provides programme and financial management. Via their ambitious three year Jobs and Growth Strategy for the city and their Social Value Policy they ensure local people and businesses benefit.

National construction company BAM Construct UK are the host employer and carry out the full human resource function for the scheme. BAM provide the scheme manager who has the responsibility of securing new placement providers and ensuring that the apprentices are linked up to appropriate initial/carousel placements. They then deliver pre start and day one on-site induction. Together, BAM's workforce manager and scheme manager deal with any issues apprentices have on site regarding appropriateness of work available and when a 'carousel' would be advantageous to the apprentice and benefit the employers. Local Colleges provide the academic training needed for the young people to achieve their Apprenticeship Framework, co-ordinate site visits for NVQ assessors and monitor the progress towards framework completion.

BAM, as host employer, carry out the full Human Resource (HR) function. Their workforce manager has responsibility for ensuring that they are supported through their apprenticeship and has regular one to one sessions with each of them. This support has ensured good attendance and attitude.

A steering group consisting of representatives from BAM, the colleges, and Coventry City Council meet regularly to discuss progress of the scheme.

For further information please contact Julie Venn-Morton, Skills and Growth Manager on 024 7683 3832 or email julie.venn-morton@coventry.gov.uk

Case Study

Construction Shared Apprenticeship Scheme



Achievements to date:

The Scheme won the **Apprenticeship Scheme of the Year** at the National Federation of Builders Awards 2013. It was also a highly commended shortlisted finalist in the National Local Government Chronicle Awards 2013 for Public/Private Partnerships. Apprentice Elliot Seenan was commended for his determination and efforts to further his career in construction in the **Young Builder of the Year** competition.

Outcomes to date:

- 35 young people joined the scheme
- 17 have achieved their Full Apprenticeship Framework
- 18 have secured full time employment, self employment or further training
- 16 out of the 35 have moved to one or more companies
- 12 young people are currently on the scheme working towards their framework completion

Meet the Buyer Event

Coventry City Council and Costain held a Meet the Buyer event in February 2014.

The event aimed to introduce local SMEs to Costain, who had won the contract for two major developments in Coventry (Friargate Bridge and Whitley Junction). The event was held in a vacant shop unit to enable easy access for businesses who wanted to learn more about the types of contracts Costain wanted to subcontract for. More than 30 people attended the event, from a range of different businesses covering construction, engineering, security to ecology. Following the event one of the businesses that attended, is now in discussions with Costain on a rail electrification project and advance ecological works. They are also listed as potential supply chain supplier for M4 Corridor work which is a £800m bid. Many of the other businesses are now on the tender list for future work allowing the local supply chain to benefit from the larger contracts they award.

FSB Local Authority Awards 2014

Coventry City Council was awarded the Best 'Small Business Friendly' Procurement Policy as part of the FSB's annual Local Authority awards.

The awards celebrate and promote local economic development and the judges comments said 'Coventry City Council's application showed how an innovative approach to keeping trade local and has helped local firms to access contracts'. The Council is determined that local businesses should have the opportunity to bid for supply chain work for major projects and by holding the Meet the Buyer event in partnership with Costain local companies had the opportunity to show what they could do.

Shared Apprenticeship Scheme

The Coventry and Warwickshire Construction Shared Apprenticeship Scheme is a partnership initiative between Coventry City Council, BAM Construct UK, local colleges and construction employers.

Costain decided to use the scheme after being introduced at the Meet the Buyer event and went on to appoint a local young person as an administration apprentice. This proved to be so successful that he has now been offered full time employment with Costain.

Costain agreed to link in with schools to offer site visits and Coventry City Council have linked them to a number of primary and secondary schools. Costain have also supported a number of local jobs and careers events.

Case Study

Costain

COSTAIN



**For further information
please contact
Julie Venn-Morton, Skills and Growth
Manager on
024 7683 3832 or email
julie.venn-morton@coventry.gov.uk**

Coventry's Fuel Poverty Project was devised by the Sustainability and Low Carbon Team as an innovative response to fuel poverty in Coventry.

Focusing on insulation and heating improvements for disabled householders likely to be fuel poor, the team successfully bid for £597,000 of funding from the Department of Energy and Climate Change. The third and final phase of the project is currently underway – the life of the project was extended by attracting an additional £223,000 of Energy Company Obligation funding from British Gas.

One of the ambitions for the project was that local contractors should be used to carry out the work. The Council's Procurement and Commissioning Service examined a number of different framework contracts and identified the Scape National Minor Works Framework as being suitable. One of the attractions of the Framework was that the appointed contractor, Kier Services Ltd, had to place at least 60% of the work with suppliers within a 30 mile radius of the city.

The Sustainability and Low Carbon Team subsequently negotiated with Kier to increase the local supply target up to 100%, and after carrying out their own selection process, Kier appointed Rockwarm, a specialist insulation company based in Nuneaton.

The project enabled Rockwarm to provide employment to twenty nine local employees in order to deliver the project. Five were from Coventry and the remainder lived in Nuneaton, Bedworth and Hinckley. Three new locally based operatives were taken on to be part of this workforce. Two of these, Dan Stokes and Mick Neville, were renderers who had been unemployed, and as a result of the project both received training to NVQ level 2 in external wall insulation. The third was Charlie Miles, an unemployed cavity wall insulation installer. Charlie was also trained to install external wall insulation, and has now progressed within the company to become a Quality Inspector.

This project is an example of the council working smartly to lever in external funds to tackle a pressing local problem for vulnerable people. In so doing it has also helped the city's economy by providing employment and making it easier for people to avoid high energy costs and be healthier by having better insulated homes.

For further information please contact Dave Shiner on 024 7683 1356 or email david.shiner@coventry.gov.uk

Case Study

Coventry Fuel Poverty Project



Project partners:

Kier Services Ltd
Rockwarm Insulation Ltd
Scape System Build Ltd

Value:

Dual funded - DECC Local Authority
Competition funding £597,000
British Gas Energy Company Obligation
funding £223,000

Outcomes:

- Fuel poverty mitigated
- Health and wellbeing of disabled householders improved
- 100% of work carried out by local workforce
- Employment and training opportunities for local people

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Cabinet Member (Strategic Finance & Resources)

9 March 2015

Name of Cabinet Member:

Cabinet Member (Strategic Finance & Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

None

Title:

9 month (April – December 2014) Cumulative Sickness Absence 2014/2015

Is this a key decision?

No

Executive Summary:

To enable Cabinet Member (Strategic Finance & Resources) to monitor:

- Levels of sickness absence for the 9 month period of April - December 2014.
- The actions being taken to manage absence and promote health at work across the City Council.

Recommendations:

Cabinet Member (Strategic Finance & Resources) is asked to receive this report providing sickness absence data for the 9 month period of April – December 2014 and endorse the actions taken to monitor and manage sickness.

List of Appendices included:

- Appendix 1 Coventry City Council – Days Lost per FTE 2003 - 2014
- Appendix 2 Directorate Summary Out-turn (April – December 2013 vs April – December 2014)
- Appendix 3 Coventry City Council Reasons for Absence (April – December 2014)
- Appendix 4 Days Lost per FTE, by Directorate (April – December 2014)
- Appendix 5 Coventry City Council Percentage Breakdown of Absence (April – December 2014)
- Appendix 6 Coventry City Council Spread of Sickness Absence, by Length of Days (April – December 2014)
- Appendix 7 & 8 Summary of Occupational Health & Counselling Services Activities Undertaken (April – December 2014)

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: 9 Month (April – December 2014) Cumulative Sickness Absence 2014/2015

1. Context (or background)

1.1 Annual and quarterly information is based on full time equivalent (FTE) average days lost per person against the FTE average days per person available for work. This is the method that was previously required by the Audit Commission for annual Best Value Performance Indicator reporting. The City Council continues to use this method to ensure consistency with previously published data.

1.2 This report gives the cumulative sickness absence figures for the Council and individual directorates.

1.3 Performance and Projections

FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2013/14 – Quarter 3	6.38	6.86	4.57
2014/15 – Quarter 3	6.71	7.27	4.69

Annual FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2014/2015 Projected (at Q3)	9.45	10.13	7.16
2014/15 Target	8.50	9.14	6.30

1.4 Indicative Cost of Sickness Absence

1.4.1 The indicative cost of sickness absence is calculated using a range of 12 separate salary bands (or levels) to produce an average daily cost of sickness for each band. These banded daily costs are then mapped against the projected sickness outturn to produce a total cost of sickness.

1.4.2 The table below shows the indicative cost of sickness for 2014/15 using this method of calculation.

2014/15	All Employees	All Employees (except teachers)	Teachers
Projected Annual Cost	£11.6m	£8.3m	£3.3m
Annual Target Cost	£10.9m	£8.1m	£2.8m
Difference	£0.7m	£0.2m	£0.5m

1.4.3 As given in the table above, the Quarter 3 projected annual cost of sickness absence for 'All Employees' stands at £0.7m above the target cost. This represents a worsening position of £0.3m from the Quarter 2 position, consistent with an increase in the projected days lost.

1.5 Reasons for Absence

1.5.1 Appendix 3 Illustrates that:

- The most occasions of sickness absence across the City Council in April – December 2014 is Stomach, Liver and Gastroenteritis accounting for **2,642** occasions. The amount of time lost through Stomach, Liver and Gastroenteritis was **6,903.38** days.
- The amount of time lost through Stress, Depression, and Anxiety was **12,693.47** days, making it the highest cause of time lost. However, it is not possible to differentiate between personal stress and work related stress.
- The second and third most prevalent reasons for time lost due to sickness absence were Other Musculo-Skeletal Problems **11,557.94** days (**927** occasions) and Stomach, Liver and Gastroenteritis **6,903.38** days (**2642** occasions).

1.5.2 A comparison of year on year figures across the authority reveals that:

- Quarter 3 (ending December 2009) out turn was **7.52** (average sick days lost per full time equivalent employee).
- Quarter 3 (ending December 2010) out turn was **7.45** days (average sick days lost per full time equivalent employee).
- Quarter 3 (ending December 2011) out turn was **6.28** days (average sick days lost per full time equivalent employee).
- Quarter 3 (ending December 2012) out turn was **6.84** days (average sick days lost per full time equivalent employee).
- Quarter 3 (ending December 2013) out turn was **6.38** days (average sick days lost per full time equivalent employee).
- Quarter 3 (ending December 2014) out turn was **6.71** days (average sick days lost per full time equivalent employee).

1.5.3 When comparing Quarter 3 (2014/15) out turn with last years in the same period (2013/14), it reveals that:-

- Reduction of the occurrences of absence by **313** based on comparison with the same period last year.
- Increase in the total days lost per FTE by **144.88** days based on comparison with the same period last year.
- Reduction of **1,297.79** working hours lost based on comparison with the same period last year out-turn.
- Increase of **£273,452.69** in respect of cost of absence based on comparison with the same period last year.
- Stress has reduced by **2,165.52** days based on comparison with the same period last year.
- Muscolo-Skeletal has increased by **635.57** days based on comparison with the same period last year. However, there has been a reduction of the occurrences by **110** based on comparison with the same period last year.
- Infection, Colds and Flu has increased by **120.52** days based on comparison with the same period last year.

1.5.4 The data provided within Appendices 2 and 4 reflects the new Directorates and establishments (The implementation of the Resources, People and Place Directorates). Therefore, due to the change in the structures and composition of Directorates, an accurate evaluation against last year's performance/statistics may not be directly comparable.

1.6 Frequent and Long Term Absence

1.6.1 Appendix 5 provides the breakdown between frequent and long-term absence levels during 2014/2015.

1.6.2 Appendix 6 provides a more detailed breakdown of the duration of absences.

1.7 Dismissals through Promoting Health at Work Corporate Procedure

1.7.1 During April – December 2014 there have been a total of **24** dismissals in accordance with the Promoting Health at Work Corporate Procedure. **9** dismissals have been due to ill health retirement and **15** dismissals have been where the City Council cannot continue to sustain the level of sickness absence.

2. Options considered and recommended proposal

2.1 Activities during Quarter 3 from the HR Health & Wellbeing Team

The HR Health & Well Being Team aims to ensure a consistent approach to sickness absence management and is responsible for providing information on sickness absence to Directorate Management Teams/Senior Managers on a monthly basis and supporting managers in the application of the Council's Promoting Health at Work procedure.

2.1.2 Directorate Management Teams review summary absence reports on a monthly basis to monitor progress and determine actions needed to address any hotspots.

2.1.3 The Health & Well Being Team undertake proactive strategies to support the authority to reduce levels of sickness absence. They include:

- Robust approach is being taken to the management of sickness absence casework with the application of a revised model, resulting in no more than 4 meetings having to take place before a decision is made about an employees continued employment.
- A monthly system to alert Assistant Directors when employees hit a sickness absence trigger point and have not been seen as part of the Promoting Health at Work Procedure.
- Training is provided to managers to support dealing with both practical and procedural issues. An ongoing programme of training is taking place across the Council as a whole. This includes receiving the absence phone call, conducting effective Return to Work Interviews, supporting Disabled Employees and understanding the rationale for making Reasonable Adjustments in the work place to facilitate an employee's return to work.
- Training has allowed managers the opportunity to refresh their knowledge and understanding of the Promoting Health at Work process.
- The implementation of an intranet based absence toolkit '*Managing Absence - Your Guide*' along with a desk top icon for easy access. The purpose of the toolkit is to enable managers to deal with the routine "day to day" sickness absence management tasks. The toolkit contains a number of simple and easy to use guides. The toolkit also provides detailed FAQs, 'how to guides' and some straightforward 'golden rules' to help managers and links to relevant policies, procedures, checklists and scripts.

2.1.4 A number of service areas across the Council hold regular 'performance summits / clinics' on a monthly, quarterly or as needed basis. These incorporate both the management of sickness cases as well as areas of performance concerns, which in some cases have a direct link.

- 2.1.5 These serve as a useful mechanism to safeguard the general well-being of the organisation ensuring performance and attendance are well-managed for all parties. This guarantees absence levels remain a high priority with the aim to reduce these levels for the Council and to enable services to be cost-effectively delivered to the public.
- 2.1.6 The purpose of 'performance clinics', are to provide an opportunity for Management with the relevant Head of Service / Assistant Director, to review sickness and performance cases within a given area. This is to ensure cases are being addressed in a timely manner and are being robustly, consistently, fairly and appropriately managed through the application of the Promoting Health at Work process and other relevant processes.
- 2.1.7 The clinics provide an opportunity for Managers to share good practice and experience in managing absence levels, as well as to gain further advice, support and updates on changes to procedure and support the Council can provide to its employees and Managers, from their Lead HR Representative, HR Health & Wellbeing Team and HR Representative Performance Team.
- 2.1.8 One of the particular key benefits of performance clinics has been to identify hotspot areas, or key issues/reasons for absence within service areas. This enables the advice, support and resources to be tailored to ensure these issues are addressed and managed and that our employees are appropriately supported. This has proved to be very useful in making a positive impact in the working environments and on attendance levels.
- 2.1.9 At the request of the Cabinet Member I can confirm that there is no outstanding casework from absence triggers generated from Quarter 3.

2.2 Be Healthy Be Well Initiative

- 2.2.1 The Be Healthy Be Well initiative is joint project between the HR Health & Well Being Team and Occupational Health & Counselling Support Team which was launched in January 2012. The primary aim of the initiative is to act as central source of information and encourage Council employees to get Fit and Healthy.
- 2.2.2 The initiative has delivered the following events in Quarter 3:
- Continuation of the events provided by Coventry Sports Foundation & Coventry Sports Trust, including open weekends for all Council employees and their families to experience free taster sessions such as Swimming, Indoor Football, Zumba, Badminton, Cycling, Boxercise, Pilates, Table Tennis, BoxFit, Squash & Spinning Classes.
 - Continuation of the volunteer workplace Health Champions Scheme with monthly seminars (e.g. Personal Training).
 - Free guided Relaxation for Panic Attacks and Anxiety Management using Cognitive Behavioural Therapy (CBT).

- Creation of a support group for employees who have relatives with mental health.
- Smoking Cessation 12-week course to assist employees to give up smoking.
- Body Beautiful Workshops.
- Continuation of the Challenge Martin Table tennis sessions.
- DEN (Disabled Employee Network) - Raising awareness around effective communication with individuals who have a hearing impairment / loss and using British Sign Language.
- DEN (Disabled Employee Network) - Reasonable Adjustment process and support event.
- Kids Run Free - Free races for children over a range of distances at the War Memorial Park.
- Free woodland “get to know your trees” walk at Coombe Country Park.
- Continuation of the lunchtime Healthy Walks.
- A new Campaign to encourage people to walk between bus stops.
- Special offers for membership at Simply Gym.
- Special offers of sports massage for employees through Fire & Earth.
- Golf offer for all Council employees at Brandon Golf Course and discounted beginner golf coaching course at Leamington and County Golf Club.
- After work activity sessions organised by Coventry on the Move Team to include; Badminton, teaching desk-based exercise and table tennis sessions.
- Continuation with publication of the very popular & informative monthly Be Healthy Be Well newsletter to all employees. At the time of writing this report the newsletter had received 12,000 hits between April – December 2014.
- Continuation of the intranet page to advise and advertise promotion events for City Council employees.

2.3 Activities during Quarter 3 from the Occupational Health Team

- We now have 50 Workplace Health Champions in the work place trained, who communicate the health message and motivate and empower employees to enjoy healthier lives.
- From the 46 musculoskeletal cases closed in Quarter 3 (those who had been seen more than once), 70% demonstrated a significant (70%) improvement in both pain levels and functional ability, i.e. work and daily living activities. This shows a positive impact on musculoskeletal health.
- Flu vaccines were given to 632 employees targeting frontline employees working with the elderly and vulnerable.
- The DEN group was supported for the Reasonable Adjustment Day on the 3 November 2014 raising awareness for those employees who work at Coventry City Council with a disability.
- Cancer Buddy Co-ordinator has developed a resource package which has now been completed and is available for all employees to access on the intranet. This is specifically aimed at managers on how to support an employee returning back to work from cancer or caring for relatives with cancer. Awareness sessions will be taking place and partnership working continues with Macmillan.
- Body Beautiful programme took place in November 2014 which involved employees attending 3 workshops and advice was given on exercise, nutrition and general wellbeing.
- The Occupational Health and Counselling Service are working in conjunction with Mind (the leading mental health charity in England and Wales), to provide training for managers on how to identify and work towards developing positive mental wellbeing in employees.
- The training will help managers create an open and supportive working environment so they will be better equipped to promote employee wellbeing. It will raise manager's awareness to the internal support that is available to help them support an employee experiencing mental health issues and will ensure line managers are equipped and competent in dealing with employees experiencing mental health issues.

3. Results of consultation undertaken

No consultation has been undertaken.

4. Timetable for implementing this decision

None.

5. Comments from Executive Director, Resources

5.1 Financial implications

Sickness absence impacts on the ability of the Council to deliver its services with replacement cover required in many service areas at an additional cost to the Council.

5.2 Legal implications

There are no legal implications resulting from this report.

6. Other implications

There are no other specific 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)?

Sickness absence is one of the Council's corporate plan targets and performance is reported to Cabinet Member (Strategic Finance & Resources) on a quarterly basis with the final quarter containing the out turn report.

6.2 How is risk being managed?

The Promoting Health at Work strategy will require further development to examine more intensively issues such as working conditions, accidents, work related ill health, and industrial injuries in addition to managing absence. This will involve liaison with colleagues in the area of safety management and occupational health, and will also include analysis of sickness data to identify the relationship between specific causes of absence and occupational groups.

6.3 What is the impact on the organisation?

Human Resources

The HR Health and Wellbeing team and the Occupational Health and Counselling Service, support absence management across the whole City Council. The teams support managers to deal with sickness promptly and consistently within all directorates.

Information and Communication Technology

Improvements will continue to be made to the reporting process through Resource link management information to improve accuracy and detail of information in relation to all absences.

Trade Union Consultation

Consultation with the trade unions is ongoing. The trade unions are kept up to date on the latest absence figures and are actively involved in casework regarding sickness absence management.

6.4 Equalities/EIA

The application of the sickness absence management processes are continually reviewed to ensure compliance with the Council's duty under Section 149 of the Equality Act 2010. 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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Resources

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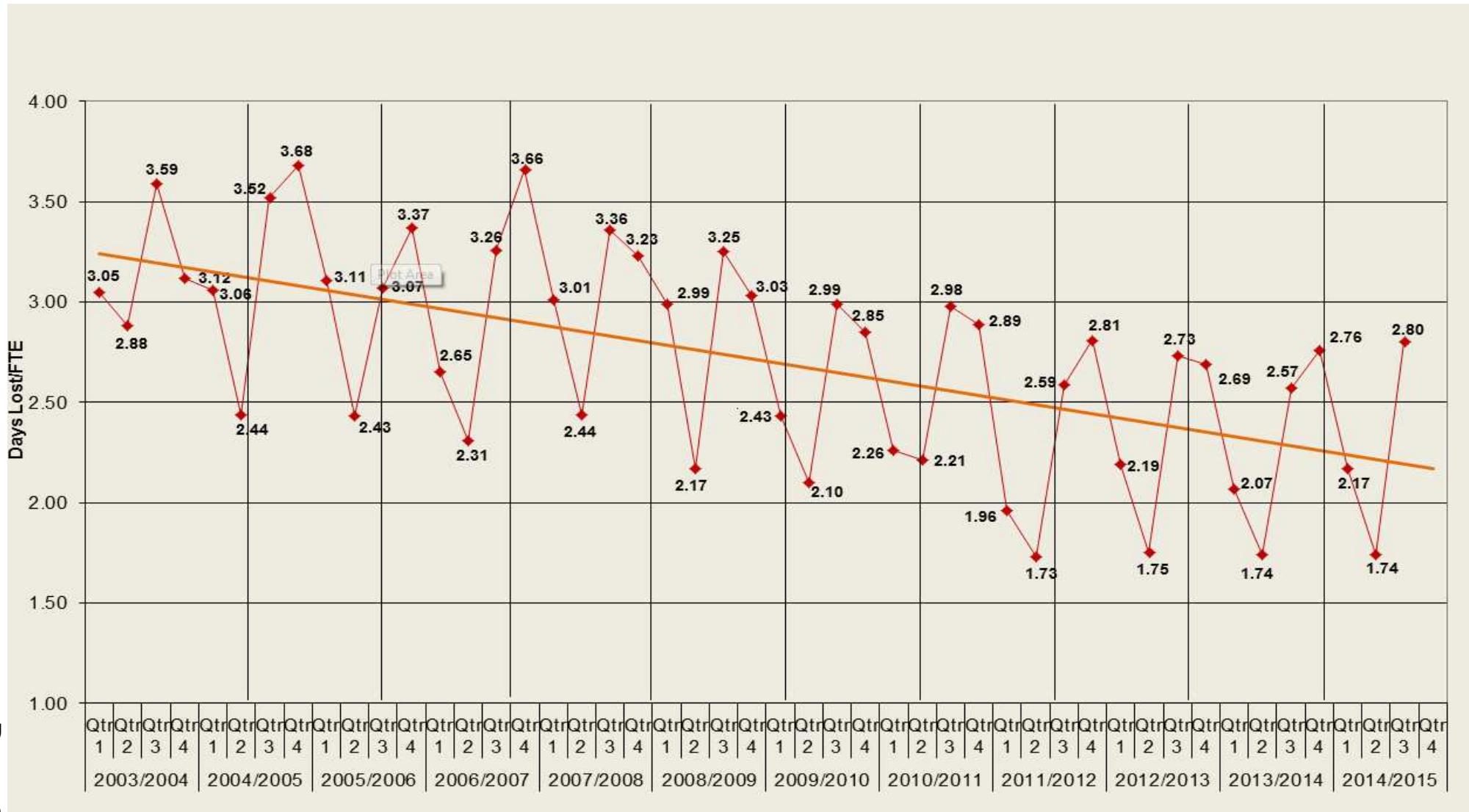
Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Kerry Crook	Human Resources Advisor	Resources	22/01/15	28/01/15
Angie White	Occupational Health & Counselling Services Manager	Resources	13/01/15	28/01/15
Louise Hughes	Senior Accountant	Resources	22/01/15	28/01/15
Hugh Peacocke	Governance Services Officer	Resources	22/01/15	28/01/15
Names of approvers: (officers and members)				
Shokat Lal	Assistant Director	Resources	30/01/15	12/02/2015
Julie Newman	Children & Adult Legal Service Manager	Resources	30/01/15	03/02/15
Councillor Gannon	Cabinet Member	Coventry City Council	1902/15	23/02/15
Chris West	Executive Director	Resources	30/01/15	09/01/15

This report is published on the Council's website:

www.coventry.gov.uk/meetings

Coventry City Council
Days Lost per FTE
2003 - 2014



Coventry City Council

April – December 2014	April – December 2013	Annual Target 2014/2015
6.71	6.38	8.5

This demonstrates an increase of 0.33 days per FTE compared to 2013/2014.

Chief Executive's Directorate

April – December 2014	April – December 2013	Annual Target 2014/2015
1.65	4.0	5.0

This demonstrates a reduction of 2.35 days per FTE compared to 2013/2014.

Place Directorate

April – December 2014	April – December 2013	Annual Target 2014/2015
7.53	8.31	10.4

This demonstrates a reduction of 0.78 days per FTE compared to 2013/14.

People Directorate

April – December 2014	Annual Target 2014/2015
7.59	9.5

Due to the change in the structures and composition of Directorates, an accurate evaluation against last year's performance / statistics is not directly comparable.

Teachers in Schools

April – December 2014	April – December 2013	Annual Target 2014/2015
4.69	4.57	6.3

This demonstrates an increase of 0.12 days per FTE compared to 2013/14.

Support Staff in Schools

April – December 2014	April – December 2013	Annual Target 2014/2015
6.91	6.28	9.0

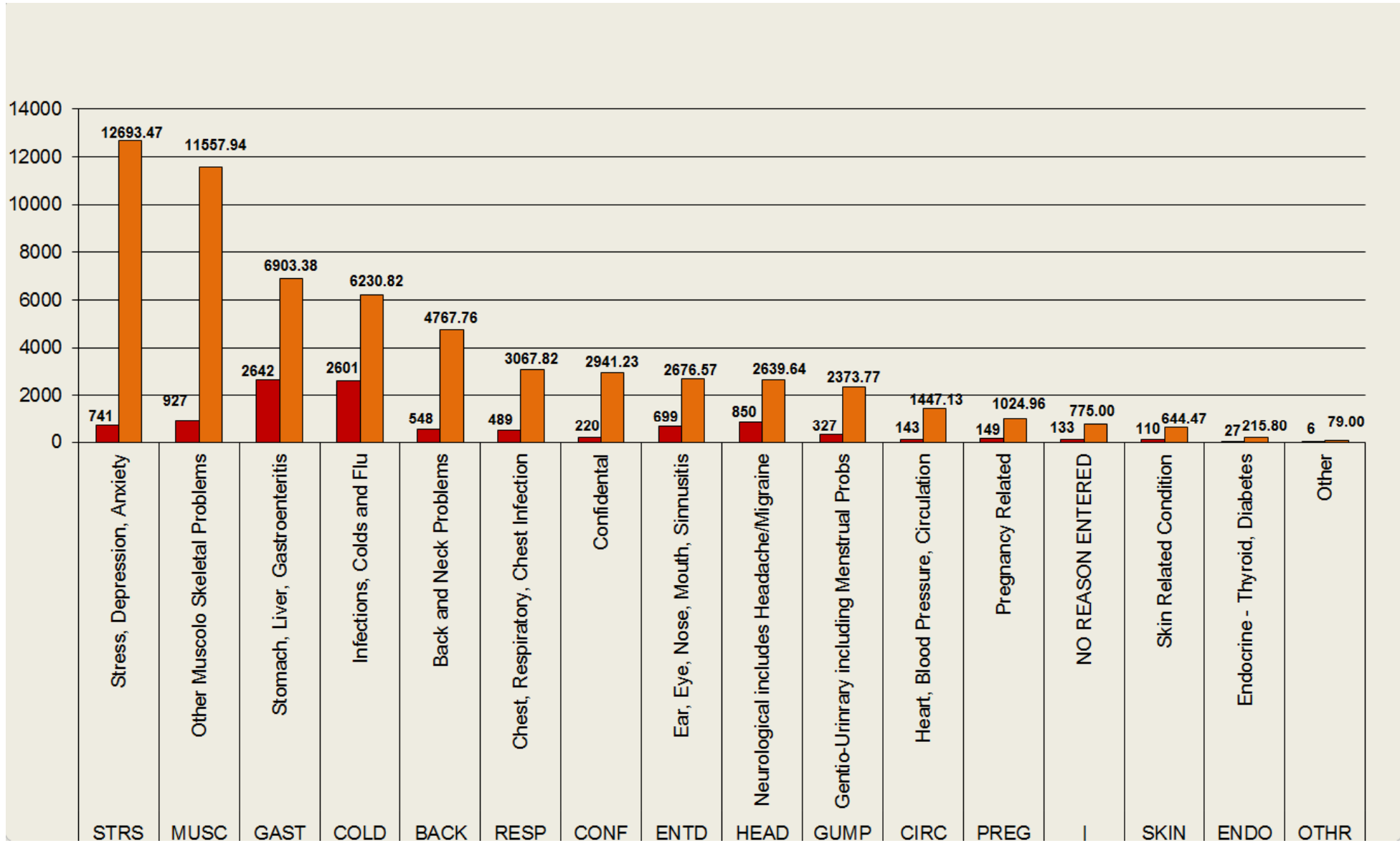
This demonstrates an increase of 0.63 days per FTE compared to 2013/2014.

Resources Directorate

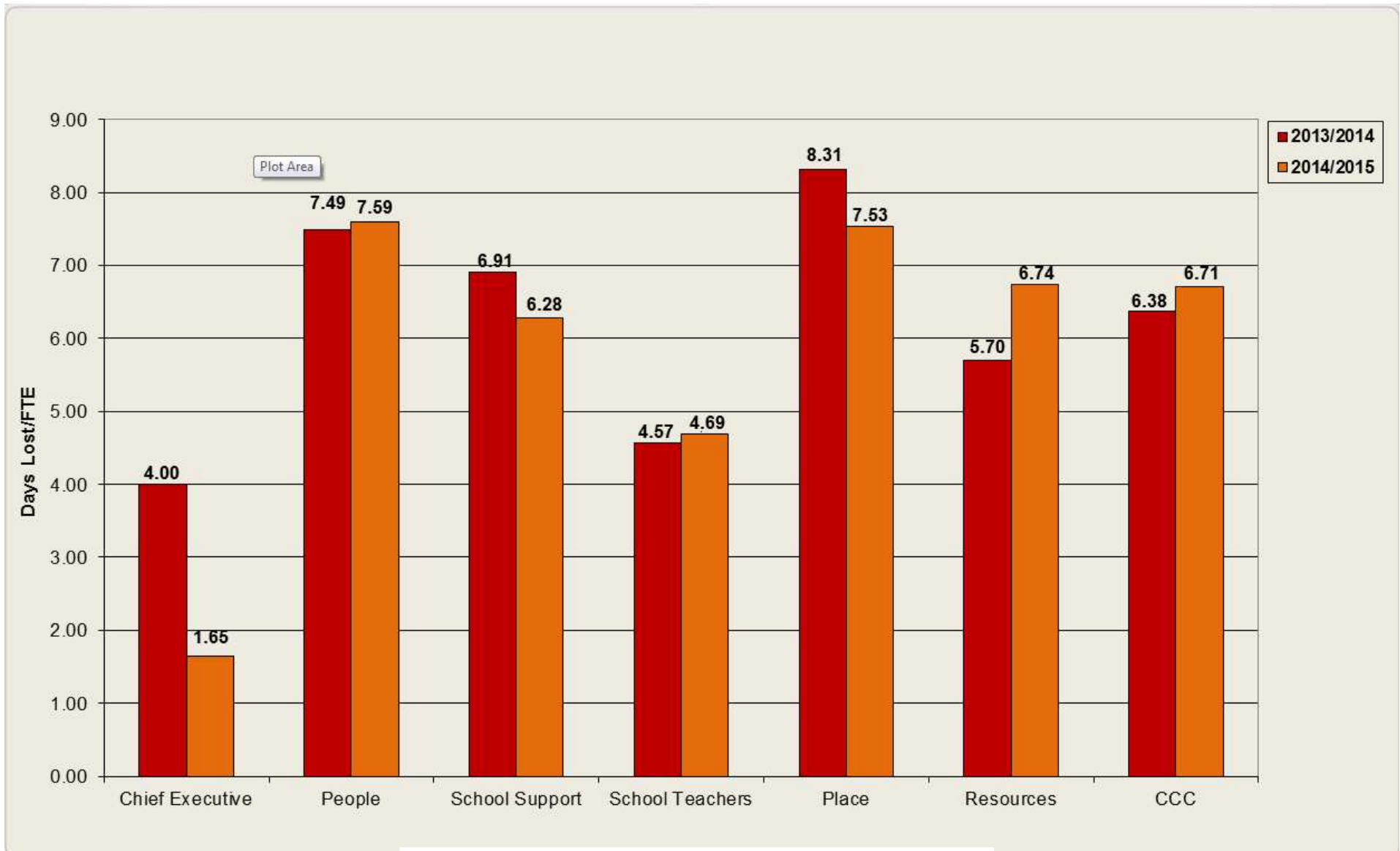
April – December 2014	Annual Target 2014/2015
6.74	7.5

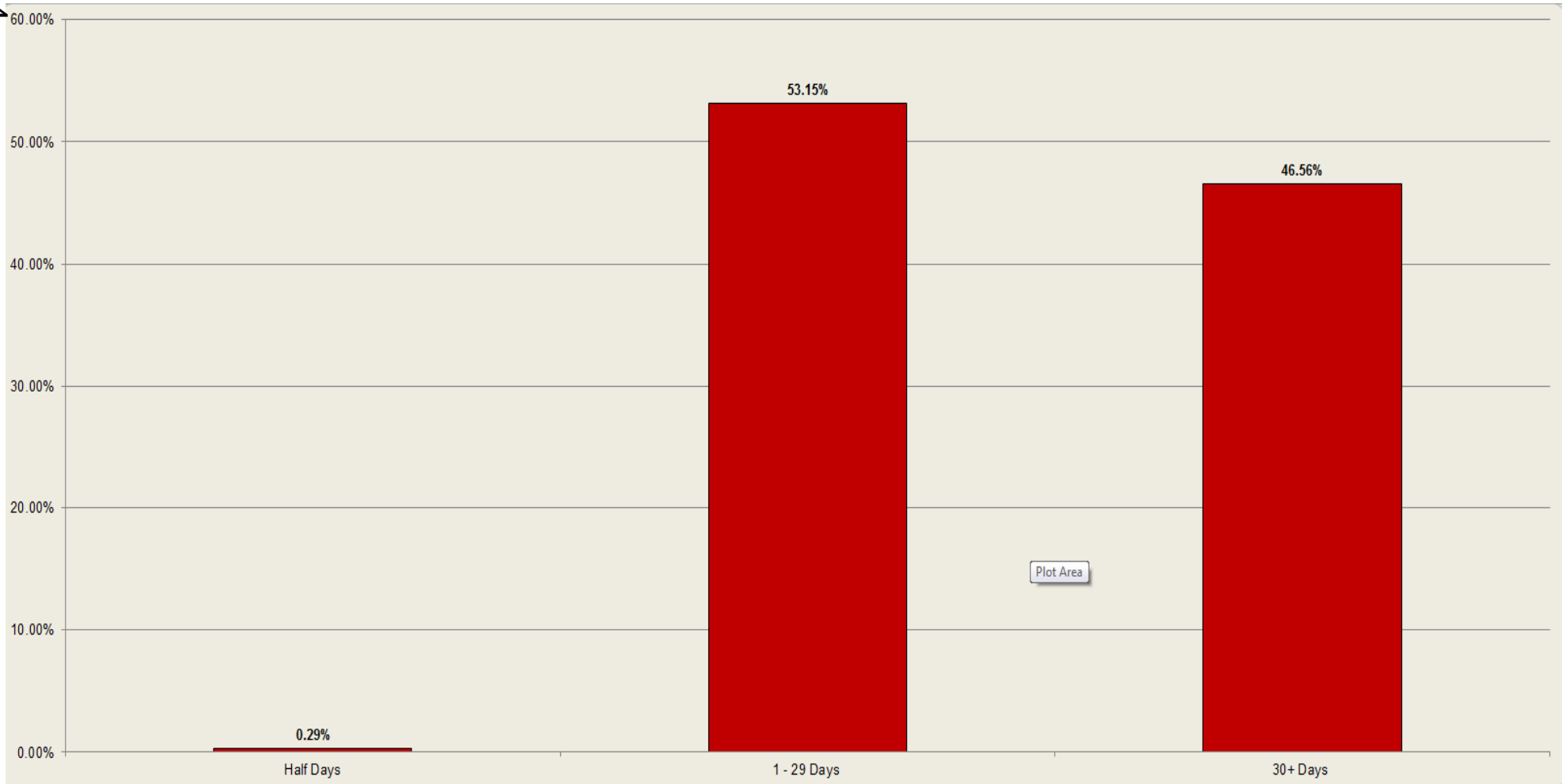
Due to the change in the structures and composition of Directorates, an accurate evaluation against last year's performance / statistics is not directly comparable.

Coventry City Council – Reasons for Absence
April – December 2014

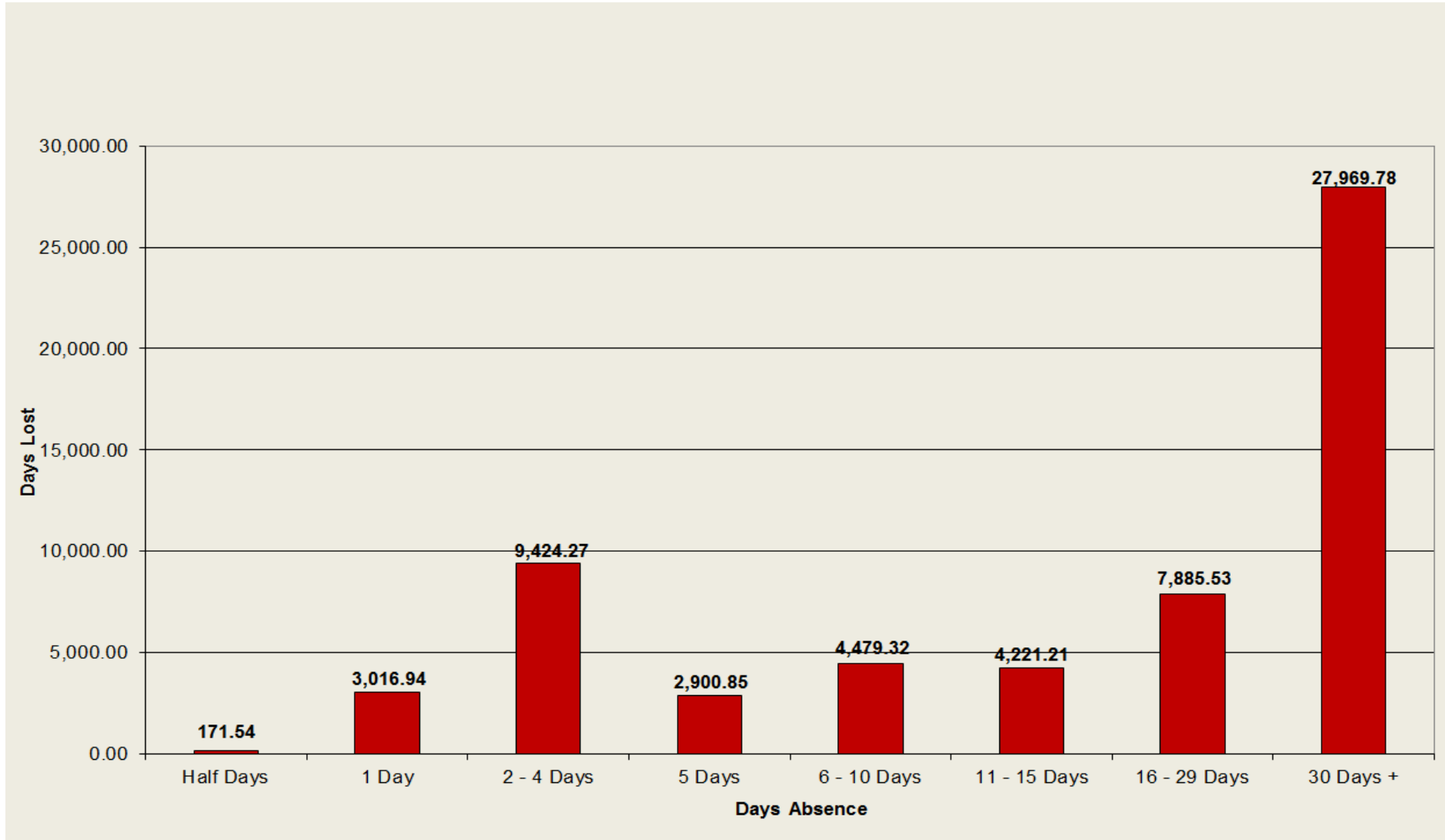


April – December 2013 vs. April – December 2014
Days Lost Per FTE





Coventry City Council
April – December 2014
Spread of Absence by Length of Days



OCCUPATIONAL HEALTH
Promoting Health at Work Statistics
1st April 2014 – 31st March 2015

Activity	April- June 2014	July- September 2014	October- December 2014	January- March 2015	Total for Year
Pre-Employment health assessments	227	279	193		699
October - December 2014 From the pre-employment assessments, 106 required additional advice and guidance to be given to the employing manager. 27% of pre-employment forms were processed within 3 working days 100% clearance slips were returned to the Recruitment Team/School within 3 working days					
Sickness absence health assessments and reviews	472	443	361		1276
Ill health conditions reported/investigated as work related	72	58	35		165
Work Place assessments carried out	6	6	1		13
Case conferences carried out	7	2	2		11
Vaccinations and blood tests	36	11	695		742
October - December 2014 Ill health condition reported as work related (breakdown): 8 musculoskeletal; 5 mental health/depression; 22 stress related. Referrals to support services, work place assessments and case conferences were part of the health management plan. Advice on workplace adjustments, medical redeployment and ill health retirement were also given. 100% of employee ill health referral forms processed within 3 working days 62% reports sent to HR/schools within 3 working days					
Vision screening and other surveillance procedures	96	65	116		277
October – December 2014 From the 116 screenings which took place 2 required additional intervention to prevent a deterioration in health and maintain the employee in work.					
Healthy Lifestyles screens and follow up appointments	129	142	114		385
October – December 2014 From the initial healthy lifestyle screens, 38 were identified as having previously unidentified health problems, and required follow up appointments at the OHU and referrals to their GP.					
Self-referrals	7	8	6		21

The above figures do not include income generation work for contracts, advice, support and guidance, telephone enquiries, health education training, developing policies, quality standards and guidance notes, etc. in support of the Promoting Health at Work process.

COUNSELLING SERVICE
Promoting Health at Work Statistics
2014/2015

Appendix 8

Activity	Apr – Jun 2014	Jul – Sep 2014	Oct – Dec 2014	Jan – Mar 2014	Total for Year
New referrals for counselling	148	137	153		438
Counselling sessions	648	637	580		1865
The table below provides a breakdown of reasons for referral					
Mediation					
Anxiety Management group attendance including CBT	4	3	3		10
Numbers trained in managing mental health, stress and interpersonal issues in the workplace	37	17	16		
Stress Risk Assessments (number of employees involved)	110	44	211		365
Service evaluation					
Number of employees completing questionnaire	56	23	69		148
Counselling helped avoid time off work (not on sick leave)	43	15	39		97
Counselling helped early return to work (on sick leave when counselling started)	8	7	21		36
Did not affect sickness absence	5	1	9		15

The above figures do not include advice, support and guidance, telephone enquiries, health education training, developing policies, quality standards and guidance notes, etc., in support of the Managing Health at Work process

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Cabinet Member (Strategic Finance and Resources)

9 March 2015

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 Q3 (1 October to 31 December 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:

To provide the Cabinet Member with performance information on the use of agency workers procured through the Master Vendor Contract for the Q3 period 1 October to 31 December 2014; to compare Q2 2014/15 with Q3 2014/15 expenditure. To also consider Interim Manager spends for the same periods which are now procured through National Framework Agreement RM692 along with any additional off contract spends across the authority

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 Q3 period; Interim managers and any off contract spends
3. Review the Q3 spends for 2014/15 with the previous Q2 spends for 2014/15 for spends with Pertemps and for Off-Contract spends during the same period.

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 Q3 2014/15 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 Q3 2014/15 for spends with Pertemps.

The information attached in Appendix III shows a summary of the usage of agency workers in Q3 2014/15.

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 Q3 (1 October to 31 December); Interim Managers spends and off contract spends.

1. Context (or background)

The Master Vendor contract came into effect with our Master Vendor provider, Pertemps on 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 Q2 for 2014/15 with Q3 2014/15 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; agency workers in schools; contractors and service contracts set up to supply services.

2.1 Table for comparison with Q2 2014/15 and Q3 2014/15 Agency Spend.

Directorate	Spend Q2 2014/15	Spend Q3 2014/15	Increase/decrease
People Directorate	£1,518,886	£1,750,516	Increase
Places Directorate	£97,001	£99,033	Increase
Resources Directorate	£221,544	£262,053	Increase
Chief Executives	£0	£0	
TOTAL	£1,837,431	£2,111,602	Increase

Directorate Commentary on increased Agency worker Spend for Q3 2014/15**People Directorate**

Expenditure on Agency Workers increased by £231,630 in quarter 3 compared to quarter 2. This increase reflects the on-going need for experienced social workers to deal with higher workloads being experienced, particularly within the Referral and Assessment Service and in Children's Social Care, due to the unprecedented rates of referrals at the moment. There is on-going recruitment within Social Work with a view to reducing the need for agency workers in the longer term. This has proved successful in appointing newly qualified children's Social Workers. The Do it For Daniel Campaign was launched during the last quarter with the aim of recruiting experienced Social Workers. At the end of January we had recruited approx. 29 Children's external Social Workers through the campaign with a further 8 internally through the campaign.

The campaign was nominated for a national advertising award and was voted outright winner for the best print advertisement at the RAD awards in London in January.

In addition work is being undertaken regionally between 14 local authorities in the West Midlands to cap the agency worker hourly rates for Children's Social Workers (this varies depending on the level being appointed to). Concern had been raised by Chief Executives and the Director of

Children’s Services in the region about escalating hourly rates for Children’s Social Workers so a meeting was held in 2014 to agree on capped rates for several levels of social workers. These capped rates were introduced at the beginning of January 2015. Social workers currently engaged with an Authority will remain on their agreed rates until such time as they move authorities and then the new rates will be applied. Work is also in progress to create a centralised bank of references held on behalf of participating authorities. This will enable more effective monitoring of agency worker performance between Authorities. This project should result in hourly rates for agency social workers remaining static and ultimately reducing. Other authorities from surrounding areas have shown an interest in the project and will be interested to see how we progress. Managers are required, as is our Master Vendor Pertemps, to ensure that no hourly rate is awarded above the agreed capped rate and exceptions will be reported to the Director.

Resources

Expenditure on agency workers has increased on Q2 in Q3 by £40,509. This increase in spend is due to the use of more contractors in the ICT area although a more cost effective way of resourcing this work is being looked at with a view to reducing spend in the longer term.

2.2 Authorised Off- Contract spends

Directorate	Spend Q2 2014/15	Spend Q3 2014/15	Increase/decrease
People Directorate	£612,285	£667,317	Increase
Places Directorate	*£1,071,660	£1,718,824	Increase
Resources Directorate	£0	£0	
Chief Executives	£0	£0	
TOTAL	£1,683,945	£2,386,141	Increase

Skylakes Social Work

During Q3 £667,317 was spent with Skylakes. Skylakes have supplied two teams of social workers, (including Team Managers) to the Referral and Assessment Service since the end of March 2014. A further team of social workers (including a Team Manager) has been in place to support the Neighbourhoods since May. Skylakes provide their own administrative support to their teams.

The need for greater capacity in these front door services was created due to an increase in the number of referrals. This resulted in permanent social workers having unsustainable caseloads which meant that work could not be progressed in a timely way.

Two of the Skylakes Teams have now left and the third team is being reviewed but will provisionally be with us until March 2015.

Place Directorate authorised off contract spends Q3

West Midlands Highways Alliance for Professional Services

Place operate a Joint Professional Services Contract with Solihull and Warwickshire to procure professional agency staff and secondments to provide high level professional skills. This contract was part of the West Midlands Highways Alliance and has been set up to deliver the £115 million highways and transportation capital programme and includes Whitley Junction; Friargate; A4600 improvements, Warwick University as well as specialist staff working within Highways and Traffic & Transportation. Spends in this area for Q2 £1,071,660 and for Q3 £1,718,824 showing an increase of £647,164.

*The figure of £1,071,660 is showing an increase of £974,659 to that previously reported. The figure previously reported was an estimated figure and the figures now shown is the actual spend and the reporting should now be more accurate now going forward.

2.3 Unauthorised off contract spends

There was no unauthorised off contract spends during Q3.

3. Interim Management Spend for 2 2014/15 and Q3 2014/15

Table 2.3 shows a summary of spend for Interim Management in Q1 2014/15 and Q2 2014/15. This relates to cover for Senior Hay graded jobs over £50,000 pa. The procurement of Interim Managers is generally 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 Q2	Total Spend Q2	Number of Managers in Q3	Total Spend Q3
People Directorate	2	£70,625	2	£76,737
Resources Directorate	1	£24,800	1	£14,080
Place Directorate	0	0	0	0
TOTAL	3	£95,425	2	£90,817

People Directorate

An interim manager was retained in People Directorate on a part time basis 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. This arrangement concluded at the end of December 2014.

An Interim Assistant Director continues to oversee Children's Social Care on an interim basis.

This interim was not appointed through the National Framework Agreement for Interims but through a local arrangement.

Resources Directorate

An Interim manager was required to cover the vacancy of Head of Customer Services. This post was leading on the “Customer Journey Transformation” as part of the Kickstart Programme. The post has now been recruited to on a permanent basis.

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 2014/15 is £1,300,000. This is based on the previous years' total rebate and the expectation of the continued higher level of spends in the forthcoming months. For Q3 we received a rebate of £369,536 from Pertemps.

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, and the need for cover in areas such as Children's Social Work and Benefits to cope with the increased demand for services. This results in the need for agency workers to provide capacity and scarce skills. We have now launched a recruitment campaign called 'Do it for Daniel' aimed at recruiting, over the next several months, a number of Social Workers which will help reduce the need for agency social workers going forward. We have already seen a number of our existing agency workers apply to transfer to permanent positions with us and at the time of writing this report we have recruited 4 agency social workers to permanent positions and in addition have made approx. 29 offers through the campaign with a further 5 still to be interviewed.

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.

We now show any additional off contract spends in a separate table. Off contract spends occur 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 or where we need some very specialist skills.

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 more recently catering staff. 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 £2,111,601 which equates to 5.3% of the overall wage bill for this quarter (excluding schools).

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 Q3.

The 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 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

Report author(s):**Name and job title:**

Jane Crawley, Recruitment Manager

Directorate:

Resources Directorate

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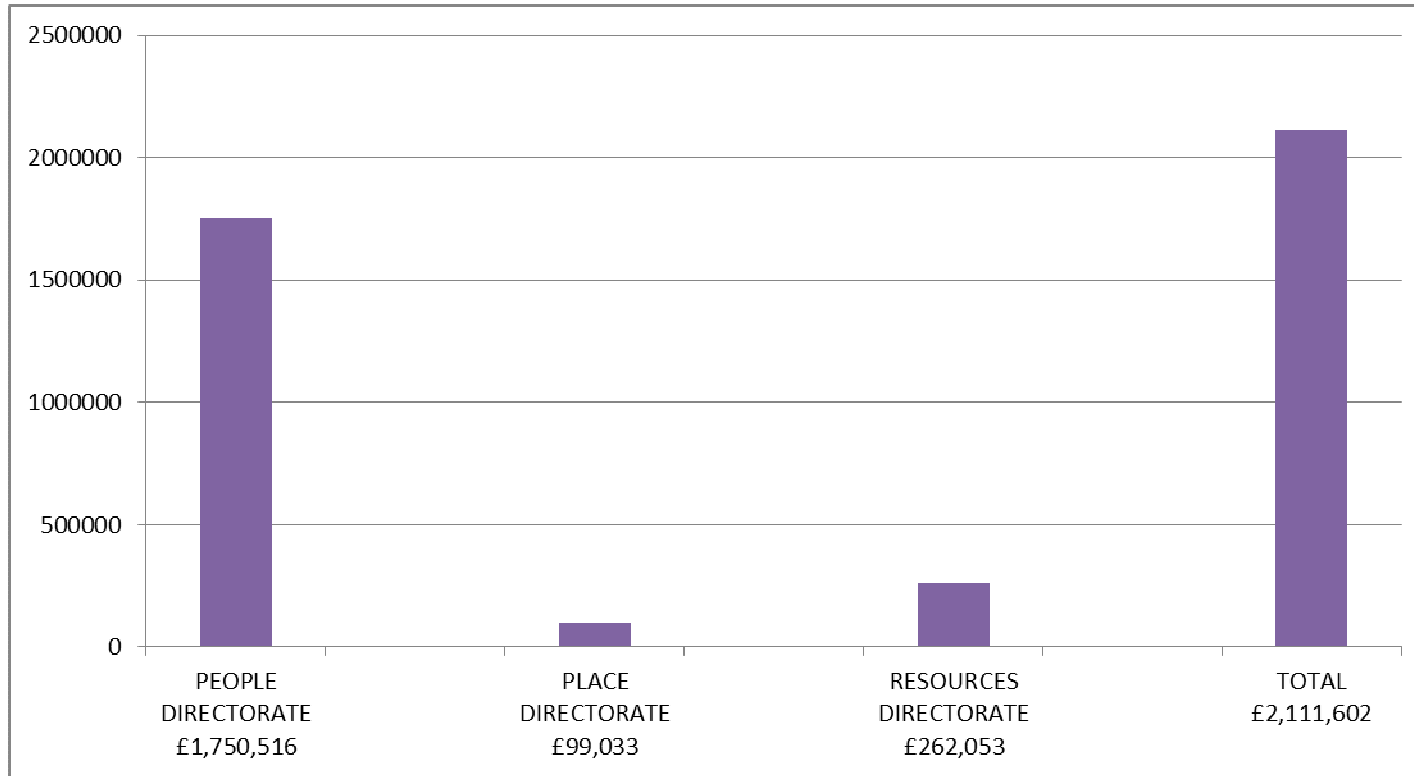
Enquiries should be directed to the above person.

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Director: Chris West	Executive Director	Resources	11 Feb 2015	25 th Feb 2015
Member: Councillor Gannon	Cabinet Member		11 Feb 2015	25 th Feb 2015

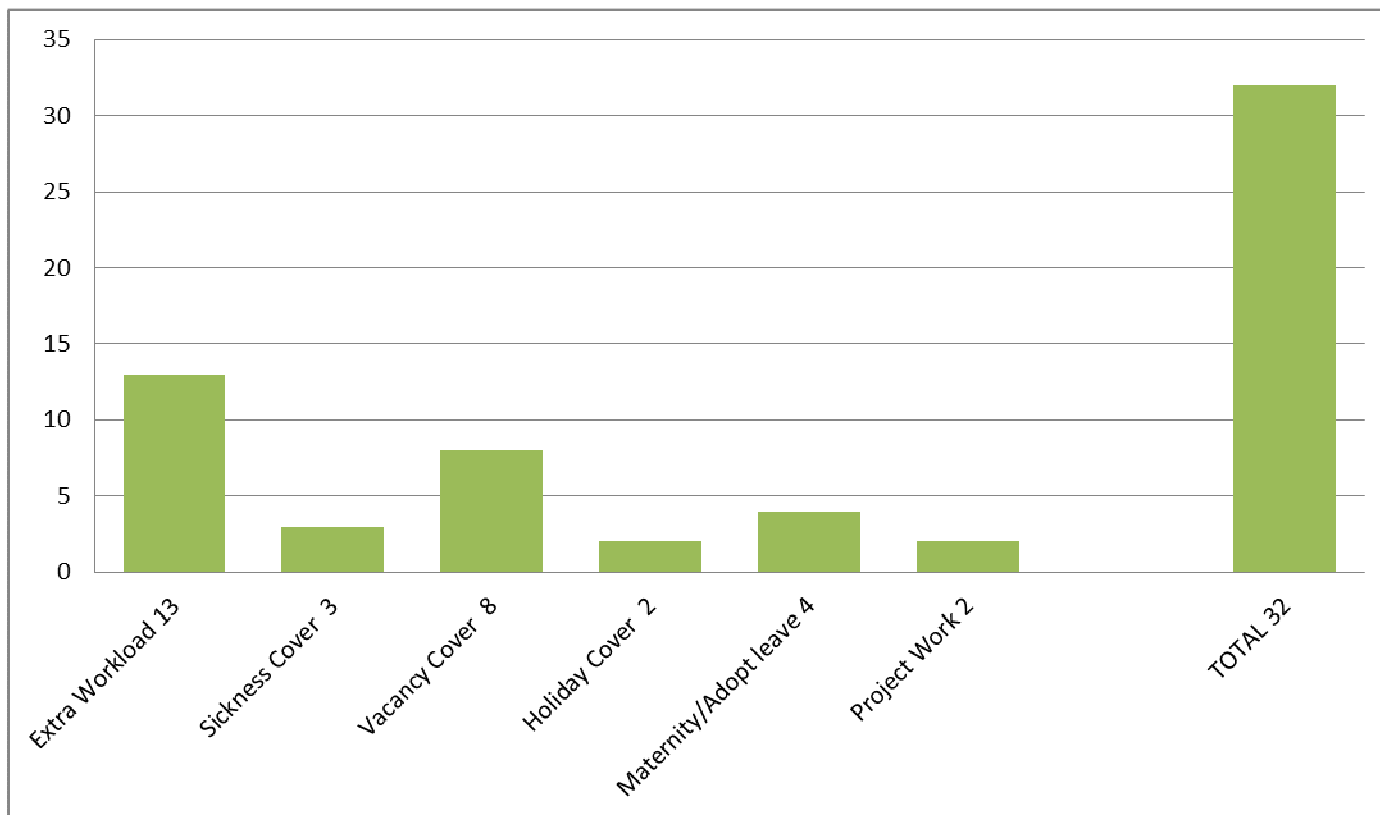
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APPENDIX I - AGENCY SPEND BY DIRECTORATE - OCTOBER TO DECEMBER 2014



APPENDIX II - ORDER JUSTIFICATION QUARTER 3: OCTOBER TO DECEMBER 2014



APPENDIX III - SUMMARY OF USE OF AGENCY WORKERS BY DIRECTORATE AND STRATEGIES IN PLACE FOR REDUCING DEPENDENCY ON AGENCY WORKERS
Q3 OCTOBER TO DECEMBER 2014

Directorate	Q2 July to September 2014 Expenditure by Service Area	Q3 October to December 2014 Expenditure by Service Area	State Usage of Agency Workers in Q3	What Strategies are in place for Reducing Dependency on Agency Workers
People Directorate	Total Expenditure Q2 <u>£1,510,558</u>	Total Expenditure Q3 <u>£1,750,516</u>	<p>There has been an increase in expenditure since Quarter 2. The majority of agency spend continues to be in the area of children's social care where caseload numbers continue to be high. This is coupled with a number of vacancies in the service which is due to shortages of Social workers both regionally and nationally</p>	<p>The "Do it for Daniel" Recruitment Campaign has enabled approximately 29 vacancies to be filled, however a significant number of vacancies remain particularly in Neighbourhood Teams.</p> <p>Additional strategies are being explored and developed to address resourcing issues in both the short and long term</p>
Place Directorate	Total Expenditure Q2 <u>£97,001</u>	Total Expenditure Q3 <u>£99,033</u>	<p>The total spend on agency workers within directorate during the quarter three was £99,033. This is a slight increase of £2,032 over the expenditure in quarter two.</p> <p>The primary reasons for the use of agency of workers within the directorate for quarter three have been due to extra workload, vacancy and employee sickness absence cover. Due to the front line public facing nature of some of the services within the directorate, any employee absence must be covered to allow efficient and effective operation. Therefore, the use of agency workers is inevitable due to service needs. For example, within the Domestic Waste service due to</p>	<p>The directorate continues to have a number of strategies in place to ensure the use and expenditure on agency workers is monitored and steps are taken to reduce their use. For example:</p> <ul style="list-style-type: none"> • Before going down either route we would look at the opportunity for internal secondment of an existing employee. • Managers are required to consider if the use of agency staff or a short term contract is justified in terms of providing value for money against the alternative of recruitment. Recruitment

			the staffing levels required any absences must covered with either casual pool workers or agency workers to allow the relevant crews to be deployed.	remains the normal way in which the vast majority of posts are filled. <ul style="list-style-type: none"> • Assistant Directors monitor the use and expenditure on agency workers • The directorate has completed work on creating casual worker pools
Resources Directorate	Total Expenditure Q2 <u>£229,872</u>	Total Expenditure Q3 <u>£262,053</u>	Legal Services - have experienced an increase in workloads across all areas. Locums have been appointed to cover vacant posts until the pending Legal Services review is implemented. ICT – external contractors have been engaged to assist with peaks in volumes of technical project work. There are significant levels of ICT change taking place across the council over a short period of time, for example, the new telephony system.	Once the review is completed agency spend will be reduced accordingly. The ICT division is looking to fully utilise in-house resources and will look for alternatives to contractor spend where this represents value for money. In addition, where contract or specialist resource is used, then a focus is given to knowledge/skills transfer as a training/coaching opportunity for in-house staff.
OVERALL TOTALS	Q2 £1,837,431	Q3 £2,111,602		

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