



Cabinet Member for Strategic Finance and Resources

Time and Date

10.00 am on Thursday, 18 July, 2019

Place

Diamond 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 21 February, 2019 (Pages 3 - 6)
 - (b) Matters Arising
4. **Sickness Absence to Year Ending 31 March, 2019** (Pages 7 - 18)
Report of the Deputy Chief Executive (People)
5. **Agency Workers and Interim Managers - Performance Management Report Q4 - 1 January to 31 March, 2019** (Pages 19 - 34)
Report of the Deputy Chief Executive (People)
6. **Outstanding Issues** (Pages 35 - 38)
Report of the Deputy Chief Executive (Place)
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

Martin Yardley, Deputy Chief Executive (Place), Council House Coventry

Wednesday, 10 July 2019

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett Tel: 024 7697 2299 email Suzanne.bennett@coventry.gov.uk

Membership: Councillor J Mutton (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.

Suzanne Bennett

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Coventry City Council
Minutes of the Meeting of Cabinet Member for Strategic Finance and Resources
held at 10.00 am on Thursday, 21 February 2019

Present:

Members: Councillor J Mutton (Cabinet Member)
 Councillor K Taylor (Shadow Cabinet Member)

Employees:

People: R Grewal, G Haynes, A Miles

Place: U Patel

Public Business

24. Declarations of Interest

There were no declarations of interest.

25. Minutes of Previous Meeting

The minutes of the meeting held on 13 December, 2018 were agreed and signed as a true record.

There were no matters arising.

26. Apprenticeship Update

The Cabinet Member for Strategic Finance and Resources considered a report of the Deputy Chief Executive (People) which provided an overview of the current number and make-up of apprentices at the Council and at Coventry schools that work with the Apprenticeships and Early Careers team. The report also provided an update on the progress made regarding the Apprenticeship Levy spend across the Council.

The Apprenticeships and Early Careers team is responsible for managing the council's apprenticeship scheme and delivering the actions set out in the Council's Apprenticeship Strategy 2016-19.

The team engages with managers across services to identify posts suitable for placing apprentices and providing support with recruitment, identifying and sourcing apprenticeship training along with providing advice and guidance to managers and apprentices to ensure the quality of apprenticeship placements.

This service is also available to Coventry schools who wish to participate and currently the team were working with 28 schools.

The Levy is paid at 0.5% of the pay bill minus a Levy allowance of £5k for each tax year. The Levy is collected monthly by HMRC via the PAYE system and converted into digital vouchers accessed via the digital apprenticeship service account. Levy funding can only be spent on apprenticeship training.

The yearly cost of the Levy to the City Council is in the region of £1m which is made up of approximately £600K from the corporate wage bill and £400k from maintained schools. The government would top this up by a further 10%, making the total amount of funding available to circa £1.1m.

As of 22nd January 2019 there were currently 120 apprentices in post and of these, 10 are Looked after Children (LAC), this being the highest number appointed by the Council. Of the 120 apprenticeships, 38 are appointed by the Council and 82 by schools. The report provided further breakdown by vocational areas and as well as levels.

The report provided information on the level of levy spend and the procurements that were being undertaken for a number of apprenticeship standards. It was noted that the portfolio of Apprenticeship training was expanding in line with any as new standards that were being released.

The Cabinet Member suggested that efforts should be concentrated on those area where the agency spend is high as there was clearly a need there. He commented that there needed to be a programme that promotes the opportunities available at the Council. Furthermore, events should be held in Council buildings, providing young people with an opportunity to get a feel for a real working environment. Senior officers and elected members could also get involved.

The Cabinet Member enquired whether officers had investigated the possibility of providing help and advice to private firms and organisations to utilise their apprenticeship Levy which in the long term would prove to be beneficial to both parties as well creating more opportunities for apprenticeships.

Following consideration of the report and discussions at the meeting, Members requested that a briefing note showing a breakdown of apprentices by male/female to be emailed to them.

RESOLVED that the Cabinet Member for Strategic Finance and Resources:

- 1. Notes the progress made in utilising the Apprenticeship Levy for the benefit of new recruits, existing staff members and the City Council.**
- 2. Requests that a report be submitted to the first Cabinet Member meeting in the New Municipal Year outlining how the Council can help other companies utilise their Apprenticeship Levy.**

27. Agency Workers - Performance Management Report Q3: 1 October to 31 December, 2018

The Cabinet Member for Strategic Finance and Resources considered a report of the Deputy Chief Executive (People) which provided information on the use of agency workers procured for the Q3 period 2018/2019.

Coventry City Council has a Master Vendor Contract with Reed for the supply of agency workers which came into effect on 25th June, 2018. Through the contract, Reed would supply all suitable agency workers either through their own agency or

via a second tier arrangement with other agencies, using rates of pay based on an agreed pay policy and a negotiated mark-up rate with the Master Vendor. The information supplied by Reed gives detailed information on agency worker usage and expenditure. Spend is based on timesheets paid during the quarter and is in essence the same process reported by Pertemps previously

It was noted that Reed is not always able to supply the required agency workers and where this was the case, service areas would use other suppliers.

The report showed that overall cumulative spend on agency workers with both Reed and outside Reed had decreased by just over £81,000.

The comparative expenditure figures for the Master Vendor Contract between Q2 2018/2019 and Q3 2019/19 as well as Q3 2017/18 and Q2 2018/19 were detailed in table 2.2 of the report. These indicated that there had been an overall decrease of £77,085 in spend between Q2 and Q3 2018/19 and an increase of £150,428 compared to the same quarter in 2017/18. The Master Vendor Contract covered all agency workers required by the Council, the Reed contract does not cover agency workers in schools.

With regard to spend outside of the Reed contract, the report showed that there has been an overall decrease in spend of £4,455 between Q2 and Q3 2018/19 as well a decrease of £634,397 compared to the same quarter Q3 2017/18.

The report provided information on the main areas that contributed to the agency spend within the directorates, noting that some of it was to cover statutory duties and some was to cover vacancies that were in the process of being recruited to. A breakdown of spend within each Directorate was detailed in the report.

With regard to Waste Services, the report stated that during the Christmas and New Year period, the need for additional operatives was greater than the casual pool could supply, therefore, collectors and HGV drivers were sourced through the agency.

The Cabinet Member reiterated his commitment to reducing the need for agency staff. He expressed disappointment with the problems that occurred with waste operatives over the Christmas period and requested that a briefing note explaining the situation be emailed to him at the earliest opportunity.

RESOLVED that the Cabinet Member for Strategic Finance and Resources:

- 1. Notes the agency/interim spend for Q3 2018/19.**
- 2. Notes the cumulative spend for both agency workers via Reed and outside Reed (Table 2.1)**
- 3. Notes the upward trajectory of permanent filled jobs in Children Services (Appendix 1)**
- 4. Requests Directors to submit a report to the first Cabinet Member meeting in the New Municipal Year outlining what steps are being taken to reduce the need for agency spend within their Directorates.**

28. **Outstanding Issues**

There were no other items of business.

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

The Cabinet Member reported that he had awarded a discretionary one off grant of £15,000 from the Policy Contingency Budget to the Jesus Centre to tackle repeat homelessness.

RESOLVED that the Cabinet Member for Strategic Finance and Resources retrospectively approves a one off grant of £15,000 to be awarded to the Jesus Centre to tackle repeat homelessness.

(Meeting closed at 10.45 am)



Cabinet Member for Strategic Finance and Resources

18th July 2019

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:
Deputy Chief Executive People**

Ward(s) affected:

None

Title:

Sickness Absence to year Ending 31st March 2019

Is this a key decision?

No

Executive Summary:

To enable Cabinet Member for Strategic Finance and Resources to monitor:

- Levels of sickness absence for the year ending 31st March 2019.
- The actions being taken to manage absence and promote health at work across the City Council.

Reporting methodology for 2018/19

The report;

- Is based upon a rolling 12 month period
- Excludes schools' workforce data (schools' data is inconsistent with the data of the workforce as a whole)
- Measures Sickness Absence as days lost per Full Time Equivalent (FTE)

Recommendations:

Cabinet Member for Strategic Finance and Resources is asked to:

- 1) Receive this report providing sickness absence data for the year ending 31st March 2019 and endorse the actions taken to monitor and manage sickness absence.
- 2) Note the need to keep under review our sickness and absence policies and procedures and invest in sickness absence management training in order to deliver a sustained reduction of absence levels.

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: Sickness Absence to year Ending 31st March 2019

1. Background

Performance

- 1.1 This report provides the sickness absence figures for the Council as days lost per employee (FTE) for the year ending 31st March 2019 and for the previous year

Coventry City Council (excluding Schools)		
	Up to March 2019	Up to March 2018
People	11.62	12.17
Place	9.62	11.11
CCC	10.94	11.44

- 1.2 A report on Sickness Absence is produced every 6 months based on the previous year's performance. The method of calculating absence is the same as that widely used by other employers including Local Authorities and thus enables us to compare our performance
- 1.2.1 Absence figures for schools are excluded because there are fewer working days in the year and therefore the number of days lost does not produce a sensible comparison.
- 1.2.2 The current target figure for the number of days lost per FTE is 8 days. However, this was arrived at when school's figures were included in the total and thus the overall figures were significantly lower.

The target of 8 days was approximately 15% lower than actual performance (9.4 days). To set a similarly demanding target now that the school's figures have been excluded, it is suggested that a target of 9.3 days be set (i.e. 15% below our current performance)

This will produce a more realistic target going forward.

1.3. Comparative Data with Other Local Authorities

West Midlands Employers have provided comparative information for unitary authorities within the region as follows:

	Days lost per FTE (Excluding Schools)
West Midlands Authorities	
Coventry City Council	10.94
Birmingham City Council	10.44
Dudley Met Borough Council	12.17
Herefordshire	8.24
Staffordshire County Council	10.75
Stoke	10.96
Solihull Met Borough Council	10.54
Warwickshire County Council	9.51
Wolverhampton Met Borough Council	9.5
Worcestershire County Council	7.68

At the time of writing this report not all Unitary authorities had reported figures for 2018/19

1.3.1 Employees working with social care typically have higher levels of absence. Therefore, the overall absence rates for authorities who have outsourced large areas of social care are likely to be lower.

1.3.2 CIPD (Chartered Institute of Personnel & Development) data for 2019 suggests that average absence in the public sector is 8.4 days per year

1.4 Reasons for Absence

1.4.1 The top 3 reasons for absence (shown as a percentage of the days lost) for 2019 and 2018 are as follows:

Coventry City Council (excluding Schools)	March 2019	March 2018
Stress, Depression, Anxiety	33.18%	23.93%
Other Musculoskeletal Problems	18.80%	17.68%
Stomach, Liver, Gastroenteritis	8.52%	9.86%

People Directorate	March 2018	March 2018
Stress, Depression, Anxiety	36.70%	27.36%
Other Musculoskeletal Problems	16.34%	16.99%
Stomach, Liver, Gastroenteritis	8.47%	7.21%

Place Directorate	March 2019	March 2018
Stress, Depression, Anxiety	24.87%	23.43%
Other Musculoskeletal Problems	24.61%	25.75%
Stomach, Liver, Gastroenteritis	8.63%	7.80%

- The main reason for absence is Stress, Depression, and Anxiety. Based upon employees who are referred to Occupational Health we have some information on the extent to which they attribute these problems to work or external pressures (see 2.2 under Mental Wellbeing)

1.5 Short Term and Long Term Absence

1.5.1 The following table shows the breakdown between long term and short term absence for the year ending 31st March 2019, expressed as a percentage of total days lost.

Coventry City Council (excluding Schools)			
Directorate	Long Term (30 Calendar Days+) <i>(Number of employees)</i>	Short Term (below 30 Days) <i>(Number of employees)</i>	
People	70.99% <i>(379)</i>	29.01% <i>(1547)</i>	
Place	67.16% <i>(160)</i>	32.84% <i>(706)</i>	
CCC	69.85% <i>(539)</i>	30.15% <i>(2246)</i>	

Each column also includes the number of employees who have had a period of sickness in each category.

1.6 Sickness Absence Costs (excluding Agency costs)

Coventry City Council (excluding Schools)		
Directorate Totals	Employee Cost (£000 thousands)	<i>Days lost in thousands (FTE)</i>
People	3,562	<i>29037</i>
Place	1,433	<i>12278</i>
CCC Totals:	4,995	<i>41314</i>

1.7 Outcomes of the Promoting Health at Work Corporate Procedure

- 1.7.1 During 2018/2019 there have been a total of **24** employees who left the council in accordance with the 'Promoting Health at Work' Corporate Procedure. **14** have been due to ill health retirement and **10** are due to the required standards of attendance not being met.

2. Activities during the current year

2.1 HR Support Team

HR staff aim to ensure a consistent approach to sickness absence management and to provide information on sickness absence to Management Teams/Senior Managers monthly. HR colleagues also support managers in the application of the Council's 'Promoting Health at Work' procedure.

- 2.1.2 Management teams review summary sickness absence reports monthly to monitor the progress and determine actions needed to address any hotspots.

- 2.1.3 HR teams undertake proactive strategies to support the managers in the reduction of sickness absence levels. This includes:

- Robust approach in 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 senior managers when employees trigger a sickness absence point and have not been 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 Coventry City Council as a whole. This includes: receiving the absence phone call, conducting effective 'Return to Work' interviews, supporting employees with a disability, and understanding the rationale for making reasonable adjustments in the workplace to facilitate an employee's return to work.
- Training has enabled managers the opportunity to refresh their knowledge and understanding of the 'Promoting Health at Work' procedure.

- 2.1.4 A number of service areas across Coventry City 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 The purpose of 'performance clinics', is to provide an opportunity for Management with the relevant Head of Service/Directors to review sickness and performance patterns and 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 procedure and other relevant processes.
- 2.1.6 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 from HR on changes to procedure and the full support that's available to its employees and managers.
- 2.1.7 One of the 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.
- 2.1.8 In addition to the above a process mapping exercise is currently being undertaken with a view to making management processes in this area efficient and effective.

2.2 Occupational Health, Safety and Wellbeing Service

Activities from the Occupational Health Team

RoSPA (Royal Society for the Prevention of Accidents) Health & Safety Awards

Coventry City Council's Occupational Health, Safety & Wellbeing Service has been successful in achieving a second consecutive Gold in the internationally-renowned RoSPA Health and Safety Awards, the longest-running industry awards scheme in the UK.

The RoSPA Awards scheme which runs annually, recognises and celebrates excellence in safety performance and organisation's commitment to raising the standards of health and safety management.

Incident and accident reporting system

The new incident and accident reporting system, Alcamus Info Exchange, commenced on 1st April 2019, with accompanying communication and training

Accident Prevention Programme

Over the last 12 months only 24 near miss incidents have been reported which is a small decrease when compared with last year. All near miss incidents reported have been followed up by the Health and Safety Team. A summary report will be available in Q1 – 2019.

Corporate Health & Safety Audit, Inspection & Monitoring Programme

- The Occupational Health, Safety and Wellbeing Service will be co-ordinating the Managers Health and Safety Annual Self-Assessment Audit in July 2019, which reviews health and safety performance throughout the Council. The findings will inform Directorate Health and Safety Plans. The Audit outcomes will be reported in Q2.
- The Service is also undertaking a topic audit of mandatory health and safety training. The outcome of the audit with associated action plan will be available in Q3 2019.

Current Wellbeing Activities

- Yoga and massage sessions have continued at lunch times at Friargate in the Wellbeing room.
- A Wellbeing Week took place on the week commencing 20th May 2019 for Adult and Children's Services. The events which focus on wellbeing and resilience took place at three venues across the City.
- Further wellbeing events are being planned in August 2019 to support Children's Services, with additional workshops and therapies.

Musculoskeletal

The Fast Care Clinics at 3 City Arcade and Whitley Depot will continue to support high risk areas for musculoskeletal problems.

- 183 cases were closed, having been provided with appropriate advice and support.
- 34% of referrals for musculoskeletal problems assessed were caused or made worse by work. These were distributed across directorates and schools. No single area was represented as a hot spot. No single condition was significantly represented.
- All 183 cases were addressed, and work practices reviewed.

Mental Wellbeing (Annual Summary)

- 470 referrals were made to counselling and 256 cases were closed. Of the 256 closed cases, 100 employees attributed their difficulties to a combination of personal and work related pressures and 36 reported that their difficulties were solely work related stress.

3. Public Health

- 3.1 The Director of Public Health and Wellbeing has been chairing a cross council sickness absence working group as part of the Our Future Workforce programme. The purpose of the group is to better understand our sickness absence patterns and identify opportunities to reduce sickness absence and improve health and wellbeing across the organisation.
- 3.2 The group are developing an organisational Health and Wellbeing Strategy based around the Thrive at Work standards. In November 2018 the Health and Wellbeing Board including the Council signed up to a commitment to develop a standalone wellbeing induction for all new staff and to register and work towards meeting the THRIVE bronze standards in 2019 (Thrive at Work builds on our previous Workplace Wellbeing Charter status and the framework we are promoting to a range of local employers as part of the Year of Wellbeing and our Business Development function)
- 3.3 Public Health have been supporting the iBCF (Improved Better Care Fund) funded adult social care Making Every Contact Count (MECC) programme. Social workers across the council have been trained in MECC and motivational interviewing to support them around health behaviour change with clients. The programme has also supported awareness of staff wellbeing and creation of health and wellbeing champions within social care.

4. Results of consultation undertaken

Trade union colleagues are kept up to date on the latest absence figures and are actively involved in casework regarding sickness absence management.

Absence from work is also as part of the reported Health & Safety Governance arrangements.

5. Timetable for implementing this decision

None

6. Comments from the Director of Finance and Corporate Resources

6.1 Financial Implications

The cost of sickness shown in section 1.6 is a calculation of the pay cost of individuals who have been absent from work due to sickness. The actual impact on the Council is the financial cost of replacement cover where this is required in specific service areas plus the notional cost of the effect of the absence on the Council's ability to deliver its services.

6.2 Legal implications

Employees are able to make a claim against the Council if they can demonstrate that the Council has failed in its duties as an employer when dealing with sickness absence.

7. Other implications

There are no other specific implications.

7.1 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) twice a year at the end of Q2 and the end of Q4.

7.2 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 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

7.3 What is the impact on the organisation?

Human Resources

The HR/OD teams 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

Data warehouse: Throughout 2018/19 HR data including sickness absence will be stored on the Data warehouse enabling us to use the latest corporate reporting tools improving consistency, timeliness, analyses and presentation of statistics.

7.4 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.

7.5 Implications for (or impact on) the environment

None.

7.6 Implications for partner organisation

None.

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

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Directorate:

People

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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:				
Wilma Green	Human Resources Advisor	People	21/06/19	26/06/19
Angie White	Occupational Health & Safety Manager	People	21/06/19	02/07/19
Paul Jennings	Finance Manager	Place	21/06/19	25/06/19
Suzanne Bennett	Governance Services Co-ordinator	Place	21/06/19	24/06/19
Names of approvers: (officers and members)				
Grace Haynes	Head of Workforce Transformation & Interim Head of HR&OD	People	21/06/19	02/07/19
Julie Newman	Head of Legal Services	Place	21/06/19	02/07/19
Liz Gaulton	Director of Public Health & Wellbeing	Public Health	21/06/19	21/06/19
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		21/06/19	02/07/19
Gail Quinton	Deputy Chief Executive	People	21/06/19	28/06/19

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Cabinet Member for Strategic Finance and Resources

18 July 2019

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

None

Title:

Agency Workers – Performance Management Report Q4: 1 January to 31 March 2019

Is this a key decision?

No.

Executive Summary:

The purpose of this report is to provide the Cabinet Member with performance information on the use of agency workers procured for the Q4 period 2018/2019.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is requested to note:

1. The recruitment and retention challenges impacting and affecting the business and strategies in place or working towards to support these.
2. The agency / interim spends for Q4 2018/19.
3. The cumulative spend for both agency workers via Reed and outside Reed (Table 2.1).
4. The upward trajectory of permanent filled jobs in Children Services (Appendix 1).

List of Appendices included:

Appendix 1 shows a 12 month upward trajectory of filled permanent posts in Children's Social Care.

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 Management Report Q4, 1 January to 31 March 2019.

1. Context (or background)

1.1 Coventry City Council has a Master Vendor Contract with Reed for the supply of agency workers. Through the contract, Reed supply all suitable agency workers either through their own agency or via a 2nd tier arrangement with other agencies, using rates of pay based on an agreed pay policy and a negotiated mark-up rate with the Master Vendor. The information supplied by Reed gives detailed information on agency worker usage and expenditure. Spend is based on timesheets paid during the quarter.

Reed is not always able to supply the required agency workers and where this is the case, service areas will use other suppliers. However, where other suppliers are being used, the business is engaging with Reed to bring other suppliers and or workers under the Master Vendor contract. Reed covers all agency workers required by the core council. The contract does not cover agency workers in schools.

1.2 This report highlights across the council several examples where agency is being used during service pressure or restructure/change and special projects. This has a cumulative impact across the business incorporating numerous internal and external factors that affect the context of the council and demonstrate why using agency is on occasions appropriate, but also provides detail around what measures are in place to ensure this doesn't drift.

Whilst the control of agency spend is managed locally within individual service areas, the internal and external factors that drive our workforce challenges lends itself to the whole of the organisation. Financial constraints, technology, political, local and legislative agenda's as well as the speed of change, high customer demand and more attractive offers add to the recruitment and retention pressures the organisation is faced with.

We operate in a very tight labour market i.e. more jobs than candidates, the market is candidate led e.g. financially driven, which in turn creates both internal and external challenges and a highly competitive environment when recruiting and retaining staff. Coupled with skills and experience shortages, locally as well as nationally in qualified and specialist arenas specifically social care, planning and other professional services including surveyors, transportation and UTMC. An ageing workforce also contributes to the recruitment challenges as well as recruiting and retaining staff across 5 generations with differing needs, expectations and requirements, puts extra pressure on service areas to attract and retain the right people.

1.3 The apprenticeship levy has provided some leeway in creating opportunities to address some of these areas, however, adverse weather conditions during this quarter and unexpected staff cover has contributed to the increased pressure and demand on frontline services across both directorates. Local and national skills shortages and a sparse candidate labour market pool therefore requires reliance on agency workers to counteract the risk of not being able to provide a front-line service. In order to continue to make efficiencies through the organisation, dictates the use of a temporary workforce until such arrangements have been concluded.

1.4 Alternative options can be considered for example pools of workers are viable options, however, they require funding. In addition, to maximise the potential for both service and individuals and to allow for cross service working, would require skills sets in various disciplines across the service areas, which can present problems for regular updated training and maintenance of skills.

At the same time regular working could impact employee status as well as increase the temporary workforce; options need to consider the financial costs to manage and resource. Agency usage is on a pay as you use basis and incurs charges via pay rates x hours worked and agency fees. In comparison with financial obligations to resource a pool, will require a permanent resource – which will incur a fixed price e.g. to use and to source.

Career pathways, development opportunities and graduate placements as well as redeployment outplacements are activities currently being utilised and developed for maximum potential across the business to enhance our candidate pools.

The recruitment service has recently appointed a new Recruitment Manager and the implementation of a new recruitment model will aim to support and assist innovative and direct sourcing of candidates to recruit to vacancies as an alternative to agency usage. In addition, close working with HR/OD will support more collaborative working and pooling of ideas to address many of the recruitment and retention issues that all employers are facing in today's constant changing and challenging times.

1.5 The commentary throughout this report will provide more detail around the specific service area.

2 Directorate Commentary on Agency Worker Spend for Q4 2018/19

Table 2.1

The table below highlights the **overall cumulative spend** on the use of agency workers with Reed and outside Reed, and compares Q3 and Q4 2018/19.

	Q3 2018/19	Q4 2018/19	Increase/Decrease
Reed	£1,206,650	£1,155,406	-£51,244
Outside Reed	£282,801	£328,777	£45,976
Total	£1,489,451	£1,484,183	-£5,268

The below table provides a breakdown of the cumulative spend across the Directorates for the same periods.

	Q3 2018/19		Q4 2018/19	
	Reed	Outside Reed	Reed	Outside Reed
PEOPLE	£1,071,341	£177,285	£1,009,693	£246,457
PLACE	£135,309	£105,517	£145,713	£82,320
TOTAL	£1,206,650	£282,802	£1,155,406	£328,777

Table 2.2

Tables 2.2 below shows comparative expenditure for the **Master Vendor Contract** between Q3 2018/19 and Q4 2018/19 as well as Q4 2017/18 and Q4 2018/19. There has been a **decrease of £51k** in spend between Q3 and Q4 2018/19 and a **decrease of £99k** compared to the same quarter in 2017/18. The Master Vendor Contract covers all agency workers required by the core Council, the Reed contract does not cover agency workers in schools.

	Spend comparing Q3 2018/19 to Q4 2018/19	Spend Q3 2018/19	Spend Q4 2018/19	Increase / Decrease £000's
PEOPLE	Adult Social Care	£164,072	£235,279	£71,207
	Children and Young People's Services	£835,891	£684,719	-£151,172
	Customer Services & Transformation	£68,222	£84,974	£16,752
	Education and Skills	£3,157	£4,721	£1,564
	People Directorate Total	£1,071,341	£1,009,693	-£61,648
PLACE	Finance & Corporate Services	£18,404	£20,347	£1,943
	Project Management and Property Services	£7,169	£4,534	-£2,635
	Streetscene & Regulatory Services	£109,737	£112,750	£3,013
	Transportation & Highways	£0	£0	£0
	City Centre & Major Projects Development	£0	£8,082	£8,082
	Place Directorate Total	£135,309	£145,713	£10,404
Total	£1,206,650	£1,155,406	-£51,244	

	Spend comparing Q4 2017/18 to Q4 2018/19	Spend Q4 2017/18	Spend Q4 2018/19	Increase / Decrease
PEOPLE	Adult Social Care	£206,201	£235,279	£29,078
	Children and Young People's Services	£690,482	£684,719	-£5,763
	Customer Services & Transformation	£93,325	£84,974	-£8,351
	Education and Skills	£0	£4,721	£4,721
	People Directorate Total	£990,008	£1,009,693	£19,685
PLACE	Finance & Corporate Services	£33,406	£20,347	-£13,059
	Project Management and Property Services	£0	£4,534	£4,534
	Streetscene & Regulatory Services	£225,358	£112,750	-£112,608
	Transportation & Highways	£5,917	£0	-£5,917
	City Centre & Major Projects Development	£398	£8,082	£7,684
	Place Directorate Total	£265,080	£145,713	-£119,367

	Total	£1,255,088	£1,155,406	-£99,682
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3. People Directorate

The table below shows the main areas that contribute to the Children's and Adult's spend in table 2.2 above:

	Q3 £'000	Q4 £'000
Children's Services: Social workers (Inc. Senior Social Workers)	718	606
Children's Services: Senior roles e.g. Social Work Team Managers, IR0's (G9+).	110	40
Adults' Services: Social workers (Inc. AMHP)	146	191
Adults' Services: Support Workers & Drivers	17	7

3.1 Children's Services – Total Spend Q4 £685k (Q3 £836k)

Children Services continues to use agency workers to fulfil frontline services. The bullet points below provides an overview of the impact of their ongoing recruitment and retention interventions:

- A continued stable positive downward trajectory of agency staff since December 2018 resulting in an overall 17% decrease in agency numbers from 47 in December 2018 to 39 in March 2019. This includes cover for 11 social workers who are currently on maternity leave.
- A continued recruitment drive resulting in a rise in the number of permanent staff. 84% of the Children's Social work establishment has now been filled with permanent staff. See Appendix 1 - highlights the upward trend.
- Increased retention of the workforce from a 79% retention rate in December 2018 to 83% at the end of March 2019.
- Recent attendance at the Birmingham and Manchester Jobs Fair and scheduled attendance at the London Jobs Fairs along with Open evenings held throughout the year to ensure recruitment, brand awareness and reputation building is optimised through multiple channels.
- The development of a social work academy which is attracting cohorts of 12 newly qualified social workers in to a highly supportive and learning environment for the first six months of their career is contributing to increased stability and reduced turnover.

3.2 Adult Services – Total Spend Q4 £235k (Q3 £164k)

The number of Agency Social Workers in Adult Services continues to cover interim posts over the winter and recruiting to particularly time limited service increases. As such, this has seen an increase of £71k in agency spend between Quarter 3 and Quarter 4. The reasons for continuing to employ agency social workers are:

- a) To cover vacancies and ensure that statutory duties are met in the Adults Disability, Mental Health and Older People Service areas. For all substantive vacancies recruitment is underway but in Adults Disability and Mental Health, initial recruitment has not resulted in the filling of all the vacancies.
- b) There are a number of posts that are short term due to the nature of funding. Funding is specifically linked to winter periods when anticipated surge activity needs to be met; such posts are very challenging to fill with directly employed staff and in order to make maximum use of available funding the speed of obtaining agency capacity is greater than the speed of direct recruitment. It enables a response to surge activity only over specific periods and avoids unnecessary additional establishment costs throughout the year. Alternatives such as a pool of staff would place additional burden on the ASC budget and reduce the capacity during winter to support essential health related activity which funding is intended to support.

Adult Social Care also employ support workers and OT/OTA's within provider services on an agency basis in order to maintain the staffing levels required to meet the needs of service users in registered care provision. Agency support workers tend to be required in order to cover vacancies where recruitment is underway and some occasions of sickness absence. The use of agency OT/OTA is related to the additional winter capacity and input to D2A pathways. Management action in being taken in respect of sickness, some vacancies have already been filled and further recruitment is underway.

3.3 Customer Services & Transformation Q4 £85k (Q3 £68k)

Agency spend of £53k for Q4 in **Customer Services and Business Services** is across three main areas;

- Consideration is being given for a review of the PA service. A potential future model has been considered with SMB and whilst this is formally consulted on and a subsequent change implemented, temporary staff members are being used to maintain the service.
- A review of Business Services has been undertaken and now moved into the implementation phase of the proposals. Through discussions at the project board an agreement was reached to avoid recruiting to vacancies where possible to ensure the services continued to be supported and to allow posts to be secured for those undergoing consultation. As a consequence it has been agreed with the service area that temporary support would be used to fill vacant hours.
- Within Housing, a decision was taken organisationally to increase the number of people working within the Housing and Homelessness structure. As an interim measure individuals were recruited from an agency to ensure that demand was managed within the service area while the longer term structural requirements were better defined.

The £15k agency worker spend in **ICT & Digital** is across three distinct areas. We are using agency staff to assist with the closure of the Mitel platform and migration to Skype as well as utilising agency staff to assist with the mobile phone deployment project. Reed are used to help with recruiting to some of our more specialist permanent roles.

Moving forward we are looking to bring our reliance on agency staff to a close – especially on the Mitel project. The need for this agency resource will cease by the end of Q2 2019/20.

HROD used Reed for a period of time to cover maternity and a recruitment to a vacant post to enable the continuation of business. Total spend £3k. Agency workers will cease from June 2019.

Procurement & commissioning total spend of £11k, relates to the use of one agency worker providing cover for Contracts workload and vacant post whilst mini review of structure undertaken prior to appointments being made for permanent roles.

3.4 Education Services

The provision of essential interim administrative and financial support in **SEND £5k** is to cover vacancy to recruitment gaps during peak activity e.g. end of year accounts.

4. Place Directorate – Total Spend Q4 £146k (Q3 £135k)

The table below shows the main areas that contribute to the “Streetpride, Streetscene and Regulatory Services” in table 2.2:

	Q3 £'000	Q4 £'000
Waste Services	12	34
Street Pride	41	49
Planning & Regulation	53	29

4.1 Waste Services - The £34k spend in domestic waste relates to the end of the Christmas collections. From 1st week January, Waste Services carry out double collections to compensate for the Christmas closure. In addition, Fleet Services are also carrying a vacant position whilst a review of services concludes.

4.2 Streetpride spend (Q4 £49k) continues to reflect the high number of vacant posts within the service and the seasonal nature of the service. The number of Agency staff used by the service will reduce as a result of the current recruitment exercise in the service area. A recent recruitment activity will reduce this spend which will be evident in the next quarter.

4.3 Within Planning Services (Q4 £29k), whilst the agency spend has decreased, the Development Management team currently employs 1 agency officer. The team has experienced vacancies over the last couple of years and due to the level of workload in the team it has been necessary to employ agency officers. The team has just recruited to the last vacancy and therefore once this new staff member starts the agency employment can cease. Current agency contract expires at end of July, this may need extending by a further month to ensure continuity of service.

4.4 **Finance and Corporate** Services agency spend in Q4 is £20k, increased from Q3 £18k as anticipated. This is due to posts being covered by agency staff in Legal Services covering long term sickness and maternity leave. The covering of these posts is likely to continue into Q1 (2019/20), in addition an agency lawyer has also been recruited to provide more in house advocacy support and to reduce more expensive external Counsel spend.

4.5 **City Centre & Major Projects**, CSW Sport is a hosted service which is governed by a partnership board. All permanent recruitment has been put on hold by the Board while a transformation project is scoped and any change concluded. Therefore, agency workers and freelance contractors are being used to deliver the service during this time. The spend in Q4 is £8k. Following any transformation project the service intends to reinstate recruitment processes.

4.6 **Project Management & Property Services** spend in Q4 £5k relates to short term cover of a Property Manager post which was to allow a handover period between the temporary and permanent member of staff. This post has now been filled on a permanent basis.

A Senior Building Surveyor post was also required to deliver a number of building related projects on the Council's Commercial Property Portfolio to include a Planned Maintenance Programme. There is currently no Building Surveying resource in the Council with all Building Surveying consultancy currently being outsourced except for the current project work being picked up by the agency post. A full time position is to be created, subject to the relevant approvals being obtained.

5. Spend outside of the Reed Contract

Table 5.1 below shows comparative expenditure outside of the Reed contract between Q3 2018/19 and Q4 2018/19 as well as Q4 2017/18 and Q4 2018/19.

There has been an **increase of £45k** in spend outside of the Reed contract between Q3 and Q4 2018/19 compared to a **decrease of £215k in comparison** to the same quarter Q4 2017/18.

Table 5.1:

a) Q3 2018/19 and Q4 2018/19

Directorate	Total Spend Q3 2018/19	Total Spend Q4 2018/19	Increase / Decrease
People: Children's	£45,654	£109,491	£63,837
People: Education	£52,244	£82,000	£29,756
People: Adults	£0	£0	£0
People: Cust. Serv.	£79,386	£54,966	-£24,420
Place: Professional Services Contract	£90,059	£82,320	-£7,739
Place: City Centre & Major Projects	£15,458	£0	-£15,458
TOTAL	£282,801	£328,777	£45,976

b) Q4 2017/18 and Q4 2018/19

Directorate	Total Spend	Total Spend	Increase / Decrease
	Q4 2017/18	Q4 2018/19	
People: Children's	£107,266	£109,491	£2,225
People: Education	£67,437	£82,000	£14,563
People: Adults	£0	£0	£0
People: Cust. Serv.	£34,639	£54,966	£20,327
Place: Professional Services Contract	£335,299	£82,320	-£252,979
Place: City Centre & Major Projects	£0	£0	£0
TOTAL	£544,641	£328,777	-£215,864

5.2 People: Children's Services

Spend of £109k in Q4. (Q3 £45k)

During the quarter, there were two interim contractors secured directly by the Council who supported service delivery and improvement. Of these, one was filling a Team Manager post and the other an Improvement Partner working closely with external bodies. The assignments for the Improvement Partner have now concluded, with the Team Manager due to conclude at the beginning of June as a result of successful permanent recruitment to this position. The Director of Children's Services has subsequently confirmed that both these assignments have ended and that there are no other 'off contract' interim contractors or consultants working in Children's Services.

5.3 People: Education Q4 £82k (Q3 £52k)

Centrally employed teachers/teaching assistants:

The increase in spend (£32k) is mainly around the **PRU CELC**. This has been due to sickness, suspension and staff leaving. There has been an increase in incidents warranting safeguarding interventions with poor behaviour requiring staffing levels to be increased at one site. The Management Board and Director have been informed and are aware of the pressures. Once the restructure is in place for September 2019 the amount should see a gradual decrease over 4 months once we are able to appoint staff.

The cost of supply teachers in **SEND** (£49k) is to secure short-term specialist provision for vulnerable children including 6th day provision for primary age children excluded from school.

5.4 People: Customer Services

Spend of £54k in Q4. (Q3 £79k)

Whilst there has been a decrease in outside Reed spend in Customer Services (Homelessness), for reasons highlighted in 3.3, there has been a continued need within the Housing and Homelessness structure to use agency individuals to ensure that demand is managed within the service area while the longer term structural requirements are better defined.

5.5 Place – Professional Services Contract

The revenue spend in Q4 is £82k (Q3 £90k). (This includes year-end adjustments for accruals)

Recruitment to vacant posts is ongoing using the Transport & Highways microsite and recruitment campaigns, reducing the need for agency cover across the division. We are currently advertising for staff in the Strategic Transportation and UTMC service areas, which if successful, will further reduce agency costs.

Where posts prove difficult to recruit to, we continue utilising options such as career grading, career development opportunity and graduate placements. Where possible, we recharge relevant revenue costs to Capital projects and external funding to reduce the impact on core budgets.

6. Overall Management Comment

The Master Vendor contract is 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. The current usage continues to cover extra workload, vacancy, sickness absence and short-term cover whilst Service Reviews are taking place and to cope with sudden surges of demand. This will require the need for scarce skills and workers during these reviews; organisational restructures and sudden peaks in demand.

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 at least in part by the relevant staffing budget due to increase in demand of services.

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 identify workers, who are available for casual, temporary or permanent work in order to reduce the use of agency workers.

However, some roles continue to be hard to recruit particularly as we notice a skills shortage across the wider labour market which in turn creates a highly competitive employee led market place which is candidate driven. This is becoming more notable in areas that require legislative knowledge and experience as well as those of a specialist skill set.

In the case of children's social workers there has been some success with the current campaign which has been evolved to make extensive use of social media and other recruitment initiative to attract talent. Nevertheless, recruitment of experienced, high quality children's social workers continues to be difficult reflecting the national shortage of experienced social workers.

The new Master Vendor contract started on 25th June 2018 and is starting to embed across the authority. The new contract is joint with Solihull and again is a hybrid Master Vendor.

The need for managers to ensure that the process of filling vacancies is undertaken at the earliest opportunity has been communicated to senior management teams and this has been reflected in the processes to be used for the new contract.

The requirement that all engagement of agency staff be approved by senior management has been communicated to management teams. This requirement has been built into the set-up for the new contract. Combined with a consistent approach in the way data is recorded and collected should allow for governance and monitoring on the use of agency workers.

7. Results of consultation undertaken

- 7.1 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.
- 7.2 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.
- 7.3 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. This work is ongoing.

8. Timetable for implementing this decision

Not applicable

9. Comments from the Director of Finance and Corporate Services

9.1 Financial implications

Quarterly monitoring of expenditure on agency workers will continue throughout the contract.

Reed 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.

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

Spend outside of the Reed contract, relates to the invoices paid during the relevant period. This expenditure relates to both temporary workers supplied by agencies other than Reed and to interim workers who operate under a PSC (Personal Service Company) with whom we contract directly.

9.2 Legal implications

There are no specific legal implications associated with this report.

10. Other implications

10.1 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.

10.2 How is risk being managed?

There may be a risk to the Council where managers go outside of the Reed and contract directly with workers with the advent of changes to IR35 arrangements. There has been numerous communications across the Council to inform managers of changes and this will continue into the future.

10.3 What is the impact on the organisation?

Through the rigorous monitoring of agency worker usage 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 that 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.

10.4 Equalities / EIA

The master vendor has made considerable efforts to ensure that the equalities monitoring form is completed. The graphs in appendix 3 show the main equalities data at corporate level for the agency workers who were on assignment with us in the month of June 2018.

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

10.5 Implications for (or impact on) the environment

None

10.6 Implications for partner organisations?

None

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

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Directorate:

People Directorate

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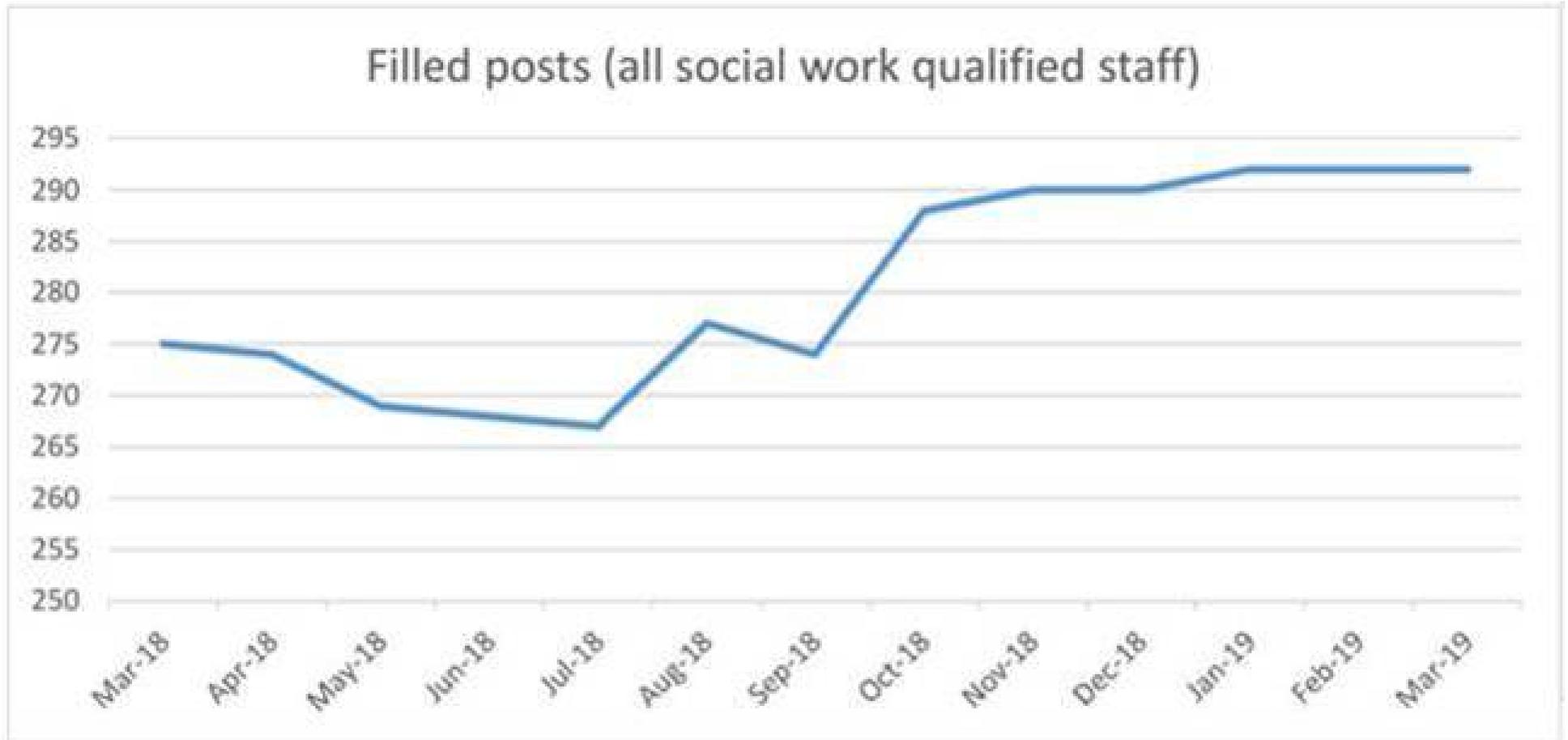
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Other members:				
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David Ashmore	Director of Customer Services & Transformation	People	6 June 2019	18 June 2019
Amanda Durrant	Head of Payroll Pensions & Employment Benefits	People	6 June 2019	20 June 2019

Kathryn Sutherland	Lead Accountant, Finance	Place	6 June 2019	7 June 2019
Julie Newman	Legal Services Manager, People	Place	6 June 2019	14 June 2019
Member: Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		4 July 2019	4 July 2019

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Appendix 1 – Children Services

Please see below graph showing the 12 month upward trajectory of filled permanent posts in Children's Social Care.



Cabinet Member for Strategic Finance and Resources

18 July, 2019

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

None

Title:

Outstanding Issues Report

Is this a key decision?

No

Executive Summary:

In May 2004 the City Council adopted an Outstanding Minutes System, linked to the Forward Plan, to ensure that follow up reports can be monitored and reported to Members. The attached appendix sets out a table detailing the issues on which further reports have been requested by the Cabinet Member for Strategic Finance and Resources so he is aware of them and can monitor progress.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is requested to consider the list of outstanding issues and to ask the Member of the Management Board or appropriate officer to explain the current position on those which should have been discharged at this meeting or an earlier meeting.

List of Appendices included:

Table of Outstanding Issues.

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

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	Subject	Date for Further Consideration	Responsible Officer	Proposed Amendment to Date for Consideration	Reason for Request to Delay Submission of Report
1	<p>Apprenticeship Levy</p> <p>The Cabinet Member requested a report outlining how the Council can help other companies utilise their Apprenticeship Levy (Minute 27/18)</p>	July 2019	<p>Deputy Chief Executive (People)</p> <p>Grace Haynes Rajvinder Grewal</p>	September, 2019	Work is being undertaken in this regard and a report will be provided following consideration at the Skills Board

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