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### **Cabinet Member for Strategic Finance and Resources**

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#### **Time and Date**

10.00 am on Thursday, 12th December, 2019

#### **Place**

Committee Room 2 - Council House

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#### **Public Business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 8)
  - a) To agree the Minutes of the meeting held on 26 September, 2019
  - b) Any matters arising
4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the item of private business for the reasons shown in the report.
5. **Policy Contingency Approval - Gating Scheme** (Pages 9 - 14)

Report of the Director of Finance and Corporate Services
6. **Sickness Absence for the 12 Month Period Ending 30 September, 2019** (Pages 15 - 28)

Report of the Deputy Chief Executive (People)
7. **Agency Workers - Performance Management Report Q2 - 1 July to 30 September, 2019** (Pages 29 - 44)

Report of the Deputy Chief Executive (People)
8. **Central England (formally Coventry) Law Centre Pension Guarantee** (Pages 45 - 52)

Report of the Director of Finance and Corporate Services
9. **Outstanding Issues** (Pages 53 - 56)

Report of the Director of Finance and Corporate Services

10. **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**

11. **Central England (formerly Coventry) Law Centre Pension Guarantee**  
(Pages 57 - 64)

Report of the Director of Finance and Corporate Services

(Listing Officer: P Jennings 02476 972228)

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

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

Wednesday, 4 December 2019

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett Tel: 024 7697 2299

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**

**Tel: 024 7683 3072**

**Email: [Suzanne.bennett@coventry.gov.uk](mailto:Suzanne.bennett@coventry.gov.uk)**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet Member for Strategic Finance and Resources**  
**held at 10.00 am on Thursday, 26 September 2019**

Present:

Members: Councillor J Mutton (Cabinet Member)

Employees:

People: A Durrant, R Grewal, S Griffin, G Haynes, S Newing,  
L Sobierski

Place: J Barlow, S Bennett, P Jennings, A West

Apologies: Councillor T Sawdon (Shadow Cabinet Member)

## **Public Business**

### **7. Declarations of Interest**

There were no declarations of interest.

### **8. Minutes of Previous Meeting**

The Minutes of the meeting held on 18 July, 2019 were agreed and signed as a true record.

There were no matters arising.

### **9. Final Hospitality Statement and Charity Appeal for the Lord Mayoralty of Councillor John Blundell 2018/19**

The Cabinet Member considered the end of year hospitality budget report for the Mayoral Year of Councillor John Blundell 2018/19. The report provided an update on how the budget was allocated during the Mayoral Year which resulted in a total spend of £62,288.79, representing an underspend of £3,307.21 which was returned to corporate reserves.

An Appendix to the report provided details of the individual civic engagements undertaken by Coventry's first citizen and ceremonial head to meet a range of priorities from community engagement to international events. The Lord Mayoralty also provided an opportunity to showcase the City and promote relationships with local businesses.

The Cabinet Member noted that a total of £8,565.47 had been raised for the Lord Mayor's Charity Appeal, the beneficiaries of which were the Haemochromatosis Society and Coventry Enterprise Club for the Disabled.

**RESOLVED that the Cabinet Member for Strategic Finance and Resources:-**

- 1) **Notes the contents of the Appendix to the report which sets out detailed expenditure of £62,288.79 against the hospitality budget; and**
- 2) **Notes the final sum of £8,565.47 raised for the Lord Mayor's Charity Appeal 2018/19**

10. **Policy Contingency Grant - Hope Community Project**

The Cabinet Member considered a report which sought retrospective approval for grant funding of £1,000 to Hope Community Projects, specifically to support a project support for families over the 2019 Easter school holidays in the Hillfields area of Coventry.

The Cabinet Member is responsible for approving the allocation of resources of up to £75,000 each year from on-going Policy Contingency budget. The £1,000 grant had already been funded from with the 2018/19 Policy Contingency budget which had an underspend in 2018/19 of £49,000.

**RESOLVED that the Cabinet Member for Strategic Finance and Resources approves retrospectively a one-off grant of £1,000 to Hope Community Projects.**

11. **Apprenticeship Levy Transfer**

The Cabinet Member considered a report which indicated that the City Council, through its Apprenticeship Levy, is able to transfer up to 25% of its £1.1m apprenticeship fund on an annual basis to either one or a number of non-levy paying employers. The report outlined a proposal on how the Council could use its 25% Levy Transfer.

Like many employers, the City Council has been unable to utilise all of its Levy and, to maximise the local impact, has been considering how it could use the 25% transfer option to best effect, including supporting the City of Culture, focusing the funds on LAC/Care Leavers and targeting hard to reach/vulnerable groups. At a recent meeting of the Skills Board, chaired by the Director of Education and Skills, a proposal was put forward that the transfer could be allocated to non-levy employers across the City on a first come first served basis via the work of the Economic Development Service, whose role would be to support non-levy employers to increase their own apprenticeship numbers, increase the skills levels across the City and reduce the numbers of unemployed.

The Skills and Growth (S&G) Team, which sits within the Economic Development Service, can offer support for the Council's transfer of levy work by assisting with activity that would support engagement registration and the levy transfer. The support being offered by the S&G team was outlined in the report, including proposed detailed activities.

If approved, the activity could commence immediately so that the Council could transfer 25% of its levy to multiple employers and would enable processes and a marketing and communication plan to be agreed and put in place with immediate effect. It is possible that a large number of employers who can receive and will

want to receive a levy transfer will be Small and Medium sized Enterprises (SMEs) with less than 50 employees who can only receive transfers for employees who are aged 25 years plus, as the Government currently funds all other apprenticeships for these businesses. The Job Shop will be able to work with employers who qualify to receive a levy transfer and would enable the Job Shop to promote the offer on a first come first serve basis and refer interested employers to the S&G Team to process their expressions of interest.

The Cabinet Member welcomed the proposal and asked officers about other opportunities to maximise the use of the Apprenticeship Levy Fund across the City.

**RESOLVED that the Cabinet Member for Strategic Finance and Resources:-**

- 1) Approves the utilisation of up to 25% of Coventry City Council's annual Apprenticeship Levy transfer as detailed in paragraph 2 of the report**
- 2) Requests officers to investigate ways of working with the larger employers in the City with a view to maximising the use of the Apprenticeship Levy fund across the City and report back to a future meeting.**

**12. Agency Workers - Q1 Performance Management Report: 1 April to 30 June, 2019**

The Cabinet Member considered a report which provided performance information on the use of agency workers procured for the Quarter 1 period, 1 April to 30 June, 2019.

The report provided Directorate commentary on agency worker spend for Q1, together with comparative expenditure for the Master Vendor contract between Q4 2018/19 and Q1 2019/20, as well as Q1 2018/19 and Q1 2019/20. There has been an increase of £18k in spend between Q4 2018/19 and Q1 2019/20 and a decrease of £41k compared to the same quarter in 2018/19.

The report highlighted the following areas:-

- Children's Services - A continued stable positive downward trajectory of agency staff since December 2018 with a further 15% decrease in agency numbers in comparison to Q4. There has been a 4% increase in filled posts during Q1 of 2019/20 and a 13% increase over the past 12 months. Childrens Services hosted another evening to ensure recruitment and the development of a social work academy is attracting cohorts of 12 newly qualified social workers into a highly supportive and learning environment for the first six months of their career is contributing to increased stability and reduced turnover.
- Adult Services – The number of agency social workers in Adult Services continues to cover posts which are being permanently recruited to and to maintain operational service levels. There has

been a £13k increase from Q4 to Q1, the reasons for which were detailed in the report, including maintaining operational services at optimal levels whilst permanent recruitment is underway.

- Customer Services and Transformation - Agency spend of £138k for Q1 in Customer Services and Business Services represented a 62% increase on Q4 and the report detailed reasons for the continued usage of temporary workers including a review of Business Services; support for Housing Benefit Online Forms; additional agency staff to deal with an increase in work regarding temporary accommodation; and the use of agency staff to assist with the closure of Mitel and migration to Skype.
- Waste Services – Spend in domestic waste related primarily to drivers and refuse collectors which has been used to cover sickness and leave due to insufficient cover in the casual pool. A number of individuals in the casual pool have moved to seasonal and full-time positions in both domestic and commercial waste with recruitment into the pool now due.
- Streetpride – Q1 spend continues to reflect the high number of vacant posts within the service and the seasonal nature of the service. A recent recruitment activity will reduce this spend in the next quarter.
- Planning Services – The team has experienced various vacancies over the last couple of years due to the level of workload in the team and difficulty recruiting to the vacancies.
- Finance and Corporate Services – There are some delays in recruitment posts to support career development opportunities pending qualification
- City Centre and Major Projects – All permanent recruitment has been put on hold while a transformation project is scoped and any change concluded.
- Project Management and Property Services - A full time Building Surveyor position has now been created so previous spend on an agency Building Surveyor has now ceased and outsourcing of building consultancy reduced

The report also detailed comparative expenditure outside of the Reed contract between Q4 2018/19 and Q1 2019/20 as well as Q1 2018/19 and Q4 2019/20. There has been a decrease of £210k in spend outside of the Reed contract between Q4 and Q1 and a decrease of £79.5k in comparison to the same Q1 2018/19. Further details relating to this were contained in the report.

The Cabinet Member indicated that he welcomed the downward trend, particularly in Children's Services.

**RESOLVED that the Cabinet Member for Strategic Finance and Resources:-**

- 1) Notes the recruitment and retention challenges impacting and affecting the business and strategies in place or working towards to support these**
- 2) Notes the agency/interim spends for Q1 2019/20**
- 3) Notes the cumulative spend for both agency workers via the Reed contract and outside the Reed contract**
- 4) Welcomes the upward trajectory of permanent filled posts in Childrens' Services**

**13. Outstanding Issues**

The Cabinet Member for Strategic Finance and Resources noted a report on outstanding issues on which further reports had been requested.

**14. Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 10.30 am)

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Cabinet Member for Strategic Finance and Resources

12<sup>th</sup> December 2019

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Director of Finance and Corporate Services

**Ward(s) affected:**

Binley and Willenhall

**Title:**

Policy Contingency Approval – Gating Scheme

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**Is this a key decision?**

No

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**Executive Summary:**

This report is seeking approval for grant funding of c£4,986 to enable a gating scheme to be put in place within the Willenhall area of the city. Any decision to progress the scheme will be subject to the Citizen housing organisation receiving legal advice that the scheme can proceed.

**Recommendations:**

The Cabinet Member for Strategic Finance and Resources is requested to approve a one-off grant of £4,986 from the Policy Contingency budget to enable provision of a gating scheme within the Willenhall area of the city subject to the consultation process and the agreement of the Citizen housing organisation.

**List of Appendices included:**

None.

**Background papers:**

None.

**Other useful documents**

None.

**Has it been or will it be considered by Scrutiny?**

No

**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: Policy Contingency Grant – Gating Scheme**

### **1. Context (or background)**

- 1.1 The Cabinet Member for Strategic Finance and Resources is responsible for approving the allocation of resources of up to £75,000 each year from an on-going Policy Contingency budget.
- 1.2 The Cabinet Member was approached by residents of Remembrance Road and Meadfoot Road in the Binley and Willenhall Ward earlier this year in relation to proposals to provide a gating scheme to improve security in the area. The area has been the subject to illegal and anti-social behaviour which local residents believe is made worse by common access to several alleys that back on to properties in the area.
- 1.3 Gating schemes have been installed across the city over a period of many years although the Council no longer has an on-going budget for such schemes due to previous reductions in Community Safety funding. Such schemes allow local residents to access to the alleys as keyholders but restrict access to non-residents. Perceptions are that such schemes help to reduce illegal and anti-social behaviour.
- 1.4 The area affected by the scheme incorporates properties managed by Citizen (the social housing provider formerly known as Whitefriars Housing Group) and alleys between houses which connect to a number of roads in the area. The gating scheme would be supported by and procured through Citizen and the scheme would be implemented with their support. The Council's role would be restricted to providing the funding.

### **2. Options considered and recommended proposal**

#### **Option 1 - Reject the Funding Request**

- 2.1 This option is not recommended. The Cabinet Member has indicated that he is minded to support the project.

#### **Option 2 – Agree to the Funding Request**

- 2.2 This is the recommended option. The Cabinet Member has already that he is minded to support the project to enable a gating scheme to be implemented subject to approval from local residents and Citizen.

### **3. Results of consultation undertaken**

- 3.1 The Cabinet Member has been in direct contact with the community affected by the anti-social behaviour issues and the proposed gating scheme. In order for the gating scheme to proceed, the proposal will first have to be subject to a public consultation of the occupiers of the affected properties for which approval would be required. This would involve residents whose properties back directly onto the alleyways for which the gating scheme is proposed, including a number of even-numbered houses on Remembrance Road and Meadfoot Road. The alleys in question come out onto Meadfoot Road, Mary Slessor Street and Tarquin Close. The final proposals will also be subject to the agreement and support of Citizen.

### **4. Timetable for implementing this decision**

- 4.1 Subject to approval of this report the Council will be in a position to make the payment as soon as the work has been completed. Otherwise the timetable is not subject to the Council's control.

## **5. Comments from Director of Finance and Corporate Services**

### **5.1 Financial implications**

The £4,986 will be funded from the 2019/20 Policy Contingency budget. No other approvals have been made within this financial year. This figure relates to a quote for the work and is assumed to be an accurate estimate of the final bill for the work undertaken.

### **5.2 Legal implications**

There are no specific legal implications for the Council. Any decision to progress the scheme will be subject to the Citizen housing organisation receiving legal advice that the scheme can proceed.

## **6. Other implications**

### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

The project can be considered to be broadly aligned to the Council's priorities to make communities safer, reduce crime and reduce anti-social behaviour.

### **6.2 How is risk being managed?**

There are no key risks associated with this funding proposal.

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

None

### **6.4 Equality and Consultation Analysis (ECA)**

Given the relatively small scale of the allocation no Equality and Consultation analysis has been undertaken. The nature of the activities undertaken give no concern that the approval is inconsistent with the Council complying with its Public Sector Equality Duty.

### **6.5 Implications for (or impact on) climate change and the environment**

No implications.

### **6.6 Implications for partner organisations?**

The scheme will be undertaken in partnership with Citizen Housing.

**Report author(s):**

**Name and job title: Paul Jennings, Finance Manager Corporate Finance**

**Directorate: Place Directorate**

**Tel and email contact: 02476977228 paul.jennings@coventry.gov.uk**

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Suzanne Bennett	Governance Services Officer	Place	21/11/19	21/11/19
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Paul Jennings		Place	21/11/19	21/11/19
Legal: Carol Bradford	Corporate Governance Lawyer	Place	21/11/19	
Director: Barry Hastie	Director of Finance and Corporate Services	Place	21/11/19	21/11/19
Members: Cllr John Mutton			21/11/19	21/11/19

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[www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

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Cabinet Member for Strategic Finance & Resources

12 December 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 for the 12 Month Period ending 30<sup>th</sup> September 2019

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**Is this a key decision?**

No

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**Executive Summary:**

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

- Levels of sickness absence for the 12 month period ending 30<sup>th</sup> September 2019.
- The actions being taken to manage absence and promote health at work across the City Council.

Reporting methodology for 2019/20:

- 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 12 month period ending 30th September 2019 and endorse the actions taken to monitor and manage sickness.
- 2) Note that the sickness and absence policies and procedures are under review, which is a joint piece of work with the trades unions and the work being undertaken to improve health and well-being with the aim of reducing absence levels. It is acknowledged this work is in the early stages.

**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?**

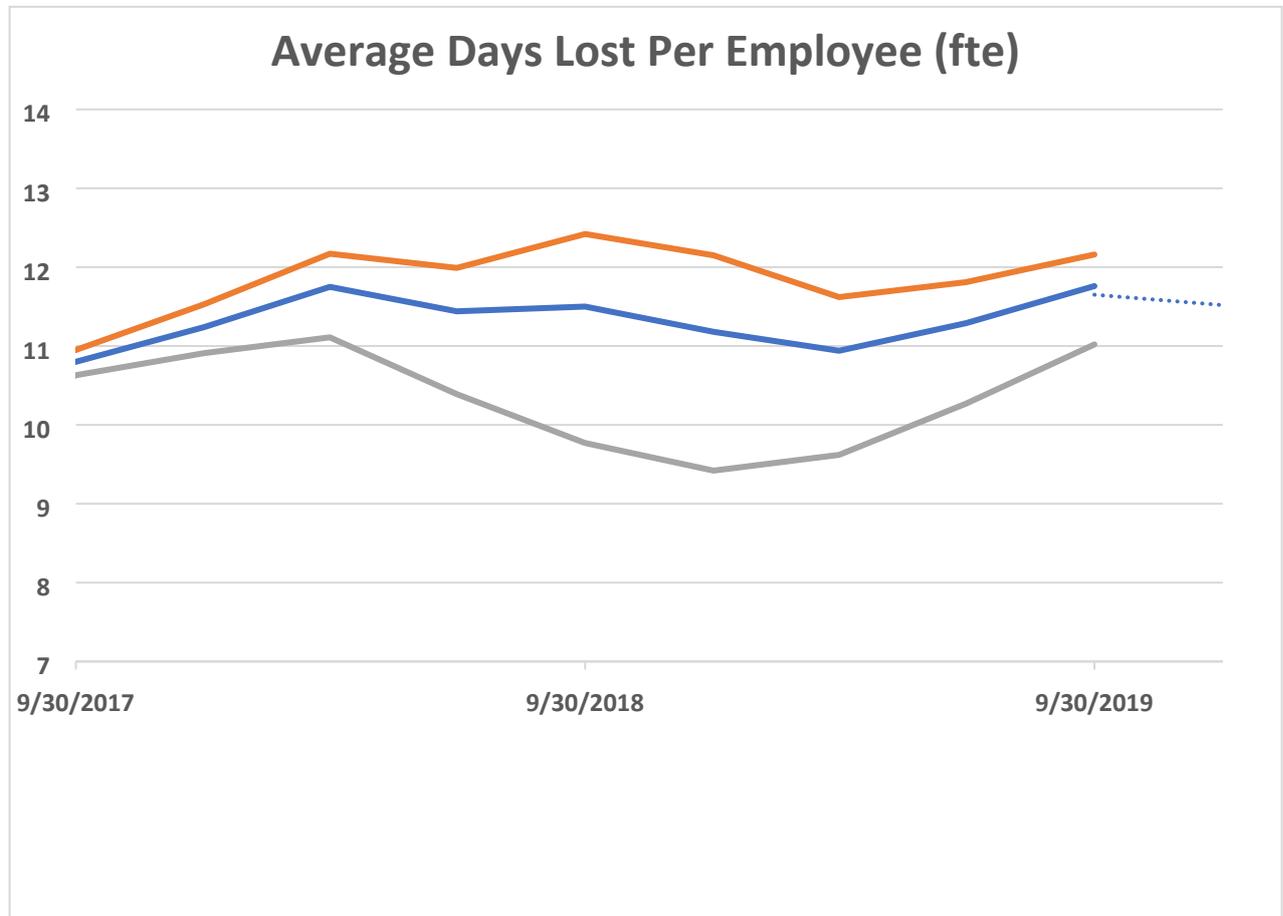
No

**Will this report go to Council?**

No.

## 1. Overall Performance

1.1 This report provides the sickness absence figures for the Council which is reported as days lost per employee (FTE) for the 12 months ending 30<sup>th</sup> September 2019. The data for the previous two years is also provided as a comparison.



1.2 A report on Sickness Absence is produced every six months based on the previous 12 months' data. The method of calculating absence (days lost per FTE employee) is the same as that widely used by other employers, including Local Authorities, and thus enabling comparison of the results.

1.3 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.

1.4 The target of 9.3 days per FTE employee was set for the 2019/20 financial year.

## 2. Benchmarking

2.1 The below table shows comparative data for other Local Authorities within the region as at the end of the financial year 2018/19.

West Midlands Authorities 2018/19		Days lost per FTE (excluding schools)
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

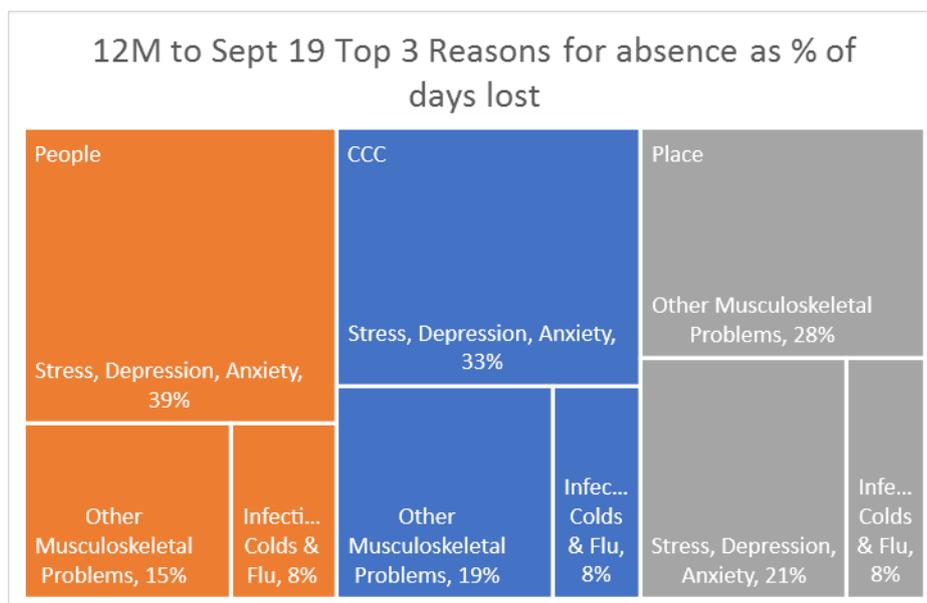
\* Childrens Services are a separate trust so not included

2.2 Coventry City Council is currently at 11.76 days for the rolling 12 months to the end of September 2019.

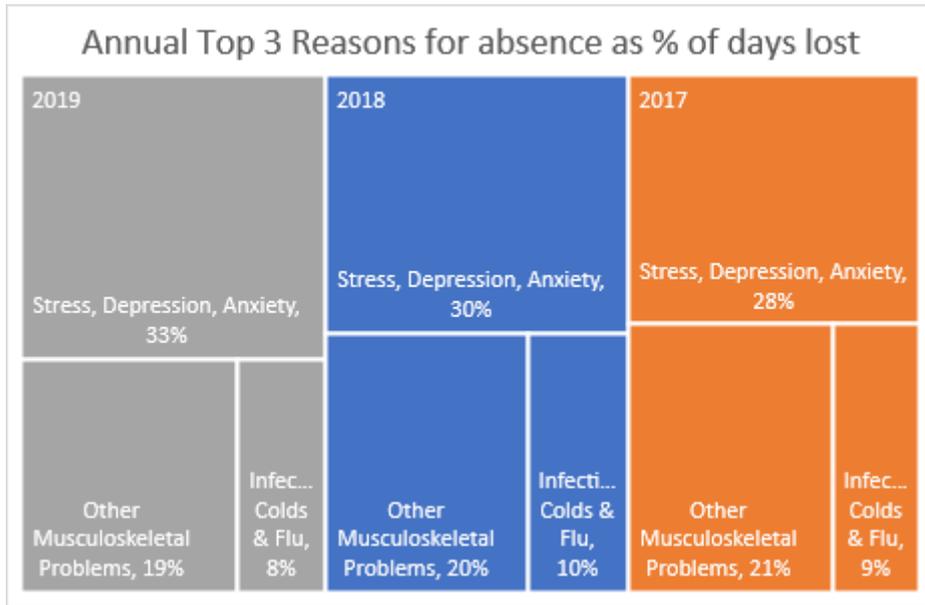
2.3 The comparative data is only available at year end.

## 3. Reasons for Absence

3.1 The top three reasons for absence are shown in the table below:

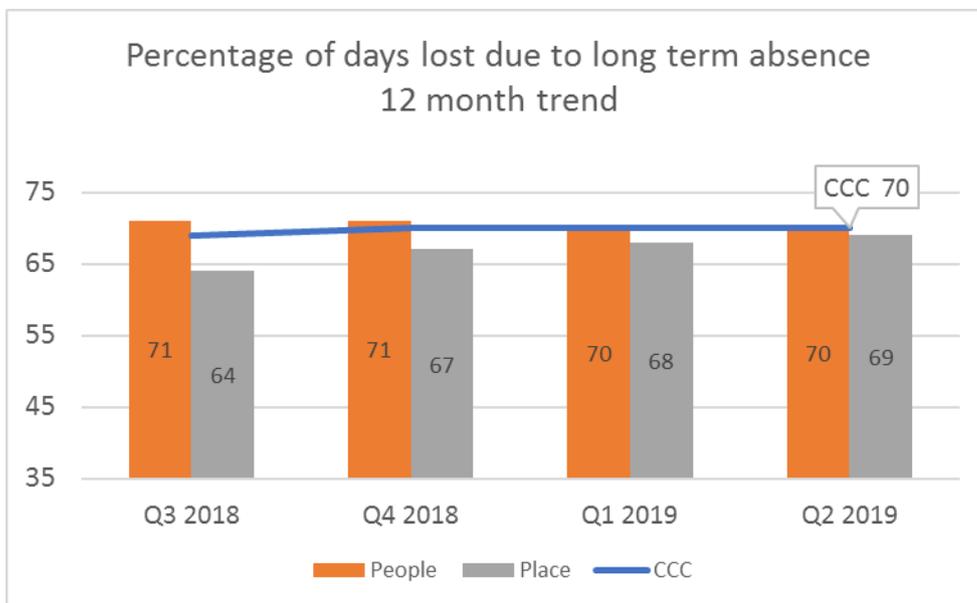


3.2 The top three reasons for absence have been consistent for the last three years. These are shown in the table below:



#### 4. Long Term Absence

4.1 The following table shows the breakdown of long-term absence for the year ending 30<sup>th</sup> September 2019.



4.2 Long-term absence is classified as any absence lasting over 30 calendar days

## 5. Outcomes of the Promoting Health at Work Corporate Procedure

- 5.1 During the 12 months up to the end of September 2019 there have been a total of 18 employees who left the Council in accordance with the Promoting Health at Work Corporate Procedure.
- 5.2 Of those that have left the Council, 11 have been due to ill health retirement and 7 are due to the required standards of attendance not being met.

## 6. Responsive measures to sickness absence

- 6.1 In addition to a number of activities completed, others are ongoing throughout the year (as detailed further in this report) as its recognised more proactive work is required to improve attendance which in turn will reduce absence levels. A change in approach is being undertaken as the top three reasons have remained static. The aim is through a greater and more targeted emphasis on well-being this will enable better support and where possible intervention to address underlying reasons for absence. At a corporate level this is being addressed by;

- **Policies**

***Promoting Health at Work policy*** - A review is about to be undertaken jointly with Trade Union representatives to examine what processes and procedures are effective in improving attendance. This includes taking into consideration the experience of other employers who have made progress on this issue as well as high performing Local Authorities. Terms of reference has been drafted and is under active discussion with the Trades Unions.

***Dying to Work.*** Work is being undertaken to ensure that we have the necessary steps in place to sign up to the TUC Dying to Work Charter, which seeks to provide reassurance and protection to those employees who are diagnosed as terminally ill.

***Carer Leave and Support.*** Guidance on supporting employees who are carers is being strengthened with the aim of maintaining workplace attendance and reducing planned absence.

- **Staff Health and Well Being Plan**

A joint piece of work is being undertaken with Public Health, Human Resources and the Trades Union Representatives to take a proactive and engaging approach to enhancing the health and wellbeing of our staff, to create a positive and healthy working environment. This will be achieved through employee support mechanisms, needs assessments, wellbeing initiatives, as well as working with staff and partners to identify and address areas for improvement, particularly where there are inequalities.

- **Mental Wellbeing**

Sessions have been running to train colleagues in mental health first aid in order to be able to recognise and support colleagues in need.

An application has been submitted to become a mindful employer, which is a national initiative which provides support to employers in supporting the mental well-being of employees.

Occupational Health will undertake a mental wellbeing audit where a need is identified or requested by a service manager.

- **Reporting**

**Sickness Absence Data.** Occupational Health reviews sickness absence data on a quarterly basis to identify areas or teams with a significant (over 30%) increase in absence. The areas identified are then discussed with Directors to review any interventions which may be required.

**Manager Induction.** This is a new initiative, with the pilot taking place in December, this will include showing managers how to record absences in order to improve the accuracy of reporting.

- **Wellbeing Initiatives**

**Menopause.** Guidance for managers is now available on the intranet and training is planned for January 2020.

**Personal Adjustments Passport.** Currently being developed with the Disabled People's Strategic Forum for consistent recording and reviewing of colleagues work place adjustments.

**Influenza.** Occupational Health are currently offering vaccinations to front line workers.

## **7. Activities during the current year**

### **7.1 HR Support Team**

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

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

7.1.3 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 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 seen as part of the Promoting Health at Work Procedure.

7.1.4 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.

7.1.5 The purpose of 'performance clinics', are 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 process and other relevant processes.

A review of the management information produced will be included as part of the changes to the sickness absence process, this will be an opportunity to consider what would help managers effectively manage the process.

7.1.6 There are no significant risks arising from sickness absence levels in any service area of the Council.

## **7.2 Occupational Health, Safety and Wellbeing Service**

### **7.2.1 Current Wellbeing Activities**

Due to the level of interest, the yoga and massage sessions have continued at lunch times at Friargate in the Wellbeing room. It is proposed to roll this out to the Children's Teams based at Moat House Leisure and Neighbourhood Centre.

The choir continues to meet at Friargate on a weekly basis

7.2.2 There are several activities carried out for staff in relation to some of the following subjects:

- Resilience Training for Care Staff
- Managing Difficult People and Dealing with Stress for Highway Operatives
- Conflict and Aggression Training for staff working in Housing and Homeless

### **7.2.3 Monthly newsletter - Be Safe, Be Healthy, Be Well:**

This is sent to employees and featured articles differ each month, recent examples include:

- Avoiding musculoskeletal injury in the workplace
- The importance of reporting near misses within the workplace – Health and Safety
- Get your running shoes on
- Gardening advice for September
- Sepsis – how aware are you?
- Eleven amazing health benefits of singing in a choir
- Five-a-day fruit and veg is good
- Eight tips to help you to look forward to retirement
- How to handle your social media-induced FOMO

### **7.3 Public Health**

- 7.3.1 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. Thrive at Work builds on our previous Workplace Wellbeing Charter status and is being undertaken by a range of local employers as part of the Year of Wellbeing and our Business Development function. Public Health, Occupational Health, Human Resources and Trade Union representatives are working to develop an organisational Health and Wellbeing Strategy based around the Thrive at Work standards. The purpose strategy and therefore 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.
- 7.3.2 Progress on completing the THRIVE programme standards; Occupational Health are coordinating and assimilating evidence supported by HR and Public Health. A gap assessment needs to be done on each standard and a health needs assessment (staff wide survey) is required for accreditation. Both of these will support us in shaping an action plan as part of the development of the Councils wellbeing strategy. The next stage for the Health and Well-Being Group will be to undertake a gap analysis to assess what further work needs to be undertaken to meet the standard and this includes conducting an employee survey
- 7.3.3 Public Health have also 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.

### **8 Results of consultation undertaken**

- 8.1 Trade union colleagues are kept up to date on the latest absence figures and are actively involved in casework regarding sickness absence management.
- 8.2 Absence from work is also as part of the reported Health & Safety Governance arrangements.

### **9 Timetable for implementing this decision**

- 9.1 None.

## 10 **Comments from Director of Finance and Corporate Resources**

### 10.1 **Financial Implications**

The actual impact of sickness absence 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.

### 10.2 **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.

## 11 **Other Implications**

There are no other specific implications

### 11.1 **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.

### 11.2 **How is risk being managed?**

The Promoting Health at Work Strategy is the subject of an ongoing review of 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 group.

### 11.3 **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

None.

#### **11.4 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.

#### **11.5 Implications for (or impact on) the environment**

None.

#### **11.6 Implications for partner organisations**

None

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Gail Quinton	Deputy Chief Executive	People	15/11/2019	21/11/19

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Cabinet Member for Strategic Finance and Resources

12 December 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 Q2: 1st July to 30th September 2019

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**Is this a key decision?**

No.

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**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 Q2 period 2019/2020.

**Recommendations:**

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

1. The recruitment and retention challenges impacting and affecting the Service and strategies in place or working towards to support these.
2. The agency / interim spends for Q2 2019/20.
3. The cumulative spend for both agency workers via Reed and outside Reed (Table 2.1).

**List of Appendices included:**

None

**Other useful background papers:**

None

**Has it or will it be considered by Scrutiny?**

No

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

No

**Will this report go to Council?**

No

**Report title:**

Agency Workers and Interim Managers – Performance Management Report Q2, 1 July to 30 September 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 2<sup>nd</sup> 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 Council 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 staff 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 workers 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.

Services 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 Adult social care, Children's social workers, 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, 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 Council to enhance our candidate pools.

Following the appointment of a Recruitment Manager and the implementation of a new recruitment model, the Recruitment Service is providing and assisting more creative and innovative recruitment activity raising Coventry City Council's profile as an employer of choice on our social media platforms, as well as direct sourcing of candidates to recruit to vacancies as an alternative to agency usage. Additional improvements across the team have seen an increase in the number of application forms received as well as a reduction in the time to hire. The Recruitment Team are working closely with HR/OD, Universities and other local partners including the Job Shop to support more collaborative working and pooling of ideas and running events 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 Q2 2019/20

Table 2.1

The table below highlights the **overall cumulative spend** on the use of agency workers with Reed and outside Reed and compares Q1 2019/20 and Q2 2019/20.

	Q1 2019/20	Q2 2019/20	Increase/Decrease
Reed	£1,173,165	£1,075,527	-£97,638
Outside Reed	£127,325	£401,848	£274,523
<b>Total</b>	<b>£1,300,490</b>	<b>£1,477,375</b>	<b>£176,885</b>

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

	Q1 2019/20		Q2 2019/20	
	Reed	Outside Reed	Reed	Outside Reed
<b>PEOPLE</b>	£966,246	£77,675	£890,005	£239,242
<b>PLACE</b>	£206,918	£49,290	£185,522	£162,606
<b>TOTAL</b>	<b>£1,173,165</b>	<b>£126,965</b>	<b>£1,075,527</b>	<b>£401,848</b>

Table 2.2

Tables 2.2 below shows comparative expenditure for the **Master Vendor Contract** between Q1 2019/20 and Q2 2019/20 as well as Q2 2018/19 and Q2 2019/20. There has been a **decrease** of **£98k** in spend between Q1 2019/20 and Q2 2019/20 and a **decrease** of **£208k** compared to the same quarter in 2018/19. The Master Vendor Contract covers all agency workers required by the core Council, the Reed contract does not cover agency workers in schools.

	<b>Spend comparing Q1 2019/20 to Q2 2019/20</b>	<b>Spend Q1 2019/20</b>	<b>Spend Q2 2019/20</b>	<b>Increase / Decrease</b>
PEOPLE	Adult Social Care	£248,106	£233,391	-£14,715
	Children and Young People's Services	£580,141	£533,257	-£46,884
	Customer Services & Transformation*	£137,999	£117,144	-£15,897
	Human Resources	*Incl in CS & T	£4,958	
	Education and Skills	£0	£1,256	£1,256
	People Directorate Total	£966,246	£890,005	-£76,241
PLACE	Finance & Corporate Services	£57,874	£44,507	-£13,367
	Project Management and Property Services	£12,704	£4,207	-£8,497
	Streetscene & Regulatory Services	£105,648	£136,248	£30,600
	Transportation & Highways	£14,884	£0	-£14,884
	City Centre & Major Projects Development	£15,806	£560	-£15,246
	Place Directorate Total	£206,918	£185,522	-£21,396
	<b>Total</b>	<b>£1,173,165</b>	<b>£1,075,527</b>	<b>-£97,638</b>

	<b>Spend comparing Q2 2018/19 to Q2 2019/20</b>	<b>Spend Q2 2018/19</b>	<b>Spend Q2 2019/20</b>	<b>Increase / Decrease</b>
PEOPLE	Adult Social Care	£212,832	£233,391	£20,559
	Children and Young People's Services	£840,392	£533,257	-£307,135
	Customer Services & Transformation*	£58,576	£117,144	£63,526
	Human Resources	*Incl in CS & T	£4,958	
	Education and Skills	£0	£1,256	£1,256
	People Directorate Total	£1,111,800	£890,005	-£221,795
PLACE	Finance & Corporate Services	£28,524	£44,507	£15,983
	Project Management and Property Services	£9,682	£4,207	-£5,475
	Streetscene & Regulatory Services	£130,809	£136,248	£5,439
	Transportation & Highways	£2,009	£0	-£2,009
	City Centre & Major Projects Development	£911	£560	-£351
	Place Directorate Total	£171,936	£185,522	-£13,586

<b>Total</b>	<b>£1,283,736</b>	<b>£1,075,527</b>	<b>-£208,209</b>
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### 3. People Directorate

#### 3.1 Adult Services – Total Spend Q2 £233k

- IPS continues to reduce the use of agency staff. As part of establishing a more streamlined recruitment process for Support Assistants, a generic advert with a specifically adapted application form was recently shared on our jobs board and social media and attracted a very high number of applicants, as such, recruitment to council contracts should reduce any agency spend further.
- For Enablement and Therapy and Older People, engaged short term agency workers pending recruitment to permanent vacancies, following a recruitment drive to appoint OT recruitment in October 2019.
- Adult Social Care operational agency expenditure has been necessary in order to maintain operational services at optimal levels whilst permanent recruitment is underway. This secures statutory provision across Older People, Adult Disability and Mental Health services. It also reflects the temporary nature of some of the ASC budget.

#### 3.2 Children’s Services – Total Spend Q2 £533k

Recruitment and Retention initiatives within Children’s Services continues to yield positive results in relation to agency staff, with further reductions in spend during Quarter 2 since Q1, following an already positive downward trajectory of agency costs seen in previous quarters. This is alongside retention rates moving from 85% to 88% since the previous quarter, and vacancy rates reducing from 11% to 10% during the same period.

Children’s Services continues to hold recruitment events, assessment centre days and attends external recruitment events building on previous work undertaken to ensure a multi-channel method of recruitment, brand awareness and reputation building.

Children’s Services does not have any spend outside of the Reed contract

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

	Q1 £'000	Q2 £'000
Children’s Services: Social workers (Inc. Senior Social Workers)	503	469
Children’s Services: Senior roles e.g. Social Work Team Managers, IR0’s (G9+).	19.5	45
Adults’ Services: Social workers (Inc. AMHP)	202	186
Adults’ Services: Support Workers & Drivers	2	2

### **3.3 Customer Services & Transformation (Q2 £117k)**

The **ICT & Digital** spend £10k relates to contract resource being used in the roll out of Skype for Business and decommission of Mitel. This contract has now come to an end and therefore there will be no future spend on this.

The spend of £61k within **Customer Services** relates to the following:

- A review of Business Services which has now concluded with work and resources now appropriately allocated to service areas and smaller volume of activity retain centrally. The project board supported the use of temporary resource during the project period which has now completed however the centralised activity is supported at the moment by a number of temporary team members while the team recruits to permanent positions.
- Agency cover has been provided via Northgate for Housing Benefit Online Forms. There has been a shortage of resource in this area however the team is in the process of recruiting.
- A PA review is due to commence shortly which will see changes in the team, in the interim period SMB have agreed that temporary resources should be utilised to avoid the potential for putting people at risk

### **Procurement (Q2 £13k)**

This temporary position provided cover for vacancies whilst recruitment process was carried out. The position came to an end on 31<sup>st</sup> October 2019.

### **Homelessness (Q2 £32k)**

The service has been reducing their reliance on agency staff and have just undertaken a successful recruitment exercise that will result in agency staff leaving the service in the New Year.

### **3.4 Human Resources (Q2 £5k)**

The Human Resources Directorate was established in July 2019 on the appointment of the HR Director. The spend ordinarily has been included within Customer Services and Transformation Directorate.

The spend within the HR Directorate is in relation to:

- An agency worker engaged within the Recruitment Team, has now cease following the recruitment to an individual on a fixed term contract.
- HROD are currently using Reed for 1 day per week to cover a team member who has recently returned from maternity leave and has reduced their working hours from 5 days to 4 days per week on a temporary basis.

## **4. Place Directorate**

### **4.1 Finance and Corporate (Q2 £44k)**

Agency staff in **Legal Services** is covering long term sickness and maternity leave. Costs have decreased since Q1 but there is still a need to cover vacant posts due to some delays in recruitment to permanent posts to support career development opportunities pending qualification.

### **4.2 Project Management & Property Services (Q2 £4k)**

The spend relates to providing much needed cover of an Assistant Market Manager following the post becoming vacant. There were two reasons why this post was and currently still is being covered by an agency post. Firstly, due to the nature of the work, this is a difficult to recruit to post. Secondly, for the Market to be able to operate and in a safe manner, it was essential that the post was filled quickly. We are now looking to recruit full time to this post which, if successful, this spend on agency will cease.

### **4.3 Waste Services & Fleet (Q2 £46k)**

The spend in domestic waste relates primarily to drivers & refuse collectors which have been used to cover for additional requirements during the peak summer garden staff sickness and cover for leave and sickness due to insufficient cover in the casual pool.

Recruitment into the casual pool was undertaken in October with all eligible agency staff being transferred into the pool and now directly employed by the Council.

Spend in fleet is to cover for vacancies which are currently being recruited to. Attracting fitters with the right level of skills to work on a diverse fleet continues to be a challenge and the service continues to offer apprenticeships to grow our own talent base.

### **4.4 Streetpride & Parks (Q2 £69k)**

Following a number of operational reviews the Service held up to 25 full time vacant posts. The main reviews were completed in April and May and since that time staff have been redeployed to vacant posts and several recruitment drives have been implemented. As a result of these exercises the service was successful in appointing to 22 posts reducing the demand for agency cover. A number of full-time posts however remained unfilled and covered through agency staff.

Since the recruitment exercise, 2 of the newly appointed full-time staff have since left the service and 10 have either been dismissed through the promoting health at work process, retired after long periods of ill health or resigned.

A further recruitment drive will be implemented in November and December to recruit to a number of the full-time staff vacancies. At present only 6 agency staff are employed 3 of which will be released at the end of November. Agency use will need to continue to cover full time staff vacancies and maintain service levels. Agency staff have not been used to cover seasonal staff vacancies.

### **4.5 Environmental Services (Q2 £5k)**

One agency post is currently being used to cover three long term sickness in the Council Control room at Jackson Road. The service is required to have a minimum number of officers on duty to meet accreditation requirements and emergency response duties.

#### 4.6 Planning Services (Q2 £16k)

Within Planning Services, the Development Management team currently employs 1 agency officer. The team has experienced various vacancies over the last couple of years and due to the level of workload in the team and difficulty recruiting to the vacancies it has been necessary to employ agency officers. We reported at Q1 that we had recruited to the last vacancy but now had a requirement for maternity leave cover which we would be trying to recruit to. Unfortunately, we have not been successful with recruitment to cover the temporary period and have therefore retained our current agency officer to cover the maternity leave period.

#### 5. Spend outside of the Reed Contract

Table 5.1 below shows comparative expenditure outside of the Reed contract between Q1 2019/20 and Q2 2019/20 as well as Q2 2018/19 and Q2 2019/20.

There has been **an increase of £275k** in spend outside of the Reed contract between Q1 and Q2 2019/20, as well as **an increase of £114k** in the same quarter Q2 2018/19.

Table 5.1:

a) Q1 2019/20 and Q2 2019/20

Directorate	Total Spend Q1 2019/20	Total Spend Q2 2019/20	Increase / Decrease
People: Children's	£20,996	£0	-£20,996
People: Education	£31,363	£157,883	£126,520
People: Cust. Serv.	£25,316	£81,359	£56,043
Place: Professional Services Contract	£27,621	£67,350	£39,729
Place: Waste & Fleet Services	£22,029	£85,631	£63,602
Place: Project Management	£0	£9,625	£9,625
<b>TOTAL</b>	<b>£127,325</b>	<b>£401,848</b>	<b>£274,523</b>

b) Q2 2018/19 and Q2 2019/20

Directorate	Total Spend Q2 2018/19	Total Spend Q2 2019/20	Increase / Decrease
People: Children's	£57,900	£0	-£57,900
People: Education	£42,056	£157,883	£115,827
People: Cust. Serv.	£63,690	£81,359	£17,669
Place: Professional Services Contract	£86,454	£67,350	-£19,104
Place: Waste & Fleet Services	£0	£85,631	£85,631

Place: Project Management	£37,156	£9,625	-£27,531
<b>TOTAL</b>	<b>£287,256</b>	<b>£401,848</b>	<b>£114,592</b>

### 5.1 People: Education (Q2 £158k)

The Extended Learning Centre has completed its restructure and will be able to recruit to permanent posts in the next stage and as such, will reduce agency spend. The additional spike in agency spend this quarter is also due to 12 staff resigning from the Pupil Referral Unit, following the planned restructure and the centre requiring improvements. The vacancies are out for advert currently.

The national shortage of HCPC registered Educational Psychologists, renders recruitment exceptionally difficult because of market competition. The Council's strategy to secure a hybrid model of permanent staff and associate staff is the only option to secure the required capacity. The Government has increased the number of doctorate places available through Universities, which will assist but this is a four-year course. The self-employed staff are paid at minimum market rate and the full cost is recovered through traded income.

In addition, the Council maintains two units, that deliver an intensive restorative education programme to primary age children experiencing significant social, emotional and behavioural difficulties. Currently two key members of staff are on long-term sickness absence. Specialist supply staff is the only option to secure the provision and ensure the health and safety of pupils and staff. There is a plan in place to resolve this situation through HR processes.

### 5.2 People: Housing & Homelessness (Q2 £70k)

Due to the demand and priorities within Homelessness, the need to use an additional recruitment consultancy outside of the Reed contract has been sourced, however, a recent recruitment exercise will see a reduction in agency spend in the new year.

### 5.3 Place – Professional Services Contract (Q2 £67k)

The revenue spend in Q2 for Transport & Highways includes some invoices that were not sent in time but relate to Q1. There is also revenue spend of £1058.00 for Streetscene & Regulatory Services.

We have successfully filled a number of vacant posts using the Transport & Highways microsite and recruitment campaigns, we continue to recruit using these methods with a view to further reduce agency spend where possible.

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

### 5.6 Place – Waste & Fleet Services (Q2 £85k)

Spend outside the master vendor contract was initiated by the limited pool of specialist staff (mainly drivers) and for the same business reasons stated in the commentary for the Reed agency spend. To reduce and limit off contract spend, Reed has engaged the off-contract supplier Drive force. Drive Force is now part of the Reed MSP framework and therefore off contract spend should reduce considerably as future spend will be incorporated through the master vendor spend, or as part of the recent recruitment activity highlighted earlier in the report.

The only caveat to this moving forward is the potential requirement to utilise outside agencies over the Christmas period where Reed are unable to supply drivers due to the high levels of competition for agency drivers during this period.

### **5.7 Place – Project Management (Q2 £10k)**

**Repairs & Maintenance Service** initially had tried to recruit 2 x Electrician's unsuccessfully both through traditional recruitment methods and through the master vendor contract with Reed. The candidate market lacked the calibre skill set required coupled with candidate salary expectations, rendered no suitable candidates. Due to the demand on the service, other avenues were therefore explored and sourced candidates via a traded supplier agency framework. A quick turn around on these recruitments is vital to ensure that operation is not disrupted, and better rates were negotiated to accommodate value for money and reduced costs. Whilst we are continuing to explore recruitment methods to reduce our agency spend, we will continue to use the agency worker until the new year.

## **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.

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 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. Although it should be noted with the further changes to IR35 which will extend to the private sector in April 2020, this may will improve recruitment/ and or candidates available through agencies.

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 25<sup>th</sup> June 2018 and is now embedded fully 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 process 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 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 have been numerous communications across the Council to inform managers of changes and this will continue.

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.

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

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**Directorate:**

People Directorate

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Gail Quinton	Deputy Chief Executive (People)	People	18/11/19	25/11/19
Sue Newing	Director of Human Resources	People	18/11/19	22/11/19
Kathryn Sutherland	Lead Accountant, Finance	Place	18/11/19	18/11/19
Julie Newman	Legal Services Manager, People	Place	18/11/19	18/11/19
Member: Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		28/11/19	28/11/19





## Public report Cabinet Member Report

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet Member for Strategic Finance and Resources

12<sup>th</sup> December 2019

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Director of Finance and Corporate Services

**Ward(s) affected:**

None

**Title:**

Central England (formerly Coventry) Law Centre Pension Guarantee

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**Is this a key decision?**

No

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**Executive Summary:**

This report is seeking approval for the Council to provide a pension guarantee to the Central England Law Centre (formerly Coventry Law Centre) to mitigate future potential risks in relation to its pension position. This guarantee would be at a net nil cost to the Council.

**Recommendations:**

The Cabinet Member for Strategic Finance and Resources is recommended to:

- (1) Approve the Council providing a pension guarantee to the Central England Law Centre as set out in the report.
- (2) Delegate authority to the Director of Finance and Corporate Services following consultation with the Cabinet Member for Strategic Finance and Resources to identify, agree and arrange the legal and financial measures required.

**List of Appendices included:**

None.

**Background papers:**

None.

**Other useful documents**

None

**Has it been or will it be considered by Scrutiny?**

No

**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: Central England (formally Coventry) Law Centre Pensions Guarantee**

### **1. Context (or background)**

- 1.1 Central England Law Centre (CELC), formerly Coventry Law Centre, is the largest law centre in the UK. It has developed from what was Coventry Law Centre, and its focus is still very much on the city. The CELC provides specialist legal advice to Coventry citizens, covering areas including but not restricted to social care and health, welfare benefits, housing, debt, immigration and asylum.
- 1.2 CELC has been a key local delivery partner for the Council for many years and the Council provides £440k p.a. core funding to the Law Centre. Within the Council, CELC is regarded as an effective and important voluntary sector delivery body within the city. This is demonstrated by the level of on-going funding provided by the Council and fact that the Council has periodically chosen the Centre to provide a number of other work programmes supported by specific grant funding.
- 1.3 Historically, CELC employees had access to the Local Government Pension Scheme via the West Midlands Pension Fund (WMPF). Scheme entry was closed for new employees in May 2007 and there is now a small number of active members of the scheme. In addition, there are former CELC employees who are already in receipt of their pension or who will be able to draw their pension when they reach the relevant age.
- 1.4 Under pension scheme rules, once the last CELC employee who is also an active member of the fund leaves CELC employment this triggers what is referred to as a pension fund crystallisation event. At that point the pension fund would provide a calculation of the estimated cost of all potential future pension liabilities for former employees of CELC. This calculation is made on what is referred to as a 'least risk basis' – meaning that the pension fund uses a series of prudent assumptions to calculate the sum. This least risk basis always results in an estimated cost that is higher than the more neutral 'funding basis' that is used to calculate the liability when there are still active members of the scheme in employment.
- 1.5 The CELC has just received the latest triennial superannuation report which determines its employer pension contributions for the next three years. Only employees working in Coventry and who were historically part of Coventry Law Centre are members of the WMPF rather than employees of other parts of the CELC. The previous (2016) deficit calculated on a 'funding basis' was £211k whereas the recent revised valuation for 2019 indicates a surplus of £69k. This means that the CELC will only have to make employer superannuation payments in relation to the current cost of its employees' pensions, not any deficit recovery payments.
- 1.6 However, WMPF has also provided a revised calculation for a crystallisation of the pension costs based on the least risk approach, the details of which are included in the private report. When the remaining employees who are active members of the WMPF cease their employment with CLC, the Law Centre would need to pay the liability to the Fund calculated on this basis. The guarantee would be of benefit only to CELC employees and therefore does not confer any advantage on CELC.

- 1.7 The WMPF is able to avoid charging the least risk calculated sum if the relevant body is able to align itself with another organisation with a strong financial covenant and active employees within the Fund. The purpose of this report is to recommend that the Council takes on this role by providing a pension guarantee to CELC and the WMPF.

## **2. Options considered and recommended proposal**

### **Option 1 – Do Nothing**

- 2.1 This option is not recommended. If the Council takes no action there is a strong likelihood that the CELC will be faced with a crystallisation event calculated on the least risk basis.

### **Option 2 – Provide a loan to the CLC to Pay Its Pension Liability**

- 2.2 The proposal would involve the least risk pension liability being triggered through the crystallisation event, the full amount being funded via a loan from the Council to CELC and CELC making repayments to the Council to repay the full amount of the loan over time.
- 2.3 This option is not recommended. It would mean that the least risk (worst case) pension liability must be funded up front – in this case by the Council. In addition, CELC would need to make regular repayments to cover these higher costs.

### **Option 3 – Provide a Pension Guarantee To CELC and WMPF**

- 2.4 This is the recommended option. A pension guarantee would provide comfort to WMPF that a financially sound and strongly covenanted organisation (the Council) is in place to fund any future pension liabilities incurred by the CELC. This enables WMPF to calculate a liability on the lower funding basis and to spread the repayment of any calculated sum over the same period that the Council will be required to repay its own pension deficit (17 years). A pension guarantee put in place now would involve the CELC's share of pension fund assets and liabilities and any liability being transferred to the Council automatically at the point of crystallisation. On current valuation the liability would be nil, but this may increase with subsequent valuations. The Council will recover any costs it may incur from CELC phased in a way that is consistent with the Council's own deficit recovery period.

## **3. Results of consultation undertaken**

- 3.1 CELC approached the Council to explore the options available. No wider consultation has been undertaken in relation to this proposal which will ultimately be of no net cost to the Council.

## **4. Timetable for implementing this decision**

- 4.1 Subject to approval of this report the Council will seek to agree a legally binding pension guarantee with CELC and WMPF. The intention will be to ensure that this is finalised within the current financial year.

## **5. Comments from Director of Finance and Corporate Services**

### **5.1 Financial implications**

Based on the recent valuation report (November 2019) CELC has a pension fund surplus. If a pension crystallisation event occurred, with a pension guarantee in place no pension deficit payments would be due based on that surplus position. It is important to understand

the possibility that a deficit could emerge in the future. The unpredictable nature of actuarial valuations mean that it is difficult to assess the outer limits of what the level of this deficit could be.

There are a number of reasons why the Council can enter into a guarantee with confidence that this will not impose a large financial risk.

- Under the latest valuation CELC is not due to make any future deficit recovery payments to WMPF. The current deficit payment by CELC for 2019/20 will reduce to nil from 2020/21 for the following three years. Initial discussions between Council officers and CELC have discussed CELC making contributions to the Council as a down-payment against future potential risk and this will be built into any agreement between the Council and CELC.
- If a future crystallisation event occurs and the CELC share of pension fund assets and liabilities moves back into a pension deficit scenario the pension guarantee document will contain conditions for CELC contributions to repay the Council over a period consistent with the Council's own deficit recovery payments to the Fund.
- CELC would make its accounts and pension valuation updates available to the Council to ensure that it could continue to monitor the financial and actuarial position.
- The Council would hold the ultimate sanction of withdrawing part or all of its existing funding for CELC to cover any pension deficit.

As an indication of the scale of risk comparing CELC and the Council, CELC pension liabilities represent just 0.18% (less than one-fifth of one per cent) of the Council's liabilities.

## **5.2 Legal implications**

The City Council has a general power of competence under the Localism Act 2011 that allows a local authority to do anything that individuals generally may do which would enable the City Council to take the actions recommended in this report.

As stated in the report the guarantee provided under this proposal does not confer an economic advantage on CELC as it is of benefit to the individual employees.

## **6. Other implications**

Any other specific implications

### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

The work of Coventry Law Centre is closely aligned with many of the Council's objectives, for instance in the areas of reducing the impact of poverty, improving the quality of life for local people, protecting our most vulnerable people and empowering citizens.

It is important to observe that the work of CELC sometimes requires it to represent citizens in cases where they are challenging decisions made by the Council. The Law Centre is clear that this is a fundamental and appropriate part of the work that it undertakes. Any decisions made as a result of this report will not seek to undermine or constrain this aspect of the CELC's operations.

### **6.2 How is risk being managed?**

The key risk with this proposal is that future movement in value relating to the notional share of CELC assets and liabilities within the City Council's pension fund arrangements moves to a significant deficit position. It is envisaged that a monitoring mechanism will be developed that calculates the broad movement in this value over time. This mechanism will not allow a calculation in relation to a segregated section of the pension fund but will provide a clear method of estimating a proxy sum based on the overall movement in the Council's funding position using the 2019 valuation as the base position.

The purpose of the recommended approach is to support the CELC's financial position and to provide comfort that the Council is not put at a financial detriment as a result of this. It is impossible to foresee the point at which these arrangements will come to an end given that legacy pension payments can take a number of decades to work through. The legal agreement will build in a review period consistent with future actuarial review updates (currently on a three-yearly basis). However, this should make provision to end the arrangement in the future, taking into account the relative position of the calculated value of the CELC's share of pension deficit/surplus and the total value of contributions paid at that point by CELC. Any such decision would be based on a reasonable and mutually agreed assessment of the then financial position and the administrative burden of continuing to implement the process.

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

The recommended approach should help to remove a key financial concern of one of the Council's key voluntary sector partners. This approach does not set a precedent which would apply to other organisations. It is one that is based on the CELC's pre-eminent and long-standing relationship with the City Council, the soundness of its financial position and the relatively sound state of its pension's funding position.

### **6.4 Equality and Consultation Analysis (ECA)**

No Equality and Consultation analysis has been undertaken. The nature of the activities undertaken by CELC, which the report is seeking to support and secure, give no concern that the approval is inconsistent with the Council complying with its Public Sector Equality Duty.

### **6.5 Implications for (or impact on) climate change and the environment**

None.

### **6.6 Implications for partner organisations?**

No implications.

#### **Report author(s):**

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**Directorate: Place Directorate**

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Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Suzanne Bennett	Governance Services Officer	Place	26/11/19	26/11/19
Peter Barnett	Head of Libraries, Advice and Health Information Services	People	26/11/19	26/11/19
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Paul Jennings		Place	26/11/19	26/11/19
Legal: Julie Newman	City Solicitor and Monitoring Officer	Place	28/11/19	2/12/19
Director: Barry Hastie	Director of Finance and Corporate Services	Place	26/11/19	26/11/19
Members: Cllr John Mutton			28/11/19	28/11/19

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Cabinet Member for Strategic Finance and Resources

12 December, 2019

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Director of Finance and Corporate Services

**Ward(s) affected:**

None

**Title:**

Outstanding Issues Report

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**Is this a key decision?**

No

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**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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**Directorate:** Place

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	<b>Subject</b>	<b>Date for Further Consideration</b>	<b>Responsible Officer</b>	<b>Proposed Amendment to Date for Consideration</b>	<b>Reason for Request to Delay Submission of Report</b>
1	<p><b>Apprenticeship Levy</b></p> <p>The Cabinet Member requested that officers investigate was of working with the larger employers in the City with a view to maximising the use of the Apprenticeship Levy fund across the City (Minute 11/19 refers)</p>	September, 2020	<p>Deputy Chief Executive (People)</p> <p>Grace Haynes Rajvinder Grewal</p>		

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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