



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Wednesday, 12th September, 2012

Place

Diamond Room 2 - Council House

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 1 - 4)
 - a) To agree the minutes from the Cabinet Member meeting held on 1st August, 2012
 - b) Any Matters Arising
4. **3 month (April - June 2012) Cumulative Sickness Absence 2012/2013** (Pages 5 - 24)

Report of the Director of Customer and Workforce Services
5. **Agency Workers and Interim Managers - Performance Management Report Q1 (1 April - 30 June 2012)** (Pages 25 - 38)

Report of the Director of Customer and Workforce Services
6. **Fraud and Corruption Strategy** (Pages 39 - 54)

Report of the Director of Finance and Legal Services
7. **Outstanding Issues**

Nil

Bev Messinger, Director of Customer and Workforce Services, Council House Coventry

Tuesday, 4 September 2012

Note: The person to contact about the agenda and documents for this meeting is Su Symonds

Membership: Councillor G Duggins (Cabinet Member)

By invitation Councillor J Blundell (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.

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CABINET MEMBER (STRATEGIC FINANCE AND RESOURCES)

1st August, 2012

Cabinet Member

Present: - Councillor Duggins

Shadow Cabinet Member

Present: - Councillor Blundell

Employees Present: -

J. Evans (Finance & Legal Services Directorate)
H. Harding (Finance & Legal Services Directorate)
S. Iannantuoni (Customer & Workforce Services Directorate)
S. Symonds (Customer & Workforce Services Directorate)

Public Business

9. **Apologies**

There were no apologies

10. **Declarations of Interest**

There were no declarations of interest.

11. **Minutes**

The minutes of the meeting held on 20th June, 2012 were signed as a true record.

12. **Matters Arising**

There were no matters arising from the Minutes.

13. **Performance within the Revenues Section for the Period April 2011-March 2012**

The Cabinet Member considered a report of the Director of Finance and Legal Services which updated the position on performance and developments within the revenues service during the financial year 2011/12.

It was noted that the annual target for the council tax collection was only a few points from being achieved at year end. A significant collection had been realised, representing the highest in-year collection rate to date. Council tax arrears outstanding reduced from £12.3m as at 31st March 2011 to £7.5m at 31 March 2012. Overall, the position had significantly improved, but officers would continue to exercise constant vigilance and report the ongoing position to Cabinet Member at his meeting on 5th December 2012, when giving the half year update.

Cabinet Member extended congratulations and thanks to all officers in the

service.

RESOLVED that, after due consideration of the report and matters raised at the meeting, the Cabinet Member:-

- 1) Notes the performance of the revenues service for the period 1st April 2011 to 31st March 2012.**
- 2) Agrees to receive a further report at the meeting of 5th December 2012 to provide an update for the period April to September 2012.**

14. Performance within the Benefits Service for the Period April 2011-March 2012

The Cabinet Member considered a report of the Director Finance and Legal Services which updated the position on performance and developments within the benefits service during the financial year 2011/12.

It was noted that although the outturn of 26.1 days for processing new claims was higher than the target of 23 days, a reduction had been achieved during the second half of the year to bring the figure down to 24.8 days. There was a similar situation with the outturn for change of circumstance targets, which had exceeded the 10 day target by 7.7 days, although the figure for the second half of the year had reduced to 16.8 days. There was concern about the ability to achieve targets due to the increase in volume of data transfer from Atlas, which has had a huge resource impact. However, officers are cautiously optimistic of achieving next year's target of 23 days, in the light of recent new recruitment and ICT enhancements.

Cabinet Member was advised that the issues relating the impact of welfare reform were due to be considered by Health, Social Care and Welfare Reform Scrutiny Board (5).

The half year update on the service would come to Cabinet Member at his meeting on 5th December 2012.

RESOLVED that, after due consideration of the report and matters raised at the meeting, the Cabinet Member:-

- 1) Notes the performance of the benefits service for the period 1st April 2011 to 31st March 2012**
- 2) Agrees to receive a further report at the meeting of 5th December 2012 to provide an update for the period April to September 2012**

15. The Exercise of Delegated Authority in the Write-Off of Debt Owing to the Authority in 2011/12

The Cabinet Member considered a report of the Director of Finance and Legal Services in respect of the write-off of debts owing to the authority in the financial year ending 31st March 2012. A range of measures were employed to ensure that every effort was made to maximise the collection of all income and

debt owed to the Council. In certain circumstances it was appropriate and necessary to write off debts owing to the Council. Robust processes were in place within the Revenues and Benefits Service to ensure that debt was written off and authorised in accordance with the Council's rules of delegated authority. In 2011/12 £3.36m was written off, compared with £3.1m in 2010/11.

Concern was expressed at the level of business rates write-offs. This was mainly due to bankruptcies and insolvencies in the difficult economic climate.

RESOLVED that, after due consideration of the report and matters raised at the meeting, the Cabinet Member:-

- 1) Reviews the level of write-offs authorised under delegated authority.**
- 2) Delegates authority to officers in the service areas to write off total debts up to and including £5.00 in value as "de-minimis" as part of service collection and enforcement processes.**
- 3) Agrees to receive a further report at the first meeting of the new municipal year 2013/14 to provide an update for the period April 2012 to March 2013**

16. Council Tax Payment Profiles

Cabinet Member considered a report of the Director of Finance and Legal Services which updated on progress made within the revenues service to increase the proportion of council tax payment profiles which have a first of each month payment date and to increase the number of people paying by direct debit. There were currently 135,061 live council tax accounts and of those 102,380 are liable to make payments. Of the 102,380 accounts which require payments to be made, 62,875 (61.4%) are paid by direct debit. Of the 37,418 accounts paid by a method other than direct debit, 30,078 (80.4%) are paid on the first of the month. The service continued to be proactive in encouraging direct debit take-up and promote first of the month payment dates for cash payers.

Cabinet Member thanked officers for the level of detail in the report and agreed that this should be incorporated into the annual report of the revenues service in the future.

RESOLVED that, after due consideration of the report and matters raised at the meeting, the Cabinet Member:-

- 1) Acknowledges the work undertaken in 2011/12 to increase the number of direct debit payers and to increase the number of cash payers paying on the first of each month.**
- 2) Agrees that future updates in respect of direct debit take-up and payment dates be included in the annual report on performance within the revenues service.**

17. Early Release of Deferred Pension Benefits

Cabinet Member considered together the public and private reports of the Director of Customer and Workforce Services in respect of a request to release deferred (preserved) pension benefits under the Discretions Policy.

RESOLVED that, after due consideration of the report and matters raised at the meeting, the Cabinet Member approves the early release of preserved pension benefits in this case on the grounds of compassion and in accordance with the City Council's Pensions Discretion Policy.

18. **Outstanding Issues**

The Cabinet Member considered and noted a report of the outstanding issues relevant to his portfolio. All items had been scheduled for that day's meeting and were discharged from the list in the report.

The meeting closed at 2.25pm

12th September, 2012

Name of Cabinet Member:

Cabinet Member (Strategic Finance & Resources) – Councillor Duggins

Director Approving Submission of the report:

Director of Customer & Workforce Services

Ward(s) affected:

None

Title:

3 month (April – June 2012) Cumulative Sickness Absence 2012/2013

Is this a key decision?

No

Executive Summary:

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

- Levels of sickness absence for the 3 month period from April – June 2012.
- The actions being taken to manage absence and promote health at work across the City Council

Recommendations:

- 1) To receive this report providing sickness absence data for the 3 month period of April – June 2012 and endorse the actions taken to monitor and manage sickness.

List of Appendices included:

Appendix 1 – Coventry City Council – Days Lost per FTE 2004 - 2012

Appendix 2 – Directorate Summary Out-turn (2011/2012 and 2012/2013)

Appendix 3 - Reasons for Absence – (April - June 2012)

Appendix 4 – Days Lost per FTE, by Directorate (April – June 2012)

Appendix 5 - Coventry City Council Percentage Breakdown of Absence (April – June 2012)

Appendix 6 - Coventry City Council Spread of Sickness Absence (By Length of Days) – (April – June 2012)

Appendix 7 and 8 - Summary of Occupational Health & Counselling Services Activities Undertaken – (April – June 2012)

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:

3 Month (April – June 2012) Cumulative Sickness Absence

1. Context (or background)

- 1.1 Annual and Quarterly Information is based on full time equivalent (FTE) average days lost per person against the FTE average days per person available for work. This is the method that was previously required by the Audit Commission for annual Best Value performance indicator reporting. The City Council continues to use this method to ensure consistency with previously published data.
- 1.2 This report gives the cumulative sickness absence figures for the Council and individual directorates.

2 Performance and Projections

2.1

FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2011/12 – Qtr 1	1.96	2.14	1.40
2012/13 – Qtr 1	2.19	2.36	1.63

Annual FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2012/13 Projected	9.28	9.95	6.89
2012/13 Target	8.50	9.13	6.30

2.2 Indicative Cost of Sickness Absence

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

The table below shows the indicative cost of sickness for 2012/13 using this method of calculation.

2012/13	All Employees	All Employees (except teachers)	Teachers
Annual Cost	£13.1m	£9.0m	£4.1m
Annual Target Cost	£12.8m	£9.1m	£3.7m
Difference	£0.3m	-£0.1m	£0.4m

The Quarter 1 projected annual cost of sickness absence for all employees' stands at £0.3m above the target cost. This is broken down into all employees except teachers projecting £0.1m below target and teachers projecting £0.4m above target cost.

3 Reasons for Absence

3.1 Appendix 3 Illustrates that:

- The most incidents of sickness absence across the City Council in April – June 2012 is Stomach, Liver and Gastroenteritis accounting for 929 occasions. The amount of *time* lost through Stomach, Liver and Gastroenteritis was 2,329.63 days.
- The amount of *time* lost through Stress, Depression, and Anxiety was 5,019.77 days, making it the highest cause of time lost. However, it is not possible to differentiate between personal stress and work related stress.
- The second and third most prevalent reasons for time lost due to sickness absence were Other Musculo-Skeletal Problems (4,235.24 days) and Stomach, Liver and Gastroenteritis (2,392.63 days).

3.2 A comparison of year on year figures across the authority reveals that

- Quarter 1 (ending June 2009) out turn was 2.43 days (average sick days lost per full time equivalent employee),
- Quarter 1 (ending June 2010) out turn was 2.26 days (average sick days lost per full time equivalent employee),
- Quarter 1 (ending June 2011) out turn was 1.96 days (average sick days lost per full time equivalent employee),
- Quarter (ending June 2012) out turn was 2.19 days (average sick days lost per full time equivalent employee),

When comparing this Quarter 1 out turn with last years in the same period, it (2012/2013) reveals that:-

- There has been an increase of 1,559.48 working hours lost.
- A reduction of £10,607.60 in respect of cost of absence.
- A reduction in the number of occurrences by 243.
- An increase in the total days lost per FTE by 163.62 days.
- Stress has increased by 504.72 days.

- Musculoskeletal has increased by 385.92 days.
- Infections, colds and flu has increased by 162.92 days.
- Chest, respiratory, chest infection had reduced by 175.50 days.

3.3 Frequent and Long Term Absence

3.3.1 Appendix 5 provides the breakdown between frequent and long-term absence levels during April – June 2012.

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

3.4 Dismissals through Promoting Health at Work Corporate Procedure

During April – June 2012, there has been a total of 5 dismissals in accordance the Promoting Health at Work Corporate Procedure. All 5 dismissals have been where the City Council cannot continue to sustain the level of sickness absence.

3.5 Targets 2012/2013

Business Management Group (BMG) has approved the following targets for 2012/13.

Directorate	Target 12/13
CXD	5.0
CLYP Central	8.75
CLYP Teachers	6.3
CLYP School Support	9.25
City Services & Dev	8.0
Community	11.1
CWS	9.1
Finance & Legal	8.0
CCC Total	8.5

3.6 Comparator Information

Coventry City Council has collected sickness out turn data for 2011/12 for the other West Midlands Metropolitan Authorities.

West Midlands Metropolitan Authority	Days Lost per FTE
Solihull	8.19
Coventry	9.13
Walsall	9.13
Dudley	9.27
Sandwell	9.99
Birmingham	11.70
Wolverhampton	yet to report

4. Options considered and recommended proposal

4.1 Activities during Quarter 1 from the HR Health & Wellbeing Team

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

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

4.1.3 The Health & Well Being Team have also implemented the following proactive strategies to support the authority to reduce levels of sickness absence in 2011/12:

- Robust approach is being taken to the management of sickness absence casework with the application of a revised model, resulting in no more than 4 meetings having to take place before a decision is made about an employees continued employment.
- A monthly system to alert Assistant Directors when employees hit a sickness absence trigger point and have not been seen 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 in carrying out return to work interviews and Promoting Health at Work meetings is taking place across the Council as a whole. During Quarter 1 over 70 managers/supervisors and team leaders undertook training
- Training has allowed managers the opportunity to refresh their knowledge and understanding of taking an absence call, conducting effective return to work meetings and understanding the rationale for making reasonable adjustments in the work place to facilitate an employee's return to work.

4.1.4 A number of service areas hold regular 'sickness summits' on a bi-monthly, quarterly or as needed basis.

These serve as a useful mechanism to ensure absence levels remain a high priority and are well-managed for all parties, with the aim to reduce these levels for the Council and to enable services to be cost-effectively delivered to the public.

The purpose of 'sickness summits', are to provide an opportunity for Management with the relevant Head of Service / Assistant Director, to review sickness cases within a given area. This is to ensure they are being picked up in a timely manner and are being robustly, consistently, fairly and appropriately managed through the application of the Promoting Health at Work process.

The summits provide an opportunity for Managers to share good practice and experience in managing absence levels, as well as to gain further advice, support and updates on changes to procedure and support the Council can provide to its employees, from their Lead HR Representative.

One of the particular key benefits of sickness summits 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

4.2 Be Healthy Be Well Initiative

The Be Healthy Be Well initiative is joint project between the Health & Well Being Team and Occupational Health & Counselling Support Team which was launched in January 2012. The primary aim of the initiative is to act as central source of information and encourage Council employees to get Fit and Healthy in 2012 and beyond.

Various activities and events have been taking place as part of the initiative in the first quarter which

Events in quarter 1:

- Continuation with publication of the very popular & informative monthly Be Healthy Be Well newsletter
- A centrally based healthy cooking demonstration event delivered by Cook & Eat Well for employees
- To support Men's Health week a series of fitness check sessions were organised for male staff across the Council as part of the Be Healthy Be Well initiative. The "Look after Your Heart" events were organised by the Occupational Health and Counselling Team and supported by the Lifestyles Health and Fitness team from the Coventry Sports Foundation. Employees were provided with the chance to book a 20 minute session, covering both a fitness and weight assessment, looking at stamina, flexibility, grip strength and body mass or an MOT - including blood pressure, cholesterol and blood sugar measurement. PSA testing was also available on the day.
- Free relaxation & meditation classes aimed at helping staff to control stress and improve their well being through Sahaja yoga
- Discounted Badminton & Zumba classes were extended for staff
- Colleagues from Coventry Sports Foundation & Coventry Sports Trust came into the Council at various sites to provide staff with free guest passes to their establishments and vouchers for discounted events

4.3 **Activities during Quarter 1 from the Occupational Health Team**

The Occupational Health and Counselling team provide a vital role in supporting the management of sickness absence process. Some of the key issues the team led on during the first quarter of 2012/13 were:-

- **"Cancer Buddy" scheme** – Volunteer 'Cancer Buddies' have now been assessed for suitability and placed on the Cancer Buddy Register. A Buddy is now available to any employee who requires support with cancer issues. The Cancer Buddy Co-ordinator is available to ensure support is appropriate for both the volunteers and those requesting a Buddy, with support from the Macmillan Service.
- **Men's Health week** – Run in June at the Occupational Health and Counselling Unity, at Whitley Depot and at Fullwood Close. Male employees could choose a fitness and weight assessment, looking at stamina, flexibility, grip strength and body mass or an MOT - including blood pressure, cholesterol and blood sugar measurement. PSA testing was also available. The sessions were in partnership with the Lifestyles Health and Fitness team from the Coventry Sports Foundation, who carried out fitness assessments.
- **"Drop in" Clinics** for health surveillance – Monthly health screening clinics are being run on a 'drop in' basis to make it easier for employees to have blood pressure, cholesterol, blood sugar and urine tests, along with health advice.
- A new **Carer Support Group**, for all those employees who have responsibility caring for someone, i.e., through disability, is now available at the OH&C Unit.
- **Sahaja Yoga Meditation and Relaxation** Workshops were run in June and July. Sahaja Yoga is a simple method for controlling and relieving stress and improving wellbeing.

5. **Timetable for implementing this decision**

None.

6. **Comments from Director of Finance and Legal Services**

6.1 Financial implications

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

6.2 Legal implications

There are no legal implications resulting from this report

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) on a quarterly basis with the final quarter containing the outturn report.

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 the area of safety management and occupational health, and will also include analysis of sickness data to identify the relationship between specific causes of absence and occupational groups.

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

Human Resources

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

Information and Communication Technology

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

Trade Union Consultation

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

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 organisations?

None.

Report author(s):

Name and job title:

Jon Venn, Senior Human Resources Manager

Directorate:

Customer & Workforce Services

Tel and email contact:

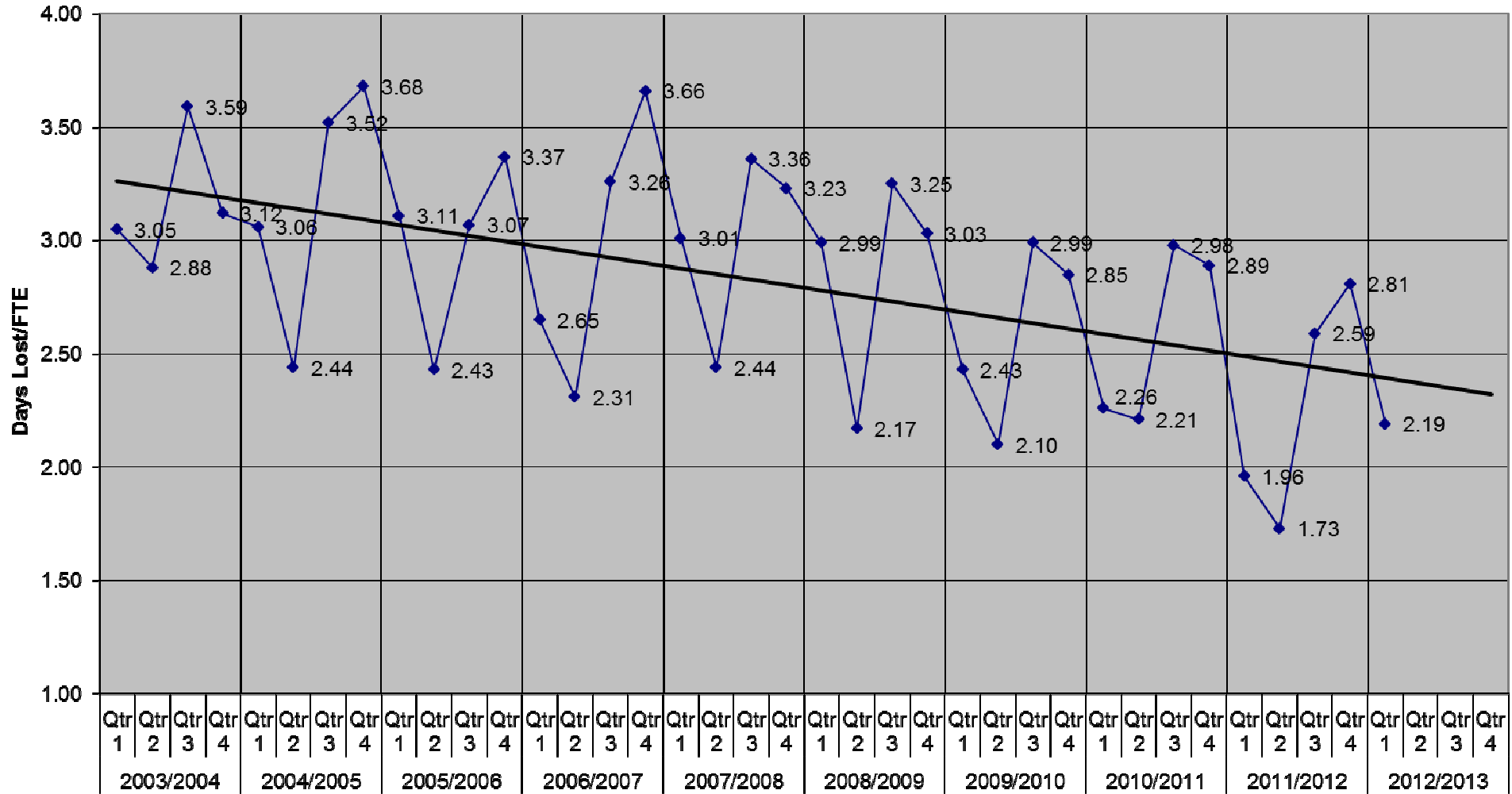
Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Jason Bratt	Senior Human Resources Adviser	Customer & Workforce Services	30/07/2012	08/08/2012
Angie White	Occupational Health & Counselling Services Manager	Customer & Workforce Services	30/07/2012	20/08/2012
Su Symonds	Governance Services Officer	Customer & Workforce Services	30/07/2012	24/08/2012
Names of approvers: (officers and members)				
Lindsay Hughes	Senior Accountant	Finance & Legal	30/07/2012	03/08/2012
Clarissa Evans	Commercial team manager	Finance & Legal	20/08/2012	24/08/2012

This report is published on the Council's website:

www.coventry.gov.uk/meetings

Coventry City – Days Lost per FTE 2003 - 2012



Coventry City Council

April – June 2012	April – June 2011	Annual Target 2011/12
2.19	1.96	8.5

This demonstrates an increase of 0.23 days per FTE compared to 2011/12.

Chief Executive's Directorate

April – June 2012	April – June 2011	Annual Target 2011/12
0.53	0.11	5.0

This demonstrates an increase of 0.42 days per FTE compared to 2011/12.

City Services & Development Directorate

April – June 2012	April – June 2011	Annual Target 2011/12
2.39	1.92	8.0

This demonstrates an increase of 0.47 days per FTE compared to 2011/12.

Community Services Directorate

April – June 2012	April – June 2011	Annual Target 2011/12
2.71	3.01	11.1

This demonstrates a reduction of 0.30 days per FTE compared to 2011/12.

Children, Learning and Young People Directorate**Centrally Based Employees**

April – June 2012	April – June 2011	Annual Target 2011/12
2.07	2.17	8.75

This demonstrates a reduction of 0.10 days per FTE compared to 2011/12.

Teachers in Schools

April – June 2012	April – June 2011	Annual Target 2011/12
1.63	1.40	6.3

This demonstrates an increase of 0.23 days per FTE compared to 2011/12.

Support Staff in Schools

April – June 2012	April – June 2011	Annual Target 2011/12
2.59	2.05	9.25

This demonstrates an increase of 0.44 days per FTE compared to 2011/12.

Finance and Legal Directorate

April – June 2012	April – June 2011	Annual Target 2011/12
1.95	1.39	8.0

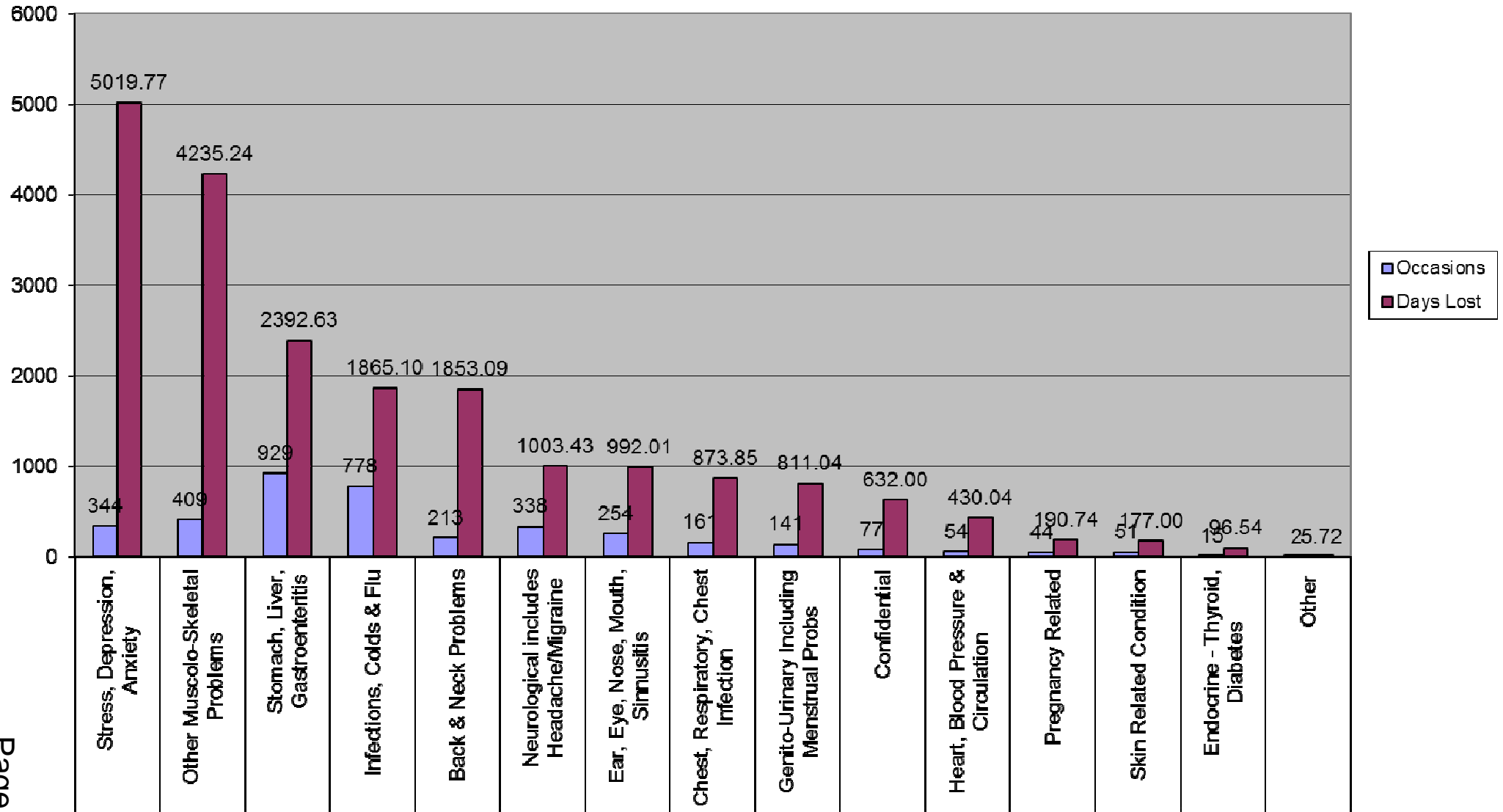
This demonstrates an increase of 0.56 days per FTE compared to 2011/12.

Customer and Workforce Services Directorate

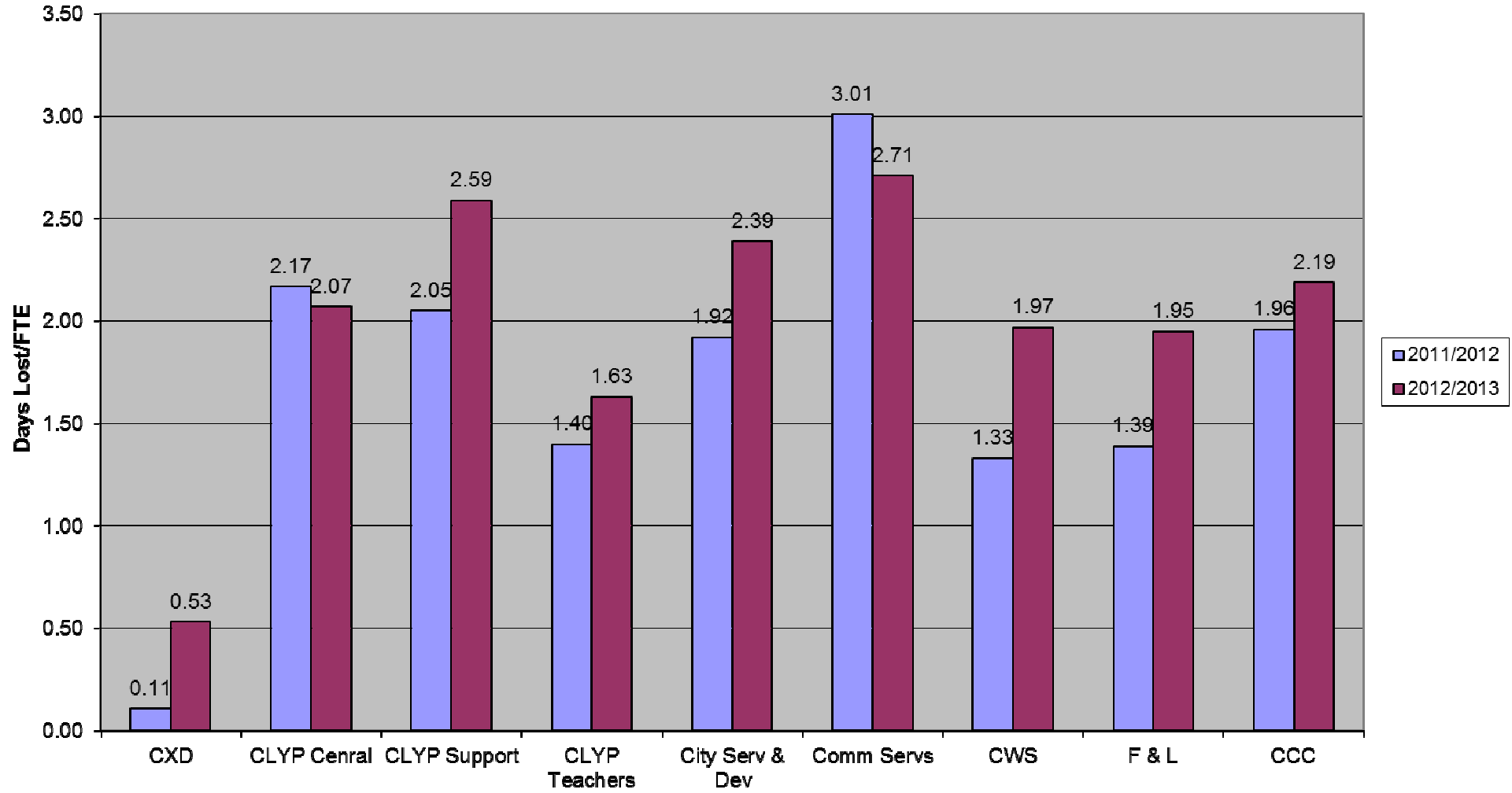
April – June 2012	April – June 2011	Annual Target 2011/12
1.97	1.33	9.1

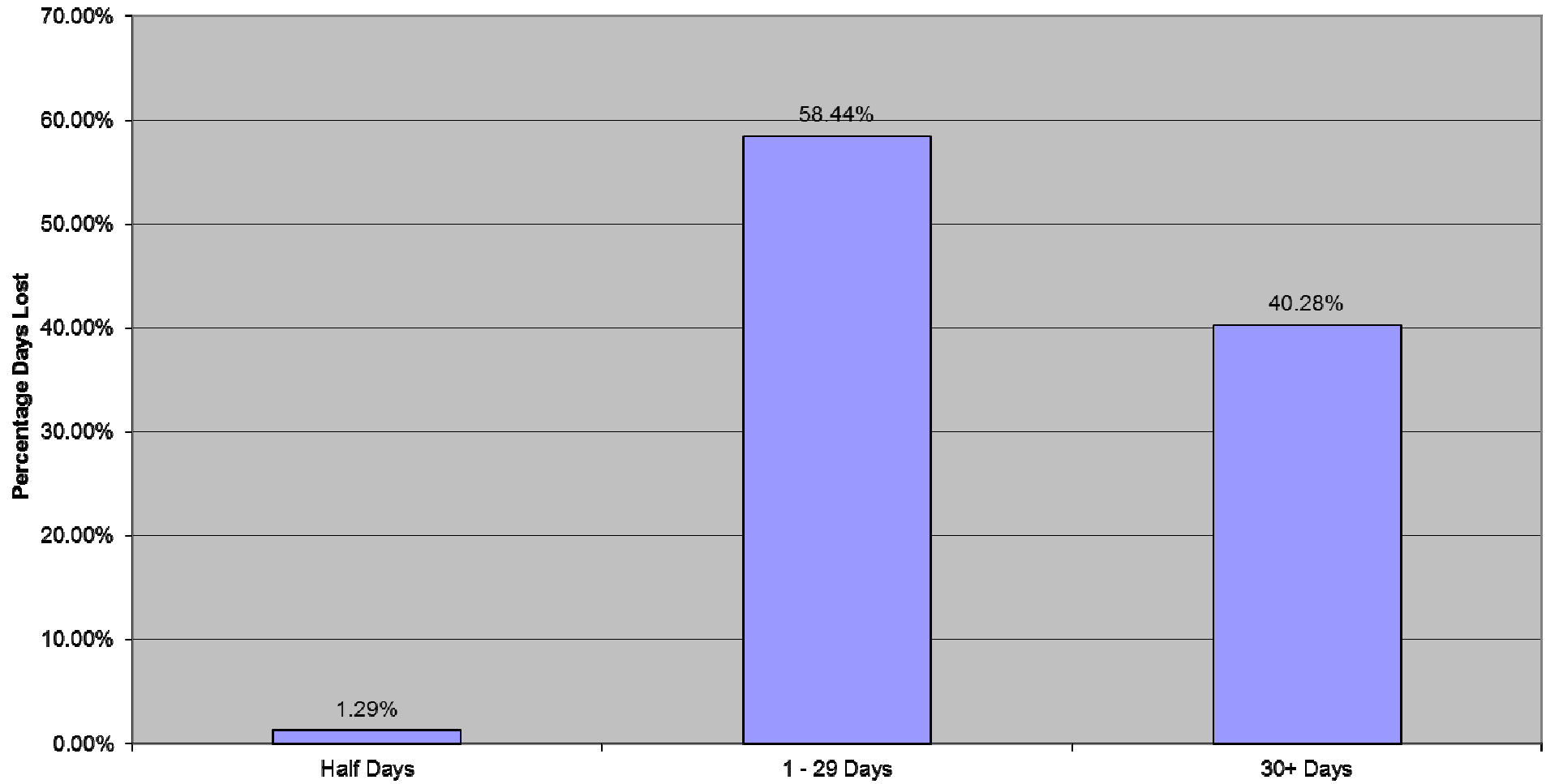
This demonstrates an increase of 0.64 days per FTE compared to 2011/12.

Reasons for Absence April – June 2012

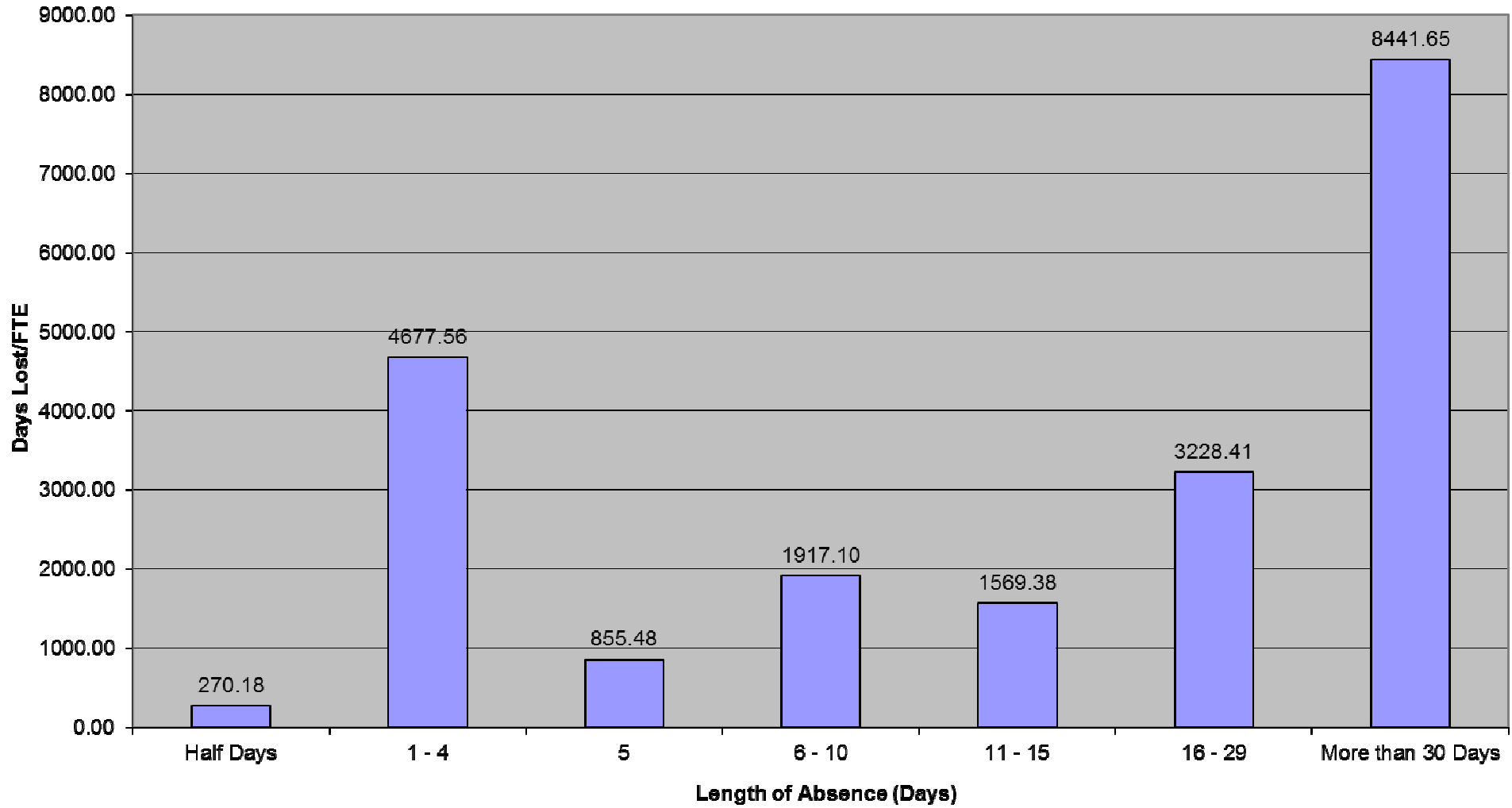


April – June 2011/2012 & 2012/2013 Days Lost per FTE





Coventry City Council Spread of Sickness (By Length of Days) April – June 2012



OCCUPATIONAL HEALTH
Promoting Health at Work Statistics
April 2012 – March 2013

Activity	April – June 2012	July - September 2012	October – December 2012	January – March 2013	Total for Year
Pre-Employment health assessments	266				266
<u>April to June 2012</u> From the pre-employment assessments 54 required additional advice and guidance to be given to the employing manager. 44 % of pre-employment forms were processed within 3 working days 99 % clearance slips were returned to the Recruitment Team/School within 3 working days					
Sickness absence health assessments and reviews	323				323
Work Related Ill Health Conditions reported/investigated	18				18
Work Place assessments carried out	6				6
Case conferences carried out	10				10
<u>April to June 2012</u> 100 % of employee ill health referral forms processed within 3 working days 60 % reports sent to HR/schools within 3 working days					
Vision screening and other surveillance procedures	112				112
Healthy Lifestyles screens and follow up appointments	674				674
<u>April to June 2012</u> From the initial healthy lifestyle screens 32 were identified as having previously unidentified health problems, and required follow up appointments at the OHU and referrals to their GP.					
Self referrals	3				3

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

COUNSELLING SERVICE
Promoting Health at Work Statistics
April 2012 to March 2013

Activity	Apr – Jun 2012	Jul – Sep 2012	Oct – Dec 2012	Jan – Mar 2013	Total for Year
Referrals for counselling	159				159
Counselling sessions	632				632
From the employees seen, 67 were associated with work related stress. 1 was related to assault and 0 to bullying. % of counselling appointments were offered to employees within 3 working days of being referred All emergency cases were seen on the day of referral					
Mediation	4				4
This mediation helped to resolve perceived work related stress issues for an employee who was off sick.					
Anxiety Management group attendance including CBT	4				4
Group sessions are an effective and expedient way for employees to address debilitating anxiety states, including panic attacks.					
Numbers trained in effectively managing mental health, stress and interpersonal issues in the workplace	56				56
Directorates are using the available training to improve the skills of managers and other employees in effectively managing health at work.					
Stress Risk Assessments (number of employees involved)	51				51
Service evaluation					
Number of employees completing questionnaire	44				44
Counselling helped avoid time off work (not on sick leave)	27				27
Counselling helped early return to work (on sick leave when counselling started)	14				14
Did not affect sickness absence	3				3

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



12th September, 2012

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Duggins

Director Approving Submission of the report:

Director of Customer and Workforce Services

Ward(s) affected:

All

Title:

Agency Workers and Interim Managers – Performance Management Report Q1 (1 April – 30 June 2012)

Is this a key decision?

No

Executive Summary:

1.1 To provide the Cabinet Member with performance information on the use of agency workers procured through the Master Vendor Contract for the Q1 period, 1 April to 30 June 2012; to compare Q4 2011/12 with Q1 2012/13 expenditure and finally to consider Interim Manager spends for the same period.

Recommendations:

The Cabinet Member is asked to:

Endorse the action taken in relation to agency workers and interim managers:

1. Require monitoring processes to continue for both Agency workers and Interim Managers
2. Ensure compliance with the corporate policy on the recruitment of Temporary Agency Workers through the Master Vendor, Reed Recruitment and Interim managers through the Preferred Suppliers List
3. Continue to work towards reducing expenditure on the use of agency workers.
4. That future orders are not accepted if no reason is given for the need for the agency worker

List of Appendices included:

The information attached in Appendix I shows the total expenditure on agency workers by Directorates for Q1 2012/13 for spends with Reed.

The information attached in Appendix II shows the justification of new orders placed by Directorates for agency workers during Q1 2012/13 for spends with Reed.

The information attached in Appendix III shows in more detail, for Q1, what type of workers are being employed through agencies, the reasons and Directorates' actions in trying to reduce the spend.

Appendix IV shows a diversity breakdown of agency workers under the contract with Reed Recruitment for Q1.

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

No

Report title:

Agency Workers and Interim Managers – Performance Mgt Report Q1 (1 April to 30 June 2012) and Interim Managers spends for Q1.

1. Context (or background)

The Master Vendor contract requires all agency workers to be ordered through Reed Recruitment and came into force on the 2 May 2011. Reed will supply all suitable agency workers through their own agency or through a 2nd tier arrangement with other agencies on behalf of the Council using rates of pay based on an agreed pay policy and a negotiated mark up rate with Reed. The information supplied by Reed on the agency spends gives detailed and accurate information on agency worker usage and spends.

2. Options considered and recommended proposal

The table in 2.1 below shows a comparison for Q4 2011/12 and comparisons with Q1 for 2012/13 and indicates if there has been an increase or a decrease in spend. The Master Vendor Contract covers all agency workers with the exception of interim managers for HAY Graded posts and schools.

2.1 Table for comparison with Q3 2011/12 and Q4 2011/12 Agency Spend.

Directorate	Spend Q4 2011/12	Spend Q1 1012/13	Increase/decrease
Children Learning & Young People	£202,684	£175,873	Decrease
City Services & Development	£155,337	£181,754	Increase
Community Services	£281,846	£331,808	Increase
Customer & Workforce Services	£160,778	£207,383	Increase
Chief Executives	£0	0	-
Finance & Legal Services	£131,912	£112,859	Decrease
TOTAL	£932,557	£1,009,677	Increase

Directorate Commentary on increased Agency worker Spend for Q1 2012/13

Community Services

Quarter 1 showed a significant increase in the use of agency workers required to meet service users' needs. This with slight increases in vacancy, sickness and holiday cover gave rise to an overall increase in expenditure. To reduce the use of agency workers Community Services is actively recruiting to a number of vacancies and further increasing the focus on reducing sickness absence. In order to meet minimum staffing levels when employees are on leave, training, etc, without increasing core staffing to a financially unsustainable level, relief workers are currently being recruited. This will enable Community Services to meet service requirements while reducing reliance on agency workers.

Customer and Workforce Services

The increased use of agency workers in Q1 is primarily associated with the implementation of the approved strategic changes to the ICT Target Operating Model. Agency workers were appointed initially to facilitate improved service delivery and strategic project support until the recruitment cycle had been completed. In addition, continuity of service was critical in areas

that experienced staff turnover and maternity leave. Agency worker assignments are being ended as quickly as possible and many of them ended immediately before the end of Q1. All remaining agency assignments are expected to end during Q2. This will be aided by the completion of the current recruitment processes.

City Services and Development

There is additional spends of £82,000 that was procured outside of the Reed contract via a highway service memorandum of understanding with Warwickshire County Council.

Interim Management Spend for Q4 2011/12 and Q1 2012/13

Table 2.3 shows a summary of spend for Interim Management in Q3 2011/12 and Q4 2011/12. This relates to cover for Senior Hay graded jobs over £50,000 pa. The Interim Manager Contract started in January 2009.

Directorate	Number of Managers Q4	Total Spend Q4	Number of Managers Q1	Total Spend Q1
Community Services	4	£84,723	3	£76,546
Children Learning & Young People	2	£24,300	1	£5480
TOTAL	7	£109,023	3	£82,026

Savings

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

The Management rebate for 2012/13 was set at £400K based on last years rebate. For Q1 we received a rebate of £134,743.

Management Board Comment

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

There will always be the need to use agency workers. However, it is acknowledged that current usage is still too high because of the need to cover sickness absence, short-term cover, cover whilst Fundamental Service Reviews are taking place with the need for scarce skills and workers required during these reviews and organisational restructures.

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 budgets. 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 covered by the relevant staffing budget.

Where opportunities exist for bulk recruitment campaigns to front line essential services, the Human Resources Recruitment Team will continue to work with service managers to establish registers of workers, who are available for casual, temporary or permanent work in order to

reduce the use of agency workers. This became more important with the onset of the Agency Workers Directive on the 1 October 2011 when we expected to see spends on agency workers to rise to take account of increased rates brought on by the introduction of the Directive. The Agency Workers Directive may entitle some agency workers, who complete a 12 week qualifying period, to be eligible to receive a higher hourly rate, ensuring they have equal rights in terms and conditions of employment to those of our own employees. Reed Recruitment, our agency worker Master Vendor supplier, recently produced a report to estimate the impact on the costs of agency workers based on the previous 6 months spends on agency workers and who would have qualified under the Agency Workers Regulations. The report showed that there had been a very low impact on the increased costs of agency workers. This was due, in part, to the work that had been undertaken by Human Resources, prior to the previous Neutral Vendor Contract, on ensuring our rates of pay for agency workers were based on our existing workers' pay rates, for the most part.

3. Results of consultation undertaken

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

4. Timetable for implementing this decision

Not applicable

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

Quarterly monitoring of expenditure on agency workers will continue throughout the contract. The cost of agency workers for the current reporting period from the Reed system is £927,677 and equates to approx 2.26% of the overall wage bill for this quarter (excluding schools).

Reed operates 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. Reed's system shows the volume of agency activity/usage in a particular quarter irrespective of when invoices are paid. Therefore this information will be different from that which has gone through the Council's financial systems during Q1.

Reed's system only incorporates timesheets authorised by managers and therefore the costs for a particular quarter will increase throughout the year as more timesheets are authorised. At present Reed are unable to provide us with a figure for the unauthorised timesheets outstanding and we have asked if a report could be developed to enable us to report on this figure in the future.

5.2 Legal implications

There are no specific legal implications associated with this report.

6. Other implications

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

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

6.2 How is risk being managed?

No risks identified

6.3 What is the impact on the organisation?

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

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

Human Resources are proactively supporting managers to reduce agency spend.

6.4 Equalities / EIA

We are now able to show the Ethnic Monitoring data that has been provided by Reed and is shown in Appendix III. This information will inform workforce planning, Entry to Employment initiatives and recruitment drives.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

Report author(s):

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Directorate: Customer & Workforce Services

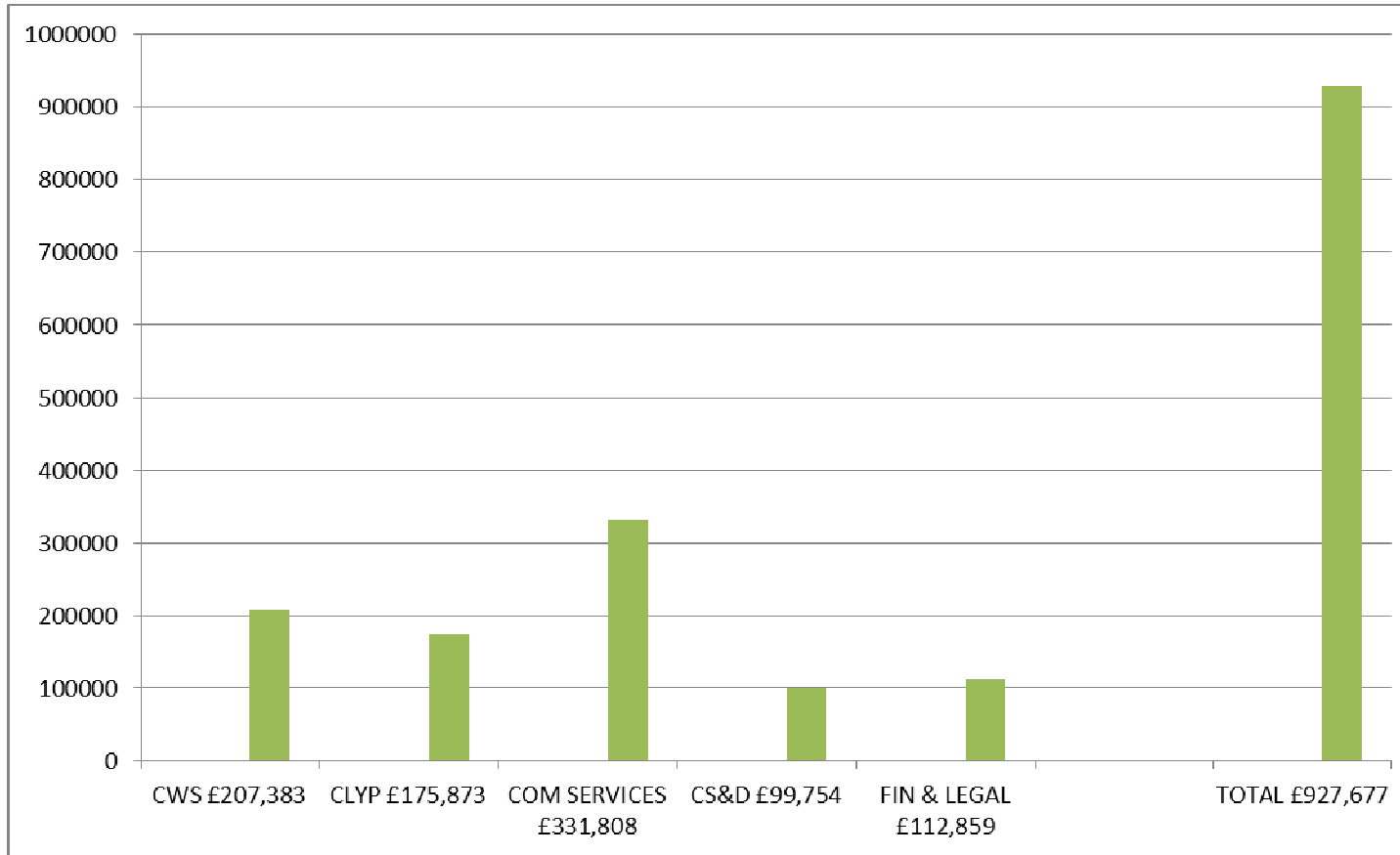
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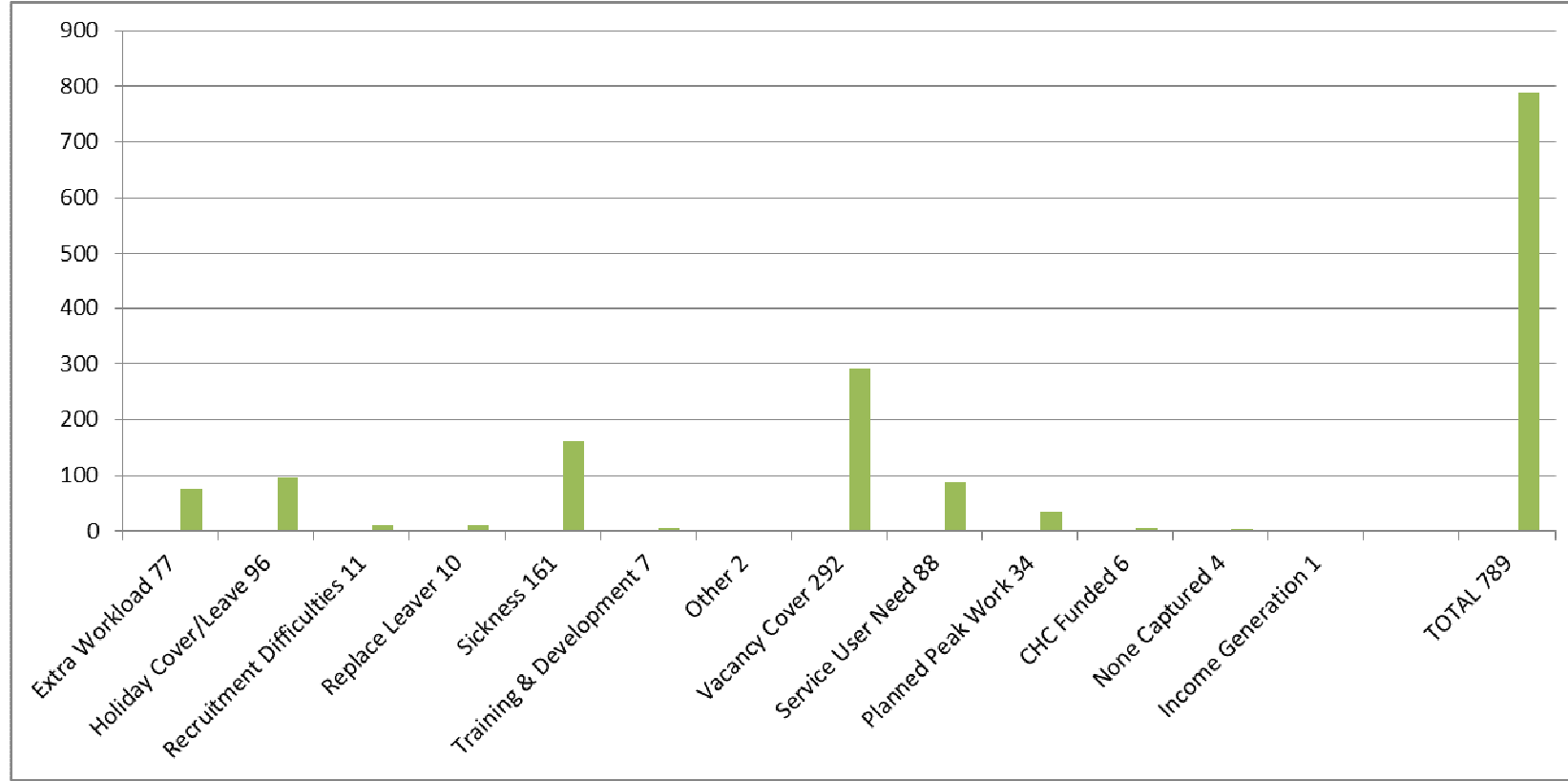
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Kathryn Sutherland	Manager - Central Services Finances	Finance and Legal Services	9 August 2012	22 August 2012
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Member: Councillor Duggins				

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APPENDIX I - TOTAL SPEND BY DIRECTORATE QUARTER 4: APRIL TO JUNE 2012



APPENDIX II - ORDER JUSTIFICATION: APRIL TO JUNE 2012



APPENDIX III - DIVERSITY BREAKDOWN OF AGENCY WORKERS QUARTER 4: APRIL- JUNE 2012

Ethnic Origin	Total
African	41
Any Other Black Background	5
British	41
Caribbean	7
Indian	6
None Stated	397
Pakistani	3
White (European)	7
White (Other)	3
White & Asian	1
	511

Age	Total
16-19	7
20-30	90
31-40	156
41-50	169
51+	89
None Stated	0
	511

Gender	Total
Female	288
Male	223
	511

Directorate	Q4 Jan – March 2012 Expenditure by Service Area	Q1 April – June 2012 Expenditure by Service Area	Justification of new Orders placed in Q1	State Usage of Agency Workers in Q1	What Strategies are in place for Reducing Dependency on Agency Workers
Chief Executive	Total £0	Total £0		No spend in Quarter	No spend in Quarter
Children, Learning and Young People	Total Expenditure Quarter 4 £202,684	Total Expenditure Quarter 1 <u>£175,873</u>	Extra Workload: 27 Service User Need: 4 Vacancy Cover: 11 Leave/Hol Cover: 2 Total: 44	There has been a reduction in Agency spend in CLYP between Q4 and Q1	
City Services & Development	Total Expenditure Quarter 4 £155,337	Total Expenditure Quarter 1 <u>£181,754</u>	Recruit Difficulties: 2 Replace Leaver: 1 Extra Workload: 15 Sickness Cover: 64 Leave/Hol Cover: 4 Vacancy Cover: 23 Planned Peak Work: 10 Total: 119	There has been an increase in Agency spend in City Services & Development between Q4 and Q1.	
Community Services	Total Expenditure Quarter 4 £281,846	Total Expenditure Quarter 1 <u>£331,808</u>	Replace Leaver: 3 Other: 2 Extra Workload: 10 Sickness Cover: 97 Leave/Hol Cover: 94 Service User need: 59 Training & Dev: 8 Vacancy Cover: 236	Agency use in the quarter was predominantly to cover posts in regulated services where there are minimum staffing levels which have to be maintained. There has been an increase in agency worker nos. from Q4 (612) to 675 in Q1.	Guidance has been introduced on the notification and management of leave. Managers have put in place a new procedure for signing off the use of agency cover ensuring greater levels of planning and

			<p>CHC Funded: 6 Planned Peak Work: 9 None: 4</p> <p>Total: 528</p>	<p>Vacancy cover went up by 10. Service user needs have increased with no. of occurrences going up by 29. Sickness cover has risen slightly. Leave and Holiday cover rose by 23.</p> <p>£29,940.48 is the difference in expenditure between Q4 and Q1 for Vacancy Cover for Social Workers which accounts for part of the increase. We are ensuring these are recruited to shortly.</p>	<p>preparation.</p> <p>Reducing sickness absence remains a priority in Community Services, with greater scrutiny being placed on the Promoting Health at Work Process with a 25% reduction target for sickness absence in Provider Services. The Directorate is actively recruiting to vacancies with over 40 posts being approved for recruitment in the last two months and relief worker pools being established. It is anticipated that these actions will take some time to take effect and reduce agency spend.</p>
Customer & Workforce Services	<p>Total Expenditure Quarter 4</p> <p>£160,778</p>	<p>Total Expenditure Quarter 1</p> <p>£207,383</p>	<p>Recruitment Difficulties: 8 Extra Workload: 12 Vacancy cover: 19 Training: 0 Sickness: 4 Service User Need: 15 Planned Peak Work: 3</p> <p>Total: 61</p>	<p>The increased cost in Q1 is primarily associated with the implementation of the approved strategic changes to the Target Operating Model until the recruitment cycle had been completed. In addition, continuity of service was critical in areas that experience limited staff turnover and maternity leave. This was in addition to the need for the acquisition of capacity to deliver key strategic projects.</p>	<p>A number of agency contracts ended immediately before the end of Q1. All remaining agency assignments are expected to end during Q2. This will be aided by the completion of the current recruitment processes.</p>

Finance & Legal Services	Total Expenditure Quarter 4: £131,912	Total Expenditure Quarter 1: £112,859	Replace Leaver: 6 Extra Workload: 7 Sick: 3 Planned peak work: 9 Service User Need: 2 Vacancy Cover: 10 Total: 37	There has been a reduction in Agency spend between Q4 and Q1	
OVERALL TOTALS	Q4 £932,557	Q1 £927,677	Q1 Total orders placed: 789		

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Report to

Audit Committee
Cabinet Member (Strategic Finance and Resources)

22nd August 2012
12th September 2012

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Duggins

Director approving submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

City Wide

Title:

Fraud and Corruption Strategy

Is this a key decision?

No

Executive summary:

The Fraud and Corruption Strategy explains the Council's underlying approach to fraud and corruption, documenting the roles and responsibilities of Members and officers, as well as explaining key aspects of the Council's process for responding to this risk.

The purpose of the report is for the Audit Committee to consider the Fraud and Corruption Strategy, as set out in Appendix One and to recommend to the Cabinet Member (Strategic Finance and Resources) that the Strategy be approved.

Recommendations:

Audit Committee is recommended to:

1. Consider the revised Fraud and Corruption Strategy (attached as Appendix One), and to recommend to the Cabinet Member (Strategic Finance and Resources) that the Strategy be approved.
2. Note the planned focus of work for the remainder of 2012-13 to implement the Strategy.

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

1. Consider the comments of the Audit Committee.
2. Approve the Fraud and Corruption Strategy (attached as Appendix One).

List of Appendices included:

Appendix One – Fraud and Corruption Strategy.

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:

Fraud and Corruption Strategy

1. Context (or background)

- 1.1 The United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. Sound systems of public accountability are vital for effective management and for maintaining public confidence. The minimisation of losses from fraud and corruption is essential to ensure that resources are used for their intended purpose, providing services to the citizens of Coventry.
- 1.2 The profile given to fraud within Local Authorities has increased recently through the publication of "Fighting Fraud Locally – The Local Government Fraud Strategy". The key messages from this document are:
- Tackling fraud is seen as an integral part of putting the country's finances back on a stable footing and ensuring that tax-payers hard earned money is used to protect resources for frontline services.
 - Fraud has a serious effect on all parts of the economy and the cost of fraud to local government is estimated at £2.2 billion a year.
 - Better prevention, detection and recovery of fraud will help reduce the financial pressures on Councils.
- 1.3 With these increased expectations, our first step was to review the Council's existing Strategy in respect of fraud and corruption to ensure that it provides a rigorous framework to respond to these challenges. Given the Audit Committee's responsibility, as reflected in its terms of reference is '*to monitor Council policies on "whistle blowing" and the anti-fraud and anti-corruption strategy*', this report allows the Audit Committee to comment on the content and scope of the revised Strategy, prior to it being considered for approval by the Cabinet Member (Strategic Finance and Resources).
- 1.4 National initiatives such as the expansion of direct payments and the localisation of council tax support (along with the positive outcomes achieved from the results of the recent single person discount exercise) are changing the focus of fraud risks and will shape the way the Strategy is implemented. This report re-confirms our approach and sets out for Members the specific actions we will be taking to deal with the changing landscape.

2. Options considered and recommended proposal

- 2.1 The proposed Fraud and Corruption Strategy is attached at Appendix One. The Strategy was last updated in 2009 and although "Fighting Fraud Locally – The Local Government Fraud Strategy" uses different terminology to that reflected in the existing Council Strategy, we have concluded that overall, the approaches are not significantly different.
- 2.2 The updated Strategy clarifies and formalises the following aspects of the Council's response to the risk of fraud and corruption by:
- Outlining the range of interrelated policies, procedures and guidance that provide a corporate framework to underpin counter fraud activity within the Council.
 - Providing clarity on the roles and responsibilities of key groups / individuals that support the Council's response to fraud and corruption.

- Providing an overview of the Council's approach to fraud and corruption with the aim of:
 - Enhancing and maintaining an anti-fraud culture.
 - Actively encouraging prevention and detection of fraud and / or corruption.
 - Acting as a deterrent to those thinking of committing fraudulent and / or corrupt acts.
 - Identifying a clear pathway for investigation and remedial action.

2.3 There are a number of developments planned to support the implementation of the Strategy. These are outlined in the table below.

Area	Development
Overarching Approach to Fraud	(1) To undertake a survey to understand the level of awareness within the Council of key aspects of the revised Fraud and Corruption Strategy. (2) To review the fraud risk assessment to ensure resources continue to be focused on high risk areas.
Fraud Awareness	(3) To review key fraud guidance, e.g. managers / employees guide to fraud awareness to ensure they remain consistent with the key messages of the revised Strategy. (4) To implement an e-learning module on fraud awareness.
Fraud Prevention	(5) To undertake proactive fraud reviews / assessments of all the relevant fraud risks identified in "Fighting Fraud Locally – The Local Government Fraud Strategy" in order to determine those areas that pose the greatest risk to the Council. Areas identified are – council tax fraud, procurement fraud, grant fraud, employee fraud, schools and personal budgets. (6) To review internal audit coverage of key Council business systems to ensure adequate focus is given in such reviews to the risk of fraud and error.
Fraud Detection	(7) To look at opportunities for using data sources within the Council to assist in detecting fraud.

2.4 The Council has a dedicated post for corporate fraud, plus a small team responsible for benefit fraud investigation. Given these limited resources to support embedding the Council's revised Fraud and Corruption Strategy, timescales have not been allocated to completing developments highlighted above. This reflects the fact that:

- It is difficult to plan proactive work given the fact that a key aspect of our approach is reactive in the form of investigating allegations of fraud. Whilst the experience of the Council in the last year or so has seen a fall in the number of fraud referrals / investigations, we have no way of predicting whether this trend will continue through 2012 -13 and beyond.
- There is still a significant degree of uncertainty around the impact of planned changes (e.g. Single Fraud Investigation Service, localising support for council tax) on our existing arrangements for tackling fraud through the Benefit Fraud Team. The key issue to resolve is whether current resources that investigate allegations of housing benefit and council tax benefit fraud will remain available to investigate council tax fraud when this becomes a local scheme in April 2013.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 Subject to approval, the implementation of this revised Strategy will commence immediately.

5. Comments from Director of Finance and Legal Services

5.1 Financial Implications

Fraud has a detrimental financial impact on the Council. The Council's practice in respect of fraud is, wherever possible, to recover all monies.

5.2 Legal implications

All fraud work is conducted in accordance with relevant legislation including PACE (Police and Criminal Evidence Act), RIPA (Regulatory Investigatory Powers Act) and the DPA (Data Protection Act). In terms of corporate fraud activity, investigations are conducted in line with the DPA and are referred to the police when considering criminal proceedings.

6. Other implications

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

The scope and content of this report is not directly linked to the achievement of key Council objectives, although it is acknowledged that fraud can have a detrimental financial impact on the Council.

6.2 How is risk being managed?

The risk of fraud in the Council is reflected in the Finance and Legal Service's Directorate risk register, which is subject to a quarterly review.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

Section 149 of the Equality Act 2010 imposes a legal duty on the Council to have due regard to three specified matters in the exercise of their functions:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The "protected characteristics" covered by section 149 are race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment. The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnership.

The Council acting in its role as Prosecutor must be fair, independent and objective. Views about the ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation, or gender identity of the suspect, victim or any witness must not influence the Council's decisions.

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

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Fraud and Corruption Strategy

August 2012



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1. Introduction

- 1.1 Over the last few years the public sector has been faced with an increase in the level of fraud activity, with an increasing emphasis on such activity becoming more organised. This needs to be put into context in that, with the exception of benefit fraud, levels of identified / reported fraud against the City Council are still at a relatively low level, both in terms of numbers and value when compared with the size of the organisation. Whilst our experience seems at odds with fraud levels quoted nationally, we cannot with any certainty explain whether this is due to either an inability to detect fraud in Coventry or whether our systems provide a robust mechanism in preventing fraud.
- 1.2 Irrespective of the level of fraud, the Council agrees with the focus highlighted in "Fighting Fraud Locally - The Local Government Fraud Strategy" (published by the National Fraud Authority), for the need for local authorities to have an effective strategy to be in place to tackle fraud.

"The urgent issue now facing this country is the need to reduce the deficit. Tackling fraud is an integral part of putting finances back on a stable footing and ensuring that tax-payers hard earned money is used to protect resources for frontline services. Fraud has a serious effect on all parts of the economy and costs the UK in the region of £73 billion per year. The cost of fraud to local government is estimated at £2.2 billion a year. This is money that could be used for local services".

Source – Fighting Fraud Locally: The Local Government Fraud Strategy

Coventry City Council remains committed to the prevention, detection and investigation of fraud and corruption and has reviewed its existing Fraud and Corruption Strategy to ensure it is reflective of best practice and is flexible enough to respond to the different types of fraud it faces.

2. Objectives

The key objectives of the Fraud and Corruption Strategy are to:

- Enhance and maintain an anti-fraud culture.
- Provide clear guidance on roles and responsibilities.
- Actively encourage prevention and detection of fraud and / or corruption.
- Act as a deterrent to those thinking of committing fraudulent and / or corrupt acts.
- Identify a clear pathway for investigation and remedial action.

3. Definitions

Key definitions include:

3.1 **Fraud** - The Fraud Act 2006 defines three main types of fraud:

- 1) Fraud by false representation - where a person dishonestly makes a false representation, and intends, by making the representation either to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- 2) Fraud by failing to disclose information - where a person dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and intends, by failing to disclose the information to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- 3) Fraud by abuse of position - where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

3.2 **Corruption** - The Audit Commission defines corruption as the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

Although this document refers to fraud and corruption, the principles can be applied to all financial malpractice. This covers a wide range of irregularities and criminal acts including theft, deception, bribery, forgery, extortion and embezzlement.

4. Corporate Framework

4.1 Coventry City Council has a range of interrelated policies, procedures and guidance that provide a corporate framework to underpin counter fraudulent activity. In addition to the Fraud and Corruption Strategy, these include:

- Code of Conduct for Members
- Code of Conduct for Officers
- Financial Procedures
- Recruitment Procedures
- Acceptable Use of ICT Facilities
- Money Laundering Policy
- Guidance on the Bribery Act
- Disciplinary Policy and Procedure
- Whistle blowing Procedure
- Benefit Fraud Prosecution and Sanction Policy

5. Roles and Responsibilities

The following table details the roles and responsibilities of individuals / groups in relation to the various elements of the corporate framework for counter fraudulent activity.

Group / Individual	Role / Responsibilities
All Members	To comply with the Code of Conduct for Members. To support and promote an anti-fraud culture within the Council.
Cabinet Member (Strategic Finance and Resources)	To approve the Council's Fraud and Corruption Strategy. To take decisions on behalf of the City Council in relation to matters involving operational finance.
Audit Committee	To monitor Council policies on "whistle blowing" and the anti-fraud and anti-corruption strategy through the consideration of (1) half yearly reports on fraud activity and (2) specific ad-hoc reports on significant frauds.
Ethics Committee	Promoting and maintaining high standards of conduct by Members and monitoring the operation of the Code of Conduct for Members.
Director of Finance and Legal Services	To carry out all responsibilities as the officer responsible for the proper administration of financial affairs in accordance with Section 151, Local Government Act 1972. To conduct investigations into major fraud, irregularity and loss (in practice, this is delegated to the Internal Audit and Risk Manager).
Assistant Director, Legal Services and Monitoring Officer	To advise Members and employees on ethical issues, probity and standards and ensure that the Council operates within the law and statutory codes of practice.
Internal Audit and Risk Manager	To develop and implement the Council's Fraud and Corruption Strategy. To ensure that all allegations of fraud and corruption are assessed in accordance with the Council's Fraud Response Plan. To ensure investigations are carried out by appropriately skilled officers. To develop an audit programme that specifically considers the risk of fraud in key Council systems.
Directors, Assistant Directors, Service Managers	To ensure that they have robust local systems and processes in place to assess the risk of fraud and reduce these risks by implementing effective controls. To create an environment where employees feel able to approach them with any concerns they may have about suspected irregularities. To report promptly any concerns to the Internal Audit and Risk Manager.

Group / Individual	Role / Responsibilities
All Employees	To follow Council policies and procedures and comply with the Code of Conduct for employees. To be alert to the possibility of fraud and to report any concerns to management or the Internal Audit and Risk Manager.
The Public, Supplier and Contractors	To be aware of the possibility of fraud and corruption against the Council and report any concerns / suspicions.

6. Fraud Awareness

6.1 To underpin the key messages within the Fraud and Corruption Strategy, the Council has employed different mechanisms to raise awareness of this area. These include:

- Developing guidance for specific groups within the Council, including both a manager's and employee's guide to fraud awareness.
- Articles in either Insight or Core Brief.
- Targeted awareness sessions for key users where we believe fraud may be an issue.

Additionally, work is ongoing to implement an e-learning module on fraud awareness which will be available to all Council employees.

7. Fraud Prevention

The Council will take all reasonable steps to prevent fraud and corruption from occurring. This includes the following:

7.1 **Standards / Behaviours** - Defining the expectations the Council has of its employees and Members in respect of:

- Behaviours - These are reflected in documents such as the Code of Conduct (for both Members and employees) and also on guidance on the Bribery Act.
- Standards - These are reflected in procedures covering issues such as finance, recruitment and use of ICT.

7.2 **Effective Systems** - The day to day responsibility for the prevention (as well as detection) of fraud and corruption rests with managers. They are responsible for ensuring that for the local systems / processes they oversee:

- Risks are identified.
- Effective controls are developed and maintained to prevent and detect fraud.
- Controls are being complied with.

Key expected controls include ensuring that there is an adequate separation of duties, which may require more than one employee to be involved in key tasks where a risk may

be present. Authorisation procedures also need to be robust to ensure transactions are appropriately approved and there should be a process of independent monitoring.

7.3 **Internal Audit** - Whilst acknowledging that responsibility for developing local systems lies with management, Internal Audit are responsible for providing assurance to specific managers as well as the Council as a whole, of the effectiveness of controls operating across Council's systems. This is covered through two types of reviews:

- Standard audit reviews agreed in the annual Internal Audit Plan.
- Specific proactive reviews targeted at fraud risks identified. Fraud risks are identified through two sources, namely:
 - An annual risk assessment to determine Council fraud risks. The assessment considers two factors when evaluating potential risks, namely the financial impact to the Council and whether such fraud has been identified by the Council previously.
 - Risks that are identified from other sources, e.g. other local authorities, or through national publications.

In addition to providing assurance, the outcome of such work will also identify any control improvements to help minimise risk and, in particular, the risk of fraud.

8. Fraud Detection and Investigation

8.1 All managers are responsible for identifying irregularities in their systems that may be potential theft or fraud. Many of the measures management establish to prevent fraud are also effective in detecting fraud if it occurs – for example, by means of the internal checks within their systems and the monitoring of their systems. In reality, however, detecting fraud is not a simple process and the Council relies on other mechanisms to assist in this aim, namely through data matching and from receiving allegations of fraud. These are expanded upon below.

8.2 Data Matching - The Council is involved in data matching through two different mechanisms, namely:

- The National Fraud Initiative (NFI) is a national data matching exercise currently run by the Audit Commission which occurs on a two year cycle. It matches data provided by participants to help detect fraud in areas such as council tax, housing benefits, pensions and recruitment.
- Linked to the success of the NFI, the Council is also looking at opportunities to undertake its own data matching exercise similar to those areas covered by the NFI. Through adopting a timelier approach in comparison to the NFI, it is hoped that in addition to detecting fraud, this will also act as a preventative mechanism.

8.3 Allegations of fraud - In practice, the main mechanism for detecting fraud at Coventry is through allegations of fraud being made from both internal and also external sources. Whilst awareness is primarily focused on prevention, the Council does communicate regularly on the mechanisms for raising concerns. In terms of our approach, allegations can be reported through various sources in the Council. The key critical aspect being that the person receiving the allegation forwards them promptly to the Internal Audit and Risk Manager, who will co-ordinate the response to these concerns. The Council does

recognise that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. In response to this, the Council has developed a Whistle blowing Procedure that is intended to encourage and enable individuals to raise serious concerns within the Council rather than overlook a problem. Further the procedure emphasises that concerns raised will be treated in confidence, with every effort made to protect the identity of the whistle blower.

8.4 Whatever the source of the referral, in order to protect individuals and the Council, initial enquiries will be made to determine whether an investigation is appropriate and, if so, what form it should take. The following factors will be considered when establishing the scope and depth of any investigation:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from recognised sources and information available.

If a decision is made to undertake an investigation, the Internal Audit and Risk Manager will then agree who and how the investigation will be conducted. All investigations are carried out by appropriately trained / experienced officers, and in line with agreed procedures.

9. Sanctions / Deterrence

9.1 Following the investigation, if the conclusion reached is that there is evidence of fraud or corruption, the Council has a number of options available, depending on the nature of the fraud. These include:

- Benefit Fraud - The Council's Benefit Fraud Prosecution and Sanction Policy sets out the Council's approach to investigating allegations of benefit fraud, as well as the different sanction available when fraud has been committed.
- Employee - All cases involving employees are considered through the Council's Disciplinary Procedure. The most serious matters can also be referred to the police.
- External - Options available include referral to the police and / or civil redress.

9.2 In all cases of fraud, the Council will seek to publicise action taken against the individuals committing fraud against the Council. Any resultant publicity may act as a deterrent.

Further advice and guidance on this strategy can be obtained through contacting:

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