



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Wednesday, 13th March, 2013

Place

Diamond Room 1 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting**
 - (a) To agree the minutes of the meeting held on 5th December, 2012 (Pages 3 - 6)
 - (b) Matters Arising
4. **Second Quarter Hospitality Statement for the Mayoralty of Councillor Tim Sawdon 2012/2013** (Pages 7 - 14)

Report of the Director of Customer and Workforce Services
5. **City Council Contribution to Funding of Davis Cup Event in the City** (Pages 15 - 20)

Report of the Director of Finance and Legal Services
6. **The exercise of delegated authority in the write-off of debt owing to the Authority in 2012/13** (Pages 21 - 26)

Report of the Director of Finance and Legal Services
7. **9 month (April - December 2012) Cumulative Sickness Absence 2012/2013** (Pages 27 - 46)

Report of the Director of Customer and Workforce Services
8. **Agency Workers and Interim Managers - Performance Management Report Quarter 3 (1 October to 31 December 2012)** (Pages 47 - 60)

Report of the Director of Customer and Workforce Services
9. **Outstanding Issues**

There are no outstanding issues

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

Nil

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

Tuesday, 5 March 2013

Note: The person to contact about the agenda and documents for this meeting is Su Symonds Tel: 024 7883 3069

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)

5th December, 2012

Cabinet Member

Present: - Councillor Duggins

Shadow Cabinet Member

Present: - Councillor Blundell

Employees Present: -

J. Barlow (Customer and Workforce Services Directorate)
J. Crawley (Customer and Workforce Services Directorate)
J. Evans (Finance and Legal Services Directorate)
T. Savill (Finance and Legal Services Directorate)
S. Symonds (Customer and Workforce Services Directorate)
J. Venn (Customer and Workforce Services Directorate)

Public Business

34. Apologies

There were no apologies.

35. Declarations of Interest

There were no declarations of interest.

36. Minutes

The minutes of the meeting held on 24th October, 2012 were signed as a true record.

37. Matters Arising

There were no matters arising from the Minutes.

38. First Quarter Hospitality Statement for the Mayoralty of Councillor Tim Sawdon 2012/13

The Cabinet Member considered a report of the Director of Customer and Workforce Services which summarised the actual expenditure for the first quarter of Councillor Sawdon's Mayoral year from 17th May, 2012 to 16th August, 2012, together with the estimated expenditure for the second quarter from 17th August, 2012 to 16th November, 2012.

The report indicated that the start year budget for the Mayoralty was £65,595 and total actual expenditure to 16th August, 2012 was £14,594, which was slightly under budget. Estimates for the second quarter covering the period 17th August to 16th November, 2012 indicated spend within budget despite a busy mayoral schedule. At this stage of the year there was no cause for concern.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member approved the contents of the report which described how the hospitality budget was spent on an event-by-event

39. Performance of the Benefits Service for the period April 2012-September 2012

The Cabinet Member considered a report of the Director of Finance and Legal Services which provided information about performance and developments within the benefits service. The service administered more than £150m of housing and council tax benefit (HB and CTB) to more than 41,000 households. During the period April to September the service processed the average new claim for benefit in 26.3 days and for change in circumstances in 23.4 days.

During the period 1st April to 30th September 2012 the benefits service had processed new HB/HTC claims in an average of 26.3 calendar days. This is 3.6 days faster than the same period in 2011/12. The final total achieved in 2011/12 was 26.5 days. The service remained confident of similar improvement in the second half of the year, which would mean meeting the operational target of 23 days.

Change of circumstance notifications for the same period were dealt with in an average of 23.4 days, which was above the operational target of 12.5 days and higher than the same period for 2010/11 (19.4 days) and was disappointing given the general improvement in the service and was due to the ongoing implementation of the Department for Work and Pensions (DWP) initiative Automated Transfer of Data to Local Authority Systems (ATLAS) and to prioritising work to reduce local authority error payments, of which the year end total was expected to remain below the lower threshold for the fifth consecutive year.

The number of people making enquiries about benefit had increased. Phone calls relating to HB and CTB rose from 37,952 in 2011/12 (first half year) to 42,015 in 2012/13 – an increase of over 10 percent. Personal visits to Spire House also increased from 23,541 to 14,579. The view of staff was that enquiries were becoming increasingly more complex and taking more time.

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

- (1) Note the performance of the Benefits Service for the period 1st April to 30th September 2012;**
- (2) Agree to receive a further report at the first meeting of the new municipal calendar 2013/14 to provide an update for the period April 2012 to March 2013.**

40. Performance for the Revenues Service for the period April-September 2012

The Cabinet Member considered a report of the Director of Finance and Legal Services which provided information on performance and developments within the

revenues service during the period 1 April to 30 September 2012. The service was responsible for the collection of more than £106m of council tax from 134,000 domestic properties, more than £117m of non-domestic rates from 8,000 properties and more than £90m of corporate income. At the half year stage the service had collected 55.4% of council tax and 58.6% of business rates and had made significant progress in reducing the amount of corporate debt which was more than six months old. The service was projected to collect 96% of council tax and 98% of business rates by the end of March 2013.

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

- (1) Note the performance of the revenues service for the period 1 April to 30 September 2013**
- (2) Agreed to receive a further report at the first meeting of the new municipal calendar year 2013/14 to provide a review of the performance for April 2012 to March 2013**

41. Agency Workers and Interim Managers – Performance Management Report (July-September 2012)

The Cabinet Member considered a report of the Director of Customer and Workforce Services regarding performance information on the use of agency workers procured through the Master Vendor Contract for the second quarter, 1 July to 30 September 2012; the comparison of expenditure between quarters one and two; and Interim Manager spends for the same period.

Cabinet Member noted that spend was up £72k this quarter, which and been due to covering for holidays and the increased expenditure to support the Benefits Service and ICT technical assistance

The report set out summary information on employee headcount, full-time equivalent (FTE) and compared the years 2010/11 and 2011/12 on a number of equality measures.

The Cabinet Member noted that the headline workforce profile data for the year 1st April, 2011, to 31st March, 2012, which was taken from a snapshot of data on 31st March, 2012. The detail was included in Appendix 1 to the report. However, this information did not take account of any employees leaving under the ER/VR whose employment ended after 31st March, 2012,

The reductions relating to schools were inflated due to 5 secondary schools converting to Academy status in the 2011/12 year and therefore their employees will no longer be included in the analysis contained within future reports.

The report included the following summary equality data:-

- More than half of the Council's workforce was employed on a part-time basis (59.8%)

- The leaver rate for all employees was 20.7% and had increased from that reported last year (12.9% (adjusted)) this included employees leaving within the ER/VR programme
- 77.9% of the workforce was female
- At senior management level (above Grade 10) over half the workforce was female (67.8%)
- Black and Minority Ethnic (BME) representation in the workforce was 12.7%, this was an increase on last year's figure of 12.5%. The Core Council/Schools breakdown was shown in Appendix 1 to the report.
- The number of employees who had declared a disability had decreased to 3.99% from 4.16% (This was an area that was potentially under-reported, with over 23% of the workforce where their disability status was unknown. This under-reporting could hinder the Council's ability to meaningfully address issues for disabled staff and would be addressed through the next employee data gathering exercise). The Core Council/Schools breakdown was detailed in appendix 1 to the report.
- The largest age group (41%) in the Council's workforce was 45-59 years and the representation of young people (16-24) in the Council remained low at 5.7 %.

The information in the report and the statistical information in Appendix 1 to the report would be used to support the City Council's workforce planning objectives over the coming year. An Action Plan detailed in Appendix 2 had also been developed for 2012/13 with the purpose of improving the diversity of the workforce.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member noted the workforce profile information contained in the report and approved the Action Plan set out in Appendix 2 of the report.

33. **Outstanding Issues**

There were no outstanding issues.

34. **Any other Business**

There were no other items of business.

(Note: the meeting closed: 2.25 p.m.)



13th March 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources)

Director Approving Submission of the report:

Director of Customer and Workforce Services

Ward(s) affected:

All

Title:

Second Quarter Hospitality Statement for the Mayoralty of Councillor Tim Sawdon 2012/2013

Is this a key decision?

No

Executive Summary:

This is the second Hospitality report for the Mayoral Year of Councillor Tim Sawdon. It updates the Cabinet Member on how the budget has been spent during the second quarter of the Mayoral Year and estimated expenditure for the third quarter.

Recommendations:

The Cabinet Member is recommended to approve the contents of the report which describes how the hospitality budget has been spent on an event-by-event basis.

List of Appendices included:

Appendix 1 sets out actual expenditure for the second quarter from the 17th August to 16th November 2012.

Appendix 2 sets out estimated expenditure for the third quarter from 17th November 2012 to 16th February 2013.

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:

Second Quarter Hospitality Statement for the Mayoralty of Councillor Tim Sawdon 2012-2013

1. Context (or background)

1.1 The start-year budget for the Mayoral Year is £65,596

2. Options considered and recommended proposal

2.1 The Cabinet Member is recommended to approve the contents of the report which describes how the hospitality budget has been spent on an event-by-event basis.

2.2 Total spending to the 16th November 2012 stands at £24,644.40. This means that 38% of the original Hospitality budget has been spent, which is slightly above average for the same period for the previous three years. The budget is however expected to break even at the end of the Mayoral year.

3. Results of consultation undertaken

3.1 The Lord Mayor's hospitality budget is monitored on an event-by-event basis by the Lord Mayor's Supervisor and is reported on each quarter.

3.2 The Lord Mayor's Charity Appeal is also monitored on a quarterly basis. The beneficiaries for the charity appeal are The Heart of England Community Foundation. The balance as at 16th November 2012 stands at £6,981.

4. Timetable for implementing this decision

4.1 Preparations are already in hand for the events planned as outlined in Appendix 2.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The hospitality report is presented to the Cabinet Member on a quarterly basis and is expected to stay within the approved budget.

5.2 Legal implications

There are no legal implications arising from this report.

6. Other implications

None

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

The Lord Mayor's Hospitality Budget is spent to reflect the Lord Mayor's Mission Statement as outlined in the Council's Constitution which aligns itself to the Council's core aims and objectives.

6.2 How is risk being managed?

No significant risks are associated with the budget management. Health and Safety issues are considered for all events with the more significant events eg Annual Meeting of the Council, Armed Forces Day, Remembrance Sunday Service and Parade being monitored by the Council's Safety Events Group.

6.3 What is the impact on the organisation?

No impact, the events are managed by the Lord Mayor's office.

6.4 Equalities / EIA

An Equality Impact Assessment for the Lord Mayor's Office was last undertaken in February 2012 to ensure the Mayoralty promotes equality across the city and the recommendations in this report do not constitute a change in service or policy.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

None.

Report author(s):

Name and job title:

Jane Barlow, Lord Mayor's Supervisor

Directorate:

Customer and Workforce Services

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Jennifer Godfrey	Accounting Technician	Finance & Legal	11/02/2013	13/02/2013
Names of approvers: (officers and members)				
Bev Messinger	Director	CWS	13/02/2013	13/02/2013
Helen Abraham	Asst Director (Democratic)	CWS	13/02/2013	14/02/2013
Aimee Proctor	Lead Accountant	Finance & Legal	13/02/2013	26/02/2013
Clarissa Evans	Commercial Team Manager	Finance & Legal	13/02/2013	26/02/2013
Claire Campbell	HR Manager	CWS	13/02/2013	26/02/2013
Su Symonds	Governance Services Officer	CWS (Democratic Services)	13/02/2013	13/02/2013

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ACTUAL Costs of Functions held between 17th August – 16th November 2012

<u>Date</u>	<u>Function</u>	<u>Number of Guests</u>	<u>Actual Cost</u>
17.07.12	Local Health Economy Partnership Dinner	14	£ 648.59
26.08.12	Donations towards Coventry Festival of Motoring 2012	-	£ 1,586.80
24.08.12	Cost associated with collecting the Paralympic Lantern in London	6	£ 247.59
14.09.12	International Children's Games Presentation Evening	70	£ 157.65
18.09.12	Refreshments for Good Citizen Recipient prior to Full Council	6	£ 24.60
28.09.12	Civic Reception to mark Assistant Chief Executive's Retirement	100	£ 838.32
08.10.12	Lord Mayor's Cadet Presentation Evening	14	£ 157.50
10.10.12	Donation to Sahil Project 25 Year Anniversary Event	-	£ 250.00
15.10.12	Reception for Coventry Literary Festival Organising Committee	26	£ 293.75
17.10.12	Lunch with 'Lord Mayor for the Day' Children as part of Local Democracy Week 2012	10	£ 70.70
18.10.12	Buffet reception for Community Cohesion Awards	100	£ 500.00
23.10.12	Refreshments for Good Citizen Recipient prior to Full Council	6	£ 14.50
23.10.12	Informal Reception for Non-Executive Directors of UHCW	5	£ 34.00
26.10.12	Tickets for the ABF The Soldiers' Charity Curry Supper Evening	2	£ 60.00
06.11.12	Refreshments at Coventry-Cork Poet's Evening	2	£ 6.08
08.11.12	Reception for Residents' Association Volunteers	50	£ 740.25
11.11.12	Annual Remembrance Sunday Service and Parade	180	£ 3,220.48
12.11.12	Annual Peace Lecture	80	£ 160.69
13.11.12	Special Freeman's Court for City Council Modern Apprentices	30	£ 87.50
14.11.12	Contribution towards Coventry International Prize for Peace and Reconciliation	57	£ 834.04
	Refreshments, wines and spirits for Quarter 2		£ 117.53
	SUB-TOTAL		£ 10,050.57
	Actual Costs Previously Reported at Quarter 1		£ 14,593.83
	TOTAL at QUARTER 2		£ 24,644.40

ESTIMATED Costs of Function held between 17th November 2012 - 16th February 2013

<u>Date</u>	<u>Function</u>	<u>Estimated Number of Guests</u>	<u>Estimated Costs</u>
18.11.12	Host Shining Star children & families prior to Christmas Lights switch-on	30	£ 321.50
20.11.12	Queen's Diamond Jubilee celebration event	90	£ 515.00
28.11.12	Reception to mark Lord Mayor's Personal Assistant Retirement	10	£ 414.74
30.11.12	Tickets for Christmas Charity Lunch Concert	2	£ 30.00
01.12.12	Chairman of Warwick DC Christmas Concert tickets	2	£ 20.00
03.12.12	Lord Mayor's Childrens Christmas Party organised by Rotary Breakfast	-	£ 400.00
04.12.12	Refreshments for Good Citizen Recipient prior to Full Council	6	£ 17.70
07.12.12	Civic Heads Dinner	55	£ 2,320.12
18.12.12	Lord Mayor's Festive Drinks	-	£ 200.00
19.12.12	Reception for Severn Trent Choir on winning the TV Competition 'The Choir'	60	£ 459.16
03.01.13	Civic Night at the Belgrade Theatre Pantomime	150	£ 563.33
15.01.13	Refreshments for Good Citizen Recipient prior to Full Council	6	£ 20.50
17.01.13	Police and Crime Commissioners Introductory Dinner with HM Coroner	15	£ 750.00
23.01.13	Lunch following HMS Diamond's Deployment Presentation	50	£ 813.00
25.01.13	Lunch prior to Holocaust Memorial Day	40	£ 445.80
31.01.12	Civic Visit to Volgograd for 70th Anniversary of Battle of Stalingrad	2	£ 1,300.00
16.02.12	Tickets for Mayor of Southam's Charity Band Concert	2	£ 20.00
17.02.12	Lord Mayor's Civic Service	150	£ 2,500.00
QUARTER 3 ESTIMATES TOTAL			£ 11,110.85
ACTUALS PREVIOUSLY REPORTED from QUARTER 2			£ 24,644.40
ESTIMATED TOTAL at end of QUARTER 3			£ 35,755.25

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13th March 2013

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: All

Title:

City Council Contribution to Funding of Davis Cup Event in the City

Is this a key decision?

No

Executive Summary:

This report confirms a commitment for the City Council to make a financial contribution of £50,000 towards the hosting of the Davis Cup tennis event announced recently and planned to take place between 5th April and 7th April at the Ricoh Arena. The Davis Cup is a world-class tennis event and this represents an opportunity to raise the profile of Coventry on a national and international stage. The hosting of a sporting event such as this also sits well alongside the Council's stated aim of building on the legacy from being a co-host city for London 2012 as well as encouraging people to take part in sport and physical activity.

Recommendations:

The Cabinet Member is recommended to:

- (1) Approve retrospectively a contribution of £50,000 from corporate resources to support the Davis Cup tennis event to be held in the city in April 2013

List of Appendices included:

None

Other useful background papers:

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

City Council Contribution to Funding of Davis Cup Event in the City

1. Context (or background)

- 1.1 This report confirms a commitment for the City Council to make a financial contribution of £50,000 towards hosting the Davis Cup tennis event announced recently and planned to take place between 5th April and 7th April at the Ricoh Arena. The Davis Cup is a world-class tennis event and this tie is to be played between Great Britain and Russia for the right to qualify for the World Group Play-Offs in September.
- 1.2 The financial contribution has been required as subvention monies. In effect the contribution has helped to underwrite some of the costs of the event which helped to incentivise the event organisers to make the decision to hold the event in Coventry.

2. Options considered and recommended proposal

- 2.1 The proposal for retrospective approval is to make a financial contribution of £50,000 in support of the event to ensure that it is held locally.
- 2.2 The timescales for this decision have meant that there was no option but to bring this report for retrospective approval. Council officers were contacted by the Arena Company in late January with a request to make a £50,000 contribution to support the Davis Cup event in the Jaguar Exhibition Hall at the Ricoh Arena. The event organisers were seeking assurance within a very tight timescale that this contribution would be made available at a time when the event was being offered to other venues across the country. In order to secure this event on behalf of the city, officers agreed to an in-principle agreement to provide the funding, backed by subsequent member discussion and a commitment to bring this report to the next meeting of the Cabinet Member (Strategic Finance and Resources).
- 2.3 The Council Plan states that Coventry is proud to be a city that works for jobs and growth and to support and celebrate our young people. Support for events such as this 2013 Davis Cup tie enables the Council to demonstrate its commitment to these objectives. The event represents an opportunity to raise the profile of Coventry on a national and international stage and gives an excellent opportunity to build on the legacy of being a co-host city for London 2012 and to encourage people to take part in sport and physical activity.
- 2.4 The Ricoh Arena has already hosted a range of successful sporting events on the national and international stage. Olympic football at the City of Coventry stadium last summer is estimated to have boosted the local economy by £50 million, and the city is increasingly getting a national reputation as an excellent venue for major sporting events.

3. Results of consultation undertaken

- 3.1 No consultation has been undertaken in relation to this report.

4. Timetable for implementing this decision

- 4.1 The event will take place in April. The financial contribution is likely to be required within the 2012/13 financial year.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

This proposal is to make a financial contribution of £50,000 from existing corporate budgets to underwrite the event, payable to the event organisers. It is also proposed that additional work will be undertaken to support and market the event, undertake some city

support some further potential work with the Lawn Tennis Association locally in supporting tennis development in the city. Specific marketing and city dressing costs will be funded from within existing marketing budgets managed by the Corporate Communications Governance Board.

The Council will not derive any direct financial benefit from this contribution. However, as the recent Medium Term Financial Strategy and 2013/14 Budget Setting reports have made clear, the future of local government funding gives councils a direct financial stake in the future growth of its local Business Rate base. Therefore, it will be vitally important in the future for the Council to demonstrate that it is an attractive place for people to live, visit, do business with and do business in. This type of event is paramount in building up a picture of Coventry as a vibrant and successful location and taking a long-term perspective it makes sense for the Council to support this type of high profile event.

5.2 Legal implications

There are no specific legal implications in relation to the report proposals.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The hosting of events such as this can be seen as part of a long-term strategy to enhance the city's reputation, moving on a path towards creating jobs through the growth of business and investment in the city and helping more residents get jobs. As indicated above, further work is planned alongside the event to support tennis development in the city, consistent with the Council's aim of improving the health and wellbeing of children and young people. In addition, the event has a clear and direct impact on enhancing the reputation of the city and making it a place that people are proud of and as well as dovetailing well with the aim of maximising the benefits to the city from hosting the 2012 Olympics.

6.2 How is risk being managed?

The report is recommending a discrete financial contribution to the event and no financial risks are anticipated. The Davis Cup has been held on a regular basis over many years and the Ricoh Arena has a track record for holding a range of successful sporting events. On this basis the likelihood of adverse reputational risks arising is low.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

The report proposes a single financial transaction to an externally managed sporting event. On this basis it has been judged that equality analysis is not required in support of this report.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

The event is another important coup for the Arena Company of which the City Council is a 50% shareholder.

Report author(s):

Name and job title:

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Directorate:

Finance and Legal Services

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Fran Collingham	Assistant Director Communications	Chief Executive's	21/2/2013	21/2/2013
Su Symonds	Governance Services Officer	Customer & Workforce Services	21/2/2013	22/2/2013
Names of approvers for submission: (officers and members)				
Legal: John Scarborough	Corporate Governance & Litigation Manager	Finance & legal	21/2/2013	27/2/2013
Director: Chris West	Director of FLS	Finance & Legal Services	21/2/2013	21/2/2013
Members: Name	George Duggins		27/2/2013	27/2/2013

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13 March 2013

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:

All

Title:

The exercise of delegated authority in the write-off of debt owing to the Authority in 2012/13

Is this a key decision?

No

Executive Summary:

The revenues and benefits service is responsible for the collection of council tax, business rates, housing benefit overpayments and corporate income, which are invoices raised for a range of goods and services provided by the Council. More than £150 million in benefits is administered each year and more than £300 million of revenue is collected.

Every effort is made to maximise the collection of all income and debt owing to the Council, however in certain circumstances it is appropriate and necessary to write off debts as irrecoverable.

Officers within the revenues and benefits service hold delegated responsibility to write off debts owing to the Council. Where the net level of debt written off within a single financial year exceeds £3.5 million, a report must be submitted to the Cabinet Member (Strategic Finance and Resources).

The level of debt written off during 2012/13 is expected to total £5.37 million. A significant proportion of this figure is the £3.04 million of business rates debt forecast to be written off by the end of March 2013. The need to write off significant amounts of business rates debt has arisen as a result of government-led technical changes to business rates and local authority funding which mean the Council would bear the cost of any debts written off after 1 April 2013.

In addition there has been a significant increase in the volume of housing benefit overpayment debt written off, with the final position expected to be in the region of £1 million. This is the result of a specific exercise to review and reduce the volume of old outstanding housing benefit overpayment debt for which recovery options have been exhausted.

Recommendations:

The Cabinet Member is requested to:

- 1) Review the level of write-offs authorised under delegated authority.
- 2) Note that the level of debt written off during 2012/13 will exceed £3.5 million.
- 3) Agree 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.

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:

The exercise of delegated authority in the write-off of debt owing to the Authority in 2012/13

1. Context (or background)

Since 2000, officers within the revenues and benefits service have held delegated authority for writing off debts owing to the Council. The thresholds to which designated Officers or Members may authorise the write off of individual debts owing to the Council were documented and agreed in a report to the Cabinet Member (Finance and Value for Money) on 21 January 2009 and these levels are detailed below:

- 0 - £5,000 - Service Manager
- £5,000 to £14,999 – Assistant Director
- £15,000 - £100,000 Director of Finance and Legal Services
- Over £100,000 – Cabinet Member

At the Cabinet Member (Finance and Value for Money) meeting of 21 January 2009 it was agreed that if, at any time, the revenues and benefits service expects net write-off levels to exceed £3.5 million in a single financial year, a report must be submitted to the Cabinet Member (Strategic Finance and Resources). The revenues and benefits service expects write off levels to exceed the £3.5 million threshold in 2012/13 and therefore this report fulfils the stated requirement.

The £3.5 million threshold has not been reviewed since 2009 and a recommendation will be made to the Cabinet Member in the new municipal year to review the threshold.

2. Options considered and recommended proposal

- 2.1 All service areas have robust procedures and policies in place to ensure that every effort is made to recover debt owing to the Council and that debt is written off only in prescribed circumstances.
- 2.2 The Council utilises a range of techniques to maximise the collection of debt including tracing agencies, credit reference agencies, collection agents and legal processes.
- 2.3 An account may be re-raised after write-off should further information become available, for example where the whereabouts of an absconder is subsequently discovered.
- 2.4 Each year the revenues and benefit service administer more than £150 million in housing and council tax benefit and collect £117 million of business rates, £100 million of council tax and more than £90 million in corporate income
- 2.5 The revenues and benefit service have identified more than £6 million of housing benefit overpayment debt during 2012/13.
- 2.6 The table below shows total write offs in 2010/11, 2011/12 and the forecast outturn position for 2012/13.

	2010/11	2011/12	2012/13
Service Area	Net write off	Net write off	Net write off
Council Tax	£1.974m	£0.686m	£0.800m
Business Rates	£0.021m	£1.98m	£3.04m
Corporate Income	£0.884m	£0.269m	£0.300m
Benefit overpayments	£0.241m	£0.427m	£1.050m
Business Improvement District			£0.180m
Total	£3.12m	£3.36m	£5.37m

- 2.7 There has been a significant increase in the volume of housing benefit overpayment debts written off during 2012/13. This is the result of a one-off proactive exercise to review outstanding benefit overpayments and write off old debts for which recovery options have been exhausted. Of the £1.050 million housing benefit overpayments forecast to be written off, more than 75 per cent (£788,000) are old debts.
- 2.8 In addition to the volume of housing benefit overpayment debt written off, the volume of business rates debt written off is significantly high. It is expected that business rates write off levels will reach £3.04 million by the end of March 2013, exceeding the £1.98 million written off during 2011/12.
- 2.9 The total level of debt written off is therefore expected to total £5.37 million for 2012/13 and exceed the £3.5 million threshold.
- 2.10 Under the existing regime, the government specifies expected levels of business rates non-collection. For Coventry this Government figure has averaged approximately 1.3% over the last three years. Whilst the Council makes every effort to collect monies owing there is an expectation that some debts will be unrecoverable and an allowance is made for this by Government. Coventry's business rates write-offs in 2010/11 were disproportionately low due to resource issues that restricted the volume of write-offs that could be processed in the year. In effect, the business rate write-offs proposed now will represent the catching-up of some of this historical debt write-off. Taking a three year-perspective, the total level of business rates written-off between 2010/11 and 2012/13 will represent approximately 1.5% of overall business rates compared with the Government's indicative figure of 1.3% above.
- 2.11 It is clear that the Council has not always treated such debt write-off as a time critical practice. Indeed, by delaying write-offs this gives the maximum opportunity to collect old debt, although the cost effectiveness of doing so reduces as the debt increases in age. However, the need to bring the write-off process up to date has arisen due to government-led technical changes to the business rates system and local authority funding.
- 2.12 Within the existing model for Local Government funding, local authorities collect business rates on behalf of Central Government. Any income is paid into a national pool that is then redistributed as part of the annual Local Government Settlement. Under this mechanism any write-offs are borne by Central Government.
- 2.13 From 1st April 2013, a new model of funding will come into operation under which the City Council will retain 49 per cent of Business Rates income (the Government will receive 50 per cent and the West Midlands Fire Authority 1 per cent). Adjustments will be made to other sources of funding which, in theory, equalises this change to the allocation of Business

Rates on day 1 of the scheme. However, any net changes to overall Business Rates income within and beyond 2013/14 will impact on each organisation in the proportions stated above. Therefore, the City Council will become liable for any write-offs made after 1st April 2013 and will suffer a real loss of resources as a result of these.

- 2.14 The government has recently clarified a decision for 49% of backdated appeals relating to business rates charges incurred prior to 1 April 2013 to be borne by local government under the new framework. Given this additional cost to the Council which has been reflected in 2013/14 Budget Setting it is imperative that the Council maximises the write-off costs described above that should be reflected legitimately in the amount borne by Government where these relate to the previous business rates regime.

Results of consultation undertaken

No consultation has been undertaken.

4. Timetable for implementing this decision

Not applicable.

5. Comments from Director of Finance and Legal Services

- 5.1 The Council makes appropriate budgetary provision for the estimated level of debt to be written off. When a decision is taken to write off a debt, it is charged to this provision. Each year the level of bad debt provision is reviewed based on the level of debt having been written off and in consultation with external audit guidance. This process ensures that the Council's annual budget contains sufficient provision for the write-off of bad debt.

- 5.2 Writing off of debts is carried out in strict compliance with the policies and procedures of the delegated authority under the City Council's Constitution.

- 5.3 There are no specific legal implications arising from this report

6. Other implications

None

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

The effective collection of all Council debts and the existence of robust processes for monitoring the write-off of such debt are crucial in maximising the use of Council resources.

6.2 How is risk being managed?

The service is required to submit an annual report to the Cabinet Member (Strategic Finance and Resources) documenting the exercise of delegated authority. The service must report immediately that the level of debt written off in a single year is likely to exceed £3.5 million.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

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

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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13th March, 2013

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:

9 month (April – December 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 9 month period from April – December 2012.
- The actions being taken to manage absence and promote health at work across the City Council

Recommendations:

Cabinet Member is asked:

To receive this report providing sickness absence data for the 9 month period of April December 2012 and accept 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 - December 2012)

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

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

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

Appendix 7 and 8 - Summary of Occupational Health & Counselling Services Activities Undertaken – (April – December 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:

9 Month (April – December 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 3	6.28	6.83	4.32
2012/13 – Qtr 3	6.84	7.39	4.98

Annual FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2012/13 Projected	9.49	10.12	7.35
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	£13.5m	£9.2m	£4.3m
Annual Target Cost	£12.8m	£9.1m	£3.7m

Difference	£0.7m	£0.1m	£0.6m
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The Quarter 3 projected annual cost of sickness absence for all employees' stands at £0.7m above the target cost. This is broken down into all employees except teachers projecting £0.1m above target cost and teachers projecting £0.6m 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 – December 2012 is Infections, Colds & Flu accounting for 3,238 occasions. The amount of *time* lost through Infections, Colds & Flu was 8,582.24 days.
- The amount of *time* lost through Stress, Depression, and Anxiety was 14, 321.91 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 (13,085.89 days) and Infections, Colds & Flu (8,582.24 days).

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

- Quarter 3 (ending December 2009) out turn was 7.52 days (average sick days lost per full time equivalent employee),
- Quarter 3 (ending December 2010) out turn was 7.45 days (average sick days lost per full time equivalent employee),
- Quarter 3 (ending December 2011) out turn was 6.28 days (average sick days lost per full time equivalent employee),
- Quarter 3 (ending December 2012) out turn was 6.84 days (average sick days lost per full time equivalent employee),

When comparing this Quarter 3 (2011/12) out turn with last years in the same period, it (2012/2013) reveals that:-

- There has been an increase of 10,581.80 working hours lost.
- An increase of £43,351.63 in respect of cost of absence.
- An increase in the number of occurrences by 246.
- An increase in the total days lost per FTE by 1478.86 days.
- Stress has increased by 652.70 days.

- Musculoskeletal has increased by 1,865.63 days.
- Infections, colds and flu has increased by 1,343.33 days.
- Chest, respiratory, chest infection has increased by 171.76 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 – December 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 – December 2012, there has been a total of 23 dismissals in accordance the Promoting Health at Work Corporate Procedure. 6 dismissals have been ill health retirement and 17 dismissals have been where the City Council cannot continue to sustain the level of sickness absence.

4. Options considered and recommended proposal

4.1 Activities during Quarter 3 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 2012/13:
- Robust approach is being taken to the management of sickness absence casework with the application of a revised model, resulting in no more than 4 meetings having to take place before a decision is made about an employees continued employment.
 - A monthly system to alert Assistant Directors when employees hit a sickness absence trigger point and have not been seen as part of the Promoting Health at Work Procedure.
 - Training is provided to managers to support dealing with both practical and procedural issues. An ongoing programme of training in carrying out return to work interviews and Promoting Health at Work meetings is taking place across the Council as a whole. During Quarter 3 over 35 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.

The programme has continued to deliver arrange of activities and events as part of the initiative these have included:

- Continuation of the events provided by Coventry Sports Foundation & Coventry Sports Trust such as Swimming, Indoor Football, Zumba, Badminton, Cycling, Boxercise, Pilates, Table Tennis, BoxFit, Squash & Spinning Classes
- Continued promotion of the Coventry University Sports Centre early riser gym membership discount offer.

- Continued use of the mini table tennis located in the Contact Centre for staff to use in their own time provided by The English Table Tennis Association.
- Promoted the Back to Netball campaign – discounted sessions for staff
- Continuation with publication of the very popular & informative monthly Be Healthy Be Well newsletter

4.3 Activities during Quarter 3 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 second quarter of 2012/13 were:-

- The Cancer Buddy Scheme is being supported and promoted through the Be Healthy Be Well Programme and directly through the HR Wellbeing Team and Trade Unions. Currently one employee has requested support through the scheme.
- The Occupational Health and Counselling Service Accreditation, through the Faculty of Occupational Medicine have been awarded for a further 12 months from January 2013.
- The mentorship programme for student nurses and physiotherapists is continuing with student placements from, Coventry University, and Brunel University.
- The Flex and Stretch Programme has been rolled out as follows over 2012: 240 employees attended the sessions. The intervention was evaluated, with employees rating improvement in postural awareness and preventative measures.
- Mental Wellbeing Policy and Guidelines have now been implemented. Training for managers introducing the Mental Wellbeing Policy and Guidelines has been rolled out to Directorate Management teams in Community Services, CLYP, City Services & Development, CWS and Finance and Legal Services.
- The Retirement Course continues to be promoted for employees and partners planning for retirement and to support the ER/VR programme. One course is run per quarter.

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

7.5 Implications for (or impact on) the environment

None.

7.6 Implications for partner organisations?

None.

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Customer & Workforce Services

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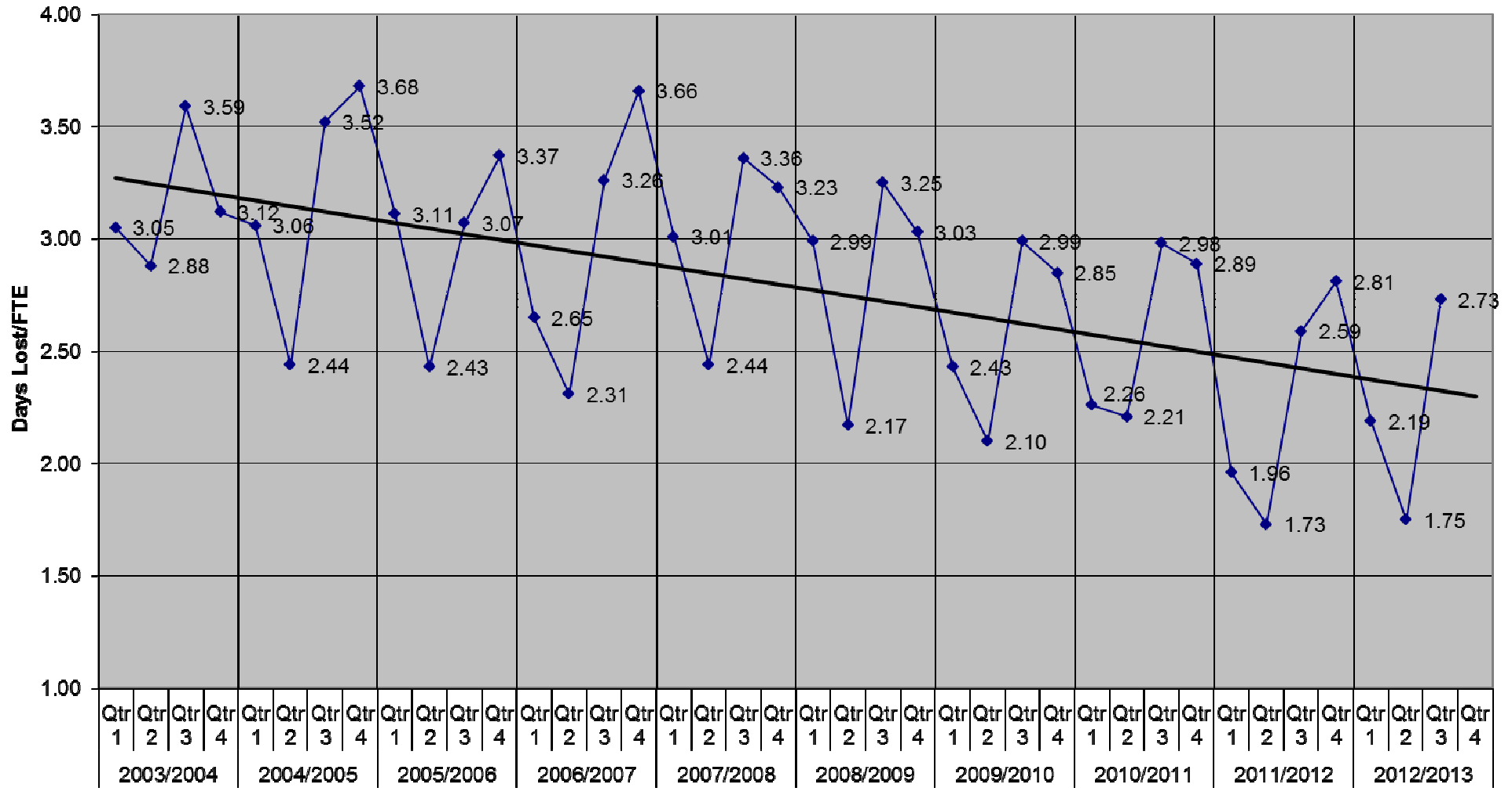
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Coventry City – Days Lost per FTE 2003 - 2012



Coventry City Council

April – December 2012	April – December 2011	Annual Target 2012/13
6.84	6.28	8.5

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

Chief Executive's Directorate

April – December 2012	April – December 2011	Annual Target 2012/13
1.94	1.52	5.0

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

City Services & Development Directorate

April – December 2012	April – December 2011	Annual Target 2012/13
7.86	5.85	8.0

This demonstrates an increase of 2.01 days per FTE compared to 2011/12.

Community Services Directorate

April – December 2012	April – December 2011	Annual Target 2012/13
8.49	8.98	11.1

This demonstrates a reduction of 0.49 days per FTE compared to 2011/12.

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

April – December 2012	April – December 2011	Annual Target 2012/13
6.15	7.07	8.75

This demonstrates a reduction of 0.92 days per FTE compared to 2011/12.

Teachers in Schools

April – December 2012	April – December 2011	Annual Target 2012/13
4.98	4.32	6.3

This demonstrates an increase of 0.66 days per FTE compared to 2011/12.

Support Staff in Schools

April – December 2012	April – December 2011	Annual Target 2012/13
7.84	6.96	9.25

This demonstrates an increase of 0.88 days per FTE compared to 2011/12.

Finance and Legal Directorate

April – December 2012	April – December 2011	Annual Target 2012/13
7.13	6.31	8.0

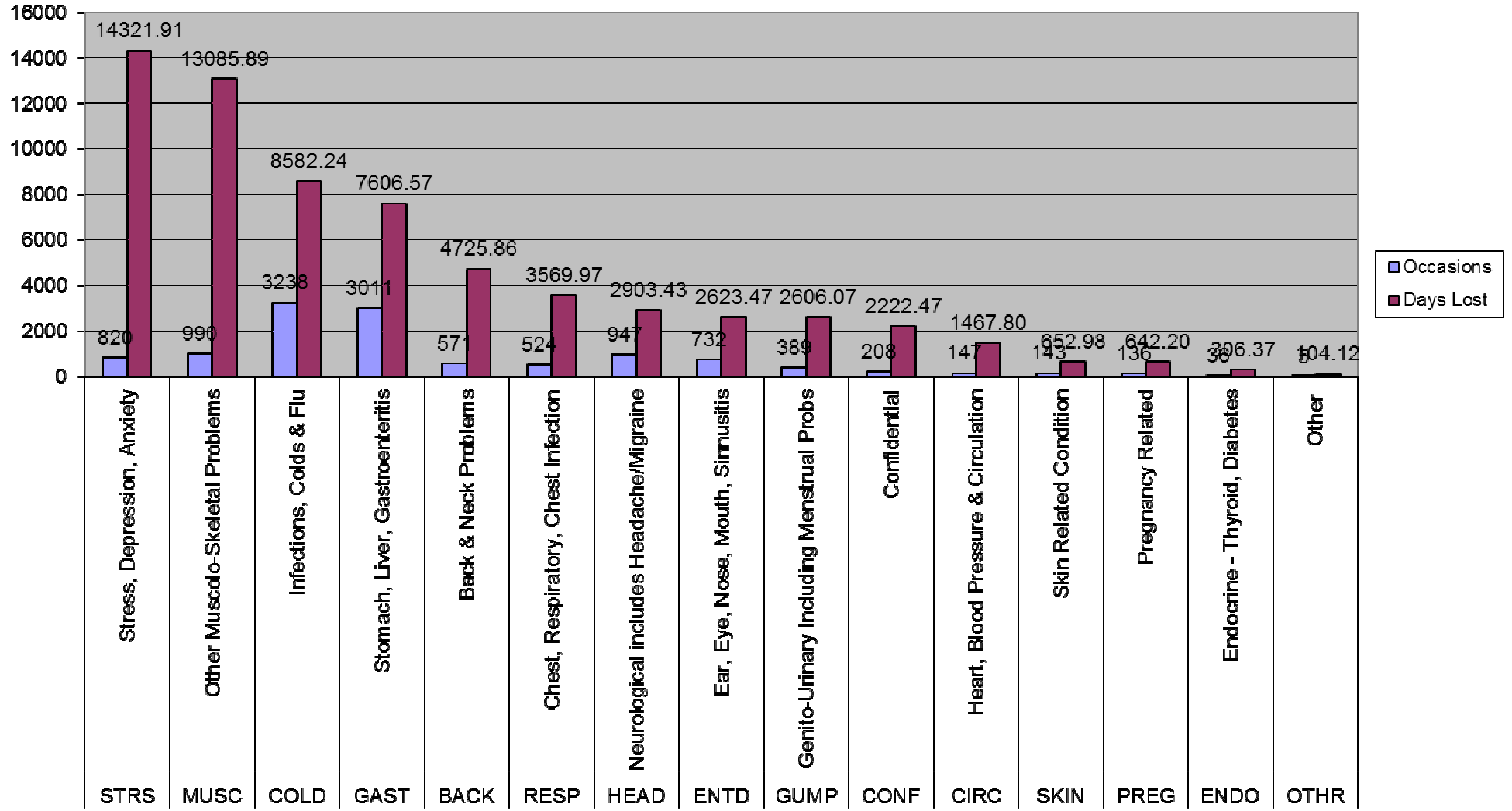
This demonstrates an increase of 0.82 days per FTE compared to 2011/12.

Customer and Workforce Services Directorate

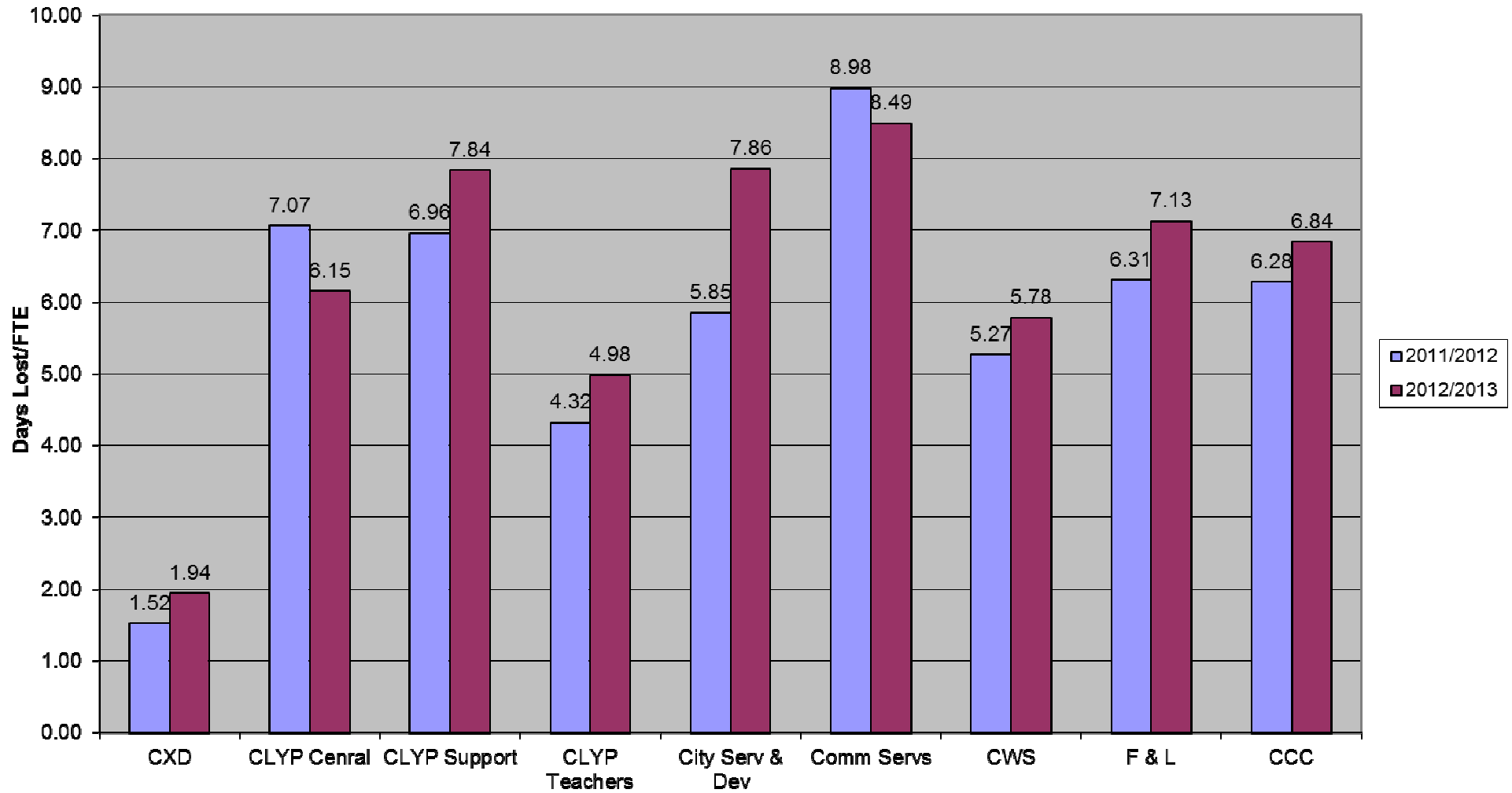
April – December 2012	April – December 2011	Annual Target 2012/13
5.78	5.27	9.1

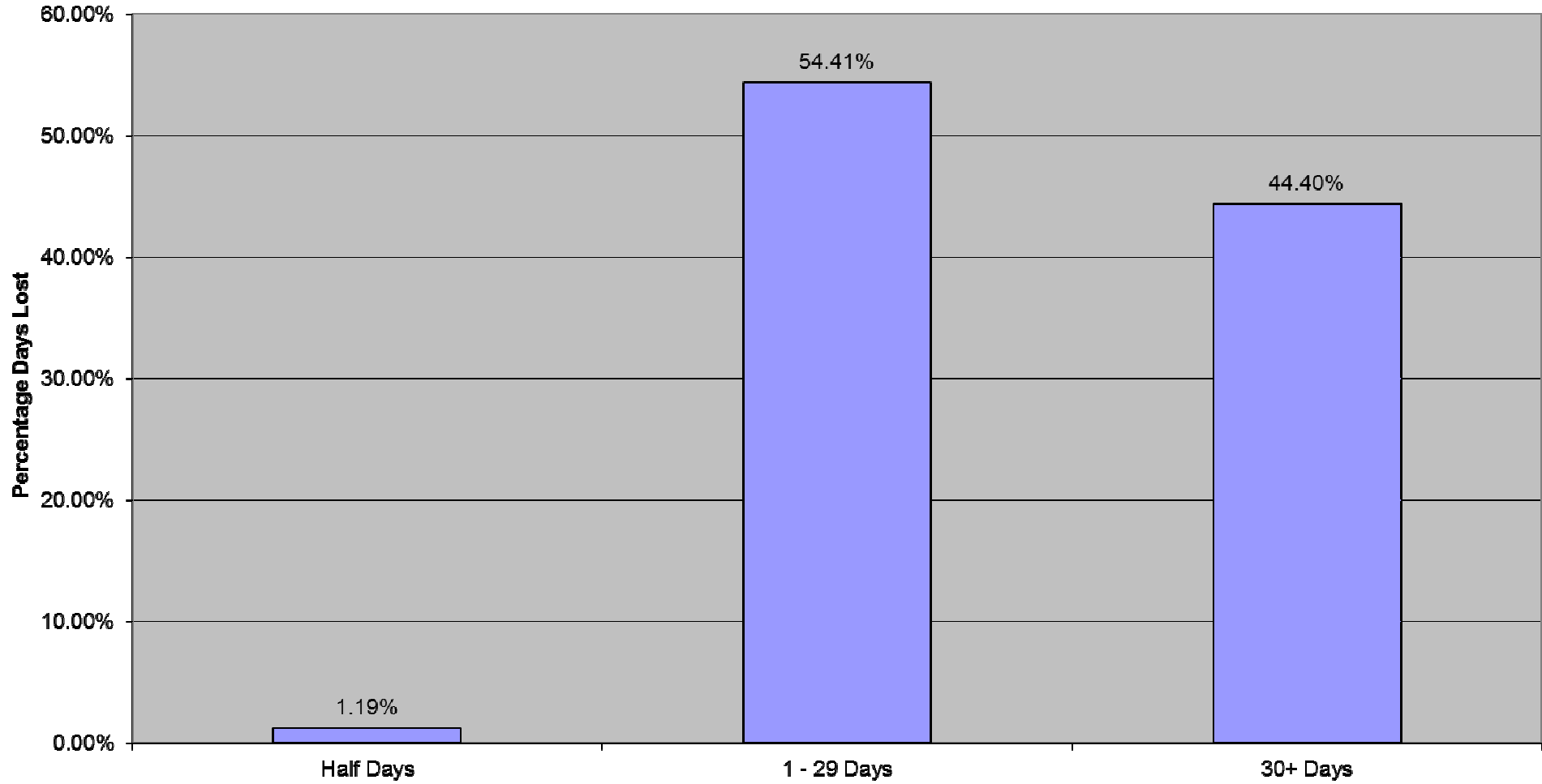
This demonstrates an increase of 0.51 days per FTE compared to 2011/12.

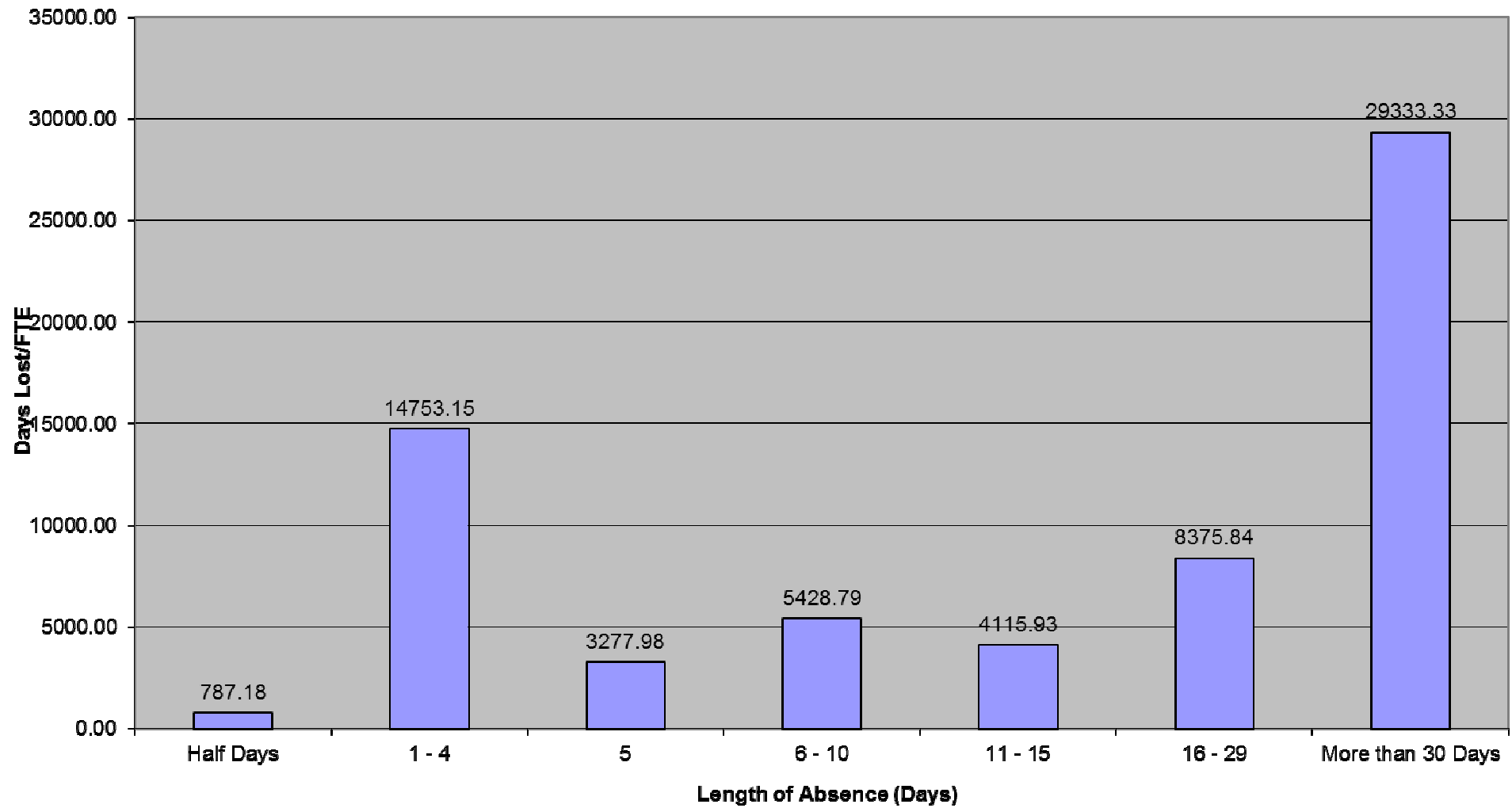
Reasons for Absence April – December 2012



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







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

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Activity	April – June 2012	July - September 2012	October – December 2012	January – March 2013	Total for Year
Pre-Employment health assessments	266	324	295		885
<u>October – December 2012</u> From the pre-employment 19 assessments required additional advice and guidance to be given to the employing manager. 59 % of pre-employment forms were processed within 3 working days 95 % clearance slips were returned to the Recruitment Team/School within 3 working days					
Sickness absence health assessments and reviews	351	354	430		1135
Work Related Ill Health Conditions reported/investigated	39	18	65		122
Work Place assessments carried out	3	10	9		22
Case conferences carried out	10	5	8		23
<u>October – December 2012</u> 99% of employee ill health referral forms processed within 3 working days 62 % reports sent to HR/schools within 3 working days					
Vision screening and other surveillance procedures	94	50	67		211
Healthy Lifestyles screens and follow up appointments	559	616	261		1436
<u>October – December 2012</u> From the initial healthy lifestyle screens 82 were identified as having previously unidentified health problems, and required follow up appointments at the OHU and referrals to their GP.					
Self referrals	3	2	8		13

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	104	171		434
Counselling sessions	632	670	689		1991
October to December 2013					
From the employees seen, 12 were associated with work related stress and 1 was related to assault/bullying. 96% 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	2	0		6
This mediation helped to resolve perceived work related stress issues for an employee who was off sick.					
Anxiety Management group attendance including CBT	4	2	0		6
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	73	57	77		196
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	54	213		318
Service evaluation					
Number of employees completing questionnaire	44	48	41		133
Counselling helped avoid time off work (not on sick leave)	27	31	27		85
Counselling helped early return to work (on sick leave when counselling started)	14	10	8		32
Did not affect sickness absence	3	7	6		16

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

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Public report Cabinet Member Report

Cabinet Member (Strategic Finance and Resources)

13 March 2013

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 Q3 (1 October to 31 December 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 Q3 period, 1 October to 31 December 2012; to compare Q3 2012/13 with Q2 period, 1 July to 30 September 2012/13 expenditure and finally to consider Interim Manager spends for the same period.

Recommendations:

The Cabinet Member is asked to:

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 Q3 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 Q3 2012/13 for spends with Reed.

The information attached in Appendix III shows in more detail, for Q3, 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 Q3.

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

No

Report title:

Agency Workers and Interim Managers – Performance Mgt Report Q3 (1 October to 31 December) and Interim Managers spends for Q3.

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 information on agency worker usage and spends.

2. Options considered and recommended proposal

The table in 2.1 below shows a comparison for Q3 2012/13 and comparisons with Q2 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 Q1 2011/12 and Q2 2011/12 Agency Spend.

Directorate	Spend Q2 2012/13	Spend Q3 2012/13	Increase/decrease
Children Learning & Young People	£162,228	£204,036	Increase
City Services & Development	£191,775	£142,072	Decrease
Community Services	£322,559	£255,234	Decrease
Customer & Workforce Services	£231,467	£284,163	Increase
Chief Executives	£89	£0	Decrease
Finance & Legal Services	£155,407	£209,616	Increase
TOTAL	£1,063,525	£1,094,533	Increase

Directorate Commentary on increased Agency worker Spend for Q3 2012/13**Children Learning & Young People**

Agency spend has increased by £32,699 this quarter compared to the previous quarter.

The increase in spend is as a result of an increase in workload and covering for vacancies.

The directorate has also sought to cover key vacancies in the Family Placement Service to support our drive to increase our numbers of internal foster carers and adopters.

Customer & Workforce Services

The use and increased use during Quarter 3 has been a business decision in two areas of CWS as part of the overall strategy for workload management and delivery of specialist ICT projects.

There will continue to be a planned but time limited, reliance on short-term agency workers to meet exceptional IT skills requirements. The agency workers employed have particular skills and expertise which are not normally required by the service and therefore it would not be cost

effective to recruit to substantive posts for this short term purpose. The service is seeking to maximise skill transfer and reduce long term dependency on short term agency workers to a minimum.

Business Services have needed to use temporary agency worker resources to cover critical business support work until the structure evaluation was completed in Quarter 3. Business Services are now in the process of putting in place a strategy to remove dependency on agency workers.

Finance and Legal Services

Permanent appointments to current vacancies in Legal Services have been delayed pending the conclusion of a service review. This is to ensure minimum dis-placement of current employees as a consequence. In addition, on-going specialist Legal support required for Child and Adult care matters has continued. It has not been possible to meet the need for this support from within the current service model and resources.

Agency staff continue to be employed in Revenues and Benefits to cover vacancies in a key service affecting many of the most vulnerable people in the City. In addition, planning for Welfare Reform has meant putting in place a range of temporary deployment arrangements of experienced Benefits Officers and agency workers are backfilling.

Maintaining and improving existing levels of service is vital with so many issues on welfare reform to deal with – including significant cuts in housing benefit payments. Maintaining the level of agency staff provides additional resilience through these difficult months, whilst the service manages the significant welfare reform changes ahead, seeks to minimise benefit overpayments and maximise government subsidy. Delays in assessing changes in circumstances means that resulting overpayments could be classed as ‘local authority error’. If the Council exceeds the Local Authority error threshold, it will lose between £740,000 and £840,000.

Interim Management Spend for Q2 2012/13 and Q3 2012/13

Table 2.3 shows a summary of spend for Interim Management in Q2 2012/13 and Q3 2012/13. 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 Q2	Total Spend Q2	Number of Managers Q3	Total spend Q3
Community Services	1	£24,360	1	£24,916
Finance & Legal Services	0	0	1	£6,672
Children Learning & Young People	1	£13,152	1	£32,332
TOTAL	2	£37,512	3	£63,920

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 Q3 we received a rebate of £145,330. This gives a total rebate to date for Q1, 2 and Q3 of £423,350.

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. Please also note that the figures shown in the main body of the report will differ to those shown in the appendices. This reflects that there is some additional off contract spends added into the total spends from the Reed contract. This occurs generally where Reed is unable to supply an agency worker so we are forced to go to a supplier not on the Reed contract. However we keep this to a minimum and try to ensure that this is only for short term cover whilst Reed source an agency worker.

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. As an authority we managed to keep this increase to a minimum, 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. We are expecting, however, there may be a further increase in Q4 due to the Pension auto enrolment regulation which will come into effect with Reed for any work undertaken from the 1 January 2013. It will only impact initially on agency workers who are Pay as you Earn (PAYE) workers with Reed and will increase costs by 0.75% across the pay and Working Time Regulations elements.

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 £1,094,533 which equates to 2.68% 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 Q3.

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. We are actively working with Reed to keep the number of outstanding timesheets to a minimum by introducing a system whereby they will be dealt with promptly. We are still working to resolve some of the backlog queries but hope to have resolved these by the next quarter.

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

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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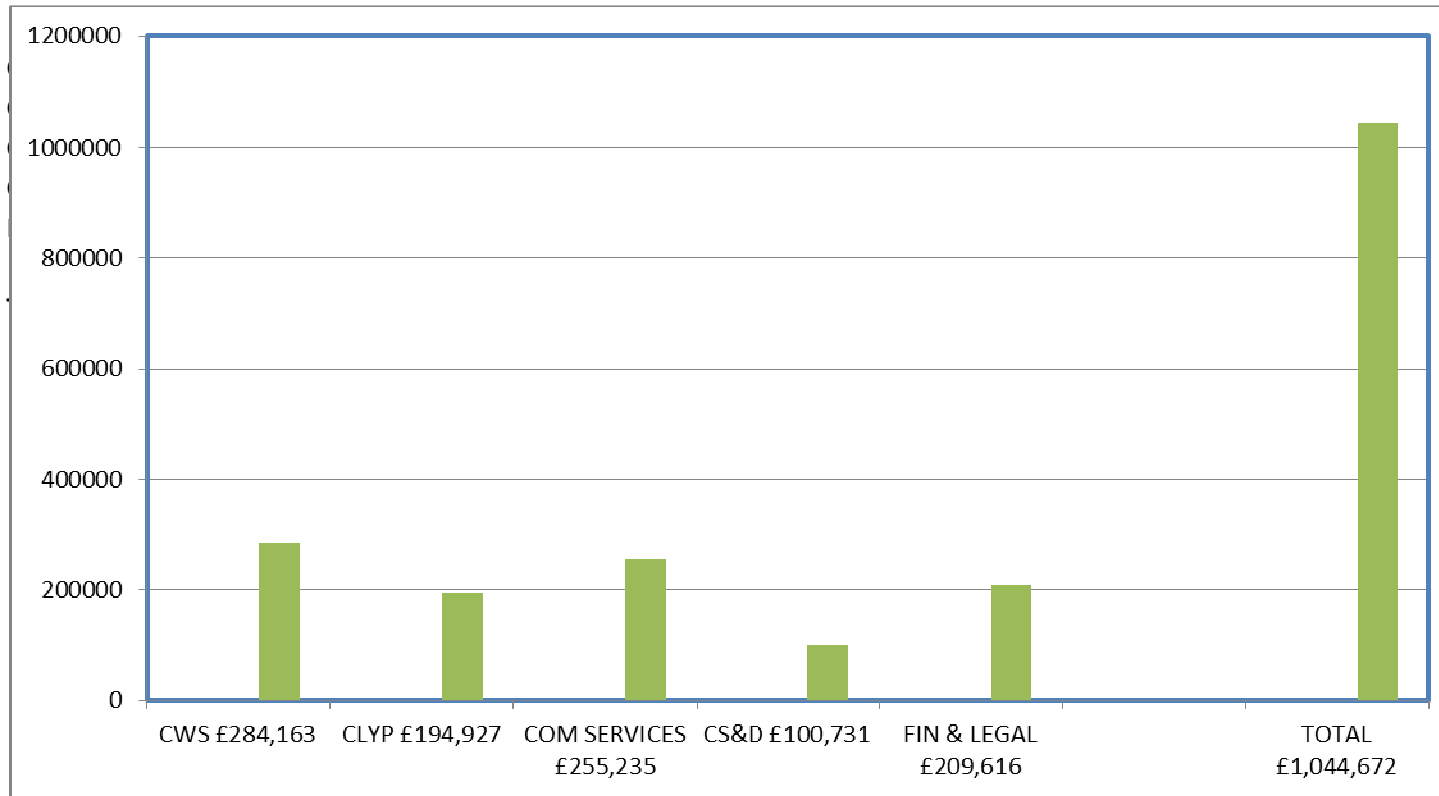
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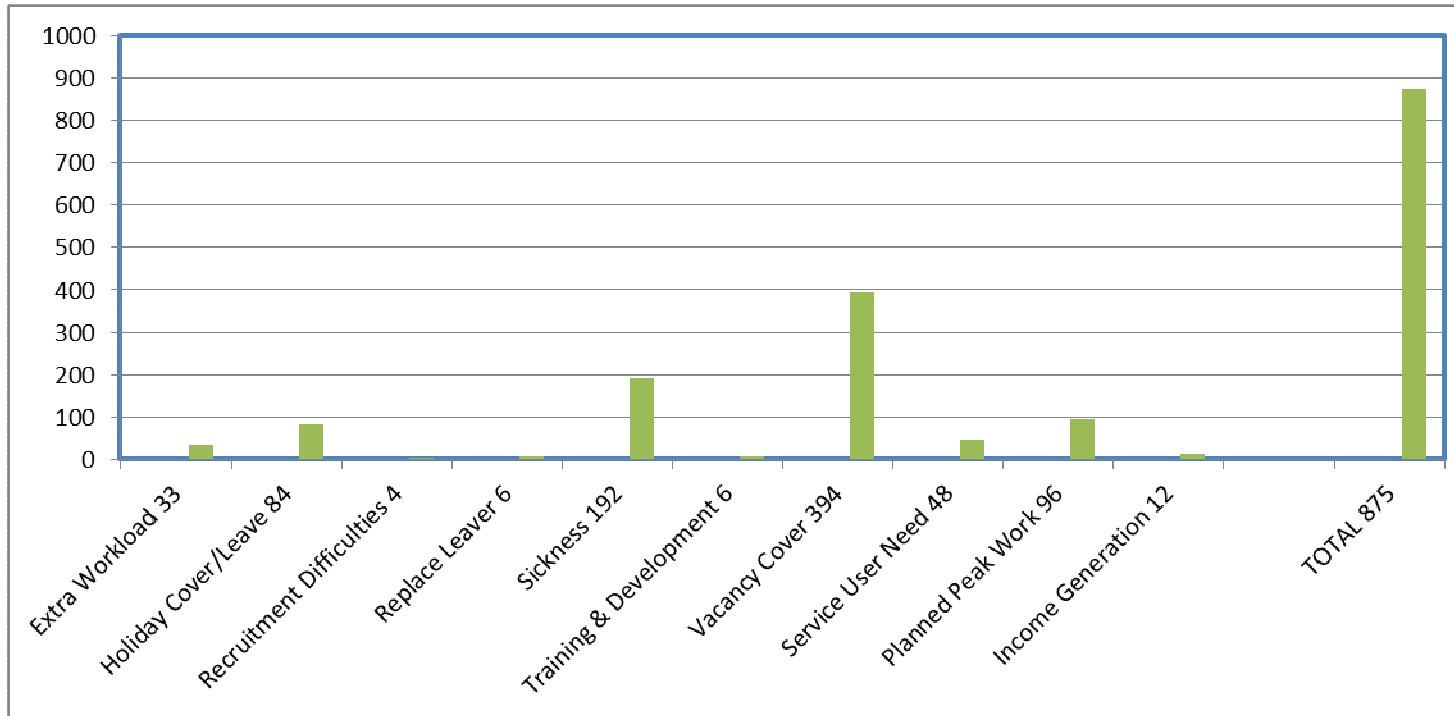
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APPENDIX I - TOTAL SPEND BY DIRECTORATE QUARTER 2: OCTOBER TO DECEMBER 2012



APPENDIX II - ORDER JUSTIFICATION: OCTOBER TO DECEMBER 2012



APPENDIX III - DIVERSITY BREAKDOWN OF AGENCY WORKERS QUARTER 3: OCTOBER TO DEC 2012

Ethnic Origin	Headcount
African	30
Any Other Black Background	3
Any Other White Background	
British	34
Caribbean	6
Indian	6
None Stated	422
White & Asian	3
White (European)	6
TOTAL	510

Age	Headcount
16-19	5
20-30	95
31-40	133
41-50	190
51+	87
None Stated	0
TOTAL	510

Gender	Headcount
Female	265
Male	245
TOTAL	510

APPENDIX IV SUMMARY OF USE OF AGENCY WORKERS BY DIRECTORATE AND STRATEGIES IN PLACE FOR REDUCING DEPENDENCY ON AGENCY WORKERS
Q3 October - December 2012

Directorate	Q2 July – Sept 2012 Expenditure by Service Area	Q3 Oct - Dec 2012 Expenditure by Service Area	Justification of new Orders placed in Q3	State Usage of Agency Workers in Q3	What Strategies are in place for Reducing Dependency on Agency Workers
Chief Executive	£89	<u>£0</u>			
Children, Learning and Young People	Total Expenditure Q 2 £162,228	Total Expenditure Q 3 <u>£194,927</u>	Extra Workload: 11 Service User Need:9 Vacancy Cover: 28 Leave/Hol Cover: 0 Planned peak work:3 Sickness cover: 0 Total: 51	Agency spend has increased by £32,699 this quarter compared to the previous quarter. The increase in spend is as a result of an increase in workload and covering for vacancies. The directorate has also sought to cover key vacancies in the Family Placement Service to support our drive to increase our numbers of internal foster carers and adopters.	Assistant Directors regularly review and monitor the use of individual Social Workers. The Directorate is continuing its recruitment drive for Social workers and hopes to convert a number of agency staff into permanent Social Worker positions and thus reduce future agency requirements and associated costs. The application of the promoting health at work procedure is also contributing to supporting employees to remain in and attend work.
City Services & Development	Total Expenditure Q 2 £191,775	Total Expenditure Q 3 £100,731	Recruit Difficulties: 1 Extra Workload: 7 Sickness Cover: 42 Leave/Hol Cover: 0 Vacancy Cover: 26 Planned Peak Work: 26 Service User need: 13 Training: 1 Total: 116	There has been a reduction in Agency spend since Q2	There has been a reduction in Agency spend since Q2

Community Services	Total Expenditure Q 2 £322,559	Total Expenditure Q 3 <u>£255,235</u>	Replace Leaver:3 Extra Workload:3 Sickness Cover: 147 Hol Cover: 81 Service User need:13 Training & Dev: 5 Vacancy Cover: 304 CHC Funded: 0 Planned Peak Work: 12 Income Gen: 12 Total: 580	There has been a reduction in Agency spend since Q2	There has been a reduction in Agency spend since Q2
Customer & Workforce Services	Total Expenditure Q 2 £231,467	Total Expenditure Q 3 £284,163	Recruitment Difficulties: 3 Extra Workload: 6 Vacancy cover: 27 Sickness: 0 Service User Need:4 Planned Peak Work: 28 Total: 68	There is a continuing need to provide additional specialist short-term resources to meet key strategic IT development needs, in line with projects approved by the ICT strategy group. Business Services have had to use temporary resources to cover critical business support work until the structure evaluation was completed in Quarter 2.	There will continue to be a limited reliance on short term agency workers to meet exceptional IT skills requirements. These are not normally core skills required by the substantive workforce. It would not be cost effective to recruit to substantive posts for this purpose. The service is seeking to maximise skill transfer and reduce long term dependency on short term agency workers to a minimum. Business Services are now in the process of putting in place a strategy to remove dependency on agency workers.
Finance & Legal Services	Total Expenditure Q 2: £155,407	Total Expenditure Q 3: <u>£209,616</u>	Replace Leaver: 3 Extra Workload: 6 Sick: 3 Leave: 3 Planned peak work: 27 Service User Need: 9	The advent of Welfare Reform has required careful consideration to be given to filling of vacancies to ensure appropriate experience at the right	There is expected to be on-going dependency on agency workers until the implications of Welfare Reform on the Council's staffing structures are clearer.

			<p>Vacancy Cover: 9 Income Gen: 0 Total: 60</p>	<p>levels in order that the Council does not exceed the benefit error threshold which would have a significant financial impact on the service. A range of temporary redeployment arrangements of Council employees have been put in place, with backfilling by agency workers to sustain the level of service. Legal Services are nearing the completion of a service wide review. In the meantime there has been a dependency on Locums to cover temporary and permanent vacancies as well as provide the necessary level of increased service required by CLYP and Community Services.</p>	<p>Legal Services are nearing the completion of a revised organisation structure that would determine the future staffing levels. The requirements of CLYP and Community Services would be met from within the new structure and the population of the new structure would remove the on-going dependency on agency workers.</p>
<p>OVERALL TOTALS</p>	<p>Q2 £1,063,525</p>	<p>Q3 1,044,672</p>	<p>Q3 Total orders placed: 875</p>		