



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Monday, 17th June, 2013

Place

Diamond Room 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting**
 - (a) To agree the minutes of the meeting held on 13 March 2013 (Pages 3 - 6)
 - (b) Matters Arising
4. **Agency Workers and Interim Managers - Performance Management Report Q4 (1 January to 31 March 2013) with a final summary for 2012/13 compared with 2011/12 (Pages 7 - 22)**

Report of the Director of Customer and Workforce Services
5. **The exercise of delegated authority in the write-off of debt owing to the Authority in 2012/13 (Pages 23 - 36)**

Report of the Director of Finance and Legal Services
6. **Performance within the Revenues Service for the period April 2012 - March 2013 (Pages 37 - 42)**

Report of the Director of Finance and Legal Services
7. **Performance within the Benefits Service for the period April 2012 - March 2013 (Pages 43 - 50)**

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

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

Friday, 7 June 2013

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

Membership: Councillor D Gannon (Cabinet Member)

By invitation Councillor T Sawdon (Shadow Cabinet Member)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Su Symonds, Governance Services Officer

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13th March, 2013

Cabinet Member

Present: - Councillor Duggins

Shadow Cabinet Member

Present: - Councillor Blundell

Employees Present: - H. Abraham (Customer and Workforce Services Directorate)
J. Crawley (Customer and Workforce Services Directorate)
J. Evans (Finance and Legal Services Directorate)
S. Iannantuoni (Customer and Workforce Services Directorate)
P. Jennings (Finance and Legal Services Directorate)
J. Smith (Finance and Legal Services Directorate)
S. Symonds (Customer and Workforce Services Directorate)

44. Apologies

There were no apologies.

45. Declarations of Interest

There were no declarations of interest.

46. Minutes

The minutes of the meeting held on 5th December, 2012 were signed as a true record.

47. Matters Arising

There were no matters arising from the Minutes.

48. Second 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 second quarter of Councillor Sawdon's Mayoral year, together with the estimated expenditure for the third quarter.

The report indicated that the start year budget for the Mayoralty was £65,595. Total spend to 16th November 2012 was £24,644, equating to 38% of the total budget. Although the amount was slightly above average for the same period for the previous three years, the budget was expected to break even at the end of the mayoral year.

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 basis

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

The Cabinet Member considered a report of the Director of Finance and Legal Services concerning a commitment for the City Council to make a financial contribution of £50,000 towards the hosting of the Davis Cup tennis event which was scheduled to take place at the Ricoh Arena between 5th and 7th April 2013. The Davis Cup was a world-class tennis event that represented an opportunity to raise the profile of Coventry on a national and international stage. The hosting of a sporting event such as this also sat well alongside the Council's stated aim of building on the legacy from being a co-host for London 2012 as well as encouraging people to take part in sport and physical activity.

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

50. The Exercise of Delegated Authority in the Write-off of Debt Owing to the Authority in 2012/13

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.

The level of debt written off during 2012/13 was expected to total £5.37 million. A significant proportion of the figure was 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 had arisen as a result of government-led technical changes to business rates and local authority funding which meant the Council would bear the cost of any debts written off after 1 April 2013.

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

- (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**

51. 9 month (April-December 2012) Cumulative Sickness Absence 2012/13

The Cabinet Member considered a report of the Director of Customer and Workforce Services regarding the cumulative sickness absence for the 9 month period from April to December 2012 and the actions being taken to manage absence and promote health work across the Council.

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

The quarter 3 projected annual cost of sickness absence for all employees stood at £0.7m above the target cost. This was broken down into all employees except teachers projecting £0.1m above target cost and teachers projecting £0.6m above target cost.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member receive the report providing sickness absence data for the 9 month period of April – December 2012 and accept the actions taken to monitor and manage sickness

52. Agency Workers and Interim Managers – Performance Management Report Quarter 3 (1 October to 31 December 2012)

The Cabinet Member received a report of the Director of Customer and Workforce Services regarding the use of agency workers procured through the Master Vendor Contract for the quarter 3 period, 1 October to 31 December 2012. The report compared information for quarter 3 with that for quarter 2, and considered Interim Manager spends for the same period.

The Master Vendor contract required all agency workers to be ordered through Reed Recruitment and came into force on 2 May 2011. Information supplied by Reed on agency spend gave detailed information on agency worker usage and spends.

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

- (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**

53. Outstanding Issues

There were no outstanding issues.

54. Any other Business

The Cabinet Member considered the Attendance at Conference Form which sought approval for Councillor John Mutton, the Leader of the Council; Jenni Venn, Assistant Director (Policy, Partnership and Performance); and Laura Elliott, Arts **Page 5**

Development Service to attend a delegation to Volgograd from 8th-12th May 2013.

RESOLVED, that after due consideration of the report and the matters raised at the meeting the Cabinet Member gave approval for the following to attend a delegation to Volgograd from 8th-12th May 2013:-

**Councillor John Mutton, Leader of the Council
Jenni Venn, Assistant Director (Policy, Partnership and Performance)
Laura Elliott, Arts Development Officer**

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



Cabinet Member (Strategic Finance and Resources)

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

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 Q4 (1 January to 31 March 2013) with a final summary for 2012/13 compared with 2011/12.

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

To provide the Cabinet Member with performance information on the use of agency workers procured through the Master Vendor Contract for the Q4 period 1 January to 31 March 2013; to compare Q3 2012/13 with Q4 2012/13 expenditure and compare the full year spends for 2011/12 with 2012/13. Finally to consider Interim Manager spends for the same periods.

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. Approve that future orders are not accepted if no reason is given for the need for the agency worker

List of Appendices included:

The information attached in Appendix I shows the total expenditure on agency workers by Directorates for Q4 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 Q4 2012/13 for spends with Reed.

The information attached in Appendix III shows in more detail, for Q4, 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 Q4.

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 Q4 (1 October to 31 December) and Interim Managers spends for Q4.

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 with Q4 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 2012/13 and Q4 2012/13 Agency Spend.

Directorate	Spend Q3 2012/13	Spend Q4 2012/13	Increase/decrease
Children Learning & Young People	£204,036	£233,081*	Increase
City Services & Development	£142,072	£197,617*	Increase
Community Services	£255,234	£248,943	Decrease
Customer & Workforce Services	£284,163	£267,966	Decrease
Chief Executives	£0	£0	
Finance & Legal Services	£209,616	£222,270	Increase
TOTAL	£1,094,533	£1,169,877	Increase

***please note the spend shown in the appendices will differ slightly to that shown above due to the inclusion of off contract spends in the above table**

Directorate Commentary on increased Agency worker Spend for Q4 2012/13**Children Learning & Young People**

The increase in spend is a result of an increase in workload and cover for vacancies. Agency staff are required to cover the vacant posts to ensure that cases move through the social care system to reduce the number of Looked After Children. Recruitment to vacant posts will reduce the spend on agency staff.

City Services and Development

The total spend on agency workers within City Services & Development directorate during the fourth quarter of 2012/13 was £197,617. This is an increase of £97,003 over the expenditure in the third quarter of 2012/13.

The primary reasons for the use of agency of workers within the directorate for quarter four in the relevant divisions is as follows:

Planning Transport & Highways- the division is waiting for the new professional services contract to start on 1 June. Agency staff have been used on Public Realm phase 2 and Friargate Bridge where they have required technical services, once the contract is in place this will alleviate the need to use agency staff.

Streetpride – covering a number of vacancies which are now being recruited to.

Domestic Waste – agency staff to cover extra collections to catch up following Christmas break and adverse weather conditions. Sickness has also increased which has resulted in all the casual staff being used first but agency staff also required.

Property Asset Management, Cleaning - Nearly all of the agency spend is due to sickness cover and vacancy cover in cleaning service to schools. If they didn't use agency they would lose income and they do budget for some sickness cover in the charging regime.

The directorate has a number of used strategies in place to ensure the use and expenditure on Agency Workers is monitored and steps are taken to reduce their use. For example:

- Before going down either route we would look at the opportunity for internal secondment of an existing employee.
- Managers are required to consider if the use of agency staff or a short term contract is justified in terms of providing value for money against the alternative of recruitment. Recruitment remains the normal way in which the vast majority of posts are filled.
- Assistant Directors monitor the use and expenditure on Agency Workers
- The directorate has completed work on creating casual worker pools

Finance and Legal Services

The total spend on agency workers within Finance & Legal Services directorate during the fourth quarter of 2012/13 was £220,186. This is an increase of £10,570 over the expenditure in the third quarter of 2012/13.

The expenditure on agency workers has been solely within Revenues & Benefits and Legal Services. The directorate closely monitors the use of agency workers and actively takes steps where possible to reduce the use of agency workers.

The primary reasons for the expenditure is as follows:

Revenues & Benefits

Agency workers are employed to carry out the assessment of Housing and Council Tax Benefit; new claims, changes of circumstances and customer service – face to face and telephone. Maintaining and improving existing levels of service is vital with so many substantial issues on welfare reform to deal with - this is a key service affecting many of the most vulnerable people in the City.

Planning for Welfare Reform has meant a number of staff are now operating in temporary roles. Maintaining the agency staff has provided additional resilience whilst the Service manages the

significant welfare reform changes ahead, in addition to providing service cover due to vacancies and the training of new staff.

Delays in assessing this work means that resulting overpayments could be classed as 'local authority error' (because the Council has the information to reduce the benefit, but is delaying stopping payments). This will impact on the service's ability to control subsidy penalties – which could cost over £740,000 if the overpayments are not minimised.

Legal Services

During quarter four, one additional locum was recruited due to the increase in workload (Social Care). This post is funded by CLYP and recharges are carried out accordingly. In total the service currently has 12 locums, 7 of which are recharged to CLYP/Community Services. In addition, there has been increase in workloads in Corporate Governance.

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.

2.2 Table for comparison of spend for 2011/12 and 2012/13

Directorate	Spend 2011/12	Spend 2012/13	Increase/decrease
Children Learning & Young People	£1,177,999	£773,883	Decrease
City Services & Development	£807,630	£723,217	Decrease
Community Services	£1,070,572	£1,158,544	Increase
Customer & Workforce Services	£654,698	£990,979	Increase
Chief Executives	£0	£89	Increase
Finance & Legal Services	£271,606	£700,152	Increase
TOTAL	£3,982,505	£4,346,874	Increase

Summary

The spend on agency workers has risen this year primarily due to the need to procure agency workers in IT and Benefits where we have had to pay over the market rates to procure the skills required. Although the agency spends on IT workers is shown on Customer & Workforces figures much of this spend is being funded by other Directorates to carry out specific IT projects in their areas.

Additional spends in Community Services has been in the area of Community Care pending a review and the need to maintain a statutory service to the vulnerable. Extensive work has been

taking place to try and reduce the need for agency workers, in the coming months, with the building up of our own bank of staff to cover shifts. There will always be a need for some agency workers in this area but it is envisaged that the need will reduce as we build up the bank of care workers willing to undertake work on an adhoc basis.

Interim Management Spend for Q3 2012/13 and Q4 2012/13

Table 2.3 shows a summary of spend for Interim Management in Q3 2012/13 and Q4 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 Q3	Total spend Q3	Number of Managers Q4	Total Spend Q4
Community Services	1	£24,916	1	£4,824
Finance & Legal Services	1	£6,672	0	£0
Children Learning & Young People	1	£32,332	1	£27,400
TOTAL	3	£63,920	2	£32,224

N.B. The Interim Manager in Community Services finished in January 2013.

2.4 Summary Interim Manager spends comparing 2011/12 with 2012/13

Directorate	Total Spends for 2011/12	Total Spends for 2012/13	Increase/decrease
Community Services	£109,287	£130,646	Increase
Finance & Legal Services	£0	£6,672	Increase
Children Learning & Young People	£24,300	£78,364	Increase
TOTAL	£133,587	£215,682	Increase

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 Q4 we received a rebate of £171,694. This gives a total rebate to date for the financial year 2012/13 of £595,044, therefore exceeding the target by some £195,044.

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.

There has been an overall increase in spends on agency workers for the year 2012/13 when compared with 2011/12. This in part can be attributed to some increase in pension costs following auto enrolment although the majority of increase will have been due to the costs incurred with agency workers involved in specialist work in the areas of legal; benefits and IT.

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 £1,368,883 which equates to 3.33% 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

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

Jane Crawley, Recruitment Manager

Directorate:

Customer & Workforce Services

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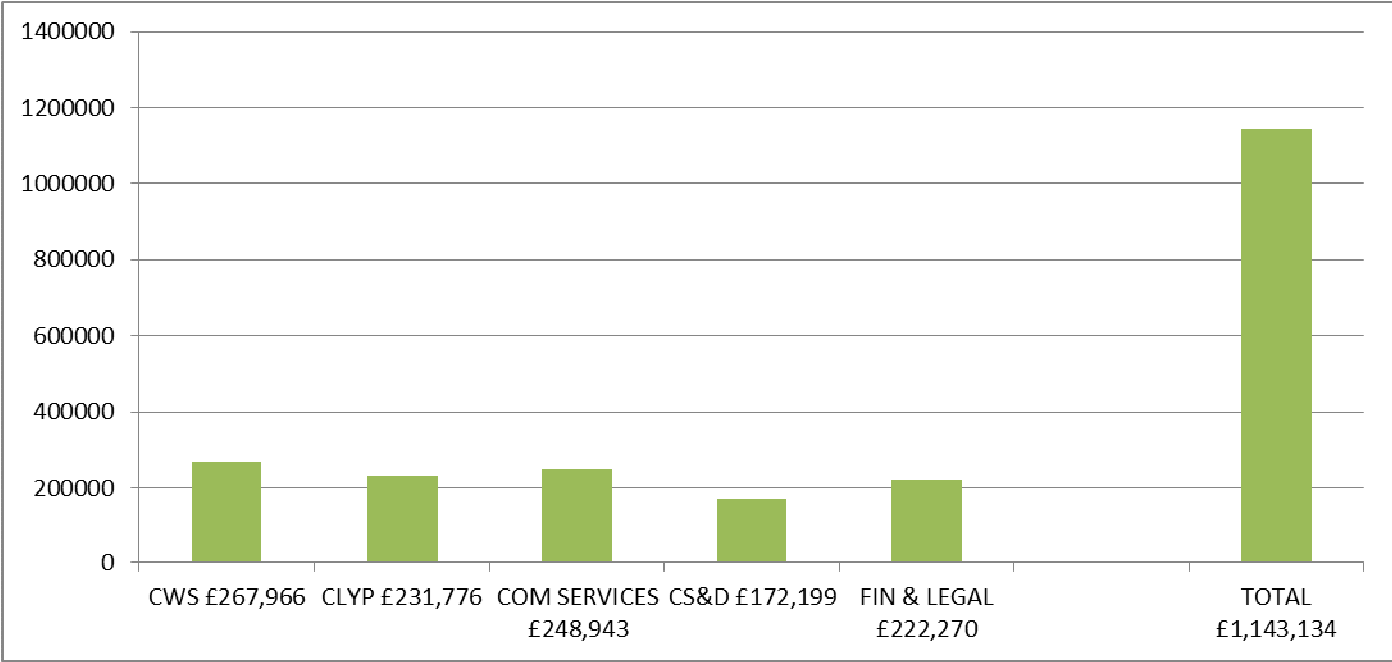
Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Clarissa Evans	Commercial Team Manager	Finance and Legal Services	15 May 2013	16 May 2013
Aimee Proctor	Central Services Finances	Finance and Legal Services	15 May 2013	
Matthew Rossi	Governance Services Officer	Customer and Workforce Services	15 May 2013	28 May 2013
Other members				
Names of approvers: (officers and members)				
Finance & Procurement: Name	Kathryn Sutherland Jonathan Guy	Finance & Legal Services	15 May 2013	
Director Clearance details Member: Councillor Gannon	Bev Messinger	Customer & Workforce Services	15 May 2013	16 May 2013

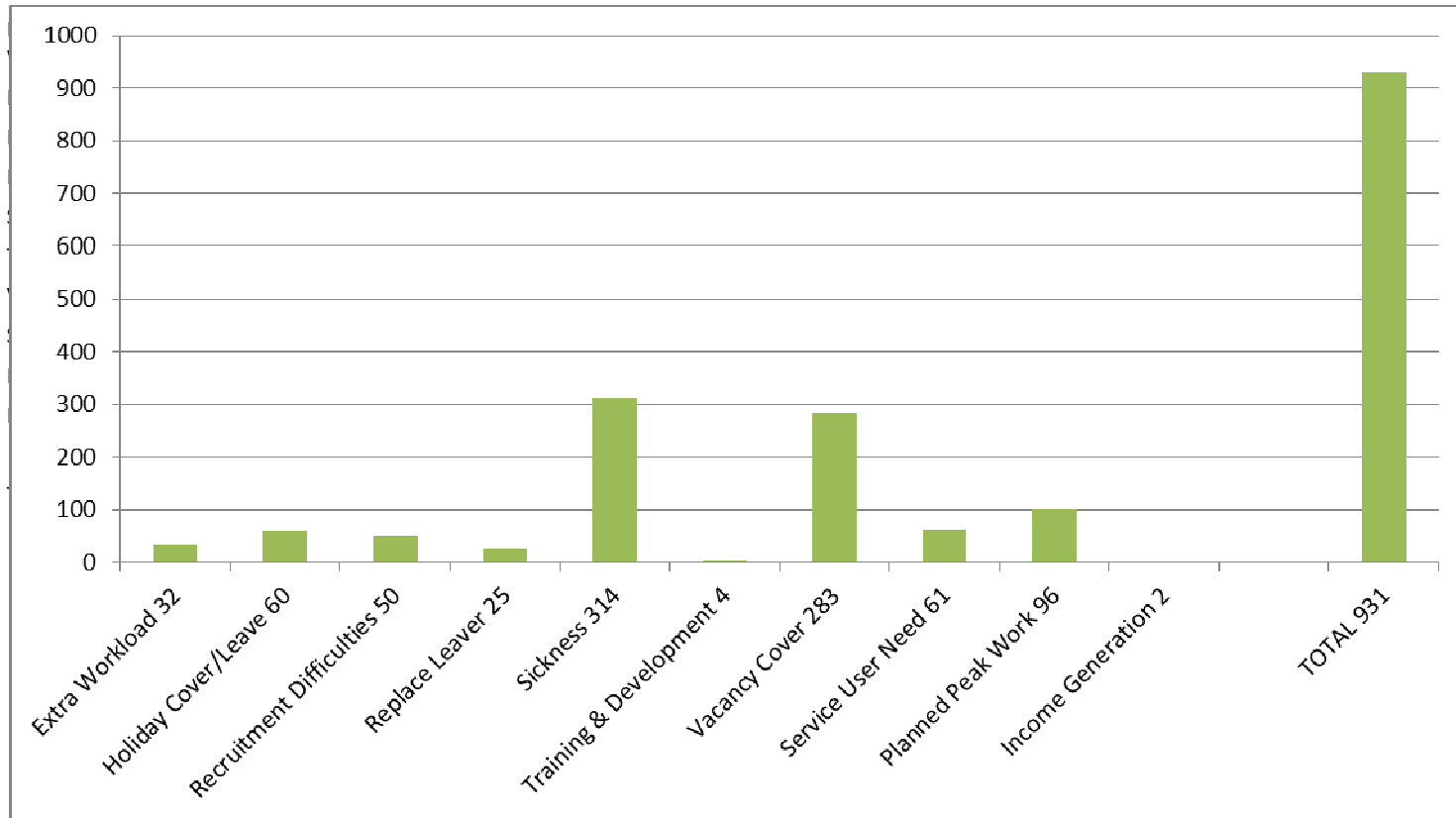
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APPENDIX I - TOTAL SPEND BY DIRECTORATE QUARTER 4: JANUARY - MARCH 2013



APPENDIX II - ORDER JUSTIFICATION: JANUARY TO MARCH 2013



APPENDIX III - DIVERSITY BREAKDOWN OF AGENCY WORKERS QUARTER 4: JANUARY TO MARCH 2013

Ethnic Origin	Headcount
African	41
Any Other Black Background	2
Any Other White Background	6
British	53
Caribbean	6
Indian	10
None Stated	397
White & Asian	1
Pakistani	3
White and Black Caribbean	1
White (European)	6
Any Other Ethnic Group	1
TOTAL	527

Age	Headcount
16-19	10
20-30	96
31-40	149
41-50	181
51+	91
None Stated	0
TOTAL	527

Gender	Headcount
Female	266
Male	261
TOTAL	527

APPENDIX IV SUMMARY OF USE OF AGENCY WORKERS BY DIRECTORATE AND STRATEGIES IN PLACE FOR REDUCING DEPENDENCY ON AGENCY WORKERS
Q4 January - March 2013

Directorate	Q3 Oct – Dec 2012 Expenditure by Service Area	Q4 Jan - Mar 2013 Expenditure by Service Area	Justification of new Orders placed in Q4	State Usage of Agency Workers in Q4	What Strategies are in place for Reducing Dependency on Agency Workers
Chief Executive	£0	<u>£0</u>			
Children, Learning and Young People	Total Expenditure Q 3 £194,927	Total Expenditure Q 4 <u>£231,776</u>	Extra Workload: 6 Service User Need: 5 Vacancy Cover: 20 Planned peak work: 12 Replace Leaver: 2 Total: 45	The increase in spend is as a result of an increase in workload and cover for vacancies. Agency staff are required to cover the vacant posts to ensure that cases move through the social care system to reduce the number of Looked after Children	Recruitment to vacant posts will reduce the spend on agency staff.
City Services & Development	Total Expenditure Q 3 £100,731	Total Expenditure Q 4 <u>£172,199</u>	Recruit Difficulties: 14 Extra Workload: 6 Sickness Cover: 86 Leave/Hol Cover: 2 Vacancy Cover: 31 Planned Peak Work: 32 Service User need: 5 Total: 176	The primary reason for use of agency workers in Q4 is as follows: Planning Transport & Highways: The division is waiting for the new professional services contract to start on 1st June. Streetpride: Covering a number of vacancies now being recruited to. Domestic Waste: To cover extra collections to catch up from Christmas and adverse weather conditions. Sickness has also increased. Property Asset Mgt, Cleaning: Most spend is due to sickness and vacancy cover in cleaning	Strategies to monitor use and reduce agency use and expenditure: -Before appointing agency workers secondment of internal employees is considered -Consider if use of agency staff or short term contract is justified in providing value for money against the alternative of recruitment. Recruitment remains the normal way in which the vast majority of posts are filled. -Assistant Directors monitor the use and expenditure on Agency

				services to schools. If agency workers are not used, they could lose income and they do budget for some sickness cover in the charging regime.	workers -The directorate has completed work on creating casual worker pools
Community Services	Total Expenditure Q 3 £255,235	Total Expenditure Q 4 <u>£248,943</u>	Replace Leaver: 20 Extra Workload: 8 Sickness Cover: 221 Hol Cover: 55 Service User need: 35 Training & Dev: 4 Vacancy Cover: 178 Planned Peak Work: 9 Income Gen: 2 Recruit Difficulties: 33 Total: 565	There has been a reduction in Agency spend since Q3	There has been a reduction in Agency spend since Q3
Customer & Workforce Services	Total Expenditure Q 3 £284,163	Total Expenditure Q 4 <u>£267,966</u>	Recruit Difficulties: 3 Extra Workload: 8 Vacancy cover: 39 Sickness: 4 Service User Need: 5 Planned Peak Work: 24 Total: 83	There has been an REDUCTION in Agency spend since Q3	There has been a REDUCTION in Agency spend since Q3.
Finance & Legal Services	Total Expenditure Q 3: £209,616	Total Expenditure Q 4: <u>£222,270</u>	Replace Leaver: 3 Extra Workload: 4 Sick: 3 Leave: 2 Planned peak work: 23 Service User Need: 11 Vacancy Cover: 16 Total: 62	Expenditure on agency workers has been within Rev&Bens and Legal Services. Primary reasons for spend: -Revenue & Benefits: Maintaining and improving existing levels of service is vital with many issues on welfare reform to deal with. Planning for welfare reform has meant a number of staff are now operating in temporary roles. Maintaining	Revenue & Benefits: 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. Legal Services: Nearing completion of a revised organisation structure that would determine the future staffing levels. The requirements of CLYP and

				<p>agency staff has provided additional resilience, in addition to providing service cover due to vacancies and training of new staff. Delays in assessing this work means that resulting over-payments could be classed as “local authority error”. This will impact on the service’s ability to control subsidy penalties, which could cost over £740,000 if overpayments are not minimised.</p> <p>Legal Services: During Q4 1 additional locum was recruited due to increase in workload (Social Care).The post is funded by CLYP and recharged. In total the service currently has 12 locums, 7 of which are recharged to CLYP/ Community Services. In addition there has been increased workloads in Corporate Governance.</p>	<p>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>
OVERALL TOTALS	Q3 £1,044,672	Q4 1,143,134	Q4 Total orders placed: 931		



Cabinet Member (Strategic Finance and Resources)

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

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. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The Revenues and Benefits division is responsible for the collection of Corporate Income and Corporate Debt. A range of measures are employed to ensure the maximisation and collection of all income and debt owed to the Council. In certain circumstances it is appropriate and necessary to write off debts owing to the Council. Robust processes are in place within the Revenues and Benefits service to ensure that debt is written off and authorised in accordance with the Council's rules of delegated authority. In 2012/13 £5.866 million was written off.

Recommendations:

The Cabinet Member is requested to:

- 1) Review the level of write-offs authorised under delegated authority.
- 2) Approve an increase, to £5 million, in the value of debt which must be expected to be written off in a single financial year before an interim report to the Cabinet Member is required.
- 3) Agree to receive a further report at the first meeting of the new municipal year 2014/15 to provide an update for the period April 2013 to March 2014.

List of Appendices included:

Appendix 1 – Debt written off 2012/13

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)

- 1.1 Annually the revenues and benefit service administers more than £150 million in housing and council tax benefit and collects £117 million of business rates, £100 million of council tax and more than £90 million in corporate income. The revenues and benefits service have identified more than £6 million of housing benefit overpayment debt during 2012/13.
- 1.2 Since 2000, officers within the Revenues and Benefits service area have held delegated authority for writing off debts owing to the Council. This report documents the extent to which delegated authority has been exercised during the period April 2012 to March 2013. The thresholds to which designated Officers or Members may authorise the write off of debt 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 – £5.00
 - £5.01 - £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
- 1.3 Where it becomes apparent that the net level of debt written off within a single financial year is likely to exceed £3.5 million, a report must be submitted to the Cabinet Member (Strategic Finance and Resources). The £3.5 million threshold was determined by the Cabinet Member (Finance and Value for Money) at a Cabinet Member meeting on 21 January 2009. The £3.5 million threshold has not been reviewed since this time.

2. Options considered and recommended proposal

- 2.1 All service areas have robust procedures and policies in place to ensure the effective recovery of debt owing to the Council and that debt is written off only in prescribed circumstances. The Council utilises a range of techniques to maximise the collection of corporate debt including tracing agencies, credit reference agencies, collection agents and legal processes.
- 2.2 Council Tax reports are produced quarterly and, depending on the value of the debt, the Service Manager, Assistant Director or the Director gives formal approval in accordance with the current delegated write off thresholds.
- 2.3 Accounts Receivable, business rates and business improvement district (BID) reports are produced monthly and submitted to the relevant Directorate Finance Managers for notification and approval. These cases are then referred for approval in accordance with the current delegated write off thresholds.
- 2.4 Benefit overpayment reports are produced weekly and submitted to the Revenues Manager for review and approval in accordance with the current delegated write off levels.

- 2.5 An account may be re-raised after write-off should further information become available, for example the whereabouts of an absconder may subsequently be discovered.
- 2.6 A breakdown of debt written off is summarised in Figure 1 below.

Fig 1

Service Area	2011/2012	2012/2013			Net Write offs (£000)
	Net Write offs (£000)	Written off (£000)	Written on (£000)	Credits written off (£000)	
Council Tax	714		25	64	1,705
Business Rates	1,983				2,569
Accounts Receivable	269				344
Benefit overpayments	427				1,080
City wide Business Improvement District	3				168
Total	3,396				5,866

Business Rates

- 2.7 A report was submitted to the Cabinet Member (Strategic Finance and Resources) at the meeting of 13 March 2013 confirming that the Council expected total write off levels for 2012/13 to exceed £3.5 million. The report outlined changes to the national business rates system which came into force on 1 April 2013. Under the new system the impact of debt written off is borne by the Council whereas it was previously borne by central government. In addition the government has recently clarified a decision for 49 per cent of backdated appeals relating to business rates charges incurred prior to 1 April 2013 to be borne by local government under the new framework. As detailed in the March report, it was therefore imperative that the Council maximised 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.

Business Improvement District

- 2.8 Included within the total write off figure of £5.866 million is £167,606 city-wide BID debt. This debt was written off as a one-off exercise following a decision not to enforce this debt through legal channels following the closure of the city-wide BID.

Housing benefit overpayments

- 2.9 Again, as outlined in the Cabinet Member report of 13 March 2013, the amount of housing benefit overpayments written off has increased significantly in 2012/13. This is primarily the result of a one-off proactive exercise to review outstanding benefit overpayments and write off old debts for which recovery action has been exhausted.

Write off threshold

- 2.10 As stated, if it is expected that write off levels will exceed £3.5 million in a single financial year a report must be submitted to the Cabinet Member (Strategic Finance and Resources). This threshold has not been reviewed since inception in 2009 and it is therefore proposed that the threshold be reviewed and increased to £5 million in 2013/14. This level better reflects the current economic climate which fosters adverse recovery

conditions with many residents and local businesses facing challenging financial circumstances. The level of debt written is, and will continue to be reported to the Cabinet Member on a regular basis through monthly performance briefings which ensures that the Cabinet Member is able to request a formal report where concerns are identified.

3. 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. This process ensures that the Council's annual budget contains sufficient provision for the write-off of bad debt.

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.

5.2 There are no legal obligations 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

Report author(s):

Jan Evans

Name and job title:

Head of revenues

Directorate:

Finance and Legal Services

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Matthew Rossi	Governance Services Officer	Customer and Workforce Services	28/05/13	28/05/13
Other members				
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www.coventry.gov.uk/moderngov

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Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

Appendix 1										
All Bands										
Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect	1133	£13,139	12	£1,219	432	£121,365	191	£16,999	1,768	£152,722
Bankruptcy/Liquidation etc.	361	£113,479	214	£1,451,118	37	£98,722	51	£24,245	663	£1,687,564
Ceased to Trade	3	£0	148	£819,984	40	£52,994			191	£872,979
Hardship/Poor Circs	28	£12,671			29	£14,831	26	£20,487	83	£47,989
Deceased No Estate	155	£30,558	2	£4,824	115	£27,165	107	£48,755	379	£111,302
Charge on property			4	£36,503					4	£36,503
No Trace	4884	£1,518,219	97	£223,694	61	£11,618	242	£168,699	5,284	£1,922,230
In Prison	15	£4,390					22	£7,855	37	£12,245
Out of Jurisdiction	8	£1,280			1	£181			9	£1,461
Managers Discretion	45	£10,365							45	£10,365
Magistrates/Poverty/Prison			1	£1,665					1	£1,665
Charging Order									0	£0
System Error			17	£30,092					17	£30,092
Disputed Ac/Unable to Enforce/Substantiate	2	£278			16	£4,796			18	£5,074
Admin orders									0	£0
Miscellaneous (less than £500)									0	£0
Paper Error							4	£811	4	£811
Admin orders	3	£211							3	£211
Appeal upheld							3	£127	3	£127
Old debt							1262	£783,812	1,262	£783,812
Bailiff					4	£1,040			4	£1,040
Service area request					8	£11,552			8	£11,552
Discretionary Housing Payment (DHP)							70	£7,849	70	£7,849
Local Authority error							5	£394	5	£394
Total	6,637	£1,704,590	495	£2,569,099	743	£344,266	1,983	£1,080,033	9,858	£5,697,988

Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

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£0 - £5.00

Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect	1123	£2,426	12	£1,219	6	£25	129	£188	1,270	£3,858
Bankruptcy/Liquidation etc.									0	£0
Ceased to Trade									0	£0
Hardship/Poor Circs									0	£0
Deceased No Estate									0	£0
Charge on property									0	£0
No Trace							1	£2	1	£2
In Prison									0	£0
Out of Jurisdiction									0	£0
Managers Discretion									0	£0
Magistrates/Poverty/Prison									0	£0
Charging Order									0	£0
System Error									0	£0
Disputed Ac/Unable to Enforce/Substantiate									0	£0
Admin orders									0	£0
Miscellaneous (less than £500)									0	£0
Paper Error									0	£0
Admin orders									0	£0
Appeal upheld							2	£1	2	£1
Old debt							9	£16	9	£16
Bailiff									0	£0
Service area request									0	£0
Discretionary Housing Payment (DHP)							6	£14	6	£14
Local Authority error									0	£0
Total	1,123	£2,426	12	£1,219	6	£25	147	£221	1,288	£3,891

Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

£5.01 - £4,999.99										
Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect	10	£10,713			423	£85,246	61	£9,206	494	£105,165
Bankruptcy/Liquidation etc.	361	£113,479	118	£230,786	34	£38,234	51	£24,245	564	£406,744
Ceased to Trade	3	£0	98	£174,191	38	£12,512			139	£186,703
Hardship/Poor Circs	28	£12,671			29	£14,831	25	£13,990	82	£41,492
Deceased No Estate	155	£30,558	2	£4,824	115	£27,165	106	£43,006	378	£105,553
Charge on property			2	£6,301					2	£6,301
No Trace	4884	£1,518,219	91	£117,442	61	£11,618	234	£97,784	5,270	£1,745,063
In Prison	15	£4,390					22	£7,855	37	£12,245
Out of Jurisdiction	8	£1,280							8	£1,280
Managers Discretion	45	£10,365			1	£181			46	£10,546
Magistrates/Poverty/Prison			1	£1,665					1	£1,665
Charging Order			2	£6,301					2	£6,301
System Error			16	£22,988					16	£22,988
Disputed Ac/Unable to Enforce/Substantiate	2	£278			16	£4,796			18	£5,074
Admin orders									0	£0
Miscellaneous (less than £500)									0	£0
Paper Error							4	£811	4	£811
Admin orders	3	£211							3	£211
Appeal upheld							1	£126	1	£126
Old debt							1252	£778,604	1,252	£778,604
Bailiff					4	£1,040			4	£1,040
Service area request					7	£4,915			7	£4,915
Discretionary Housing Payment (DHP)							64	£7,835	64	£7,835
Local Authority error							5	£394	5	£394
Total	5,514	£1,702,164	330	£564,496	728	£200,539	1,825	£983,856	8,397	£3,451,055

Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

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£5,000 - £14,999.99

Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect					2	£15,647	1	£7,605	3	£23,252
Bankruptcy/Liquidation etc.			81	£652,324	2	£14,341			83	£666,665
Ceased to Trade			35	£292,886	1	£8,037			36	£300,923
Hardship/Poor Circs							1	£6,497	1	£6,497
Deceased No Estate							1	£5,749	1	£5,749
Charge on property			1	£10,937					1	£10,937
No Trace			4	£33,741			6	£51,913	10	£85,654
In Prison									0	£0
Out of Jurisdiction									0	£0
Magistrates/Poverty/Prison									0	£0
Charging Order			1	£10,937					1	£10,937
System Error			1	£7,104					1	£7,104
Disputed Ac/Unable to Enforce/Substantiate									0	£0
Admin orders									0	£0
Miscellaneous (less than £500)									0	£0
Paper Error									0	£0
Admin orders									0	£0
Appeal upheld									0	£0
Old Debt							1	£5,192	1	£5,192
Service area request					1	£6,637			1	£6,637
Local Authority error									0	£0
Total	0	-	123	£1,007,930	6	£44,662	10	£76,956	139	£1,129,547

Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

£15,000 - £99,999.99										
Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect					1	20,447			1	£20,447
Bankruptcy/Liquidation etc.			15	£568,008	1	46,148			16	£614,156
Ceased to Trade			15	£352,908	1	32,445			16	£385,353
Hardship/Poor Circs									0	£0
Deceased No Estate									0	£0
Charge on property			1	£19,265					1	£19,265
No Trace			2	£72,511			1	£19,000	3	£91,511
In Prison									0	£0
Out of Jurisdiction									0	£0
Magistrates/Poverty/Prison									0	£0
Disputed Ac/Unable to Enforce/Substantiate									0	£0
Admin orders									0	£0
Miscellaneous (less than £500)									0	£0
Paper Error									0	£0
Admin orders									0	£0
Appeal upheld									0	£0
Old Debt									0	£0
Conversion Error									0	£0
Discretionary Housing Payment (DHP)									0	£0
Local Authority error									0	£0
Total	0	£0.00	33	£1,012,692.37	3	£99,039.40	1	£19,000.00	37	£1,130,731.77

Revenues and Benefits Annual Delegated Write Off Report 2012/13

Appendix 1

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£100,000 and above

Category	Council Tax		Business Rates		Accounts Receivable		Benefits		Total	
	No	Value	No	Value	No	Value	No	Value	No	Value
Uneconomic to Collect									0	£0.00
Bankruptcy/Liquidation etc.									0	£0.00
Ceased to Trade									0	£0.00
Hardship/Poor Circs									0	£0.00
Deceased No Estate									0	£0.00
Charge on property									0	£0.00
No Trace									0	£0.00
In Prison									0	£0.00
Out of Jurisdiction									0	£0.00
Magistrates/Poverty/Prison									0	£0.00
Disputed Ac/Unable to Enforce/Substantiate									0	£0.00
Admin orders									0	£0.00
Miscellaneous (less than £500)									0	£0.00
Paper Error									0	£0.00
Admin orders									0	£0.00
Appeal upheld									0	£0.00
Old Debt									0	£0.00
Conversion Error									0	£0.00
Discretionary Housing Payment (DHP)									0	£0.00
Local Authority error									0	£0.00
Total	0	£0.00	0	£0.00	0	£0.00	0	£0.00	0	£0.00



Cabinet Member (Strategic Finance and Resources

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

All

Title:

Performance within the Revenues Service for the period April 2012 – March 2013

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2012/13. The revenues service is responsible for the collection of more than £105 million of Council Tax from 134,000 domestic properties, more than £116 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income. The service has collected 95.9 per cent of Council Tax, 98.0 per cent of Business Rates and reduced council tax arrears by more than 40 per cent during 2012/13.

The service has also reduced the level of corporate debt outstanding for more than six months and reduced the level of housing benefit overpayment debt in 2012/13.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the revenues service for the period 1 April 2012 to 31 March 2013;
- 2) Agree to receive a further report at the meeting of 21 October 2013 to provide an update for the period April 2013 to September 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:

Performance within the revenues service for the period April 2012 – March 2013

1. Context (or background)

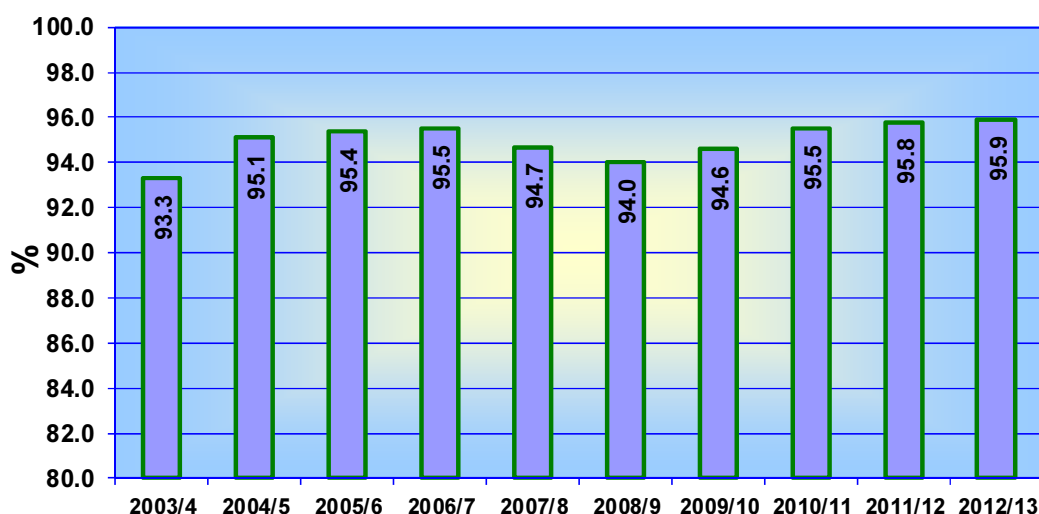
1.1 The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2012/13. The revenues service is responsible for the collection of more than £105 million of Council Tax from 134,000 domestic properties, more than £116 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income.

2. Options Considered and Recommended Proposal

Performance

2.1 The revenues service collected 95.9 per cent of Council Tax for the period 2012/13 which is marginally (£60,000) short of the 96.0 per cent operational target for the period. More than £101 million was collected which is a 2 per cent (£2.1 million) increase on the amount collected in 2011/12. The collection target for 2013/14 remains 96.0 per cent.

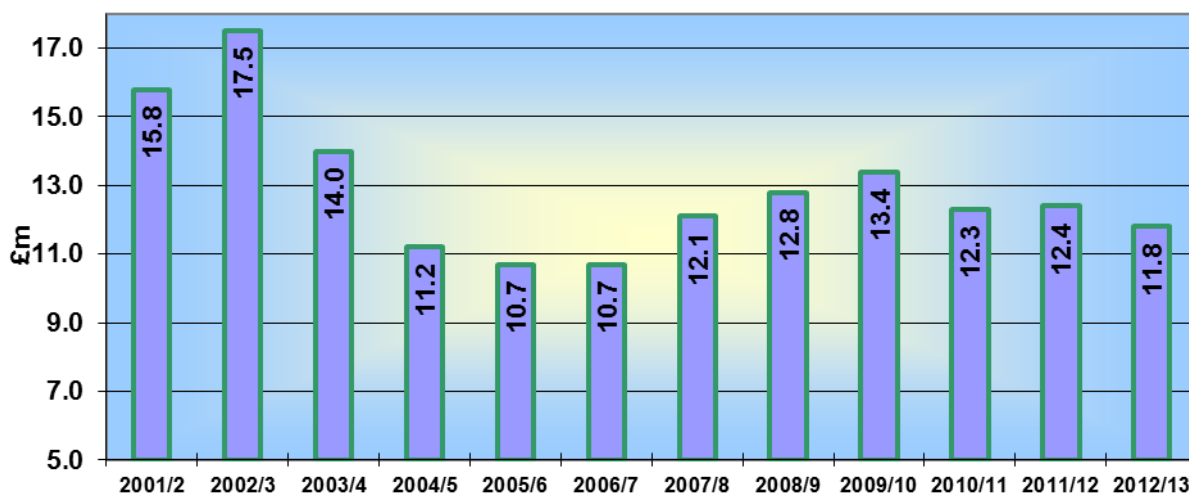
Figure 1 – Council Tax in-year collection rate by year



2.2 At 1 April 2012, £12.4 million of council tax was due for previous years (prior to 1 April 2012). By the end of March 2013 this balance had been reduced by 41 per cent to £7.3 million which surpasses the operational target of a 40 per cent reduction in council tax arrears.

2.3 The arrears figure carried forward, which includes £4.4 million of 2012/13 charges uncollected at 31 March 2013, is £11.8 million. This is lower than the £12.4 million balance carried forward at the end of 2011/12. The target for 2013/14 remains unchanged at a 40 per cent reduction in the £11.8 million outstanding as at April 2013.

Figure 2 – Council Tax arrears outstanding by year



The revenues service collected 98.0 per cent of business rates in 2012/13 against an operational target of 98 per cent. The £114 million collected represents a 2.6 per cent (£3 million) increase on the amount collected in 2011/2012. The operational target for the year was 98 per cent. The operational target for 2013/14 has been increased to 98.5 per cent.

2.4 The revenues service is responsible for the collection of corporate income - the billing and collection of invoices raised for goods and services provided by all Council Directorates ranging from commercial rent income, to care charges and one off services.

2.5 During 2012/13 the revenues service reduced the level of corporate income owing to the Council for more than six months from £0.94 million in April 2012 to £0.88 million at the end of March 2013.

2.6 Housing benefit overpayment debt reduced from £10.3 million in April 2012 to £9.8 million in March 2013. This is the first year in which overpayment debt has fallen since the onset of the financial crisis.

2.7 The number of people opting to pay council tax by direct debit continues to increase, as illustrated in the table below. Nearly 85 per cent of people who do not pay by direct debit now have a 1st of the month payment profile.

	April 2012	April 2013
Accounts for which payments are required (excludes maximum council tax support accounts)	102,380	105,615
No. of accounts paid by direct debit	62,875 (61.4%)	66,093 (62.6%)
No. of non-direct debit accounts with a 1 st of the month payment date	30,078 (80.4%)	33,347 (84.4%)

3. Results of consultation undertaken

3.1 No consultation has been undertaken.

4. Timetable for implementing this decision

4.1 Not applicable.

5. Comments from Director of Finance and Legal Services

5.1 Council tax is an important source of income for the city Council. Each Extra 1% of council tax collected amounts to approximately £1 million in revenue to the Authority.

5.2 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 effective collection of Council Tax, Business Rates and other corporate revenue is crucial to maximising the use of Council resources.

6.2 How is risk being managed?

Monthly reporting to Finance and Legal Services Management Team, Cabinet Member and Shadow Cabinet Member.

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

Report author(s):

Jan Evans

Name and job title:

Head of Revenues

Directorate:

Finance and Legal Services

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Public report Cabinet Member Report

Cabinet Member (Strategic Finance and Resources)

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

All

Title:

Performance within the Benefits Service for the period April 2012 – March 2013

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the benefits service during the financial year 2012/13. The benefits service in Coventry administers more than £160 million to more than 40,000 households. The service processed the average new claim for benefit in 24.6 days and processed the average notification of a change in circumstances in 17 days.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the benefits service for the period 1 April 2012 to 31 March 2013.
- 2) Agree to receive a further report at the meeting of 21 October 2013 to provide an update for the period April 2013 to September 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:

Performance within the Benefits Service for the period April 2012 – March 2013.

1 Context (or background)

1.1 Coventry benefits service administers more than £131 million in housing benefit (HB) and £30 million for council tax benefit (CTB) payments each year to more than 40,500 Coventry households.

Summary of Performance

1.2 During the period 1 April 2012 to 31 March 2013 the benefits service has processed new HB/CTB claims in an average of 24.6 calendar days which is below the operational target of 23 days – but an improvement of 1.5 days when compared to the previous year (see figure 1 below). Performance showed a steady improvement and during the second half of the year, performance averaged 23.9 days and 22.4 days for the final quarter.

1.3 This report will also describe the operational context for this performance and the improvements the Service has made to deal with the challenges of a constantly changing welfare reform agenda.

1.4 The operational target for processing new claims in 2013/14 is 23 days.

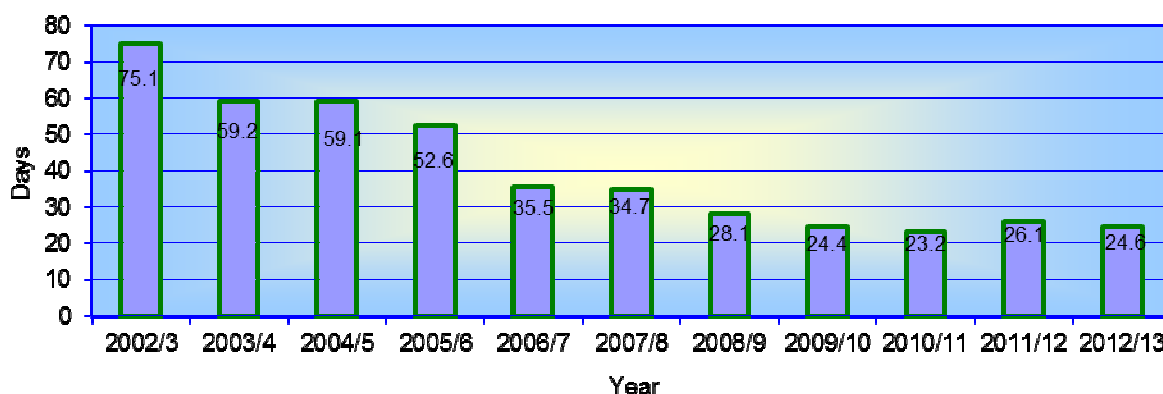


Fig 1 – Average number of days to process new HB/CTB claims

1.5 The Department for Work and Pensions (DWP) has published comparative data on benefit processing performance as National Statistics for the first two quarters of 2012/13. This shows the national average for new claims to be 25 days. The Service will update the Cabinet Member with benchmarking information in the report due at the meeting in December 2013.

1.6 This performance has been achieved through maintaining focus on new claims and staff taking 'ownership' of the outcomes for customers (eg by encouraging interviews and following up with phone calls). The service has also introduced new Information Technology to further improve the service. On-line claims were introduced in April and over 1,460 people have chosen to claim in this way. The take-up has increased to an average of around 50 per week – around 20 per cent of our new claims. Risk-based verification of claims has also helped to speed up the process. This IT enhancement (from June 2012) enables the service to fast-track new claims which are identified as 'low-risk', and

concentrate resources on higher risk cases to help reduce fraud and error. A further enhancement to the software was introduced in December 2012, which further improved performance.

- 1.7 The average time to process a change in circumstance was 17 days. Whilst this is above the operational target for the year of 12.5 days (as illustrated in figure 2 below) it is a reduction in the 17.7 days recorded in 2012/13. The Service has dealt with considerably more items of work due to ATLAS – see below. The national average for the first two quarters of 2011/12 was 12 days.

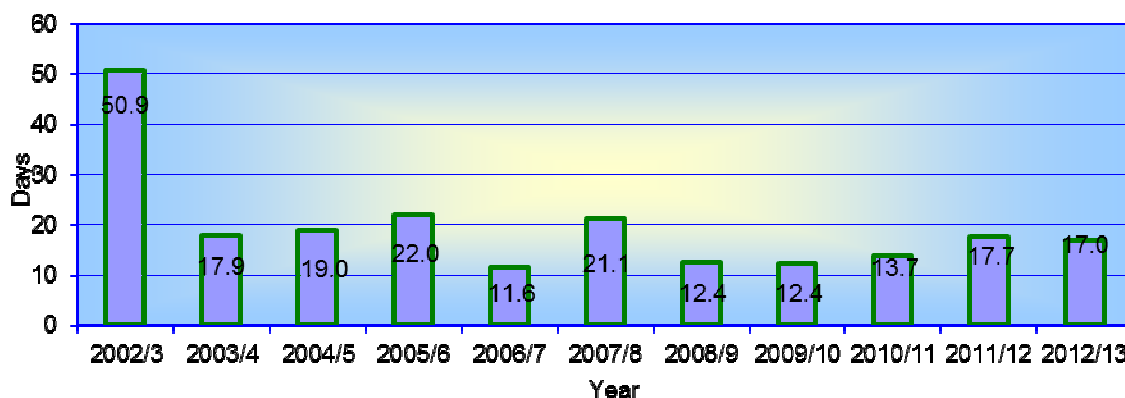


Fig 2 – Average days to process change in circumstances

- 1.8 Processing performance for change in circumstances improved in the final six months of 2012/13 from the 23.2 days being reported at the 30 September 2012 – the second half of the year was 16 days and the final quarter, 13 days.
- 1.9 Outstanding work has reduced considerably over the past 12 months. At the end of March 2012 there were around 10,380 items of work outstanding and 7,000 unallocated (backlog). At the same point this year, the total work outstanding totalled 7,700 items, of which 4,400 items were unallocated. ATLAS work is around 2,600 items compared to last year's 4,600.
- 1.10 The performance over the last three months of the year is encouraging – and puts the Service in a good position at the start of the new financial year.

2 Options Considered and Recommended Proposal

Factors Influencing Performance

2.1 Automatic Transfer of data to Local Authority Systems (ATLAS)

- 2.1.1 DWP initiated the ATLAS system in July 2011. The system provides councils with information on changes to Tax Credits as HMRC become aware of changes in circumstances. DWP sent further data to councils through ATLAS from February 2012. Whilst around 25 per cent of this work would have come to the Council through the previous system, ATLAS has resulted in 108,000 items of work to deal with during the year. Many of the changes impact on Housing Benefit entitlement – resulting in additional requests for information from customers. The additional work was compounded by IT problems in the summer and resulted in a backlog of changes of circumstances. The

Service undertook a number of measures to bring this under control – and this is evidenced by the improved performance in the second half of the year.

2.2 Customer service

2.2.1 The number of people making enquiries about their benefit has increased. This is despite a slight drop in the caseload, from 40,200 to 39,960 over the last 12 months. People visiting our office in Spire House increased from 43,172 in 2011/12 to 47,445 in 2012/13 – an increase of over 9 per cent. Phone enquiries also increased from 80,848 to 86,112 (over 6 per cent). The general view from staff is that enquiries are increasingly more complicated to deal with – and consequently take more time. The changes to the welfare system have also contributed to the increased volume of enquiries.

LA error overpayments

2.3 Work has been effectively prioritised to minimise Local Authority (LA) error overpayments. LA error overpayments totalled £671,000 for the year. This is below the threshold of around £740,000. The Council receives 100 per cent subsidy for LA error overpayments providing the overpaid amount does not exceed 0.48 per cent (£740 in 2012/13) of normal benefit payments.

Discretionary Housing Payments

2.4 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by councillors in March 2013. The welfare reforms introduced from April 2013 mean that there will be considerable demands on this area of our work. The DHP team has been increased by a further post (a cost absorbed by the service) to deal with the increase in applications for support.

2.5 The number of awards in 2012/13 increased from 465 to 727 (a 56% increase) compared to 2011/12. The full DHP allocation of over £377,000 was awarded, compared to £130,00 in 2011/12.

Other initiatives to improve the Service

2.6 The service continues to face new challenges driven by the welfare reform agenda. Further significant reductions in the amount of benefit people receive commenced in January 2012 and transitional protection ran out for the last customers at the end of December. The cuts in benefit will mean over £5 million less paid per annum. The 2013/14 cuts will bring the total annual loss nearer to £10 million per annum. The service has and continues to communicate these changes to customers.

2.7 The online claiming initiative is proving increasingly popular with the numbers rising each week. Over 1460 claims were made in this way during the year. IT enhancements have assisted customers to provide the right information when claiming on-line. This has contributed to quicker processing times, savings in postage, and a more productive use of staff time.

2.8 Landlords have an improved service. They can now access information about accounts where they are being paid 'direct'. We have trained all the RSLs on this software, and it is

proving increasingly popular. We have also started to roll it out to private landlords. This will save their time and help to free-up our phone lines.

- 2.9 Four recruitment campaigns have resulted in 26 new benefit officers (over 25% of the assessment staff) being taken on. This has had a drain on resources to recruit, train and mentor the new staff. Welfare reform has meant a 'chain' of 'acting-up' positions. Currently eight benefit officers are doing higher graded work. Agency staff have helped to cover this work – but with the added impact of bringing new staff in, it has not completely compensated for the loss of assessing expertise. Performance management has been strengthened to help improve productivity since June 2012. There is a much greater focus on outputs and outcomes. Robust arrangements for supporting new staff have meant some turnover within new posts.
- 2.10 The Service has worked hard to ensure customers receive a quicker service in our reception. The administrative team duties have been reviewed – and new job descriptions issued. This has resulted in all these staff providing a 'meet and greet' service at Spire House. This has helped to reduce waiting times and provide a 'fast-track' service for people wanting to hand-in documents, for example. Typically, over 50 per cent of customers are now seen within 15 minutes – a big improvement from around 30 per cent before the initiative was introduced. Benefit apprentices have supported this work very effectively. Two apprentices are already in full time posts, with further young people filling the subsequent vacancies.

Community Support Grants

- 2.11 The Service has successfully introduced a new Community Support Grant scheme – which has replaced the discretionary elements of the Social Fund (Community Care Grants and Crisis Loans) previously administered by DWP. The grants are designed to help vulnerable people living in Coventry who find themselves in a crisis situation or where, for example, they require support to remain in the community.
- 2.12 Details on this welfare reform came through in the summer of 2012. The Service has had to make all the preparations including recruitment, procuring IT, and designing the policies and procedures. Councillors approved the new Policy in January 2013. The Council is now responsible for administering the £1.2 million annual grant for these awards.

3 Results of consultation undertaken

- 3.1 No consultation has been undertaken.

4 Timetable for implementing this decision

- 4.1 Not applicable.

5 Comments from Director of Finance and Legal Services

- 5.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments, referred to in paragraph 3.3.2 will continue to be monitored closely in 2013/14.
- 5.2 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 effective administration of HB/CTB impacts on a range of agendas and supports the Council's vision and objectives for jobs and growth, supporting young people and protecting vulnerable residents.

6.2 How is risk being managed?

Risks relating to fraud/corruption and the HB subsidy threshold's impact on the general fund revenue account are managed through the corporate risk register. The challenges of the significant welfare reforms are also included on the register.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

The effective administration of HB/CTB is in the interests of a number of partner organisations, including local social landlords, and the benefits service works closely with those organisations.

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Other members				
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Legal: Clarissa Evans	Commercial Team Manager	Finance & legal	28/05/13	29/05/13
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