



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Monday, 29th July, 2013

Place

Council Offices, Earl Street, Coventry, CV1 5RR

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting**
 - (a) To agree the minutes of the meeting held on 17th June, 2013 (Pages 3 - 6)
 - (b) Matters Arising
4. **Access to Payday Loan Websites** (Pages 7 - 14)

Report of the Chief Executive
5. **Review A61 'Commercialisation and Income Maximisation - Proposed Revisions to the Charging Policy** (Pages 15 - 34)

Report of the Director of Finance and Legal Services
6. **Apprenticeship Strategy 2011-14 Update** (Pages 35 - 42)

Report of the Director of Customer and Workforce Services
7. **12 Month Cumulative Sickness Absence 2012/2013** (Pages 43 - 62)

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

There are no outstanding issues to consider.
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, 19 July 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.

Su Symonds, Governance Services Officer

Tel: 024 7683 3069

Email: su.symonds@coventry.gov.uk

Agenda Item 3a

Minutes of the meeting of Cabinet Member (Strategic Finance and Resources) held at 2.00 pm on 17th June 2013

Present:

Cabinet Members: Councillor Gannon (Chair)

Other Members: Councillors Sawdon

Employees (by Directorate):

Customer & Workforce Services: J. Crawley, S. Iannantuoni, S. Symonds

Finance & Legal Services: J. Evans, T. Savill, D. Skinner

Public business

1. Minutes

The minutes of the meeting of the former Cabinet Member (Strategic Finance and Resources) held on 13th March 2013 noted.

There were no matters arising.

2. Declarations of Interest

There were no declarations of interest.

3. 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

The Cabinet Member considered a report of the Director of Customer and Workforce Services, which set out performance on the use of agency workers procured through the Master Vendor Contract for the Quarter 4 period 1st January to 31st March 2013. Comparison information was provided in relation to Quarter 3 expenditure and also the full year spends for 2011/12. In addition, the report set out Interim Manager spends for the same periods.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Strategic Finance and Resources):

- (1) Requires monitoring processes to continue for both agency workers and interim managers.**
- (2) Ensures compliance with the corporate policy on the recruitment of Temporary Agency Workers through Master Vendor, Reed Recruitment and Interim Manager through the Preferred Suppliers List.**
- (3) Continues to work towards reducing expenditure on the use of agency workers.**

- (4) Approves that future orders are not accepted if no reason is given for the need for the agency worker.**
- (5) Monitors the progress of the expansion of the talent banks for short term cover to reduce the reliance on agency workers.**

4. 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 the Director of Finance and Legal Service which set out the debt owing to the Authority which was written off in 2012/13.

The Revenues and Benefits division was responsible for the collection of Corporate Income and Corporate Debt. A range of measures were employed to ensure that maximisation and collection of all income and debt owed to the Council. In certain circumstances, it was appropriate and necessary to write off debts and robust processes were in place within the Service to ensure that debt was written off and authorised in accordance with the Council's rules of delegated authority. In 2012/13 £5,866m was written off.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Strategic Finance and Resources):

- (1) Reviews the level of write-offs authorised under delegated authority.**
- (2) Approves an increase, to £5m, 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) Agrees to receive a further report at the first meeting of the municipal year 2014/15 to provide an update for the period April 2013 to March 2014.**

5. Performance within the Revenues Service for the Period April 2012 to March 2013

The Cabinet Member considered a report of the Director of Finance and Legal Services which provided an update on performance and developments within the revenues service during the financial year 2012/13. The revenues service was responsible for the collection of more than £105m of Council Tax from 134,000 domestic properties, more than £116m of non-domestic rates from 8,000 properties and more than £90m of corporate income. The service had collected 95.9% of Council Tax, 98.0% of Business Rates and reduced council tax arrears by more than 40% during 2012/13.

It was noted that the service had also reduced the level of corporate debt outstanding for more than six months and reduced the level of housing benefit overpayment debt during 2012/13.

RESOLVED that after due consideration of the report and the matters raised

at the meeting, the Cabinet Member (Strategic Finance and Resources):

- (1) **Notes the performance of the revenues service for the period 1st April 2012 to 31st March 2013.**
- (2) **Agrees to receive a further report at the meeting on 21st October 2013 to provide an update for the period April 2013 to September 2013.**

6. **Performance within the Benefits Service for the Period April 2012 to March 2013**

The Cabinet Member considered a report of the Director of Finance and Legal Services, which provided an update on performance and developments within the benefits service during the financial year 2012/13. The benefits service in Coventry administered more than £160m to more than 40,000 households. The service processed the average new claim for benefits in 24.6 days and processed the average notification of change in circumstances in 17 days.

RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Strategic Finance and Resources):

- (1) **Notes the performance of the benefits service for the period 1st April 2012 to 31st March 2013.**
- (2) **Agrees to receive a further report at the meeting on 21st October 2013 to provide an update for the period April 2013 to September 2013.**

7. **Outstanding Issues**

There were no outstanding issues to report.

8. **Any Other Public Business**

There were no other items of public business.

(Meeting closed at: 3.00 pm)

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Public report Cabinet Member Report

Cabinet Member (Strategic Finance and Resources)

29th July 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:

Access to Payday Loan Websites

Is this a key decision?

No – although this matter has the potential to affect all electoral wards, it is not expected that the impact will be significant.

Executive Summary:

There has been significant recent media coverage regarding payday loan companies, with the Citizens Advice Bureau (CAB) nationally describing the payday loan industry as “out of control”, following claims of irresponsible lending and harassment.

Some councils have begun to take action against payday lenders by blocking access to online payday loan companies from public computers in its libraries. Dundee City Council was the first to block access in December 2012, followed by Renfrewshire Council. Cheshire East Council and London Borough of Haringey both announced they would block access to online payday loan companies in June 2013.

The software that manages access to the internet through these PCs enables the Council to filter access to specified websites, typically because they contain illegal, obscene or pornographic material. This software would enable the Council to block access to payday loan websites.

Access to the websites of the top 50 payday lenders identified in the OFT’s Compliance review could be blocked using this software, and the policy applied to PCs for public use in all Council buildings wherever practically possible, as well as PCs used by Council employees.

Recommendations:

It is recommended that the Cabinet Member instructs officers to put measures in place to:

1. Prevent direct access to payday loans websites on all Council owned computers available to the public
2. Ensure information is available to residents on alternatives to using payday loans websites

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:

Access to Payday Loans Websites

1 Context (or background)

1.1 There has been significant recent media coverage regarding payday loan companies, with the Citizens Advice Bureau (CAB) nationally describing the payday loan industry as “out of control”, following claims of irresponsible lending and harassment.

1.2 In March a meeting of Full Council supported the following resolution:

“This Council recognises the impact current economic conditions are having on people across the UK, including our constituents in Coventry.

Therefore, the growth of short term pay day loans companies is of immense concern. Such companies are capitalising on people’s economic vulnerability by charging extortionate amounts of annual percentage rates on their loans.

The Council requests that Central Government place a reasonable limit on the interest charged on short term loans so financial companies are not capitalising on the vulnerability of so many of our citizens during these challenging economic times”

1.3 On 1 July, CAB called for tough new rules to stop irresponsible advertising and end celebrity endorsement of financial products, with its Chief Executive, Gillian Guy saying that evidence showed payday lenders were failing to treat people fairly, breaking 12 of the 14 promises they laid out in their customer charter. The CAB also warned:

“While times are tight the demand for small, short-term loans will remain high. The blizzard of benefit changes coming up could mean a jump in the number of people turning to payday lenders, and we want to see high street banks step up and offer micro-loans with clear, fair conditions to fill this gap in the market.”

1.4 On 27 June The Office of Fair Trading (OFT) referred the market for payday lending in the UK to the Competition Commission because of concerns the OFT has about deep-rooted problems with the way competition works.

1.5 Announcing its decision, the OFT said it ..”continues to suspect that features of the payday lending market prevent, restrict or distort competition. It considers that these issues go deeper than can be addressed through existing laws and guidance.

Features of the market of concern to the OFT include:

- Practices that make it difficult for consumers to identify or compare the full cost of payday loans, undermining competition over price for loans.
- Barriers to switching between lenders when loans are rolled over that prevent other lenders competing for this business.
- Variable levels of compliance with relevant laws and guidance leading to firms that do invest time and effort complying being at a competitive disadvantage to firms that do not.
- A significant proportion of borrowers have poor credit histories, limited access to other forms of credit and/or a pressing need to borrow. The cost of the loan may therefore be a less significant factor for borrowers, which may weaken competition on price between lenders.

- 1.6 In addition, the OFT is concerned that lenders are competing primarily on the availability and speed of loan approval, rather than price. The competitive pressure to approve loans quickly may give firms an incentive to skimp on the affordability assessment which is designed to prevent irresponsible lending and protect consumers. The OFT is also concerned about business models that appear predicated on making loans which are unaffordable, leading to borrowers paying far more than expected through rollovers, additional interest and other charges. Lenders appear to derive up to 50% of their revenue from such practices.”
- 1.7 However, The Consumer Finance Association, which is the principal trade association representing the interests of major short-term lending businesses operating in the UK defends the use of payday loans. Research published on the association’s website says:
- 93% of payday customers are satisfied with the overall experience
 - 74% of payday customers are satisfied with the value
 - 90% of payday customers are satisfied with the clarity of the terms and conditions for their loan
 - 54% of users say their loans make it easier to pay bills on time
 - 85% of payday customers say they had no difficulty repaying their loan
 - 56% say that using payday loans has prevented a financial difficulty becoming a crisis
 - 29% of payday loans are refinanced – on average no more than twice
- 1.8 Some councils have begun to take action against payday lenders by blocking access to online payday loan companies from public computers in its libraries. Dundee City Council was the first to block access in December 2012, followed by Renfrewshire Council. Cheshire East Council and London Borough of Haringey both announced they would block access to online payday loan companies in June 2013.
- 1.9 The public are able to access the internet through public PCs in Coventry City Council libraries, the JobShop and other public and community facilities across the city.
- 1.10 The software that manages access to the internet through these PCs enables the Council to filter access to specified websites, typically because they contain illegal, obscene or pornographic material. The software also uses dynamic content analysis to screen the actual content, context and construction of web pages, so that objectionable, hidden and malicious material can be accurately identified and blocked, ensuring safer surfing, in particular for young people. This software would enable the Council to block access to payday loan websites.
- 1.11 Access to the websites of the top 50 payday lenders identified in the OFT’s Compliance review could be blocked using this software, and the policy applied to PCs for public use in all Council buildings wherever practically possible, as well as PCs used by Council employees.

2 Options considered and recommended proposal

- 2.1 It is recommended that the Cabinet Member instructs officers to put measures in place to.
- prevent direct access to payday loans websites on all Council owned computers available to the public
 - Ensure information is available to residents on alternatives to using payday loans websites

- 2.2 The alternative would be to take no action and continue to permit internet users to be able to access payday loans websites on publicly available Council owned computers. However, this is not the recommended course of action due to the concerns in relation to these organisations as identified within the report.

3 Timetable for implementing this decision

- 3.1 Officers will commence work on the recommended proposals immediately. Currently payday loan sites are automatically categorised as 'financial data and services' and allowed via the internet filters. A new category will be created called 'payday loans' and websites advertising these services will be manually re-categorised and then blocked. There are between 50 and 100 websites that will be affected. This is a small piece of work and will be completed within a day.

4 Results of consultation undertaken

- 4.1 Coventry CAB is fully supportive of this move and is providing information and advice to ensure that people wanting support around debt advice are signposted to the appropriate agencies and websites.

5 Comments from Director of Finance and Legal Services

5.1 Financial implications

No implications – all work will be carried out by the in-house ICT team

5.2 Legal implications

none

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)?

This policy will support the Council's objectives of "supporting our most vulnerable residents"

6.2 How is risk being managed?

Discussions are taking place with Coventry CAB to ensure information is available in Council libraries and other public buildings to signpost people to alternative services that may provide help and support for people.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

No specific implications

6.5 Implications for (or impact on) the environment

none

6.6 Implications for partner organisations?

This work supports the work of the cross agency Welfare Reform group, which is working across Coventry to help and support vulnerable families.

Report author(s):

Name and job title:

Fran Collingham
Assistant Director

Directorate:

Chief Executive's

Tel and email contact:

024 7683 1081
Fran.collingham@coventry.gov.uk

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:				
Kevin Malone	Assistant Director, ICT	CWS	2.7.13	4.7.13
Simon Brake	Assistant Director,	Community Services	2.7.13	2.7.13
Su Symonds	Governance Services Officer	CWS	3.7.13	3.7.13
Names of approvers: (officers and members)				
Christine Forde	AD, Legal	Finance & Legal	2.7.13	3.7.13
Marion O'Brien	HR	CWS	10.7.13	11.7.13
Neal Chamberlain		Finance & Legal	10.7.13	12.7.13
Cllr Gannon	Cabinet Member		2.7.13	3.7.13

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Public report Cabinet Report

Finance and Corporate Services Scrutiny Board (1)
Cabinet Member (Strategic Finance and Resources)

29th July 2013
29th July 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 Wards

Title:

Review A61 'Commercialisation and Income Maximisation – proposed revisions to the Charging Policy

Is this a key decision?

No – Although this issue may affect all electoral wards in the City, it is not expected that the impact would be significant.

Executive Summary:

This report seeks approval for changes proposed to the existing Charging Policy, which was approved by Cabinet on 22nd September 2009, based on the work undertaken as part of the Commercialisation and Income Maximisation Review. There are minor changes to reflect new legislation and to allow fees and charges to be subsequently set by relevant sections of the Council to enable the recovery of full costs and charges at a minimum of the average benchmarked figures comparable to neighbouring authorities. The principles and considerations informing the review are set out in the report.

Recommendations:

Finance and Corporate Services Scrutiny Board (1) is asked to:

- a) Note the proposed minor amendments to the existing charging policy as identified in italics in Appendix 1 to this report.
- b) Recommend to Cabinet Member (Strategic Finance and Resources) to approve the changes to the Charging Policy.

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

- a) consider any recommendations from the Finance and Corporate Services Scrutiny Board (1), following its consideration of this matter.
- b) approve the minor amendments to the existing charging policy as identified in italics in Appendix 1 to the report.

List of Appendices included:

1. Revised Charging Policy

Background papers:

None

Other useful documents:

Cabinet Member (City Development) report dated 24th April 2013

Planning Committee report dated 9th May 2013

Scrutiny Coordination Committee 23rd January 2013

Cabinet report dated 29th November 2011

Cabinet Report dated 22nd September 2009

All reports are available on the Council's website: www.coventry.gov.uk/meetings

Has it been or will it be considered by Scrutiny?

Yes – 29th July 2013

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

No

Will this report go to Council?

No

Report title: Review A61 'Commercialisation and Income Maximisation – proposed revisions to the Charging Policy

- 1.1 The on-going financial situation presents significant challenges to the Council in balancing the revenue budget. Setting the appropriate level for fees and charges is an important element in raising revenue to meet the medium term financial pressures. It is essential that the Council maximises its income to ensure that, wherever possible, it at least recovers its costs for the services that are provided. This is particularly important in terms of reducing the impact of Government cuts on front line services provided to residents and local communities.
- 1.2 The Council does generate income from a range of individual fees and charges. Until recently there has been little policy coordination, other than for services provided to schools. The degree to which costs are covered, any subsidies and whether income is being maximised, is variable.
- 1.3 Following a review, the Charging Policy was agreed by Cabinet at its meeting on 22nd September 2009. This report proposes minor changes to that Policy. The proposed changes are set out in Appendix 1 and should apply to all income generating areas, including services to schools and adult social care. The report does not seek to increase fees; any fee changes will be proposed in the normal way and relevant political approval sought unless the fees are set under delegated powers.
- 1.4 The changes to the Charging Policy, build on the recommendations from the Task and Finish Group review of Services to Schools.
- 1.5 There has been no comprehensive review of all discretionary fees and charges, although some discretionary fees and charges have been reviewed both annually and on an ad hoc basis. This has led to some inconsistency in fee increases. Consequently there are some services where full cost recovery is not being achieved, some services where the Council has an option to charge but has not done so and some services where the Council is not comparable with other providers in the market.
- 1.6 The review of fees and charges has been undertaken as part of the Commercialisation and Income Maximisation Review which has income targets of £0.55m for 2013/14 rising to £3m on going from 2015/16. A number of service areas have been reviewed to assess whether the Council should be charging and, if so, at what level. Benchmark data from neighbouring authorities/ statistical neighbours has been used in the review process, and a mid-point average as an indicator for charges has been established so that where appropriate charges for services are comparable with other providers in the market.
- 1.7 Whilst benchmarking with other local authorities has been the initial driver in determining appropriate levels of charge the following considerations have also been taken into account:
 - The actual cost of delivering the service
 - What the impact will be on vulnerable groups
 - How easily the new charges can be introduced and/or enforced
 - The cost of administering the charge
 - The impact on demand for that service

 - The potential risks or consequences , for example if people choose not to use the service as a result of the rise in charges

- 1.8 The preferred option and recommended proposal is to change the policy to ensure that when fees are set, they take account of the revised Charging Policy set out in Appendix 1. Service areas will be required to review and introduce amended fees from 1 April 2014. The minor changes to the current Charging Policy have been highlighted in italics in Appendix 1 to indicate the relevant changes.
 - 1.9 Service Managers need to be responsible for gathering data to benchmark their current charges with other providers, ensure that their fees are recovering the cost of delivering the service and are at least equal to the average benchmark indicator. Where charges are statutorily set, the cost of provision should not exceed income generation levels.
 - 1.10 It is increasingly important that Service Managers have an awareness of the true cost for service delivery and that this is recovered through the charges applied by the Council. Having an understanding of the true cost for service delivery will inform and support Service Managers in making commercial business decisions.
 - 1.11 Finance Managers and Business Partners will ensure budget holders have implemented full cost recovery and benchmarked charges each year and demonstrate the impact of the increase in fees and charges on the budget. Finance can also support in providing insight to support decision making including determining unit cost.
 - 1.12 Corporate Management Board (CMB) was charged with the task of exercising governance over charging arrangements as per the Cabinet Report on the Charging Policy in September 2009. CMB should be responsible for signing off any exceptions to the Charging Policy put forward by service areas. Knowing the full cost for service delivery enables Corporate Management Board (CMB) to make recommendations to Members on whether it is still affordable for the Council to continue to provide such services, to focus on reducing costs or looking for alternative cost effective models for service delivery. Without this unit cost information, it is difficult to make informed decisions about the future of service delivery or investment.
- 2. Other options considered;**
- 2.1 Option 1 – continue as we are with an ad-hoc approach to charging. Charges may not cover the full cost of service delivery, therefore reducing income, which may impact on the quality and level of services provided to the public.
 - 2.2 Option 2 – adopt a policy which increases charges without having considered the cost of service delivery and what other providers charge, this could reduce demand for the service so that income falls rather than increases. A benchmarking exercise, as proposed under the preferred option is therefore an important gauge for the level of charge proposed.
- 3. Results of consultation undertaken**
- 3.1 Consultation will be undertaken in accordance with normal practice with affected groups informing them of any proposed revised charges before the changes come into effect.
- 4. Timetable for implementing these decisions**
- 4.1 Service managers will undertake a review of their current charges to determine the full

cost for service delivery and benchmark their external charges by October each year, with 2013 being the first year.

- 4.2 The results of any changes to fees and charges, based on the implementation of the policy shall be implemented on 1st January each year or as soon as practicable afterwards. Many service areas adjust fees and charges on the 1st April, so the majority of changes would apply from that date.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The changes to the policy will drive an increase in income, will make the charges applied by the Council comparable with other providers and comply with the Cabinet recommendation of full cost recovery (Cabinet Report dated 22nd September 2009).

If this report is approved, this Charging Policy will be applied to all service areas and the impact on the Budget will be reported as part of the Budget Setting Report.

Full implementation of the revised policy has the potential to raise additional income possibly without the need for additional resources; however at this stage it is not possible to quantify the impact across all service areas. Any proposed increases to fees and charges as a result of applying this policy would be approved through the normal approval process.

To give an indication of the scope for additional income, the policy was applied to Bereavement Services and the Register Office and the outcome was the potential to generate an additional £217k per annum.

The Corporate budget setting process for 2013/14 and 2014/15 is based on an assumption that fees and charges generally would increase by inflation. This target is the first call on any additional income received. The balance from any increases would make a contribution towards the £3m savings target for the Commercialisation and Income Maximisation review and unavoidable budget pressures across the Council.

5.2 Legal implications

The Council can make a charge for discretionary services under various pieces of legislation, and additionally now has a general power of competence under sections 1- 8 of the Localism Act 2011. This allows local authorities to do anything that is not expressly prohibited, offering scope for the Council to identify innovative ways in which it can generate income, as long as they are not prohibited by other legislation.

6. Other implications

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)?

Increasing fee income within a consistent agreed policy will enable the Council to better meet key objectives and help to protect frontline services provided to residents and local communities. This also supports the corporate key transformation objective of ensuring that the Council's medium term financial strategy provides the

resources to meet its priorities, delivers a balanced budget and equips the Council to face the future with confidence

6.2 How is risk being managed?

On-going monitoring of the impact of fees and charges on service take up and total income will be undertaken as part of operational business.

6.3 What is the impact on the organisation?

An increase in financial resources to support the work and priorities of the Council.

6.4 Equalities / EIA

The impact will need to be assessed at the time that consideration is given to specific increases in fees and charges.

6.5 Implications for (or impact on) the environment

No direct impact.

6.6 Implications for partner organisations?

Some partner organisations may incur the increased fees and charges depending on the activities undertaken. This will need to be addressed when changes to individual fees and charges are approved.

Report author(s):

Name and job title:

Parmi Mudhar (Finance Manager)
Jane Murphy (Strategic Finance Manager)

Directorate:

Finance and Legal, Special Projects Finance

Tel and email contact:

024 7683 1790/ 1291

Parminder.mudhar@coventry.co.uk

Jane.murphy@coventry.gov.uk

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:				
Paul Jennings	Finance Manager, Corporate Finance	Finance and Legal	15/7/13	15/7/13
Phil Helm	Finance Manager, City Services and Development	Finance and Legal	25/6/13	28/6/13

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Rachael Sugars	Finance Manager Children, Learning and Young People	Finance and Legal	11/7/13	11/7/13
Julie Newman	Solicitor	Finance and Legal	9/7/13	9/7/13
Christine Goodwin	Senior Lawyer	Finance and Legal	11/7/13	11/7/13
Lara Knight	Governance Services Team Leader	Customer and Workforce Services	11/7/13	11/7/13
Names of approvers for submission: (officers and members)				
Finance: Lisa Commane	Assistant Director, Special Projects Finance	Finance and Legal	12/7/13	12/7/13
Legal: Christine Forde	Assistant Director: Legal Services	Finance and Legal	17/7/13	17/7/13
Members: Councillor Gannon	Cabinet Member (Finance and Resources)		15/7/13	15/7/13

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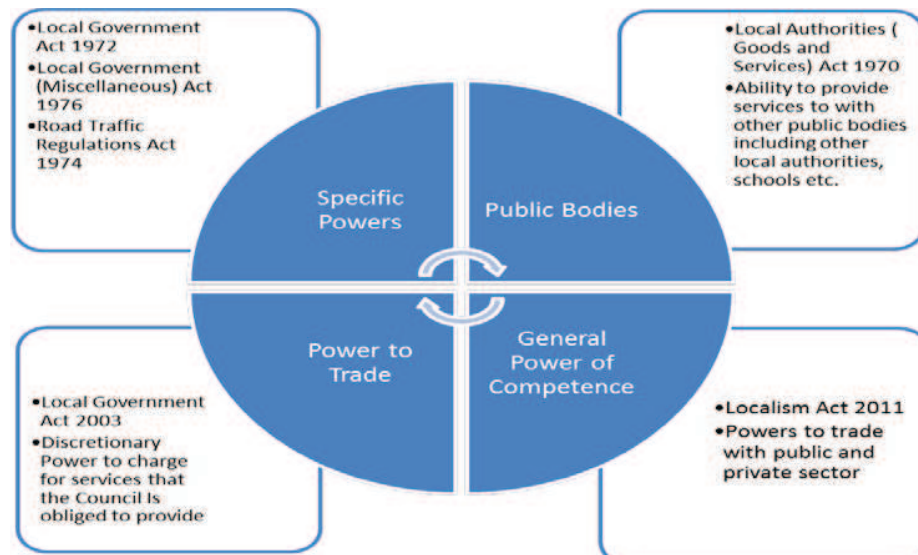
Appendix 1 – Revised Charging Policy

Suggested Amendments to the Charging Policy from the Cabinet Report September 2009 are highlighted as *red italics*

1. Statutory Background

Councils have powers to charge for a wide range of services. Many of these powers are derived from legislation which is applicable to specific service areas. The Local Government Act 2003, has enabled local authorities to charge as they choose to for discretionary services, provided they are not prohibited by other legislation and taking one year with another they do not make a profit. *The Localism Act 2011 contains the 'general power of competence' essentially allowing local authorities to do anything that is not expressly prohibited, offering scope for the Council to identify innovative ways in which it can generate income, as long as they are not prohibited by other legislation. Figure 1 summarises the legalisation in place to allow local authorities to charge for services.*

Figure 1 – Local authorities - Powers to Trade



Source – Training Slide pack – CIPFA Income Generation 2012

A review by the Audit Commission ("Positively Charged", 2008), indicated that powers to charge for discretionary services remained largely unused and that only one in five councils believes it uses charging to its full potential. There is a recognised need for councils to have an agreed policy to guide decisions on charging. The Audit Commission noted that by strategically using charging and concessions, Councils can influence behaviour by targeting services towards specific user groups. Councils need to be empowered to use charging to support local policies and priorities and be responsive to local circumstances. This will help them to fulfil their place shaping roles and responsibilities.

Local Government Association (LGA) and Local Partnerships produced a report "Enterprising Councils – Getting the most from Trading and Charging" (2012) which highlighted the opportunity for Councils following the introduction of the Localism Act 2011. The report

describes trading as the opportunity to generate efficiencies, surpluses and profit, whereas charging is the ability to recover the costs of providing discretionary services.

Although the powers to charge and trade have been in place for a number of years, the Council can still take steps to improve the income generated from charging.

2. Key aims and objectives of Charging Policy

A corporate policy and approach to charging is vital to ensure that the Council maximises opportunities for increasing income from fees and charges, in a way which takes into account the fact that income generation can support wider Council objectives. There is a balance to be achieved about the degree to which services are funded by charging users and from taxation.

Key aims and objectives can be summarised as follows:

- To provide a corporate, principled framework in which fees and charges are set and reviewed in a consistent and transparent manner,
- To set out a clear rationale for charging and trading that is aligned with the Council's broader strategic aims.
- To ensure consistency in the application of concessions and to ensure that any subsidy aligns with the Council's objectives and reflects ability to pay.
- To establish clear governance and performance management arrangements for charging related activity.

3. Charging Principles

The key charging principles are:

- To optimise levels of income from fees, charges and trading whilst ensuring broader strategic objectives are met.
- To review the level of fees and charges for all services annually as part of the budget setting process.
- To ensure that fees and charges create full cost recovery and *through benchmarking, are set as a minimum in line with charges by other providers.*
- To create a consistent approach to *subsidising* fees and charges, *where it has been agreed by CMB to subsidise services.*

This policy seeks to reflect the wide variety of services that the Council provides and the different needs they address. The starting point for determining charges is to assess the nature of each (potentially) chargeable service. *Annex A includes details of some of the services provided by the Councils that attract fees and charges.*

Full cost recovery has been defined as all direct service costs, an apportionment of central overheads and an appropriate percentage of any relevant directorate overheads, for example, senior management time.

Key components to consider for charging are:

- *Current charge*
- *Proposed price change based on evidence of charges by other providers*
- *Income estimate and target*
- *Activity levels*
- *Average and Incremental unit costs*
- *Estimated gross and net costs, including an explanation of how this has been calculated*
- *How the charge is to be collected and the cost implications*
- *Benchmark data to compare with the position in similar services*
- *Income as a % of expenditure*
- *Subsidy per user – including the reason for subsidy and the cost impact of any concessions offered (if applicable)*
- *Analysis of the impact on demand of the proposed charge including any assumptions and user/market information used as an evidence base*
- *Income target and service outcome target*
- *Legal restrictions*

4. Service Categories

Whilst many of the Council's services sit within a complex local policy and legal framework, in broad terms they fit within one of the following categories with the opportunity to charge for services and the Council's duty to provide the service.

Table 1: Services provided by the Council

Category	Meaning
Statutory Duty	<p>There is a legal requirement to either provide the service, or ensure it is provided (a duty) with little or limited flexibility in its content or provision.</p> <p>Typically it would have high impact if users are not able to access the service where there is a demonstrable need, for example elements of social care.</p> <p>Typically these services are high Council service priority – provision and access are at the heart of a Council policy objective – partly because these are statutory duties.</p> <p>There is potentially high negative impact on users and Council policy by charging for service or achieving full cost recovery.</p> <p><i>Charges for some of these service areas are determined by Central government. Where there is the ability to charge the Council should look to recover the costs for service delivery.</i></p>

Category	Meaning
Discretionary	<p>The Council has powers to deliver services but not a duty. These may include certain legal requirements or guidance but with significant flexibility for the content/provision of service.</p> <p>Typically these services may be medium to lower Council service priority, (although they may be very valued by customers) and there will be a manageable impact from adopting market pricing.</p> <p><i>Service Managers for discretionary services should look to recover the full cost for service delivery and consider their charges in line with other providers.</i></p>

5. Charging for Statutory services

Issues to take into account are:

Many statutory services are the subject of regulated fees and charges which will provide an over-riding framework and determine where local policy discretion exists.

The delivery of statutory services usually represents the Council's discharge of a legal duty that has a high impact on certain residents. It will therefore need to consider carefully the impact of any charging in terms of service access, take-up, and non-delivery.

The Council starts from a position of charging where the law allows, and recovering full costs, but it recognises that in these service areas, there are more likely to be factors which lead to a decision not to charge full cost recovery. *Where possible and feasible, the Council should look to recover the full costs for service delivery.*

The proportion of cost recovered for any service should be clearly identified and where the Council provides a subsidy, its underlying rationale clearly set out.

It is particularly important in this area that charging is targeted towards those customers who can afford to pay.

6. Charging for Discretionary services

Issues to take into account are:

The Council seeks to achieve full cost recovery (including overheads) for discretionary services except where it expressly determines to the contrary or the law prevents this.

Any decision to the contrary should be supported by a business case. *Please refer to section 10 for the Governance Process for any changes.*

For services achieving full cost recovery, emphasis should be on ensuring prices are in line with other providers and that price increases each year maintain this position.

In cases where the income generated by services is in excess of full cost recovery level, it is not proposed to reduce income budgets, but to continue to maintain prices at the level required to deliver the income target and monitor the increases achievable each year in line with market acceptability.

Where services are not achieving full cost recovery, service managers should develop a strategy to move towards full cost recovery over the medium term. Such strategies could include:

- Increasing prices by more than inflation,*
- Increasing the level of income generated, by increasing demand*
- Reducing the costs of providing the service*
- Increasing charges in line with other providers based on benchmarking.*

If moving away from full cost recovery, and by implication incurring a subsidy, the Council will have regard for the impact on other Council priorities and objectives. As an example, the Council may determine that it is prepared to subsidise certain services because their take-up or use has a positive (often intervention-based) impact – such as swimming on well-being or health. The required business case must balance the benefits achieved from not charging with the revenue costs.

The Council recognises that a number of discretionary services will also be provided by alternative providers. Usually however, the Council will retain control of pricing through the contract/delivery arrangements. In determining the level of fees and charges, the Council will have regard for market alternatives (in terms of cost and quality) and the peripheral benefits to the Council and residents of the Council's delivery role. The Council will also periodically test the rationale for service delivery in these circumstances.

Benchmarking should be undertaken on an annual basis to ensure that services are being delivered in line with at least the minimum average price of other providers. Any deviation for this policy needs to be agreed and signed off by the sub group of Corporate Management Board (see section 10 for more details).

7. Concessions and Subsidies

The Audit Commission defines a concession/ subsidy as any service for which a local authority has discretion to make a charge, and in so doing, sets that charge below the cost of service provision. Concession setting is a balancing act. The Audit Commission indicates that councils should be wary of extending concessions to those who may be able and/or willing to pay more. It is also important that concessions are not 'wasted' on services that are a lower priority for the Council.

Based on *previous* research, it seems clear that good practice would require a balance to be struck between the standardisation of the approach to, and eligibility criteria for, concessions whilst allowing for service specific targeting of individuals and groups in support of specific objectives of the Council.

This policy requires a tiered approach in which concessions are offered to residents who are identified as the least likely to be able to afford services. Concessions will be applied across all service areas where possible, and in many cases, the Council will require proof of entitlement in order to apply the concession but the policy does not introduce additional

means- testing, rather it relies on what already exists. Examples of proof include award notices and order payments books from the Benefits Agency and Inland Revenue. *The Council is reviewing the mechanism for concessions as part of the Passport to Learning and Leisure (PTLL).*

8. Eligibility criteria for concessions

Issues to take into account in determining concessions are:

- Residents will be accorded priority over non-residents in any concessionary and other pricing policies.
- Net charging, i.e. after any subsidies and concessions, will reflect ability to pay. A base charge will be set for each service and concessions and subsidies will subsequently be applied, as appropriate.
- Concessions and subsidies will be standardised wherever possible and fully aligned with Council priorities.
- Where relevant, pricing should encompass positive incentives but also penalties/premiums if a deterrent is desirable.
- Key cost and price decisions should be made in a transparent way, and clear responsibility allocated for monitoring these income decisions.
- The cost recovery principles established by the Best Value Accounting Code of Practice should be utilised throughout
- The practicality and cost of administering the concession should be considered alongside the benefit of providing a concession.

The Council will need to identify the services to which it wishes the concessions policy to apply and identify the services where it wishes to promote take up across the board. It is important to consider the benefits received by customers and how they are deemed to be relevant for the application of concessions. The Council will need to consider how best to manage the granting of concessions, to prevent an excessive administrative burden.

The Corporate Management Board will consider as part of its brief how best to formulate concessions applicable to specific fees and charges, which take into account the issues set out above. It does need to be recognised, however, that there will be some services where the offering of concessions will be impractical, for example car parking, or will be uneconomic because the costs of establishing eligibility for concessionary charging are prohibitive in relation to the value of the charge.

9. Process for reviewing charges and associated governance arrangements

Fees and charges activity will be overseen by a sub group of the Corporate Management Board, established by Management Board. The key responsibilities of the Management Board in relation to charging are to:

- Ensure that income generation is being maximised within the framework set out in this policy
- Make 'go and no-go' decisions in relation to new and existing income opportunities and ensure that income decisions are based on evidence based principles which support realistic estimates of the income level to be achieved
- Act as a Gateway for income-related business case investment
- Monitor and review performance of income generation against agreed targets.
- Receive and consider an annual review of all chargeable Council services
- Consider and take decisions on proposals for changes in prices and the balance of cost and income
- Consider and take decisions on concession rates and target groups.

10. Summary

In considering both charges and concessions, and in ensuring that the Charging Policy is adhered to, key issues are:

- Whether the service is statutory or discretionary
- How the service aligns with the Council's corporate policy and the impact of charging on incentivising behaviour
- Whether there are alternative provider(s) and their charging policies and the quality of Council services compared with alternatives
- Service cost recovery
- Relevant comparators/Benchmarking – such as other authorities' levels of fees and charges, and any known market changes
- Changes in any regulatory position.

The Governance timetable for fees and charges will need to be embedded within the Council's corporate performance management and budget setting cycle, and specific proposals for increases in fees and charges will need to be developed in the first six months of the financial year where possible, so that decisions can be made in line with the Council's medium term financial planning/ budget setting process.

Annex A – List of Fees and Charges levied by the Council

Service	Directorate	Statutory / Discretionary?	Locally determined charge?	Is there an external market?	Potential?	Comments
Adult Social Care	COMM	Mainly statutory	Yes	No	Some	Includes a range of services provided through Disabled facilities Grant, learning difficulties service charges and fees for transport, mental health fees. Blue badges being dealt with via Parking Services. Charges made for non-statutory services, on a cost recovery basis, but there may be potential for benchmarking
Adult Education	COMM	Discretionary	Yes	Yes	No	Recently benchmarked, ring-fenced budget
Bereavement Services	CSD	Discretionary	Yes	Yes	Some	Includes cremations and burials service. Some Benchmarking has been undertaken in the past for this service area. Some scope with burials charges based on the recent benchmarking exercise.
BID	CSD	Discretionary	Yes	Yes	No	Various fees & charges including advertising income - ring-fenced budget.
Building Control	CSD	Discretionary	Yes	Yes	Some	Admin-related charges have been introduced on a cost recovery basis with some benchmarking
Bus Lane Enforcement	CSD	Discretionary	No	Yes	No	Fees are set by Government. Need to ensure that costs are recovered.
Car Parks	CSD	Discretionary	Yes	Yes	Some	Guidelines given for fees (min-max) need to consider demand & cost recovery.
Children's Services	CLYP	Statutory (parts)	Yes	No	Some	Includes a range of services delivered to schools on a traded basis including Education & Learning, Enrichment Services, Special Educational Needs, Data Services, Schools Catering. In addition there will be services provided that are not charged for, this will be where they are statutory or funded from grant funding (DSG). Any statutory services will be reviewed as part of the CLYP Statutory Functions

Service	Directorate	Statutory / Discretionary?	Locally determined charge?	Is there an external market?	Potential?	Comments
						FSR. Charges, where they are made, should be on a full cost recovery basis in line with the Services to Schools review recommendations. Potential for benchmarking with some of these service providers
Community Safety	COMIM	Statutory (parts)	Yes	Yes	Some	Potential to market some services to neighbouring authorities eg. 'Noise Team'
Commercial Waste	CSD	Discretionary	Yes	Yes	Some	Bulk bins, skips, clinical waste – Prices are set each year based on increases in costs. Benchmarking has been undertaken in the past - need to consider demand & cost recovery.
Coombe Abbey	CSD	Discretionary	Yes	Yes	Full	Events, activities, catering, car park fees, fishing licences, education, visitor centre, grazing land. Being considered as part of the Commercialisation and Income Maximisation review.
Corporate Communications	CWS	Discretionary	Yes	Yes	Full	Opportunity to sell services a cost recovery basis. Opportunities to commercialise eg charging and sponsorship for events
Domestic Waste	CSD	Discretionary	Yes	Yes	Some	Upgraded domestic bins & provision for new developments – Possibility to recover costs for replacement bins. Other Councils charges for green waste collections – would need to consider the impact on recycling if this was introduced.
Elm Bank	CWS	Discretionary	Yes	Yes	Full	Potential for full cost recovery and benchmark room hire & catering charges
ESU	CSD	Discretionary	Yes	Yes	Full	Response alarms, security alarms & CCTV monitoring. Potential to increase service uptake through marketing

Service	Directorate	Statutory / Discretionary?	Locally determined charge?	Is there an external market?	Potential?	Comments
Fleet Services	CSD	Discretionary	Yes	Yes	Full	Potential to market service for public MOTs, minibus hire, servicing and maintenance packages to schools & community groups, defensive driving course to neighbouring authorities, ensuring full cost recovery and benchmarking
Highways	CSD	Discretionary	Yes	Yes	Some	Benchmarking carried out for footway crossings. s38 & s278 site supervision fees revised following benchmarking. Includes street services e.g. drainage
Housing	COMM	Statutory (parts)	No	No	Some	Housing Options & Choice based Lettings service (income received from RSLs) - need to review cost recovery process.
HR / Payroll Services	CWS	Discretionary	Yes	Yes	Some	Potential to market training services to other LAs & other organisations ensuring full cost recovery and benchmarking
ICT	CWS	Discretionary	Yes	Yes	Some	Potential to market some services - schools & other organisations ensuring full cost recovery and benchmarking
Interpreter Service	COMM	Discretionary	Yes	Yes	Full	Potential to market some services - schools & other organisations ensuring full cost recovery and benchmarking
Legal Services	FLS	Discretionary	Yes	Yes	Some	Potential to market some services - schools & other organisations ensuring full cost recovery and benchmarking
Library Fees & Charges	COMM	Discretionary	Yes	Yes	Some	Fines, fees & sales, with annual price increases - need to ensure full cost recovery and benchmarking
Licensing	COMM	Statutory	No	No	Some	Fees for commercial licences are set by Government, including some street trading licences. Potential these to be set locally in the future if legislation allows.

Service	Directorate	Statutory / Discretionary?	Locally determined charge?	Is there an external market?	Potential?	Comments
Opal Centre / ICES	COMM	Statutory (parts)	Yes	Yes	Full	Potential for marketing of training courses and other service provided at the OPAL, need to consider cost recovery and benchmarking
Parking Enforcement	CSD	Discretionary	Yes	Yes	Some	Residents' pay a contribution towards residential parking schemes. Need to ensure cost recovery. Potential for full cost recovery and benchmarking
Parks and Open Spaces	CSD	Discretionary	Yes	Yes	Full	Sports activities recently benchmarked. Need to ensure full cost recovery for rental income (substations & grazing land) and memorialisation items (tree planting etc). Potential marketing of arboricultural and other services.
Performing Arts Service / Dolymoch / Partnership Centres	CLYP	Discretionary	Yes	Yes	Some	Various fees & sales to be reviewed / benchmarked where possible – Need to consider full cost recovery and benchmarking in line with the Services to Schools review
Planning	CSD	Mainly statutory	Yes	Yes	Some	Potential to carry out benchmarking current and new charges eg. pre-planning advice if introduced it should be full cost recovery/ consider benchmarking
Register Office	FLS	Statutory (parts)	Some	Yes	Some	Standard fee chargeable for wedding licences and certificates. Potential to market non-statutory services and set charges based on benchmarking
Services to Schools	CLYP	Discretionary	Yes	No	Some	Various services including bus passes, data team, Governor support & training with some new charges introduced in 2013- Need to consider full cost recovery and benchmarking in line with the Services to Schools review. Parental contributions reviewed recently e.g. schools meals report.

Service	Directorate	Statutory / Discretionary?	Locally determined charge?	Is there an external market?	Potential?	Comments
St Mary's Guildhall & Godiva's Coffee Shop	CSD	Discretionary	Yes	Yes	Full	Potential for full cost recovery and benchmark room hire & catering charges
Taxi Licensing Office	CSD	Mainly statutory	Yes	No	No	Ring-fenced budget – Elements of charges vary between authorities – difficult to benchmark.
Traffic Management	CSD	Some statutory	Yes	No	Some	Benchmarking has been carried out recently. Some increases planned for various licences & permits e.g. cranes, skips, scaffolding etc.
Training	CWS	Discretionary	Yes	Yes	Some	Potential to market training services to other LAs & other organisations e.g. EDU (Social Worker training to other LAs). Potential for full cost recovery and benchmarking
Vending	CSD	Discretionary	No	Yes	Full	New contract in place for vending – difficult to make any changes to charges, but potential to include additional vending sites to increase income

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Cabinet Member (Strategic Finance & Resources)

29 July 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance & Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Customer & Workforce Services

Ward(s) affected:

All

Title:

Apprenticeship Strategy 2011-14 Update

Is this a key decision?

No

Executive Summary:

In late 2011, the Council launched its first Apprenticeship Strategy. The Strategy is designed to ensure that Managers are aware of the Council's approach to apprenticeships, their role in supporting the Strategy and the valuable contribution that apprentices can make to organisational performance. The council set a clear target of having 120 apprentices by March 2014, over the last 18 months we have made great progress in working towards that target and also fulfilling the wider objectives set out in the strategy.

This report provides an update on the progress of the Strategy.

Recommendations:

The Cabinet Member is requested to endorse the progress of the Strategy

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

Report title: Apprenticeship Strategy Progress Update

1. Context (or background)

1.1 The Council is firmly committed to developing its workforce and increasing the number of young people working for it and there are a number of national and local drivers for this. The Strategy in place since 2011 provides a firm commitment to the identification of appropriate posts for Apprenticeships and through investment a general increase in the number of apprentices we have in the Council.

1.2 The overarching aims of the strategy were to:

- 1.2.1 Increase the number and range of apprentices available across the council
- 1.2.2 Focus on looked after children, those not in education, employment and training (NEET) and those from workless households
- 1.2.3 Support the council's strategic workforce planning
- 1.2.4 Make managers aware of the council's approach to apprenticeships and their role in supporting the Strategy
- 1.2.5 Unlock local talent, support the increase of skills levels and across the city and grow our own skilled workforce
- 1.2.6 Lead by example across the city

1.3 Currently there are 86 apprentices across the council. The table below provides a detailed breakdown directorate by directorate and shows that as a result of the Strategy we have created an additional 54 new posts.

Directorate	Existing Posts	Conversions	New Funded	Total
CWS	24	3	7	34
CLYP	5	5	5	15
CSDD	1	8	5	14
CS	0	9	3	12
FLS	1	6	2	9
CEX	1	0	1	2
Total	32	31	23	86

Furthermore the Strategy set out a range of wider objectives focusing on looked after children, NEET and those from workless households. The progress against those groups is as follows:

Priority Groups	No.
LAC	11
Disabled	19
NEETs 16-18	34
19>unemployed less than 6 months	12
19> unemployed over 12 months	15
Workless households	19
JSA	16
Disability Benefits	3
Housing Benefits	2
Income support	4

Deprived Area	No.
Radford/Spon End	3
Wood End	0
Willenhall/Stoke Aldermoor	11
Foleshill	7
Hillfields	3
Canley/Tile Hill	9
Henley Green West	1

Ethnicity Groups	No.
White	76
Asian/Asian British	7
Black/Black British	2
Mixed	2
Gender	No.
Male	47
Female	40

1.4 Key achievements:

- As a direct result of implementing the strategy we have already created a total of 54 new posts, this now means we have to create a further 34 posts in 2013/14.
- Initially there was a slow take up across directorates in adopting the strategy due to a number of issues including going through re-structures, VR/ER, FSR's, etc.
- Whilst initial take up was slow, through the excellent work of the Entry to Employment team directorates have responded well to the challenges of the strategy and whilst it will be equally challenging going forward we are confident that the target as set in the strategy will be achieved.
- The funding has allowed to create Apprenticeships in a range of professions and examples of this include Craft and Horticulture, ICT, Finance and Adult Social Care.
- Since the strategy commenced 36 apprentices have secured permanent positions with the council which demonstrates the success of the scheme and the value the organisation places on apprentices. All apprentices are given redeployee status three months prior to their training placement coming to an end providing them and the council with the best opportunity to gain permanent employment.
- In 2011 when the strategy commenced we had 302 employees under 25 which was 4.12% of the overall workforce. Currently we have 330 employees under 25 making up 4.63% of the overall council workforce excluding schools.
- £11,375 has been generated from Work Choice providers in sustaining disabled individuals into apprenticeships for at least 26 weeks. This revenue will support in creating additional apprenticeships for disabled people.
- 40 Young People have attended the Access to Apprenticeship programme which was developed to support priority groups. 15 of these are now in an apprenticeship with Coventry City Council and 7 are in an apprenticeship with other employers.

2. Options considered and recommended proposal

2.1 The purpose of the report is to endorse the actions being taken to progress the Strategy.

3. Results of consultation undertaken

3.1 Internal consultation to date has taken the form of briefings to Business Management Group and further briefings are planned with a range of stakeholders once the Strategy has been approved.

4. Timetable for implementing this decision

4.1 The implementation of the Strategy is an ongoing piece of work.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The strategy is supported through annual revenue funding of £250k

5.2 Legal implications

The Council has entered into appropriate contracts with apprentices which clearly set out the duties and responsibilities of the Council and the apprentice, in relation to both training and employment.

6. Other implications

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 Strategy contributes towards the council's core aims of a prosperous Coventry; ensuring that children and young people are safe, achieve and make a positive contribution and developing a more equal city with cohesive communities and neighbourhoods.

6.2 How is risk being managed?

The implementation of the Strategy is being overseen by the Business Management Group.

6.3 What is the impact on the organisation?

The Council's workforce information shows that there is a shortage of younger workers within the Council and in the Apprenticeship Strategy recognises that there is a need to have appropriate route ways into employment, especially for young people. Failure to address the age profile of the workforce will have significant repercussions in the future delivery of services. Apprenticeships have been identified as one of these route ways.

6.4 Equalities / EIA

An equality impact assessment has not been undertaken but the Strategy focuses on young people and in particular supporting those facing greater disadvantage such as young people in care or those not in education, employment or training. The strategy and overarching objectives are aligned to the equalities in employment action plan.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

As the city's largest employer Coventry City Council will lead the way in promoting Apprenticeships across the city.

Report author(s):

Name and job title:

Shokat Lal – Assistant Director (Customer & Business Services)

Directorate:

Customer & Workforce Services

Tel and email contact:

024 7683 3200

shokat.lal@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Jason Wisniewski	Employment Support Adviser	Customer & Workforce Services	10/7/13	12/7/13
Bev Messinger	Director of Customer & Workforce Services	Customer & Workforce Services	11/7/13	12/7/13
Lara Knight	Governance Services Team Leader	Customer & Workforce Services	12/7/13	15/7/13
Names of approvers for submission: (officers and members)				
Finance: Neil Chamberlain		Finance & Legal	10/7/13	10/7/13
Legal: Gill Carter		Finance & Legal	10/7/13	10/7/13
Members: Cllr. Gannon	Cabinet Member (Strategic Finance & Resources)		15/7/13	15/7/13

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Cabinet Member (Strategic Finance & Resources)
Finance and Corporate Services Scrutiny Board (1)

29th July 2013
2nd September 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance & Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Customer & Workforce Services

Ward(s) affected:

None

Title:

12 month 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 year 2012/2013.
- The actions being taken to manage absence and promote health at work across the City Council

Recommendations:

Cabinet Member (Strategic Finance and Resources) is asked:

- 1) To receive this report providing sickness absence data for the 12 month period of 2012/2013 and accept the actions taken to monitor and manage sickness.

Finance and Corporate Services Scrutiny Board (1) is asked:

- 1) To note the 12 months' absence figures and to support the actions taken to monitor and manage absence and promote health at work and consider whether there are any comments/recommendations they wish to make to the Cabinet Member.

List of Appendices included:

Appendix 1 – Coventry City Council – Days Lost per FTE 2003 - 2013

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

Appendix 3 - Reasons for Absence – (April 2012 – March 2013)

Appendix 4 – Days Lost per FTE, by Directorate (April 2012 – March 2013)

Appendix 5 - Coventry City Council Percentage Breakdown of Absence (April 2012 – March 2013)

Appendix 6 - Coventry City Council Spread of Sickness Absence (By Length of Days) – (April 2012 – March 2013)

Appendix 7 and 8 - Summary of Occupational Health & Counselling Services Activities Undertaken – (April 2012 – March 2013)

Other useful background papers:

None.

Has it or will it be considered by Scrutiny?

Yes. Scrutiny Finance and Corporate Services Scrutiny Board (1) – 2nd September 2013

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:
12 Month (April 2012 – March 2013) 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 4	9.13	9.78	6.79
2012/13 – Qtr 4	9.53	10.20	7.21

Annual FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2012/13 Outturn	9.53	10.20	7.21
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	£9.3m	£4.1m
Annual Target Cost	£12.8m	£9.1m	£3.7m
Difference	£0.7m	£0.2m	£0.4m

The 2012/2013 annual cost of sickness absence for all employees' has increased since the position at the end of quarter 4. The final position is £0.7m above the cost indicated by the target. This cost variation is mainly due to sickness absence for teachers (caused by higher levels of sickness for employees on higher salary bands). All employees excluding teachers were £0.2m above their indicative target cost and 1.0 days above their target absence.

3 Reasons for Absence

3.1 Appendix 3 Illustrates that:

- The most occasions of sickness absence across the City Council in April 2012 – March 2013 is Infections, Colds & Flu accounting for 4,801 occasions. The amount of time lost through Infections, Colds & Flu was 12,763.93.
- The amount of time lost through Stress, Depression, and Anxiety was 19,706.86 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 (17,093.47 days) and Infections, Colds & Flu (12,763.93 days).

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

- 2008/2009 out turn was 11.44 (average sick days lost per full time equivalent employee),
- 2009/2010 out turn was 10.37 days (average sick days lost per full time equivalent employee),
- 2010/2011 out turn was 10.34 days (average sick days lost per full time equivalent employee),
- 2011/2012 out turn was 9.13 days (average sick days lost per full time equivalent employee),
- When comparing this 2011/12 out turn with last years in the same period, it 2012/2013 reveals that:-
- There has been a decrease of 17,803.24 working hours lost.
- A decrease of £488,753.20 in respect of cost of absence.
- A decrease in the number of occurrences by 603.
- A decrease in the total days lost per FTE by 2,528.14 days.

- Stress has increased by 75.70.
- Musculoskeletal has increased by 1,288.93 days.
- Infections, colds and flu has increased by 906.33 days.
- Chest, respiratory, chest infection has increased by 9.05 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 2012 – March 2013, 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 4 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 Directorate Management Teams/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 2012/2013:

- 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 4, 36 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.
- The development of an intranet based absence toolkit 'Managing Absence - Your Guide' along with a desk top icon for easy access. The purpose of the toolkit is to enable managers to deal with the routine "day to day" sickness absence management tasks. The toolkit contains a number of simple and easy to use guides. The toolkit also provides detailed FAQs, 'how to guides' and some straightforward 'golden rules' to help managers and links to relevant policies, procedures, checklists and scripts.

4.1.4 A number of service areas hold regular 'sickness summits' on a 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 cases are being addressed in a timely manner and are being robustly, consistently, fairly and appropriately managed through the application of the Promoting Health at Work process.

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, HR Health & Wellbeing Team.

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 HR 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 initiative has delivered events in Quarter 4;

- 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 for all Council employees.
- 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.
- Continuation with publication of the very popular & informative monthly Be Healthy Be Well newsletter to all staff.
- Creations of the intranet page advise and advertise promotion events for City Council employees.

4.3 Activities during Quarter 4 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 quarter 4 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.
- January 5 Week Challenge – raising awareness of the main lifestyle factors. 15 people attended the hour long sessions and took up the challenge. 10 stated it had helped them make a lifestyle improvement.
- Ergonomic Assessor Clinics Musculoskeletal: 109 employees saw the ergonomic assessor for acute musculoskeletal problems between 1st January and 31st March 2013
- 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.
- Healthy Lifestyles health screening 'drop in' clinics - monthly health screening clinics are being run on a 'drop in' basis to make it easier for

employees to have blood pressure, cholesterol, blood sugar and urine tests, along with health advice.

- 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. Targets 2013/2014

Business Management Group (BMG) has approved the following targets 2013/14.

Directorate	Target 13/14
Chief Executive	5.0
CLYP Central	8.25
CLYP Teachers	6.3
CLYP School Support	9.25
City Services & Development	10.0
Community Service	10.0
Customer & Workforce Services	8.0
Finance & Legal Services	8.0
CCC Total	8.5

6. Comparator Information

Coventry City Council has collected sickness out turn data for 2012/13 for the other West Midlands Metropolitan Authorities.

West Midlands Metropolitan Authority	Days Los per FTE
Solihull	8.76
Walsall	8.95
Coventry	9.53
Wolverhampton	9.56
Dudley	10.63
Birmingham	12.40
Sandwell	Awaiting Outturn

7. Timetable for implementing this decision

None.

8. Comments from Director of Finance and Legal Services

8.1 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.

8.2 Legal implications

There are no legal implications resulting from this report

9. **Other implications**

There are no other specific implications

9.1 **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.

9.2 **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.

9.3 **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.

9.4 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.

9.5 Implications for (or impact on) the environment

None.

9.6 Implications for partner organisations?

None.

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

Jaz Bilen, HR Business Partner

Directorate:

Customer & Workforce Services

Tel and email contact:

Enquiries should be directed to the above person.

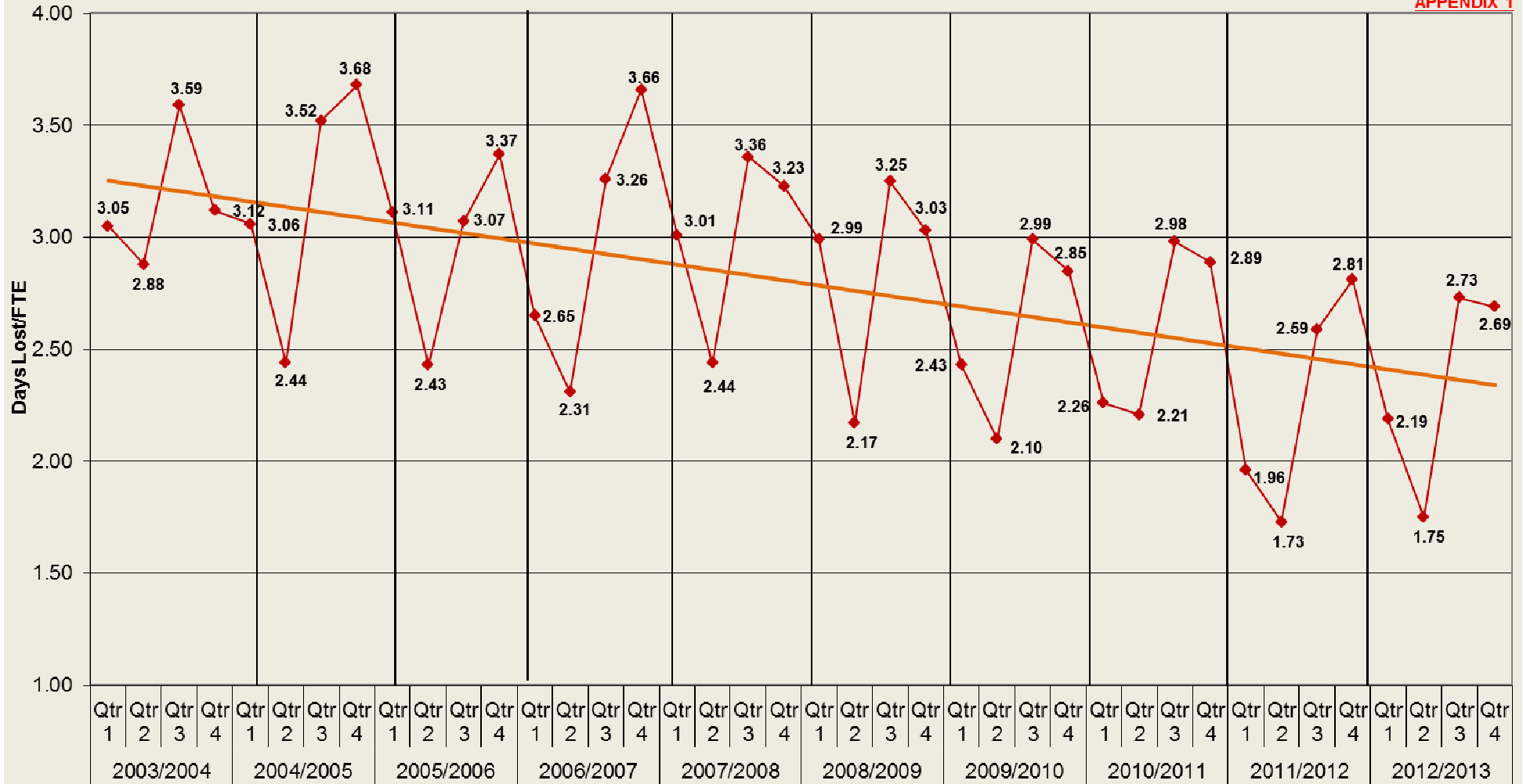
Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Jason Bratt	Senior Human Resources Adviser	Customer & Workforce Services	23/05/2013	17/06/2013
Angie White	Occupational Health & Counselling Services Manager	Customer & Workforce Services	23/05/2013	19/06/2013
Su Symonds	Governance Services Officer	Customer & Workforce Services	23/05/2013	06/06/2013
Names of approvers: (officers and members)				
Lindsay Hughes	Senior Accountant	Finance & Legal	23/05/2013	24/05/2013
Clarissa Evans	Commercial team manager	Finance & Legal	23/05/2013	24/05/2013
Councillor Gannon	Cabinet Member		15/07/2013	15/07/2013

This report is published on the Council's website:

www.coventry.gov.uk/meetings

Coventry City Council
Days Lost per FTE
2003 - 2013

APPENDIX 1



Coventry City Council

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
9.53	9.13	8.5

This demonstrates an increase of 0.40 days per FTE compared to 2011/12.

Chief Executive's Directorate

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
2.66	2.33	5.0

This demonstrates an increase of 0.33 days per FTE compared to 2011/12.

City Services & Development Directorate

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
11.26	8.66	8.0

This demonstrates an increase of 2.6 days per FTE compared to 2011/12.

Community Services Directorate

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
11.47	12.35	11.1

This demonstrates a reduction of 0.88 days per FTE compared to 2011/12.

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

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/13
8.5	9.75	8.75

This demonstrates a reduction of 1.25 days per FTE compared to 2011/12.

Teachers in Schools

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
7.21	6.79	6.3

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

Support Staff in Schools

April 2012 - March 2013	April 2011 - March 2012	Annual Target 2012/2013
10.91	10.93	9.25

This demonstrates a reduction of 0.02 days per FTE compared to 2011/12.

Finance and Legal Directorate

April 2012 – March 2013	April 2011 - March 2012	Annual Target 2012/2013
9.97	8.86	8.0

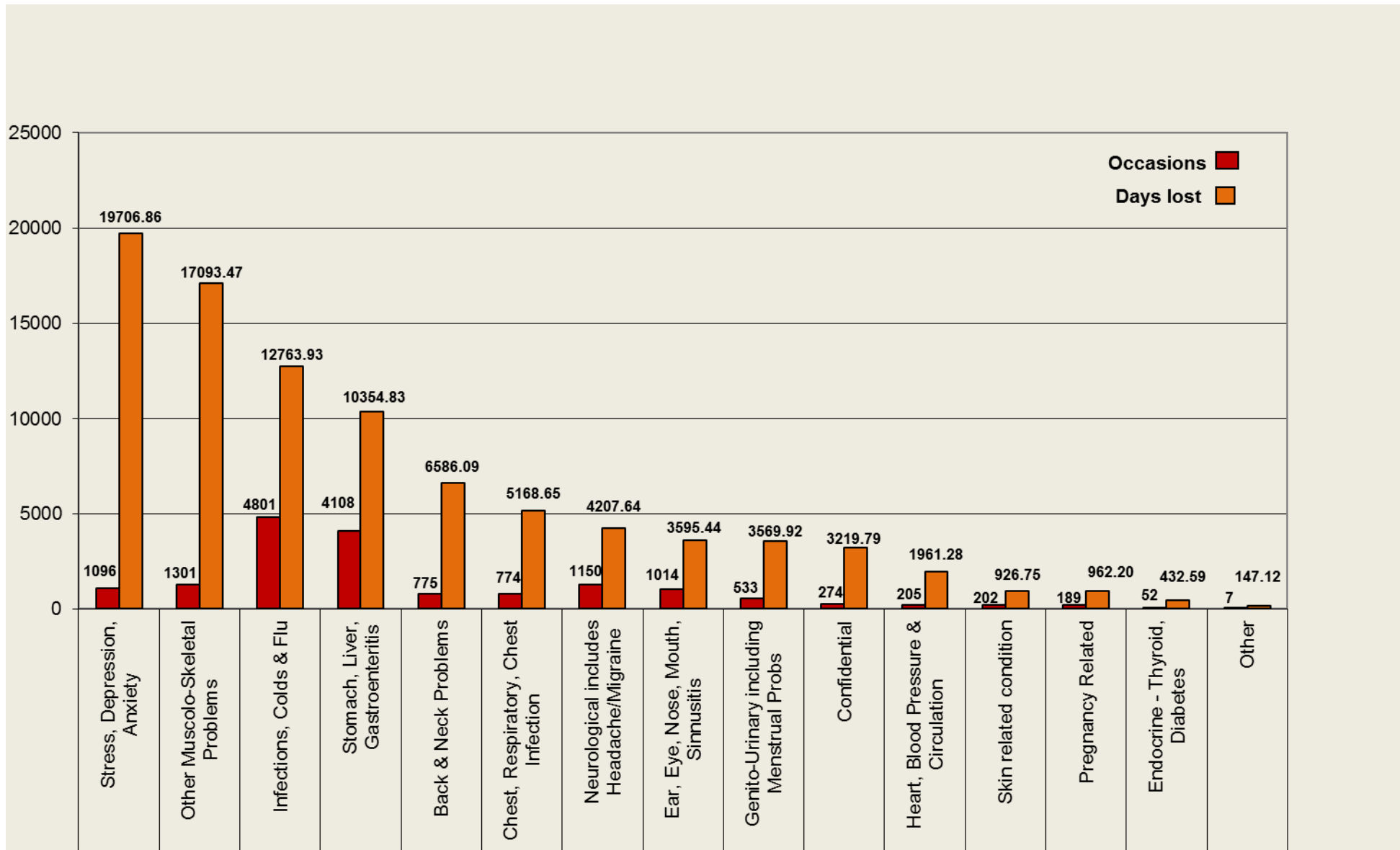
This demonstrates an increase of 1.11 days per FTE compared to 2011/12.

Customer and Workforce Services Directorate

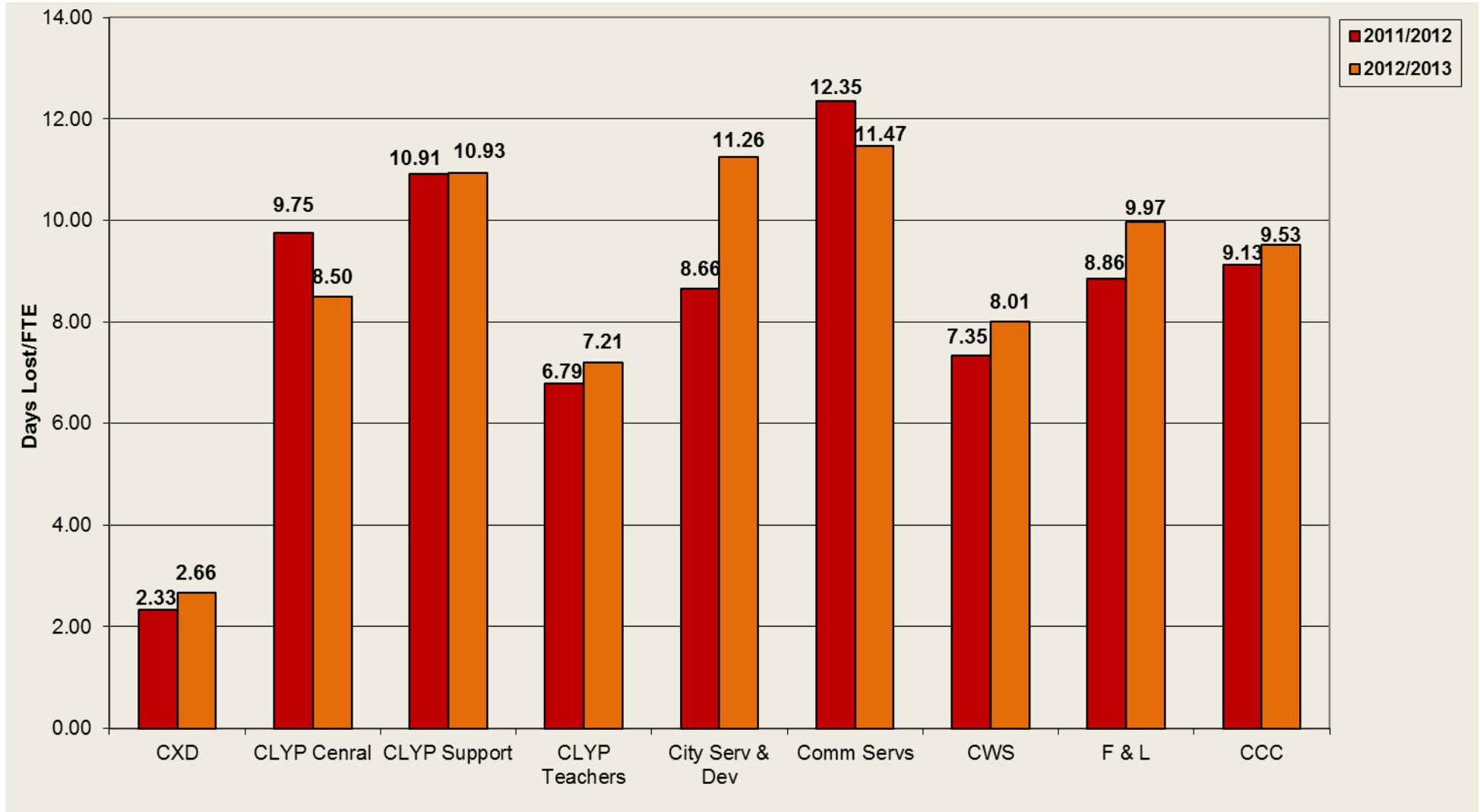
April 2012 – March 2013	April 2011 - March 2012	Annual Target 2012/2013
8.01	7.35	9.1

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

**Coventry City Council – Reason for Absence
March 2013**

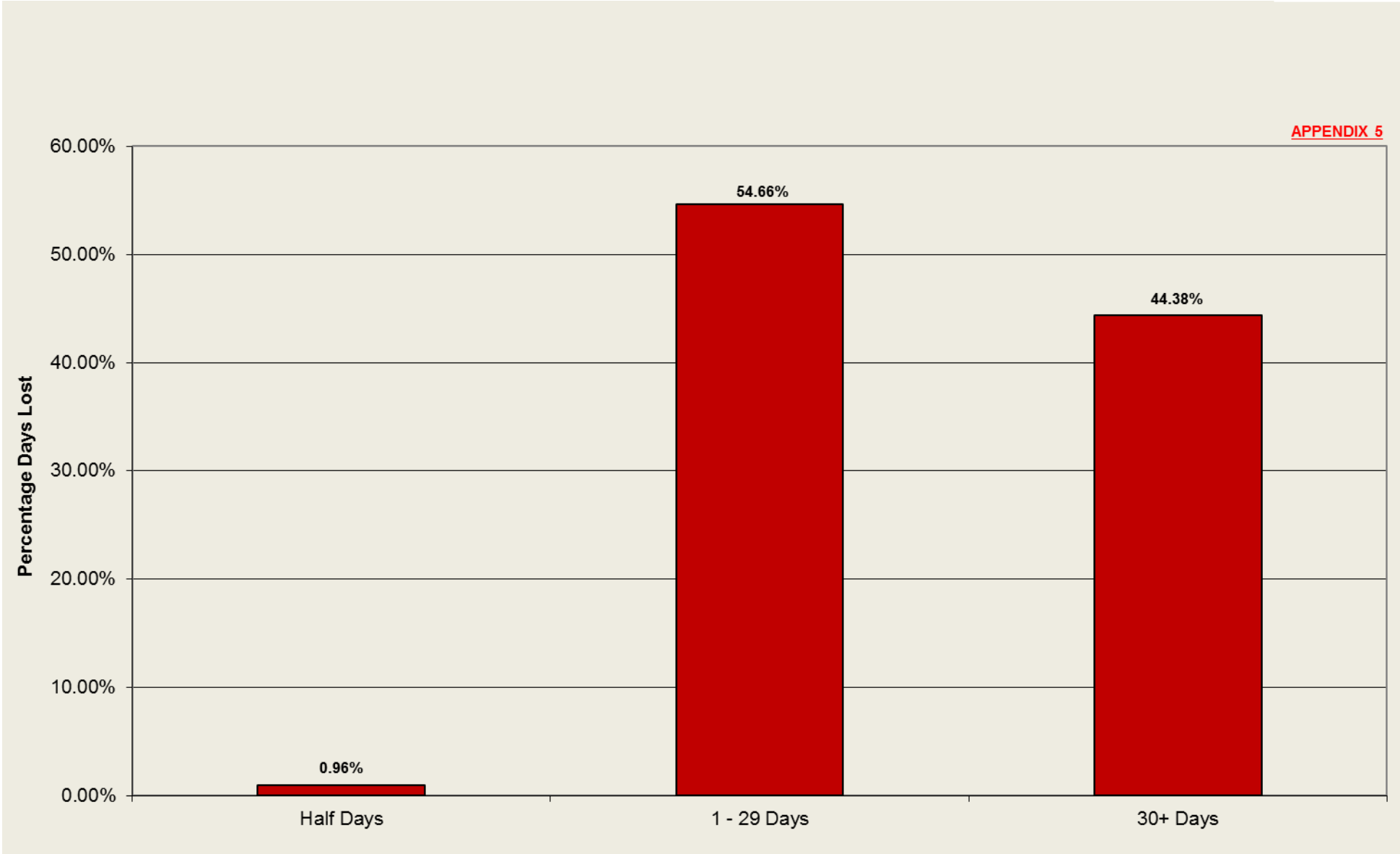


April - March 2011/2012 and April - March 2012/2013
Days Lost per FTE

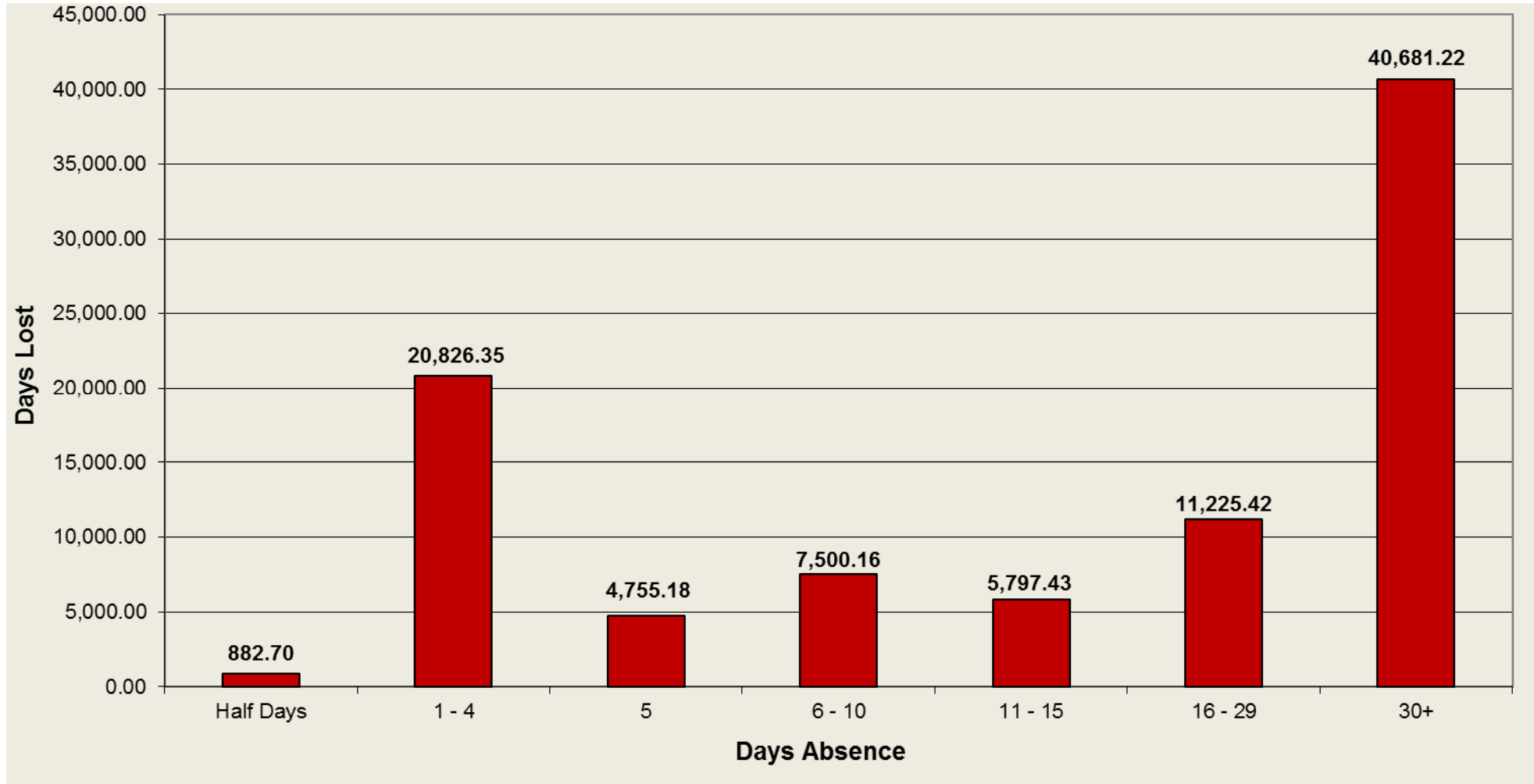


Coventry City Council
Sickness Absence – Percentage Breakdown
April 2012 – December 2013

APPENDIX 5



Coventry City Council – Spread of Absence
April 2012 – March 2013
By Length of Days



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

Activity	April – June 2012	July - September 2012	October – December 2012	January – March 2013	Total for Year
Pre-Employment health assessments	266	324	295	146	1031
<u>January –March 2013</u> From the pre-employment 77 assessments required additional advice and guidance to be given to the employing manager. 73 % of pre-employment forms were processed within 3 working days 100% clearance slips were returned to the Recruitment Team/School within 3 working days					
Sickness absence health assessments and reviews	351	354	430	470	1605
Work Related Ill Health Conditions reported/investigated	39	18	65	38	160
Work Place assessments carried out	3	10	9	7	29
Case conferences carried out	10	5	8	9	32
<u>January –March 2013</u> 100% of employee ill health referral forms processed within 3 working days 53% reports sent to HR/schools within 3 working days					
Vision screening and other surveillance procedures	94	50	67	52	263
Healthy Lifestyles screens and follow up appointments	674	599	285	169	1727
<u>January –March 2013</u> From the initial healthy lifestyle screens 24 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	2	15

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	156	590
Counselling sessions	632	670	689	594	2585
October to December 2013					
From the employees seen, 39 were associated with work related stress and 1 was related to assault/bullying. 86% 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	3	9
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	7	13
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	55	251
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	325	643
Service evaluation					
Number of employees completing questionnaire	44	48	41	34	167
Counselling helped avoid time off work (not on sick leave)	27	31	27	23	108
Counselling helped early return to work (on sick leave when counselling started)	14	10	8	5	37
Did not affect sickness absence	3	7	6	6	22

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