



### **Cabinet Member (Strategic Finance and Resources)**

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#### **Time and Date**

2.00 pm on Monday, 2nd December, 2013

#### **Place**

Committee Room 2 - Council House

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#### **Public Business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting**
  - (a) To agree the minutes of the meeting held on 21st October, 2013  
(Pages 3 - 4)
  - (b) Matters Arising
4. **Progress against the Procurement Strategy 2010 - 2015** (Pages 5 - 12)  
Report of the Executive Director, Resources
5. **Holiday Purchase Scheme** (Pages 13 - 18)  
Report of the Executive Director, Resources
6. **First Quarter Hospitality Budget report for Lord Mayor (Crookes) 2013/14**  
(Pages 19 - 26)  
Report of the Executive Director, Resources
7. **6 month (April - September 2013) Cumulative Sickness Absence 2013/2014** (Pages 27 - 46)  
Report of the Executive Director, Resources
8. **Agency Workers and Interim Managers - Performance Management Report Q2 (1 July to 30 September 2013).** (Pages 47 - 62)  
Report of the Executive Director, Resources
9. **Performance within the Revenues Service for the period April 2013 - September 2013** (Pages 63 - 70)

Report of the Executive Director, Resources

10. **Performance within the Benefits Service for the period April 2013 - September 2013** (Pages 71 - 78)

Report of the Executive Director, Resources

11. **Outstanding Issues**

There are no outstanding issues

12. **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

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Chris West, Executive Director, Resources, Council House Coventry

Friday, 22 November 2013

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

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**

**Tel: 024 7683 3069**

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# Agenda Item 3a

**Coventry City Council**  
**Minutes of the Meeting of Cabinet Member (Strategic Finance and Resources)**  
**held at 2.00 pm on Monday, 21 October 2013**

Present:

Members:                           Councillor Gannon (Cabinet Member)  
  Councillor T Sawdon (Shadow Cabinet Member)

Employees (by Directorate):

Resources:                        C. West (Executive Director), J. Barlow, J. Guy, L. Knight

Apologies:                        Councillor Andrews

## **Public Business**

### **25.     Declarations of Interest**

There were no declarations of interest.

### **26.     Minutes of Previous Meeting**

The minutes of the meeting held on 9<sup>th</sup> September 2013 were agreed and signed as a true record.

There were no matters arising.

### **27.     Petition - Arms Dealers in Coventry and the West Midlands Pension Fund**

The Cabinet Member considered a report of the Executive Director, Resources, concerning a petition bearing 424 signatures, which had been submitted by Councillor Andrews, who was invited to the meeting, but did not attend. Mr McGowan, the petition organiser, attended the meeting and spoke on behalf of the petitioners, who were concerned regarding several leading arms companies doing business in the City and, in addition, Council Tax money being paid into the West Midlands Pension Fund, which invested over £60m in arms-dealers. The petitioners were requesting that the Council remove these investments from the Fund, find better alternatives, and work towards an arms-free economy for the City.

**RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member approved that the petition be referred to the West Midlands Pension Fund Committee for their consideration.**

### **28.     Final Hospitality Statement for the Mayoralty of Councillor Tim Sawdon for 2012-2013**

The Cabinet Member considered a report of the Executive Director, Resources, which set out the outturn position for the hospitality budget for the Mayoralty of Councillor Sawdon for 2012/13. The report also provided details of the beneficiaries of the Lord Mayor's Charity Appeal for the year.

It was noted that the annual hospitality budget for the Mayoral year was £65,596. Against this, a sum of £62,368.60 was spent, leaving a sum of £3,227.40 which was returned to Corporate Reserves.

**RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member noted the outturn of £62,368.60 for the Mayoral year and approved the contents of the report, which described how the hospitality budget had been spent on an event by event basis.**

29. **The proposed Business Charter for Social Responsibility including the implications of the Public Services (Social Value) Act 2012**

The Cabinet Member considered a report of the Executive Director, Resources, which set out proposals for the implementation of the Business Charter for Social Responsibility for the City Council and its supply chain.

The recent Public Services (Social Value) Act 2012 required all public bodies to consider how they could improve the economic, social and environmental wellbeing of their local area through the services they procure. Corporate Social Responsibility (CSR) had become a broadly accepted phrase in business and represented good practice. The Procurement and Commissioning Service already had in place policies, procedures and processes which were aligned to CSR principles. These were being reviewed in light of the duty under the Act and there was an opportunity to improve awareness of the Council's commitment and adoption of the same principles within its supply chain.

It was therefore proposed to supplement the existing Small Business Friendly Concordat with a Business Charter for Social Responsibility.

**RESOLVED that after due consideration of the report and the matters raised at the meeting, the Cabinet Member approved the implementation of the Business Charter for Social Responsibility for the Council and its supply chain.**

30. **Outstanding Issues**

There were no outstanding issues.

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

There were no other items of public business.

(Meeting closed at 2.35 pm)



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

25<sup>th</sup> November 2013  
2nd December 2013

**Name of Cabinet Member:**  
Strategic Finance and Resources. Councillor Gannon

**Director Approving Submission of the report:**  
Executive Director, Resources

**Ward(s) affected:**  
All

**Title:**  
Progress against the Procurement Strategy 2010 - 2015

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**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.

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**Executive Summary:**

The Procurement Strategy was first published in 2010. This report is a summary of progress against the strategy with some suggestions for further development of the strategy.

**Recommendations:**

**Finance and Corporate Services Scrutiny Board (1)**

- (1) That the Board make recommendations to Cabinet Member for Strategic Finance and Resources on the progress made against the procurement strategy

**Cabinet Member for Strategic Finance and Resources**

- (1) Consider the comments or recommendations from Finance and Corporate Services Scrutiny Board (1)
- (2) That the progress against the procurement strategy is endorsed

**List of Appendices included:**

Appendix 1 Summary of Commissioning and Procurement savings

**Other useful background papers:**

None

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

Yes

The report is to be taken to Finance and Corporate Scrutiny Board 1 on the 25<sup>th</sup> November 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

**1. Context (or background)**

1.1 In June 2010 the Cabinet Member (Strategic Finance and Resources) approved the Procurement Strategy 2010 – 2015. The same strategy was also adopted by Solihull and Warwickshire Councils with a view to working as a shared procurement service with the resultant benefits of reduction in duplication of effort, economies of scale and increased purchasing power.

**2. Options considered and recommended proposal**

2.1 Since the introduction of the Procurement Strategy in 2010, the procurement process in Coventry has improved significantly. As a result of a Fundamental Service Review (FSR) Procurement and Commissioning work together more effectively, leading to more commercial outcomes for delivered services. Also as a result of the FSR, the revised Constitution includes an updated governance process for procurement which will be taken to Cabinet in January 2014.

2.2 Coventry had an external spend of approximately £300m per annum. Against that spend, Procurement and Commissioning has an £8m savings target included in the Medium Term Financial Strategy (MTFS), £2m in 2013/14, £3m in 2014/15 and £3m in 2015/16. Savings delivered against this target are reported to the Procurement Panels, Procurement Board and Audit Committee on a monthly basis. For 2013/14 £2,015k savings have been identified against the £2m target. It is more difficult to predict delivery in the following years; however progress against the target will continue to be closely monitored. Procurement and Commissioning have also contributed to the delivery of significant savings against other FSR's and Directorate targets to the value of a further £1,731k (See Appendix 1)

2.3 The shared procurement service which includes Coventry, Solihull, Warwickshire, Nuneaton and Bedworth and Rugby Borough Councils, is run on a category management basis. Category Leads have been identified in each authority where there is particular expertise e.g. ICT, Children's services etc. the category lead authority then lets contracts in that category on behalf of all participating authorities. This gives all the benefits of economies of scale whilst keeping a procurement presence in each authority enabling the development of strong relationships with service heads. The shared service was a finalist in the Society of Procurement Officers (SOPO) in Local Government awards and the GO procurement awards 2012.

2.4 The shared procurement service has implemented a shared e-tendering system for all authorities in the sub region including all Warwickshire districts. This has been welcomed and complimented by the SME group of the Coventry and Warwickshire LEP as now SME's only have to register once on the system to be able to receive all tender opportunities for their category of work for all participating authorities.

The shared e-tendering system will offer more opportunities for collaboration as each authority can see the tender opportunities being advertised so will be able to express an interest in participation. There are future opportunities for shared document storage and ultimately standardised documents which can be stored on the system. There are also facilities for electronic evaluation, eAuctions and contract management which will be used as appropriate, when opportunities arise. The e-tendering system has been confirmed as a finalist in the SOPO awards for outstanding procurement, 2013.

- 2.5 Wise use of procurement power in our local economy has always been included in the Procurement Strategy, however since the Social Value Act came into force in March 2012 this area of work has been given more focus. Officers across the Council have been working together to develop a Social Value policy and a Business Charter for Social Responsibility, which describe how the authority wants to deliver social value through its procurement processes and on a voluntary basis for those companies that the authority already contracts with. There has been considerable consultation with the voluntary sector, Federation of Small Businesses, the Chamber of Commerce and internally with policy, economy and jobs, sustainability, commissioning, health and safety, public health, skills and growth before the charter and policy was finalised. A report on the benefits of a business charter for social responsibility was approved by the Cabinet Member for Strategic Finance and Resources on the 21<sup>st</sup> October 2013.

A report on the consultation on the Social Value Policy also appears on this Agenda. There was already good practice of developing jobs and skills, reducing carbon emissions etc. through contracting and the Social Value Policy and Business Charter will allow us to build on these firm foundations. As a result of the consultation, changes have already been made to procurement processes to make it easier for SME's and the voluntary sector to bid for Council contracts and this work will continue as our understanding develops.

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

- 3.1 There has been no consultation undertaken as the report is an update on performance against the agreed strategy.

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

- 4.1 Progress will continue to be monitored against this strategy with six monthly update reports being brought to the Cabinet Member Strategic Finance and Resources.

### **5. Comments from the Executive Director Resources**

#### 5.1 Financial implications

There are no direct financial implications arising from the recommendations to be considered in this report. Progress against savings targets are detailed in paragraph 2.2.

#### 5.2 Legal implications

There are no legal implications arising from this report.

### **6. Other implications**

None

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

The Procurement Strategy has deliberately been structured in a way that supports the delivery of the Council plan and objectives

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

The main risk for the Council if the procurement strategy is not delivered is that the savings targets are not met. Performance against these targets is monitored monthly by Procurement Panels, Board, Cabinet Member for Strategic Finance and Resources and Audit and Procurement Committee.



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

Impact of this strategy is to enable the organisation to deliver services in the most cost effective way.

### **6.4 Equalities / EIA**

No equality impact assessment has been undertaken under the Equality Act 2010 as the recommendations in this report do not constitute a change in service or policy

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

Environmental issues arising from delivery of the strategy will be dealt with through the Social Value Policy and the Business Charter for Social Responsibility.

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

Working with our partners, delivery of the procurement strategy encourages wise use of the Council's procurement power to help regenerate our local economy.

**Report author(s):**

**Name and job title:**

Liz Welton, Assistant Director Procurement

**Directorate:**

Resources

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<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Su Symonds	Governance Services Officer	Resources	13/11/13	13/11/13
Other members				
<b>Names of approvers for submission: (officers and members)</b>				
Legal: Clarissa Evans	Commercial Team manager	Resources	28/10/13	28/10/13
Finance: Barry Hastie	Assistant Director Financial Management	Resources	13/11/13	13/11/13
Director: Chris West	Executive Director	Resources	13/11/13	14/11/13
Member: Councillor Gannon	Cabinet Member		13/11/13	14/11/13

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Appendix 1

Summary of Commissioning & Procurement Savings

	2013/14				2014/15				2015/16			
	Savings Identified			Total Identified £000	Savings Identified			Total Identified £000	Savings Identified			Total Identified £000
	People	Resources	Place		People	Resources	Place		People	Resources	Place	
Savings identified	1,082	457	476	<b>2,015</b>	1,391	733	652	<b>2,776</b>	1,391	832	652	<b>2,875</b>
Target	1,175	426	399	<b>2,000</b>	2,937	1,066	997	<b>5,000</b>	4,699	1,706	1,595	<b>8,000</b>
Surplus/(Deficit)	-93	31	77	<b>15</b>	-1,546	-334	-345	<b>-2,224</b>	-3,308	-874	-943	<b>-5,125</b>
Other Procurement Savings	895	381	455	1,731	1,284	438	620	2,342	1,284	438	620	2,342
Total Savings Identified	1,977	838	931	3,746	2,675	1,170	1,272	5,117	2,675	1,270	1,272	5,217

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Cabinet Member (Strategic Finance and Resources)

2 December 2013

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

None

**Title:**

Holiday Purchase Scheme

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**Is this a key decision?**

No

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**Executive Summary:**

To provide the Cabinet Member with information relating to the potential introduction of a Holiday Purchase Scheme, through which employees can purchase up to a defined number of additional days leave dependent upon service delivery requirements.

**Recommendations:**

The Cabinet Member is asked to:

Approve the introduction of a Holiday Purchase Scheme as set out within the report in order for the organisation to trial the Holiday Purchase scheme in 2014/15. A review of the scheme will take place in January 2015.

**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:**

**Holiday Purchase Scheme**

**1. Timetable for implementing this decision**

The Holiday Purchase Scheme will be opened up to employees on 1 February 2014 for a four week period to enable them to purchase additional annual leave for the 2014/15 leave year.

**2. Options considered and recommended proposal**

**2.1 Explanation of Holiday Purchase**

A Holiday Purchase Scheme allows employees to buy additional annual leave and pay for it through deductions from salary over the course of the annual leave year. This makes the purchase of additional annual leave more affordable from the employee's perspective.

Employees can purchase up to a defined number of additional days leave dependent upon service delivery requirements.

As some managerial concerns have been raised about potential impact of additional annual leave upon service delivery, it has been decided, unless there are exceptional circumstances, to restrict the additional annual leave purchase to a maximum of 10 days. All requests will be approved subject to the needs of the service and with an absolute discretion for line managers to refuse requests.

A full review of the scheme will be undertaken in January 2015 and reported back to the Cabinet Member, along with a recommendation as to whether or not retain or amend the scheme.

**2.2 Timetable for implementing this decision**

The window of opportunity for employees to purchase additional annual leave for 2014/15 will commence on 1 February 2014 for a four week period. Communication to employees of this window of opportunity will take place during the course of January 2014.

**3. Comments from Executive Director, Resources**

**3.1 Financial implications**

Operated as a salary sacrifice scheme, employees receive lower pay, and pay reduced National Insurance and if applicable pension contributions. The Council will make corresponding savings on pay, employers' National Insurance and if applicable employers' pension contributions.

Assuming 5% of employees (c260) choose to purchase an additional 5 days annual leave in a single year and taking into account estimated National Insurance savings, it is estimated the Council could contribute savings of c£130k; 10% (c520) would contribute c£260k savings. At this point in time, however, it is difficult to ascertain what savings would come from this initiative.

### 3.2 Non – Financial

The non-financial benefits of such a scheme for the Council and employees are that it extends flexible working options and the range of benefits available to employees.

### 3.3 Legal implications

There are no specific legal implications associated with this report.

## 4. Other implications

### 4.1 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 opportunity to buy additional annual will add to the range of benefits available to employees

### 4.2 How is risk being managed?

No risks identified

### 4.3 What is the impact on the organisation?

It is important that approval or otherwise of employee requests to buy additional annual leave rests with Service Managers. This will ensure there is no disruption to service provision. The Service Manager's decision will be final.

## 5. Equalities / EIA

This scheme extends the range of flexible working options and spreads the cost of additional annual leave over a 12 month period, making it more affordable for the employee.

### 5.1 Implications for (or impact on) the environment

No

### 5.2 Implications for partner organisations?

None

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

#### **Name and job title:**

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#### **Directorate:**

Resources Directorate

#### **Telephone and Email Contact:**

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Neelesh Sutaria	HR Business Partner	Resources	18/11/2013	19/11/2013
Su Symonds	Governance Services Officer	Resources	18/11/2013	18/11/2013
Shokat Lal	Assistant Director Business Services	Resources	18/11/2013	19/11/2013
<b>Names of approvers: (officers and members)</b>				
Finance: Barry Hastie	Assistant Director Finance	Resources	18/11/2013	19/11/2013
Legal: Christine Forde	Assistant Director, Legal and Democratic Services	Resources	20/11/13	22/11/2013
Director: Chris West	Executive Director	Resources	18/11/2013	19/11/2013
Member: Councillor Gannon	Cabinet Member			18/11/2013

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## Public report Cabinet Member Report

2<sup>nd</sup> December 2013

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources), Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

All

**Title:**

First Quarter Hospitality Statement for the Mayoralty of Councillor Gary Crookes, 2013-2014

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**Is this a key decision?**

No. Although the issue concerns all Wards in the City, the impact is not expected to be significant and is therefore not considered to be a key decision.

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**Executive Summary:**

This is the first Hospitality report for the Mayoral Year of Councillor Gary Crookes. It updates the Cabinet Member on how the budget has been spent during the first quarter of the Mayoral Year 2013-2014 and estimated expenditure for the second quarter.

**Recommendations:**

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

**List of Appendices included:**

Appendix 1 sets out actual expenditure for the first quarter from the 16<sup>th</sup> May to 15<sup>th</sup> August 2013. Appendix 2 sets out estimated expenditure for the second quarter from 16<sup>th</sup> August to 15<sup>th</sup> November 2013.

**Other useful background papers:**

None.

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

No

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

No

**Will this report go to Council?**

No

**Report title:****First Quarter Hospitality Statement for the Mayoralty of Councillor Gary Crookes 2013-2014****1. Context (or background)**

1.1 The annual Hospitality budget for the Mayoral Year is £65,596.

**2. Options considered and recommended proposal**

2.1 The Cabinet Member is recommended to note the contents of the report which describes how the hospitality budget has been spent.

2.2 The amount of £14,270.42 was spent at the end of Quarter 1. Appendix 1 sets out a detailed breakdown of how this sum has been spent on an event-by-event basis. This means that 22% of the original Hospitality budget has been spent, which compares with an average of 24% for the same period for the previous three years.

2.3 Appendix 2 sets out estimated expenditure for the Quarter 2 – from 16<sup>th</sup> August to 15<sup>th</sup> November 2013.

**3. Results of consultation undertaken**

3.1 The Lord Mayor's hospitality budget is monitored on an event-by-event basis by the Principal Private Secretary to the Lord Mayoralty and is reported on each quarter.

3.2 The Lord Mayor's Charity Appeal is also monitored on a quarterly basis. The Heart of England Community Foundation is acting as the umbrella organisation once again for the appeal. The balance as at 15<sup>th</sup> August 2013 stood at £953.20.

**4. Timetable for implementing this decision**

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

**5. Comments from Executive Director, Resources****5.1 Financial implications**

The hospitality report is presented to the Cabinet Member and is expected to stay within the approved budget. Any underspend at year end will be returned to corporate reserves.

**5.2 Legal implications**

There are no legal implications arising from this report.

**6. Other implications**

None

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

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

**6.2 How is risk being managed?**

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

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

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

**6.4 Equalities / EIA**

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

**6.5 Implications for (or impact on) the environment**

None.

**6.6 Implications for partner organisations?**

None.

**Report author(s):**

**Name and job title:**

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**Directorate:**

Resources

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Su Symonds	Governance Services Officer	Resources - Democratic	06.11.13	06.11.13
<b>Names of approvers:</b> (officers and members)				
Chris West	Executive Director	Resources	06.11.13	18.11.13
Democratic: Christine Forde	Assistant Director (Legal & Democratic)	Resources	06.11.13	19.11.13
Finance: Neil Chamberlain	Finance Manager	Resources & Chief Executive's	06.11.13	19.11.13
Legal: Clarissa Evans	Commercial Team Manager	Resources	06.11.13	06.11.13
HR: Neelesh Sutaria	HR Business Partner	Resources	06.11.13	11.11.13
Members: Councillor Damian Gannon	Cabinet Member			

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ACTUAL Costs of Functions of 1<sup>st</sup> Quarter: 16<sup>th</sup> May 2013 – 15<sup>th</sup> August 2013

<u>Date</u>	<u>Function</u>	<u>Number of Guests</u>	<u>Actual Cost</u>
16.05.13	Contribution towards the Annual Meeting of the City Council	450	£2,500.00
17.05.13	Commencement of Mayoral Year Dinner	92	£3,259.18
19.05.13	Tickets for Chairman of Warwick DC Charity Concert	2	£22.00
30.05.13	Dinner following Royal Garden Party	6	£288.97
31.05.13	Contribution towards Cancer Research Charity Ball	100	£500.00
02.06.13	Army Benevolent Fund Summer Reception Tickets	2	£50.00
05.06.13	Lunch to mark the retirement of Lord Mayor's Support Officer	10	£80.55
05.06.13	Contribution towards the Allotments Prizegiving and AGM	-	£137.14
12.06.13	Contribution towards the cost of Coventry Inspiration Book Awards	35	£292.68
15.06.13	Tickets for St Thomas More School Summer Ball	2	£70.00
21.06.13	Civic Visit to Kiel	3	£569.75
25.06.13	Refreshments for Good Citizen Recipient prior to Full Council	6	£14.75
29.06.13	Armed Forces Day Service and Parade	-	£3,030.42
01.07.13	Costs associated with Phil Baylis's Charity Motorcycle Ride return to Coventry	-	£5.38
04.07.13	Buffet reception for Community Cohesion Awards	100	£488.00
06.07.13	UK Corporate Games VIP Reception	50	£380.54
17.07.13	Tickets for Mayor of North Warwickshire Charity Evening	2	£24.00
19.07.13	International Children's Games Presentation Evening	70	£95.44
24.07.13	UK Corporate Games City Council Team event	80	£622.67
25.07.13	Official Signing Ceremony of Coventry Press and Shandong Yangtoi	40	£979.20
10.08.13	Lunch with visiting Civic Heads prior to Godiva's Homecoming Parade	40	£681.10
	<b>Refreshments, wines and spirits for Quarter 1</b>		£178.65
	<b>TOTAL</b>		<b>£14,270.42</b>



ESTIMATED Costs of Functions for 2<sup>nd</sup> Quarter from 16<sup>th</sup> August 2013 – 15<sup>th</sup> November 2013

<u>Date</u>	<u>Function</u>	<u>Number of Guests</u>	<u>Estimated Cost</u>
18.08.13	Tickets for Chairman of Stratford Charity Event - Stratford Riding for the Disabled Association	2	£20.00
25.08.13	Donations towards Coventry Festival of Motoring 2012	-	£1,563.79
29.08.13	Sikh Union Launch of Water Aid Appeal	100	£1,337.21
10.09.13	Refreshments for Good Citizen Recipient prior to Full Council	6	£25.00
21.09.13	Visit of Freeman from Northampton	20	£50.00
03.10.13	Refreshments during preparation meeting for Civic Visit to Jinan	6	£20.00
03.10.13.	Tickets for Chairman of Lichfield DC charity event	2	£36.40
04.10.13	International Childrens' Games Presentation Evening	70	£70.00
09.10.13	Dinner with visitors from Kiel for presentation of Lampost	8	£325.00
16.10.13	Lunch with Lord Mayor for the Day Children as part of Local Democracy Week	10	£100.00
16.10.13	Lunch with Managers from Shanghai studying at University of Warwick	12	£300.00
19.10.13	30th Anniversary Global Care Celebration	70	£500.00
21.10.13	Civic Visit to Jinan to mark the 30 <sup>th</sup> anniversary to the twinning links	1	£2,500.00
22.10.13	Refreshments for Good Citizen Recipient prior to Full Council	6	£25.00
25.10.13	Tickets for ABF The Soldiers' Charity Supper	2	£60.00
29.10.13	Lunch with Professor Kiselev from Volgograd State University	3	£20.00
06.11.13	Annual Peace Lecture	80	£150.00
08.11.13	Evening dinner with Delegation from Kiel	10	£300.00
10.11.13	Remembrance Sunday Service and Parade	180	£3,500.00
10.11.13	Farewell dinner with Delegations from Kiel and Dresden	16	£700.00
14.11.13	Dinner of Commemoration to mark the 60 <sup>th</sup> Anniversary of the Lord Mayoralty	120	£3,500.00
	<b>SUB-TOTAL</b>		<b>£15,265.19</b>
	<b>Actual Costs Previously Reported at Quarter 1</b>		<b>£14,270.42</b>
	<b>TOTAL ESTIMATE at QUARTER 2</b>		<b>£29,535.61</b>

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**Cabinet Member (Strategic Finance & Resources)**

**2 December 2013**

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance & Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

None

**Title:**

6 month (April – September 2013) Cumulative Sickness Absence 2013/2014

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**Is this a key decision?**

No

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**Executive Summary:**

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

- ❖ Levels of sickness absence for the 6 month period from April – September 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 6 month period of April – September 2013 and endorse the actions taken to monitor and manage sickness.

**List of Appendices included:**

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

Appendix 2 – Directorate Summary Out-turn - (2012/2013 and 2013/2014)

Appendix 3 - Reasons for Absence – (April - September 2013)

Appendix 4 – Days Lost per FTE, by Directorate - (April – September 2013)

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

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

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

**Other useful background papers:**

None.

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

No.

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

No

**Will this report go to Council?**

No.

**Report title:**

**6 Month (April – September 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**

FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2012/13 – Qtr 2	4.05	4.46	2.63
2013/14 – Qtr 2	3.81	4.49	2.51

Annual FTE Average Days Lost	All Employees	All Employees (except teachers)	Teachers
2013/14 Projected	8.87	9.46	6.49
2013/14 Target	8.50	9.13	6.30

**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 2013/14 using this method of calculation.

2013/14	All Employees	All Employees (except teachers)	Teachers
Annual Cost	£11.0m	£8.0m	£3.0m

Annual Target Cost	£11.5m	£8.6m	£2.9m
Difference	-£0.5m	-£0.6m	£0.1m

The Quarter 2 projected annual cost of sickness absence for all employees' stands at £0.5m below the target cost. This is broken down into all employees except teachers projecting £0.6m below target and teachers projecting £0.1m above target cost.

### 3 Reasons for Absence

#### 3.1 Appendix 3 Illustrates that:

- ❖ The most occasions of sickness absence across the City Council in April – September 2013 is Stomach, Liver and Gastroenteritis accounting for 1,634 occasions. The amount of time lost through Stomach, Liver and Gastroenteritis was 3841.01 days.
- ❖ The amount of time lost through Stress, Depression, and Anxiety was 9056.86 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 (7024.29 days) and Stomach, Liver and Gastroenteritis (3841.01 days).

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

- ❖ Quarter 2 (ending September 2009) out turn was **2.43** (average sick days lost per full time equivalent employee),
- ❖ Quarter 2 (ending September 2010) out turn was **2.26** days (average sick days lost per full time equivalent employee),
- ❖ Quarter 2 (ending September 2011) out turn was **1.96** days (average sick days lost per full time equivalent employee),
- ❖ Quarter 2 (ending September 2012) out turn was **2.19** days (average sick days lost per full time equivalent employee),
- ❖ Quarter 2 (ending September 2013) out turn was **2.07** days (average sick days lost per full time equivalent employee),

When comparing Quarter 2 (2013/14) out turn with last years in the same period (2012/13), it reveals that:-

- ❖ Decrease of occurrences of absence by **362** based on comparison with the same period last year.

- ❖ Decrease of total days lost per FTE by **3,178.33** days based on comparison with the same period last year.
- ❖ Decrease of **22,963.68** working hours lost based on comparison with the same period last year out-turn.
- ❖ Decrease of **£ 344,600.41** in respect of cost of absence based on comparison with the same period last year.
- ❖ Stress has decreased by **98.70** days based on comparison with the same period last year.
- ❖ Muscolo-Skeletal has decreased by **1,362.65** days based on comparison with the same period last year.
- ❖ Infection, Colds and Flu has decreased by **342.49** days based on comparison with the same period last year.
- ❖ Chest, Respiratory, Chest Infection has increased by **99.66** days, based on comparison with the same period last year.

The data provided within Appendices 2 and 4 reflects the corporate structure prior to the organisational change on September 2<sup>nd</sup> 2013. (The implementation of the Resources, People and Place Directorates).

Administration work is currently being undertaken on the Council's establishment to reflect the above changes and will be included in the 3<sup>rd</sup> quarter report.

### **3.3 Frequent and Long Term Absence**

3.3.1 Appendix 5 provides the breakdown between frequent and long-term absence levels during April – September 2013.

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 - September 2013, there has been a total of 14 dismissals in accordance with the Promoting Health at Work Corporate Procedure. In terms of the breakdown of the 14 dismissals, 9 dismissals have been due to ill health retirement and 5 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 2 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 undertake proactive strategies to support the authority to reduce levels of sickness absence. They include;

- ❖ 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 2, 34 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 implementation 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 across the Council 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.

The initiative has delivered the following events in Quarter 2;

- ❖ Continuation of the events provided by Coventry Sports Foundation & Coventry Sports Trust, including open weekends for all Council employees and their families to experience free taster sessions such as Swimming, Indoor Football, Zumba, Badminton, Cycling, Boxercise, Pilates, Table Tennis, BoxFit, Squash & Spinning Classes.
- ❖ September 4 Week Challenge – raising awareness of the main lifestyle factors including dealing with stress, healthy diets, coping with change and relaxation.
- ❖ Offer to all Council Employees of free taster sessions is keeping fit with the British military fitness
- ❖ Free cycling – Coventry City Council teamed up with Cycle Coventry for free guided rides within the Coventry area.
- ❖ Golf offer for all Council employees at Brandon Golf Course.
- ❖ 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 employees. At the time of writing this report the newsletter had received 8,674 hits.
- ❖ Creations of the intranet page advise and advertise promotion events for City Council employees.

#### **4.3 Activities during Quarter 2 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 2 of 2013/14 were:-

- ❖ Developing and maintaining specific directorate based health and wellbeing programmes and campaigns, including supporting the Keep Well at Work programme for the Peoples Directorate.
- ❖ Continued joint management and support of the Be Healthy Be Well Programme
- ❖ Providing effective medical advice and support to support managers and employees in addressing sickness absence
- ❖ Successful management of the MSK Clinic in Provider Services and Streetscene & Greenspace

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

None.

#### **6. Comments from Executive Director, Resources**

##### **6.1 Financial implications**

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

##### **6.2 Legal implications**

There are no legal implications resulting from this report

#### **7. Other implications**

There are no other specific implications

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

Sickness absence is one of the Council's corporate plan targets and performance is reported to Cabinet Member (Strategic Finance & Resources) on a quarterly basis with the final quarter containing the outturn report.

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

The Promoting Health at Work strategy will require further development to examine more intensively issues such as working conditions, accidents, work related ill health, and industrial injuries in addition to managing absence. This will involve liaison with colleagues in the area of safety management and occupational health, and will also include analysis of sickness data to identify the relationship between specific causes of absence and occupational groups.

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

### Human Resources

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

### Information and Communication Technology

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

### Trade Union Consultation

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

## **7.4 Equalities/EIA**

The application of the sickness absence management processes are continually reviewed to ensure compliance with the Council's duty under Section 149 of the Equality Act 2010. No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy.

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

None.

## **7.6 Implications for partner organisations?**

None.

**Report author(s):**

**Name and job title:**

Jaz Bilen, HR Business Partner

**Directorate:**

Resources

**Tel and email contact:**

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Jason Bratt	Senior Human Resources Adviser	Resources	01/11/2013	11/11/2013
Angie White	Occupational Health & Counselling Services Manager	Resources	01/11/2013	11/11/2013
Su Symonds	Governance Services Officer	Resources	01/11/2013	12/11/2013
<b>Names of approvers:</b> (officers and members)				
Lindsay Hughes	Senior Accountant	Resources	01/11/2013	08/11/2013
Clarissa Evans	Commercial Team Manager	Resources	01/11/2013	11/11/2013
Councillor Gannon	Cabinet Member		13/11/13	18/11/13
Chris West	Executive Director	Resources	12/11/13	20/11/13

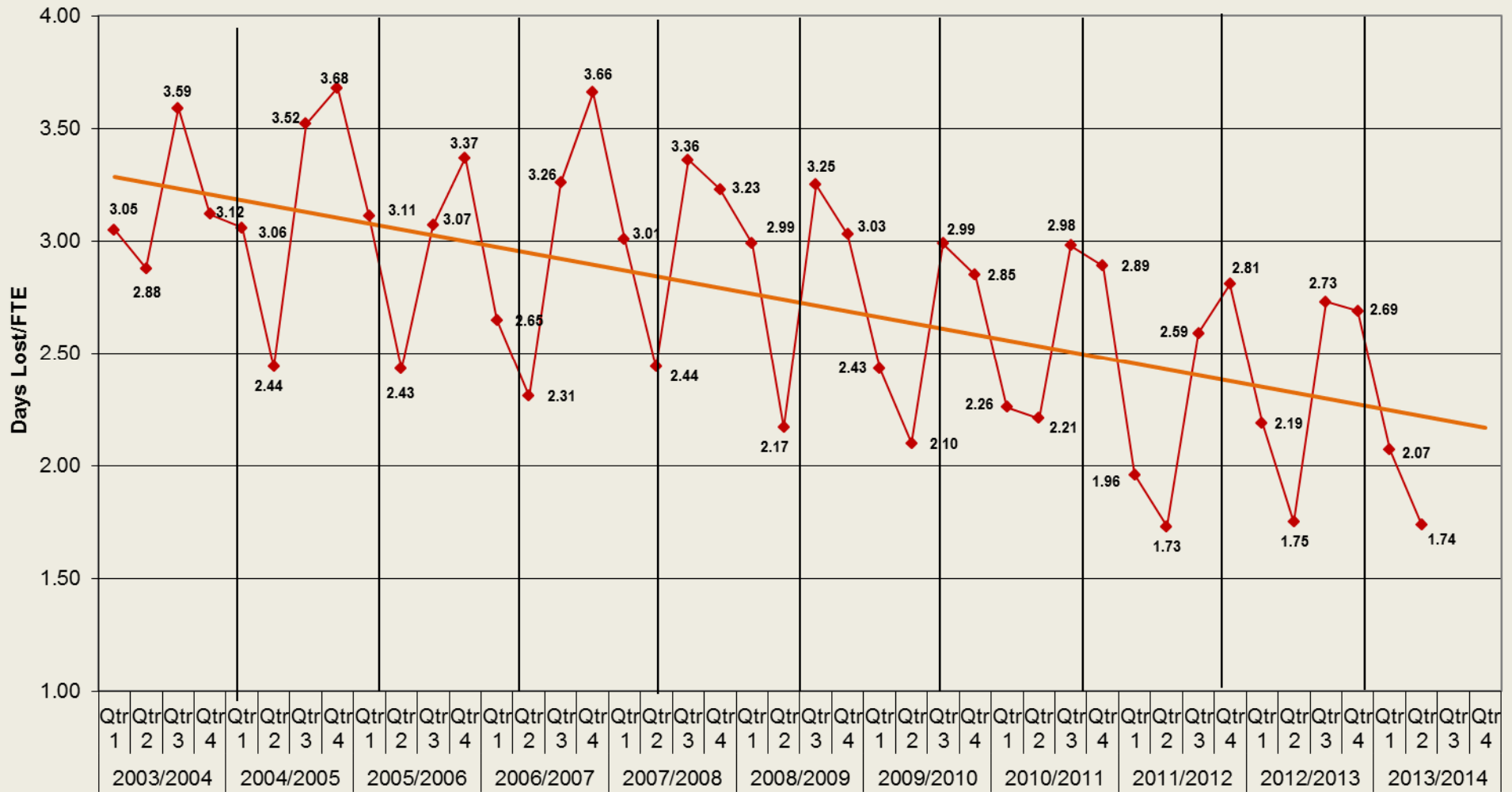
This report is published on the Council's website:

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

**Coventry City Council**  
**Days Lost per FTE**  
**2003 - 2013**

**Coventry City - Days Lost per FTE 2003 - 2012**

APPENDIX 1



## **Coventry City Council**

Appendix 2

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
3.81	4.05	8.5

This demonstrates a decrease of 0.24 days per FTE compared to 2012/13.

## **Chief Executive's Directorate**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
2.24	1.05	5.0

This demonstrates an increase of 1.19 days per FTE compared to 2012/13.

## **City Services & Development Directorate**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
5.23	5.06	10.0

This demonstrates an increase of 0.17 days per FTE compared to 2012/13.

## **Community Services Directorate**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
5.72	5.37	10.75

This demonstrates an increase of 0.35 days per FTE compared to 2012/13.

## **Children, Learning and Young People Directorate**

### **Centrally Based Employees**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/14</b>
3.46	3.70	8.25

This demonstrates a reduction of 0.24 days per FTE compared to 2012/13.

### **Teachers in Schools**

<b>April – September 2013</b>	<b>April –September 2012</b>	<b>Annual Target 2013/2014</b>
2.51	2.63	6.3

This demonstrates a reduction of 0.12 days per FTE compared to 2012/13.

### **Support Staff in Schools**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
3.54	4.34	9.25

This demonstrates a reduction of 0.80 days per FTE compared to 2012/13.

### **Finance and Legal Directorate**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
3.49	4.23	8.0

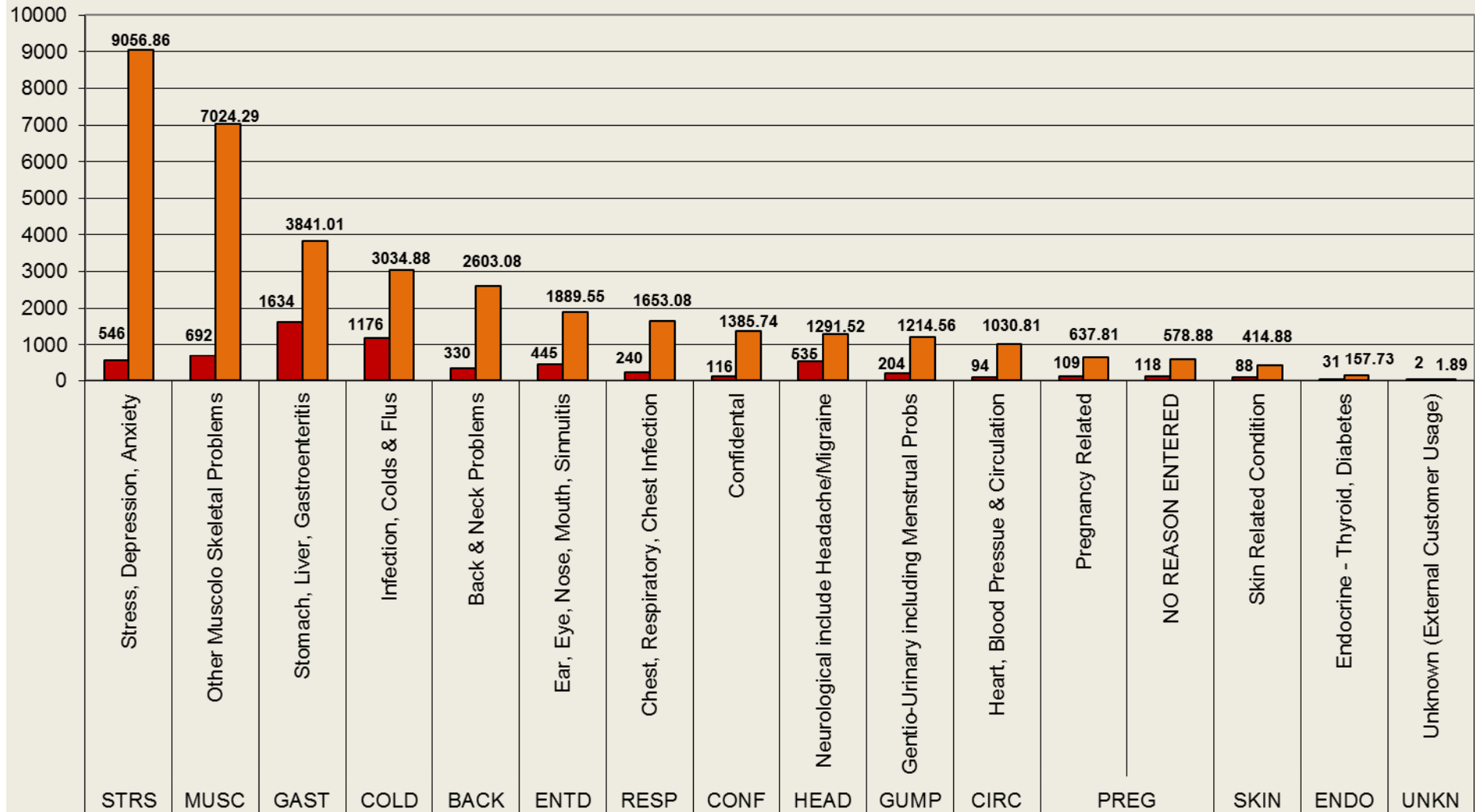
This demonstrates a reduction 0.74 days per FTE compared to 2012/13.

### **Customer and Workforce Services Directorate**

<b>April – September 2013</b>	<b>April – September 2012</b>	<b>Annual Target 2013/2014</b>
3.76	3.77	8.0

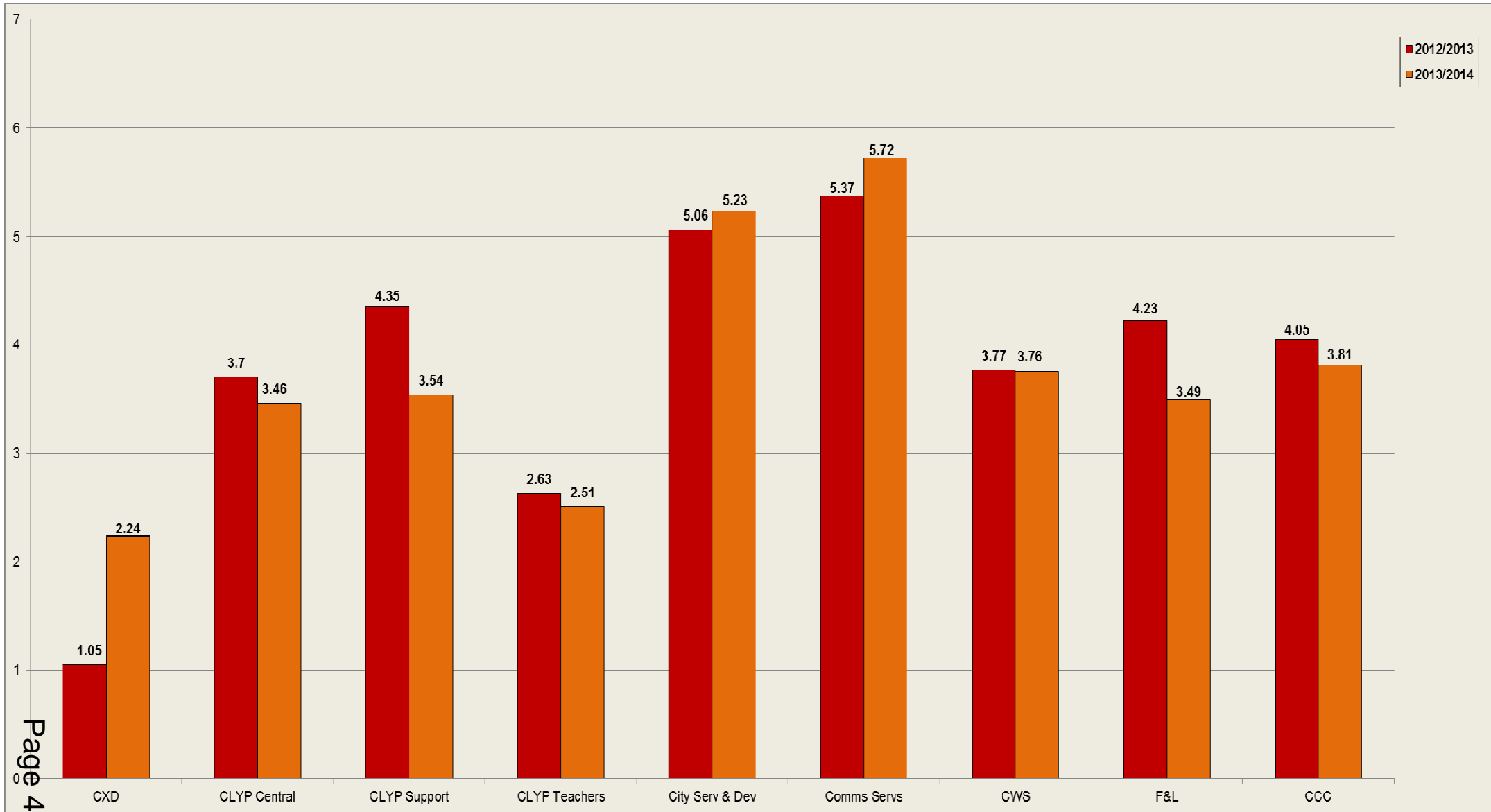
This demonstrates a reduction of 0.01 days per FTE compared to 2012/13.

**Coventry City Council - Reasons for Absence**  
**April - September 2013**

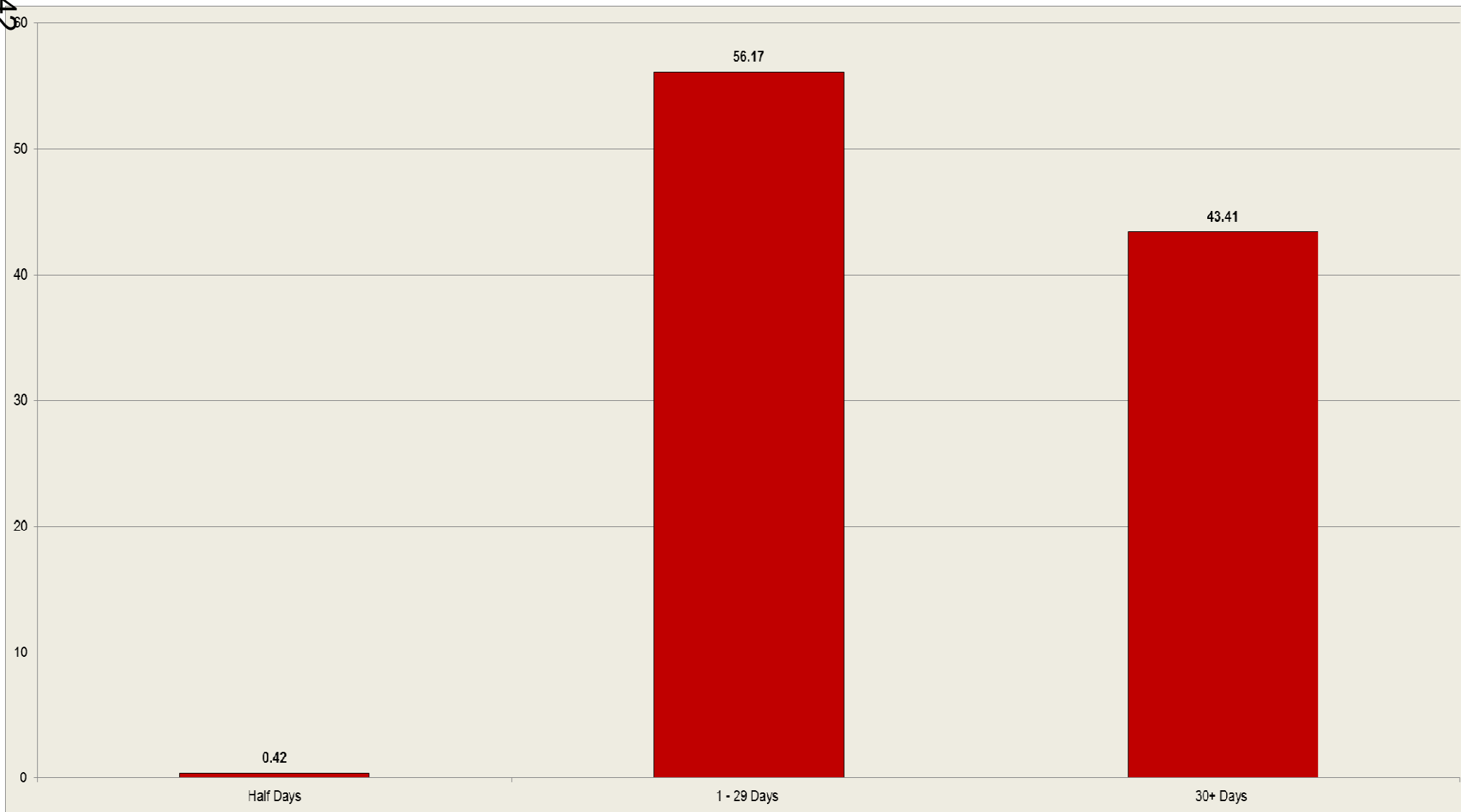




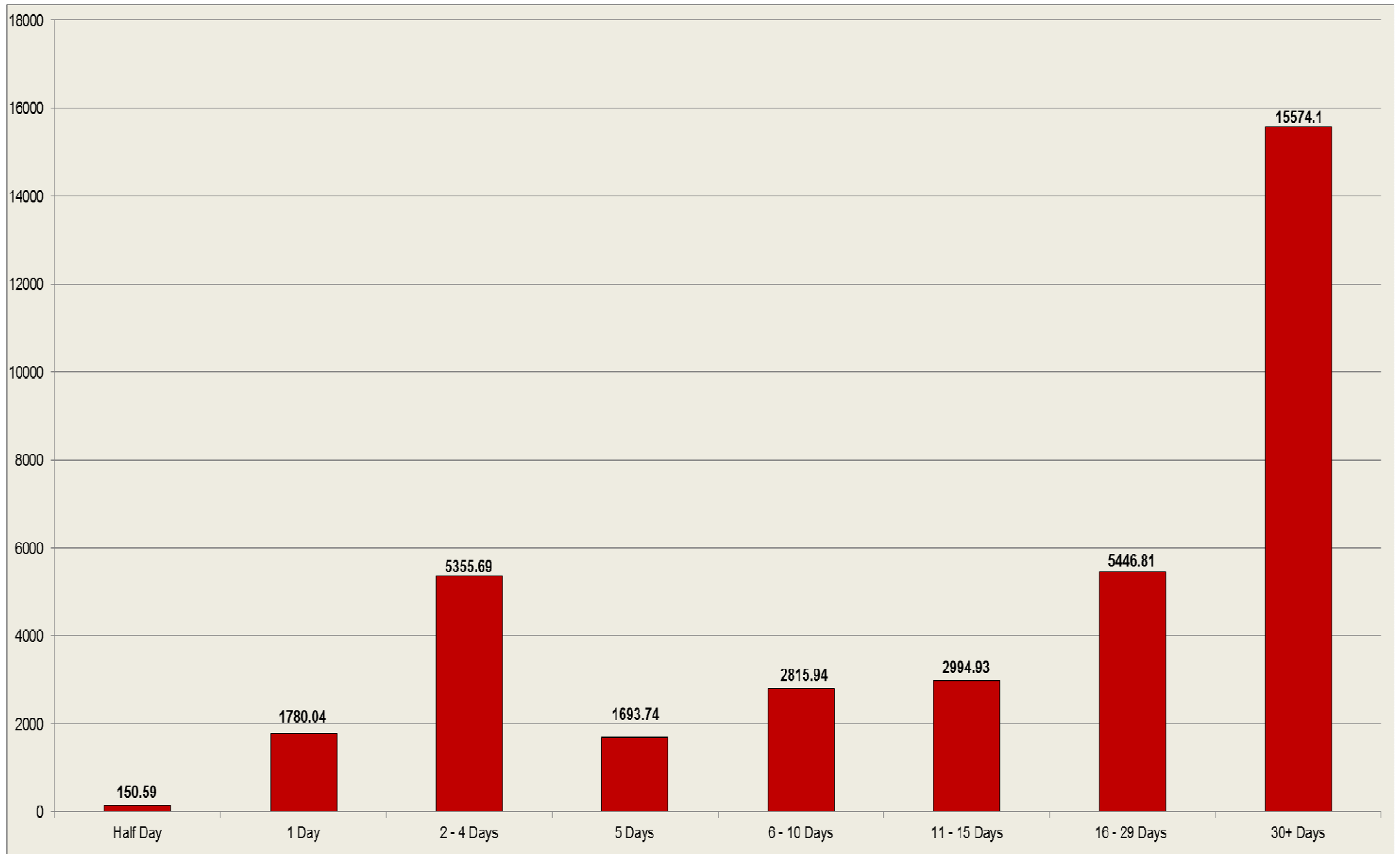
**April – September 2012/2013 and 2013/2014**  
**Days Lost per FTE**



**Coventry City Council**  
**Sickness Absence – Percentage Breakdown**  
**April – September 2013**



**Coventry City Council**  
**Sickness Absence – Percentage Breakdown**  
**April – September 2013**



**OCCUPATIONAL HEALTH**  
**Promoting Health at Work Statistics**  
**1<sup>st</sup> April 2013 – 31<sup>st</sup> March 2014**

Activity	April- June 2013	July- September 2013	October- December 2013	January- March 2014	Total for Year
<b>Pre-Employment health assessments</b>	<b>204</b>	<b>321</b>			
<p><u>July – Sept 2013</u>            From the pre-employment assessments, 92 required additional advice and guidance to be given to the employing manager.            62 % of pre-employment forms were processed within 3 working days            100% clearance slips were returned to the Recruitment Team/School within 3 working days</p>					
<b>Sickness absence health assessments and reviews</b>	<b>447</b>	<b>431</b>			
<b>Ill health conditions reported/investigated as work related</b>	<b>79</b>	<b>61</b>			
<b>Work Place assessments carried out</b>	<b>9</b>	<b>7</b>			
<b>Case conferences carried out</b>	<b>7</b>	<b>6</b>			
<p><u>July – Sept 2013</u>  <b>Ill health condition reported as work related (breakdown):</b> 35 musculoskeletal; 4 mental health/depression; 22 stress related. Referrals to support services, work place assessments and case conferences were part of the health management plan. Advice on workplace adjustments, medical redeployment and ill health retirement were also given.            98% of employee ill health referral forms processed within 3 working days            64% reports sent to HR/schools within 3 working days</p>					
<b>Vision screening and other surveillance procedures</b>	<b>96</b>	<b>102</b>			
<p><u>July – Sept 2013</u>            From the 102 screenings which took place 62 required additional intervention to prevent a deterioration in health and maintain the employee in work.</p>					
<b>Healthy Lifestyles screens and follow up appointments</b>	<b>289</b>	<b>213</b>			
<p><u>July – Sept 2013</u>            From the initial healthy lifestyle screens, 16 were identified as having previously unidentified health problems, and required follow up appointments at the OHU and referrals to their GP.</p>					
<b>Self referrals</b>	<b>2</b>	<b>2</b>			

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**  
**1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014**

Activity	Apr – Jun 2013	Jul – Sep 2013	Oct – Dec 2013	Jan – Mar 2014	Total for Year
<b>New referrals for counselling</b>	<b>186</b>	<b>156</b>			
<b>Counselling sessions</b>	<b>716</b>	<b>777</b>			
<a href="#">The table below provides a breakdown of reasons for referral</a>					
<b>Mediation</b>	3	10			
This mediation helped to resolve perceived work related stress issues for an employee who was off sick.					
<b>Debriefing sessions</b>	0	1			
<b>Anxiety Management group attendance including CBT</b>	1	6			
<b>Numbers trained in managing mental health, stress and interpersonal issues in the workplace</b>	110	77			
<b>Stress Risk Assessments</b> (number of employees involved)	0	493			
<b>Service evaluation</b>					
<a href="#">Number of employees completing questionnaire</a>	49	41			
<a href="#">Counselling helped avoid time off work (not on sick leave)</a>	33	27			
<a href="#">Counselling helped early return to work (on sick leave when counselling started)</a>	10	11			
<a href="#">Did not affect sickness absence</a>	6	1			

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

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## Public report Cabinet Member Report

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

2 December 2013  
13 January 2014

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

All

**Title:**

Agency Workers and Interim Managers – Performance Management Report Q2 (1 July to 30 September 2013).

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**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.

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**Executive Summary:**

To provide the Cabinet Member with performance information on the use of agency workers procured through the Master Vendor Contract for the Q2 period 1 July to 30 September 2013; to compare Q1 2013/14 with Q2 2013/14 expenditure. Finally to consider Interim Manager spends for the same periods.

**Recommendations:**

The Cabinet Member is asked to:

1. Approve monitoring processes to continue for both Agency workers and Interim Managers
2. Endorse 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. Instruct officers to 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

5. Endorse the changeover of contract following a tendering process from Reed Recruitment to Pertemps UK on the 2 December 2013

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

1. Review the six-month performance report and make recommendations arising to the Cabinet Member (Strategic Finance and Resources

**List of Appendices included:**

The information attached in Appendix I shows the total expenditure on agency workers by Directorates for Q2 2013/14 for spends with Reed.

The information attached in Appendix II shows the justification of new orders placed by Directorates for agency workers during Q2 2013/14 for spends with Reed.

The information attached in Appendix III shows in more detail, for Q2, 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 Q2.

**Other useful background papers:**

None

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

Yes. Finance and Corporate Services Scrutiny Board (1) 13 January 2014

**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 Q2 (1 July to 30 September) and Interim Managers spends for.

### 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 2<sup>nd</sup> 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 Q1 for 2013/14 with Q2 2013/14 and indicates if there has been an increase or a decrease in spend. The Master Vendor Contract covers all agency workers with the exception of interim managers for HAY Graded posts and schools.

#### 2.1 Table for comparison with Q1 2013/14 and Q2 2013/14 Agency Spend.

Directorate	Spend Q1 2013/14	Spend Q2 2013/14	Increase/decrease
Children Learning & Young People	£247,624	£396,453	Increase
City Services & Development	£217,847*	£226,763*	Increase
Community Services	£190,129	£205,835	Increase
Customer & Workforce Services	£260,999	£227,415	Decrease
Chief Executives	£7,067	£0	Decrease
Finance & Legal Services	£172,221	£167,693	Decrease
<b>TOTAL</b>	<b>£1,095,887</b>	<b>£1,224,159</b>	<b>Increase</b>

*\*please note the spend shown in the appendices will differ due to the off contract spends being added in*

#### Directorate Commentary on increased Agency worker Spend for Q1 2013/14

##### Children Learning & Young People

Expenditure on Agency Workers increased by £148,811 in quarter 2 compared to quarter 1. This increase comprises a requirement for Social Workers. It has taken place within the Referral and Assessment Service and in Children's Social Care due to the unprecedented rates of contacts at the moment. In addition to the on-going recruitment and development strategies the Service is planning to set up a permanent additional cluster within RAS in the next 2 months when a review of workload will take place in an effort to reduce Agency Workers.

## **Community Services**

Overall in the service areas for people with Learning Disabilities and Mental Health the agency usage has reduced.

Promoting Independent Living Service (PILS) is the only exception.

The increase is due to complex needs of individuals who required additional 1:1 support; this is in agreement with health and we are expecting a refund from health after panel decisions for 100% continuing health care funding.

Promoting Independent Living Service also had a number of staffing issues which have led to staff not being available for work. Promoting Independent Living Service offers 24/7 social care to people in tenancies and any absences have to be backfilled to ensure peoples' safety and wellbeing.

The manager is in the process of recruiting additional relief staff to avoid the usage of agency in the future. As Promoting Independent Living Service previously had reduced agency usage to very low levels, we did not look to increase numbers of relief staff, but are now actively progressing this

## **City Services and Development**

The total spend on agency workers within Place directorate during Quarter 2 of 2013/14 was £226,763 (including off contract spend). This is an increase of £8,916 over the expenditure in quarter 1 of 2013/14. The off contract spend has been due to the current contract provider, Reed, being unable to sufficient numbers and individuals with the correct skills and experience to cover posts within Waste & Fleet Management, Vehicle Technicians and Refuse Collectors.

The main reasons for the increase in spend has been due to sickness cover, additional workloads and recruitment difficulties.

The directorate continues to have 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

## Interim Management Spend for Q1 2013/14 and Q2 2013/14

Table 2.3 shows a summary of spend for Interim Management in Q1 2013/14 and Q2 2013/14. 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 Q1	Total Spend Q1	Number of Managers Q2	Total Spend Q2
Community Services	0	£0	2	£20,604
Finance & Legal Services	0	£0	0	0
Children Learning & Young People	0	£0	0	0
City Services and Development	1	£24,696	1	£24,696
<b>TOTAL</b>	<b>1</b>	<b>£24,696</b>	<b>1</b>	<b>£45,300</b>

### Community Services

Two Interims were required to cover key senior management vacancies; one at AD and one at Head of Service level. Recruitment processes for both vacant posts have now been completed and offers of employment made.

### Rebate

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 income forecast for 2013/14 is forecast to be £525k. This forecast is based on a slightly reduced level compared to last year's rebate to take into account the uncertainty around rebate income following the award of the contract to Pertemps. For Q2 we received a rebate of £165,728.

### Strategic 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 spend. Although agency cover associated with sickness absence in front line services is often an additional cost, in the case of agency cover for vacant posts the cost will be funded in part 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. The Recruitment Team is currently working with Managers from Catering and Cleaning to undertake a recruitment exercise to build up a bank of cleaners and catering staff available for temporary/ casual or permanent work. The team is working with Job Centre Plus; Remploy and the Council's Job Shop to initially create opportunities for unemployed candidates to apply by holding 'open days' at the Job Shop and Remploy. This is with a view of trying to source our own workers for short term work therefore reducing the need for agency workers and giving opportunity to the unemployed to find employment with the City Council. Temporary and casual work may lead to permanent work in the future for candidates and this will be a way of recruiting workers to a bank rather than advertising individual vacancies as we currently do.

The current contract with our Master Vendor provider is due to end on the 1 December 2013. The contract, which is a joint contract with Warwickshire and Solihull following an extensive tendering process, will transfer to Pertemps UK on the 2 December 2013 and arrangements are currently under way on an implementation plan. The new contract is for a hybrid Master Vendor arrangement which will provide the Council with additional advantages to the existing Master Vendor contract. The next quarter report will be compiled with management information from both Reed and Pertemps.

### **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 Executive Director, Resources**

#### **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 £1,117,750 which equates to 2.7% 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 Q2.

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 but we actively work with Reed to keep the number of outstanding timesheets to a minimum. We have now resolved all of the backlog queries.

## **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. Unfortunately because you Reed cannot force agency workers to fill in their ethnic monitoring details much of the information appears as unknown. However, 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:**

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**Directorate:**

Resources Directorate

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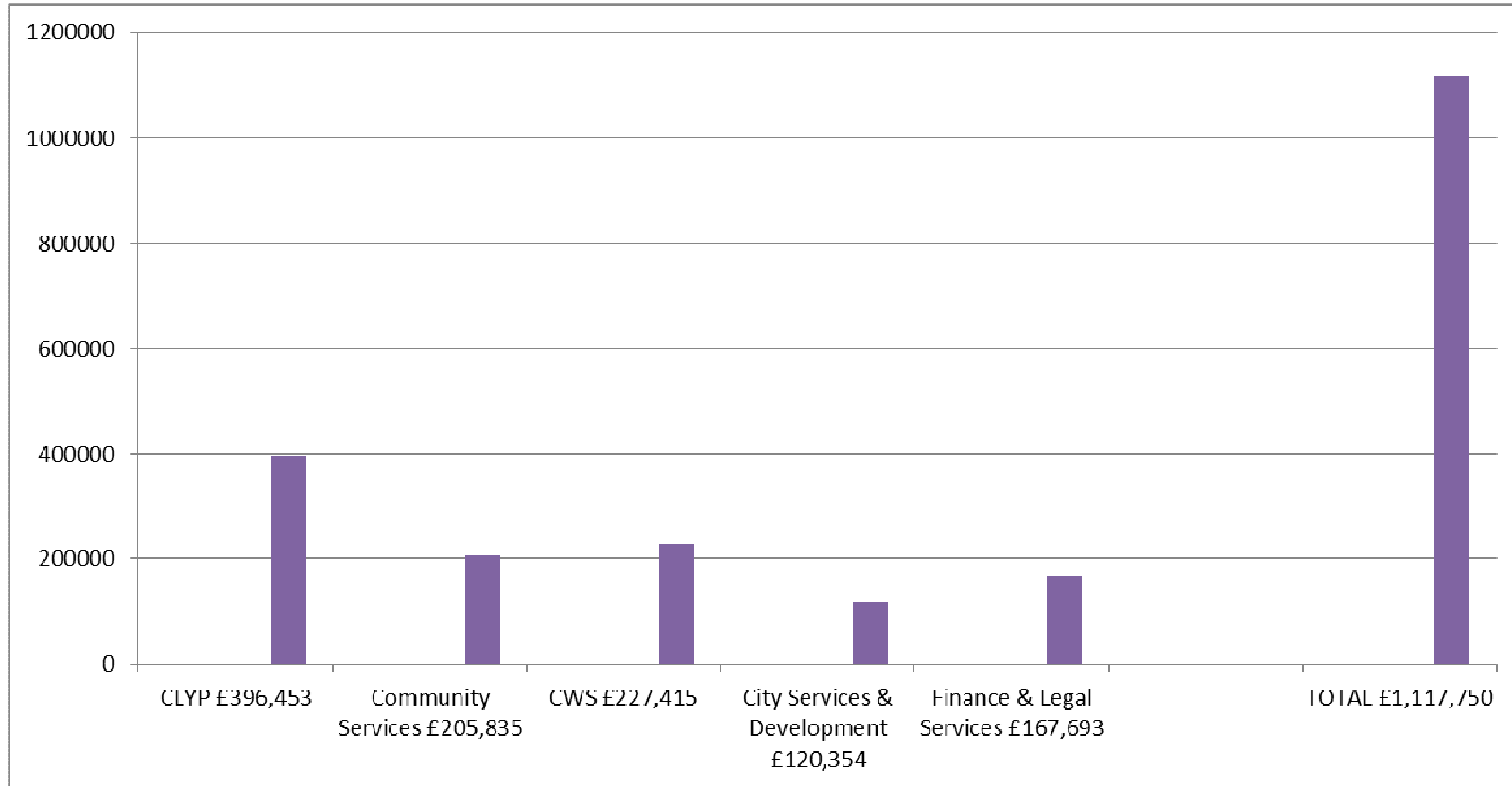
Enquiries should be directed to the above person.

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Director: Chris West	Executive Director	Resources	13/11/13	13/11/13
Member: Councillor Gannon	Cabinet Member		13/11/13	18/11/13

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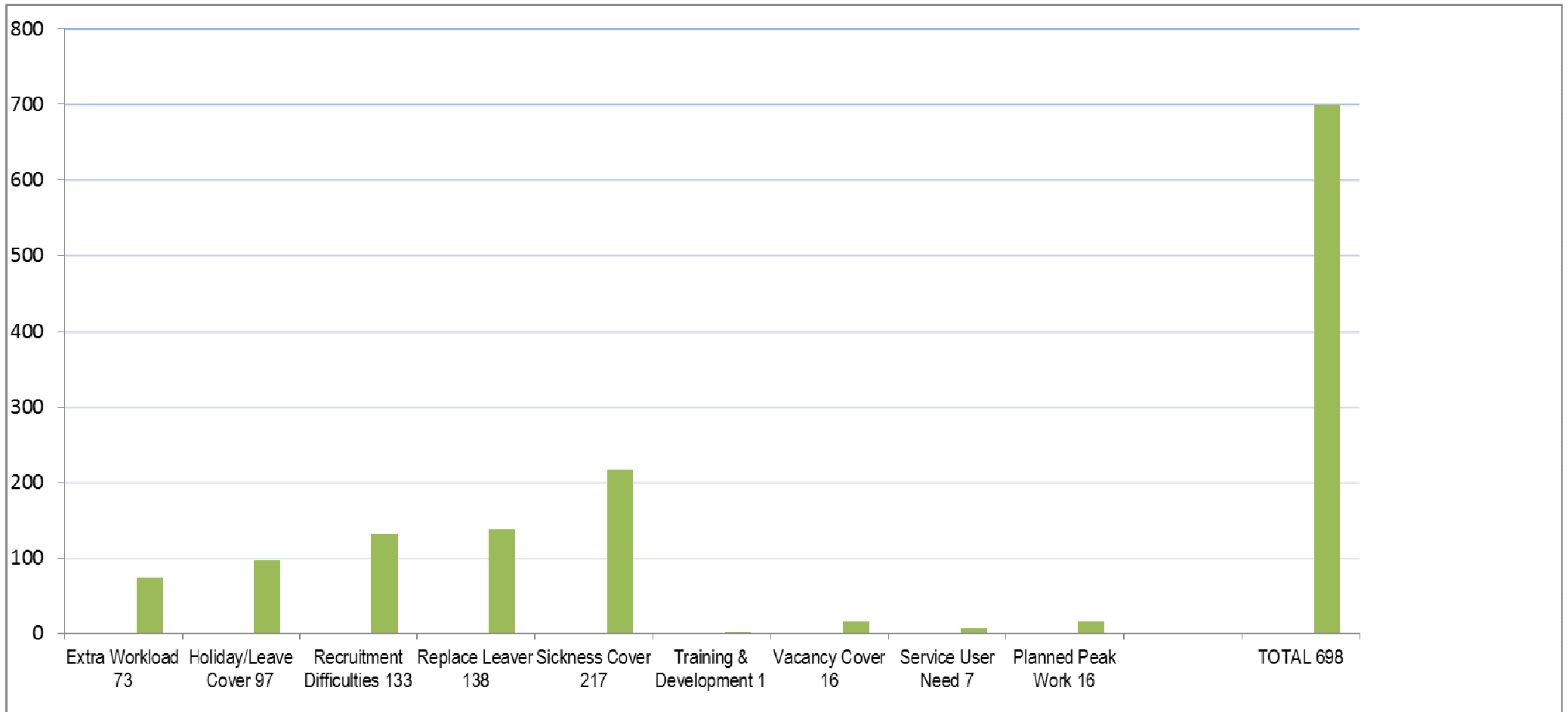
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**APPENDIX I - AGENCY SPEND BY DIRECTORATE - JULY - SEPTEMBER 2013**





## APPENDIX II - ORDER JUSTIFICATION QUARTER 2 2013 - JULY TO SEPTEMBER 2013



### APPENDIX III - DIVERSITY BREAKDOWN OF AGENCY WORKERS JULY - SEPT 2013

Ethnic Origin	Headcount	%
African	21	11.11%
Any Other Black Background	1	0.53%
Any Other White Background	2	1.06%
British	14	7.41%
Caribbean	2	1.06%
Indian	5	2.65%
None Stated	143	75.66%
White (European)	1	0.53%
<b>TOTAL</b>	<b>189</b>	<b>100%</b>

Age	Headcount	%
16-19	4	2.12%
20-30	27	14.29%
31-40	55	29.10%
41-50	71	37.57%
51+	32	16.93%
None Stated	0	0.00%
<b>TOTAL</b>	<b>189</b>	<b>100%</b>

Gender	Headcount	%
Female	91	48.15%
Male	98	51.85%
<b>TOTAL</b>	<b>189</b>	<b>100%</b>

**APPENDIX IV SUMMARY OF USE OF AGENCY WORKERS BY DIRECTORATE AND STRATEGIES IN PLACE FOR REDUCING DEPENDENCY ON AGENCY WORKERS**  
**Q2 July to September 2013**

<b>Directorate</b>	<b>Q1 April to June 2013 Expenditure by Service Area</b>	<b>Q2 July to Sept 2013 Expenditure by Service Area</b>	<b>Justification of new Orders placed in Q2</b>	<b>State Usage of Agency Workers in Q2</b>	<b>What Strategies are in place for Reducing Dependency on Agency Workers</b>
Chief Executive	£7,067				
Children, Learning and Young People	<b>Total Expenditure Q 1</b> <b><u>£247,624</u></b>	<b>Total Expenditure Q 2</b> <b><u>£396,453</u></b>	Extra Workload: 3 Service User Need: 1 Vacancy Cover:3 Planned peak work:3 Replace Leaver: 10 Rec Difficulty: 13 Sickness cover: 0 <b>Total: 33</b>	<b>The increase in spend on Agency Workers is £148,829. It relates to the requirement for Social Workers particularly in the Referral and Assessment Service (RAS) and Childrens Social Care.</b>	<b>In addition to existing recruitment and development strategies the Service hopes to set up a permanent additional cluster within RAS during the next 2 months and review workloads at that point in an effort to reduce agency workers.</b>
City Services & Development	<b>Total Expenditure Q 1</b> <b><u>£217,847</u></b>	<b>Total Expenditure Q 2</b> <b><u>£120,354</u></b>	Recruit Difficulties: 37 Extra Workload: 11 Sickness Cover: 40 Leave/Hol Cover: 5 Vacancy Cover: 4 Planned Peak Work:4 Service User need: 0 Replace leaver: 4 Training: 1  <b>Total: 106</b>	<b>There has been a reduction in agency spend since Q1</b>	<b>There has been a reduction in agency spend since Q1</b>
Community Services	<b>Total Expenditure Q 1</b> <b><u>£190,129</u></b>	<b>Total Expenditure Q 2</b> <b><u>£205,835</u></b>	Replace Leaver: 118 Extra Workload: 45 Sickkness Cover: 175 Hol Cover: 91 Service User need: 2	<b>Overall spend in service areas for Learning Disabilities and Mental Health has reduced. Promoting Independent</b>	<b>Managers are in the process of recruiting additional relief staff to avoid the usage of agency in the future. As PILS had</b>

Page 60			Training & Dev: 0 Vacancy Cover: 2 Planned Peak Work 0: Recruit Difficulties: 80  <b>Total: 513</b>	<b>Living Service (PILS) is the only exception. The increase is due to needs of individuals who require 1-1 support, staffing issues and absences having to be backfilled to ensure peoples safety and well-being.</b>	<b>previously reduced agency usage to very low levels, we did not look to increase numbers of relief staff, but are now actively progressing this.</b>
Customer & Workforce Services	<b>Total Expenditure Q1</b> <b>£260,999</b>	<b>Total Expenditure Q2</b> <b>£227,415</b>	Recruit Difficulties: 3 Extra Workload: 8 Vacancy cover: 3 Sickness: 1 Service User Need:1 Planned Peak Work:5 Replace leaver: 3 Holiday Cover: 1 <b>Total: 25</b>	<b>There has been an REDUCTION in Agency spend since Q1</b>	<b>There has been a REDUCTION in Agency spend since Q1</b>
Finance & Legal Services	<b>Total Expenditure Q1:</b> <b>£172,221</b>	<b>Total Expenditure Q2:</b> <u><b>£167,693</b></u>	Replace Leaver: 3 Extra Workload: 6 Sick: 1 Leave: 0 Planned peak work:4 Service User Need: 3 Vacancy Cover: 4  <b>Total: 21</b>	<b>There has been an REDUCTION in Agency spend since Q4</b>	<b>There has been an REDUCTION in Agency spend since Q4</b>
OVERALL TOTALS	<b>Q1 £1,095,887</b>	<b>Q2 £1,117,750</b>	<b>Q2 Orders placed: 698</b>		




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Cabinet Member Strategic Finance and Resources

2 December 2013

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

All

**Title:**

Performance within the Revenues Service for the period April 2013 – September 2013

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**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.

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**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 period April 2013 to September. The revenues service is responsible for the collection of more than £111 million of Council Tax from 136,000 domestic properties, more than £120 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income. The service is forecasting to collect 96.0 per cent of Council Tax and 98.5 per cent of Business Rates in 2013/14. The service has reduced council tax arrears by 21 per cent between April and September.

The service has also expects the level of corporate debt outstanding for more than six months to reduce to below the £0.8 million operational target by the end of March 2014.

Compared with the first six months of 2012/13, the Council has collected an additional £2.4 million of council tax and an additional £2.3 million of business rates.

**Recommendations:**

The Cabinet Member is requested to:

- 1) Endorse the performance of the revenues service for the period 1 April 2013 to 30 September 2013;
- 2) Agree to receive a further report at the first meeting of the 2014/15 municipal calendar to provide an update for the period April 2013 to March 2014.

**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 2013 – September 2013

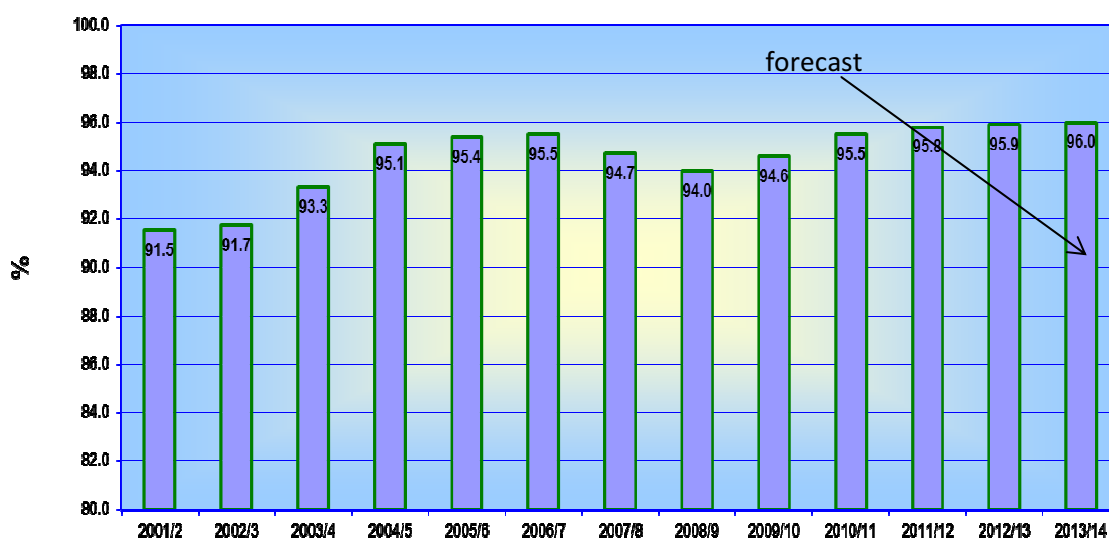
**1. Context (or background)**

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 period April 2013 to September 2013. The revenues service is responsible for the collection of more than £111 million of Council Tax from 136,000 domestic properties, more than £120 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income.

**2. Options considered and recommended proposal****Council Tax Collection**

- 2.1 The revenues service collected 54.9 per cent of Council Tax during the period April 2013 to September 2013 which is marginally below the 55.4 per cent collected during the same period in 2012. The operational target for the year is 96.0 per cent and the service expects to achieve 96 per cent collection by the end of March 2014. This would continue the recent trend of year-on-year collection improvement and represents the highest collection rate performance ever achieved in Coventry.
- 2.2 Despite having collected marginally less, in percentage terms, than in the same period last year, the service has actually collected an additional £2.4 million compared to the first six months of 2012/13. This represents a four per cent increase in the actual volume of cash collected. The overall collectible debit for 2013/14 currently stands at £111.8 million – a 4.8 per cent increase on the £106.7 million in 2012/13.
- 2.3 A number of factors have contributed to the increase in collectible debit in 2013/14. Expenditure on Council Tax Support has reduced by 2.4 per cent from last year. This is a positive trend for the Council in that it reduces the overall Council Tax Support bill and goes some way to offset the Government's 10 per cent reduction in funding for Council Tax Support. It nevertheless represents additional Council Tax that has to be collected, in many cases from low income households who straddle the benefit entitlement threshold.
- 2.4 In addition, technical changes to council tax, approved by Council in 2012/13, came into effect in April 2014. These changes include the reduction in discounts available for empty properties and second homes and the imposition of a charge for properties that have been empty for more than two years. These changes are estimated to result in an additional £1.7 million in collectible council tax in 2013/14 of which £1.1 million has been collected at 30 September 2013.

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



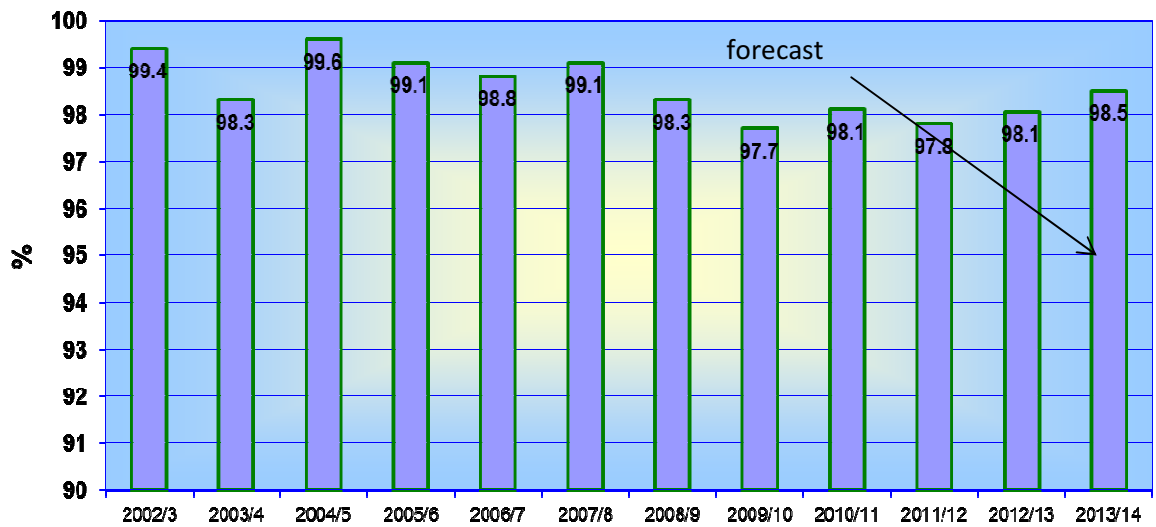
### Council Tax Arrears

- 2.5 At 1 April 2013, £11.845 million of council tax was outstanding in relation to liabilities for previous years (prior to 1 April 2013). As at the end of September 2013 this balance has been reduced by 21 per cent to £9.367 million. The operational target for the year is to reduce council tax arrears by 40 per cent and ensure that arrears do not exceed £11.34 million at 1 April 2014 when uncollected Council Tax for 2013/14 has been added to the arrears figure.
- 2.6 In April 2013 the Government introduced legislative changes which enable council tax payers to spread their payment profile over 12 months rather than 10 months as had previously been the case. This means that the Council will need to collect increased levels of council tax during the months of February and March 2014. Whilst the overall debit to be collected during these months remains relatively low (0.4 per cent of the total debit at present) it nevertheless poses a small risk to both council tax collection performance and council tax arrears. This is because if payments are missed in February and March it gives the Council very limited opportunity to recover these amounts before the 31 March deadline.

### Business rates

- 2.7 The service has collected 59.3 per cent of business rates in the first half of 2013/14. This is 3.4 per cent (£2.3 million) higher than the 58.6 per cent collected at this stage last year. The overall collectible business rates debit has increased by 2.6 per cent in 2013/14 from £117.5 million to £120.5 million. This growth has become more relevant to the Council from 2013/14 with Government changes introduced from April which will see Councils retaining 50 per cent of any business rates growth.
- 2.8 The service has responded to the new business rates regime by appointing two new inspectors to ensure that the Council maximises business rates revenue. Closer working arrangements have also been established with the Council's planning team to ensure that rate liability is quickly established for new non-domestic properties.

2.9 The operational target for the year is 98.5 per cent collection and the service is currently projecting to achieve this target by the end of March 2014.



2.10 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.

2.11 During 2013/14 the level of corporate debt that has been outstanding for more than six months has increased slightly from £0.88 million in April to £0.9 million at the end of September. The level of debt outstanding has fluctuated during the year and has been as low as £0.79 million in July. The operational target is to reduce the level of old debt to below £0.8 million. The forthcoming implementation of the Council's new financial system *Agresso* will require staff to undertake training and there is likely to be some level of disruption as the new system beds in. This is likely to have some impact on income collection during the last two quarters of 2013/14.

2.12 Housing benefit overpayment debt has increased slightly from £9.8 million in April to £10.1 million at the end of September. However, outstanding debt remains 5 per cent lower than the 10.6 million outstanding at this point last year.

2.13 The value of debt written off within the service area totalled £0.93 million at the end of September and is not expected to exceed the £5 million threshold by the end of March.

2.14 The number of people opting to pay council tax by direct debit continues to increase, as illustrated in the table below.

	April 2013	September 2013
Accounts for which payments are required (excludes maximum council tax support accounts)	105,615	105,141
No. of accounts paid by direct debit	66,093 (62.6%)	65,608

### **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 Executive Director, Resources**

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?**

The service reports monthly to Resources Management Team, the Cabinet Member and the Shadow Cabinet Member. Performance against target is reported on a traffic light basis in order to identify quickly any potential variations in the performance of the revenues service.

#### **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: Resources

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Other members				
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Chris West	Executive Director	Resources	19/11/13	19/11/13
Councillor Gannon	Cabinet Member		15/11/13	18/11/13

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## Public report Cabinet Member Report

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Cabinet Member (Strategic Finance and Resources)

2 December 2013

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director Resources

**Ward(s) affected:**

All

**Title:**

Performance within the Benefits Service for the period April 2013 – September 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.

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**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 2013/14. The benefits service in Coventry administers more than £160 million (paying Housing Benefit and Council Tax Support) to more than 40,000 households. The service processed the average new claim for benefit in 24.8 days and processed the average notification of a change in circumstances in 19.7 days.

**Recommendations:**

The Cabinet Member is requested to:

- 1) Endorse the performance of the benefits service for the period 1 April 2013 to 30 September 2013.
- 2) Agree to receive a further report at the first meeting of the 2014/15 municipal calendar to provide an update for the financial year 2013 -14.

**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 2013 – September 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 support (CTS) payments each year to more than 40,000 Coventry households.
- 1.2 During the first six months of 2013-14, the Service has dealt with a number of additional pressures through the Governments significant programme of Welfare Reforms. These changes include:
  - The introduction of Council Tax Support (replacing Council Tax Benefit).
  - The size restriction in socially rented properties (also referred to as the 'bedroom tax' or 'spare room subsidy).
  - A new Community Support Grant Scheme (replacing Crisis Loans and Community Care Grants – previously administered by the Department for Work and Pensions (DWP)).
  - Administering the National Benefit Cap from July 2013.
  - Additional funding to support people impacted by the changes through the Discretionary Housing Payment fund.

Summary of Performance

- 1.3 During the period 1 April 2013 to 30 September 2013 the benefits service has processed new HB/CTS claims in an average of 24.8 calendar days. This is below the operational target of 23 days – but an improvement of 2.4 days when compared to the same period last year (when the year-end figure was 24.6 days).
- 1.4 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.
- 1.5 The Department for Work and Pensions (DWP) has published the latest comparative data on benefit processing performance as National Statistics for the first quarter of 2013/14. This shows the national average for new claims to be 24 days (the same figure Coventry reported in that quarter). Comparison with other West Midland unitary councils for the same period shows that Coventry had the second best level of performance.

Council	Number of days to process new claims
Dudley	14
<b>Coventry</b>	<b>24</b>
Sandwell	24
Birmingham	26
Wolverhampton	27
Solihull	28
Walsall	35

Fig 1: New claims comparison Q1 2013/14 – source DWP

- 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). On line claiming is now in place for all new claims and the

Service has been receiving over 170 claims per week taken in this way since the middle of July 2013. The balance of claims (around 25%) are received direct from DWP and cannot be taken on line.

- 1.7 The average time to process a change in circumstance in the first six months of 2013/14 was 19.7 days. Whilst this is above the operational target for the year of 12.5 days it is 3.7 days better than the same period last year. The year-end total in 2012/13 was 17 days. We are expecting a similar improvement in the second six months of this year, which will bring us close to our operational target.
- 1.8 The national average for the speed of dealing with changes of circumstances was 11 days for the first three months of 2013/14. Our performance is below average. In comparison with unitary neighbours in the West Midlands our performance is fifth best.

Birmingham	6
Sandwell	9
Solihull	9
Walsall	10
<b>Coventry</b>	<b>16</b>
Dudley	17
Wolverhampton	20

Fig 2 – Average days to process change in circumstances – source DWP

- 1.9 The context for the performance is around the volumes of additional work received. In addition to the 'normal' weekly workload of over 4,000 changes to deal with, the Service has continued to receive many more through the automation of information coming from DWP. Nearly 70,000 items were received providing updates on tax credits and DWP benefits in the first six months of the year. This has added a considerable pressure to the Service whilst also dealing with the impact of welfare reform. Recent improvements to our IT software have enabled a number of these changes to be automated – a process most of the other West Midlands councils already had in place through their different software supplier.
- 1.10 Recent initiatives to clear some of the older work will assist performance in the second half of the year. The Service expects to see a reduction in the number of days processed to meet the operational target of 12.5 days by the end of the financial year. Delays in dealing with changes of circumstances can lead to unnecessary overpayments – classified as 'Local Authority Error'. This can lead to a significant loss of subsidy paid to the Council from DWP. The Service is currently on track to receive maximum subsidy. This area is closely monitored by the Service.
- 1.11 Customer enquiries have continued to increase – with staff reporting that people are reporting more complex financial issues all the time. The table below shows the figures for customer enquiries (in person and by phone) over the first six months of the last three years. The caseload has stayed relatively stable at around 40,000.

	2011/12	2012/13	2013/14	% increase
Phone calls received	37,952	42,015	43,922	+15.7%
Customers visiting CCC Benefits	23,541	24,579	25,051	+6.4%

Fig 3 – Numbers of customer enquiries at CCC – April to September figures (2011/12 – 2013/14)

### Discretionary Housing Payments

- 1.12 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by Cabinet in March 2013. The Welfare Reforms introduced from April 2013 has resulted in considerable demands on this area of work.
- 1.13 In the first six months of 2013/14, the Service received 1,541 applications. The number of applications in 2012/13 was 727 (a 56% increase from 2011/12). At the end of September 2013, £159,620 had been allocated out of the total budget available of £798,643. The Service has recently reviewed this position and will be undertaking some promotional activity to ensure that awareness of the support available is maximised. The Service also expects a greater demand during the second half of the year due to seasonal factors (pressures with additional spending on fuel and Christmas, for example) and the on-going accumulative impact of welfare reform.

### Community Support Grants

- 1.14 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. The Council is now responsible for administering the £1,195,847 annual grant for these awards.
- 1.15 Payment is made by the issue of a spending card – replacing the cash based system previously used by the DWP. The Service has put in place a responsive process and has worked hard with partners to ensure money is targeted on individual needs. The new team has received 4,340 phone calls and 1,962 applications of which 940 were successful. Spending in the first six months of the new scheme totalled £162,550 (926 were collected with a value of £162,087). Whilst this is relatively low compared to the budget allocation, we do expect demand to increase during the second half of the year. The removal of cash from the system has contributed to a significant reduction in demand when compared to the previous scheme.

### Welfare Reform and communication

- 1.16 The year of unprecedented change in welfare reform saw a number of important changes which led to reductions in housing benefit. The Council decided to protect people under the previous Council Tax Benefit scheme rules under the new localisation of council tax support. There were a number of reforms which did require a significant input from the Benefit Service, which were:
- The introduction of Community Support Grants (see 1.13);
  - The introduction of the under-occupation charge for social housing tenants (also referred to as the Bedroom Tax and Spare Room Subsidy). This change was administered successfully from 1<sup>st</sup> April 2013, with 3,180 cases initially identified. All the people affected were given plenty of notice of the change, and many took up the offer to claim a DHP in advance of April. The initiative involved close liaison with all the Housing Associations – which were also very proactive in keeping their tenants informed.
  - The introduction of the national Benefit Cap (from 15<sup>th</sup> July 2013). This change meant that couples or people with children were subject to a deduction of housing benefit

when all their benefits totalled over £500 per week (£350 for single people). Some people were exempted (for example if they were in receipt of DLA). The Benefit Service worked closely with advice agencies and council colleagues in children's services (see 1.16). Around 160 families in Coventry have been affected by this change.

- 1.17 The Service has been a key contributor to effective partnership working. A strategic partnership group was developed and has been meeting monthly for well over a year to coordinate our efforts. Partners include: Coventry City Council, Whitefriars, Midland Heart, Job Centre Plus, Coventry Law Centre, and Citizens Advice Bureau.

The partnership has:

- produced two DVDs on Welfare Reform;
- designed and distributed posters highlighting under occupation and other benefit changes;
- produced leaflets with common messages;
- ran a series of 'Pop Up shops' in the City;
- been innovative in redirecting resources to put more into Money and Debt Advice; and
- held a very successful conference with over 200 attendees.

- 1.18 A further benefit of closer working has led to direct improvements for benefit customers. Joint work has taken place between partners and with the City Council to help people manage the impact of welfare reform. Joint visits have taken place (on Benefit Cap cases) and close links established as a result. On-going partnership working is in place between the Council and CAB to provide budgeting support for the people (large families) and impacted by the Benefit Cap.

- 1.19 Landlords have been kept regularly updated on welfare reform, through the Councils Landlord Forums. The Benefit Service has regularly updated the forum to ensure private landlords are aware of the impact of benefit changes. They (landlords) have continued to utilise the ability to access information on line. All Registered Social Landlords (RSLs) regularly access the data they are allowed to view – saving them time and helping to limit the number of enquiries made to the Service. A number of private landlords are also regular users of this facility. The service is keen to expand this and is making plans to reduce paper copies of information by encouraging all landlords to sign-up.

## **2 Results of consultation undertaken**

- 2.1 No consultation has been undertaken.

## **3 Timetable for implementing this decision**

- 3.1 Not applicable.

## **4 Comments Executive Director, Resources**

- 4.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments will continue to be monitored closely in 2013/14.
- 4.2 There are no legal implications arising from this report.

## **5 Other implications**

None

### **5.1 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.

### **5.2 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.

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

Welfare reform is having a significant impact on the organisation (as outlined in the report) as staff deal with the increasing volume and complexity of enquiries to the service.

### **5.4 Equalities / EIA**

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

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

None

### **5.6 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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