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Supplementary Information for 6th September 2010 General Purposes Committee

Agenda item 7. PRP Scheme for Refuse Collectors

CONFIDENTIAL AND EXEMPT ITEMS

The reason for confidentiality or exemption is stated on the agenda and on each of the reports in terms of Access to Information Procedure Rules 9.2 or 10.4(1) to (7). The number or numbers stated in the agenda and reports correspond to the reasons for exemption / confidentiality below:

9.0 Confidential information – requirement to exclude public access

9.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Likewise, public access to reports, background papers, and minutes will also be excluded.

9.2 Confidential information means

- (a) information given to the Council by a Government Department on terms which forbid its public disclosure or
- (b) information the disclosure of which to the public is prohibited by or under another Act or by Court Order. Generally personal information which identifies an individual, must not be disclosed under the data protection and human rights rules.

10.0 Exempt information – discretion to exclude public access

10.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed provided:

- (a) the meeting resolves so to exclude the public, and that resolution identifies the proceedings or part of the proceedings to which it applies, and
- (b) that resolution states by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (paragraph 10.4 below) the description of the exempt information giving rise to the exclusion of the public.
- (c) that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.2 In these circumstances, public access to reports, background papers and minutes will also be excluded.

10.3 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.4 Exempt information means information falling within the following categories (subject to any condition):

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority.
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6 Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment
- 7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime



Not for Publication

Appendices 2 and 3 to this report are considered confidential under Access to Information Procedure Rule 10.4 (5).

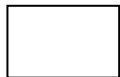
Report of the Director of Resources and the Director of Environment and Neighbourhoods

General Purposes Committee

Date: 6th September 2010

Subject: Introduction of Performance Related Pay Schemes

Electoral Wards Affected:



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1.0 Purpose of This Report

- 1.1 The report sets out for Members' information the criteria by which potential Performance Related Pay (PRP) schemes within the Council should be assessed. The report updates on progress with the implementation of a PRP scheme for the Refuse Collection service and seeks authorisation for the Director of Resources to finalise the scheme before its introduction. The report also informs Members of other work being done to look at implementing PRP schemes in other parts of the Council.
- 1.2 Appendices 2 and 3 to this report are considered confidential under Access to Information Procedure Rule 10.4 (5), because they contain information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. It is considered in these circumstances that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing the information.

2.0 Background Information

- 2.1 Members will be aware that a prolonged period of industrial action took place in Streetscene Services from 7th September to 25th November 2009. The industrial action centred on two main issues; firstly the desire on the part of the Council to achieve service improvements and efficiencies within the Refuse Collection service;

and secondly the decision taken by Executive Board in July 2009 to commence market testing of the Refuse Collection service if agreement could not be reached with the Trade Unions/workforce on the delivery of the efficiency agenda.

- 2.2 Staff within Streetscene returned to work under the auspices of the 'Return to Work Agreement', which set out a number of commitments and challenges to be addressed on behalf of both the Council and the workforce. A programme of work – the Change Programme – has been in place since early 2010 addressing the issues set out in the Return to Work Agreement.
- 2.3 Looking specifically at the Refuse Collection service two main issues were identified; namely the rationalisation of existing refuse collection rounds and also the exploration of a PRP scheme for refuse collectors. Prior to finalising the Return to Work Agreement the Council took legal advice on the potential introduction of PRP schemes and a number of criteria were identified that any proposed scheme should meet to mitigate any potential issues with regard to equal pay legislation. The criteria by which it is recommended PRP schemes are to be assessed are set out at appendix 1 of this report.
- 2.4 Within the Return to Work Agreement the Council also committed to commence work to identify the potential introduction of PRP schemes in other areas of the Council.

3.0 Current Position

- 3.1 Over the past few months detailed work has been undertaken to review and redesign refuse and recycling collection rounds across the City. This work has been undertaken with active Trade Union/workforce involvement and has identified potential efficiency savings greater than those originally envisaged during the industrial action and upon the return to work. It is currently timetabled for the new collection rounds to commence on Monday 27th September.
- 3.2 As a parallel exercise specialised expertise has been commissioned to assist with both work-study and the devising of a potential PRP scheme for refuse collectors. The development of the PRP proposals has been discussed and shared with the Trade Unions, and further legal advice has been sought to assist in developing a robust PRP scheme for refuse collectors.
- 3.3 The most recent legal advice obtained has given helpful advice both on the position reached and also on issues to be addressed to further minimise legal risks. This most recent legal advice dated 1st of August is attached as exempt appendix 2 to this report.
- 3.4 Members will see that there are a number of key issues identified in the QC advice of the 1st of August and work has been ongoing since receipt of the advice to both address those issues and to provide further information to our Counsel.
- 3.5 A case conference has been arranged with Counsel for the 2nd September 2010 and Members will be given feedback from that conference at the General Purposes Committee meeting.
- 3.6 An initial scoping exercise has been undertaken with all Chief Officers to identify the potential requirement for PRP schemes across other Council services. Further detailed discussions have also taken place with representatives from the key services identified in the Return to Work Agreement. A joint meeting with the Trade

Unions and key service representatives is being arranged for mid September 2010 to progress this area of work further.

4.0 Implications For Council Policy And Governance

- 4.1 Members are asked to support the introduction of PRP schemes where it can be shown that they meet the criteria set out in appendix 1 to this report.
- 4.2 Members will be advised verbally of the outcome of the case conference with Counsel at the General Purposes Committee meeting and subject to a satisfactory outcome are asked to support the introduction of a PRP scheme within the Refuse Collection service.

5.0 Legal And Resource Implications

- 5.1 Members will be well aware of the risks associated with the equal pay agenda. The potential introduction of a PRP scheme carries risks with it and these have been the subject of legal advice and conference. The decision to introduce a PRP scheme in any area of the Council's workforce carries risks of equal pay challenge but at the same time potential benefits in terms of better and more efficient services. These risks can be minimised by ensuring that any PRP scheme is tested against the criteria set out in appendix 1.

6.0 Conclusions

- 6.1 Since the Return to Work Agreement was struck in late 2009 much work has been done to identify and quantify the potential improvements that can be made within the Refuse Collection service. Work has been done to devise a potential PRP scheme that has been tested against the criteria set out in appendix 1. The risks set out in exempt appendices 2 and 3 have to be balanced against the benefits in implementing a PRP scheme which will provide long awaited modernisation of the refuse service coupled with significant financial operational savings.

7.0 Recommendations

- 7.1 Subject to the advice obtained from the case conference due to take place on the 2nd September Members are recommended to :-
- Note the criteria set out at appendix 1 to this report as the criteria by which PRP schemes considered for introduction within the Council are assessed.
 - Support the introduction of a PRP scheme within the Refuse Collection service to meet those criteria set out at appendix 1 and authorise the Director of Resources in consultation with the political group leaders to introduce a final version of the PRP scheme.
 - Note that further work is being done to identify the potential introduction of PRP schemes in other areas of the Council's workforce.

Criteria for Assessment of Performance Related Pay Schemes

- (1) the scheme was introduced in order to meet identified service needs;
- (2) the making of the payments under the scheme must be an effective way of achieving the needed improvements to the service;
- (3) the scheme must be the most appropriate method of achieving those improvements/benefits within service;
- (4) the scheme must result in increased productivity;
- (5) the scheme should achieve financial savings;
- (6) the scheme should be self-financing;
- (7) the scheme must be based on comparative research (for example productivity rates in other authorities' services) and/or externally assessed time/work studies;
- (8) performance must be monitored and payments only made if performance qualifies for payments under the scheme;
- (9) the scheme must be regularly reviewed;
- (10) the scheme must only apply to workers whose performance can affect productivity;
- (11) the scheme must be capable of being robustly audited.

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