

CHILTERN DISTRICT COUNCIL

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Chiltern District Council and Staff Joint Committee

Monday, 18th October, 2010 at 10.30 am

Cabinet Room, King George V House, King George V Road, Amersham

REVISED AGENDA

1 Evacuation Procedures

2 Apologies for Absence

3 Declarations of Interest

4 Minutes

To sign the minutes of the meeting held on 2 August 2010, previously circulated.

5 Performance Related Pay Scheme (*Pages 1 - 4*)

Appendix 5.1 (Pages 5 - 8)

Appendix 5.2 (Pages 9 - 10)

Appendix 5.3 (Pages 11 - 12)

6 Waste Project Update (*Verbal Report*)

7 Exclusion of the Public

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the

grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

Note: All Reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Chiltern District Council and Staff Joint Committee

Councillors: Miss P A Appleby
A Dibbo
D W Phillips
N M Rose
J F Warder

Staff: E Darvell
T Pearce
M Shirley
I Snudden
A Whichelow

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**CHILTERN DISTRICT COUNCIL
CHILTERN DISTRICT COUNCIL AND STAFF JOINT COMMITTEE –
18 OCTOBER 2010**

Background Papers, if any, are specified at the end of the Report

PRP SCHEME

Contact Officer: Alan Goodrum (01494 732001)

- 1 At the last meeting on 2 August 2010, the basic principles of a way forward were outlined, as set out by Personnel Committee:-
 - that the PRP Scheme should be retained as a mechanism for carrying out appraisals;
 - that the Scheme so retained should have a provision to make payments;
 - that mindful of the Coalition Government's wish for there to be no pay increase for staff in the public sector, the 2% increase in pay as set out in the hybrid options should be disregarded and not be a subject for negotiation;
 - that the negotiations should be progressed within the budget indicated and on the basis of option 6c(ii) Roman numeral 111 but with the band for "Satisfactory" removed.
- 2 It will be recalled that options provided for an average 1.5% PRP as opposed to the present average of 4%, a more than 50% reduction, but included the deletion of the satisfactory band.
- 3 The meeting concluded with the Staff Side indicating they wished to consult with staff on the proposal over the summer.
- 4 The consultation question framed by the staff was:-

Reduce the budget for the PRP Scheme by 50% and remove the satisfactory banding (0-2%).

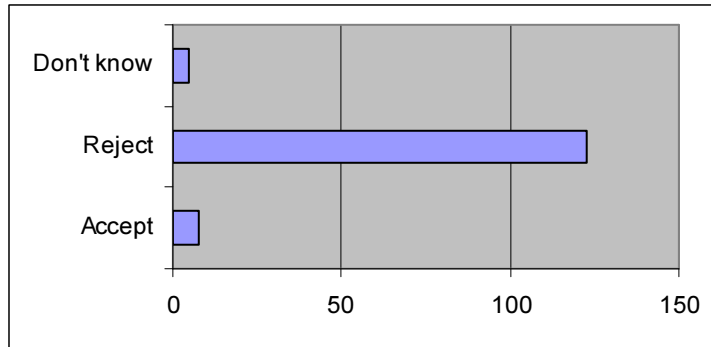
Do you:

- accept this
- reject this
- don't know

The results are:

Accept	8
Reject	123
Don't know	5

Total answers 136



This includes 9 surveys from cleaners submitted manually.

Percentages:

Reject	90.40%
Accept	5.90%
Don't know	3.70%

- 5 It is clear from this that the proposals have received overwhelming opposition and that the Council will not achieve consensus. In addition, given the results of the survey, staff's position has become more entrenched.
- 6 At a staff meeting which preceded the consultation, there was a considerable depth of feeling on the issue and staff felt that the Council were taking advantage of the good relations that had previously existed.
- 7 In terms of what has happened since, the Council has published its Medium Term Financial Strategy, modelling cuts in grant of 25% and 40% over the next 4 years. This will be extremely challenging with a savings requirement of £1-£1.5m. However, the Council is already making significant progress towards this with an established savings list of £1.2m and over the last two years has been adding considerable sums to balances. Thus, if we maintain our current momentum, and develop our efficiency proposals, we will meet the financial constraints and in two years' time be thinking of building new activities and programmes again. We will not be completely certain until the impact of the comprehensive spending review is clear in respect of Chiltern towards the end of the year but we appear to be better prepared than many authorities. The public sector pay freeze has contributed to the Council's forecast underspend this year and has achieved a saving of £110,000 in the budget for next year. This was not anticipated when the PRP discussions with the Union commenced some months ago.
- 8 It is clear the PRP Scheme needs reform in terms of the 'satisfactory' category not meriting any award and deletion of the 8% award as being politically unacceptable in times of austerity, but that it does provide an aid to recruitment and retention as well as supporting the Council's performance management culture. Given the assumptions in the

Medium Term Financial Strategy, a 4% average is potentially affordable and thus the shape of the scheme in the future could be as follows:-

The panel will allocate the employees to a performance band as follows:

		<i>% payment lump sum of salary</i>
<i>Unsatisfactory</i>	<i>No payment. Significant areas regarding improvement to be addressed under the Council's policy and capability, depending on the circumstances of the case.</i>	<i>0%</i>
<i>Satisfactory</i>	<i>No payment. Generally achieves required performance. Usually meets key targets. Some less important areas requiring improvement. Counselling to be given on ways of achieving higher performance levels.</i>	<i>0%</i>
<i>Good</i>	<i>Good all round performance, meets key targets.</i>	<i>2-3½%</i>
<i>Very Good</i>	<i>Very good consistently high performance. Meets all targets, occasionally exceeding some targets.</i>	<i>4-5½%</i>
<i>Excellent</i>	<i>Consistently high performance. Meets and often exceeds all targets. Suggests/initiates achievable improvements in service provision (NB this can apply to any level in the organisation.)</i>	<i>6%</i>

The scheme would apply to when members of staff at the top of their scale, thus new starters would benefit from incremental progression only and not PRP until they reached the top of the scale (which would probably take a few years). Existing staff would be protected in their current role.

The scheme is subject to review and amendment in the light of experience.

The scheme would not be changed for a minimum period of 2 years from October 2010 reflecting the likely comprehensive spending round period. The scheme would apply to the PRP year commencing on 1 January 2011.

The Chiltern District Council and Staff Joint Committee would meet every six months to keep the scheme under review (and discuss other matters of common interest).

- 9 The other provisions of the existing scheme, which is appended (**Appendix 5.1**), would be unchanged, and the above provisions would replace paragraphs 11, 12 and 14.
- 10 In terms of the impact of these changes, **Appendix 5.2** shows the distribution of PRP awards in 2009. It is estimated that 6 members of staff in the satisfactory band would be adversely affected and approximately two members of staff in the excellent (6.5%) band. However, in many respects 2009 was an untypical year because with little turnover the 4% average had to be rigidly allocated to 2008 (**Appendix 5.3**) and shows a higher distribution at the upper level.
- 11 The financial impact of the proposed changes would represent a saving of c. 0.5% of paybill, or c. £37,500 initially, rising to £75,000-100,000 in the longer term, with the timing reflecting staff turnover.
- 12 If the Chiltern District Council and Staff Joint Committee were to agree these changes they would have to be considered by staff through a process of consultation and Personnel Committee for final ratification.

Background Papers: None

PERFORMANCE RELATED PAY SCHEME

- 1) The scheme is set in the context of the Council's overall approach to Performance Management of all its activities. The co-ordination and control of the Performance Management scheme will be the responsibility of the Chief Executive, whilst the Head of Personnel will be responsible to him for the co-ordination and control of the Performance Related Pay Scheme.
- 2) The aims of the scheme and the integral performance appraisal interview system are:
 - a) to enhance staff motivation
 - b) to improve management and communication
 - c) to enhance equity in financial rewards
 - d) to assist with recruitment and retention
 - e) to support the Council's performance management "culture"
- 3) The appraisal cycle is annual, typically with interviews on a staggered basis e.g. Directors followed by Heads of Service, P.O., S.O., and so on, to spread the administrative burden. However there will be a common review period, January-December, and common payment date (approx. the following 1st April).

In addition, all permanent employees will have a mid-year “one-to-one” appraisal discussion with their line manager.

- 4) At the outset the officers concerned will be party to establishing the performance management measures and targets for those areas of the Council's activities under their control, and consequently, for their own performance measures and targets. These will typically include those measures recommended as appropriate by the Audit Commission in their publications on Performance Review and the annual profile but will also include aspects such as Citizens Charter indicators, customer satisfaction and relations with other (public, staff, members) i.e. Interpersonal Skills. This will form the basis of the Appraisal interview with a panel. The membership of the Panel and the general format which the appraisal will take, is shown below.
- 5) For third-tier officers there will normally be a three-person panel comprising the Director, Head of Service and Head of Personnel. For fourth-tier and below, the Panel will typically be a panel led by the Head of Service, with the section head and, where appropriate another officer in attendance. This allows for variations in the staffing structures of Directorates and the time commitments of senior staff. It does not preclude a Director from attending these interviews if s/he wishes, but does not require such attendance.
- 6) The interview will be conducted as informally as possible, but will be structured to ensure that discussion takes place on the employee's performance in the areas of : service provision; management; corporate matters, together with the question of personal development and training in the year under review.
- 7) The interview will also consider any written submissions made by the employee, on the appraisal preparation form or otherwise, and any appropriate matters raised by the employee during the interview.

- 8) To ensure a consistency of approach across Directorates, the recommendations of the various Panels for staff below Head of Service level will be considered by the Management Team, whose decision will be final.
- 9) The outcome of the appraisal will be notified to the employee in writing.
- 10) The appraisal should form the basis for agreeing personal targets for the following year, including training and development targets.
- 11) The panel will allocate the employee to a performance band, as follows:
 - A) **Excellent** : Consistently high performance. Meets and often exceeds all targets, suggest/initiates achievable improvements in service provision. (NB This can apply to any level in the organisation).
 - B) **Very Good** : Very good consistently high performance. Meets all targets, occasionally exceeding some targets.
 - C) **Good** : Good all-round performance. Meets Key targets.
 - D) **Satisfactory** : Generally achieves required performance. Usually meets key targets.
 - E) **Barely Satisfactory** : Some less important areas requiring improvement.
 - F) **Unsatisfactory** : Significant areas requiring improvement.
- 12) Payment will consist of a lump sum of value as follows:

A) (Excellent)	Between 6.5%- 8% of salary
B) (Very Good)	Between 4.5%- 6% of salary
C) (Good)	Between 2.5%- 4% of salary
D) (Satisfactory)	Between 0%- 2% of salary, plus counselling to be given on ways of achieving higher performance levels.
E) (Barely Satisfactory)	No payment, counselling to be given on ways of achieving higher performance levels.
F) (Unsatisfactory)	Areas of concern, to be addressed under the Council's policy on capability, depending on the circumstances of the case.
- 13) Payments
 - a) Where appropriate, will only be made where staff are in post at the date of appraisal interview and have completed at least 6 months in the post by 31 December in previous calendar year (**i.e. must have been in post on the first working day in July**). Payments will be proportionately reduced where staff have been in post less than 12 months at the end of December.
 - b) The salary on which the percentage should be based is to be as 31st March,

except where a change of post or re-grading had occurred, in which case the salary as at 31st December will apply.

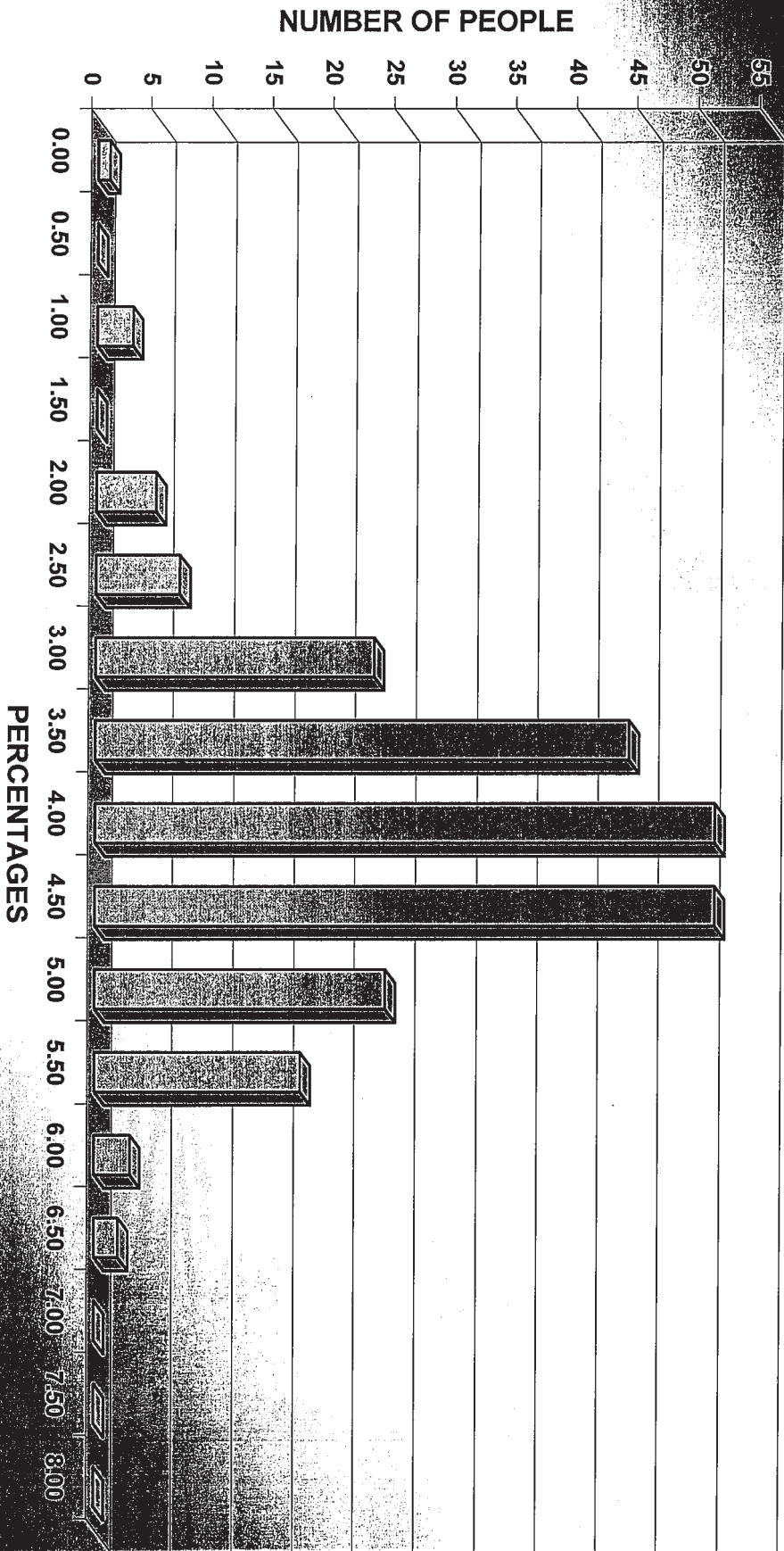
- c) The P.R.P. payment is to be made in accordance with normal salary apportionment rules where an employee commenced in that particular year i.e. pro rata for part month.
- d) In the case of officers on maternity absence, officers eligible for P.R.P. payments are those in the employ of the Council at 31 December, with the requisite length of service.

Payment is to be made in accordance with normal salary apportionment rules up to and including the last working day prior to commencing maternity leave. This cannot be determined until a final decision is made by the employee as to whether she is or is not returning to work, at which time the resignation letter and leaver's form will confirm the leaving date. Employees who return after maternity leave are to receive P.R.P. to the last day they work prior to commencing maternity leave, but based on salary as at either 31 March or 31 December (as per para 1).

- e) P.R.P. payments are reduced proportionately where an officer has been absent on sick leave for an aggregate of more than 8 working days in the year under review.
- f) P.R.P. payments will be made by 30 April each year, on the same date for all employees, including those in post at 31 December but who leave before the scheduled payment date. The only exception will be maternity cases, for reasons explained in (d) above.
- g) Where an employee retires, (including ill-health retirements) he/she shall be entitled to Performance Related Pay equivalent to the percentage awarded for the previous full review period i.e. the year to the previous 31 December but apportioned to the date of actual retirement e.g. 50% of previous year's payment where retirement is on 30 June. No reduction in entitlement shall be made for any sickness during the final review period. The salary on which P.R.P. will be calculated is that applicable at the date of retirement.

14. The scheme is itself subject to review and amendment in the light of experience.

PERFORMANCE RELATED PAY 2009
THE COUNCIL
(INCLUDING MANAGEMENT)



PERFORMANCE RELATED PAY 2008
THE COUNCIL
 (INCLUDING MANAGEMENT)

