



ADUR & WORTHING
C O U N C I L S

Joint Strategic Committee
7 June 2022

Key Decision [Yes]

Ward(s) Affected: All

Chief Executive's use of urgency powers to settle the waste dispute

Report by the Chief Executive

Officer Contact Details

Sarah Gobey, Chief Financial Officer

Tel: 01273 221221

E-mail: sarah.gobey@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. A significant proportion of staff in the Waste and Cleansing team started industrial action on the 14th March 2022. Following negotiation with both the GMB and Unison, both sides reached agreement on the 8th April 2022 allowing the strike to come to an end.
- 1.2. The resulting settlement has significant unbudgeted cost implications for the Councils. Under the Council's financial regulations, officers are not allowed to enter into agreements with unbudgeted financial consequences, consequently the Chief Executive approved the use of the Council's reserves to fund the costs associated with the strike and associated new pay arrangements using urgency powers as set out in the constitution.

2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to note the content of the report and endorse the urgent decision made by the Chief Executive to settle the industrial action.

3. Context

- 3.1. Towards the end of 2021 the national shortage of HGV drivers led to concerns about recruitment and retention of these roles in the waste service. It became clear that our salaries were falling behind the local market and to support the recruitment of HGV drivers a market supplement payment of £2,000 per qualified driver was introduced in October 2022.
- 3.2. It also became clear that other frontline roles in the service needed to be reviewed as a result of which a formal review process was initiated with the Unison as the recognised trade union. The scope of the review included pay as well as initiating meaningful engagement with the workforce. Provision for both the market supplements and the likely outcome of the regradings as part of the review were built into the 2022/23 budget.
- 3.3. Despite these measures the GMB balloted for industrial action amongst its members in February 2022, with industrial action starting on 14th March 2022.

4. Issues for consideration

- 4.1. As a result of the industrial action, the Council decided to mitigate the impact to the local community and reduce fire risks by arranging for private sector providers to undertake some collections from bin stores; arranging for the extended opening of local tips run by West Sussex County Council providing greater opportunity for residents to dispose of their own waste; and arranging a very limited commercial waste service.
- 4.2. Following extensive negotiation with the GMB and Unison, there is now a joint recognition agreement in place for the Waste & Cleansing service only, with UNISON retaining a sole agreement for the organisation as a whole. A new salary package has been agreed for the majority of waste and cleansing staff. However there are still some posts to be reviewed.
- 4.3. A programme of engagement with Unison has been started to identify other areas of the council where a review of job descriptions and associated terms and conditions is warranted. This may have further unbudgeted cost implications which the Councils will need to address.

5. Engagement and Communication

- 5.1. In the run up to the strike and during the industrial actions, staff meetings were held to enable staff to be briefed on the progress in addressing the concerns raised.
- 5.2. The negotiations involved members of both Unions, Unison and GMB.
- 5.3. Executive Members were briefed throughout the dispute on progress in addressing the concerns raised.

6. Financial Implications

- 6.1. The estimated impact from the waste dispute can be broken down into four categories:
 - i) Net cost of the strike action;
 - ii) One-off costs associated with the post strike clean-up;
 - iii) The impact of the settlement of the industrial dispute which comprises three elements: settlement payments for the three workers affected by a previous restructure; back pay for 3 months into 2021/22; and the ongoing impact of the new salary increases.
 - iv) Income losses from the cancellation of commercial accounts
- 6.2. Taking these one-by one:
 1. Overall the net impact of the strike is estimated to cost in excess of £170,000:

Cost of alternative provision of services	Total	2021/22	2022/23
	£	£	£
Skimming of bins stores	68,950	28,300	40,650
Extended opening of the tip	15,730	10,110	5,620
Commercial waste skimming	17,040	10,310	6,730
Alternative provision of waste service	101,720	48,720	53,000
Legal advice during dispute	6,380	6,380	
Net income lost as a result of the strike			
Refund / compensation for commercial waste customers	140,000	95,200	44,800
Refund for green waste customers	204,090	75,420	128,670
Total income lost	344,090	170,620	173,470
Total financial losses	452,190	225,720	226,470
Less: Estimate of salary savings	211,210	143,620	67,590
Tipping charges	70,000	47,600	22,400
Net cost / (saving) of strike	170,980	34,500	136,480
Adur	61,550	12,420	49,130
Worthing	109,430	22,080	87,350

- As part of the settlement of the dispute, the Council agreed to pay a one-off payment of clean up costs of £900.00 per person to the waste and cleansing crews for additional work required to deal with the collection backlog. With the addition of on-costs (national insurance and pension payments), this will total £142,560.
- The overall cost pressure associated with the new salary package when compared to the salaries paid earlier in the year is £609,000.

However the Councils allowed for an additional skills supplement of £2,000 per HGV driver as part of the development of the 2022/23 revenue budget and had a salary contingency budget of £250,000.

4. The council has lost nearly £140,000 of commercial waste accounts. The net ongoing impact of this is a loss to the Council is likely to be in the region of £65,000 though this number will need to be monitored over time.

6.3. Taking this all into account, the Council will have to fund the following costs over the two years with an on-going strain to our revenue budgets.

	2021/22	2022/23	2023/24 and beyond
	£	£	£
Cost of dispute	34,500	136,480	0
Cost of clean up operation	0	142,560	0
Settlement of strike			
One off compensation payment for previous restructure	30,000		
Back pay for new salary package	113,620		
Ongoing impact of new salary package		608,750	620,930
Net value of lost commercial accounts		65,320	66,630
Total cost	178,120	953,110	687,560
Less:			
Provision for market pay already included in the budget		-122,500	-124,950
Contingency budget for salary increases		-250,000	-250,000
Net cost of dispute	178,120	580,610	312,610
Split as follows:			
Adur	64,120	209,020	112,540
Worthing	114,000	371,590	200,070

- 6.4. To support the revenue budget in 2022/23, the Chief Executive approved the release of the capacity issues reserves to fund the known cost pressures (Adur £209,020, Worthing £371,590).
- 6.5. However, the Councils will have to address the ongoing pressures in 2023/24 as part of the development of the budget.

Finance Officer: Sarah Gobey

Date: 13th May 2022

7. Legal Implications

- 7.1. Paragraph 2.1.2 of the Scheme of Delegations authorises the Chief Executive Officer to take urgent action on behalf of the Council in consultation with the relevant Leaders of Adur and Worthing Councils. The delegation requires a report on the use of this urgency power to be taken to the next JSC meeting and in so far as may be applicable any urgent decisions/actions taken shall only take effect on a temporary basis until a JSC decision has been made.
- 7.2. Urgent is defined as a matter of pressing importance requiring swift action given the gravity of the situation, to prevent damage (or further damage) to life, limb, infrastructure or the financial integrity of the Councils. The Council's s151 Officer was satisfied that the financial integrity of the Councils was being damaged by the continuing industrial action.
- 7.3. In addition to this JSC Report, paragraph 15 of the Access to Information Rules found in the Constitution requires the Leader to report to the next Full Council on any urgent decision taken and authorised by the Executive.
- 7.4. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.5. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Legal Officer: Joanne Lee

Date: 26/05/2022

Background Papers

None.

Sustainability & Risk Assessment

1. Economic

The settlement of the industrial action means that the Council can resume its waste management services without the requirement to procure further services from third party providers.

2. Social

2.1 Social Value

The settlement benefits the social economic and environmental welfare of our residents by clearing a backlog of waste capable of causing environmental and health and safety issues.

2.2 Equality Issues

Equality issues were considered when settling the industrial action.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Equalities issues were considered and taken into account in reaching settlement of the industrial action.

3. Environmental

As part of the settlement of the industrial action measures were agreed to clear up the backlog of refuse and recycling.

4. Governance

The ongoing dispute was causing reputational damage to the Councils and creating difficulties for the community. Despite best efforts, sourcing alternatives for waste collection was not practical or possible given the scale of our operations.

Implications relating to resourcing the waste collection service; managing the reputational risk of the Council and Social Value were considered in settling the industrial action.