

WEST DUNBARTONSHIRE COUNCIL

Report by Interim Executive Director of Corporate Services

Corporate and Efficient Governance Committee: 23 November 2011

Subject: Protecting Vulnerable Groups Scheme Update

1. Purpose

- 1.1 To provide Corporate and Efficient Governance Committee (CEGC) with an update on the Protecting Vulnerable Groups Scheme (PVG Scheme) which commenced on 28 February 2011. It outlines the arrangements for payment of PVG membership costs and addresses concerns raised by the Trades Unions through the JCF in relation to these decisions.
- 1.2 The report also seeks CEGC approval for meeting the additional costs associated with extending payment of Scheme fees to encompass all staff groups.

2. Background

- 2.1 On 28 February 2011, the Scottish Government introduced a new membership scheme to replace and improve upon the current disclosure arrangements for people who work with vulnerable groups.
- 2.2 The Protecting Vulnerable Groups Scheme (PVG Scheme) replaced Enhanced Disclosure checks for employees working with vulnerable groups and delivers on the provisions laid out in the Protection of Vulnerable Groups (PVG) (Scotland) Act 2007. The aim of the new Scheme is to ensure: individuals who have regular contact with protected groups do not have a known history of harmful behaviour; is quicker and easier to use, strikes a balance between proportionate protection and robust regulation and makes it easier for employers to determine who should be checked.
- 2.3 The Scheme introduces the concept of “regulated work”. People who undertake “regulated work” (i.e. work on a regular basis) with children or vulnerable adults must join the scheme. It will be an offence for the Council to offer regulated work to a barred person and for a barred person to do (or seek to do) regulated work.
- 2.4 During the first year of the scheme only new employees or existing employees undertaking regulated work for the first time are eligible to join the scheme. The costs associated with implementation of the Scheme are significantly higher than those incurred under the previous Disclosure requirements and in light of the current financial climate and budgetary challenges the Corporate Management Team (CMT), under delegated powers, made the decision that the Council would pay fees for individuals on Grades 1-5 and volunteers. Those on Grade 6 and above would be required to pay their membership fee,

with an option that the Council will pay the fee and deduct the cost from the employee's salary over a 3 month period.

- 2.5 At JCF meeting on 22 September 2011 the Trades Unions expressed concerns in relation to the CMT decision that all new and existing employees on grades 6 and above would require to pay the PVG membership fees and in relation to the cost implications of PVG membership for part time workers on grade 6 and above. It was therefore agreed that a report on the PVG scheme and its impact on staff should be referred to the Corporate and Efficient Governance Committee for consideration.

3. Main Issues

Membership Costs

- 3.1 The PVG scheme has 2 levels of fee for individuals: £59 for joining the scheme and obtaining Scheme Records and £18 for subsequent Scheme Record Updates. Additional fees can be incurred through subsequent new vetting information being available.
- 3.2 The current arrangement within the Council for payment of PVG membership for new and existing staff is as follows:

FTE Salary range £11,606 - £22,027 (Grades 1-5 equivalent) and volunteers	Council pays full costs
FTE Salary range £23,377 and above: (equivalent to Grade 6 plus)	Employee pays with option for Council to pay upfront and deduct from employees salary over a 3 month period

- 3.3 The rationale behind the payment arrangements was:
- PVG scheme membership is portable between different organisations and is for life
 - In the current financial climate, the costs associated with the implementation of the scheme were significant, estimated at around £300,000 over the 3 year retrospective period.
 - Financial assistance would be targeted at lower paid staff and volunteers
 - Financial support would be provided to other staff groups in the form of an interest free loan which would then be deducted from salary over a 3 month period (2 deductions of £20 and 1 deduction of £19)
- 3.4 A clear boundary in the grading structure was selected as the determining factor for eligibility for payment of PVG. An Equality Impact Assessment identified that the majority of lower paid workers are female therefore by introducing the threshold this prevented discriminating against lower paid employees, who are predominately female.

- 3.5 The top point of Grade 5 is £22,207 and for equity this figure is also the boundary with application to other pay grades. This means teachers, with the exception of probationary teachers are required to pay their own membership.
- 3.6 The same principles have been applied to teacher supply lists and to other pools of casual staff to ensure existing employees are treated no less favourably than those on the supply list.

Trade Union Concerns

- 3.7 The Trades Unions have expressed 2 main concerns regarding the payment of PVG membership fees. The first area is in relation to not paying membership fees for all new or existing employees, and restricting this to only those on grades 1-5.
- 3.8 It was recognised that employees in these grades are predominately female and lower paid. To mitigate the risk of sex discrimination and impact on lower paid individuals the decision was made to meet cost of those on grades 1-5. It was also recognised that to meet the costs for all employees would result in additional budget costs at a time of significant financial challenge.
- 3.9 The second issue the Trades Union identified was that if payment is based on grade of post and not earnings, this would impact on those in posts above grade 6 who worked part-time and consequently had had lower earnings. This was of particular concern in that it impacted on supply teachers.
- 3.10 This issue was considered as part of the equality impact assessment however was determined a proportionate response given that to change the parameters to earnings would then result in those who worked full-time in the post being disadvantaged.
- 3.11 By way of mitigation it was recognised that the costs would impact on employees on grade 6 and above and therefore an option is available for the Council to pay the £59 cost upfront and for this to be deducted from the employee salary over a 3 month period.

Costs

- 3.12 There are 2 key financial considerations arising from the difference in costs between Disclosure checks and PVG checks and over a 3 year period this is estimated to be an additional cost of around £300,000.

The first area of additional cost relates to new appointments and the difference from the current disclosure scheme.

Average Checks Required (including casual and supply lists)	Current Cost of Disclosure (£25 each)	Cost of full payment of PVG (£59 each)	Additional Budget Required for all grades
602 per year	£15,050	£35,518	£20,468

The total annual cost for all grades, as noted above is therefore expected to be £35,518, which is £20,468 more than what the Council would previously have paid under the old scheme.

A decision has already been taken to pay the costs for individuals on grades 1-5 and this is estimated at £12,000 which is contained within current Disclosure Costs. The cost of extending this to Grade 6 and above would be £23,518. These are recurring annual costs.

- 3.13 The second area which will result in additional costs to the Council is the retrospective checking element which will be introduced from March 2012. Over a 3 year period the Council will require to ensure that all existing employees who fall within the PVG scheme are members of the scheme.

It is currently estimated that approximately 4,700 staff (66%) require to be retrospectively checked over a 3 year period at a cost of £92,453 per annum, with a total estimated cost of £277,359.

The Council has already committed to paying for Grade 1-5 at an estimated cost of £169,389 and therefore the additional cost of extending this to Grade 6 and above would be £107,970.

- 3.14 It is also important to note that not all employees will require the full check costing £59 – some will cost £18 therefore these costs are the maximum anticipated but are likely to be less. Unfortunately there is no way of knowing, until the retrospective exercise commences, just how many employees will fall into this category.
- 3.15 Whilst there is no obligation on the Council to pay the fees for either Disclosure Checks or PVG membership it should be recognised that the Council did previously meet the costs for Disclosure checks. This cost was significantly lower at £25 than the potential £59 cost of PVG membership and resultant increased budget costs. A balance therefore was sought to mitigate the impact to lower paid employees on PVG fees against the difficult financial budget constraints faced by the Council.

Benchmarking Exercise – Other Councils

- 3.16 A benchmarking exercise has recently been undertaken in relation to other Scottish Local Authorities and their decisions on payment of PVG membership. Information was available on the status of 28 Councils, Tayside Contracts and Strathclyde Fire and Rescue as at September 2011.

- 3.17 From the information available it was found that 22 respondents are paying the full PVG membership costs for existing staff with 7 expecting employees to pay full costs and one Council is splitting the costs with their employees (Council pays £18 and employee pays £41).
- 3.18 There is a shift however when considering the arrangements the respondents have put in place for new employees with 19 paying full costs for new starts, 10 expecting new starts to pay the full costs, and again one Council has decided to split the costs.

4. People Implications

- 4.1 All new and existing employees undertaking regulated work will be required to become members of the PVG Scheme. The impact on lower paid employees has been considered and the Council has agreed to meet membership fees for employees who earn less than a FTE salary of £22,027 p.a. Employees employed on a higher FTE salary are required to meet the cost of PVG membership themselves which has raised issues of inequity.

5. Financial Implications

- 5.1 The Council has already agreed to meet the costs associated with payment of PVG costs for staff employed up to and including Grade 5 and equivalent. By extending this to incorporate higher graded staff groups the ongoing additional annual cost of PVG for recruitment checking of £23,518 per year (identified at 3.13 above) would require to be met from within existing departmental revenue resources.
- 5.2 It is suggested however that the additional cost of the retrospective checking for staff above Grade 5 of £107,970 should be added into the 2012/13 budget process as an additional burden for a three year period. The effect of this will be to increase the budget gap for each of the next three financial years by £35,990 (assuming an even distribution of the checks over the three year period).

6. Risk Analysis

- 6.1 There is no budget provision for meeting all PVG membership fees and any decision taken by the Council to pay all membership fees would result in an additional burden.
- 6.2 The risk of not extending payment to all staff groups will be that staff will consider there to be an inherent inequity of approach in relation to implementation of the PVG Scheme.

7. Equalities, Health & Human Rights Impact Assessment (EIA)

- 7.1 An equality impact assessment has been undertaken in relation to the introduction of the PVG Scheme and options considered. The main issue raised in the equality impact assessment is in terms of PVG membership

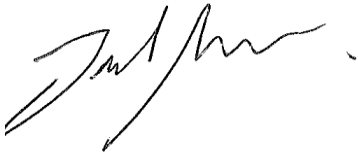
costs, if the employee is expected to pay this it may disproportionately impact on low paid, part-time workers who are mainly female. The decision to pay for grades 1-5 has mitigated this impact however if the payment arrangements were to be extended to a wider group this issue would be fully addressed.

8. Strategic Assessment

- 8.1 Implementation of the PVG Scheme supports the Council priority to ensure our services are “fit for purpose”, and comply with legislation.

9. Conclusions and Recommendations

- 9.1 There is a requirement for all new or existing employees who undertake regulated work for the first time to have PVG Scheme Membership which costs £59. The potential additional cost of implementation over a 3 year is estimated to be around £300,000 and therefore in order to address this within a period of significant financial challenge a decision was made to only meet the costs for lower graded employees. This has given rise to a sense of inequity of approach and therefore in order to address this it is recommended that Council funding of these payments is extended to all staff.
- 9.2 In relation to the ongoing additional annual cost of PVG for recruitment checking at £23,518 per year it is proposed that the cost of this should be met from within existing departmental revenue resources.
- 9.3 It is further proposed that the additional cost of the retrospective checking should be added into the 2012/13 budget process as an additional burden for a three year period. The effect of this will be to increase the budget gap for each of the next three financial years by £35,990 (assuming an even distribution of the checks over the three year period).
- 9.4 The Corporate and Efficient Governance Committee is therefore requested to
- a) Note the issues associated with implementation of the PVG Scheme
 - b) Approve the recommendation that the payment of PVG Scheme fees are extended to include all staff groups through:
 - i) Incorporation of additional recruitment costs within existing departmental revenue resources
 - ii) Retrospective checking costs added into the 2012/13 budget process as an additional burden for a three year period. The effect of this will be to increase the budget gap for each of the next three financial years by £35,990.



David Amos
Interim Director of Corporate Services

Person to Contact: Tricia O'Neill - Head of Human Resources and Organisational Development, Council Offices, Garshake Road, Dumbarton.
Contact: (01389) 737584 Email: tricia.o'neill@west-dunbarton.gov.uk

Appendices: Appendix 1 – PVG Fees Benchmarking Information

Background Papers: JCF Report - PVG Scheme Membership Update (Item 08 - meeting 22 September 2011)

Wards Affected: N/A