



Standby and Callout Payments

SUMMARY

- 1.1 As a result of the Pay and Reward review, a working party was established to review allowances. This paper sets out the proposal for out of hours payments for both schools and non-schools staff.
- 1.2 To determine the need for out of hours payments in specific areas of the Council.
- 1.3 To provide Personnel Committee with information to support decision making.

RECOMMENDATIONS

- 2.1 To note the requirement of a corporate procedure for standby and callout payments.
- 2.2 To approve the implementation of a roll-out for revised standby and callout payments in all areas of the Council and schools.

REASON FOR RECOMMENDATIONS

- 3.1 To acknowledge the result of consultation relating to allowances following the implementation of Pay and Reward.
- 3.2 To ensure the continuation of statutory services out of hours.
- 3.3 To provide a cost effective service.
- 3.4 To ensure fair and consistent working practices in line with the Employment Charter.

SUPPORTING INFORMATION

- 4.1 During consultation within the Pay and Reward project the issue of allowances was deemed too large within the confines of the project and so was placed under the remit of a working party.

4.2 The Working Party was set up to look at...

- issues regarding the required hours of service of the departments within the Council,
- any changes to existing allowances and/or,
- the provision of additional allowances to support services.

Historically, standby and callout payments ended for those who are above SCP 27 (equivalent to Grade F) in 2014, as part of the Pay and Reward project and the harmonisation of terms and conditions.

Justification for ceasing payments relied on the interpretation that employees are required to be on standby/call out '*as and when reasonably required, such as in response to emergency situations*' (section 5 collective agreement, 2014)

The key phrase here is '*reasonably required*'. Employees are reasonably required to cover one-off, infrequent incidents and respond to emergency situations. However it is considered by the Productivity Working Party, unreasonable to cover a regular pattern of standby and call out, without additional payment.

For example; currently in Highways and Engineering those above SCP 27 work one week in four on standby/callout. An equivalent to thirteen weeks of the year. This is essentially thirteen weeks of the year where affected employees are expected to take time off in lieu, (TOIL) for hours worked on the standby/callout rota. This raises concerns both in ensuring that those who have TOIL accrued, are able to take it within a reasonable timeframe; and that despite a diminishing workforce there is sufficient cover at that level to ensure service continuity.

One aspiration of the Employment Charter is to ensure fair and consistent working practices and stability of employment. It is argued that the absence of such payments goes against the aims of the Charter and results in considerable discord amongst employees. This discontent amongst the workforce has reached a level where we now risk not being able retain key staff as well as maintain statutory services, should employees refuse to work standby/call out shifts on a rota system.

To meet the Charter's aspiration and also ensure equality amongst the workforce, the proposed roll-out encompasses all grades of staff within schools and non-schools to ensure a simple, clear and transparent process that truly allows the Council to provide a modern agile workforce.

Suggested Outline Proposal

- 4.3 Strategic Directors will have delegated authority to implement standby/call out for key posts within their directorate, subject to budget approval. Following consultation with Heads of Service, posts in ICT and Street Cleansing and Grounds Maintenance have been identified as priority business areas.
- 4.4 There will be one rate of pay for standby and one rate of pay for call-out regardless of grade and job role, to ensure that there is a consistent approach.
- 4.5 Where the call-out role does not match any substantive post, for example, winter maintenance in Highways and Engineering, a specific JIQ will be created for grading purposes, and staff will be paid against this accordingly as per the table below.

4.6 The proposed rates of pay for additional allowances are:

Type	Proposed Allowance
Standby	<ul style="list-style-type: none"> £12.50 (up to 12 hours) £25 (for 24 hours)
Callout	<ul style="list-style-type: none"> Time and a quarter

4.7 To calculate the proposed payments, a benchmarking exercise was undertaken using the research, as outlined in Appendix 3.

OTHER OPTIONS CONSIDERED

- 5.1 Outsourcing - in order to avoid additional costs this is not a financially viable option. For example, within Highways and Engineering, outsourcing the winter maintenance service would increase costs to the organisation by **£28,983.96**, see Appendix 2 for more information.
- 5.2 Do nothing - this could result in statutory services not being met and considerable discord in the workforce.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Janie Berry – Director of Governance and Monitoring Officer Martyn Marples – Director of Finance Diane Sturdy –Organisational Development Manager Gordon Stirling - Director of Strategic Services and Customer Management David Cox – Head of HR
For more information contact: Background papers: List of appendices:	Amy Parry 01332 643737 amy.parry@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Cost Comparison - Example Of Costs Associated With Outsourcing The Winter Maintenance Service' Appendix 3 – Standby and Callout Summary Report

IMPLICATIONS

Financial and Value for Money

- 1.1 Paying internal allowances is a much more cost effective option than seeking to outsource the service.

Legal

- 2.1 Supports the provision of statutory services. Legal advice has been sought and supports the implementation of one standard payment for all grades of staff.

Personnel

- 3.1 Supports the fair employment element of the Employment Charter. Further consideration was given to the impact of the proposals on the Pay and Reward review.
- 3.2 HR, in consultation with our own Legal Advisors and external Barrister, discussed the potential exposure for comparator claims and the risk this poses. The organisation will need to monitor carefully to ensure that there is a consistent approach taken when implementing standby/call out into new areas of the business. Strategic Directors will approve and retain a central list of occupational groups in their service, should there be challenges from Trade Unions or employees.

IT

- 4.1 None.

Equalities Impact

- 5.1 Any pay implications have been considered as part of the wider Pay & Reward project.

Health and Safety

- 6.1 None.

Environmental Sustainability

- 7.1 None.

Property and Asset Management

- 8.1 None.

Risk Management

- 9.1 Without adequate standby & call out arrangements the Council may not meet its legal or statutory responsibilities.
- 9.2 There are also risks associated with standby & call out rotas. There is a need to ensure the hours worked by employees are compliant with the Working Time directive 1998.

Corporate objectives and priorities for change

- 10.1 Supports a skilled and motivated workforce.

COST COMPARISON - EXAMPLE OF COSTS ASSOCIATED WITH OUTSOURCING THE WINTER MAINTENANCE SERVICE'

OUT-SOURCING COSTS FROM CARILLION		PROPOSED STANDARDISED OVERTIME / CALLOUT SCHEME FOR DCC	
Monthly Basic Facility	£11,342.00	Weekly stand-by payment 7 x 25	£175.00
Total Facility Payment	£79,394.00	Supervisors (x2) all winter (30 weeks)	£10,500.00
Less Drivers Standby Payments 6 Drivers @ £180/week for 30 weeks	£32,400.00	Decision Maker all winter (30 weeks)	£5,250.00
Add in decision maker costs (Carillion do not provide Decision makers so we would need to use DCC Staff)	£6,642.90	Total Standby Payments	£15,750.00
		OVERTIME (BASED ON WINTER 2014/15 - 91 RUNS)	
		Supervisors (x1 @ 4hrs 1.25 time/run £19.61)	£7,138.04
		Decision Makers average 3hrs per week 1.25 time	£1,764.90
		Total Over Time Payments	£8,902.94
Grand Total for Out-Sourcing Winter Service	£53,636.90	Grand Total for In house Winter Service	£24,652.94
Out sourcing would increase costs by:	£28,983.96		

STANDBY AND CALLOUT SUMMARY REPORT

This report summarises the research done regarding standby and callout payment in the private and public sector and best practice when implementing a standby and callout rota.

Derby City Council 04/12/15

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Introduction

It is recognised that some services may need to provide cover at times when normal office services are not available. This may be to meet legal or statutory responsibilities. In order to do this, services may operate a standby/call out arrangement. The nature of this arrangement will be dependant upon the requirements of the service.

Organisations are free to decide how much they will pay their staff to provide this out of hours cover, providing they're not under a national agreement. This payment is usually given through standby and call out allowance. In this report, the differences in standby and callout payment between the public and private sector are described and discussed. As Derby City Council is a public sector organisation a detailed comparison of ten other local authorities has been done. This review also identifies key points to think about when implementing a standby/call out rota. Lastly, recommendations will be made based on the research regarding what Derby City Council could pay for standby and call out allowance.

Standby and Callout Pay in the Public Sector

Comparisons were made in 10 local authorities from across the country, including the East Midlands on the following factors; standby payment, standby payment on weekends/bank holidays and call out payment (Table found in Appendix 1). The average standby payment for weekdays based on the 10 local authorities researched is £17.89 each session and the average standby payment for weekends is £50.01 each weekend.

The range of Standby Payments on weekdays is £24.28 each session. However, the range of weekend standby payments is much greater at £73.39 each weekend. This shows a wide spread of data, as there is a considerable difference between the highest and lowest weekend standby payment. The presence of such a considerable difference means the average has increased as a

result. This means the median weekend standby payment may be a better measurement, which is slightly lower at £49.00 each weekend.

When looking at call out payments, not every local authority gave a figure. They referred to things such as overtime rates, double time and time ½ etc. Therefore, an average cannot be applied. However, the majority of the ten local authorities researched (6 out of 10), paid their staff over time for some or all hours worked. For further detail see table in Appendix 1.

In the Highways Agency, standby and call out allowances are paid to staff up to pay band 8 (Administrative Assistants to senior managers) and are as follows...

Weekdays, Weekend or Public & Bank Holiday	Standby	On-call
Pay band 1 to 7 & TM1A to TM3		
Weekdays outside of normal hours/ Weekend for each 12-hour period	£11.93	£10.50
Saturdays, Sundays and privilege holidays (for each full 24-hour period)	£34.18	£24
Public and bank holidays (for each full 24-hour period)	£42.90	£29
Pay band 8		
Weekdays outside of normal hours/weekends for each 12-hour period	None	£10.50
Saturdays, Sundays and privilege holidays (for each full 24-hour period)		£24
Public and bank holidays (for each full 24-hour period)		£29

These figures are from the Highways Agency Standby and Call out Pay Document 2013. As can be seen there are separate payments for pay bands 1-7 and 8 and above. This is also a consideration for the Council. When Highways Agency staff are called out, they are paid actual time in accordance with the overtime and night duty allowances. The on-call or standby allowance is reduced by the actual time worked during a period of on-call or standby.

Over time rates are as follows...





Pay bands	Monday to Friday	Weekends, public and bank holidays	Privilege holidays
Pay bands 1 to 3 (Administrative Assistant to Executive Officer)	Time and ½	Double Time or Time + Time off in lieu	Time off in lieu

Pay bands	Monday to Friday	Weekends, public and bank holidays	Privilege holidays
Pay bands 4 to 6 (higher executive officer to senior executive officer)	Time	Double Time or Time + Time off in lieu	Time off in lieu
Pay bands 7 and 8* (principals and senior management)	Time	Saturday, Time +Time off in lieu; Sunday, Double time or Time + Time off in lieu	Time off in lieu
Pay bands 7 and 8 may claim overtime of up to eight hours a week (Monday to Sunday). In exceptional circumstances, such as a time-limited operational commitment or emergency, this maximum may be increased at the divisional director's discretion, provided that the requirements of the Working Time Regulations are met			

These figures are also from the Highways Agency Standby and Call Out Pay Document 2013. Again, pay is split between pay bands. There could be equal pay implications for the Council if different payments were made to different bands of staff, as they would all be carrying out the same duties. Secondly for the column highlighted in blue, there are practical implications of giving the employee the option of how they want to be paid. One payment would be simpler and easier for payroll to implement.

Standby and Call Out Pay Private Sector

Details of key private sector organisations and associate standby and call out payments are below. For more information see Appendix two.

Organisation	Standby Payment	Callout Payment
	£1.85 per hour plus time off in lieu.	For staff not on standby £30 Monday to Friday, £70 Bank Holiday plus time off in lieu after one hour.
	£4.00 per hour	Standard Overtime Rates Apply
	£3.50 per hour	Overtime rates apply: Monday to Friday time ½ Weekend: double time Bank Holidays: Double time
	Non Core Hours: £2.00 per hour None Core Hours: £3.15 Per Hour Weekends: £4.19 per hour	Over time rates apply: Monday – Sunday Time ½ Public Holidays: Double time or Time off in lieu

At first glance the payments appear lower than those received in the public sector. This is due to the fact they are hourly rates. Public sector payments are worked out mainly in 12 or 24 hour sessions. For example, Lloyds Banking Group standby payment equates to £42 each 12 hour session. This is much higher than the average weekday standby payment of £17.89 each session, from the 10 local authorities researched. What this does provide is a more informed and rounded picture of standby and call out payments across sectors, and gives us an idea of where the Council needs to position its payments, in order to be competitive and in line with market rates.

Thirdly from the table above 75% of the private sector organisations pay overtime rates to their staff when on callout, offering time and a half or double time. The Council needs to consider if it financially viable to offer staff time and a half or double time? Offering Derby City Council staff overtime rates at time and a half or double time would help incentivise and encourage staff to take part in standby rotas. However, there are financial implications of this decision.

Offering overtime rates alone, would be more in keeping with the private sector. From the ten local authorities researched, 50% stated 'overtime rates apply' with no additional payments made. Therefore, both options are viable and competitive dependent upon the financial impact.

Standby and Call Out Rotas: Key Points to remember

If standby and call out procedures are going to be introduced, a rota system would need to be established, to ensure standby is distributed equally. Below is an example of a Standby/Call out rota from Warwickshire County Council, based on a scenario where an employee is on standby for a full 7 day week doing a total of 112 hours on standby.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
None	Standby (Morning)	Standby (Morning)	Standby (Morning)	Standby (Morning)	Standby (All Day)	Standby (All Day)
	12.00	12.00	12.00	12.00	12.00	12.00
	8.30	8.30	8.30	8.30		
Work	Work	Work	Work	Work		
8.30	8.30	8.30	8.30	8.30		
18.00	18.00	18.00	18.00	18.00		
Standby (Evening)	Standby (Evening)	Standby (Evening)	Standby (Evening)	Standby (Evening)		
18.00	18.00	18.00	18.00	18.00		
24.00	24.00	24.00	24.00	24.00	24.00	24.00
Total Standby Hours for Each Day:						
6 hours	14.5 hours	14.5 hours	14.5 hours	14.5 hours	24 hours	24 hours

The above rota is based on a service which requires 24 hour cover. Research from the employee's perspective suggests the following good practice...

- Each standby period should last one week to complete all unsociable hours in one go.
- Employees should only participate in the standby rota after they have completed their probationary period.
- The minimum gap between standby shifts should be 5 weeks.

- The standby shift should be mapped at least 3 months into the future. Staff should be free to swap standby weeks providing that no-one is ever on standby two weeks in a row, and that all swaps are cleared with their line manager.
- Pay a fixed daily amount for being on standby. Pay 1.5 times this amount for being on standby on weekends. Pay 2 times this amount for being on standby on a public holiday. Where someone is on standby on a public holiday, add one day to their holiday allowance.
- Have realistic expectations of on standby response times. If you need to guarantee that problems are attended to within 20-30 minutes then you should be running an overnight shift, not standby & call out.
- Expect a daily report summarising the previous 24 hour on standby period, even if that report is "Nothing to report".

Other key points to consider when creating a standby and call out rota include the following...

1. Individuals cannot be required to take part in a standby/callout rota, unless it is part of their contract, or they undertake this on a voluntary basis.
2. To comply with WTR workers are entitled to a daily rest period of at least 11 hours continuous rest in each 24 hour period, and an uninterrupted rest period of 24 hours in each 7 day period.

Conclusions and Recommendations

It is recommended that payment for standby and callout is a standard payment for either a 12 or 24 hour period and that the payment is paid to all spinal column points to ensure equal pay.

For call out allowance, it is recommended to pay standard overtime rate only, as this is the most viable financially and is in keeping with the public sector trend.

Add standby and call out to the contracts for Highways and Engineering staff, if that is currently not the case for new staff and look at the possibility of amending contracts for existing staff to, include this.

Take on board the suggestions regarding how employees would like to see rotas.

Track trends of call outs over the year, to review the peaks and troughs in call outs. This will help workforce planning for future requirements. This will support the monitoring referred to in the report.

Appendix One: Local Authority Standby & Callout Payment Comparison Table!

Council	Stand By Payment	Stand By Payment on Weekend	Callout Payment
Nottinghamshire County Council	£26.17 per shift (a shift can not be less than 8 hours or more than 16)	An employee on standby for a weekend is entitled to 3 shift payments = £78.51	Employees are paid the standard overtime rate for hours worked
Derbyshire County Council	£24 per shift	An employee working the weekend will receive 2 standby payments = £48	Plain time for up to 37 hours thereafter overtimes rates and a third
City and County of Swansea Council	£17.48 per shift	Weekend: £25.26 per shift Bank Holiday: £50.53 Christmas Day: £75.79	Employees will be paid overtime rate as applicable
Leicester City Council	£102 per week (pro rata for each 24 hours you are on standby = £14.57 per 24 hours)	Weekend = £29.14	Employees will be paid appropriate over time for all hours worked
Northampton Borough Council	£30 per session (a session is the end of the working day until the start of the next working day)	Weekend & Bankholidays, full 24 hours: £60 (two sessions) A full week on standby: £270 (nine sessions)	A minimum of 2 hours plain time for the first call out and travel payment for up to 30 minutes after two hour minimum employees will receive time and a half Mon - Sat. Double time Sundays
Coventry City Council	£25 per session (from the end of a working day until the start of the next working day)	Weekends a session is 12 hours for full 24 hours two payment made: £50 Public Holiday: A day in lieu/ two payment will be made for full 24 hours: £50	Minimum payment 2 hours plain time will be made for the first callout & Travel time up to 30 minutes. After the first two hours time and a half. Christmas day is double time in addition to normal pay for that day (triple). Bank Holidays: Plain time in addition to normal pay
Shropshire Council	£10 per 24 hour period	Sunday: £15 Weekend £25 Bank Holiday: £20 per 24 hours period	Minimum one hour plain time *(Shropshire have proposed a change to these payments as part of new pay and grading work, and are planning to incorporate standby and callout into the grade of the job)
Charnwood Borough Council	£40 per week maximum = £5.72 per 24 hour period	Weekend = £11.44	Payment is based on the member of staff's hourly rate. A call out payment will be made for the period of time a member of staff is required to work once they have been called out. Where a service requires there to be a keyholder for out of hours emergency calls, a payment will be made of £1000 per annum.
Leeds City Council	Monday to Friday: £17.17 daily allowance	Saturday: £34.33 daily allowance Sunday: £51.50 daily allowance weekend = £85.83	Overtime rate will be paid for the duration of the callout. Mon - Sat: Time and a half Sunday & Bank Holidays: Double time
Wolverhampton City Council	Monday - Friday: £8.81	Saturday: £26.43 Sunday: £35.24 Weekend = £61.67	Employees will be paid overtime rate

Appendix Two: Thomas Reuters, Information Data Service: Private sector Organisations Standby & Callout Payments Table

Table 23 Examples of unsocial hours payments for IT and e-commerce staff, 2013					
Organisation	Mon-Fri overtime	Sat-Sun overtime	Bank holiday overtime	Standby/on-call pay	Call-out pay
Boots	T/TOIL	T/TOIL	T/TOIL	Variable	-
Center Parcs	TOIL managers; T+50% non-managers	TOIL managers; T+50% non-managers	TOIL managers; T+50% non-managers	£1.85ph plus TOIL or 2TOIL after 30 mins	staff not on standby - £30 Mon-Fri; £70 bank hols (plus TOIL after 1 hour)
Chichester College	T+50%	T+50%	T+50%	-	-
First Choice Homes Oldham	T first 7 hours; T+50% after 7 hours	T first 7 hours; T+50% after 7 hours	T first 7 hours; T+50% after 7 hours	-	-
Friends Life	T+50%	T+100%	T+100%	£4.00ph	standard overtime rates apply
Incommunities	T+25%	T+25% Sat; T+50% Sun	T+100%	£8.18 per day	-
Norfolk County Council	T+50%	T+50% Sat; T+100% Sun	T+100%	basic hourly rate plus £15 per overnight session Mon-Fri; basic hourly rate plus £30 per 24 hours Sat, Sun and bank hol	-
Nottingham City Council	TOIL (salary over £26,000); T+50% (salary under £26,000)	TOIL (salary over £26,000); T+50% Sat; T+100% Sun (salary under £26,000)	TOIL (salary over £26,000); T+100% (salary under £26,000)	£26.24 per 24 hours	TOIL (salary over £26,000); basic rate or overtime rate (salary under £26,000)
Reed Business Information	T/T+50% depending on time	T+100%	T+100%	£8,000 pa (staff working an agreed shift pattern)	-
Telecom Service Centres	T+100%	T+100%	-	-	varies
Trainline	-	-	-	£250 per month	-
University of the West of England	T+50%	T+50%	T+200%	£5.00ph	overtime rates apply (min 2 hours)
Yorkshire Housing	T+50%	T+50% Sat; T+100% Sun	T+100%	-	-

Below is a table of the prison service pay review body standby and callout allowances for 2014:

Table 33 PSPRB on-call and standby allowances under Fair and Sustainable, 2014		
On-call allowances	Each period of more than 12 hours, £	Each period of more than 24 hours, £
Weekdays and privilege days	9.00	-
Weekends	-	25.00
Public and bank holidays	-	25.00

Secondly a table detailing the standby and callout allowances for more public sector organisations including the department for environment, food and rural affairs, the department for work and pensions and the national offender management service:

Table 15 Examples of standby/on-call retainer payments, 2013				
Organisation	Weekly	Monday to Friday	Weekend	Bank holidays
DEFRA	£85.39	£7.99	£22.72	£28.72
DWP	£126.47	£11.55	£34.36	£34.36
Environment Agency	£122.41	£14.69	£24.49	£24.49
Highways Agency	£105.50	£10.50	£24.00	£29.00
Natural England	£67.25	£6.25	£18.00	£22.50
NOMS	£60.61	£5.67	£16.13	£20.41

Italics calculated figures.