

Standby and Callout Payments

SUMMARY

- 1.1 As a result of the Pay and Reward project and consultation, 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 rotor system.

To meet the Charters' 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 (per 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 – HR Manager – Organisational Development Gordon Stirling - Director of Strategic Services and Organisational Development David Cox – Pay & Reward
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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 Appendix 3 – Standby and Callout Summary Report
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IMPLICATIONS

Financial and Value for Money

- 1.1 These figures do not represent savings but they are avoided costs.

Legal

- 2.1 Supports the provision of statutory services. Legal advice has been sought and supports the implementation of one standard payment of all grades of staff. The guidance for managers will contain reference to the Working Time Regulations, to ensure that employees who are working on a standby/call-out rota are given the appropriate rest breaks.

Personnel

- 3.1 Supports fair employment practice of the Employment Charter. HR is responsible for writing the standby/call out procedure and uploading onto iDerby. Further consideration was given to the impact of the proposals on the Pay and Reward project. HR, in consultation with our own Legal Advisers 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/callout 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 will be 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.

There are also risks associated with standby & callout rotas ensuring 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.

Appendix 2

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 This figure was previously used when we managed the Carillion contract	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

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 callout 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. As well as a discussion of key points to think about when implementing a standby/callout rota. Lastly

recommendations will be made based on the research regarding what Derby City Council could pay for standby and callout allowance.

Standby and Callout Pay in the Public Sector

When comparing 10 local authorities from across the country including the midlands and east midlands on the following factors; standby payment, Standby payment on weekends/ bank holidays and callout payment (Table found in Appendix 1.). The Average standby payment for weekdays based on the 10 local authorities researched is: £17.89 per session and the average standby payment for weekends is: £50.01 per weekend.

The range of standby payments on weekdays is £24.28 per session. However the range of weekend standby payments is much greater at £73.39 per weekend. This shows the spread of the data is quite wide, as there is a considerable difference between the highest and lowest weekend standby payment. The presents of such a considerable difference means the average has been made higher as a result. This means the median weekend standby payment may be a better measurement which is slightly lower at £49.00 per weekend.

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

Another public sector organisation is the Highways Agency, there standby and callout 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, Weekend or Public & Bank Holiday	Standby	On-call
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 Callout Pay document 2013. As can be seen there are separate payments for pay bands 1-7 and 8 and above, this is a point to think about for Derby City Council do we want to make one payment for all spinal points or do we also separate pay like the Highways Agency has? Another point to notice is for the row highlighted in purple £34.18 is paid per 24 hours for standby on Saturdays and Sundays for pay bands 1-7 this means if a member of staff had the whole weekend on standby they would receive £68.36 which is higher than both the average and the median weekend standby payment of the 10 local authorities researched.

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 ½	Double Time or Time + Time off in lieu	Time off in lieu
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 Callout Pay document 2013. Again pay is split between pay bands, there is a question over equal pay here is it fair to split callout allowance as for Derby City Council all spinal points would be doing the same job and therefore pay should reflect this. Secondly for the column highlighted in blue it raises the question how practical is it to give employee the option of how they want to be paid? This may be difficult for managers to contact pay roll every time it's a weekend or holiday and an employee is called out to explain if they'd like double time OR plain time and time off in lieu. One payment would be simpler and easier for pay roll to implement.

Standby and Callout Pay Private Sector

Key private sector organisations and there standby and callout 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

As can be seen these payments at first glance seem to be a lot smaller than the public sector payments, this is due to the fact they are worked out per hour. However public sector payments are worked out mainly in 12 or 24 hour sessions. So for example if you times Lloyds Banking groups standby payment by 12 it equals £42 per 12 hour session which is much higher than the average weekday standby payment of £17.89 per session from the 10 local authorities researched. This difference is to be expected as the public sector is always accountable for it's financial decisions and has a responsibility to make budget savings year on year.

What this does provide is a more informed and rounded picture of standby and callout payments across sectors, and gives us an idea of where we need to position our selves 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 also offering time and a half or double time. This identifies a decision needed to be made for Derby City Council, is 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 it is a costly decision.

On the other hand, offering overtime rates alone would be more in keeping with the private sector as from the ten local authorities researched 50% stated 'overtime rates apply' with no additional payments made. Therefore both options are viable and competitive it is purely a question of finance.

Standby and Callout Rotas: Key Points to remember!

Once it has been established standby and callout procedures are going to be introduced a rota needs to be established to share out standby duty equally. Below is an example of a Standby/ Callout 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. This application of allowing a member of staff to do all of there standby duty in one week is a popular decision as when doing the research I came across a blog from a person who had

been part of standby and callout rota for over 5 years at all levels and offered the following advice from the employees perspective as to what would make the 'ideal' rota:

- Each standby period should last one week to get all the unsociable hours out of the way in one go.
- Employees should only participate in the standby rota after they have completed their probationary period.
- The bare 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 & callout.
- Expect a daily report summarising the previous 24 hour on standby period, even if that report is "Nothing to report".

Lastly there are some other key points to consider when making a standby and callout rota, individuals can not be required to take part in a standby/callout rota, unless this is a part of their contract, otherwise they undertake this on a voluntary basis. In accordance with working time regulations adult 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. (This may be one uninterrupted rest period of 48 hours in each 14 day period)

Secondly it is suggested there should be a list of employees who put there names down in case of emergency where the person who is on the rota to be on standby/callout can't attend anymore, you would then go down that list until you find someone who can come in.

Conclusions & Recommendations

In conclusion I recommend that payment for standby and callout is a standard payment for either a 12 or 24 hour period and that standard payment is paid to all spinal column points to ensure equal pay.

Secondly for callout allowance it's recommended to pay standard overtime rate only as this is financially most viable to be in keeping with budget constraints and is in keeping with the public sector trend.

When looking at standby rotas if it is not already part of contracts for Highways and Engineering staff that they are required to take part in standby and callout rotas as part of their job role, to add this in to contracts so every new employee has this in their terms and conditions. Also if possible look into amending contracts for existing staff to also include this.

Standby and callout rotas could be on a one in five basis so staff would have one week on standby then five weeks off, standby rotas should be decided 3 months in advance with a weeks period for employees to suggest any changes and managers to make necessary amendments.

All employees should have finished their probationary period before they can be part of the standby/callout rota and the rota should be in keeping with all working time regulations.

Lastly ask for a standby report this does not have to be written although recording it in some way will help to track trends over the year of when the service area has peaks and troughs in callouts and therefore will help workforce planning for how many members of staff are required to be on standby at any given point.

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	Monday - Friday: £8.81	Saturday: £26.43 Sunday: £35.24	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%	£6,000 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	£8.25	£18.00	£22.50
NOMS	£60.61	£5.67	£16.13	£20.41

