

Title of meeting:	Employment Committee
Date of meeting:	15 th April 2013
Subject:	Standby Allowance Payments
Report by:	Jon Bell - Head of HR, Legal and Performance
Wards affected:	N/A
Key decision:	No
Full Council decision:	No

1. Purpose of report

For Employment Committee to consider the following:

- To amend temporarily the Standby Allowance policy to allow a greater flexibility to apply different rates if a service area is having difficulties covering 24 hour shifts, as an interim arrangement, and
- To review the current Standby Allowance scheme with the view of introducing a revised scheme, within the following 6 months. Any recommendation would be subject to a risk assessment being completed by the City Solicitor.

2. Recommendations

It is recommended that:

- (i) As an interim arrangement, for the Standby Allowance to remain as it is and for local agreements to be made for hard to cover service areas, similar to Market Supplement Payments, and;
- (ii) For a review of the Standby Allowance policy to be undertaken within the following 6 months, with the view of increasing the allowance to reflect the levels of disruption and the emotional impact of call outs, whilst on standby rotas.
- (iii) Any additional costs arising from amendments to Standby Allowances would have to be funded from existing, approved budgets.

3. Background

Standby Allowance is paid to employees that are required to respond to work related matters whilst not on duty at their place of work. The response may be a telephone call where the matter can be solved quickly; it may require the employee to dial in to the computer system and respond from home, or the employee may be required to leave home and attend a place of work.

Callout Payments are made to employees who are required to respond when on standby. The employee is paid a minimum of 1 hours pay if responding from home and 2 hours pay if they are required to leave home and be on site. The rate of pay for the post and relevant time of day is paid (this may be at time or time and a half, depending on the time of day).

The Standby Allowance and Call Out Payment policy states that this is applicable for employees on Band 7 or lower. However, in exceptional circumstances, payments can be made to those above Band 7, with approval from the Senior HR Manager – Employee Relations. As such, arrangements are in place to pay Standby and Call Out to Out of Hours Social Workers, Team Managers in the Children’s Homes, Adult Mental Health Practitioners and some employees within IS.

The current standby allowance rate was negotiated at the time of LPR. The actual value was negotiated with Trade Unions and agreed at £15.15 Monday to Saturday and £22.73 Sunday/Bank or Public Holiday.

This value is not linked to a spinal point

The value is the same for all employees, based on the principle that everybody’s spare time is of equal value.

The lack of flexibility in the current Standby Allowance policy is causing difficulties in 2 service areas (Adult Social Care and Children's Social Care). Subsequently, these areas are at risk of being unable to provide their core business and or/statutory duties.

The most urgent issue is the Adult Mental Health Practitioners team (AMHPs). There is a statutory requirement for this service to be provided on a 24/7 basis. Despite the changes in shift rotas, to expand the time covered by staff working on site, it is very difficult to cover the Standby rota. There is a national shortage of AMHPs and we are experiencing difficulties in recruiting new members of staff and in addition to this, three existing members of bank staff have been approached by Hampshire County Council who are paying a much higher standby rate of £50.15 (£75 for Sunday/Bank Holidays). The manager has requested that the standby payment for this role is brought into line with that of Hampshire County Council in order to be able to recruit and retain bank staff to ensure the council’s statutory obligations are met.

It is clear that the "one size fits all" approach to the existing Standby Allowance is no longer meeting the needs of the diverse service areas. The allowance does not take account of the levels of disturbance nor the emotional impact the call may have on the employee. This is causing a significant risk to areas that are required to provide a statutory duty.

4. Reasons for recommendations

Benchmarking has been undertaken with Local Authorities across the South East region. A high percentage of these still have different Standby Allowances for different groups of workers, often based on a pay spinal point. (See Appendix A).

Two options are proposed to resolve the current situation, one as an interim arrangement, and another for the Standby Allowance payment to be reviewed during the next six months.

4.1 For the Standby Payment to remain as it is and for local agreements to be made for hard to cover service areas, similar to Market Supplement Payments (MSP).

Where essential services are having difficulty in covering shifts; allow local agreements of different value for standby payments. It is envisaged that the responsibility of this would fall upon the manager to make a sound business case as to why this is required, with relevant pay data from other local authorities, in the same way as for Market Supplement Payments (MSP).

A Market Supplement is an amount paid on top of the base salary which brings the total salary in line with the external market for that particular post. Market Supplements can be paid to those posts or groups of posts that are experiencing recruitment and/or retention problems. Market Supplements are paid in 12 equal monthly instalments as an allowance on top of the monthly basic salary.

It is envisaged that an MSP Standby Allowance payment would be paid on top of the basic Standby Allowance payment, to bring the total standby allowance in line with the external market. This would not impact upon basic salary.

To apply for a Market Supplement, the Manager has to make a business case, detailing the recruitment and/or retention difficulties and providing external market data. It is recommended that the same approach is used for a Standby MSP Allowance and that this is presented to and agreed at Pay Steering Group.

The advantage of this is that we will not over inflate the standby payment for all staff, whilst resolving difficulties in key areas.

However, this would create a differential in payments, although these could be justified with the evidence from the business case, as with MSPs. This would

mean that we could attract and retain the right staff and continue to provide the relevant services without the operational difficulties. The local agreements would need to be managed and reviewed regularly, in line with the Recruitment and Retention Policy and Market Supplements. The principal of "spare time equal value" would no longer apply.

If this principle were to be applied to the revised working pattern for the AMHPs team, it is estimated that it will cost an additional £30,000 per annum which the Head of Service has agreed to absorb within their current approved budget.

It is recommended that this is an interim arrangement to resolve current operational issues, whilst a further review of the Standby Allowance payment is undertaken.

4.2 Review the existing Standby Allowance with the view of increasing the allowance equitably for all within the next 6 months

The principle that "employees' spare time is of equal value" is ethically sound and as an Authority, we do not wish to deviate from this. However, it is clear that the current Standby Allowance policy is not flexible enough to meet the diverse service areas of the Authority.

It is recommended that a different Standby Allowance payment scheme is investigated to take account of the level of disruption and the purpose of the disruption (for example, the emotional impact), possibly introducing a tiered payment scheme. Similar schemes currently operate within two Local Authorities within the South East region.

In order to do this, the existing Standby and Call Out Payments will need to be thoroughly analysed over an ample period of time, to ascertain the financial costs of implementing such a scheme.

5. Equality impact assessment (EIA)

A full Equality Impact Assessment has been undertaken.

6. Legal implications

Legal comments are included within the body of this report.

7. Finance comments

It is estimated that the proposed arrangement for the Adult Mental Health Practitioners will be an additional cost of £30,000 per annum. The financial effect for other services will become known when relevant business cases are submitted.

Any additional costs will need to be absorbed within current approved budgets.

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Signed by:

Appendices:

Appendix A: Bench Marking Data

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

Appendix A
Benchmarking Data

A benchmarking exercise was undertaken within the South East Region, to establish Standby payments and policies in use within other authorities. The findings are as follows:

Authority	Standby Allowance
Hampshire County Council	Standard rates applied to all employees working Standby with a separate arrangement for AMHPs (paid 20% of salary for rotating shift).
Crawley Council	Three tier allowance scheme, dependent upon the rate of disturbance and if the call is likely to have a significant emotional impact on the individual.
Isle of Wight Council	Set Standby Payment based on Spinal Point 34 or actual hourly rate (if person is on a higher spinal point)
NHS	Set percentage paid based on the individuals hourly rate
Milton Keynes Council	2 tiered payment scheme dependent upon whether the individual has to attend site or can respond from home
West Sussex Council	Different rates applied to different groups of workers, based on spinal point salaries.
Tandridge Council	
Gosport Council	
Guildford Council	
Maidstone Council	
Wealden Council	