

# **THE FEDERATION OF RACECOURSE BOOKMAKERS**

## **GUIDANCE ON THE USE OF TEMPLATE EMPLOYMENT CONTRACTS FOR BOOKMAKERS EMPLOYING SCHEDULE Y EMPLOYEES**

As confirmed by the Gambling Commission in its letter dated 7 May 2013, only genuine employees may be added to an operating licence under Schedule Y.

This guidance is designed to assist bookmakers to use the template 'Contract of Employment' to appoint schedule Y employees.

The template can be used to create any of the following:

- a) A normal or standard contract of employment.
- b) A part-time fixed hours contract of employment.
- c) A zero hours contract of employment.
- d) An annualised hours contract of employment.

None of these documents are for the appointment of a mere casual worker. Casual workers are not employees and the Gambling Commission has made it clear (in its letter dated 7 May 2013) that it will only process applications to add schedule Y representatives to an operating licence if it receives evidence that a contract of employment exists.

### **A normal or standard contract of employment**

You may use the template to employ (or to continue to employ) employees who work typically full-time, that is 5 or 7 days a week or 35 or 42 hours a week or, alternatively, where they perform such pitch operating duties for part of the time during which they are employed and other duties for the bookmaker at other times.

We have provided on the first page a form for you to fill in to enable you to spell out all the important variables.

We have also included all the matters which the law requires you to set out. It is therefore both a contract of employment and a statutory statement of particulars of employment.

Clause 4 is a probationary period provision. It is not obligatory and, if you want to remove it, particularly if the employee is an existing employee who has worked for you for some time, you should put a line through it and both parties should initial the deletion.

Clause 6 spells out the hours of work. Clause 6.1 will apply if you have said "Yes" to the question on the front "Zero Hours Contract?".

Clause 7 reflects the statutory holiday and holiday pay rules but makes sensible provision for the recovery of overpayments of holiday pay and specifies the notice to be given in advance of holiday being taken.

Clause 8 simply puts in place requirements for the reporting of sickness and absence. No provision is made for any contractual sick pay over and above statutory sick pay.

Clauses 9, 10, 11 and 12 are standard terms which it is sensible to include in any contract of employment and are reflective of the employment relationship. Clause 12 also serves to provide one of the obligatory statutory particulars, i.e. the notice provisions.

Clause 13 emphasises the nature of the employment relationship and the strict requirement for loyalty. It restricts the employee from working for a competitor during his working hours (but he would be free to work for another employer who is not in competition with you (i.e. "moonlight").

Clause 14 is a sensible provision giving you the change to change the contractual terms. Clause 15 simply spells out the composite nature of this agreement.

### **The part-time contract of employment**

The only difference between a part-time contract of employment and the standard contract of employment described above is that the hours of work provision differs. Hence, to turn this into a part-time contract you should specify the hours next to the prompt "Normal Work Pattern" Any entitlements that the employee has, such as their holiday entitlement, is provided on a strictly pro-rata basis. You are completely free to agree with your employee how many days or hours each week they will work but whatever you agree in terms of days and hours those times are fixed, except to the extent that you build in some flexibility. So, for example, "Normal Work Pattern" may provide that the employee will work on Saturdays and Sundays only or, for example, on Wednesdays and Saturdays only, but you might reserve the right to require them to work on Mondays and Wednesdays only or Tuesdays and Thursdays only. This type of contract differs from the zero hours contract (see below) in that the employee is guaranteed a fixed number of hours or a minimum numbers of hours each week.

### **The zero hours contract of employment**

A zero hours contract provides you with ultimate flexibility in that the employee has no entitlement to a contractual minimum or set number of hours work and is paid only for hours actually worked. If they are used properly such contracts can facilitate and embody arrangements for workers who would otherwise be casual or intermittent workers to be offered benefits and a greater degree of integration into the employing organisation. The essential aspect of this is that you are able to provide regular work. You can therefore contractually require the employee to be available for work when required or on reasonable notice even though there is no absolute requirement on you to provide either work or pay at any particular time. The main difference between this type of contract and the normal contract and the part-time contract described above is in relation to remuneration and hours of work. Eligibility for paid holiday (clause 7) is determined and calculated by reference to the average hours actually worked by the employee over a defined period.

## **Annualised hours contract of employment**

If you have a requirement for employees to work on a fluctuating seasonal basis you may wish to adopt an annualised hours contract which guarantees the schedule Y employee a set number of hours work during the year but allows you to nominate when the hours will be worked. You can match working hours with your demand over the course of the year and the schedule Y employee can receive a regular income regardless of hours actually worked from time to time. The essential thing is that the schedule Y employee is required to work a total or annualised number of hours. This type of arrangement allows the employer to regulate and control the cost of overtime and under-used staff by managing a bank of reserve hours which the employee can be required to work in addition to core hours.