

REVIEW OF ANNUAL LEAVE ENTITLEMENT

Appendix 5

BACKGROUND

As part of both the Single Status Agreement 1997 and the Pay and Grading Review there is an undertaking to review all aspects of pay and benefits and harmonise these where appropriate.

The basic entitlement to annual leave is set out in the national terms and conditions known as the Green Book. Annual leave is one of the key national provisions and therefore in part 2 of the document. Part 2 elements represent the basic minimum that staff are entitled to receive and cannot be reduced without being in breach of the Green Book.

The Green Book entitlement is 20 days for less than 5 years service and 25 days for more than 5 years service. In addition there are 8 statutory plus 2 extra statutory days.

CURRENT POSITION AT LANCASTER

Currently there are variations in entitlement to leave for the employees of the Council as to whether employees are employed on the Green Book or Red Book terms and conditions. In addition there are variations resulting from the level of the post and the amount of service of the individual. The entitlements are summarised below

Green Book

	Less than 5 years service	More than 5 years service
Up to scp 28	23	28
scp 29 and above	26	31

The entitlement to statutory days is 8 with the additional 2 included in the above entitlement.

The employees who are graded at scp 29 and above receive an additional 3 days because they are not paid overtime for any additional hours worked.

Red Book

Less than 5 years service	More than 5 years service
21	26

The entitlement to statutory days is 8 with 2 additional days which may be required to be used with one day from the annual leave entitlement if there is a close down at Christmas.

ANNUAL LEAVE ENTITLEMENTS AT OTHER AUTHORITIES IN THE REGION

Research has revealed a variety of practices across the region. We have obtained information from 15 authorities. This is set out in Appendix 1.

Basic Entitlement

Analysis of the results reveals that some authorities include two extra statutory days in the basic holiday entitlement whereas for others it is additional. If this is taken into account then the results show a variation between 22 and 27 days basic entitlement including the two days with 5 of the 15

authorities having an entitlement of 22 days, 3 having 23 days, 1 having 24 days, 5 having 25 days and 1 having 27 days. Lancaster's basic entitlement is 23 days compared to the average basic entitlement of 23.4 days.

Entitlement at Five Years Service

All but one of the 15 authorities gives an additional 5 days entitlement on the completion of 5 years service. This is also the practice at Lancaster which gives a basic entitlement at 5 years of 28 days. The average across the 15 authorities is 28.5 days.

Entitlement at Ten Years Service

Three authorities give additional days for the completion of 10 years service with one authority also giving extra days for 15 and 20 years service. The average basic entitlement at 10 years service is 28.6 days. Lancaster does not give extra days on completion of 10 years service

Additional Leave Based On Grading

Four of the 15 authorities give additional days based on the grade of the post. For those at spinal column point 29 and above the average holiday entitlement across the 15 authorities is 25.1 days. Lancaster is just in excess of this with 26 days.

After 5 years service staff at spinal column point 29 and above have an entitlement of 31 days at Lancaster. The average entitlement is 28.8 days.

After 10 years service staff at spinal column point 29 and above have an entitlement of 31 days at Lancaster. The average entitlement is 29.3 days.

POSSIBLE OPTIONS

There are a number of options that can be considered to achieve full or partial harmonisation of holiday entitlements.

1. Harmonise All Basic Holiday Entitlements at 23 Days plus 8 Statutory Days

This proposal would reduce everyone to the lowest level of entitlement. The entitlement would be inclusive of the two extra statutory days.

An additional 5 days would still be given for 5 years service in accordance with the Green Book.

Advantages: This could be quantified as an efficiency saving as the amount of paid holiday within the Council would reduce.

Disadvantages: Employees most affected by this would be those currently paid at or above scp 29 who will lose contractual holiday entitlement.

Some employees paid at or above scp 29 could be facing not only a reduction in salary in the medium term as an outcome of the Fairpay process but also a loss in holiday entitlement. This will increase low morale at a difficult time.

2. Harmonise All Basic Holiday Entitlements at 26 Days plus 8 Statutory Days

This proposal would give everyone the entitlement of those currently on scp 29 and above. The entitlement would be inclusive of the two extra statutory days.

An additional 5 days would still be given for 5 years service in accordance with the Green Book.

Employees currently below scp 29 and not on flexi time receive overtime payments for any additional hours worked. It is proposed that this continues unchanged although the overtime scheme is also being reviewed as part of Fairpay.

Employees below scp 29 who are on flexi-time receive overtime for any hours undertaken outside the period covered by the flexi time scheme. However, the bandwidth during which flexi-time operates has been substantially widened since the scheme was introduced and is now 7.30 am to 7.30 pm). It is proposed therefore that this is changed to time off in lieu'.

Employees above scp 29 currently do not receive overtime payments and are not given any credit for hours worked outside the period covered by the flexi time scheme. This is because they receive the additional three days holiday. It is therefore proposed that this group of employees also receive time off in lieu for any hours worked outside the period covered by flexi time to bring them into line with other employees.

Advantages: Many employees would receive an increased holiday entitlement or the ability to take TOIL and this would be a positive outcome for them from job evaluation.

Disadvantages: There would be a cost to this in additional days paid holiday.

3. **Maintain Status Quo**

This proposal would leave all holiday entitlements as they currently stand.

Advantages: This is obviously easier in terms of the implementation of Fair Pay. It avoids creating any losers in terms of holiday entitlement and thus increasing low morale. It also avoids additional costs where increased holiday entitlement is granted.

It does not cause difficulties with contracts and national terms and conditions of employment.

Disadvantages: It does not achieve harmonisation of holidays. However not all councils have chosen to take this route.

4. **Link Part of Holiday Entitlement to Good Attendance**

Under this proposal staff would be given additional holiday entitlement for good attendance. It is proposed that there would be two additional days for a 12 month period with no sickness absence and one additional day for a 12 month period with only one day of sickness absence. The reference period would be the holiday year and the additional days would be awarded for the following year. If there was sickness in that year then the additional days would not be granted in the subsequent year.

HR would check the attendance figures and then write to the employees with no absence or only one day's absence to thank them. The employee would then take the letter to the manager who would add the extra day(s) to their leave card.

There are three ways of approaching this:

- a) The days could be deemed to part of the basic entitlement in whichever option is chosen and therefore the employee would lose one or two days from the entitlement if they are off sick. This seems harsh and is unlikely to act as the incentive we are looking for to improve attendance.
- b) The days could be additional to the basic entitlement.
- c) The days could be additional to the entitlement for employees who lose or stay the same whichever option is selected and within the entitlement for those who gain.

This latter approach is illustrated in the table below.

	Staff Group	Current Basic	Revised Basic	Sickness Linked Days	Total	>5 years Current Basic	>5 Years Revised Basic	Sickness Linked Days	Total
Option 1	Green Book <scp29	23	23	2	23+2	28	28	2	28+2
	Green Book ≥scp29	26	23	2	23+2	31	28	2	28+2
Option 2	Green Book <scp29	23	26	2	24+2	28	31	2	29+2
	Green Book ≥scp29	26	26	2	26+2	31	31	2	31+2
Option 3	Green Book <scp29	23	23	2	23+2	28	28	2	28+2
	Green Book ≥scp29	26	26	2	26+2	31	31	2	31+2

As it is not clear whether this would assist in the reduction of sickness absence it is suggested that there is a trial period of perhaps three years to assess its effectiveness.

Advantages: It will reward those employees who have a good attendance record. It could assist in reducing sickness absence across the council. It will be welcomed by some of the trade unions who are in favour of this approach. They believe that those who attend regularly have to cover for colleagues and deal with the difficulties absence creates and this should therefore be recognised.

Disadvantages: It could be an additional cost to the council. If it is successful it could lead to a reduction in absence costs which will minimise the cost of the additional holidays. It raises an issue about rewarding employees for attending work when it is part of their contract of employment to attend work regularly and they are paid the appropriate salary for doing this.

OTHER ISSUES IN RELATION TO HOLIDAY ENTITLEMENT

If the council maintains a difference in holiday entitlement for those on or above spinal column point 29 then there will need to be consideration of what will happen to employees who are currently paid at this level but following the implementation of the new pay and grading structure will be on a lower spinal column point. The holiday entitlement could be protected while the salary is being protected and then reduce at the end of the three year protection period.

SUMMARY

1. There are a number of options which can be proposed either individually or combined. The views of the trade unions are sought on these options.

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