

Report to: Governance Committee

Date of meeting: 23 January 2018

By: Chief Operating Officer

Title: Additional Leave Purchase scheme

Purpose: To propose the implementation of an Additional Leave Purchase scheme for employees

RECOMMENDATIONS

The Governance Committee is recommended to agree the implementation of an Additional Leave Purchase (ALP) scheme, as set out in the report.

1 Background

1.1 The Corporate Management Team (CMT) recently considered a report, proposing the implementation of an Additional Leave Purchase (ALP) scheme. This was following feedback received via the income generation employee suggestion scheme. CMT were supportive of adopting a scheme, and have approved a supporting scheme guidance document, subject to final agreement by the Governance Committee.

1.2 The relevant trade unions have also been consulted, and are supportive of the scheme being implemented.

1.3 A variety of public sector employers offer their employees some form of additional leave scheme. The precise nature of each scheme varies between organisations. However, the basic principle is that purchasing additional leave is actively promoted to employees, as an option for taking time off in addition to their annual leave entitlement. This helps reduce staffing costs for employers, while providing employees with an attractive staff benefit that allows them greater flexibility to pursue interests outside of work. By implementing a formal scheme, as opposed to simply promoting the use of unpaid leave, managers and staff are provided with clear parameters within which use of additional leave can be considered and agreed.

1.4 A copy of the scheme document is attached as Appendix 1. In brief, it is proposed that employees can normally purchase up to twice their full weekly hours in additional leave per leave year.

1.5 Depending on the amount of additional leave requested, either the employee's line manager or their Head of Service would approve the application. Managers are of course free to decline requests, or to authorise lesser amounts of additional leave, with consideration of the business needs and staffing requirements of the service.

1.6 Once approved, the hours would then be added to the employee's annual leave entitlement, and taken as annual leave following the normal request and approval process. It is anticipated that this framework will provide employees with a reasonable degree of flexibility to take additional leave, while ensuring that managers can continue to deliver services effectively.

1.7 Employees can apply to purchase additional leave at any point during the leave year, but will always be required to pay for the additional leave by the end of that same leave year. Conversely, employees who apply ahead of a new leave year starting will be able to spread the cost of the additional leave over up to 12 equal monthly salary deductions. Coupled with appropriate staff communications, this approach should encourage employees to apply for leave in advance, allowing managers to consider any impact on service delivery in a planned and managed way.

2 Supporting Information

Reduced staffing costs

2.1 The mean average FTE daily salary for a non-school employee is £72.20. (£26,353 per annum ÷ 365 working days per year). If each non-schools corporate employee purchased one day of additional leave per year, based on an FTE of 3762.6 corporate employees, this would reduce gross staffing costs by £271,659 per year, not including on-costs and other residual expenses. It should be noted that this cost saving would be retained locally in the budgets of those services whose staff chose to purchase additional leave, rather than being pooled centrally.

2.2 If the Committee approve the scheme, it is envisaged that the scheme will launch in February 2018, supported by a communications campaign to raise awareness amongst colleagues. This would encourage employees to plan any leave they might like to purchase ahead of the 2018 leave year commencing in April.

3. Conclusion and reasons for recommendations

3.1 As the Committee will of course be aware, the Council is operating in financially challenging conditions. In addition, employees are increasingly seeking greater flexibility in balancing their work and personal commitments. An ALP scheme could serve to reduce staffing costs to the Council, while also offering an attractive staff benefit that helps enhance our reputation as an employer of choice.

3.2 The Committee is recommended to approve the adoption of an ALP scheme as detailed in Appendix 1.

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