

Report to: Governance Committee

Date of meeting: 24 June 2025

By: Chief Operating Officer

Title: Neonatal Care Leave and Pay

Purpose: To seek the Governance Committee's approval to implement Neonatal Care Leave and Pay provision based on the statutory provisions.

RECOMMENDATION:

The Governance Committee is recommended to approve the implementation of the Neonatal Care Leave Policy based on the statutory provisions for Neonatal Care Leave and Pay.

1 Background

1.1 From April 2025, parents have the legal right to take up to 12 weeks neonatal care leave if their baby needs medical or palliative treatment. The number of weeks' leave is equal to the number of full weeks a baby needs neonatal care.

1.2 Neonatal Care Leave and Pay is intended to ease the financial and emotional burden on parents with babies needing neonatal care in the first weeks of their life. Approximately 14% of births in the UK need some neonatal care but this provision particularly benefits parents of babies who are born prematurely, which occurs in approximately 10% of births (sourced from Bliss charity).

1.3 Neonatal Care Leave is available to all employees whose child is born on or after 6 April 2025, regardless of their length of service, however a service requirement is necessary for employees to be eligible to receive pay, see paragraph 1.6. The leave is available to the parents of a child whose neonatal care starts within a period of 28 days from birth and lasts seven days or more without interruption. Neonatal care leave must be taken within 68 weeks of the baby's date of birth. Employees would need to exhaust maternity, paternity, adoption and/or shared parental leave, before utilising neonatal care leave.

1.4 This leave is available to take in two tiers.

- The tier 1 period provides for the employees' immediate need to take leave during a stressful time. Tier one leave can be taken in non-continuous blocks of a minimum of one week.
- The tier 2 period helps to reimburse those 'lost weeks' an employee would have received had their baby not needed neonatal care. Tier two leave must be taken in continuous blocks of one week or more and can be taken up to 68 weeks after the child's birth.

1.5 Tier 1 will be beneficial to employees who have returned to work having exhausted existing leave provisions, more likely applicable to non-birthing partners, for example, a father whose paternity leave is limited to 2 weeks. The tier 2 period is more likely to be applicable to birthing partners/primary adopters who will already be on maternity/adoption leave in the first few weeks after the birth. Employees are required to give reasonable notice to take tier 1 leave, although under the circumstances employers will of course need to be flexible. For tier 2, employees must give 15-28 days' notice depending on the amount of leave they want to take.

1.6 Statutory Neonatal Care Leave Pay is payable to employees who meet a minimum service requirement of 26 weeks at 15 weeks prior to the expected week of birth and who meet the lower earnings limit. Employees who do not meet this service requirement, but are otherwise eligible to take Neonatal Care Leave, can do so (see paragraph 1.3) but their leave will be unpaid. The rate of statutory Neonatal Care Leave Pay is £187.18 per week for 2025/26 set by the Government for the relevant tax year, or at 90% of an employees' average weekly earnings (whichever is lower). Employers reclaim 92% of statutory Neonatal Care Leave Pay in line with other statutory maternity related pay.

2 Supporting information

Neonatal care statistics

2.1 Research indicates that approximately 14% of babies need neonatal care. Generally, the earlier a baby is born, the more likely they will need an extended period of neonatal care. Parents from a low socio-economic background and those from some ethnic minorities are more likely to experience a pre-term birth.

2.2 In the last three years, an average of 101 corporate employees per year took maternity or paternity leave, with another 124 per year in schools. Based on this workforce data and research suggesting 14% of babies need neonatal care, we could expect 14 employees (plus 17 in schools) to experience their child in Neonatal Care in a given financial year. However available research suggests many of these babies would not need extended periods of care of seven days or more, meaning that parents would not qualify for Neonatal Care Leave in those instances.

Neonatal care pay and benchmarking

2.3 Employers have discretion to provide an enhanced rate of neonatal care leave pay that is greater than the statutory minimum. However, subject to Governance Committee's approval, it is proposed that the Council does not offer an enhanced rate. This is in line with the majority of our neighbouring authorities.

2.4 The financial impact of Neonatal Care Leave is expected to be minimal due to the low likelihood of cases where extended periods of neonatal care are needed in newborn babies. Additionally, the County Council will reclaim 92% of statutory Neonatal Care Leave Pay from the government in line with other statutory maternity related pay. Any cost associated with this provision is likely to be associated with indirect costs of lost labour or working arrangements for temporary cover.

2.5 Whilst the financial impact is expected to be low, the consideration of neonatal care leave and pay sits within the context of the significant financial challenges facing the Council, as well as the policy position of our neighbouring Councils and the range of flexible working arrangements and special discretionary leave options available to employees including compassionate leave and enhanced parental leave. A copy of the proposed policy is attached at Appendix 1.

3. Conclusion

3.1 Neonatal Care Leave is a welcome provision for parents to help manage what can be a very stressful time and support families both emotionally and financially. It particularly benefits parents who experience a premature birth, who prior to this provision would receive the same number of weeks leave as an employee whose baby is born at full term yet miss out on time spent with their baby in their first year of life.

3.2 Parents of babies needing neonatal care can be further supported by the County Council's flexible working options, as well as existing special discretionary leave, where appropriate. In terms of emotional support, the County Council maintains a comprehensive wellbeing offer to employees including a dedicated counselling service.

3.3 In light of existing supportive provisions, and in the context of significant broader financial challenges faced by the County Council, it is proposed to not enhance neonatal care leave pay and implement the Neonatal Care Leave Policy attached at Appendix 1.

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