

Y BWRDD GWEITHREDOL

1AF EBRILL 2019

PRYNU GWYLIAU YCHWANEGOL

Diben yr adroddiad hwn yw ceisio cymeradwyaeth i gyflwyno cynllun newydd a fyddai'n galluogi gweithwyr i brynu gwyliau ychwanegol.

Yr argymhellion / penderfyniadau allweddol sydd eu hangen:

Mae'r adroddiad hwn yn darparu trosolwg o'r Polisi Prynu Gwyliau Ychwanegol (atodir y polisi drafft yn atodiad 1) ac yn manylu ar y manteision y byddai'n eu cynnig i weithwyr a'r Awdurdod os caiff ei weithredu. Argymhellir bod y Bwrdd Gweithredol yn ystyried cyflwyno'r cynllun newydd.

Y Rhesymau:

Drwy gyflwyno polisi prynu gwyliau ychwanegol, bydd yr Awdurdod yn gallu arbed arian mewn ffordd greadigol y mae modd ei rheoli'n ariannol wrth ategu'r ystod o bolisiau cefnogol a buddion sydd ar gael i weithwyr.

Angen ymgynghori gyda'r Pwyllgor Craffu Perthnasol NA

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Y Cyng. Mair Stephens

Y Gyfarwyddiaeth: Y Prif Weithredwr

Enw Pennaeth y Gwasanaeth: Paul Thomas

Awdur yr Adroddiad:

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EXECUTIVE SUMMARY EXECUTIVE BOARD 1ST APRIL 2019

SUBJECT: PURCHASE OF ADDITIONAL LEAVE POLICY

This report provides an overview of the Purchase of Additional Leave Policy (Draft policy attached) which is a salary sacrifice scheme and details of the advantages it could offer.

The Authority is committed to supporting its employees and promoting their health and well-being. This policy is designed to complement the existing range of supportive policies and benefits available to employees by allowing individuals to request to purchase additional annual leave.

This policy would assist employees in balancing work and home life by providing greater flexibility in respect of planned time off work and may contribute to a reduction in levels of sickness absence as experienced by other local authorities who have implemented a purchase of additional leave policy.

There may be instances for example where a member of staff:

- is planning a special event or trip;
- would benefit from additional leave to balance personal circumstances, eg. caring responsibilities at a particular time;
- simply would like more annual leave.

Existing policies such as job share, part-time working and unpaid leave provisions may not be appropriate for a member of staff to use, therefore, the option to purchase additional annual leave may offer a more suitable option.

This policy would apply to all Council employees (with the exception of those employed locally by schools and term-time workers) whether they are full-time, part-time, fixed term, temporary or permanent provided they have accrued 12 months service and completed the probationary period satisfactorily, have a contract of employment that covers the duration of the salary sacrifice agreement and the reduction in pay does not fall below National Living Wage levels.

This policy does not replace or restrict the discretion of line managers to grant unpaid leave in line with the Time Off Policy.

Benefits of implementing the policy include:

- the Council realising savings in employer national insurance contributions;
- a potential reduction in sickness absence levels and occupational sick pay;
- an improvement in employee engagement and morale improving in the recruitment and retention of staff and the Council being an employer of choice in a competitive labour market

However as with any flexible employee benefit it is essential that any request for the purchase of additional annual leave is balanced against the ability to maintain the provision of the Council's services.

A number of Welsh authorities have already implemented a purchase of annual leave scheme, eg. Cardiff Council implemented a policy in 2015 as part of a suite of flexible working benefits in order to generate savings. Cardiff Council's policy take up has steadily increased since being established and during 2018/19 230 employees utilised the policy, with similar take up in preceding years, which equates to approximately 2% of their workforce. Over the last three years they have reported employer savings of £392,285.

Swansea, Blaenau Gwent, Neath Port Talbot, Denbighshire and Anglesey Councils also have similar policies in place.

Nottingham City Council's success in implementing their policy has been well publicised. They were awarded the Personnel Today award in 2015 with the help of the introduction of the policy:

<https://www.employeebenefits.co.uk/issues/august-2011-online/nottingham-city-council-makes-savings-with-holiday-purchase-via-salary-sacrifice/>

<https://www.nottinghamcity.gov.uk/media/456766/13-total-rewards-brochure-2017.pdf>

It is reported that since the scheme's launch in 2012 they had saved £1.7 million. Around 10% of the workforce access the scheme and sickness absence rates have reduced (Nottingham employ 7,000 staff approx)

It is difficult to predict with any certainty the take up of the policy for Carmarthenshire in terms of potential financial savings. The success of any new policy will depend on corporate and departmental support for the initiative and an effective communication plan to ensure the message reaches all employees.

Research predicts a 3% take up of the policy and this could generate a saving of employer national insurance of up to approximately £117,989 per annum based on the average salary of the Authority at £19171 as at 1st April 2019 and 4700 employees of the Council (excluding staff employed locally by schools).

Example per 1FTE purchasing maximum 10 additional leave days per annum:

- $\text{£}19,171/365 \times 7/37 = 9.94 \times 74 \text{ hours } (7.4 \times 10) = \text{£} 735.33$
- Annual employers NI saving on $\text{£}735.33 = \text{£} 101.47$
- Salary saving $\text{£}836.80$

There are resource implications as a consequence of administering the scheme that need to be considered by introducing the policy, the cost of which will need to be deducted from the gross employer national insurance savings.

It will not be possible to support all requests to purchase additional leave and therefore some applications will be reasonably declined due to the inability to maintain service delivery or due to current staffing levels or vacancy levels. It is clear in the policy that this employee benefit is

discretionary and the needs of the service are paramount. There may as a consequence be a disproportionate impact on employees delivering front line services.

However, the Council already operates a range of employee flexible benefits such as flexi time scheme and flexible working policy where the ability to participate or approve a request is subject to the needs of the service. This purchase of additional leave would follow the same principles.

The declining of a request by a manager may be perceived negatively and therefore it is recommended that the manager confirms the business reasons for the decision and allow the employee the opportunity to request a review of the decision by a more senior manager with advice from a HR Advisor. Approximately 85% of all requests for flexible working are approved within CCC and it is anticipated that this would be replicated by the purchase of additional leave policy.

DETAILED REPORT ATTACHED?

DRAFT POLICY ATTACHED

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Paul Thomas

Assistant Chief Executive (People Management)

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	NONE	YES	NONE

Policy, Crime & Disorder and Equalities

The Scheme will be applied consistently in relation to equalities. An equality impact assessment will be undertaken as part of the consultation process.

The scheme supports the aim of the People Strategy and the Corporate Strategy “Building a Better Council and Making Better Use of Resources”

Legal

Scheme will be applied in accordance will relevant employment law legislation. The Scheme will operate in accordance with the salary sacrifice regulations via the HMRC

Finance

Potential for financial savings.

Staffing Implications

The implications for all staff are detailed in the body of the report. In addition in implementing the scheme there will be additional processes to be implemented for the People Services team.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Paul Thomas

Assistant Chief Executive (People Management)

1. Scrutiny Committee

N/A

2. Local Member(s)

N/A

3. Community / Town Council

N/A

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

Staff side representatives have been consulted during the development of this policy, which has been amended to reflect their comments and that of the EBM.

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection