



## Personnel Sub Committee - 8 June 2010

### Purchasing Annual Leave Policy & Procedure

#### Summary

Members are requested to approve the new Purchasing Annual Leave Policy and Procedure.

#### Attachment(s)

Purchasing Annual Leave Policy and Procedure

1. The Purchasing Annual Leave Policy and Procedure has been developed in response to staff feedback when they were asked if there were any benefits that could be offered to staff that would not cost the Council any money.
2. The purpose of the scheme is to provide the opportunity for staff to “buy” up to 10 days additional annual leave in each leave year with deductions from pay spread over the leave year.
3. Approval to purchase additional annual leave is not guaranteed and will always be subject to the operational requirements of the service which must remain a priority.
3. Members are asked to approve the Purchasing Annual Leave Policy and Procedure.

<b>Implications:</b>	
<b>Corporate Outcomes or Other Policy/Priority/Strategy</b>	
Good Quality of Life	<input type="checkbox"/> Good Reputation <input checked="" type="checkbox"/>
Good Value for Money	<input type="checkbox"/> High Quality Service Delivery <input type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/> Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/> Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours	<input type="checkbox"/>
<b>Other:</b>	<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval	<input type="checkbox"/>
<b>Financial</b>	There are no financial implications at this stage <input checked="" type="checkbox"/>
	There will be financial implications – see paragraph <input type="checkbox"/>
	There is provision within existing budget <input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date <input type="checkbox"/>
	Decisions may have potential for income generation <input type="checkbox"/>
<b>Risk Management</b>	An assessment has been carried out and there are no material risks <input checked="" type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - <input type="checkbox"/>
	inherent risk score -
	residual risk score -
<b>Staff</b>	There are no additional staffing implications <input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph <input type="checkbox"/>
<b>Equalities and Human Rights</b>	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>
<b>Legal</b>	Power: Local Government Act 1972, s
	Other considerations:

<b>Background Papers:</b> Organisational Development files					
<b>Person Originating Report:</b> Tricia Orr, HR Advisor tel: 01832 742131 porr@east-northamptonshire.gov.uk					
<b>Date: 20 May 2010</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 21)



East  
Northamptonshire  
Council

# Purchasing Annual Leave Policy and Procedure



An employees' guide to purchasing annual leave

## Document Version Control

<b>Author (Post holder title)</b>	Tricia Orr, HR and Payroll Supervisor
<b>Type of document (strategy/policy/procedure)</b>	Policy and Procedure
<b>Version Number</b>	1
<b>Document File Name</b>	Purchasing Annual Leave Policy and Procedure
<b>Issue date</b>	
<b>Approval date and by who (SMT / committee)</b>	
<b>Document held by (name/section)</b>	Organisational Development
<b>For internal publication only or external also?</b>	Internal only
<b>Document stored on Council website or Eunice?</b>	Eunice
<b>Next review date</b>	

## Change History

<b>Issue</b>	<b>Date</b>	<b>Comments</b>
0.1	22/04/2010	Changes made following comments by SMT

*NB: Draft versions 0.1 - final published versions 1.0*

## Consultees

<b>Internal</b>	<b>External</b>
e.g. Individual(s) / Group / Section	e.g. Stakeholders / Partners /Organisation(s)
Heads of Service, Xchange, UNISON, SMT, Personnel Sub Committee	

## Distribution List

<b>Internal</b>	<b>External</b>
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All employees	

## Links to other documents

<b>Document</b>	<b>Link</b>

## Additional Comments to note

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**1.0 Introduction**

- 1.1 The purpose of the annual leave purchase scheme is to provide employees with additional flexibility in respect of planned time off work. This scheme is in addition to any special paid/unpaid leave under the Special Leave arrangements.
- 1.2 This scheme provides the opportunity to “buy” up to 10 days additional annual leave in each leave year (pro rata for part time staff) with deductions from pay spread over the leave year.
- 1.3 Pension contributions will be made prior to any deduction from wages/salary; therefore pension entitlements will be unaffected.
- 1.4 Approval of any additional annual leave purchase is not guaranteed, and will always be subject to the operational requirements of the service which must remain a priority.
- 1.5 Organisational Development (OD) will be able to give managers advice and guidance if required.

**2.0 Statement of intent**

- 2.1 This policy and procedure outlines the council’s approach to the purchase of annual leave.

**3.0 Scope**

- 3.1 This policy and procedure applies to all employees of the council covered by Green Book NJC terms and conditions (available for reference from OD)

**4.0 Outcomes**

- 4.1 The outcomes to be delivered by this policy and procedure and the links to the council’s corporate outcomes are as follows:

<b>Purchasing Annual Leave policy and procedure outcomes</b>	<b>Links to corporate outcomes</b>
<ul style="list-style-type: none"> <li>• Employees are treated fairly and consistently</li> <li>• Staff retention</li> <li>• Assisting employees to achieve a balance between work and personal life</li> </ul>	<ul style="list-style-type: none"> <li>• Effective management</li> <li>• Employer of choice</li> </ul>

**5.0 Operation of the scheme**

- 5.1 Wherever possible, employees should make a request to purchase annual leave prior to the start of their annual leave year.
- 5.2 Employees must complete and sign the annual leave purchase form and give it to their Line Manager for consideration.
- 5.3 The Line Manager must consider the application fully and must normally respond within 15

working days of receipt. The Line Manager must take into account the effect of granting the request on the operational requirements of the service.

- 5.4 If the application is refused the reasons for this must be notified to the employee on the annual leave purchase form.
- 5.5 Employees who are not satisfied with the Line Manager's response may appeal within 10 working days of receiving the response to their Line Manager's Manager.
- 5.6 Employees must submit a written appeal which should include the reasons for appeal and attach a copy of the Annual Leave Purchase Form.
- 5.7 Employees will receive a written response to the appeal within 15 working days.
- 5.8 Approval of any additional annual leave purchased must be recorded on the employee's leave record and the days taken recorded and authorised in the normal way.
- 5.9 The manager should make a copy of the form for the employee and the original should be sent to OD.
- 5.10 The form will be retained on the employee's personnel file.
- 5.11 The Payroll Officer will inform the employee, by e-mail, of the monthly deduction and the date of the first deduction.
- 5.12 OD will monitor the forms to ensure that the policy is being applied consistently throughout the organisation.
- 5.13 Applications for the purchase of annual leave in excess of 10 days will only be considered in exceptional circumstances by the relevant Head of Service and Executive Director.
- 5.14 A carry over of up to 5 days will be allowed only when employees are not permitted – for operational reasons - to take their entitlement of annual leave.
- 5.15 If employees have been unable to take their leave due to long term sickness they will need to have a discussion with their manager to agree whether the leave can be carried over or whether they can be reimbursed.

## **6.0 Salary adjustments**

- 6.1 Employees purchasing additional annual leave will have their salary reduced by the equivalent value of the number of days purchased over a 12 month period, or if the application is made after the start of the leave year the number of months remaining.
- 6.2 The cost will be deducted from net pay, i.e. after deductions for Tax, National Insurance and pension have been made.
- 6.3 The calculation for full time workers working a standard working pattern i.e. 37 hours over 5 day will be arrived at by:
  - dividing the employee's basic annual salary (excluding non contractual overtime) by 52.14 to determine their basic weekly pay;
  - dividing this figure by 5 to reach their daily pay;
  - multiplying this figure by the number of annual leave days the employee wishes to buy;

- dividing this figure by 12 to arrive at the amount that will be deducted from the employee's monthly salary;
- subtracting that figure from the employee's net monthly salary.

#### 6.4 Example

- A full time employee earns £21,519 per annum and wishes to buy 3 days annual leave
- $£21,519 / 52.14 = £412.72$  per week
- $£412.72 / 5 = £82.54$  per day
- $£82.54 \times 3 = £247.62$  cost of 3 days annual leave
- $£247.62 / 12 = £20.63$  deduction from monthly pay for buying 3 days extra annual leave.

#### 6.5 The calculation for part time workers will be arrived at by:

- dividing the employee's basic annual salary (excluding non contractual overtime) by 52.14 to determine their basic weekly pay;
- dividing this figure by 37 to reach their hourly pay;
- multiplying this figure by the number of annual leave hours the employee wishes to buy;
- dividing this figure by 12 to arrive at the amount that will be deducted from the employee's monthly salary;
- subtracting that figure from the employee's net monthly salary.

#### 6.6 Example

- A part time employee earns £21,519 (pro rata) per annum, works 20 hours per week and wishes to buy 20 hours annual leave
- $£21,519 / 52.14 = £412.72$  per week
- $£412.72 / 37 = £11.15$  per hour
- $£11.15 \times 20 = £223.00$  cost of 20 hours annual leave
- $£223 / 12 = £18.58$  deduction from monthly pay for buying 20 hours extra annual leave

6.7 Employees who complete and the request for additional leave and obtain approval will be deemed to have consented to the applicable salary adjustment.

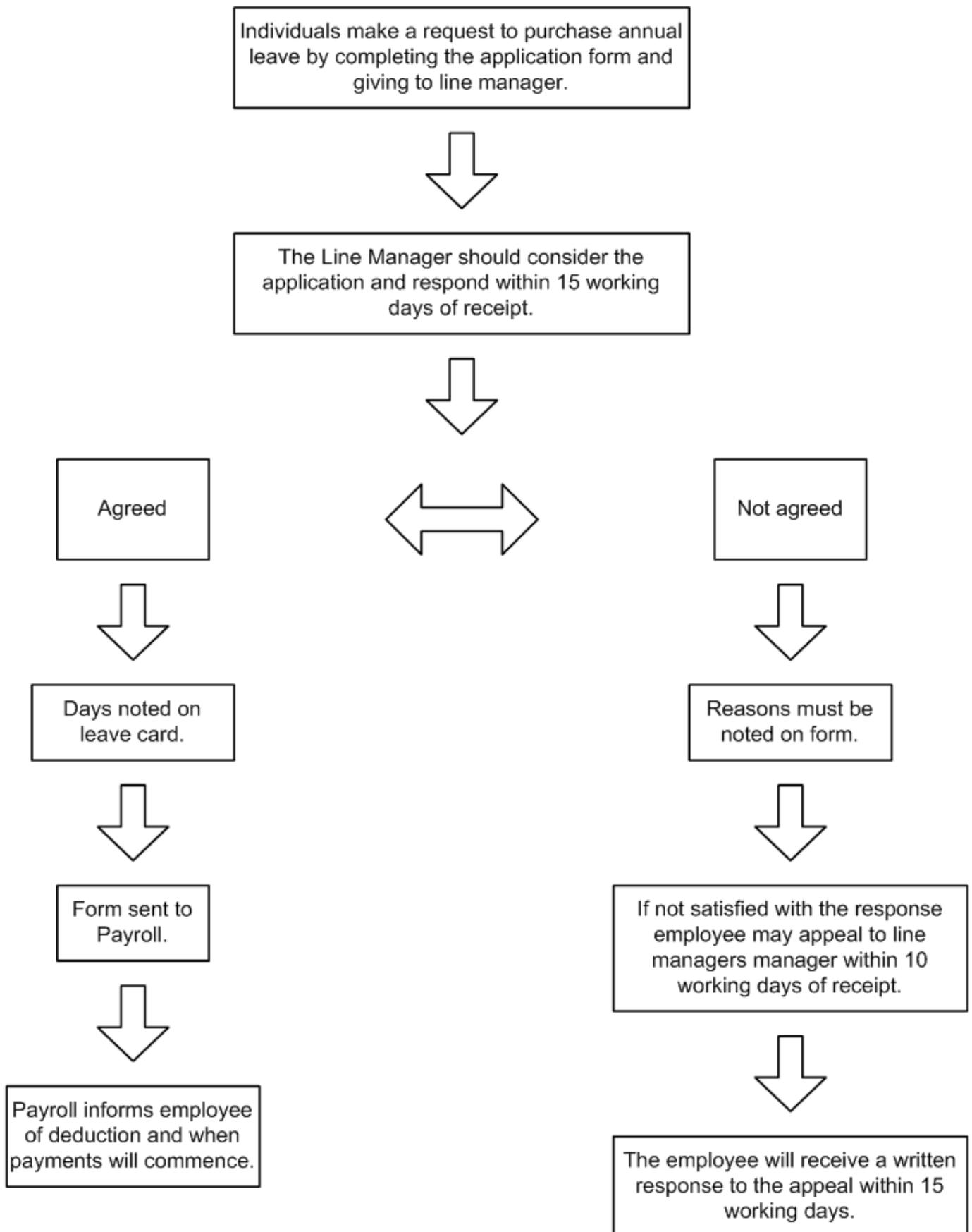
### 7.0 Leaving the authority

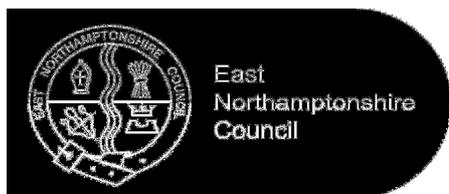
7.1 Employees who purchase and take additional annual leave will be required to repay from their final salary the outstanding value of the additional number of annual leave days taken if they leave East Northamptonshire Council prior to full repayment.

### 8.0 Monitoring of policy and procedure

8.1 This policy and procedure will be reviewed every 24 months.

## Purchasing Annual Leave Flow Chart





## Request to Purchase Additional Annual Leave

Employees wishing to buy additional annual leave must complete this form and forward it to their line manager for consideration. The maximum amount of additional annual leave that an employee may 'purchase' in any one-leave year is 10 working days (pro rata for part-time staff).

It is the employee's responsibility to liaise with the Payroll Officer for the salary deduction, which will apply.

Note: The completion and submission of this form and approval of the request for additional annual leave will constitute an employee's consent to any applicable salary adjustment.

**Please complete the following:**

**Name of employee:**

**Job Title:**

**Service Area:**

**Current hours worked per week and working pattern:**

I would like to apply to purchase [    ] days/hours of additional leave (please state the number of days/hours you would like to purchase as working days and not calendar days).

I understand that if I opt to purchase additional annual leave that this will result in a reduction in my salary for the relevant leave year.

I understand that the decision to allow me to purchase additional annual leave is entirely at the discretion of ENC.

**Employee's signature:**

**Date:**

**Line manager's response:**

**Approved:**   

**Not approved:**   

**If not approved, Line Manager response:**

**Line Manager's name:**

**Line Manager's signature:**

**Date:**

**Completed forms should be returned to Organisational Development.**