Appendix One

Annualised Hours Policy

The detail contained within this policy document should only be read in conjunction with your contract of employment (written statement of particulars) if you are employed under an Annualised Hours working pattern.

For clarification as to whether this policy document applies to you please refer to your contract of employment or a member of the Personnel team.

1. Introduction

1.1 Annualised Hours working patterns form part of an employee’s contract of employment and are a common way in which an organisation can handle seasonality in demand.

1.2 Annualised Hours working patterns reflect seasonal peaks and troughs in working hours yet provide a 'flat payment' for employees averaging out their hours worked across a 12 month (annual) period.

1.3 Annualised Hours working patterns provide not just flexibility for an organisation, but also stability for both employee and employer as salary costs are fixed and predictable.

2. Scope

2.1 The Annualised Hours Policy applies only to employees contracted to work an Annualised Hours working pattern. An employee's contract of employment (written statement of particulars) will expressly outline whether or not their contract is an annualised hours contract.

3. Annualised Hours Working Patterns

3.1 Annualised Hours working patterns can be implemented following an employee's flexible working request which has been accepted by the Council and implemented.

3.2 A wider requirement for an annualised hours working pattern emerges as Services seek to gain stability and reliability in services that either experience predicted, variable demands from service users or require a variable input across a calendar year.

3.3 Employee's engaged on an annualised hours contract of employment will be provided with a detailed outline of their specific annualised hours working pattern and applicable future shift pattern. The Council reserves the right to make changes to such specific working patterns following proper consultation with affected employees.
3.4 Within an Annualised Hours working pattern a set number of hours are worked over a year. The Head of Service, with advice from the Personnel Team will produce the detailed outline of the specific annualised hours working pattern and the applicable future shift pattern which best meets the demands of the Service and the requirement of service users. Due consideration must be given to appropriate rest breaks and rest days within a shift pattern in accordance with the Working Time Regulations.

4. Calculation of Hours of Work

4.1 The total number of hours to be worked in each year period is agreed at the commencement of employment. Employees will work their contractual hours over an annual period and the number of hours that the employee is required to work is expressed as a net figure after deducting contractual annual leave and statutory bank holiday entitlement.

4.2 To calculate the annual hours to be worked take the number of weeks per year, less contractual annual leave and statutory bank holiday entitlement, multiplied by the average number of working hours to be worked per week equals the total annual contracted hours. For example 52 weeks – 5.6 weeks x 40 hours per week = 1856 hours.

4.3 It is the responsibility of the appropriate manager and Head of Service to ensure that employees do not carry anything other than a nominal debit or credit of hours into the following annual period.

5. Flexible Working Hours

5.1 Unfortunately, and in accordance with the Council's Flexible Working Hours Policy, employees engaged on an Annualised Hours working pattern may not utilise the flexi-time system. This is due to the fact that the nature of their work restricts them from working regular hours or they are required to work to a specified shift pattern.

6. Calculation of Monthly Salary

6.1 The Council averages out an annualised hours salary based on total hours contracted to work over the year in addition to annual leave and bank holiday entitlement. This ensures employees receive the same basic amount of pay each calendar month, regardless of actual hours worked in that month.

7. Holiday Entitlement and Accrual

7.1 Annual leave is expressed in units of hours instead of days for all employees regardless of their working pattern in order to ensure fairness for all and equal application of a leave entitlement across a shift pattern.
7.2 All employees on Annualised Hours working patterns must make themselves available to work an appropriate amount of statutory bank holidays as determined by the needs of the service.

7.3 Annual leave and bank holiday entitlement is included as part of the monthly salary for annualised hours contracts. Both contractual annual leave and statutory bank holiday entitlement is deducted from the employees’ total available hours and, although it still needs to be booked in accordance with the Annual Leave policy it does not feature within the monthly pay statement.

7.4 Annual leave must be requested and agreed by the employee’s line manager in accordance with the Council's Annual Leave Policy.

8. Overtime Payments

8.1 The nature of Annualised Hours working patterns avoid the requirement for significant amounts of overtime to be worked due to the fact that the applicable shift pattern aims to take account of predictable peaks and troughs in work. However, there may be a requirement for overtime to be worked and paid and therefore approval for overtime must be sought in advance from the appropriate Head of Service. Overtime will only be paid if the employee is contractually entitled to receive such payment and only then in accordance with the Council's Overtime and Associated Allowances Policy.

9. Sickness Payments

9.1 Employees engaged on an Annualised Hours contract and working pattern are eligible for normal provisions of the Council's sickness payments scheme. However, entitlement for sickness payment will be based upon the number of days that the employee was scheduled to work, according to the shift pattern, in that sickness period. Payment for that sickness period will be based upon the method of calculating normal monthly salary payments (see above). An appropriate adjustment will be made to the employees bank of contracted hours to be worked.

10. Parental Leave Payments

10.1 Employees are entitled to receive the same rights to parental leave and associated payments as any other employee not engaged on an annualised hours contract of employment. However, owing to the complexity of entitlements in this area employees wishing to gain further information about their specific payments are invited to meet with a member of the Personnel team to discuss this matter or to obtain a specific summary of entitlements and payments. The principal behind this approach is that an employee will not receive less favourable treatment on the basis of their annualised hours contract.
11. Starting Employment

11.1 New employees will receive a pro rata figure for annualised hours from their start date until the end of the Annualised Hours period / year.

12. Termination of Employment

12.1 It is recognised that should an employee on an Annualised Hours working pattern and contract of employment leave the Council's employment within an annualised hours year / period there will be either a credit or debit of hours worked.

12.2 In such situations both employee and manager should endeavour to ensure that the number of hours worked are as near as possible to the number of pro-rata hours required under the terms of the contract.

12.3 The very nature of the annualised hours working pattern means that this may not always be possible but efforts should be made on both sides in a manner which is sympathetic with the reasons for leaving.

12.4 Credits of hours remaining will be paid to the employee within their final payments and similarly any debits of hours will be reasonably deducted from the employee’s final payment or recovered separately.