Annualised Hours

Policy Statement

The Council understands that employees are able to work most effectively and efficiently when they can successfully balance work commitments with those of their personal lives. The Council is therefore committed to empowering and developing the management team so that they may best support employees in achieving a genuine balance between work and life, based on individual needs and commitments at all life stages.

Annualised hours is a model of flexible working. The Council recognises that Annualised Hours can give both staff and the Council extra flexibility to vary their patterns of work across a month or a year, according to service need and individual preference. The purpose of this document is to provide the basis for a clear understanding of working within an Annualised Hours framework.

Definition

Annualised hours is a system where an employee’s hours are totalled over a set period, often a year. Employees work more or less hours each week as agreed, and usually fitting in with seasonal peaks and troughs of the service, up to the annual maximum.

Most organisations arrange a number of hours to be rostered over the year, or the relevant period. The remainder are held back as reserve hours to meet unplanned work and cover absence. Alternatively, additional hours can be worked to cover busy periods resulting in additional time off or overtime payments being available once the hours for the year have been worked.

In some cases, weekly or monthly payment varies with the hours worked. In other cases, payment is averaged over the twelve months.

Another example is that of working school term-time only but still working the same number of hours as a full-time employee. Annualised hours can also be self-managed so that an employee works so many hours per week, month or year (or any other agreed period) but once the employee has worked the specified number of hours in each period they do not have to report for work until the start of the next period. E.g. An employee working full-time hours with an agreed period of 2 weeks will need to work for 74 hours every two weeks. However, once those 74 hours have been worked the employee does not have to report to work until the next two-week period starts. This example is very similar to compressed hours. Annualised hours can be worked in conjunction with the flexible working hours scheme, part-time and part-year working.

Before agreeing the hours to be worked under this policy managers must refer to the Corporate Health & Safety Policy (Part 3.26 ‘Working Time Regulations’) and ensure that new arrangements comply with this policy.

Scope

All Council employees are covered by this policy, however it is subject to implementation resulting from a request from either individuals or service managers.

Principles

The policy will be subject to the following key principles:

1. The introduction of Annualised Hours agreements will not have any detrimental effect on those participating in the scheme, e.g. employee’s health and safety or the provision of services to service users.
2. All Annualised Hours agreements will be subject to a pilot period and regular review and monitoring.

3. All Annualised Hours agreements will be fully compliant with prevailing legal requirements and in particular, Working Time Regulations and the Council’s Corporate Health & Safety Policy.

4. Any implications for changes to employment terms will be fully explained and confirmed in writing to individual employees.

5. Any new working pattern should not create disruption to services or have any adverse impact on internal or external service users.

Procedure

Employee-Led Requests
Where an employee wishes to request to work annualised hours the procedure laid out in the Requesting Flexible Working Procedure document must be followed.

Service-Led Requests
The first stage is the establishment of whether annualised hours are appropriate to the needs of the particular service. It may be that the introduction of an annualised hours scheme will only be possible in certain areas. This will, however, have implications for other areas of the organisation where changes to the planning of work may be appropriate.

If, from this analysis, annualised hours is deemed to be beneficial to the delivery of the service, then the procedure outlined in the Flexible Working Policy document (Service-Led Changes) should be followed.

Terms & Conditions
The terms and conditions must detail the annualised hours agreement between the employee and the Council. Specifically, it must contain the number of hours that must be worked over a period, the length of a period and any parameters which apply.

Implications for pay, annual leave and any other terms and conditions must be specifically set out in writing to the employee including pay arrangements. A clear procedure for the taking of annual and other leave will need to be agreed before any scheme is implemented.

Where an employee is contracted, under the annualised hours policy, to work a set amount of hours each year, overtime payments will not be made until the total number of hours for the year have been worked. Following this, overtime payments will be at the standard hourly rate for the first 37 hours and then at the appropriate overtime rate for all hours worked exceeding this amount.

Support on developing Terms and Conditions for employees with annualised hours contracts can be obtained via Corporate Personnel Services.