

**NORTH LINCOLNSHIRE COUNCIL**

**CORPORATE SERVICES CABINET MEMBER**

**HOLIDAY ENTITLEMENT FOR CASUAL WORKERS**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1. To review the compensation for holiday entitlement accrued for casual workers in line with changes to the statutory leave entitlement from 1 April 2009.

**2. BACKGROUND INFORMATION**

- 2.1 On 1 April 2009, the statutory holiday entitlement for all workers in the UK increases from 24 days to 28 days, including bank holidays. The council currently recompenses casual employees for 24 days leave by paying an additional 9.2% on top of their hourly rate. Therefore the current amount of holiday plusage paid to casual workers will no longer be adequate and needs to be reviewed.
- 2.2 The council agreed a formula for calculating holiday plusage with the trade unions some years ago. The formula is based upon the statutory rate of holiday entitlement, not the annual leave awarded to contracted employees. Applying the formula to the new entitlement of 28 days (dividing by 261 working days) gives a percentage 10.7%. This increase will need to be applied from 1 April 2009 to ensure that casual workers are properly recompensed in line with the increase in the statutory entitlement.
- 2.3 For consistency and to assist payroll, the plusage will be applied to the lowest spinal column point in each grade, and will be shown separately from the hourly rate on the pay slip. This is so that the casual worker can clearly see the amount paid in lieu of leave.

**3. OPTIONS FOR CONSIDERATION**

- 3.1 To implement the proposal to pay the increased holiday plusage of 10.7% to ensure that the council is recompensing casual employees in line with the statutory entitlement to annual leave from 1 April 2009.

- 3.2 Not to implement the increase in holiday plusage and remain at 9.2% and thus not fall in line with the statutory entitlement to annual leave.
- 3.3 To increase the amount of holiday plusage paid to casual workers.

#### **4. ANALYSIS OF OPTIONS**

- 4.1 Apply the increase in holiday plusage will ensure that the council complies with the statutory increase in holiday entitlement.
- 4.2 If the council does not implement the increase it would not be complying with the increase in the statutory holiday entitlement after 1 April and would run the risk of potential litigation.
- 4.3 Applying a greater increase would add significantly to the cost of employing casual workers.

#### **5 RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

- 5.1 There is a financial implication for those services employing casual workers in implementing the increase from 9.2% to 10.7%. Some services may wish to review the use of casual workers rather than contracted employees given the increase in costs.
- 5.2 There are no additional staffing or IT implications.

#### **6 OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

- 6.1 Implementing the increase in the holiday plusage will ensure that the council meets its statutory obligation under the terms of the Working Time Regulations.

#### **7. OUTCOMES OF CONSULTATION**

- 7.1 The Trade Unions have been consulted and have requested that the plusage be based upon the council's normal leave entitlement. This would mean different plusages for different grades, ranging from 11.9% at grade 1 to 14.1% at grade 12 as well as an overall increase in cost.

#### **8. RECOMMENDATIONS**

- 8.1 That the council increase the holiday plusage to be paid to casual workers from 9.2% to 10.7% with effect from 1 April 2009.

SERVICE DIRECTOR HUMAN RESOURCES

Pittwood House  
Ashby Road  
Scunthorpe  
North Lincolnshire  
DN16 1AB  
Author: T Marrison  
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**Background Papers used in the preparation of this report: None**