

ANNUALISED HOURS POLICY



Date Published: November 2017
Version: 2.2
Owner/Author: Employee Relations and Reward Team

DOCUMENT CONTROL SHEET:

Key Information:

Title:	Annualised Hours Policy (previously known as Annual Working Hours)
Date Published/Issued:	November 2017
Date Effective From:	November 2017
Version/Issue Number:	V2.2
Document Type:	Policy
Document status:	Final
Author:	Employee Relations and Engagement Team
Owner:	HR
Approver:	Staff Governance
Approved by and Date:	
Contact:	Employee Relations and Engagement Team
File Location:	HRBCS

Revision History:

Version:	Date:	Summary of Changes:
V1.0	October 2006	Developed from 2003 PIN Guideline Review
V2.0	December 2016	Draft. Developed from 2015 Support for Work-Life Balance Pin Policy
V2.1	February 2017	Amendments from consultation
V.2.2	May 2017	Amended draft for May 2017 WPTC

Contents	Page Number
1 Introduction	4
2 General Principles	4-5
2.1 Eligibility	
2.2 Potential Benefits	
2.3 Potential Risks	
2.4 Appropriate Use of Annualised Hours	
3 Terms and Conditions of Employment	6-7
3.1 Calculating Working Hours	
3.2 Payments	
3.3 On/Off Call and On Duty	
3.4 Stand down Arrangements	
4 Useful Information	7
5 Policy Review	7
Appendix A Starting an Annualised Hours System Project	8
Appendix B Responsibility Matrix	12

1. INTRODUCTION

Annualised hours systems provide a way of organising working time by contracting with staff to work an agreed number of hours per year rather than a standard number each week. The actual number of hours worked by a member of staff during the week will then be “flexed” to match workload requirements. As well as hours being varied week to week, they may also be varied seasonally and/or according to fluctuation of service demands. Annualised hours are used to match attendance of staff to the periods when they are most needed by services.

Fluctuations in hours reflect the often uncertain patterns of demand for services such as in an acute hospital. Annualised hours working can offer a flexible and efficient way of deploying staff by matching staffing levels more closely with variances in workload. For staff, annualised hours working offers greater flexibility and the opportunity to better manage working hours to allow individuals to tailor the time they spend at work and at home. For employers, in time this can lead to reductions in staffing costs through efficient allocation of staffing levels and the reduction of overtime costs or use of agency or bank staff.

Under more traditional working arrangements, the demand for services may result in overtime or premium rates of pay at busy times or overstaffing when demand is low.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Trade Union Representative.

2. GENERAL PRINCIPLES

- The ability to vary hours of work across the day, week, month or year means that employers are able to match workload with staff availability.
- Staff working annualised hours are paid on the appropriate grade for the post.
- With annualised hours, a yearly staff plan is drawn up in advance so that staffs know when they are expected to work on a regular basis.

2.1 Eligibility

Not all posts in NSS will be suitable for Annualised Hours. If an employee is interested in an annualised hour contract they should speak to their line manager in the first instance.

2.2 Potential Benefits

-Flexibility and staff and employer satisfaction; This is one of the primary reasons for implementing an annualised hours system. For staff, annualised hours working can offer the opportunity to better meet the demands of working life with time at home.

-Staffing/workload matching; Significant amounts of staff time can be lost as a result of mismatches between required and actual staffing. Traditional 9-5 work patterns or

roster arrangements which may have rosters drawn up one month in advance may not match service demands on a weekly, monthly or annual basis and annualised hours working may be beneficial in support services, administration and other clinical disciplines.

-Reduction of use of bank or agency staff; Developing a more flexible approach such as annualised hours systems allows rostering which is more responsive to patient or service needs and enables flexible deployment of existing experienced staff to enable short-term fluctuations in activity to be serviced by meeting peaks and troughs in workload.

- Reduction of overtime and on-call costs; Staff costs may be better controlled through the flexibility offered by annualised hours working by reducing the cost impact of staff deployment decisions.

-Effective patient care; For the NHS, the use of annualised hours could improve the effectiveness of patient care and increase patient satisfaction by ensuring that appropriately qualified staff and services are available when patients want and need them, and that those staff have higher satisfaction in meeting the needs of those patients as a result of being able to better meet their own needs to have an adequate work-life balance.

-Organisational change; Annualised hours systems are sufficiently flexible to accommodate changes in working times and arrangements, and may be effectively introduced to redesigned and reconfigured services as well as to existing services, bringing benefits to both staff and patients.

-Reductions in absenteeism; Lower absenteeism and sickness may be a result of improved flexibility for staff, affording them the opportunity to better match their hours worked/off to their home needs.

- Simplified pay administration; Staff are paid the same monthly salary throughout the year regardless of the exact number of hours they work each month.

2.3 Potential Risks

-Removal of overtime payments; The removal of overtime payments may mean a cut in total pay for those staff that depend heavily on overtime working. Although some staff may earn less, most employers consolidate the value of overtime payments and other enhanced payments into the annual salary.

- Staff, colleague and manager perceptions; Staff who do not fully understand the concept of annualised hours may have some suspicion of the scheme and for those participating in it. To this end it is essential that adequate briefing sessions and documents are provided to staff, representatives and managers explaining the purpose and working of the scheme.

-If agreed annualised hours are less than the member of staff is currently undertaking then consideration should be given as to whether a reduced salary is sustainable for long periods and overall will affect final pension benefits.

2.4 Appropriate Use of Annualised Hours Contract

Annualised hours working is likely to be a useful mechanism where:

- Staffing levels do not match the level of patient or service activity and dependency;
- There are unforeseen peaks in workload;
- Sickness absence cover has to be provided at short notice;
- Staff are frequently asked to work extra shifts or hours at short notice;
- Bank or agency staff are required to provide cover; or
- Staff from other wards or departments are needed to “help out”.

Annualised hours working may be appropriate in a range of other settings but the above circumstances describe where an annualised hours system may bring greatest benefit to both staff and managers in providing services. The above condition can lead to uncertainty and informal flexible working for staff, increased costs and decreased quality of patient care.

3. TERMS AND CONDITIONS OF EMPLOYMENT

An annualised hours' contract can be trialled by agreement between the employer and the employee. During this period the individual has the right to revert to their original terms and conditions upon giving an agreed amount of notice. At the end of the trial period, should the employee wish to continue with the arrangement, then with the agreement of the employer the contract will be amended on a permanent basis.

3.1 Calculating working hours

Annualised hours contracts are equally appropriate for all grades of staff wishing to work full-time and part-time hours. A fulltime nurse, for example, would be contracted to work 1950 hours on an annualised hour's contract (based on a 37.5 hour full-time working week for nurses). This number of hours will include annual leave and public holiday allocation appropriate to that member of staff.

Maximum and minimum working hours per week are also agreed within the 48 hours (set by the Working Time Regulations) as the norm for a maximum length of working week and a minimum to be agreed in line with service needs.

Over the course of a year the number of hours worked overall may vary by plus or minus an agreed number of hours, for example, 30 hours, which can be carried over to the next year. Staff and managers record the number of hours worked by each member of staff and the cumulative totals are regularly monitored to ensure the account will be kept within the prescribed limits at the end of the year.

Staff working under an annualised hours contract should not be subject to financial loss for working such an arrangement.

3.2 Payments

Where annualised hours systems have been implemented, local arrangements for calculation of payment and enhanced payment should be put in place.

3.3 On/off duty and on-call

Staff rotas should be planned to match service demands/patient need in line with the analysis undertaken. Where a member of staff wishes to take time off when they are scheduled to work, they can negotiate times with colleagues by agreeing to swap shifts/on-call sessions with them. Work schedules should include an on-call roster where appropriate. Staff on-call may need only to be contactable, rather than be at home, and credit for on-call duty should be given in accordance with provisions within

the relevant national agreed terms and conditions. While off duty requests and on-call requests should be met after the needs of the service, as much choice and self-rostering of on-call as well as normal working, should be given.

3.4 Stand-down arrangements

Guidelines need to be developed appropriate to the service area to provide for standing down staff where demand is low. Arrangements for how credit is to be given should be included in the guidelines.

For example, Within the NSS, a recommended working example would be if a member of staff was scheduled to work 7.5 hour shift but after 2 hours they are not required that they are credited 1 hour. The rest of the hours go back into their annualised hours pot.

3.5 Sickness absence

For staff working under annualised hours systems they should comply with the local arrangements for reporting sickness absence. During periods of absence staff should be paid in accordance with the relevant terms and conditions for the staff group.

4. Useful Information

Other policies/guidance that you may find useful include:

- NHSScotland Supporting the Work-Life Balance PIN
<http://www.staffgovernance.scot.nhs.uk/partnership/partnership-information-network/pin-policies/>
- Agenda for Change Handbook: www.AfC Handbook
- NSS Reduced Working Year Policy
- Flexible Working Policy

The following websites may also be of interest:

- Staff Governance www.staffgovernance.scot.nhs.uk
- Department for Business Innovation & Skills - www.bis.gov.uk
- ACAS – www.acas.org.uk
- [geNSS NSS Values page](#)

5. Monitoring, Review and Evaluation

This policy will be monitored, reviewed and evaluated every two years by the NSS Partnership Forum or equivalent, taking into consideration legislative changes and developments in good practice to ensure it meets the needs of all employees.

6. Policy Review

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective:

Reviewed by:

Agreed by:

A handwritten signature in black ink, appearing to be 'John W. Smith' or similar, written in a cursive style.

Date:

3/01/17

Appendix A: Starting an Annualised Hours System Project

Establishing a Plan for implementing an Annualised hours Project

It is essential that plans to introduce annualised hours working are developed in conjunction with a Trade Union/or Professional Organisation representative from the earliest possible stages. Pilot areas for the introduction of the system should be identified and full briefings given to staff and managers on what the system involves the benefits, drawbacks and anticipated outcomes. Full staff participation should be encouraged. Once pilot areas are identified a substantial data gathering and analysis exercise is required.

Gathering data

Information on both patients/service activity and staff is required to allow the design of the annualised hours system. In terms of staffing, it will be necessary to collate information on an annual basis to assess how many staff are in post; how they are deployed; assess use of bank/agency staff; turnover; current shift patterns and rotas; absence rates and patterns; and staff costs.

If the example of a ward setting is used as the service provision unit, the information on patients that is required is monthly bed state over the period of a year; admissions patterns; discharge patterns; total patient days; numbers of day cases; and patient dependency levels.

Analysing data

To assess whether or not annualised hours would be appropriate, data should be checked to see whether or not there are peaks and troughs in activity; against the fluctuations of service demand over a 24 hour period/service provision time; the extent to which there are high levels of emergencies and when they occur; whether or not there are seasonal variations in activity/demand; and the extent to which staff costs may be unpredictable.

The data considered against these factors will help to inform the decision as to whether or not the existing system of staff allocation is working well, and also supports decision-making as to the need and desirability of proceeding to develop an annualised hours system.

From the perspective of staff, an annualised hour's contract may be requested by only one or two staff for whom such a system would provide the opportunity to have a better work life balance. Operating the system for small numbers of people within a service area has been proven effective, provided that the analysis of service demands has been undertaken to inform the design of the working pattern.

Designing the system

It is recommended that annualised hours working systems are introduced on a pilot basis in a simple or small number of sites and that clear evaluation criterion are agreed at the outset. A steering or evaluation group may be useful and this should be constituted on a partnership basis. Pilot areas may have only a small number of staff on annualised hours contracts and need not necessarily involve whole teams. It is essential that staff and their representatives are involved in working out the details of the system in order to capitalise on their knowledge and experience and to gain ownership and understanding of the system.

Evaluation

On-going evaluation of the pilot in order to effectively manage the system will be required. In addition, evaluation of staff and managers' experiences and of the effectiveness of the system should be undertaken in order to inform revisions to the system where necessary. Evaluation criteria should be established at the outset of a pilot and could include assessments of the effectiveness of communication of the scheme, the effectiveness of the partnership approach, the difficulties and opportunities experienced in running the scheme, the extent to which gaps between staffing and workload have narrowed, including pressures on staff, the effectiveness and quality of patient care.

Appendix B – Responsibility Matrix

NHS National Services Scotland

Annualised Hours Policy

Responsibility Matrix

Member of staff	Line Manager	SBU Director	Human Resources
<p>Must ensure that any requests for Annualised Hours are made through their line Manager.</p> <p>Take full consideration implications of applying for a Annualised Hours including implications on reduced pay and pension.</p>	<p>Must consider all requests made by employees for an Annualised Hours contract taking into consideration business needs as well as the employees work-life balance needs.</p> <p>Must be aware of the provisions of the Annualised Hours contract and appreciate when they may have to seek further support and guidance on its application</p>	<p>To review requests for Annualised Hours contract from within SBU and determine, based on NSS Policy guidelines and service requirements, whether or not to approve.</p> <p>Should consider whether a Annualised Hours contract is the best type of contract for their business needs depending on the nature of the work to be offered and the specific circumstances.</p>	<p>Review Annualised Hours contract requests (approved and rejected) to ensure compliance with NSS policy.</p>