

**Supporting and Managing Annual Leave Entitlements and Arrangements for Lay Workers in the Chester and Stoke-on-Trent District**

**Annual leave entitlement for new and existing employees is at the discretion of the employing bodies, so long as it meets the statutory minimum entitlement. The purpose of this paper is to provide information in addition to that which is available on the Connexional website, specifically looking at annual leave entitlement, additional annual leave, calculating and managing the annual leave process.**

The following are suggestions for consideration by Methodist Church Employing Bodies (Church Councils, Circuits, the District and Employers) within the Chester & Stoke-on-Trent District.

The Methodist Church in adopting such initiatives as the Real Living Wage and flexible working, demonstrates its aspiration to be an employer of choice and to retain skilled and experienced staff.

As a justice-seeking church, this paper is provided to support employers in seeking to enact this into patterns of daily life.

## **1. Leave Entitlement**

### **a. Background**

The current statutory annual leave entitlement can be accessed at Gov.uk and states the following: *"Most workers who work a 5-day week must receive at least 28 days' paid annual leave a year. This is the equivalent of 5.6 weeks of holiday."*

The Methodist Church works in accordance with this minimum ie 20 days annual leave plus 8 bank holidays.

It has been pointed out that this 20 days/four-weeks plus Bank Holidays approach is the minimum. It does not support employers when seeking to attract quality candidates to work for the Methodist Church. Neither does it recognise the need to retain knowledge, skills and experience within the churches by way of a reward-based culture as an employer.

It has been noted by LESC,

- that some of the more recent job descriptions submitted for approval, are offering enhancement to this statutory minimum as part of the overall package to attract quality candidates
- that there appears to be no additional annual leave allowance in recognition of length of service with the Methodist Church. Employers may wish to offer enhanced annual leave entitlement as part of an employee retention strategy.

### **b. Amount of annual leave on appointment**

- Annual leave on appointment should be specified in the employment details submitted to LESC prior to advertising

Anecdotal feedback such as the following, featured in a recent exit interview:

*"Holiday entitlement – not very competitive in terms of attracting potential applicants. Maybe*

*consideration could be given to increases based on length of service, as happens with many other employers?"*

Recently advertised lay posts within the District, with enhanced entitlements include:

*"6.6 weeks' annual leave entitlement per year, including bank holidays"* this is the equivalent of 25 + 8 Bank Holidays=33 days per year.

*"28 days annual leave plus public holidays entitlement per year (total 36)."* this is the equivalent of 28 + 8 Bank Holidays=36 days per year.

The difference of 8 days, across the District is equivalent to a variance of over 1.5 weeks' holiday per year.

### **c. Additional leave for length of service**

With regards to increasing annual leave in line with length of service, there is no statutory requirement to increase or to give consideration to increasing leave for staff with a long history of employment with an employer.

Consideration must however be given to the view that additional leave arrangements, awarded for length of service, may be indirectly age discriminatory against younger workers under the Equality Act 2010 and so would need to be objectively justified.

Some Employers increase after five and /or ten years' service. This should be related to the business need ie retention of current employees or attraction of new employees, in accordance with the act.

For example, in the **NHS**, the starting annual leave entitlement is 35 days (27 days + 8 Bank Holidays), rising to 37 and then 41 increasing with number of years' service.

According to People HR, the average employee in the UK took 33.9 days of annual leave in the last year - down from 36.7 in 2022, and 38 in 2020, including bank holidays. Data is not available for the average days of annual leave taken in the Chester & Stoke-on-Trent District. However, very few employers, currently, offer more than 28 days' leave (FTE), this is below the average stated above.

### **d. Objective justification**

Where access or entitlement to a benefit depends on a period of service in excess of five years, the employer should consider carefully why the length of service policy is in place and whether it fulfils one of the criteria listed in the legislation; namely whether it acts to:

- a. encourage loyalty
- b. enhance motivation
- c. reward experience.

For example, some employers give an additional three days' leave between Christmas and New Year as this is a very quiet time in most business and a busy time for families. This could be justified under encouraging loyalty and enhancing motivation. This would be especially relevant for employees who are Christians as Christmas is a religious festival.

Nb There is no statutory right for employees to decide when they wish to take annual leave, only the amount of leave is specified. Therefore, employees can be instructed to take the 3 days after Christmas as leave from their entitlement. (Consideration must be given to any requests in line with the Equality Act eg Industrial shut down periods (Potters Fortnight, Wigan Wakes.)

#### **e. Action Required**

Employers to review their current Annual Leave arrangements and consider making any changes in light of the information contained in this document. Current arrangements should be identified in either a local policy document, church council minutes, employee terms and conditions and also any local custom and practice.

Once completed, recommendations to be considered by CC/CLT and minuted. Recommendations then implemented for current staff, fairly and consistently and for new appointments during recruitment.

### **2. Calculating Annual Leave - part-time staff**

It is strongly recommended that for part time staff the entitlement and booking of annual leave is calculated in hours (as well as days), rounded up to the nearest half day. The reason for this is that the flexible nature of part time working means each person's working day will be different in duration and different from day to day. The annual leave calculation table (appendix 1) is recommended to assist with the pro-rating and explanation to staff.

Bank holiday entitlement is also pro-rated for part time staff. They are entitled not to work the bank holidays but are only entitled to a proportion of the hours to be paid, based upon their annual contractual hours (not the normal hours worked on the day). The annual leave calculation table (appendix 1) is recommended to assist with the pro-rating and explanation to staff.

### **3. Booking Annual Leave**

To support employees with managing their own well-being it is recommended that employees take regular breaks, where possible, throughout the year. Annual leave should not usually be carried forward from one leave year to another, except in extenuating circumstances and with prior approval by the line Manager/Church council.

### **4. Process and Other Considerations**

It is recognised that each employer has the right to decide on the amount of annual leave it offers to employees, so long as it at meets the statutory minimum and is not discriminatory.

Below are four suggestions that employers are asked to consider when looking at **attraction and retention** of employees and when reviewing their current arrangements-

- Keeping to the statutory minimum amount of annual leave and with no enhancements.
- Enhancements based upon job role to attract new employees, to retain existing employees eg by way of promotion to a higher job role– devise additional leave based upon the job role and linked to the additional pay points <https://www.methodist.org.uk/for-churches/employees-and-volunteers/lay-employment-resource/7-pay-and-pensions/guidelines-for-determining-the-salary-figure-for-lay-posts/> (e.g. 1-3 points = +2 days, 4-6 points +4 days)

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- Enhancements based upon length of service to attract and retain– devise additional leave based upon the employees' length of service (being continuous service as per employment terms and conditions)
- Enhancements based upon both of the above.

**We strongly encourage all employers to review their arrangements in line with this briefing paper and take any appropriate action. For further clarification or support, please contact Heather Staniland, District Lay Employment Secretary.**

Heather Staniland 23/08/2024

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<b>CONTRACTUAL HOURS</b>		<b>STATUTORY ENTITLEMENT IN HOURS FOR 8 DAYS BANK HOLIDAY</b>
1		1.6
2		3.2
3		4.8
4		6.4
5		8
6		9.6
7		11.2
8		12.8
9		14.4
10		16
11		17.6
12		19.2
13		20.8
14		22.4
15		24
16		25.6
17		27.2
18		28.8
19		30.4
20		32
21		33.6
22		35.2
23		36.8
24		38.4
25		40
26		41.6
27		43.2
28		44.8
29		46.4
30		48
31		49.6
32		51.2
33		52.8
34		54.4
35		56
36		57.6
37.5		60

8 Days Entitlement - Hours entitlement per hour of contract  
 Full time – 37.5 hours at 7.5 hours per day X 8 days (statutory entitlement) = 60 hours

Part time = 10 hours per week. Irrespective of how many hours each day worked the entitlement per day is worked out as = 60 hours full entitlement time divide by 37.5 = 1.6 hours per hour part time entitlement x 10 hours = 16.