

Committee(s)	Dated:
Establishment Committee	25 October 2016
Subject: Family Friendly Policies - amendments to promote parity	Public
Report of: Director of Human Resources	For Decision
Report author: Aniki Applewhite- Corporate HR Town Clerk's Department	

Summary

This report requests that Members consider a number of minor amendments to current family friendly policies to provide greater parity for employees. These relate to Paternity Leave, Adoption Leave and Shared Parental Leave.

Recommendation(s)

Members are asked to endorse the proposed changes to the Paternity Leave, Adoption Leave and Shared Parental Leave Policies as follows:

- Continuous local government service be included when considering eligibility for Paternity Leave and Pay.
- the second week of Paternity Pay is increased from Statutory Paternity Pay (£139.58) to a normal week's pay
- Continuous local government service be included when considering eligibility for Adoption Pay.
- Adoption Pay is increased to Statutory Adoption Pay (£139.58) plus 50% average pay during week 7 to 18 of adoption leave.
- Employees taking Shared Parental Leave with at least 52 weeks continuous local government service have their Shared Parental Pay increased to Statutory Shared Parental Pay (£139.58) plus 50% of average pay during weeks 7 to 18 of the Shared Parental Leave period.

Main Report

Background

1. The City of London Corporation has a range of family friendly policies which aim to support employees wishing to have a work life balance as well as meeting our statutory requirements. The policies that this report relate to are Paternity, Adoption and Shared Parental Leave. These policies provide employees with provisions including leave and pay.

2. The review of these policies has identified a number of discrepancies between similar provisions and this report highlights those differences and seeks to make amendments to these policies to provide a level of parity between them.
3. When the Shared Parental Leave Policy was adopted in March 2015 it was agreed that a further report would be made to the Committee to determine whether any enhancements or changes to the Policy would be recommended.

Current Position

4. The amount of entitlement to leave and pay are determined by either the length of continuous service with the City Corporation or other public bodies covered by the Local Government Modification Order as detailed in each policy.
5. In relation to Adoption and Shared Parental Leave Policies the intention is to create a degree of parity in the pay received, by enhancing the statutory pay entitlement with occupational half pay to mirror the pay in the Maternity Leave Policy.
6. In relation to Paternity Leave and Adoption Leave Policies the intention is to allow for continuous local government service to be taken into account in the same way that it is for other provisions including Maternity Leave.
7. In relation to the Paternity Leave Policy the intention is that the second week of Paternity Leave is increased to normal pay in the same way as it is during the first week.

Paternity Leave Policy

8. Employees who are the biological father, or are the mother's husband or civil partner and have responsibility for the child's upbringing can take paternity leave as long as they meet the eligibility criteria. At present the statutory provisions require that employees have to be continuously employed by the City Corporation for at least 26 weeks at the 15th week before the expected week of childbirth in order to take Paternity Leave and receive Statutory Paternity Pay. They cannot take into account any previous service with other public bodies covered by the Local Government Modification Order, as applies in the Maternity Leave Policy.
9. Eligible employees may choose to take either one week or two consecutive week's Paternity Leave. During the Paternity Leave employees have no statutory right to be paid their normal wages or salary during their leave period but are entitled to receive Statutory Paternity Pay (currently £139.58). However at the City Corporation, the first week is paid at normal pay and the following week at the Statutory Paternity Pay rate.

Adoption Leave Policy

10. The Employment Rights Act 1996 (ERA) was amended as a result of the Children and Families Act 2014 so that from 5 April 2015, there was no longer a 26 week qualifying period to take Statutory Adoption leave. At this time Statutory Adoption Pay was increased to the higher rate of 90% of average pay for the first 6 weeks

which brought it in line with Statutory Maternity Pay for employees with at least 26 weeks continuous service. From week 7 to 39, the lower rate of Statutory Adoption Pay is paid (currently £139.58).

11. The City Corporation currently makes no enhancement to adoption pay for weeks 7 to 18, which is contrary to the provision it offers for the maternity pay of employees with at least 52 weeks continuous service. The enhancement for these weeks for those employees equates to Statutory Maternity Pay and 50% of average pay.
12. At present employees have to be continuously employed by the City Corporation for at least 26 weeks at the point when the adoption agency advises of the expected week of placement to receive Statutory Adoption Pay. Previous service with other public bodies covered by the Local Government Modification Order is not taken into account.

Shared Parental Leave Policy

13. The Children and Families Act 2014 introduced the entitlement for employees who are parents to take Shared Parental Leave from April 2015. This allowed, subject to meeting the eligibility criteria, for an employee to curtail maternity or adoption leave so that both the employee and their partner could use the rest of the entitlement to take as Shared Parental leave.
14. The review has identified that the expected take up is low and this is reflective of the national position. The review was also planned to consider the possible legal challenge that could be raised in relation to parity with Maternity Pay. The recommendation in this report will address this area of concern.
15. Shared Parental leave is paid at the current statutory rate of £139.58 and is payable up to 39 weeks reduced by the number of weeks maternity or adoption pay taken.

Options

Option 1

16. For the City Corporation to allow continuous local government service to be counted as opposed to just City of London Corporation service when considering eligibility for paternity leave and pay and adoption pay.
17. To increase the second week of Paternity Pay to a normal week's pay.
18. For the City Corporation to enhance adoption pay and shared parental pay to bring them in line with the maternity pay provisions currently offered to employees taking maternity leave. This could equate to up to 12 weeks half pay during weeks 7 – 18 on the leave period.

Option 2

19. To retain the current Paternity leave, Adoption Leave and Shared Parental Leave Schemes without any further enhancements.

Proposals

20. Members are asked to approve changes to the current family friendly policies, which have been endorsed by Summit Group, to bring them in line with the Maternity Leave Policy as follows:

- Continuous local government service be included when considering eligibility for Paternity Leave and Pay.
- the second week of Paternity Pay is increased from Statutory Paternity Pay (£139.58) to a normal week's pay
- Continuous local government service be included when considering eligibility for Adoption Pay.
- Adoption Pay is increased to Statutory Adoption Pay (£139.58) plus 50% average pay during week 7 to 18 of adoption leave.
- Employees taking Shared Parental Leave with at least 52 weeks continuous local government service have their Shared Parental Pay increased to Statutory Shared Parental Pay (£139.58) plus 50% of average pay during weeks 7 to 18 of the Shared Parental Leave period.

Implementation plan

21. If the recommendations are agreed, transitional arrangements and the details around calculations, notification and HMRC requirements will be put in place in collaboration with the Pay Office and formal implementation dates and revised policies will be communicated to employees.

Corporate & Strategic Implications

22. The City Corporation is committed to equality and inclusion, wellbeing, improving working life and work life balance for its employees. The proposals put forward will allow more employees to benefit as a result of the eligibility being widened or the provision being improved.

23. The City Corporation has a number of staff diversity networks whose views and ideas along with those of the trade unions can feed into policy development and key decisions. The proposals send a positive message to employees and are responsive to feedback received around reviewing some of the family friendly policies and their provisions. They also provide an opportunity to support the Equality and Inclusion agenda at projected low cost.

Implications

24. There were 46 occurrences of paternity leave in 2015/2016. The total amount of paternity pay paid out was £34,438. However 92% of the statutory payment which amounted to £9,760 was reclaimed through the HMRC. The proposal to increase the second week of Paternity Pay would have been an additional £26,062 to the pay bill. However given the stated purpose of this report, and the recommended improvements to the Adoption and Shared Parental Leave Policies, it is considered appropriate to take the opportunity to enhance the current rate of Paternity Pay during week two of Paternity Leave at the same time.
25. With regards to the recommendation that eligibility is based on continuous local government service and not the City Corporation start date, as there have been only 2 known cases in the past 2 years this improvement is unlikely to have a significant impact on costs or service delivery.
26. In 2015/2016, 56 women started their Maternity Leave, no staff took adoption leave, and 3 employees took Shared Parental Leave.
27. Between January 2010 and 31 March 2015, a little over 5 years, only 1 employee took Adoption Leave. Of the 135 instances of Paternity leave between 1 April 2011 and 11 November 2014, only 2 were as a result of an Adoption.
28. The Shared Parental Leave Policy has been in operation since April 2015. Between then and 31 March 2015, 3 members of staff have taken shared parental leave and were in receipt of Shared Parental Pay. It is generally thought that this provision is unlikely to increase significantly and Acas estimate that general take up will be no more than 1%.
29. Overall voluntary enhancements to Adoption Pay, and Shared Parental Pay and the proposed changes to the continuous service requirements at the City Corporation could result in a higher take up, but it is considered to be unlikely. The cost of voluntarily enhancing the second week of Paternity Leave is outlined in paragraph 22 above.

Conclusion

30. The extent of the impact of the changes is unknown although it is expected to be fairly low across all three policies. The recommended changes will however give employees and their family options and more choice in determining how they care for their children. To those that are able to benefit, the changes will be welcomed and of great value. Take up and issues arising will be monitored during the first year following the amendment.

Appendices

- Appendix 1 –None

Background Papers

Shared Parental Leave Report 19 March 2015

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