



<b>POLICY INFORMATION (Policy no HR001)</b>	
<b>Subject</b>	<b>Annual Leave Policy and Procedure</b> <i>(This policy is non-contractual and is subject to periodic review and will be amended according to service development needs).</i>
<b>Applicable to</b>	All employees of Nottinghamshire Hospice
<b>Target Audience</b>	Others such as agents, consultants and other representatives of Nottinghamshire Hospice may be required to comply with the policy as a condition of appointment.
<b>Date issued</b>	30 April 2024
<b>Next review date</b>	30 April 2027
<b>Lead responsible for Policy</b>	Director of People Services
<b>Policy reviewed by</b>	Director of People Services
<b>Notified to (when)</b>	Senior Leadership Team April 2024
<b>Authorised by (when)</b>	Strategy and Corporate Governance Committee 30 April 2024
<b>CQC Standard if applicable</b>	
<b>Links to other Hospice Policies</b>	Flexible Working Policy HR030 Family Leave Policies and Procedures HR002 Other Leave Policy and Procedures HR004 Time Off in Lieu (TOIL) and Flexi Time Policy HR029
<b>Links to external policies</b>	
<b>Summary</b>	Nottinghamshire Hospice wishes to ensure that holiday entitlement is distributed fairly, paying particular regard to employee's personal circumstances. This policy also ensures that no unnecessary burden is placed on those employees that need to take on additional responsibilities during holiday cover.
<b>This policy replaces</b>	Annual Leave Policy and Procedure HR0001 2023-5

### **IMPORTANT NOTICE**

Staff should refer to the Hospice website for the most up to date Policy. If the review date of this document has passed it is still valid for 3 months. After that staff should seek advice from their clinical lead or manager.

<b>VERSION CONTROL</b>		
<b>Status</b>	<b>Date</b>	<b>Review date</b>
Original policy written by Angela Bloomfield, HR Manager	Aug 2013	April 2015
Policy reviewed by Mo Beeres, Chief Executive		
Policy ratified by Corporate Management Team		
Policy reviewed by Donna Roberts, HR Manager	Nov 2017	
Policy authorised by Strategy and Corporate Governance Group	Feb 2019	Feb 2022
Updated control sheet and published on Policy Doc App	Feb 2019	
Logo updated and published on website	Dec 2020	
Policy reviewed by Chief Executive Officer	Dec 2023	
Policy authorised by Senior Leadership Team	Dec 2023	Dec 2025
Policy reviewed by Director of People Service	March 2024	
Policy authorised Strategy and Corporate Governance Committee	30 Apr 2024	30 Apr 2027
Updated and published on website	Dec 2023	May 2024

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<p><b>1.</b></p>	<p><b>Policy Aims</b></p> <p>In order that Nottinghamshire Hospice can continually offer our patients a consistent level of service, we have a number of policies and processes relating to the booking and timing of holidays. The main aims of this Policy are:</p> <ul style="list-style-type: none"> <li>• to ensure that holiday entitlement is distributed fairly for all employees</li> <li>• to ensure that no unnecessary burden is placed on those employees that need to take on additional responsibilities during holiday cover</li> <li>• wherever possible to support an employees wellbeing and rest time.</li> </ul> <p>The holiday year is from 1<sup>st</sup> April to 31<sup>st</sup> March each year.</p> <p>Every effort will be made to enable employees to take their requested holiday days. However, holiday requirements of colleagues, as well as the operational needs of the organisation will be taken into consideration. All employees must request intended holiday dates at the earliest opportunity and prior to booking holiday accommodation, flights etc. Other than in exceptional circumstances, notice periods for requesting holidays are:</p> <ul style="list-style-type: none"> <li>• Notice required for less than five days holiday must be at least one week.</li> <li>• Notice required for more than five days holiday must be at least four weeks.</li> </ul> <p>Failure to provide the required notice may result in the leave not being granted. Should leave not be granted for any reason and the employee consequently has this time off as sickness absence, Nottinghamshire Hospice will require a medical Fit Note to cover the time period in question.</p> <p>Nottinghamshire Hospice will not be liable for any costs incurred as a result of the need for an employee to cancel holiday arrangements made without first submitting and receiving approval for the holiday request.</p>
<p><b>2.</b></p>	<p><b>Number of Holiday Days/Hours</b></p> <p>Full time employees of Nottinghamshire Hospice are entitled to 25 days annual holiday days, plus annual public and bank holidays. Holiday entitlement accrual</p>

	<p>equates to 2.75 days per month (assuming that the public and bank holiday entitlement is 8 days in any given year). The calculation will change where there are more or fewer public or bank holidays in any given year e.g. an extra public day being given for a Royal celebration.</p> <p>Part time employees are entitled to a pro-rata proportion of holiday entitlement and public and bank holidays dependent on the number of days worked per week.</p> <p>Dependent on your role, your entitlement may be worked out in days or hours.</p> <p>NB. When calculating your holiday entitlement it will be rounded up to the nearest half day.</p>
<p><b>3.</b></p>	<p><b>Additional Holidays</b></p> <p>Additional holiday days will be granted for length of continual service, as at 1 April, as follows:</p> <ul style="list-style-type: none"> <li>• After 3 years' service –26 days (pro-rata for part-time)</li> <li>• After 5 years' service – 27 days (pro-rata for part-time)</li> <li>• After 7 years' service – 28 days (pro-rata for part-time)</li> <li>• After 10 years' service – 29 days (pro-rata for part-time)</li> </ul>
<p><b>4.</b></p>	<p><b>Bank and Public Holiday Working</b></p> <p>Nottinghamshire Hospice does not usually require support/non-patient-facing employees to work during public, and bank holidays. However, in exceptional circumstances, dictated by the needs of the organisation, employees may be requested to work on a public or bank holiday. If this is necessary, an appropriate arrangement regarding pay or time off in lieu will be agreed prior to these days being worked.</p> <p>As the Hospice in Your Home teams provide a service for 365 days per year, these teams will be expected to work during public and bank holidays when rostered to do so. These days will be agreed with their Line manager.</p>

## 5. Procedure for Requesting Holiday

All holidays should be requested by completing an Annual Leave e-form (created by the HR team each year) for approval by your Line manager. If you do not have access to a work computer your Line manager will complete an Annual Leave e-form on your behalf. Annual Leave forms are stored on the N Drive/Company/Annual Leave.

- The annual holiday year is between 1<sup>st</sup> April and 31<sup>st</sup> March each year.
- A maximum of two weeks' holiday may be requested at any one time. If more than two weeks' holiday is required at any one time, a request in writing to the Chief Executive must be made prior to any booking / arrangements being made. The Chief Executive's decision is final.
- Depending on the size of the team, the number of employees who may be allowed to take holiday leave during the same period may be restricted and specific agreement will need to be obtained in writing from the relevant Line manager.
- If a pre-booked holiday needs to be cancelled, this must be communicated to the Line manager as soon as possible and confirmed in writing. The notice period for cancellation of a holiday request must equal at least the amount of time off requested.
- Holiday entitlement is applicable from the first day of commencement of employment with Nottinghamshire Hospice and is accrued thereafter.
- On 1 January each year, all employees must have booked all but one week of annual leave.
- Every effort must be made to spread holiday entitlement evenly across the annual leave year. This will be monitored by you and your Line manager. The Hospice reserves the right (in conjunction with HR) to serve the appropriate notice to you to take any remaining annual leave at a time specified by the Hospice.
- It is not legally possible to pay money in lieu of holiday entitlement unless an employee is leaving the Hospice's employment.

<p><b>6.</b></p>	<p><b>Exceptions to the Rules</b></p> <p>Where an employee has joined the Hospice and advises at interview that there is a holiday already booked wherever possible, the Hospice will honour it. If approved and where the holiday is longer than their Annual Holiday Entitlement for that pro-rata holiday leave year, the remaining holiday days will be classed as unpaid leave.</p> <p>If your employment commenced or terminates part way through the holiday year, your entitlement to holidays during that year will be calculated on a pro-rata basis.</p> <p>On termination of employment and where applicable, a deduction from final salary will be made to the monetary value of any holiday, public or bank holidays taken in excess of entitlement. In certain circumstances, this may not be possible, in which case, the Finance team will arrange an alternative method with the individual to recover the excess entitlement.</p> <p>On termination of employment, wherever possible, the Hospice reserves the right to issue you notice that any outstanding leave entitlement is to be used during the notice period and the Hospice will only make a final payment for any outstanding leave entitlement as a last resort.</p>
<p><b>7.</b></p>	<p><b>Holiday Payment</b></p> <p>Staff shall be entitled to payment for annual holidays at their normal pay rates. Holiday payroll is payable within the normal pay schedule.</p>
<p><b>8.</b></p>	<p><b>Delayed Return to Work after Holiday</b></p> <p>It is each employee's responsibility to ensure that they allow sufficient flexibility within their travel arrangements to ensure that delays will not prevent them returning to work on the appointed date. However, in some circumstances, out of their control, this may not be possible.</p> <p>There is no legal right for employees to be paid by an employer for travel delays, however, Nottinghamshire Hospice wish to be as flexible as possible should any</p>

	<p>of our employees be affected.</p> <p>Where an employee is genuinely unable to return to work due to delayed travel then the following will be applied.</p> <p>Line managers to meet with an affected employee within 48 hours of them returning to work to discuss and agree one of the following options:</p> <ul style="list-style-type: none"> <li>• The employee may take paid annual leave from their allowance, for the additional period. A holiday form <b>MUST</b> be completed retrospectively, approved by the Line manager and recorded by Human Resources as per the Annual Leave policy.</li> <li>• An employee can make the time up by working additional hours.</li> <li>• Alternatively for those who already have their holidays booked and organised or do not wish to utilise the annual leave they have available they may request unpaid leave.</li> </ul> <p>The Line manager must notify HR of any payroll deductions ensuring fairness and consistency in resolving this matter.</p>
<p><b>9.</b></p>	<p><b>Buying, Selling and Carry Forward of Annual Leave</b></p> <p>Nottinghamshire Hospice is committed to assisting its employees to achieve a healthy balance between their work and personal lives, in the best interests of both service delivery and the wellbeing of individuals.</p> <p>All employees receive paid annual leave as set out in their contract of employment. This policy allows employees the flexibility to alter that entitlement, either by buying some additional leave, selling some of their current entitlement or by carrying forward an agreed proportion of their current entitlement to the next leave year. The scheme is about giving employees some additional choice and flexibility where possible, subject to operational requirements, in respect of planned time off.</p> <p>The scheme allows employees to gain approval for the following options:</p> <ol style="list-style-type: none"> <li>1. Buy extra annual leave up to the equivalent of 1 working week per annum.</li> </ol>



2. Sell up to a maximum of the equivalent of one working week per annum.
3. Carry forward up to the equivalent of 1 working week of the current leave year entitlement into the next leave year.

Extra holiday may appeal for all sorts of reasons – the chance to spend more time with family, special occasions or time to complete a special project. Alternatively, if employees wish to use less than their full leave entitlement, this scheme gives them the opportunity to exchange some of it for extra salary.

The scheme is totally discretionary – employees do not have a contractual right to buy, sell or carry forward leave. Support must first be obtained from the Line manager and the final decision will be made by a Director or the Chief Executive. There is no right of appeal for unsuccessful applications.

### **Eligibility / Scope**

The policy applies to all permanent contracted members of staff (regardless of contracted hours) subject to the following criteria:

- Completion of 26 weeks continuous service with the Hospice and completed probation period with the Hospice at the time of the application.
- A minimum attendance level when selling leave. This will be at the discretion of the Line manager and Director/Chief Executive.
- Employees with fixed term contracts can only participate in the scheme if participation can be completed before the end of the fixed term contract.
- It will not be possible to buy annual leave where the salary exchange deductions take an employee below the national living wage / national minimum wage (dependent on age).

### **Buying annual Leave**

The opportunity to buy annual leave will be considered throughout the annual leave year.

### **The principals of buying annual leave:**

- A Buy/Sell/Carry Forward Application Form (available from N Drive/Company/Annual Leave) will need to be completed to request the buying of annual leave and sent to the Line manager.
- Once an application is approved, an employee cannot change their mind and are committed to the change for the leave year.
- Once a request is considered by the Line manager, the request will not be finalised until all national minimum wage / national living wage checks have been completed to ensure compliance with legislation and it has been reviewed by a Director or the Chief Executive
- You can buy up to an equivalent of one working week – a week relates to the exact amount of hours you are contracted to work per week at the time of the request..
- When an employee buys annual leave their salary will be deducted by the additional number of hours purchased, this figure will be calculated on the employee's normal salary as at the time of the request. Should an employee have a retrospective change to their pay, the figure will be re-calculated. This is classed as a variation to their terms and conditions of employment. Specifically, that they have agreed to reduce their gross salary in return for a non-cash benefit.
- Holiday is not a taxable benefit, so there is no income tax or national insurance (NI) payable in the value of the days bought.
- The cost of the annual leave will be spread over an appropriate number of monthly installments, as agreed by the staff member and Finance and dependent on when in the annual leave year an application is approved.
- Any additional annual leave bought will be managed in line with this policy document.
- If an employee leaves during the year in which they have purchased

additional leave any outstanding installments will be recovered from their final salary. If there are insufficient sums to recover this payment the employee will be invoiced.

- If an employee has bought back annual leave and cannot use it before the end of the leave year, the employee cannot sell it back and receive salary in lieu of benefit. Any outstanding leave at the end of the leave year will be managed in line with the process for Carry Forward (outlined below).

### **Selling Annual Leave**

The opportunity to sell annual leave will be considered throughout the annual leave year.

Employees need to be aware that under the Working Time Regulations employees are required by law to ensure that adequate time off is taken by individuals. It is important therefore that employees do not deprive themselves of annual leave, which would result in a detrimental impact on health. Managers will be responsible for monitoring leave of staff and sickness levels to ensure that these do not increase.

The law stipulates that employees are entitled to a minimum of 5.6 working weeks per year inclusive of statutory holidays (equivalent to 28 days). The entitlement for part-time employees is calculated on a pro-rata basis. No employee will be allowed to sell holiday which would mean that the total holiday taken in any one leave year would be less than the legal limit.

### **The principals of selling annual leave**

- A Buy/Sell/Carry Forward Application Form (available from N Drive/Company/Annual Leave) will need to be completed to request the selling of annual leave and sent to the Line manager.
- Once an application is approved, an employee cannot change their mind and are committed to the change for the leave year.
- Employees are able to sell up to an equivalent of one working week (taking into account the legal limit) – A week relates to the exact amount of hours

they are contracted to work per week as at the time of the request.

- When an employee sells annual leave their salary will be increased by the number of hours sold, this figure will be calculated on the employee's normal pay rate as at the time of the request. Should the employee have a retrospective change to their pay the figure will be re-calculated. The additional salary payment will be subject to tax and NI in the normal way but will not be pensionable.
- If an employee has sold annual leave and runs out before the end of the year, they cannot buy back any extra days.
- The payment for the annual leave will be a lump sum and paid on the first available payroll month following approval of the request. Should an employee leave before the end of the leave year, they will be required to pay back the excess of the lump sum if they have exceeded their annual leave allowance. Any excess of the lump sum will be recovered from their final salary. If there are insufficient sums to recover this payment the employee will be invoiced.

### **Carry Forward**

The opportunity to Carry Forward up to the equivalent of 1 working week of the current leave year entitlement into the next leave year may be a possibility.

The opportunity to carry forward leave will be considered throughout the year. Employees will need to plan ahead when considering their choice as **once a decision has been made to carry forward leave into the next leave year (1 April), employees cannot change their mind.** Therefore, if an employee has carried forward leave and runs out of leave before the end of the year, they cannot buy back any extra days. They must use the carry forward in the current leave year.

Employees need to be aware that under the Working Time Regulations employees are required by law to ensure that adequate time off is taken by individuals. It is important therefore that employees do not deprive themselves of annual leave, which would result in a detrimental impact on health. Managers will

be responsible for monitoring leave of staff and sickness levels to ensure that these do not increase.

The law stipulates that employees are entitled to a minimum of 5.6 working weeks per year inclusive of statutory holidays (equivalent to 28 days). The entitlement for part-time employees is calculated on a pro-rata basis. No employee will be allowed to carry forward if it results in the total holiday taken in any one leave year being less than the legal limit.

#### **The Principles of Carry Forward:**

- A Buy/Sell/Carry Forward Application Form (available from N Drive/Company/Annual Leave) will need to be completed to request the carry forward of annual leave and sent to the Line manager
- Once an application is approved, an employee cannot change their mind and are committed to the change for the following leave year.
- Any approved Carry Forward leave must be taken in the first 3 months of the new annual leave year (April to June).
- If an employee has carried forward leave and runs out of leave before the end of the year, they cannot buy back any extra days. They must use the carry forward in the current leave year.

#### **The Process for Buying, Selling or Carry Forward of Annual Leave**

1. Discuss the desired option with the line manager.
2. Complete a Buy/Sell/Carry Forward Application Form (available from N Drive/Company/Annual Leave).
3. Hand or email the form to the line manager for them to complete their part of the form which asks them to support or otherwise the request, linked to the criteria stipulated in this policy.
4. Line managers will submit all applications, whether supported or not, to the HR team or email [hr.admin@nottshospice.org](mailto:hr.admin@nottshospice.org)

5. The HR team will share the applications with the relevant Director / Chief Executive.
6. The Director / Chief Executive will make the final decision on whether to accept or reject an application linked to the criteria stipulated in this policy. Consideration will be given to whether the service can accommodate the request without it having a detrimental impact on the service.
7. The HR team will write to all employees via the email address provided on the application form to confirm the decision. Where an application is approved, they will provide information of the gross deductions or payments expected. Employees whose applications have been accepted will then have an opportunity to review the financial impact of their application and decide if they wish to proceed or not and confirm via email to [hr.admin@nottshospice.org](mailto:hr.admin@nottshospice.org) their final decision to proceed or otherwise.
8. The HR team will inform the line manager and relevant Director / Chief Executive of the final outcomes.
9. For successful applications, the HR team will inform payroll to make the appropriate adjustments to the employee's salary and will amend the individual's annual leave form.
10. For successful applications, it is the responsibility of the employee and their line manager to take account of any annual leave entitlements and ensure annual leave is booked in line with this policy document.
11. At the end of the leave year, the employee's holiday entitlement will revert back to the normal contractual amount.
12. A new application will need to be submitted for any subsequent leave year that the individual requests to buy, sell or carry forward annual leave.

### **Declined Requests**

If the request is declined, this needs to be communicated to the employee via the email address provided in the application form, ensuring that the following issues are covered:

- The request has been declined.
- Outlining the specific reasons why the request cannot be accommodated.

Reasons for declining the request may include (but not limited to):

- Takes the employees pay below the national minimum / national living wage,
- Detrimental effect on the ability to deliver services
- Inability to cover additional annual leave due to high levels of vacancies
- Inability to re-organise work among existing staff
- Detrimental impact on quality or performance.

There is no right of appeal against declined requests.

### **Criteria and considerations for buying, selling and carry forward of annual leave**

All requests for buying ,selling and carry forward of annual leave will be given full consideration by the line manager and relevant Director/ Chief Executive. The aim is to allow employees as much flexibility as possible whilst operating within the needs of the service. However, in making a decision, the factors below must be taken into account.

#### **Buying leave**

There should be no additional cost implications for the Hospice. Considerations are detailed below:

- If cover is needed for the employee – ensure that it is cost neutral.
- Assess if employees selling leave can offset any of the costs incurred in employees buying leave.
- Assess if there can be a pairing agreement linked to people buying and selling for cover arrangements.

- Ensure the additional leave does not result in the need for overtime.

There should be no detriment to service provision. Considerations are detailed below:

- Ensure there is no loss of clinical / operational activity unless a planned reduction has been formally approved by the Service.
- Whether there is an impact on key service targets and if these can be managed or mitigated.

Unless there are exceptional circumstances (e.g. an individual's health may benefit from taking additional leave) employees are not able to buy extra leave if their current sickness absence levels are more than four occasions within the previous 12 months.

If a manager does not feel that they can support an employee's full request than they may consider suggesting a proportion they are able to accommodate. For example, if two employees request to buy 37.5 hours each, but the service could only accommodate a maximum combined total of 37.5 hours additional leave, the manager may suggest that each receives 18.75 hours. The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the Director / Chief Executive.

### **Salary Sacrifice**

When employees buy annual leave this is processed as a salary sacrifice. Salary sacrifice is a tax efficient way of receiving staff benefits. Essentially, the employee gives up part of their taxable salary in return for another benefit (e.g. extra holiday).

Because the employee sacrifices gross salary it means the tax, national insurance contributions and pension contributions (if applicable) that are usually applied are reduced. However, all these deductions are dependent upon the amount the employee earns.

Below is a simple example using fictitious rates to demonstrate how the salary



sacrifice works for the buying of annual leave: The example shows that a £500 salary sacrifice only costs the employee £340.00.

<b>Salary Sacrifice – 1 weeks' holiday</b>		
	£500 reduction on annual salary in majority of employees	£500
Less	Pension Contribution (5%)	-£25.00
Less	National Insurance (8%)	-£40.00
Less	Tax (20%)	-£95.00
	Cost to employee	£340.00

**Legally, it will not be possible to buy annual leave where the salary exchange deductions take an employee below the national living wage / national minimum wage (dependent on age).**

### **Selling leave**

There should be no additional cost implications for the Hospice. Considerations are detailed below:

- Assess if there is a balance between employees selling annual leave and those wishing to buy annual leave, which will offset cost for the Hospice.
- Where there is not an equal number of those buying and selling leave, can any cost be reasonably covered by the department budget?
- Assess if the cost of staff selling annual leave can be offset by an expected reduction in temporary staff spend (i.e. overtime) and/or increased productivity.

Unless there are exceptional circumstances employees are not able to sell leave if their current sickness absence levels are more than four occasions within the previous 12 months.

If a manager does not feel that they can support an employee's full request than

	<p>they may consider suggesting a proportion they are able to accommodate. For example, if two employees request to sell 37.5 hours each, but the service could only accommodate purchasing a maximum combined total of 37.5 hours, the manager may suggest that each employee is able to sell 18.75 hours. The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the Director / Chief Executive.</p> <p><b>Carry Forward</b></p> <p>If a manager does not feel that they can support an employee's full request than they may consider suggesting a proportion they are able to accommodate. For example, if two employees request carry forward of 1 week each (37.5 hours each), but the service could only accommodate purchasing a maximum combined total of 1 week, the manager may suggest that each employee is able to carry forward 18.75 hours. The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the Director / Chief Executive.</p>
<p><b>10.</b></p>	<p><b>Equality Impact Assessment (EIA)</b></p>