



WELCOME

Swiftwork Briefing Guide: Government Proposals to extend the right to request ***flexible working*** and ***maternity benefits***.

As the unofficial campaigning begins for next General Election get underway, the Government has launched a consultation paper¹ asking for views on proposed changes to existing maternity and adoptive pay arrangements and a possible extension of the right of request to flexible working currently available to parents of young or disabled children.

The Government is proposing to:

- Extend statutory maternity pay and statutory adoption pay from six months to nine months by April 2007 with the goal of further extending paid leave to 12 months by the end of the next Parliament; this was reconfirmed in the latest Budget.
- Bring in a new right for mothers to transfer part of their maternity leave and pay to fathers to give more choice to parents over which of them cares for a child in its first year.
- Consider extending the existing right to request flexible working patterns to carers of partners, adult relatives or any disabled dependent and parents of older children, subject to a new cut-off age of 9, 12 or even 17.
- Give employers greater certainty about when employees are returning to work from maternity leave, perhaps by placing a new requirement on mothers to confirm their return date in advance.
- Simplify the administration of maternity leave and pay for employers, including possibly cutting employers out of the statutory maternity pay loop and paying parents directly.
- The Chancellor also announced in his recent Budget that child care vouchers will be free of tax and national insurance for the first £50 used each week. Companies can use these on a cost-neutral basis via a salary sacrifice. Employees can choose to swap some of their salary for childcare vouchers, saving up to £858 per year while their pension and other benefits remain unaffected.

A wider right

Since the introduction in April 2003 of the right of request for flexible working for parents of children under six (or disabled children under 18), the DTI estimates that 800,000 requests for flexible work patterns have been granted by employers. More than a third of all employees asking for a change wanted to go part time and almost half were to re-jig full-time hours through schemes such as compressed hours



(working extended hours on fewer days) and flexitime. One in 10 requests were for full-time homeworking.

The government assessment of the impact of the right of request over the past two years is that it has not had a negative impact on employers. They are backed up by a CBI research that found 87% of businesses thought the right of request had had either no impact or a positive one.

Since April 2003, the DTI estimates that 800,000 families are covered by flexible working, which represents about a quarter of the workforce. Of flexible working requests, it says that 75% have been granted in entirety and 9% in modified form. That makes 84% of flexible working request having been granted. This is an indication that family friendly policies are popular and, perhaps, explains why the government has announced these further concessions ahead of a general election.

If the proposals to broaden the eligibility criteria for applying to work flexibly go ahead employers are likely to see a lot more requests. The government estimates there are 3.5 million carers who also hold down full or part-time jobs and, if the right was extended to all of them, it forecasts 870,000 would take it up. Extending the children's age limit from six to nine (the most tame of the alternatives proposed) would generate an extra 120,000 flexibility requests a year.

Adding value

Most organisations will already have employees who have taken advantage of the right of request and the coming changes – unless the consultation meets a wave of unexpected hostility the proposals for flexible working will almost certainly be adopted – will bring a lot more.

But simply complying with the legislation creates a two-tier workforce where one group is allowed flexibility and the rest have to stick to traditional patterns. Organisations that embrace flexibility and offer the right of request to all employees, allowing them to work how they want - as long as their work and colleagues don't suffer – stand to reap real business benefits.

Research into organisations that introduced company-wide flexibility with help from the government's work-life Challenge Fund found that:

- 81% said they had made financial savings
- 68% had cut staff turnover
- 50% had reduced absenteeism
- 50% had improved productivity

Swiftwork's own work with private and public sector clients has shown improvements in all these measures.

Productivity definitely benefits from the improved morale and motivation that flexible working delivers and organisations that seek to address these issues have happier workforces. Two of Swiftwork's clients, Scottish Legal Aid Board and North Ayrshire were finalists in the 2003 LloydsTSB Employer of the Year Award in Scotland and three of the companies Swiftwork has recently supported in introducing flexible



working - Glenmorangie, Emap and Wrigley UK - feature in *The Times* 2004 list of the 100 best places to work.

The positive impact of flexibility is summed up by this comment from a manager of a local authority Social Services department - a business that finds it notoriously difficult to recruit and retain staff and which suffers from high levels of absenteeism:

"As a manager I had a lot of misgivings regarding cover for the service, reduced workloads and my ability to manage staff time, holidays etc. However, the whole experience has been extremely positive ... Productivity has increased and people are working extended hours, for example 8am-6pm. The days that some people are off, the others are working longer days to make up their hours. Contrary to my initial feelings, this has proved to be a very positive experience and I wouldn't now like to see a return to the previous working practice."

How Swiftwork can help

Swiftwork can help you decide the form of flexibility that best suits your organisation. We will support you in setting up team-based pilots and provide training for managers and employees in flexible working.

Contact Gill Hayward on 01580 201661 to talk about how we can help make flexibility work for you.

We also provide online training courses in flexible working and homeworking for managers and employees.

For a demo, see http://www.swiftwork.com/online_training.asp
Or contact gill.hayward@swiftwork.com for a trial access to the whole course.

¹ The government's Consultation paper **Work and Families: Choice and Flexibility** is available at <http://www.dti.gov.uk/er/workandfamilies.htm> was published on 25th February and will be open to consultation until 25th May.