Item 3

10th August 2023

Glasgow City Council

Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee

Report by Christine Brown, Head of Human Resources

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Neonatal Care Leave and Pay

Purpose of Report:

This report presents recommendations for the implementation of paid leave for Council employees with sick or premature babies in neonatal care ahead of the Neonatal Care (Leave and Pay) Act 2023 coming into effect in April 2025.

Recommendations:

It is recommended that the committee

(1) Note the contents of this report; and

(2) Support the enhancement of the Council's Employment Conditions of Service - Leave to include additional paid leave for employees with babies in neonatal care and presentation to City Administration Committee.

Ward No(s): Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1. Background

1.1. ‘Neonate’ is the medical term for a baby under 28 days of age, and ‘neonatal care’ is the specialist medical care babies receive in hospital shortly after birth.

1.2. One in seven babies born in the UK will receive some level of neonatal care because they are born prematurely (before 37 weeks of pregnancy) or full term (after 37 weeks), but are sick. Whilst many of those babies will receive just days of care, some will remain in hospital for weeks or even months.

1.3. It is, of course, an extremely stressful time for parents who naturally want to focus their attention on supporting their baby. There is a wealth of evidence which shows that premature and sick babies have the best possible outcomes when their parents are hands-on in their care.

1.4. However, for many families, the inflexibility of current parental leave legislation makes this difficult. With only two weeks of paternity leave available, many fathers and non-birthing parents have to return to work long before their babies are well enough to go home. This means that they are routinely excluded from essential caregiving activities.

1.5. Mothers and birthing parents often find that 39 weeks of paid maternity leave does not give them enough time with their baby before they need to go back to work, and they miss out on precious bonding time with their baby at home.

1.6. The financial impact of having a baby in neonatal care is also significant, with more than half of families reporting their finances as a barrier to being involved in their baby’s care.

1.7. The Smallest Things charity, who support premature babies and their families, report that the average stay in neonatal care costs families in excess of £2,994 due to the costs of travel, parking, eating out, childcare for siblings, and accommodation if the hospital is far from home. Many parents are forced to return to work even earlier than intended and, according to the baby charity Bliss, one in four parents borrow money or increase their debt to cover these costs.

1.8. Research also shows that many parents struggle with their mental health after having a baby in neonatal care. In a recent study by Bliss, 80% of parents said their mental health had worsened. A review published by the National Institute for Health and Care Research found that around 40% of parents suffered from anxiety or post-traumatic stress and 25% of those were still affected a year after their baby’s birth. Tommy’s baby charity advise that a third of mothers and almost two-fifths of fathers are diagnosed with postnatal depression after their babies were born prematurely.

2. Neonatal (Leave and Pay) Act 2023

2.1. Following years of campaigning for legislative change, led by charities Bliss and the Smallest Things, new legislation is on the way to introduce statutory leave and pay for parents of babies in neonatal care.

2.2. The Neonatal Care (Leave and Pay) Bill received Royal Assent on 24 May, having passed quickly through parliament with Government backing and strong cross-party support.

2.3. The subsequent Neonatal Care (Leave and Pay) Act 2023, which is expected to be implemented in April 2025, will support parents of babies who are admitted to hospital up to the age of 28 days and remain there for a continuous period of seven days or more.

2.4. In summary, Statutory Neonatal Care Leave:

- will be a day one right', available to employees from their first day in a new job;
- will apply to employees whose babies are in hospital for a week or more, and within 28 days of their birth;
- will be capped at a maximum of 12 weeks, so parents will be able to take up to 12 weeks of paid leave, depending on the length of time their baby is in neonatal care;
- will be taken after maternity/adoption leave ends as maternity/adoption leave will be triggered by the birth of the baby and cannot be paused and restarted. The interaction of neonatal leave with other types of statutory parental leave (paternity, shared parental leave) will be more flexible;
- Parents will have 68 weeks (16 months) from the date of their baby's birth in which to take the Neonatal Care Leave, and the leave must be taken in a continuous block of one or more weeks.

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2.5. Statutory Neonatal Care Pay:

- will be available to employees with 26 weeks continuous service and minimum earnings - same as with maternity pay;
- is expected to be paid at the same standard rate as other family leave statutory pay which is currently £172.48 per week;
- can be reclaimed by employers from the UK Government;
- will afford parents the same employment rights and protections as parents taking other relevant family related leave and will therefore be protected from detriment or discrimination arising from them taking, or seeking to take Neonatal Care Leave.

2.6. Further details, such as notice and evidence requirements to take neonatal care leave, will be fleshed out in secondary legislation and are expected to take a supportive and sensitive 'light touch' approach.

3. Implications for employers

3.1. In response to the UK Government's consultation on the Bill, 90% of employers were in favour of statutory neonatal leave and pay because many employees used sick leave to spend the extra time they needed with their babies in lieu of any other paid leave options.

3.2. The consultation also revealed that parents of sick or premature babies struggled to do their jobs whilst under immense stress worrying about their babies, and some reportedly had no other option than to leave the workforce altogether.

3.3. The resulting financial burden on employers is also significant as they cannot reclaim statutory sick pay and are often faced with additional workforce resourcing and training costs to replace leavers.

3.4. The Neonatal Care legislation will enable employers to reclaim statutory neonatal pay, creating cost savings whilst better supporting employee wellbeing and reducing sickness absence. Managing absences for this reason will also be easier as it will provide a more predictable pattern of leave than ad hoc sick or unpaid leave.

4. Renewed campaign for best practice approach

4.1. Whilst the new Neonatal Care Leave and Pay legislation is widely welcomed, it may be 18 months before it is implemented, so campaigners are now urging the Government to adjust their implementation timeline to bring it in earlier.

4.2. Campaigners also say that the legislation does not go far enough as it only covers the time a baby is in hospital. It does not take into account the developmental needs of a baby born prematurely or the ongoing appointments, medical interventions and readmissions to hospital that occur after coming home from neonatal care. Nor does it take into account the time parents need to recover from the trauma of a premature birth and neonatal care stay once home from hospital.

4.3. As premature babies develop according to their due date, campaigners say that extending leave by a baby's due date rather than length of hospital stay, will ensure that they have reached key developmental milestones and are ready for a childcare setting. In very rare circumstances, this approach could result in leave of up to 16 weeks - counted from the earliest gestational age of 24 weeks (at which the baby has a chance of survival), to the official due date at 40 weeks.

4.4. This approach will also give parents time to recover from the trauma of neonatal intensive care, time to bond with their baby, and time for their baby to grow and develop so the parents can return to work effectively.

4.5. In addition, it is argued that receiving pay limited to a statutory rate for the duration of time their baby is in hospital will still force many parents to return to work too soon, especially at a time when household and living costs are rising.

4.6. Campaigners are therefore calling on employers to provide support above and beyond the new statutory requirements and, one way of doing this, is to sign up to the 'Employer with Heart' Charter 2.0 - an initiative by the charity and neonatal care leave and pay campaigner, The Smallest Things.

4.7. Originally launched in 2018 to support premature babies and their families, the Charter has since been updated to reflect the new legislation. Employers can gain public recognition as an 'Employer with Heart' if they sign the Charter and agree to:

- provide leave at full pay for employees who give birth prematurely by the number of days a baby is born before their due date;
- provide leave at full pay for fathers/non-birthing parents for the number of days between their premature baby's birth date and their due date;
- consider formal and informal flexible working patterns and offering additional paid or unpaid leave for ongoing medical needs requiring regular hospital appointments and check-ups.

5. Good practice in other Councils

5.1. Glasgow City Council will not be the first Council to implement neonatal care provisions for employees. Fife and South Ayrshire Councils have had additional leave and pay arrangements in place for a few years now to support employees who have premature or sick babies in neonatal care.

5.2. In addition, South Ayrshire Council is the only Scottish Council to have signed up to the original 'Employer with Heart Charter', committing to the best practice standards in supporting their employees who experience premature birth.

5.3. However, both Councils will now have to consider extending their existing employee support provisions in order to meet the new minimum legislative requirements, and even more so if they decide to apply the latest best practice standards of the 'Employer with Heart Charter 2.0 going forward.

6. Current position within Glasgow City Council

6.1. Glasgow City Council is fully committed to supporting its employees and has a wide range of leave provisions in place to help employees balance their family and work commitments, and maintain a positive place in the workforce whilst raising children.

6.2. In addition to maternity, adoption, paternity, shared parental, and parental bereavement leave and pay provisions (inclusive of early pregnancy loss), the Council's leave arrangements include 'miscellaneous leave' as an option for managers to grant time off in special circumstances, with or without pay. There is also an option of up to 18 weeks' unpaid parental leave to care for a child under the age of 18, and various flexible working options to help employees maintain a good work life balance.

6.3. Workforce data suggests that around 20 Council employees will currently have premature or sick babies in neonatal care and may be struggling to cope with added physical, emotional and financial challenges that we know are all too common during these difficult and often unexpected life events.

6.4. When the new legislation comes into effect, employees in this position in the future will be able to access extended statutory leave and pay. However, at this present time, the Council does not currently have specific policy arrangements in place to support these employees.

7. Recommendations

7.1. It is recommended that the Council takes immediate steps to implement additional leave and pay provisions to support employees with premature or full term sick babies in neonatal care ahead of the legislation coming into effect in April 2025.

7.2. The Council's provisions for employees with premature babies in neonatal care should align to the best practice standards and guidance set out in the 'Employer with Heart' Charter 2.0. This means providing employees, who have premature babies, an extra weeks' leave at full pay for every week until their baby's official due date.

7.3. Employees with full-term babies in neonatal care because they are sick should receive an extra week's leave at full pay for every week their baby remains in neonatal care. It is recommended that this provision is available for up to 16 weeks - aligning to the maximum leave that could be needed to support employees with premature babies from their birth date to their actual due date.

7.4. The Council should sign up to the Charter 2.0 to make a public commitment to best practice, and to set a good example that other organisations will hopefully follow.

8. Implications for the Council

8.1. The Council will initially have to bear the full cost of neonatal care pay until the legislation comes into effect, and it is able to recoup the statutory element from the Government.

8.2. However, the impact on employers including the Council will be low as only one in seven babies need neonatal care each year in the UK. In addition, baby charity BLISS, report that the majority of those babies will need only a few days in hospital and will therefore fall out with the one-week minimum stay requirement for statutory neonatal leave eligibility.

8.3. This is reinforced by neonatal care statistics referred to in the UK Government's consultation report which showed that 69% of babies in neonatal care stayed less than a week in hospital. Baby charity BLISS also report that the average stay of babies in neonatal care is one week, and that 96% of babies in neonatal care are discharged by the end of the 12th week.

8.4. According to the Council's own workforce data, there is an average of 824 babies born to Council employees each year. Applying the lens of the above UK statistical trends, one in seven (118) of those babies will need neonatal care. 69% (81) of those babies will require only a few days in hospital and the remaining 31% (37) will spend an average of one week in neonatal care and, in which case, will be entitled to one week's Neonatal Care Leave and Pay.

8.5. Of the babies who need one week or more in neonatal care, 96% (36) will have been discharged by the end of the 12th week, and only one may require leave beyond that.

8.6. Whilst the impact on the Council is expected to be low, the recommended neonatal care provisions could provide an absolute lifeline for some employees - supporting them through one of the most difficult times of their lives. The provisions will enable fathers and non-birthing parents to be involved in their babies care and will help achieve better outcomes for premature and sick babies and their families.

8.7. The financial cost of the neonatal care provisions to the Council will be reduced once the legislation is in force and statutory pay can be recouped. However, it is expected that any costs will be offset by the benefits including the enhanced physical, mental and financial wellbeing of employees; increased productivity and retention; and reduced sickness absence.

8.8. The implementation of the recommended provisions will also send out a positive far-reaching message of support - boosting the Council's reputation as an employer of choice where existing and perspective employees know that, whilst working for the Council, they will be treated well and supported through life's challenges.

9. Policy and Resource Implications

Resource Implications:

Financial:	Financial resources required are covered by agreed budgets.
Legal:	No legal implications
Personnel:	No direct personnel implications or significant changes to processes/procedures.
Procurement:	No procurement issues.
Council Strategic Plan: Equality and Socio-Economic Impacts:	Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities. Mission 3 – Enable staff to deliver a sustainable and innovative council structure that delivers value for money.
Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	The proposal supports outcome number 9. Glasgow City Council has reduced barriers faced by women in the workplace; and number 10. Glasgow City Council employees are supported to have improved mental and physical health and wellbeing.

What are the potential equality impacts as a result of this report?	The proposal will provide support to parents and families to avoid them falling into financial hardship and leaving the workforce.
Please highlight if the policy/proposal will help address socio-economic disadvantage.	The policy and accompanying supports are aimed at employees, but the overall objective is to help premature and sick babies and their families avoid the socio-economic negatives associated with the neonatal care.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	N/A
What are the potential climate impacts as a result of this proposal?	N/A
Will the proposal contribute to Glasgow's net zero carbon target?	N/A

Privacy and Data Protection Impacts:	N/A

10. Recommendations

11.1. It is recommended that the committee:

(1) Note the contents of this report; and

(2) Support the enhancement of the Council's Employment Conditions of Service - Leave to include additional paid leave for employees with babies in neonatal care and presentation to City Administration Committee.