

Decision Report

Committee: HR Committee

Meeting Date – 09/042025

Key Decision – No



Somerset Council HR Policy for Approval

Executive Director: Alyn Jones, Executive Director Resources, Strategy & Transformation

Executive Summary

This report covers the proposed new Neonatal Care Leave Policy, which is presented in response to the Neonatal Care (Leave and Pay) Act 2025, due to be implemented on 6th April 2025.

It must be noted that while the Act has been brought into force, the Government is yet to introduce secondary legislation in the form of regulations for the amended rights in the Act to be fully operational. The following draft regulations have been laid before Parliament and are due to come into force on 6 April 2025:

- Neonatal Care Leave and Miscellaneous Amendments Regulations 2025 &
- Statutory Neonatal Care Pay (General) Regulations 2025

The attached policy is written on the basis that the draft regulations will be passed without modification. However, there may be further changes to the regulations before they are finalised. Consequently, further revisions to this policy may be necessary.

Recommendations

The members of the HR Committee are asked to:

1. Approve the attached new Neonatal Care Leave Policy with effect from 6 April 2025.
2. Delegate authority to the Service Director HR & OD in consultation with the Head of Legal, to make any minor amendments required prior to publication.

Reasons for Proposals

To ensure that Somerset Council meets its legal obligations under the Neonatal Care (Leave and Pay) Act 2023.

Somerset Council recognises the stress, anxiety and mixed emotions associated with having a child born who requires neonatal care and wish to demonstrate clearly, via a policy and associated guidance, our commitment to supporting affected employees through this period.

Report Author: Sarah Welland, Service Manager HR Policy & Projects, HR&OD
Service
Contact Details: 01823 359882 / sarah.welland@somerset.gov.uk

Background and purpose of report

Background

- 1 The Neonatal Care (Leave and Pay) Act 2023 comes into effect on 6th April 2025. It introduces a new statutory right to between one and twelve weeks' neonatal care leave for new parents of a baby (or babies in the case of a multiple birth), who receives neonatal care within the first 28 days after being born, and where the neonatal care lasts for longer than seven days. The right to neonatal care leave applies from day one of employment.
- 2 As detailed in the policy, the term 'parent' has a broad definition, including birth parents, adoptive parents, partners of the child's birth/adoptive parent who have main responsibility for the upbringing of the child/children and those having a child through a surrogacy arrangement. The policy provides more detail on these and relevant qualifying criteria.
- 3 In addition, for those who meet certain eligibility criteria, there is also an entitlement to statutory neonatal care pay to cover the period of neonatal care leave.
- 4 It is proposed that Somerset Council should enhance the statutory neonatal leave pay so that eligible employees receive full pay for the duration of their neonatal care leave. To be eligible for this, employees will need to have one year's continuous service by the 11th week before the Expected Week of Childbirth/date of adoption. This is consistent with eligibility for contractual maternity pay/contractual adoption pay. Please see Financial and Risk Implications and HR / Workforce Implications below (paragraphs 12-17 & 10-21) for the rationale and approximate costings regarding this proposal.
- 5 Further detail is contained in the policy at appendix 1.

Links to Council Plan and Medium-Term Financial Plan

- 6 One core function and priority of the HR Policy team is to ensure that HR policies are legally compliant. Another is to help to develop and maintain a culture where employees feel valued and supported through traumatic and difficult times.

- 7 Providing support above and beyond the statutory minimum can create a strengthened psychological contract between the employee and the Council often resulting in enhanced commitment and slower rates of turnover.

Other options considered

- 8 An alternative option would be to not implement a policy. This option is discounted for two reasons. Firstly, having a policy sets out clearly that the Council has recognised and implemented the legislation. Secondly, it supports consistent and fair application of neonatal care leave and pay, assisting employees in understanding the support that is available to them and how to access this.

Key considerations for the Council

Scrutiny comments / recommendations:

- 9 N/A

Consultation and feedback

- 10 This policy is currently out for consultation with Trade Unions. Should this result in any proposed changes or significant feedback, HR Committee will be updated.
- 11 Informal feedback has also been received from a small group of employees with lived experience of this subject.

Financial and Risk Implications

Financial

- 12 The rate of statutory neonatal care pay is set by the Government (£187.18 per week from 6th April 2025), or at 90% of an employee's average weekly earnings (whichever is lower). This amount is recoverable from the Government.
- 13 This policy proposes that the Council enhances this figure to provide full pay for the duration of an employee's neonatal leave (subject to meeting eligibility criteria set out in the policy). It is estimated that this would cost the Council an additional £28,667.10 per annum. This is calculated as follows:
 - Bliss - the UK charity for babies born prematurely or sick, state that 1 in 7 babies born in the UK require neonatal care.

- There have been 291 relevant leave instances in the Council over the last 5 years. Applying the Bliss figure of 1 in 7 of these instances involving a child that requires neonatal care equates to a probable number of 42 instances of neonatal leave per annum.
 - The average stay in a neonatal unit is 7 days so that would be one week of full time pay for each of the 42 employees.
 - The average salary is SOM 11, SCP 21 £32,115 per annum. On a weekly basis (including on-costs) this is £869.73 x 42 instances = £36,528.66.
 - The statutory payment of £187.18 per week from April 2025 x 42 instances = £7861.56 and subtracting this from the overall payment is **£28,667.10 per annum**.
- 14 The cost of enhanced neonatal pay for each eligible employee (less the statutory payment) would be met by the relevant service's salary budget.
- 15 It is acknowledged that there are caveats and points to consider regarding this data. Firstly, the figures are calculated using average salary figures only. Secondly, whilst one weeks' entitlement is the most likely scenario, some employees will inevitably be eligible for more leave, up to and including the maximum of 12 weeks. In addition, as a large employer, Somerset Council will have instances where both parents work for us and are therefore entitled to the payment.
- 16 Conversely however, some employees will not be eligible for any payment, either because they do not have the required length of service, or because their baby does not require more than seven days of neonatal care.
- 17 It is also recognised that employees may take increased absences through other available options at such times, such as sickness absence. This also has a financial cost and falsely inflates sickness figures.

Legal and Procurement Implications

- 18 The Neonatal Care Leave Policy demonstrates how Somerset Council is implementing the provisions inserted into the Employment Rights Act 1996 by the Neonatal Care (Leave & Pay) Act 2023 and exercising its discretion in terms of additional support.

HR / Workforce Implications

- 19 Having a clear policy on the Council's approach to neonatal care leave and pay ensures that employees understand their entitlement and the support available to them.
- 20 This proposal supports our work towards being an employer of choice, with a family friendly and supportive culture which can only assist with recruitment and retention. Within the local area, most other Local Authorities are enhancing the statutory pay provision (including Devon, Dorset, Stroud and Gloucester).
- 21 It is also noted that the decision to pay neonatal pay at an enhanced rate is likely to increase the number of employees who can benefit from neonatal care leave, on the basis that for some, receiving only statutory pay means they cannot afford to take the leave to which they may be entitled. Offering enhanced pay for this period therefore enables neonatal leave to be accessible to more employees.

Equalities Implications

- 22 The Council's duty under Section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions. An equalities impact assessment has been completed for this policy.

Community Safety Implications

- 23 There are no community safety implications. This is a HR policy applying to employees only.

Climate Change and Sustainability Implications

- 24 There are no climate change and sustainability implications. This is a HR policy applying to employees only.

Health and Safety Implications

- 25 There are no health and safety implications. This is a HR policy for employees.

Health and Wellbeing Implications

- 26 The proposed policy has positive implications for health and wellbeing. The policy provides additional support to employees with a child/children needing neonatal care. This will help ensure that employees' mental and physical health is supported in the provision of permitted time to be away from the workplace, and subject to eligibility, financial support for this time too.

Social Value

- 27 This proposed policy develops the support Somerset Council offers its employees facing difficult and challenging situations in their personal lives, demonstrating clearly that it is a caring and supportive employer

Background Papers

- 28 None

Appendices

- Draft Neonatal Care Leave Policy
- Equalities Impact Assessment

Report assurance

	Officer Name	Date Completed
Governance Implications	Scott Wooldridge	01/04/2025
Legal Implications	Jill Byron	31/03/25
Finance & Procurement	Nicola Hix	31/03/25
Workforce (*)	Dawn Bettridge	31/03/25
Asset Management (*)	Simon Lewis	N/A
Executive Director	Relevant Executive Director	27/03/2025
Executive Lead Member	Relevant Lead Member	31/03/25
Consulted:	Councillor Name	
Local Division Members	List local members	N/A
Opposition Spokesperson(s)	Relevant Opposition Spokesperson	N/A
Relevant Scrutiny Chair(s)	Relevant Chair	N/A