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HMRC to launch 'Annualised Hours' Pilot in CSG

HMRC prepares to ask members in CSG to volunteer for a 'pilot' involving giving-up flexible working and moving to 'annualised hours' in return for an allowance amounting to as little as £4.67 per week (before tax).

PCS has been holding discussions with management in Customer Services Group (CSG), regarding their proposals for handling peak periods in the business.

HMRC prepare 'annualised hours' pilot

HMRC has confirmed that they are proceeding with their plans for a 'pilot' of 'annualised hours' in CSG, which will involve asking members to volunteer to give-up flexible working hours (FWH), in favour of a work pattern involving working fixed, longer hours during six months of the year (including June and December); with fixed, shorter hours in the other months of the year.

As part of the distribution, some of the annualised hours total will be kept in reserve by the department (75 hours for a full-time member of staff), which would allow HMRC to call you into work if there are unexpected peaks of work, even during the quieter months.

If you take annual leave during one of the busier six months of the year, the hours of leave that you use will reflect those longer working days (so if you take summer leave in June, or time-off ahead of Christmas, you will be using more of your leave than if you were working a normal net 37-hour week).

Under the plans, any member of staff volunteering to give-up their contractual right to FWH will receive an 'allowance' totalling the princely sum of 1% per year. Basically, if you're an AO, that amounts to as little as £4.67 per week (before tax).

Incidentally, we've no idea how they arrived at the (frankly embarrassing) 1% figure. Other departments (such as the Home Office) who currently operate

Annualised Hours, have a much more generous reward mechanism; and PaCR replaced the earlier contract models (such as the notorious 'five over seven' contracts) that were prevalent in HMRC prior to 2021.

Protected by Pay and Contract Reform

HMRC has accepted that under Pay and Contract Reform (PaCR) Collective Agreement, you have a contractual right to work FWH; so they can't compel you to move to an Annualised Hours pattern, or even compel you to take part in the pilot. HMRC have told PCS that if they don't get enough members volunteering to relinquish their contractual rights in return for less than the price of a pound of butter a week, they'll need to recruit new staff from outside the department, on non-PaCR contracts.

This would be an interesting development, given that HMRC insisted during the PaCR negotiations that the specific 'Directorate Working Arrangement' for CSG, included in the Collective Agreement itself, set out the arrangements HMRC told PCS would its operating requirements. It would also start us back down the road of 'multiple contract models'; which for both HMRC and PCS, PaCR aimed at resolving.

There is an alternative

PCS have already offered an alternative. We proposed the department should use part-year appointments (PYA); an off-the-shelf solution for handling civil service workstreams with distinct peaks and troughs, that is already operating in areas such as the Passport Office; and where those PYAs work alongside full-year workers to provide additional resources, critically, on the same working conditions.

This model would be nothing new for the department. HMRC already has direct experience with contracting workers to operate solely during specific months of the year, with those members of staff who work to 'Term Time' working arrangements.

Despite asking, we've received no explanation from HMRC as to why using PYAs is not an option; other than - from the sound of it - they just don't want to do it, and they just prefer the idea of having fewer people working FWH.

We've also said that we're prepared to discuss any proposals that HMRC might have regarding the development of a system of Annualised Hours within the new

PaCR contract regime, but that would need to fully and fairly compensate members for the loss of FWH; and to be frank, the derisory suggestion of less than five pounds a week, doesn't even begin to open the door to talks of that kind.

PCS advice to members

HMRC has accepted that under PaCR, they need you to volunteer to move off FWH and on to Annualised Hours – even for the pilot. PCS is your union, and we can't instruct you not to volunteer to relinquish your personal contractual rights.

It would however, be remiss of PCS if we didn't suggest to you that volunteering to give-up the freedom to work flexibly, in favour of being told by the department precisely what hours you'll be working, in what month, depending on whether they think they need you in or not; and all you might get for volunteering is less than £4 a week after tax, makes absolutely no sense whatsoever. We strongly advise you not to volunteer.

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