HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

August 2026

HR Solutions

Contents

RECENT AND FUTURE CHANGES
RECENT CHANGES:

10 WEEKS TO GO UNTIL HARASSMENT LAWS CHANGE

With only about 10 weeks to go until workplace harassment laws change (30 October 2026), we ran a dedicated webinar where we explored the new legal framework, what it means for employers legally, and provided guidance on steps to take to prepare and comply with new legal duties.

The upcoming changes form part of the Employment Rights Act 2025 and will see the introduction of a new legal duty on employers to prevent harassment by third parties, and the preventative duty on employers that currently exists in regard to sexual harassment will be broadened, requiring employers to take all reasonable steps to prevent it during the course of employment.

ACAS CODE OF PRACTICE ON DISCIPLINARY AND GRIEVANCE PROCEDURES

The Acas Code of Practice on disciplinary and grievance procedures is a cornerstone of UK employment law that provides the standard of reasonable behaviour for handling workplace disputes. The current Code (last published 2015) has been updated, and a new draft published, which will be subject to a public consultation.

This Code is fundamental to operating fair procedures in disciplinary and grievance matters, so much so, that an employer's unreasonable failure to comply with any of its provisions allow the Tribunal to increase any award they make to a claimant by up to 25% (conversely, an employee's unreasonable failure to comply can result in their award being reduced by up to 25%).

This new proposed version introduces several key updates, all of which are designed to modernise workplace relations and accompany the changes in the employment landscape under the Employment Rights Act 2025.

The draft is now subject to a public consultation, and will seek input in the areas of:

- Scope and terminology
- Informal resolution
- Requirements for written documents
- Clarity around suspension
- Reasonable adjustments
- Manager training
- Mediation and facilitated conversations.

FAIR WORK AGENCY 2026-2027 DELIVERY PLAN

The newly established Fair Work Agency (FWA) has published its plan for delivering on its priorities for 2026-27, which are predominantly focussed on driving simpler compliance. Their plan sets out five core priorities for its first year of operation:

1. Simplifying compliance for businesses and workers by providing clearer guidance, tools, and support
2. Building joined-up intelligence to ensure that enforcement actions are targeted and based on risk
3. Improving the agency's public identity and digital access, while strengthening partnerships and stakeholder engagement

4. Sharing operational evidence and insights to help shape future practices in labour market enforcement
5. Planning for the full transfer of National Minimum Wage (NMW) enforcement from HMRC and preparing the agency for new responsibilities, such as enforcing holiday pay.

To achieve these priorities, their delivery plan is structured around three interdependent goals for its foundational year:

1. Maintaining current operational performance while helping workers understand their rights and supporting employers in meeting their obligations
2. Establishing the FWA's mission, values, and culture, and recruiting the necessary skills and capability for its expanded future remit
3. Improving systems and efficiency through technology, including the development of a "digital front door" and user-friendly tools like an online payslip explainer and a holiday pay calculator.

LEGAL CHALLENGE OF THE EHRC CODE OF PRACTICE FOR SERVICES, PUBLIC FUNCTIONS AND ASSOCIATIONS

We wrote back in June, that the EHRC had proposed an amended Code of Practice for services, public functions and associations, following For Women Scotland case in which it ruled 'sex' under the Equality Act 2010 referred to a person's 'biological' sex, rather than the sex stated on a gender recognition certificate. This draft was given Parliamentary approval, but this month, the Good Law Project announced it would be raising a legal challenge on the grounds that it is unlawful.

Whilst this Code is specific to discrimination, harassment and victimisation in services and public functions, it is not directly employment related. However, employers must take note because it could become relevant to certain workplaces, depending on who ultimately is liable for discrimination under the Equality Act.

The legal challenge, when raised will argue:

- Services provided to both cisgender and transgender women, but not to cisgender men are discrimination and services not based on sex that is recorded at birth, must be open to everyone. The current wording of the Code is therefore placing trans inclusive organisations in the situation of either excluding trans women or opening their services to all men.
- The Code is misrepresenting the law, may infringe human rights and could adversely affect people who are trans, women, people who are disabled and those organisations providing gendered services.
- This is a complex area of law, as it is about interpretation two equally important pieces of legislation and how they operate alongside each other; the Equality Act 2010 and the Gender Recognition Act 2004.

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COULD UK TRIBUNALS FOLLOW AUSTRALIAN COURTS IN ORDERING WORKERS TO STOP USING AI WITH THEIR EMPLOYER?

This is an interesting question and comes following a recent ruling by Australia's Fair Work Commission and offers a timely lesson on the risks of using AI in workplace disputes.

The tribunal in this case took the unusual step of banning an employee from using AI to write her employment correspondence, after her AI-generated grievance resulted in pages of repetitive, aggressive, and vague text.

The situation became so overwhelming that her employer simply stopped responding. The Commission called this outcome "unsurprising," noting that no one could reasonably be expected to process such dense, computer-generated text. Tragically, the employee had a genuine claim of bullying, but her reliance on AI buried the facts and damaged her case.

This highlights a vital issue under UK legislation and the Acas Code of Practice on Disciplinary and Grievance Procedures, which demand fair and robust handling of workplace issues. Ultimately, both parties were ordered to stop using AI and communicate directly, briefly, and politely, but it is a powerful reminder that human communication remains essential. Employees must ensure AI doesn't obscure the truth of their claims, and employers must remain committed to thorough investigations, regardless of how a grievance is presented.

FUTURE CHANGES

URGENT - ARE YOUR CONTRACTS OF EMPLOYMENT, EMPLOYMENT POLICIES AND HANDBOOK UP TO DATE?

Did you know that with the unfair dismissal qualifying rules changing in January (likely to be 1st, but to be confirmed), that employers must ensure their contract template is fit for purpose now, so that those you recruit from this point on can be managed in line with these new rules safely.

With the qualifying period for unfair dismissal reducing from two years to six months, any employee with at least six months of service on the day the law takes effect (e.g., January 1st) will instantly gain the right to claim unfair dismissal - regardless of whether the dismissal relates to conduct, capability, redundancy, or Some Other Substantial Reason (SOSR). This is why when you are recruiting from 1 July 2026, that you use a more robust contract to enable the business to fairly dismiss in the future, should the need arise.

LEGISLATION – BY IMPLEMENTATION DATE

2026

August 2026 – Employment Rights Act 2025

Electronic and workplace balloting for Statutory Trade Union Ballots

1 October 2026 – Employment Rights Act 2025

Employment tribunal time limits extended from 3 months to 6 months

30 October 2026 – Employment Rights Act 2025

- Establish the Fair Pay Agreement Adult Social Care Negotiating Body in England
- Requiring employers to take ‘all reasonable steps’ to prevent sexual harassment of their employees
- New obligation on employers not to permit the harassment of their employees by third parties
- Introducing a power to enable regulations, that specify steps that are to be regarded as reasonable to determine whether an employer has taken all reasonable steps to prevent sexual harassment (the actual steps to specify what is to be regarded as reasonable is due in 2027)
- Introducing a new duty to inform workers of their right to join a trade union
- Strengthen trade unions' right of access
- Unfair practices in the trade union recognition process
- New rights and protections for trade union reps
- Extending protections against detriments for taking industrial action
- Two tier procurement

30 October 2026 - Trade Unions (Right to Access Workplaces) (Required Information) Regulations 2026

These Regulations implement the reforms in the Employment Rights Act 2025 regarding the new statutory right for trade unions to access workplaces.

Immigration (Restrictions on Employment and Residential Accommodation) (Prescribed Requirements and Codes of Practice) (Amendment) Regulations 2026

It has been confirmed that in October, the 'Immigration (Restrictions on Employment and Residential Accommodation) (Prescribed Requirements and Codes of Practice) (Amendment) Regulations 2026' come into force. These Regulations make amendments in relation to employment checks which employers are legally required to carry out to verify a person's immigration status to be excused from liability for a civil penalty for employing individuals without valid immigration status.

The Regulations when introduced, will widen employers' duties beyond traditional employment to cover other types of working arrangements as well as update the rules for digital identity verification services.

End of 2026

Changes to the obligations to consult and communicate policy on the allocation of tips

Tightening tipping law by requiring employers to consult with workers to ensure fair tip allocation

Amendment to the Seafarers Wages Act 2023 (expected December 2026)

The Employment Rights Act 2025, section 56, scheme 5 strengthens workers' rights at sea in relation to wages, terms and conditions of employment or engagement and working conditions.

New regulatory framework to bar NHS managers for misconduct (mid-late 2026/early 2027)

Legislation to introduce a new regulatory framework for NHS managers is expected in 2026. The framework will establish a statutory barring system for board-level directors who commit serious misconduct, with new powers granted to the Health and Care Professions Council to disbar senior leaders. The regulations aim to prevent managers found guilty of misconduct from taking other NHS roles and include specific protections for whistleblowers.

Children's Wellbeing and Schools Act 2026

It is expected that this Act will be phased in over time, with potentially some changes coming in before the end of this academic year and the bulk of change in September.

2027

1 January 2027 - Employment Rights Act 2025

- 6-month qualifying service for ordinary unfair dismissal protection
- Removal of the compensatory cap.
- Dismissals connected to an employer seeking to vary an employee's contract, but the employee does not agree will be automatically unfair

January 2027 - Employment Rights Act 2025

- Gender pay gap and menopause action plans to become mandatory
- Enhanced dismissal protections for pregnant workers, and those on and returning from family leave
- Specifying steps that are to be regarded as 'reasonable', to determine whether an employer has taken all reasonable steps to prevent sexual harassment

- Updated rules relating to protections from blacklisting due to trade union membership or activity
- Industrial relations framework
- Changes to the threshold for when collective redundancy consultation applies
- Enhanced redundancy protections against dismissal or redundancy
- An employer's reason for refusing a flexible working request must be reasonable
- A new statutory entitlement to bereavement leave, including pregnancy loss
- The regulation of umbrella companies
- Right to guaranteed hours and the right to reasonable notice and short notice payments
- Electronic and workplace balloting for recognition and derecognition ballots
- Provision of information relating to outsourced workers, a requirement for private and voluntary sector employers with at least 250 employees in Great Britain, and public authorities, to publish information about the service providers that they contract with for outsourced services.
- Extends the scope of the Employment Agencies Act 1973 to cover other types of business, such as umbrella companies, that participate in arrangements under which people are supplied by their employer to work for other people or organisations.
- Non-disclosure agreements (NDAs) and confidentiality provisions in employment making void a contractual provision that purports to preclude a worker from making an allegation or disclosure about relevant harassment or discrimination (or an allegation or disclosure relating to the employer's response).

April 2027 - Mandatory Payrolling Benefits

From April 2027, all employers will be required to payroll benefits in kind. A P11D will still be required for the tax year 2025/26 and 2026/27, but from 2027/28 onwards, it will be mandatory for benefits to be payrolled. Until such time, it continues to be voluntary, and we expect draft legislation and guidance to be provided in due course. The Government have published a timeline in preparing for this change, available here.

Date to be confirmed (must be by June 2027) - The Terrorism (Protection of Premises) Act 2025 (Martyn's Law)

This Act received royal ascent on 3rd April 2025 however the regulator (Security Industry Authority - SIA) have said that there will be at least 24 months required in preparing for the law to come into force.

In the meantime, premises and events seeking advice on preparing for Martyn's Law should continue to look for Home Office updates. They can also access free technical guidance and operational advice on protective security on the government partner websites of the National Protective Security Authority and ProtectUK.

2028

6 April 2028 – Pension age increase

The new normal minimum pension age will become 67 years from 2028, following the amendment to Part 4 of the Finance Act 2004 (pension schemes etc).

LEGISLATION DATE UNKNOWN

Pensions (Extension of automatic enrolment) Act 2023 (date to be confirmed)

This legislation removes the current age requirements for eligible workers to be automatically enrolled into a workplace pension. The current minimum age is 22 years, but this will be reduced to 18 years. No date has been set for when this legislation comes into force.

Sunday trading – Protection for shop workers

The right of shop workers to opt out of working Sundays on religious or family grounds is to be extended to any 'additional' hours above their normal hours which they may normally be obliged to work if requested. The duty of employers to advise workers of these rights is also to be extended.

The Enterprise Act 2016 contains provisions to strengthen certain aspects of the protections given under the Employment Rights Act 1996 specific to shop and betting workers. This Act received Royal Assent, i.e. became law on 4 May 2016, but the provisions making the Sunday working amendments have not yet been brought into force.

In addition, the amendments to ERA 1996 envisaged the making of regulations as secondary legislation to fill in the detail of how the revised legislation would work, and that secondary legislation has not yet been published, although the power to make it is in force. With a change in Government since this came into force, the current government have not given any indication that it intends to enact this legislation and so we have no precise indication as to when these changes will take effect, or if they will ever come into force.

Children and Social Work Act 2017 Whistleblowing – Protection for children's social care applicants

Section 32 of the Children and Social Work Act 2017 when it commences will allow the Employment Rights Act of 1996, s 49C to enable the introduction of regulations that prohibit relevant employers from discriminating against an applicant for a children's social care position because it appears that they have made a protected disclosure. At this time, draft regulations are yet to be published.

KEY EMPLOYMENT BILLS PROGRESSING THROUGH PARLIAMENT

Bullying and Respect at Work Bill

This private members Bill if passed, would introduce a statutory definition of bullying at work. In addition, it would make a provision relating to bullying at work that includes enabling claims relating to workplace bullying to be considered by an employment tribunal. It would also introduce a Respect at Work Code that would set minimum standards for positive and respectful work environments and give powers to the Equality and Human Rights Commission to investigate workplaces and organisations where there is evidence of a culture of, or multiple incidents of, bullying and to take enforcement action. The Bill had its first reading in the House of Commons on 21 October 2024 and the date of the second reading is due to be announced.

Company Directors (Duties) Bill

If passed, this Private Members' Bill, would amend section 172 of the Companies Act 2006 to require company directors to balance their duty to promote the success of the company with duties in respect of the environment and the company's employees. It is early in the process and currently waiting a date for the next stage which is its second reading.

The Domestic Abuse (Safe Leave) Bill

This Bill proposes to provide employees who are victims of domestic abuse with up to 10 days paid leave each year to support in dealing with the many challenges experienced when trying to leave the relationship. This is currently at the 2nd reading stage in the House of Commons and we are awaiting confirmation of when this will take place.

Equality (Race and Disability) Bill

We know through the Employment Rights Bill, that the Government are seeking to reform areas of equality relating to race and disability. A standalone Bill is expected to be launched following a period of public consultation, in which it will lead to:

- Introducing mandatory ethnicity and disability pay gap reporting, modelled on the existing gender pay gap framework.
- Extending equal pay rights to ethnic minority and disabled workers, allowing claims on contractual equal pay grounds.
- Potential establishment of a specialist enforcement or regulatory body to oversee compliance and coordinate action plans.

In the recent King's speech however, there was no mention of this Bill, so it is unclear of the next steps at this stage.

CONSULTATION AND GUIDANCE CONSULTATIONS

OPEN CONSULTATIONS

Current open consultations, in order by closure date (ascending order)

Title	Purpose	How to participate	Deadline
Make Work Pay: Ending one-sided flexibility – reforms of zero hours and similar contracts	This consultation is seeking views on reforms to zero hour and similar contracts that are to come into force through the Employment Rights Act 2025.	Online Email	25/08/26
Make Work Pay: Employment rights for unpaid carers and parents of seriously ill children	The Government are seeking views on existing employment rights available to people with unpaid caring responsibilities and parents who have a seriously ill child.	Online Email	01/09/26
Time off for public duties	This consultation seeks views on the practical operation of existing rights to time off for public duties. It will also seek views on proposed changes to the current list of public duties currently in scope.	Online Email	04/09/26
Call for evidence: data flows you can trust	This call for evidence from organisations and individuals with experience or interest in international data transfers.	Online	09/09/26
Make Work Pay: Holiday pay compliance and enforcement	This consultation is seeking views on the proposed approach to holiday pay compliance and enforcement by the Fair Work Agency.	Online Email	22/09/26

Code of Practice on Disciplinary and Grievance Procedures	This new proposed draft Code introduces several key updates, all of which are designed to modernise workplace relations and accompany the changes in the employment landscape under the Employment Rights Act 2025.	Online Email	23/09/26
Make Work Pay: Revised tipping code of practice	This consulation invites all relevant parties and individuals to feedback on the updated Code of Practice.	Online Email	29/09/26
Workplace monitoring technologies	This new consultation seeks views on the Government's proposals to support the fair, transparent and responsible use of workplace monitoring technologies.	Online Email Post: Workplace monitoring technologies, Employment Rights Directorate Department for Business and Trade Old Admiralty Building Admiralty Place London SW1A 2DY	30/09/26
Equal Pay and pay discrimination	This consultation is seeking views on how equal pay and pay discrimination can be reformed	Online Email	27/10/26

CLOSED CONSULTATIONS: RESPONSES BEING ANALYSED

KEY CONSULTATIONS WAITING FORMAL RESPONSE.

The following consultations are now closed. The relevant authorities are currently analysing the responses and will issue formal updates on next steps shortly. These findings will inform the development of future regulations and updated Codes of Practice.

- Artificial Intelligence, business and the future of the workforce
- Call for evidence on the 2014 Transfer of Undertakings (Protection of Employment) (TUPE) Regulations
- HSE: Consultation on proposals for the reporting of injuries, diseases and dangerous occurrences regulations 2013
- Low pay commission consultation 2026
- Make Work Pay:
    - Duty to inform workers of right to join a union

- Enhanced dismissal protections for pregnant women and new mothers
    - Fire and rehire – changes to expenses, benefits and shift patterns
    - Improving access to flexible working
    - Leave for bereavement including pregnancy loss.
    - Misuse of non-disclosure agreements (NDAs)
    - Modernising the agency work regulatory framework
    - Threshold for triggering collective redundancy
- Migration Advisory Committee launches stage 2 Review of Temporary Shortage List
- Parental leave and pay review - call for evidence
- Strengthening seafarer protections
- Tribunal procedure committee: Possible amendments to the costs/expenses rules
- Welsh Government: Draft disabled people's rights plan 2025 to 2035
- Women and Equalities Committee Inquiry: Equality at work: Flexible working and disability
- Work and Pensions Inquiry: Employment support for disabled people
- Working in the UK - earned Settlement
- Working paper on options for reform of non-compete clauses in employment contracts.

KEY CONSULTATIONS WITH RESPONSES PUBLISHED

POLICY UPDATE: GOVERNMENT RESPONDS TO CONSULTATION ON EXTENDING THE RIGHT TO WORK SCHEME

The Home Office has published its formal response to the consultation on extending the Right to Work Scheme to non-traditional working arrangements. Enabled by the Border Security, Asylum and Immigration Act, these reforms close compliance gaps by expanding statutory right-to-work requirements beyond traditional employees to cover self-employed contractors, gig economy workers, and zero-hours roles.

The Government have therefore confirmed:

- Businesses engaging individuals under contracts for services in high-risk sectors, including construction, food delivery, courier services, warehousing, and care, will now be required to perform right-to-work checks prior to engagement.
- Engaging non-traditional workers who lack lawful right to work in the UK will now trigger civil penalty liabilities like those for direct employees. The government confirmed it is also exploring targeted enforcement measures against directors and partners who attempt to evade unpaid civil penalties.
- To assist businesses with compliance, the Home Office will update its Statutory Code of Practice and digital checking service guidance. Digital verification tools (such as approved Identity Document Validation Technology and the online right-to-work checking service) are strongly encouraged to streamline onboarding.
- While ultimate liability sits with the engaging party, the government reinforced the need for organisations to audit supply chains and ensure third-party agencies or subcontractors maintain robust verification standards.

The government is drafting secondary legislation alongside an updated Statutory Code of Practice. Organisations should begin reviewing their onboarding practices, contract templates, and supply chain checks ahead of the statutory requirements taking effect.

POLICY UPDATE: GOVERNMENT RESPONDS TO CONSULTATION ON ADULT SOCIAL CARE FAIR PAY AGREEMENTS

The Department of Health and Social Care (DHSC) has published its formal response to the consultation on establishing a Fair Pay Agreement (FPA) process for adult social care in England. As part of the reforms introduced under the Employment Rights Act 2025, the framework will introduce sector-wide collective bargaining aimed at improving pay, working conditions, and professional development across the workforce.

The Government have confirmed the following outcomes from this consultation:

- An independent Adult Social Care Negotiating Body will be established, bringing together trade unions and employer representatives to negotiate minimum national standards.
- The agreements will cover the paid adult social care workforce (excluding self-employed and informal carers). The first negotiation cycle will be backed by an initial £500 million annual funding envelope set by the government.
- While local councils will not vote on the final agreements, they will hold a formal advisory and evidence-providing role during negotiations regarding affordability and commissioning.
- Once ratified by Parliament, agreements will become legally binding through workers' contracts, with pay compliance monitored by the Fair Work Agency.

The government plans to lay secondary legislation in Parliament. The negotiating body will be formally established and members appointed. Negotiations are set to start in April 2027, with the first official Fair Pay Agreement expected to come into effect in April 2028.

SETTING UP THE SCHOOL SUPPORT STAFF NEGOTIATING BODY

The Department for Education (DfE) has published its formal response to the consultation on setting up the School Support Staff Negotiating Body (SSSNB) in England. Re-established under the Employment Rights Act 2025, the statutory body will negotiate national minimum standards for pay, terms and conditions, as well as training and career progression for non-teaching staff in state-funded schools.

The Government have confirmed the following outcomes from the consultation:

- The SSSNB will cover directly employed support staff (e.g., teaching assistants, administrative staff, technicians) up to middle leadership roles. This includes off-site academy trust employees (such as central office HR or finance staff). Executive leaders of academy trusts and senior non-teaching staff with strategic responsibilities are excluded.
- Despite trade union support, the government concluded there is currently insufficient evidence to bring agency workers within the SSSNB's statutory remit at this stage.
- SSSNB agreements will establish a statutory minimum floor for terms and conditions, not a ceiling. Employers retain the flexibility to offer higher terms, and no employee's existing pay or conditions will be lowered as a result.
- The government has confirmed that maternity pay will be the very first condition negotiated by the body, marking the first national improvement to support staff maternity provision in 25 years.

The government plans to introduce regulations and non-statutory guidance. To ensure a smooth transition, support staff will remain on their current employment arrangements for the 2026–2027 financial year. Any negotiated SSSNB outcomes, including national pay improvements, are expected to take effect from the 2027–2028 financial year at the earliest.

POLICY UPDATE: GOVERNMENT RESPONDS TO CALL FOR EVIDENCE ON UNPAID INTERNSHIPS

The Department for Business and Trade (DBT) has published its formal response to the *Making Work Pay* call for evidence regarding unpaid internships, work trials, voluntary workers, and work shadowing. While the government previously outlined an ambition to ban unpaid internships, it has concluded, for now, against introducing new primary legislation, opting instead to strengthen guidance and enforcement under existing National Minimum Wage (NMW) laws.

The response confirms:

- The government cited concerns that creating a rigid statutory definition for an 'intern' could lead to unintended consequences, such as a two-tier system or incentivising unscrupulous employers to bypass rules through other loopholes.

- Rather than introducing new legislation, focus will shift to enforcing current laws. Where an intern is doing actual work and meets the existing legal definition of a 'worker', they are already entitled to the National Minimum Wage, and non-payment remains illegal.
- Guidance surrounding work trials will be updated to clarify when a trial crosses the line into unpaid labour. True work shadowing and genuine volunteering will remain exempt from NMW requirements, provided individuals are not performing contractual work duties.
- Updated, expanded NMW guidance will be published to help both employers and young people understand where the legal boundaries lie and prevent accidental or intentional non-compliance.

Employers should review their current internship, work experience, and recruitment trial practices to ensure compliance with existing NMW legislation. The government will continue to monitor the sector through the Fair Work Agency and has not ruled out future legislative changes if non-compliance remains widespread.

POLICY UPDATE: GOVERNMENT RESPONDS TO CONSULTATION ON STRENGTHENING TIPPING LAWS

The Department for Business and Trade (DBT) has published its formal consultation response regarding strengthening the law on workplace tipping, part of the broader Make Work Pay plan. Following the introduction of the Employment (Allocation of Tips) Act 2023, these reforms aim to further enhance transparency and ensure workers receive 100% of the tips, gratuities, and service charges they earn.

The Government has confirmed the following because of the public consultation:

- Employers will now be legally required to consult with workers or their trade union/staff representatives when developing or reviewing their tipping policies.
- Tipping policies must be formally reviewed at least once every three years, with clear records kept of the consultation process.
- Alongside the response, the government published a draft revised Statutory Code of Practice. It provides clearer guidance on fairness criteria, such as role-based allocations and how tipping policies impact different groups, while retaining flexibility for employers to design suitable distribution systems.
- The core rule remains unchanged; employers cannot make deductions from tips (other than statutory tax/NI) and must allocate 100% of customer tips to staff.

The government has launched a new public consultation on the draft revised Code of Practice. In the meantime, employers should continue following the current Code of Practice. Subject to parliamentary approval and final guidance, the new consultation requirements and revised Code are expected to be implemented in late 2026.

POLICY UPDATE: GOVERNMENT RESPONDS TO CONSULTATION ON TRADE UNIONS' RIGHT OF ACCESS CODE OF PRACTICE

The government has published its official consultation response alongside a revised draft statutory Code of Practice on Trade Unions' Right of Access into Workplaces.

Introduced under the Employment Rights Act 2025, this new framework gives trade unions a legal right to access workplaces to meet, recruit, organise, and represent workers (regardless of whether those workers are currently union members).

The Government have confirmed:

- The revised Code incorporates a core statement of principle establishing a presumption towards access, provided the access does not unreasonably interfere with the employer's business operations.
- The access regime applies to workplaces with at least 21 workers. The government declined requests to create separate rules based on employer size, noting the Central Arbitration Committee (CAC) will take size and resources into account when determining arrangements.

- Employers have 15 working days to respond to an access request. The updated Code clarifies that this countdown starts on the day the application is submitted (not when it reaches the specific HR contact) and strongly encourages employers to provide a clear contact email address.
- The updated Code provides expanded guidance on digital access arrangements and strict rules regarding employee privacy. Employers are explicitly prohibited from recording online union meetings or monitoring employee attendance.
- Access arrangements are expected to allow for interaction on at least a weekly basis. The guidance confirms workers should be paid in full for attending these access sessions during working hours.
- The maximum financial penalty for non-compliance remains capped at £500,000. However, the CAC will distinguish between minor procedural mistakes and deliberate attempts to frustrate access, which will be treated as very serious breaches.

Alongside the consultation response, the government laid the final draft Code of Practice and accompanying statutory regulations before Parliament. Subject to parliamentary approval, the new statutory right of access will formally come into force on 30 October 2026. Employers should begin reviewing their workplace access policies and union engagement strategies ahead of the autumn deadline.

GUIDANCE:

NEW STATUTORY CODE OF PRACTICE ON ELECTRONIC AND WORKPLACE BALLOTING FOR STATUTORY TRADE UNION BALLOTS

This month, the new Statutory Code of Practice on Electronic and Workplace Balloting for Statutory Trade Union Ballots was published and is expected to come into force on 25 August 2026 when the new electronic and workplace balloting practices came into force.

Key topics within the Code include:

- Electronic and hybrid voting (i.e. postal and electronic) can be used for a range of statutory trade union ballots
- Workplace voting is only permitted for industrial action ballots, and requires the employer's consent
- Expected standards for independent scrutineers have been laid out (i.e. relevant to cyber security, vote authentication, audit trails and record keeping).

This Code is fundamental when working with Trade Unions and crucially, an Employment Tribunal can take it into account, although it does not place legal obligations on the relevant parties.

You can read the new Code here.

NEW ACAS CODE ON TIME OFF FOR TRADE UNION DUTIES AND ACTIVITIES

Following a recent public consultation, Acas have published a draft code on Time off for Trade Union duties and activities which has now been laid before Parliament. Subject to completion of parliamentary procedure, the intention is that it will be brought into force alongside the changes to the statutory framework in October 2026.

DRAFT CODE OF PRACTICE ON TRADE UNION RIGHT OF ACCESS

A new Code of Practice has been shared on the new legal right that will come into force from 30 October, that will give Trade Unions the statutory right to request workplace access. The Code was laid in Parliament on 6 July 2026, alongside secondary legislation setting out the operational and procedural details of the right of access framework. Subject to approval by both houses, the code and secondary legislation is expected to come into force in October 2026.

CASE RULINGS

WHEN DOES 'LESS FAVOURABLE TREATMENT' APPLY TO WORKERS WHO ARE PART TIME?

Brief Overview

Under regulation 5(2) of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, part-time workers are protected when unfair treatment towards them is on the ground that they are part-time and is not objectively justified.

The question though in the Supreme Court ruling, *Augustine v Data Cars Limited*, is whether it is sufficient for the unfair treatment to be simply because the person is part time, and, whether being part time must be the only reason for the unfair treatment. These are two different legal concepts; when unfair treatment applies and then the legal test for its causation.

What the case was about

Warren Augustine was a private hire driver for Data Cars Ltd. He worked part-time (about 35 hours a week), whereas typical full-time drivers worked, averaging over 90 hours. The company had a policy which meant they charged all drivers a fixed weekly 'circuit fee' of £148 to use their booking system, regardless of how many hours they worked.

Mr. Augustine argued this was unfair because he worked fewer hours, and therefore, the fixed fee took a much larger proportion of his hourly earnings when compared to a full-time driver. He claimed this was 'less favourable treatment' under regulation 5(2) of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, based on his status as a part-time worker.

What the Supreme Court ruled and why

The Supreme Court (SC) ruled in favour of Mr. Augustine, overturning previous decisions that had favoured the employer. They had to consider the single phrase '*on the ground that*' (from within reg 5(2) "the right…applies only if a) the treatment is on the grounds that the work is a part-time worker and b) the treatment is not justified on objective grounds").

Previously, it had been held that for a claim to succeed, working part-time had to be the sole reason for the treatment. Data Cars Ltd. Argued that the fee was for business reasons, specifically, charged to generate revenue, and not only because he was part-time.

The Supreme Court disagreed finding that:

- **'Effective cause' vs. 'Sole cause':** Part-time status only needs to be an effective or substantial cause of the disadvantage, not the only one.
- **Deliberate omission:** The UK government deliberately left the word 'solely' out of the Part-Time Workers Regulations when it introduced the European Directive, to ensure workers had better protection than the bare minimum required by EU law.
- **The reality of the maths:** Charging a flat fee to everyone inherently treats those who work fewer hours less favourably.

What this means for employers:

Under the Part-Time Workers Regulations 2000, being part-time doesn't have to be the only reason someone is treated unfairly.

A worker can claim less favourable treatment as long as their part-time status was a main reason or had a significant influence on the decision.

- **Review flat-rate costs:** If you charge employees fees or have fixed requirements (like a minimum number of training hours or a flat equipment fee), check if these hit part-time workers harder on an hourly basis.
- **'Other reasons' aren't a shield:** You cannot escape a discrimination claim by arguing that a policy was created for 'business reasons, such as to generate revenue' or 'standard industry practice' if that policy still disadvantages part-timers.
- **Prepare to justify:** If a policy does treat part-timers less favourably, you must be able to objectively justify it. This means proving the policy is a 'proportionate means of achieving a legitimate aim'. For example, showing that a specific cost cannot be split pro-rata for a valid technical reason.
- **Check your pro rata calculations:** The 'pro-rata principle' should be your default setting. If you aren't applying it to pay or benefits, you need a very strong, documented reason why it is 'inappropriate' to do so.

A further note of interest is that whilst the Supreme Court held that the existence of other causes of the treatment may be relevant to the justification of indirect discrimination or compensation, it does not prevent the right arising in the first place under the Act (no. 1551, reg 5(1)).

EMPLOYERS MUST NOT FORGET THE PERSON AT THE CENTRE OF A FORMAL PROCESS

Tigger warning - the following article references suicide

Formal workplace processes, whether performance reviews, disciplinary hearings or redundancy consultations, are designed to enforce structure, consistency and fairness, yet, as managers rely on strict compliance protocols, the actual practical application of company policy, it can become more about case management, rather than working with the employee to navigate them through it to seek resolution.

A heartbreaking example of this disconnect is the case of Chloe Moffat, a dedicated HM Treasury employee who took her own life following an unexpected disciplinary meeting.

This article reviews a tragic coroner's inquest ruling involving the UK Treasury that serves as a stark warning to all line managers. It highlights how procedural shortcuts during disciplinary investigations, specifically hiding the seriousness of an accusation under the guise of a casual 'informal chat' can have devastating, irreversible impacts on an employee's mental health.

What the case was about

Chloe Moffat was a 26-year-old personal assistant at the Treasury with an exemplary record who was on track for a promotion. After receiving anonymous complaints alleging that Ms. Moffat had informally shared information about colleagues (which she denied), managers invited her to a meeting.

Managers described the meeting as 'informal' and 'fact-finding', but internal emails later revealed they had already decided the allegations were serious. They kept the meeting informal in the hope she would confess so they could move directly to a formal disciplinary.

During the meeting, when Ms. Moffat asked if she would lose her job, a senior manager replied that they couldn't predict the outcome. Her job duties were immediately changed and her access to her manager's diary was cut off. She was terrified that she was about to be fired, and texted a friend saying, "I'm going to be fired" and tragically took her own life the next day.

What the Coroner ruled and why

In the Assistant Coroner's ruling, they said that HM Treasury materially contributed Ms. Moffat's death, because:

- The Treasury failed to apply its own written disciplinary policy, which requires serious allegations to be handled formally to ensure employees are not deprived of their rights.
- Because her managers called the meeting informal, Ms. Moffat was denied critical safeguards, such as a third party being present, receiving five days' written notice, and being given details of the allegations in advance.
- Had the Treasury followed its policy, they would have informed Ms. Moffat that the maximum penalty if the allegations were proven was a written warning, not dismissal.
- Leaving the employee to believe she was going to be fired created an extreme state of fear that directly contributed to her decision to end her life.

As a result, the coroner announced she would issue a Prevention of Future Deaths (PFD) report to the civil service, the Treasury, and Acas to address wider systemic issues in how investigations are managed.

Guidance for employers

- If you are investigating an issue that could lead to disciplinary action, do not call it an informal chat to bypass procedures. If there is already enough information to suggest potential misconduct, you must initiate the formal process immediately, so the employee's legal rights are protected.
- If an accusation is not a dismissible offense, tell the employee this clearly and early on. Never let an employee sit in terror of losing their job over an issue that would realistically only result in a warning.
- Do not strip an employee of their duties, access, or responsibilities during an informal or preliminary stage. This acts as a silent punishment and signals to the employee that their career is already over, raising anxiety to dangerous levels.
- Instead of confronting an employee verbally with unexpected allegations, write a formal letter outlining the specific complaints so they have time to process the information calmly.
- Poorly conducted workplace investigations can cause severe psychological harm. Managers must treat investigations as a potential threat to mental health, ensure safeguards are in place, and proactively signpost support services like Employee Assistance Programmes (EAP) or the Samaritans.

PAYROLL

NATIONAL PAYROLL WEEK 7-11 SEPTEMBER

One of the most important areas of employment is pay! Payroll though is complex, and a specialist area of employment that needs expertise to ensure precision and compliance with UK tax regulations. Whether it is to ensure compliance with National Minimum Wage obligations, national insurance contributions, pay and income tax or the complicated matter of pensions and auto enrolment.

With National Payroll Week taking place early September, now is the time to shout out and 'thank' your payroll colleagues and teams. Recognising your teams is not only a nice thing to do, but it is an important element of employee engagement and positive workplace culture.

AGENCY WORKERS

Acas have published new guidance regarding agency workers. It consolidates essential information regarding the rights of agency workers, the responsibilities of employment agencies, and the operational role of umbrella companies.

The guidance covers critical topics that includes:

- employment status
- agency obligations

- pay arrangements
- the legal rights available to workers both from their first day and after completing 12 weeks in a role.

The guide clarifies that agency workers are employed or engaged by an employment agency and subsequently placed with a hiring organisation for a temporary assignment. It highlights that understanding employment status is crucial, as workers may hold different legal rights depending on whether they are classed as employees, workers, or self-employed.

For employment agencies, the guidance clarifies their key legal obligations, which includes providing workers with a Key Information Document, issuing written terms and conditions and providing clear details regarding assignments, that includes pay, working hours, and benefits.

The guidance also addresses the complexities of umbrella company arrangements. It explains that in these setups, the umbrella company typically acts as the individual's employer, processing pay through PAYE and making all relevant deductions before the worker is paid. Consequently, the individual is usually treated as an employee of the umbrella company.

CHANGES TO TIPPING LAWS ARE COMING IN 2026

If your business falls in scope of the Employment (Allocation of Tips) Act 2023 then further legal changes are coming into force later this year, as part of the Employment Rights Act 2025.

The changes include:

1. Prior to developing the first version of a written policy, employers will be required to consult with their workforce/Trade Union/workforce representatives
2. The written policy must be reviewed at least once every three years, with a requirement to follow the same consultation process
3. Employers required to make available to all workers, a written, anonymous summary of views expressed during consultations.

A draft updated Code has been published and is now the subject of a public consultation (see our Consultation and Guidance newsletter).

HMRC PUBLISH NEW GUIDANCE

The HMRC have published guidance for employers managing short term business visitors to the UK. The guidance provides key information on Income Tax and National Insurance Contributions, and the aim is to reduce the risk of errors and the potential for interest and penalty charges.

You can access their guidance here.

APRIL 2027: MANDATORY PAYROLLING BENEFITS

It has been confirmed that the mandating of Payrolling Benefits in Kind (BIK), will be phased in gradually from April 2027.

Mandating payrolling of BIK is the inclusion of the estimated value of non-cash employee benefits directly in the regular payroll instead of reporting separately on an annual P11D form. Until such time, it continues to be voluntary, and we expect draft legislation and guidance to be provided in due course.

HEALTH AND SAFETY

GAS SAFETY WEEK 14TH-20TH SEPTEMBER 2026

Gas Safety Week is an annual event organised by the Gas Safe Register to raise awareness of gas safety issues and help keep everyone safe. The theme in 2026 is 'Take No Chances', a simple but important reminder that, when it comes to gas safety, risks should never be ignored.

Everyone has a role to play in keeping the nation 'gas safe', whether it's in your home or a business property you manage. Workers, families and friends are at risk from carbon monoxide poisoning from unsafe and badly maintained gas appliances, which can also lead to gas leaks, fires and explosions.

Over half the nation are risking their safety by turning to unregulated goods and illegal or unqualified tradespeople in a bid to save money as the cost-of-living crisis continues to put budgets under strain. All gas appliances should be inspected annually and repaired ONLY by a Gas Safe registered competent person.

How to verify competence:

- Online: You can find or check a Gas Safe registered engineer in your area and check their qualifications at GasSafeRegister.co.uk.
- Call: You can also call the Gas Safe Register at 0800 408 5500 to confirm an engineer's registration.

In addition, check that the engineer has valid public liability insurance, which covers any damage that might occur during the work.

When gas appliances do not have enough oxygen to burn correctly, carbon monoxide can be released, so it is important you know the signs of a carbon monoxide leak:

- a boiler pilot light that keeps going out;
- a floppy yellow or orange flame on a gas hob instead of a crisp blue flame;
- dark or sooty staining on or around a gas appliance; and
- condensation in a room where there is a gas appliance.

Check to ensure that chimneys or vents are not blocked, as gas appliances require ventilation to work correctly.

It is also important to know the signs of carbon monoxide poisoning:

- headaches
- dizziness
- breathlessness
- nausea
- collapse and
- loss of consciousness.

Install an audible carbon monoxide alarm near any gas appliances, ensuring the alarm is marked BS EN 50291. Regularly test the alarm to ensure it is in working order and replace batteries as required.

If you have any concerns that a gas appliance may not be working correctly, you smell gas or you feel you are in immediate danger, turn off the gas appliance, turn the gas supply off at the meter and call the Gas Emergency Helpline on 0800 111 999 (mainland GB). If you suspect carbon monoxide poisoning, seek medical attention immediately.

Make sure your employees and third parties working for you are aware of gas safety information.

RECENT GAS SAFETY PROSECUTION

Wrexham Magistrates' Court heard that Wayne Culliss, 55, had sub-contracted boiler replacement work to his 18-year-old son, even though neither was, nor ever had been, qualified or Gas Safe registered.

An investigation revealed that on 1 December 2023, a British Gas engineer attended a rental property following the reporting of a boiler hissing and leaking cold water. The engineer deemed the boiler dangerous and decommissioned it, leading the landlord to hire Wayne Culliss.

Wayne Culliss subcontracted the work to his son, who performed an illegal repair on 9 January 2024. Two weeks later, a second British Gas engineer conducted a routine gas safety check, in which a gas odour was detected and immediately shut off the supply. A subsequent tightness test confirmed a leak, prompting the engineer to cap the gas line.

The Health and Safety Executive (HSE) prosecuted both Wayne Culliss and his son.

His son pleaded guilty to contravening Regulation 3(1) of the Gas Safety (Installation and Use) Regulations 1998 and was sentenced to a 12-month community order and ordered to complete 140 hours of unpaid work plus £500 in costs.

Wayne Culliss pleaded guilty to breaching Section 3(2) of the Health and Safety at Work etc Act 1974 and was fined £3,000 and ordered to pay £2,500 in costs.

The HSE said that 'the work carried out by Wayne's son, under his instruction, was reckless and put people at risk of serious harm.'

This highlights the need for tenants, landlords and employers to empower themselves to verify the competence of gas engineers and take steps to assure themselves they are on the register.

ILLEGAL GAS FITTERS

Alexander Robson advertised his services on the social media platform and used flyers with the Gas Safe logo on them; despite the fact he was not registered. Not only was the work he carried out illegal, but it was also substandard and endangered the lives of those living in the properties. Robson had previously been on the Gas Safe Register, aligned to various businesses, up until 1 February 2024, but continued carrying out work for several months after that was no longer the case.

An investigation by the Health and Safety Executive (HSE) found that Robson had carried out work in five properties between June and September 2024. This included several boiler replacements as well as installing gas pipework, undertaking gas work on boilers and gas fires, and disconnecting gas appliances.

Alexander Robson pleaded guilty to ten breaches under the Gas Safety (Installation and Use) Regulations 1998 and was sentenced to eight months' imprisonment, suspended for a period of two years, and was also ordered to pay £450 compensation and £200 towards prosecution costs.

WORKPLACE FIRST AID 2026 CHANGES

The latest update to British Standard BS 8599-1:2019 + A1:2026 reflects the changing nature of today's workplaces and places greater emphasis on ensuring first aid arrangements are based on the actual risks within your organisation.

Although the Health and Safety (First-Aid) Regulations 1981 remain unchanged, the revised British Standard provides clearer guidance on what is now considered 'adequate and appropriate' first aid provision.

The updated standard takes a more risk-based approach, with first aid arrangements being tailored to the specific risks of the workplace, making an updated First Aid Needs Assessment more important than ever. Here is a summary of the key changes with full details provided in our First Aid article.

1. In accordance with British Standard BS 8599-1:2019 + A1:2026, employers should consider the nature of work activities, the number of employees, lone or remote workers and previous accidents and incidents
2. The standard also strongly recommends that workplaces with five or more people (including employees, visitors and customers) have access to an automated external defibrillator (AED)
3. Where there is a foreseeable risk of burns, such as in kitchens, workshops, engineering environments or construction sites, appropriate burns treatment supplies should be provided.
4. Employers should ensure first aid kits are appropriate for workplace hazards, available in sufficient numbers, correctly located and regularly checked. The standard also reinforces the need for specialist equipment where appropriate, including personal issue first aid kits for lone workers, critical injury packs for severe trauma.
5. First aid equipment should be clearly labelled, easy to locate, immediately accessible during an emergency. Simply having a first aid kit is no longer enough; it must be readily available when it is needed most.

Now is an ideal opportunity to review your first aid arrangements and ensure they remain suitable for your workplace. We recommend that you:

- Review and update your First Aid Needs Assessment
- Check whether an AED is required or whether existing provision is adequate
- Assess the need for burns kits, eyewash stations, additional or upgraded first aid kits
- Ensure all first aid equipment is in date, easily accessible, clearly identified and known to employees

Review the number of trained first aiders and ensure training remains current.

INTERESTING HR STATISTICS

HARASSMENT LAW IS CHANGING 30 OCTOBER…IS YOUR BUSINESS READY?

As the legal landscape prepares for a major shift this October on workplace harassment law, our recent industry poll has revealed a striking picture of how businesses are (and aren't) preparing for the changes.

The data, collected from a wide range of organisations, that include micro-businesses to large enterprises with over 250 employees, shows that while the threat of legal and reputational damage is high on the agenda, many firms are still in the early stages of their ‘reasonable steps’ journey, revealing significant operational gaps in preparing for the October 2026 ‘all reasonable steps’ duty and third-party liability rules.

Preparation level

We asked attendees to let us know about how prepared their business was in preparing for the new ‘all reasonable steps’ duty to prevent sexual harassment and the new harassment by third party law.

- 74.1% Work in progress
- 14.6% Not started
- 5.7% Unaware
- 5.7% Fully prepared
- 94.3% of organizations are not yet fully prepared for October 2026 rules.

Implementation progress

We then explored where on the journey to compliance was their business:

- 33.4% Policy & training in place
- 30.5% Just getting started
- 20.4% Risk assessments underway
- 5.8% Fully embedded

Policy status

Given the Worker Protection Act 2023 has required employers to take reasonable steps to prevent sexual harassment, we asked about existing policy status:

- 55.3% had sexual harassment in their bullying and harassment policy and this has been reviewed post-Oct 2024
- 21.3% have only a broad bullying policy only
- 23.4% said their policy is outdated, missing, or unsure on whether it meets the Worker Protection Act 2023
- Over 44% lack a dedicated, up-to-date sexual harassment policy.

Harassment exposure & risk profile

Over half of respondents (52.8%) reported dealing with workplace harassment in the past 12 months:

- **Internal harassment:** Peer-to-peer harassment (34.1%) and colleague sexual harassment (23.6%) represent the most prevalent incidents.
- **Third-party risk:** 12.4% dealt with third-party harassment and 9.7% with third-party sexual harassment. Exposure is high, with 81.5% of staff interacting with customers and 36.3% with vulnerable groups.

Line manager barriers

The obstacles stopping line managers from fulfilling their preventative duty stem from capability and capacity rather than unclear policies:

- **Confidence & capability (68.6%):** Driven by lack of confidence to step in (26.1%), fear of 'getting it wrong' (22.1%), and insufficient training (20.4%).
- **Operational constraints (24.6%):** Heavy workload and time pressures prevent active risk management.

Core drivers & business concerns

When assessing the risks of non-compliance, organisational health and financial exposure rank equally high:

- **Culture & reputation:** Impact on culture and productivity (64.3%) and reputational damage (64.1%) are the primary concerns.
- **Financial & legal exposure:** Staff turnover (52.5%) and the 25% employment tribunal compensation uplift (52.3%) weigh much heavier than direct EHRC enforcement action (33.5%).

Targeted upskilling for line managers and practical risk assessment frameworks represent the immediate priority for closing compliance gaps before October 2026.

UK LABOUR MARKET - AUGUST 2026

The release of the Office for National Statistics (ONS) August 2026 labour market bulletin paints a complex picture of the UK workforce. The latest data reveals a market that is largely flatlining marked by a long-term decline in payrolled employment, historic lows in vacancies, and stark divisions in wage growth between public and private sectors.

Employment and Unemployment: A moderate quarterly recovery

Headline indicators show that while the market is slightly more robust than in the previous quarter, it remains weaker than this time last year:

- The UK employment rate for those aged 16 to 64 stood at 75.1% for the period of April to June 2026. This represents a minor quarterly increase of 0.1 percentage points, but a 0.2 percentage point decline year-on-year.
- The unemployment rate followed a mirrored trajectory, estimated at 4.9%. This is down 0.1 percentage points on the quarter but represents a 0.2 percentage point increase over the year.
- The payrolled employee trend shows persistent contraction. The number of payrolled employees has been generally falling for two years, sitting at 30.3 million in July 2026. The provisional flash estimate for July shows a monthly decrease of 13,000, compounding a 94,000 (0.3%) annual drop.

Inactivity and claimants: Remains steady

Outside the active workforce, trends are remarkably stable. The economic inactivity rate for those aged 16 to 64 remained unchanged both quarterly and annually at 20.9%. Meanwhile, the Claimant Count for July 2026 fell both on the month and on the year to 1.665 million.

The recruitment freeze: Vacancies near a 12-year low

One of the most telling signs of employer caution is the continued stagnation of job vacancies. Early estimates for May to July 2026 point to a total of 707,000 vacancies, representing a quarterly decline of 6,000 (0.8%) and an annual drop of 19,000.

Outside of the disruption seen during the COVID-19 pandemic, the UK has not seen vacancy levels this low since late 2014, when they dipped to 703,000. ONS feedback suggests that this stagnation is driven by smaller businesses holding back on recruitment due to mounting labour costs and wider operating expenses.

Wages: real gains but a widening sector divide

Nominal average weekly earnings growth remained stable between April and June 2026, with regular pay (excluding bonuses) growing at **3.5%** and total pay (including bonuses) at **4.1%**. However, the headline rate masks a massive gulf between industries:

- **Public sector** regular pay growth reached **6.1%**.
- **Private sector** regular pay growth trailed far behind at **2.8%**.

(Note: The ONS highlights that public sector figures continue to be temporarily affected by variations in the timing of pay awards.)

In real terms (adjusted for inflation), workers are experiencing modest purchasing power gains. Real regular earnings grew by 0.5% (under CPIH) or 0.7% (under CPI). Real total pay grew by 1.1% (CPIH) or 1.3% (CPI).

Additionally, industrial friction remains present, with an estimated 47,000 working days lost due to labour disputes in June 2026.

EQUALITY, DIVERSITY AND INCLUSION

DISABILITY DISCRIMINATION TRIBUNAL CLAIMS SURGE 79%

Analysis published by *Personnel Today* (citing research by employment law firm Littler) reveals that disability discrimination claims received by Employment Tribunals jumped 79%, rising from 2,272 cases in Q4 2024/25 to 4,056 cases in Q4 2025/26.

Overall, disability claims now account for 15% of all UK employment tribunal claims. Legal experts attribute this sharp rise largely to growing neurodiversity awareness, increased adult diagnoses (such as ADHD, autism, and dyslexia), and employers struggling to properly manage workplace adjustments.

The key findings from the article include:

- **The impact of neurodiversity awareness:** As broader awareness and self-diagnosis of neurodivergent conditions grow, employees are increasingly recognising when workplace practices place them at a disadvantage and are therefore more confident asserting their legal rights under the Equality Act 2010.
- **Failure of 'one size fits all' management:** A central driver of disputes is employers treating traits associated with neurodiversity strictly as performance or conduct issues rather than exploring reasonable adjustments. Experts emphasise that two employees with the same condition may require completely different support packages.
- **Multifaceted conditions:** Tribunals are seeing an increase in claims citing multiple overlapping conditions. It is common for neurodivergent employees to also experience secondary mental health challenges such as anxiety or depression, exposing employers to complex, multi-faceted claims.
- **Training and early intervention gaps:** Line managers often lack formal training on neurodiversity and reasonable adjustments. Delays in implementing support, dismissing requests, or mismanaging informal discussions are proving to be major triggers for formal tribunal litigation.

What do these findings mean?

To mitigate litigation risk and protect staff wellbeing, HR teams and managers must move from a reactive model to a proactive one. Key priorities should include:

1. **Mandatory manager training:** Upskill line managers to recognise neurodivergent traits, avoid equating differences in working style with poor performance, and handle disclosure sensitively.
2. **Flexible reasonable adjustments:** Focus on individual disadvantage rather than rigid, standardised policies. Implement low-cost adjustments early, such as clear written instructions, flexible schedules, or quiet workspaces.
3. **Structured occupational health & records:** Maintain clear documentation of support discussions and seek early Occupational Health guidance to prevent internal performance processes from escalating into legal disputes.

INCLUSIVE LANGUAGE MATTERS

When it comes to promoting equality, diversity and inclusion, language plays a crucial role.

The words we use:

- have the power to either include individuals and communities or alienate and exclude them.
- they can reflect and respect the diversity of people's identities, experiences and backgrounds or serve to perpetuate harmful stereotypes.
- It drives positive workplace change by actively dismantling, and preventing issues such as ageism, ableism, sexism, and other systemic barriers.

For these reasons, language has significant importance in the workplace.

Nonetheless, due to the ever-evolving nature of language, and the fact that it means different things to different people, it can make discussions around language daunting. Well-meaning employers often worry about making mistakes or inadvertently causing offence, often due to a lack of knowledge.

This month we have created a new Knowledge Base article, ‘Inclusive language in the workplace’ that focuses on this topic and accompanies our article ‘dealing with language barriers at work’.