HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

March 2025

HR Solutions

RECENT AND FUTURE CHANGES

RECENT CHANGES

NEW STATUTORY RATES PUBLISHED

Information has been published by the Government setting out the intended new statutory rates that will apply to tribunal awards and other legislation from April:

- The cap on a week's pay for statutory redundancy pay calculations will increase from £700 to £719
- The limit on compensatory awards for unfair dismissal will increase from £115,115 to £118,223
- The daily statutory guarantee pay is to increase from £38 to £39 per day.

Subject to parliamentary approval, we expect these changes to take effect from 6 April 2025.

IMPORTANT! DO YOU OWE YOUR WORKERS AN ADDITIONAL DAY OFF?

This is an important notice for employers operating a holiday year between 1 April to 31 March.

You may remember that we wrote last year about the April 2024 to March 2025 holiday year having one less Bank Holiday due to Easter 2025 falling late (you can read our article published May 2024 here). Consequently, for some employers, this deficit may require addressing otherwise it could risk claims of unlawful deduction from wages, but it all depends on how the contract of employment is worded for how you manage bank holidays, as the following scenarios highlight:

Scenario 1:

The contract states "our holiday year runs from April to March. The holiday entitlement is 5.6 weeks paid annual leave including public and bank holidays".

We believe the worker will receive their full statutory paid leave entitlement of 28 days because when you translate 5.6 weeks into days, it equals 28. We recommend however, auditing the absence management system to prevent inadvertent under-allocation of leave, particularly when bank holidays are managed independently of the standard 20 days as you would need to increase the standard allowance to 21 days as there are only 7 Bank Holidays.

Scenario 2:

The contract states "our holiday year runs from April to March. The holiday entitlement is 28 days including bank holidays".

We don't believe there to be an issue as workers will have received their full entitlement including all the bank holidays that were available in that holiday year, albeit it was one less Bank Holiday than normal.

Scenario 3:

The contract states "our holiday year runs from April to March. The holiday entitlement is 20 days plus all bank holidays".

In this scenario, we don't believe workers will have received their full statutory paid leave entitlement because adding the 7 Bank Holidays in the 2024/25 holiday year to the 20 days entitlement, leaves the worker 1 day short from the statutory 28 days of paid leave.

What to do next

It is vital that any shortfall is corrected, so we recommend checking your holiday entitlement clauses within your Contracts of Employment, Workers Agreements and the Annual Leave Policy to understand if your business is affected.

If you have determined that your workers have received just 27 days of paid annual leave in the 2024/25 holiday year, then an extra day's paid leave should be given before 31 March 2025. Given potential business implications of correcting this, employers may be able to mutually agree with their workforce a point in time for when they can take the leave, so long as communications with the workforce are started now and within the current holiday year. We would advise keeping the window for workers to take their day of paid annual leave reasonably short, such as within a three-month period within the next holiday year, to mitigate impact on the business, but also to ensure the workers have received their full statutory entitlement as near to the holiday year in which it accrued.

Failing to act

Failing to act risks potential claims for unlawful deduction of wages and breach of contract, so it is vital that steps are taken now to assess the position for your business, and to take swift action where it is required.

EMPLOYMENT RIGHTS BILL UPDATE

Current status of the Bill

The Employment Rights Bill has now completed its progress through the House of Commons and has been transferred to the House of Lords for the continuation of its passage through Parliament. Reading the latest legal commentary, there is some prediction that the Bill could receive Royal Assent in July. Royal Assent is the term given to a Bill that becomes an Act of Parliament, although the date an Act commences will differ based on the nature of the Bill and the extent of change employers would need to make.

We discussed in our recent Employment Law Seminar (click here for the recording), how some of the reforms could be introduced relatively quickly. These are reforms that don't necessitate further regulations, consultations, or guidance. Given the prediction that the Bill could become

an Act of Law from July, it could therefore mean we see some of the reforms coming into force from October. You can read more about those that have the potentially to be introduced in 2025 in last month's "'Recent and Future Changes Newsletter".

Amendments

As the Bill progressed through the House of Commons, several amendments were put forward and accepted. We expect further amendments to be added as the Bill progresses through the House of Lords. Below, we list key amendments that have already been incorporated:

Amendment: Fair Work Agency

One of the many amendments put forward by the House of Commons in respect of the Bill is regarding the proposed new state enforcement agency, known as the 'Fair Work Agency' (FWA).

This new agency when introduced, is expected to have enforcement powers in areas such as sick pay, national minimum wage and holiday pay when employers are shown to be non-compliant. The amendment that has been put forward and incorporated into the latest version of the Bill is:

- the agency will be able to bring Employment Tribunal claims on behalf of workers, even if the worker chooses not to
- the agency will have the power to offer legal assistance for employment cases, with the FWA potentially being able to recover costs from employers, where the claim succeeds
- to impose financial penalties on employers in respect of unpaid holiday pay and sick pay, which will go straight to the Government.

This is a huge development; because it fundamentally changes how an employer assesses and manages legal risk. Remember though, this Bill is aimed at improving the rights and entitlements for workers and whilst most employers already comply with their legal obligations, there are still unscrupulous employers that exploit workers.

Amendment: Collective Consultation

The original Bill published back in October, proposed to remove the 'at one establishment' test for the purpose of when collective consultation is triggered in a redundancy situation. Meaning, all redundancies across a business count towards the threshold for when to start collective consultation.

As the Bill has gone through the House of Commons, it has been amended by reinstating the 'one establishment' principal but, by allowing for Regulations to be developed that sets out a threshold for when collective consultation is triggered for redundancies proposed at more than one establishment. The threshold is likely to be based on either a percentage of the workforce or on a set number of redundancies. For example, the threshold is set at the lower of either X number of redundancies, or X% of the workforce.

Amendment: Statutory Sick Pay for low earners

One of the biggest areas of reform is regarding statutory sick pay. This is because the proposal is to remove 'waiting days', meaning SSP could become payable from the first day of absence. Secondly, the current lower earnings threshold for qualifying for SSP will be removed and instead, qualification will be based on a percentage of the worker's earnings.

Following a public consultation, the Government have confirmed that the appropriate percentage rate of qualifying for SSP is 80% of the SSP flat rate, for those whose normal weekly earnings are less that the flat rate (currently £123 and increasing to £125 from April).

Amendment: Zero-hour contracts

Following a public consultation, the Government have confirmed that the Employment Rights Bill has been amended to include a framework for the application of zero-hour contract measures to also apply to agency workers. This means:

- Both the employment agency and the end hirer will be responsible for providing the agency worker with reasonable notice of shifts. The Employment Tribunal will be able to apportion liability based on the responsibility of each party in each case.
- The employment agency will have the responsibility to pay any short notice cancellation or curtailed payments however, they will be allowed to re-coup this from the hirer where they have arrangements with the hirer covering this.
- The Secretary of State will have the right to publish Regulations that stipulate the form and way an agency worker should receive notifications of shifts, cancellations or curtailments.
- The end hirer will have responsibility to offer guaranteed hours to qualifying agency workers.
- Where there is a genuine temporary work need, there will be an exception clause that allows an employer to lawfully not offer guaranteed hours.
- The current system of extended hire periods and transfer fees under The Conduct of Employment Agencies and Employment Businesses Regulations 2003 will continue to apply.

There also appears to be amendments in the area of guaranteed hours to indicate that it may be possible to contract out of the requirement to offer guaranteed hours, so long as it is done so in the form of a collective agreement and that it is then replaced with something else that is contractual.

Before any of the reforms to zero-hour contracts can come into force, further Regulations will be required that will set out the practical application of the law.

Also, prior to this announcement on 3 March, the Business and Trade Committee published its report "Make Work Pay: Employment Rights Bill". This was a comprehensive analysis of the proposed employment reforms following a

public consultation. In the report, the Committee presented their findings in clear and actionable recommendations for the Government to consider.

They included:

- Make changes to the zero-hour contract reforms by defining how many weeks the initial and subsequent reference periods should be.
- Provide clarity on what is meant by "reasonable notice of a shift" that the employer requires (or request) the worker to work.
- Provide definitions for what is meant by "moved", "short notice" in respect of cancelled, moved or curtailed shifts.
- For the Government to use delegated powers within the Bill to reform zero-hour contracts to enhance protections for agency workers
- Remove from the Bill the current wording in respect of zero-hour contracts "a minimum number of hours, not exceeding a specified number of hours'". Instead, provide a definition of what is meant by "low hours"

Within the same Select Committee Report, it was also recommended:

- Proceed at pace the Government's ambition to reform worker status to illuminate "bogus self-employment"
- For the Government to set out how it plans to regulate the sector and tackle non-compliance in the umbrella market
- Revisit how the established structures for enforcing equality law and to set out how the new Fair Work Agency will operate alongside the EHRC.
- Recommending the Government open a public consultation on the future of equality law enforcement targeting on where enforcement could be improved to better protect workers from harassment and abuse based on protected characteristics
- For the Government to consider how they are to use networks of employment support that can help employers in the implementation of the reforms
- Task Acas with leading on an information campaign to raise awareness and promote compliance with best employment practice
- The Government to develop a clear and long-term industrial relations strategy
- To provide a definition of "access" in respect of the new right of union access to non-unionised workplaces
- Introduce a replacement Workplace Employee Relations Survey (WERS)
- Making amendments to the Modern Slavery Act to ensure better transparency and due diligence, that includes the areas of reporting to become mandatory and removing the provision that allows organisations to claim they have taken 'no steps' to address modern slavery.
- Introduce penalties and to name and shame companies for not disclosing modern slavery statements and to consider the creation of failure to prevent offences like those set out in the Economic Crime and Corporate Transparency Act 2023
- Align with international law by prioritising the introduction of mandatory Human Rights due diligence.
- Ensure the new Fair Work Agency is properly resourced and has effective powers to deter non-compliance.

Amendment: Fire and re-hire

The Bill included reforms that would ban the practice of 'fire and rehire' – which is where an employee is dismissed and offered new terms but on lesser terms (or replaced with another worker on lesser terms). The Bill sets out that employers will no longer be able to:

- dismiss and rehire on lower terms
- dismiss and replace employees on lower terms
- impose contractual variations by dismissal and re-engagement.

Amendment: Trade Union reforms

The Government announced last week that amendments would be put forward in respect of Trade Union reforms, which included:

- Amend the Trade Union and Labour Relations (Consolidation) Act 1992 to provide longer than 24 hours for complaints about the conduct of recognition ballots to be heard and addressed, on the basis that the expected consequences of the Bill may be greater recognition ballot activity.
- In respect of the right to access of a trade union on a non-unionised workplace, develop relevant access agreement templates and better resourcing to support employers, in particular small businesses.
- Enhance transparency around industrial relations disputes by following best practices operated in other countries and that requires parties involved in a recognition ballot to disclose spend on materials, consultants and other payments

Amendment: Notice of underpayments

An amendment to the Bill is the inclusion of giving the Secretary of State the power to give employers a notice of underpayment which can cover a period of up to six years, in circumstances where they have failed to pay certain statutory payments, such as the national minimum wage or statutory sick pay.

LATEST GOVERNMENT PUBLICATIONS

Here is the latest version of the Employment Rights Bill.

We continue to monitor its progress, and as of 19 March 2025, it is in the House of Lords with its second reading scheduled for 27 March 2025.

We will also be discussing developments in the Employment Rights Bill throughout the year in our monthly webinars. Our schedule which is running through to the end of the year include:

- Redundancy in 2025: Prevention, process and key steps for a smooth transition for all parties
- Statutory Sick Pay Changes | Tackling potential rises in short-term sickness
- New deal for working people: Changes to zero-hour contracts
- New deal for working people: How to effectively manage family friendly leave and prepare for more flexible working requests
- New deal for working people: The importance of probation periods and how they may change in the future
- What are the 4 primary areas of discrimination? New deal for working people: Protecting the business from tribunal claims
- Budget implications on human resource management
- New deal for working people: Planning for change

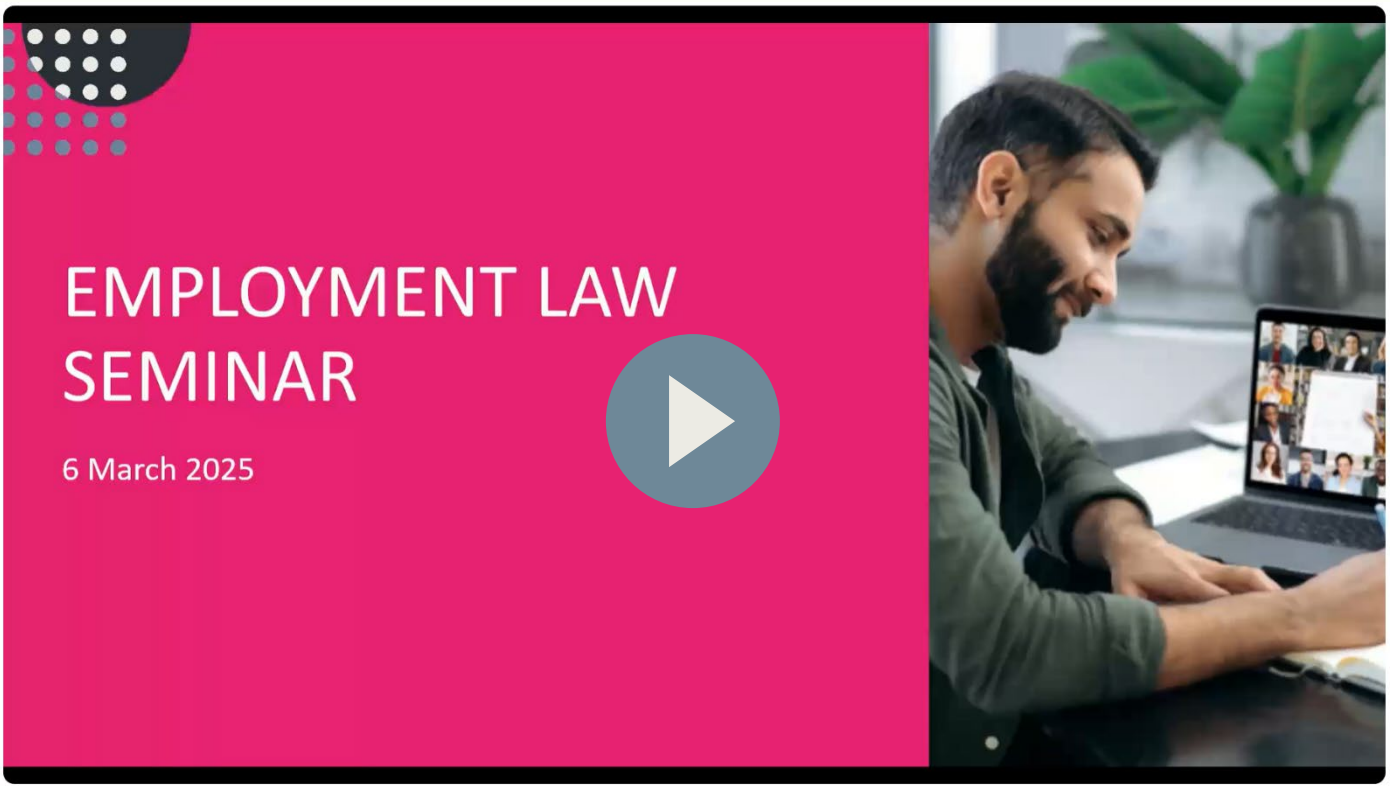
You can register for these events on our events page.

WATCH OUR VIRTUAL EMPLOYMENT LAW SEMINAR

If you missed our annual virtual employment law seminar, don't worry, we recorded our event, and you can watch it here where you can also access a copy of the slides: https://www.hrsolutions-uk.com/webinars/virtual-employment-law-seminar-2025/

With the changes ahead, it is vital that employers stay up to date on future developments, and in this webinar, we discuss:

- the proposed changes under the Employment Rights Bill and how they may impact employers
- the new Neonatal leave
- The new Martyn's law
- Key employment tribunals from 2024
- Annual statutory rate increases
- The Data (Use and Access) Bill
- The Domestic Abuse (Safe Leave) Bill
- The Economic Crime and Corporate Transparency Act.



FUTURE CHANGES (CURRENT BILLS PROGRESSING THROUGH PARLIAMENT)

EMPLOYMENT RIGHTS BILL – LIMITED REFORMS

It is a realistic possibility that the Employment Rights Bill becomes as Act of Law (given Royal Assent) around July. However, it doesn't mean that the reforms suddenly come into force. For most, we need further Regulations, Codes of Practices and guidance, and so most reforms will come into force in 2026.

There are, however, several that has the potential for commencing this year, and possibly around October. This is because they don't need further Regulations, or any further guidance or statutory Codes of Practices developing and being consulted upon. Here are the reforms that technically could be introduced later in 2025:

- Remove the three-day waiting period for Statutory Sick Pay (the other reform of removing the lower earnings limit will not come in before 2026)
- Any refusal by an employer to a flexible working request must be 'reasonable' (i.e. not just meet one of the statutory decline reasons)
- Enhance the current duty on employers to prevent sexual harassment by requiring the employer to take 'all reasonable steps'
- Employers to become liable for third party harassment
- Widen the scope of what is a public interest disclosure, to include the category of sexual harassment allegations
- Remove the 'at one establishment' test in collective redundancy consultation threshold
- Introduce a requirement for employers to consult with any recognised trade union about the allocation of tips and gratuities
- Dismissal for failing to agree a variation of contract to be unlawful
- Right to a statement of trade union rights
- The right to paid time off for trade union Equality Representatives
- Increase Employment Tribunal time limits from three to six months
- Reform the statutory union recognition procedure
- Repealing most of the measures in the Trade Union Act 2016
- Repeal the Workers (Predictable Terms and Conditions) Act 2023 (which although became an Act of law in 2024, has never been given a commencement date)
- Ship operators to notify the Secretary of State of collective redundancies affecting a ship's crew
- Government enforcement of employment rights related to agency workers, sick pay, holiday pay, the NMW Gangmasters licencing and modern slavery

DATA (USE AND ACCESS) BILL

The 'Data (Use and Access) Bill' (DUAB) looks to harness the power of data to grow the economy, improve public services and enable and support modern digital government and to make people's lives easier.

The Bill has been progressing through parliament relatively quickly having first been published in October 2024 and is now at the last but one stage in the House of Commons, which is the report stage (has already been through the House of Lords). Once it has been completed then it will be passed over to be given Royal Assent, i.e. becomes an Act of Law.

We understand that it is likely the reforms to our data protection laws will also come into force from next year, giving employers time to prepare for the changes. Under the Bill, the reforms include:

- Clearer Automated Decision-Making (ADM) rules and introducing new rules for defining "solely automated" decisions and to requires human review for significant ADM.
- Limit DSAR scope to reasonable and proportionate searches and clarifying proportionality for data searches
- Align Privacy and Electronic Communication Regulations 2003 (PECR) with GDPR fines, and introducing a new PECR schedule to enable ICO enforcement
- Retain international transfer provisions with enhanced adequacy flexibility by allowing the Secretary of State to approve third countries. Also include materiality test to assess data protection standards
- Lists legitimate interest purposes for streamlined processing and adding qualified government power to update this list by regulation, subject to Parliamentary approval
- Broaden research exceptions and supports scientific data use, expand scientific research definitions and introduces flexible consent for scientific research.

TERRORISM (PROTECTION OF PREMISES) BILL (ALSO KNOWN AS MARTYN'S LAW)

When passed, this legislation will require persons with control of certain premises or events to take steps to reduce the vulnerability of the premises and its occupants from acts of terrorism. The bill is at the final stage of the parliamentary process where consideration of the amendments is taking place before it is passed over to King Charles for being given Royal Assent, i.e. where it becomes an Act of law.

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.

BULLYING AND RESPECT AT WORK BILL

This 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 is due its second reading on 20 June 2025.

CHILDREN'S WELLBEING AND SCHOOLS BILL

Employment of children/teacher's pay and conditions

PENSIONS (EXTENSION OF AUTOMATIC ENROLMENT) ACT 2023

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.

FUTURE CHANGES (LEGISLATION BY COMMENCEMENT DATE)

MARCH 2025

17 March 2025 - The Transfer of Undertakings (Protection of Employment) (Transfer of Staff to the Civil Nuclear Police Authority) Regulations 2025

These Regulations transfer the employment of certain Ministry of Defence personnel who work for the Ministry of Defence Police (MDP) at or in relation to certain energy sites to the Civil Nuclear Police Authority, which employs Civil Nuclear Constabulary (CNC) officers and staff, providing for employment protection similar to that afforded by certain provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

APRIL 2025

1 April 2025 – Increase to National Minimum and National Living Wage

The National Living Wage (for those aged 21 and above) increases by 6.7% to £12.21 per hour. The National Minimum Wage (for those 18-20) will increase by 16.3% to £10 per hour with the rate for 16-17 year olds, and apprentices increasing to £7.55 per hour – an increase of 18%.

6 April 2025 - Neonatal Care (Leave and Pay) Act 2023

A new law that will entitle employees to take a period of leave of absence when their baby requires neonatal care. Neonatal care is regarded as care that is medical or palliative and would apply to someone with parental or other personal relationships with a child who is to receive or has received neonatal care.

Employees who qualify for statutory pay, this will be at the statutory rate, or 90% of the employee's average weekly earnings, whichever is the lower. We expect the statutory rate to be in line with other family leave rates, which will become £187.18 per week.

6 April 2025 – Employer secondary class 1 National Insurance Contribution

The rate of secondary Class 1 Employer National Insurance Contributions will increase from 13.8% to 15%, and the threshold at which employers are liable to pay it will reduce from £9,100 to £5,000.

6 April 2025 – The Social Security (Contributions) (Rates, Limits and Thresholds Amendments, National Insurance Funds Payments and Extension of Veteran's Relief) Regulations 2025

These Regulations maintain at the same level as the previous year the weekly earnings limits and thresholds specified in regulation 10 of the Social Security (Contributions) Regulations 2001 used for determining liability to Class 1 NICs.

6 April 2025 – Social Security (Contributions) (Rates, Limits and Thresholds Amendments, National Insurance Funds Payments and Extension of Veteran's Relief) Regulations 2025

The weekly lower earnings limits used for determining eligibility for Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay, Shared Parental Pay, or Statutory Parental Bereavement Pay is to be increased from £123 to £125.

6 April 2025 – Rate of SSP

Statutory sick pay is expected to increase from £116.75 to £118.75 per week.

6 April 2025 - Statutory family rates

Family statutory rates will increase from £184.03 to £187.18 per week. This is for statutory adoption, maternity, parental bereavement pay, paternity pay and shared parental pay.

7 April 2025 – Maternity Allowance

The rate of maternity allowance is expected to increase from £184.03 to £187.18 per week. Whilst this is not paid by an employer, it is important for employers to know of the increase in order to effectively manage their maternity processes with their employees.

SEPTEMBER 2025

1 September 2025 – The economic crime and corporate transparency Act 2023

This Act will make it an offence where certain organisation's (turnover greater than £36 million and more than 250 employees) have failed to prevent, or to have in place reasonable policies and procedures designed to prevent fraud. It includes where there has been fraud, false accounting, fraud by false representation, fraudulent trading and cheating the public revenue. Employers will be liable even if the fraud is committed by an associated person such as self-employed contractors, agency workers.

2026 AND BEYOND

1 July 2026 – The Drivers' Hours, Tachographs, International Road Haulage and Licensing of Operators (Amendment) Regulations 2022

The purpose of the Regulations is to implement fully some of the international road transport provisions in the Trade and Cooperation Agreement between the European Union and the United Kingdom. This includes prospective provisions related to drivers' hours rules and tachograph equipment in goods vehicles (such as bringing into scope some light goods vehicles and the introduction of new tachograph equipment). It also applies to some specialised international provisions and removes some access rights for EU operators to reflect the market access in the TCA.

2028 – Pension age increase

The new normal minimum pension age will become 57 years from 2028, following the amendment to Part 4 of the Finance Act 2004 (pension schemes etc).

Paternity Leave (Bereavement) Act 2024

New legislation is to come into force that will provide new statutory rights for those taking paternity leave in cases where a mother, or a primary adopter, passes away. In this tragic situation, it will provide the other parent or partner who would have taken paternity leave with an automatic day-one right to take immediate paternity leave.

FUTURE CHANGES (LEGISLATION BY DATE UNKNOWN)

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.

CONSULTATION AND GUIDANCE

CONSULTATION

OPEN PUBLIC CONSULTATIONS

NAME OF CONSULTATION	OVERVIEW	SUMMARY OF KEY AIMS	CONSULTATION PERIOD	HOW TO PARTICIPATE
Equality (Race and Disability) Bill: Mandatory ethnicity and disability pay gap reporting	A consultation seeking views on how to implement ethnicity and disability pay gap reporting for large employers	The Aim is to create a more equal society by focussing on inequalities in the areas of ethnic minority and those who have disabilities. The Government will ensure that ethnicity and disability pay gap reporting will address the fact that on average, ethnic minority groups earn less that white British peers and those with disabilities have lower average incomes than those who do not.	18 March 2025 to 10 June 2025	You can participate by completing the online questionnaire.

CLOSED PUBLIC CONSULTATIONS: FORMAL RESPONSES PUBLISHED

NAME OF CONSULTATION	RESPONSE
HM Treasury: Tackling non-compliance in the umbrella company market	To amend the Employment Rights Bill to define 'umbrella companies' and allow their regulation.
Making Work Pay: Strengthening Statutory Sick Pay: Consultation on removing the current lower earnings threshold for SSP qualification and to replace it with a percentage figure based on a worker's earnings	Following the public consultation, the Government have confirmed that the appropriate percentage rate of qualifying for SSP is 80% of the SSP flat rate, for those whose normal weekly earnings are less that the flat rate (currently £123 and increasing to £125 from April).

Making Work Pay: Creating a modern framework for Industrial Relations: A consultation on how to reform the UK's industrial relations	• Permit a 'single person' in the Central Arbitration Committee to make a decision on whether access should take place, where a proposed access agreement fulfils prescribed terms. • Allow access agreements to cover virtual access making it possible to agree an access agreement covering solely digital access with no requirement for it to cover physical access. • Explicitly adding "supporting a trade union member with an employment-related matter" as an access purpose. • Extending the industrial action mandate expiration to 12 months, from the current 6 months. • Repeal the current 50% industrial action ballot turnout threshold subject to commencement on a date to be specified via secondary legislation. • Amending the notice period for industrial action from the current 7-day notice period rather than 10 days. • Remove the 10-year ballot requirement for political funds and including a requirement for trade union members to be reminded on a 10-year basis that they can opt out. • Extending the application of provisions and the Code of Practice on access and unfair practices during recognition and derecognition ballots to cover the entire recognition process. • Require employers to share within 10 working days of the statutory application being submitted the number of workers in a proposed bargaining unit. Employers to be prevented from altering that number in relation to statutory recognition applications. • Setting a maximum of 20 working days for an access agreement to be agreed and bring this forward to the point where the CAC accepts the union's recognition application. If no agreement, the CAC to adjudicate and issue an order requiring access to the workforce. • Changing legislation to make it easier for unions to win cases where an unfair practice has occurred (i.e. unions would only need to show to the CAC that the unfair practice Government Response. • Extending the time limit when a complaint against an unfair practice can be made after the closure of the ballot. • Enable independent unions to apply for recognition where an employer has voluntarily recognised a non-independent union following receipt of a formal request for voluntary recognition by the independent union.
Making Work Pay: Collective redundancy and fire and rehire The original Bill proposed to remove the 'at one establishment' test for the purpose of when collective consultation is triggered in a redundancy situation. Meaning, all redundancies across a business count towards the threshold for when to start collective consultation.	• Reinstating the 'one establishment' principal but, by develop Regulations that require a threshold to be set for when collective consultation is triggered. • The threshold is likely to be based on either a percentage of the workforce or on a set number of redundancies. For example, the threshold is set at the lower of either X number of redundancies, or X% of the workforce. • Double the maximum period of the Protective Award from 90 to 180 days. • Government to issue guidance on collective consultation. • Gather further views on strengthening the collective redundancy framework in 2025 and on updating the Code of Practice on Dismissal and Re-engagement in 2025 to ensure it reflects the changes to fire and rehire.

Making Work Pay: Zero hours contracts measures to agency workers	• Amend the Employment Rights Bill to include agency workers. • The employment agency and the end hirer will be responsible for providing the agency worker with reasonable notice of shifts. The Employment Tribunal will be able to apportion liability based on the responsibility of each party in each case. • The employment agency will have the responsibility to pay any short notice cancellation or curtailed payments however, they will be allowed to re-coup this from the hirer where they have arrangements with the hirer covering this. • The Secretary of State will have the right to publish Regulations that stipulate the form and way an agency worker should receive notifications of shifts, cancellations or curtailments. • The end hirer will have responsibility to offer guaranteed hours to qualifying agency workers. • Where there is a genuine temporary work need, there will be an exception clause that allows an employer to lawfully not offer guaranteed hours. • The current system of extended hire periods and transfer fees under The Conduct of Employment Agencies and Employment Businesses Regulations 2003 will continue to apply.

CLOSED PUBLIC CONSULTATIONS: RESPONSES BEING ANALYSED AND WAITING FORMAL RESPONSE

NAME OF CONSULTATION	SUMMARY
Paternity and Shared Parental Leave	The Women and Equalities Committee (WEC) launched a call for written evidence on statutory paternity and shared parental leave to examine options for reform.
Inquiry into gendered Islamophobia	This public inquiry ran between 13 February 2025 and 21 March 2025 and was in response to evidence that shows Muslim women and girls are much more likely to be victims of Islamophobic abuse than men.
Costs protection in discrimination claims	• Consultation which sought views in respect of the current arrangements for bringing discrimination claims under the Equality Act 2010 • The Ministry of Justice is considering whether costs protection should be extended to all discrimination claims as currently it only applies in certain areas. • Costs protection applies in certain circumstances, and when granted it means that if a claimant loses a case, they do not have to pay adverse costs. This of course is not the norm, since the general position in civil cases in England and Wales is that the loser pays the winner's legal costs as well as their own.
Proposals to regulate NHS Managers	The Government are proposing to introduce a Leadership and Management framework that will include a Code of Practice, a set of core standards and a development curriculum for managers.
Northern Ireland Gender Pay Gap Information Regulations	The Northern Ireland Government are considering consultation responses in connection with proposals in relation to section 19 of the Employment Act (Northern Ireland) 2016, which sets out an employer's obligation to publish gender pay gap information.

Prudential Regulation Authority and the Financial Conduct Authority – Renumeration reforms	This consultation sought views on how both the Prudential Regulation Authority (PRA) along with the Financial Conduct Authority (FCA) could make the remuneration regime for dual regulated firms, more effective, simple and proportionate in its aim in ensuring accountability for risk taking.
European Data Protection Board – Guidelines on Pseudonymisation	The European Data Protection Board's consultation sought public input on new guidelines proposed on Pseudonymisation.
Financial Reporting Council – Stewardship Code	This was a consultation to seek input on updates made to the Stewardship Code. This code promotes transparency, disclosure and accountability when it comes to the responsible allocation, management and oversight of capital by the institutional investment community.

GUIDANCE

ACAS URGES EMPLOYERS TO DO MORE TO SUPPORT NEURODIVERSE EMPLOYEES

Following a period of research, Acas have this month publicly urged employers to do more to support those employees who have a neurodiverse condition. It particularly emphasises the importance of training and taking pro-active steps as being fundamental in the support to those affected.

'Neurodiversity' is a term used to describe a range of differences in how the brain and cognition function, and therefore, recognising that we are all different in how our brain processes, learns, and behaves.

The term encompasses both neurotypical and neurodivergent. Neurotypical means the person has typical neurological development or function whereas neurodivergent describes someone who has brain and cognitive function that is not considered 'typical'. This would include someone who has autism, dyslexia, ADHD and similar medical conditions.

The research undertaken by Acas found:

- An estimated 15%-20% of adults in the UK are neurodivergent
- Proactively supporting neurodiversity in the workplace can benefit everyone at work
- Mandatory and regularly updated training is key to promoting inclusive workplaces
- Line managers are pivotal in supporting employees who are neurodivergent

Within the report, it sets out recommendations for developing organisational policy and practice in order for employees to be supported. providing useful and informative ideas for how employers can take proactive action. It breaks the recommendations into eight key areas:

1. Policy and organisational integration
2. Neuroinclusive design for all
3. Leadership and accountability
4. Reasonable adjustment processes
5. Supporting line managers to triage and refer any adjustments through
6. Training and awareness
7. Performance management and conflict resolution
8. Monitoring and evaluation.

We set out below, examples of what proactive action may look like in each of these areas:

POLICY AND ORGANISATIONAL INTEGRATION

- Simple policies and procedures that are accessible to everyone and review language and wording through the perspective of someone who is neurodiverse
- Review policies so that they are of a universal design and consider neuroinclusion throughout the entire employment lifecycle.

NEUROINCLUSIVE DESIGN FOR ALL

- Consider fonts sizing and colour in all written correspondence
- Consider the working environment and how neuroinclusive practices can be incorporated such as clear and unambiguous signposting, normalising the wearing of noise cancelling headphones, or sensory friendly lighting

LEADERSHIP AND ACCOUNTABILITY

- senior leaders taking strategic responsibility for neuroinclusion
- The introduction of transparent targets for continued positive change
- Signposting leadership commitment to neuroinclusion through role modelling and sharing of neurodivergent experiences in senior teams

REASONABLE ADJUSTMENT PROCESSES

- Re-phrase reasonable adjustments as performance-enhancing tools to put the focus on harnessing strengths and supporting effectiveness
- Consider adjustments can be no or low-cost too and embedded into day-to-day practice, such as clear and unambiguous communication and inclusive meeting formats

SUPPORTING LINE MANAGERS TO TRIAGE AND REFER ANY ADJUSTMENTS THROUGH

- Provide regular training on neurodiversity
- Ensure managers are equipped to spot issues with employees' behaviours
- Empower managers to have supportive conversations that are honest conversations about how employees work at their best

TRAINING AND AWARENESS

- commit to and embed neurodiversity training across all the entire workplace and for all employees

PERFORMANCE MANAGEMENT AND CONFLICT RESOLUTION

- Recognise that with neurodiversity, there will be different working styles and preferences within the workplace and therefore, it has potential for misunderstandings and conflict. Think about how this can be prevented where possible
- Consider referral options such as co-coaching, where coaching is a three way learning opportunity for cases that are more complex

MONITORING AND EVALUATION.

- Set clear diversity and neuroinclusion targets, monitor data (and target activity accordingly.

To read the report in full, click here.

CASE RULINGS

A GOOD REMINDER FOR HANDLING DISCIPLINARY PROCEDURES AND CARRYING OUT CONDUCT DISMISSALS

SUMMARY

The Court of Appeal case of Andrew Hewston v OFSTED provides an important reminder to employers of the key principles in managing conduct dismissals. Conduct dismissals must meet two thresholds to be legally fair; first, that the matter leading to a dismissal must genuinely be due to the person's conduct and secondly; that the dismissal was fair and reasonable in the circumstances. It is this second threshold that this ruling deals with.

OVERVIEW OF CASE

Mr Andrew Hewston, a Social Care Regulatory Inspector was employed by OFSTED and had been dismissed for alleged gross misconduct. The incident leading to his dismissal took place in October 2019 during a school inspection. Mr Hewston had been observed brushing water off the head and touching the shoulder of a boy who had been caught in a rainstorm. It was reported to OFSTED as inappropriate touching and resulted in disciplinary proceedings, which ultimately led to Mr Hewston being summarily dismissed for gross misconduct. Throughout the disciplinary process, Mr Hewston maintained that his actions were intended as a friendly act of sympathy and assistance.

Mr Hewston brought proceedings against OFSTED in the Employment Tribunal (ET) for unfair and wrongful dismissal.

EMPLOYMENT TRIBUNAL (ET)

At the ET, Mr Hewston had his claims of unfair and wrongful dismissal dismissed on the grounds that his actions constituted gross misconduct and therefore upheld OFSTED's decision to dismiss him. The ET concluded that Hewston should have been aware of the consequences of inappropriate touching, given his role and background in social work.

EMPLOYMENT APPEAL TRIBUNAL (EAT)

Mr Hewston appealed to the Employment Appeal Tribunal (EAT) who found that the ET had erred in its judgment and deemed Andrew Hewston's dismissal was in fact unfair for several key reasons:

- **Lack of Clear Guidance**: OFSTED did not have a "no-touch" policy or any specific guidance on physical contact with students. Without such explicit rules, Hewston could not have reasonably anticipated that his actions might lead to dismissal. The EAT emphasised that employees should be clearly informed about what constitutes gross misconduct.
- **Substantive Unfairness**: Hewston's conduct in brushing water off the child's head was not inherently serious enough to warrant dismissal. Given the absence of a safeguarding issue and the lack of specific guidance, it was not reasonable for OFSTED to treat the conduct as gross misconduct.
- **Procedural Unfairness**: The EAT identified procedural flaws in the disciplinary process. Specifically, OFSTED failed to provide Hewston with important documents, including the pupil's statement, the school's complaint, and the Local Authority Designated Officer's report. These documents were seen by the dismissing manager but not shared with Hewston, depriving him of the opportunity to respond fully to the allegations.

KEY LEARNINGS FOR EMPLOYERS

- **Clear Policies and Guidance:** Employers should provide clear and specific policies regarding conduct, especially in sensitive areas such as physical contact with children. This ensures employees are aware of the standards expected of them.
- **Fair Disciplinary Procedures:** Employers must ensure that disciplinary procedures are fair and transparent. Employees should be provided with all relevant documents and evidence to allow them to respond adequately to allegations.
- **Proportionality in Disciplinary Actions**: Employers should consider the proportionality of disciplinary actions. Dismissal should be reserved for serious misconduct, and lesser sanctions should be considered for minor lapses in judgment.
- **Employee Attitude:** While an employee's attitude during disciplinary proceedings can be relevant, it should not be the sole basis for dismissal unless it indicates a risk of future serious misconduct.
- **Training and Support:** Employers should offer training and support to employees to help them understand and adhere to professional standards, rather than resorting to dismissal for minor infractions.

- **Employee's Attitude**: While OFSTED considered Hewston's lack of insight and contrition during the disciplinary process, the EAT held that this could not justify dismissal if the substantive conduct itself was not serious enough to warrant such a sanction. The EAT noted that an employee's attitude should not be used to elevate the seriousness of conduct that does not inherently justify dismissal.
- **Fair Notice**: The EAT stressed that Hewston was not on fair notice that his conduct might attract the sanction of dismissal. The Tribunal found that it was not obvious that the conduct in question was so serious that it did not need to be spelled out in advance.

In summary, the EAT found that both the substantive and procedural aspects of Hewston's dismissal were unfair. The lack of clear guidance on physical contact, the failure to provide key documents, and the inappropriate reliance on Hewston's attitude during the disciplinary process all contributed to the decision to deem the dismissal unfair.

It held that Hewston was not on fair notice that his conduct might attract the sanction of dismissal, given the absence of a "no-touch" policy or specific guidance on physical contact.

The EAT also found procedural unfairness in OFSTED's failure to provide Hewston with key documents during the disciplinary process.

The EAT found that Hewston had been unfairly dismissed and returned the claim to the ET for determination of remedy along with the wrongful dismissal for its determination of liability and damages.

COURT OF APPEAL

OFSTED appealed the EAT's decision of unfair dismissal claim, which was heard in October 2024, but in March 2025 the Court of Appeal dismissed the appeal and upheld the EAT's decision of finding an unfair dismissal.

It agreed that Hewston's dismissal was substantively and procedurally unfair, as explained above. The Court emphasized that Hewston had no reason to believe that his actions were so seriously wrong as to justify dismissal, especially in the absence of explicit guidance or a "no-touch" policy. The Court also noted that Hewston's subsequent attitude did not justify his dismissal. The Court directed that the claim be remitted to the ET for determination of remedy.

DEALING WITH ALLEGATIONS OF UNFAIR TREATMENT

The case of Professor R. Sheikholeslami v. The University of Edinburgh is complex and is a long-standing matter that deals with multiple claims, including direct discrimination, victimisation, and unfair dismissal. These claims stemmed from Professor R. Sheikholeslami's dismissal. Her dismissal took place after she had raised several grievances concerning unfair treatment on the grounds of race, gender, and disability discrimination.

CASE OVERVIEW

Professor Sheikholeslami was employed by the University of Edinburgh in May 2007 and was offered a position on the basis that she would be given a suitable laboratory and had been awarded funds of £600,000 to establish a new laboratory. However, for various reasons, it took nearly two and a half years for Prof. Sheikholeslami to have a working laboratory and the support of a technician. She raised concerns about a lack of support and unfair treatment towards her and eventually raised a formal grievance alleging sex discrimination comparing her treatment to that given to a male. She compared her own treatment to that of a male colleague, who had been provided with a technician from day one of employment.

She was signed off sick with work related stress, which lasted for two years during which time her pay was reduced by half and then to zero.

In April 2010, she and a colleague, wrote to the University Principal stating:

"As the only two female professors remaining from those hired and brought to the UoE in 2006-07 by the School of Engineering we would like to discuss with you how to make our work viable. Right now, under the current conditions, we are completely disabled in our employment due to gender discrimination. To move forward, we would like to speak with you in order to find a constructive solution to the above issues which not only hamper our professional life and growth but also severely and adversely impact our health and personal circumstances to an extent we can no longer bear."

On the back of this complaint, the University carried out a diversity review which found that there were indeed cultural problems within the workplace. For example, it found that men in the school appeared to have been convinced that the appointment of four women professors was entirely due to 'positive discrimination' and widespread perceptions among male staff that the women were appointed because they were women, not because they were good enough.

Prof. Sheikholeslami eventually wrote a letter to ask for a gradual return to work from her period of sickness absence initially in another department within the university. This was refused and it was suggested that she return at her existing laboratory.

Throughout her employment, she raised concerns regarding the university's treatment of her, which included allegations of:

- Discriminatory conduct based on her sex and disability
- Victimisation following her complaints of discrimination
- Failure by the university to make reasonable adjustments to accommodate her disability
- Unfair dismissal

Aside from this matter, Prof. Sheikholeslami, who was an Iranian national on a Visa to work in the UK, was informed that her work permit would be expiring, and the University could not offer an alternative position. She was therefore dismissed for the expiry of her visa.

Prof. Sheikholeslami claimed unfair dismissal, direct discrimination and victimisation.

JUDGEMENT

The Tribunal ruled that even though the expiry of the visa was a potentially fair reason for dismissal, it was the actual process that was insufficient. The decision to dismiss was found not to be within the band of reasonable responses because of the procedure adopted.

The tribunal established that after the issue regarding the visa was raised, the University made no further attempt to explore ways in which Prof. Sheikholeslami would be allowed to continue legally working within the UK and took insufficient steps to engage with her regarding her medical condition or whether she could return to work.

After various rulings, eventually the judgement from the Employment Appeals Tribunal held that the University treated Professor Sheikholeslami less favourably due to her race, gender, and disability and that the adverse treatment she faced following her grievances constituted victimisation.

Her dismissal was found to be unfair as the University failed to follow a fair and reasonable process.

Professor Sheikholeslami was awarded compensation for loss of earnings and injury to feelings, and although in this case re-instatement or re-engagement was not ordered, it may be in other similar cases.

KEY LEARNINGS FOR EMPLOYERS

This case highlights several key takeaways for employers:

- **Consistent Procedures:** Employers must ensure they follow fair and transparent procedures during disciplinary and dismissal processes.
- **Handling Complaints:** Employees who raise concerns about discrimination should not face adverse treatment. Employers must handle complaints appropriately and ensure protection against victimisation.
- **Reasonable Adjustments:** Employers have a legal duty to consider and implement reasonable adjustments for employees with a disability, which includes physical and mental. Proper documentation and clear communication are essential.
- **Prevent Discrimination:** Provide regular training on equality, diversity, and inclusion is one fundamental way in which to prevent discriminatory practices in the workplace, although it should be a combination of many actions undertaken.
- **Avoid Victimisation:** Take steps to protect employees from victimisation following grievance submissions, ensuring no adverse actions are taken.
- **Accurate Record-Keeping:** Keep detailed records of all investigations, decisions, and actions taken to defend against potential claims.

By adhering to these principles, employers can reduce the risk of claims and foster a fair and compliant workplace.

This case highlights the importance of fair treatment, adherence to employment law, and fostering a supportive workplace culture.

PAYROLL

ARE YOUR PAYROLL SYSTEMS SET UP FOR PROCESSING A NEW STATUTORY LEAVE AND PAY ENTITLEMENT?

Next month sees the introduction of the Neonatal Care Leave and Pay Act; it will provide employees with a new statutory entitlement to leave when their baby requires neonatal care. Employees may also qualify to have their leave entitlement paid, in line with other family leave statutory payments.

Ensure your payroll systems can process the payments and absence, which will apply to babies born on or after 6 April 2025.

IMPORTANT! DO YOU OWE YOUR WORKERS AN ADDITIONAL DAY OFF?

This is an important notice for employers operating a holiday year between 1 April to 31 March.

You may remember that we wrote last year about the April 2024 to March 2025 holiday year having one less Bank Holiday due to Easter 2025 falling late. Consequently, for some employers, this deficit may require addressing otherwise it could risk claims of unlawful deduction from wages, but it all depends on how the contract of employment is worded for how you manage bank holidays.

It is vital that all employers check to see whether they are contractually obliged to award an additional paid day off because failure to do so may lead to claims for unlawful deductions of wages.

STATUTORY RATE INCREASES

Every April, the new statutory rates for many employment payments come into force. These are the new payments from April 2025:

1 APRIL 2025 – INCREASE TO NATIONAL MINIMUM AND NATIONAL LIVING WAGE

The National Living Wage (for those aged 21 and above) increases by 6.7% to £12.21 per hour. The National Minimum Wage (for those 18-20) will increase by 16.3% to £10 per hour with the rate for 16-17 year olds, and apprentices increasing to £7.55 per hour – an increase of 18%.

If you operate salary sacrifice schemes, now would be a good opportunity to review your scheme(s) because whilst schemes are beneficial from a tax and NI purpose they reduce an employee's net income and compliance with the national minimum wage must continue.

6 APRIL 2025 - NEONATAL CARE (LEAVE AND PAY) ACT 2023

A new law that will entitle employees to take a period of leave of absence when their baby requires neonatal care. Neonatal care is regarded as care that is medical or palliative and would apply to someone with parental or other personal relationships with a child who is to receive or has received neonatal care.

6 APRIL 2025 - STATUTORY FAMILY RATES

Family statutory rates will increase from £184.03 to £187.18 per week. This is for statutory adoption, maternity, parental bereavement pay, paternity pay and shared parental pay.

6 APRIL 2025 – EMPLOYER SECONDARY CLASS 1 NATIONAL INSURANCE CONTRIBUTION

The rate of secondary Class 1 Employer National Insurance Contributions will increase from 13.8% to 15%, and the threshold at which employers are liable to pay it will reduce from £9,100 to £5,000.

6 APRIL 2025 – THE SOCIAL SECURITY (CONTRIBUTIONS) (RATES, LIMITS AND THRESHOLDS AMENDMENTS, NATIONAL INSURANCE FUNDS PAYMENTS AND EXTENSION OF VETERAN'S RELIEF) REGULATIONS 2025

These Regulations maintain at the same level as the previous year the weekly earnings limits and thresholds specified in regulation 10 of the Social Security (Contributions) Regulations 2001 used for determining liability to Class 1 NICs.

6 APRIL 2025 – SOCIAL SECURITY (CONTRIBUTIONS) (RATES, LIMITS AND THRESHOLDS AMENDMENTS, NATIONAL INSURANCE FUNDS PAYMENTS AND EXTENSION OF VETERAN'S RELIEF) REGULATIONS 2025

The weekly lower earnings limits used for determining eligibility for Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay, Shared Parental Pay, or Statutory Parental Bereavement Pay is to be increased from £123 to £125.

6 APRIL 2025 – RATE OF SSP

Statutory sick pay is expected to increase from £116.75 to £118.75 per week.

6 APRIL 2025 – STATUTORY REDUNDANCY PAY

The cap on a week's pay for statutory redundancy pay calculations will increase from £700 to £719

6 APRIL 2025 – LIMIT ON COMPENSATORY AWARDS FOR UNFAIR DISMISSAL

The limit on the compensatory award in respect of unfair dismissal will increase from £115,115 to £118,223.

6 APRIL 2025 – STATUTORY GUARANTEE

The daily statutory guaranteed pay is to increase from £38 to £39 per day.

7 APRIL 2025 – MATERNITY ALLOWANCE

The rate of maternity allowance is to increase from £184.03 to £187.18 per week. Whilst this is not paid by an employer, it is important for employers to know of the increase to effectively manage their maternity processes with their employees.

REMINDER: UNDERSTANDING THE PAY IMPLICATIONS OF THE EMPLOYMENT RIGHTS BILL

Last month, we ran a webinar in which we discussed the pay implications of the Employment Rights Bill and how employers can start preparing for the changes ahead.

The detail about the reforms discussed was accurate as of the date we ran our webinar (13th February) and so they are subject to change. However, our guidance on how employers can plan and prepare for changes ahead remain helpful.
https://www.hrsolutions-uk.com/webinars/understanding-pay-implications-of-the-employment-rights-bill/

MAKE A NOTE! IMPORTANT REMINDERS

END OF YEAR REPORTING!

Employers must get ready to make their last full payment submission or employer payment summary, which must include up to and include 5 April 2025. Don't forget, HMRC require employers to indicate on the submissions that it is their final submission and that everything that needs to be sent has been.

REMINDER! P60'S

This is a reminder that for employees who are in your employment on 5 April 2025, you must provide them with a P60 by 31 May 2025.

IMPORTANT! ELECTRONIC PAYMENT DEADLINES

This is to flag that the electronic payment deadline for March falls on a weekend, which means that funds must be cleared with HMRC the Friday before it is due, i.e. by Friday 21 March 2025.

EMPLOYEE BENEFITS AND EXPENSES

Employers are now able to register to payroll benefits and expenses from 6 April 2025. This can be done via the Government HMRC website here, and employers have until 5 April 2025 to do so. Once registered, you will be able to begin payrolling benefits and expenses from the start of the new tax year.

CHANGES TO THE COMPANY SIZE THRESHOLD

From 6 April 2025, the uplift to the company size thresholds will come into force. They will be as follows:

	MICRO	SMALL	MEDIUM	LARGE
Annual turnover	1m	15m	54m	Over 54m
Balance sheet total	500k	7.5m	27m	Over 27m
Average no. of employees	10	50	250	250+

This means more businesses will fall into the 'micro' and 'small' categories. Consequently, it will mean:

- A reduced administrative burden for those businesses moving into a smaller category. There will be a reduction in administrative and reporting requirements, and may include exemptions from certain audit requirements, simplified accounting procedures, and less complex reporting obligations.
- It will bring cost savings with the fewer compliance requirements because businesses can expect to save on costs associated with audits, accounting, and legal advice.
- The changes to Directors' Reports for large and medium-sized businesses will no longer need to include certain details such as information on financial instruments, post-year-end events, future developments, and R&D activities.
- The impact on IR35 Compliance will be that the changes to company size thresholds may also affect how the off payroll working (IR35) rules apply. This is because businesses would need to assess if they are still the responsible party for applying the off payroll working rules based on the new thresholds.

HEALTH & SAFETY

MANUAL HANDLING IS THE PROCESS OF LIFTING, CARRYING, PUSHING OR PULLING A LOAD BY BODILY FORCE OR REPETITIVE TASKS.

HSE Summary Statistics (UK - 2023/2024) reports 543,000 workers are suffering from work-related musculoskeletal disorders (MSD's) of which 168,000 of these are new cases. For businesses this equates to 7.8 million working days that are lost.

From these statistics the areas of the body most affected (by percentage) include the back 43%, upper limbs or the neck 37% and lower limbs equalling 20%. Contributing factors were poor manual handling practices, working in awkward or tiring positions or repetitive work.

Injuries often result in aches, pains and discomfort in joints, muscles and bones. These can have a serious impact on workers' ability to perform their job, their quality of life, and in some cases their ability to stay at work to earn a living.

Signs that a task could potentially be back breaking aren't difficult to notice; workers may provide direct feedback to line managers/ supervisors, signs of poor manual handling practices may also be identified through accident statistics and employee absence.

Manual handling injuries can occur in any workplace i.e., office, warehouse, construction sites, shops. Looking for potential hazards and putting control measures in place early, is an effective way of managing the risk and meeting your businesses duty of care.

DUTY TO MANAGE RISKS FROM MANUAL HANDLING

The **Manual Handling Operations Regulations 1992** place duties on all employers to manage the risks from manual handling activities:

The main requirements of these regulations include:

- to avoid manual handling tasks 'so far as is reasonably practicable'
- assess the risk of any manual handling task that can't be avoided; and
- reduce the potential risk from injury and ill health 'so far as is reasonably practicable'
- Take appropriate steps to provide any of those employees who are undertaking manual handling operations with general indications and, where it is reasonably practicable to do so, precise information on:
    - the weight of each load
    - the heaviest side of any load whose centre of gravity is not positioned centrally.

PLANNING REFURBISHMENT WORK?

Refurbishing a bathroom or changing room, extending your premises, installing a new machine, installing solar panels, professionally cleaning your external façade.

Would you be surprised to know that these projects all fall within the scope of the Construction (Design & Management) Regulations 2015? Many people wrongfully assume that these regulations only concern, tradespersons, large contractors and significant construction projects such as build a premises from the ground up.

The Construction (Design & Management) Regulations 2015 place responsibilities on differing duty holders to ensure that construction works are planned, organized and manage to reduce risks to health and safety.

Construction work is defined as:

- the construction, alteration, conversion, fitting out, commissioning, renovation, repair, upkeep, redecoration or other maintenance (including cleaning which involves the use of water or an abrasive at high pressure, or the use of corrosive or toxic substances), de-commissioning, demolition or dismantling of a structure;

- the preparation for an intended structure, including site clearance, exploration, investigation (but not site survey) and excavation (but not pre-construction archaeological investigations), and the clearance or preparation of the site or structure for use or occupation at its conclusion;

- the assembly on site of prefabricated elements to form a structure or the disassembly on site of the prefabricated elements which, immediately before such disassembly, formed a structure;

- the removal of a structure, or of any product or waste resulting from demolition or dismantling of a structure, or from disassembly of prefabricated elements which immediately before such disassembly formed such a structure;

- the installation, commissioning, maintenance, repair or removal of mechanical, electrical, gas, compressed air, hydraulic, telecommunications, computer or similar services which are normally fixed within or to a structure,

Your duties as a commercial client under the regulations (the person for whom the work is to be undertaken)

- Appoint a Principal Contractor & Principal Designer in writing. Failing to appoint these responsibilities in writing will mean you automatically take on these responsibilities.
- Allocation of appropriate resource (time and money)
- Maintain and review arrangements
- Provide pre-construction information as soon as possible to all involved, including fire precautions, building layout, details of any services, information regarding asbestos, or other site specific hazards etc
- Ensure that welfare facilities are provided
- Ensure that the principal contractor has provided you with a copy of the Construction Phase Plan, prior to work commencing, as well as copies of RAMS and insurance certificates.
- The client has a duty to notify the HSE of certain construction projects using an F10 form. https://www.hse.gov.uk/forms/notification/f10.htm
- A project requiring notification must meet one or both of the following criteria:
    - The project is expected to last longer than 30 working days AND have 20 or more workers on site simultaneously.
    - The project will involve more than 500 person-days of construction work in total.

Information about other roles and responsibilities can be found here
https://www.hse.gov.uk/construction/cdm/2015/summary.htm

HAND-ARM VIBRATION SYNDROME (HAVS)

There were 215 new cases of HAVS recorded in Great Britain in 2023.

Prolonged and regular exposure to vibration can result in painful or disabling disorders of the nerves, blood supply, joints and muscles in the hands and arms, which are collectively known as HAVS. The risk of onset or the worsening of HAVS increases with daily exposure. HAVS falls under the HSE as an 'occupational disease' companies are legally obliged to report any cases under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

RECENT PROSECUTION

Rotherham Metropolitan Borough Council pleaded guilty to breaches of section 2.1 of the Health and Safety at Work etc Act 1974 when they failed to ensure 'so far as was reasonably practicable' the health, safety and welfare at work of their employees. The Borough Council was fined £60,000 and ordered to pay full cost of £5,775.70.

A worker employed in the road maintenance department for over 20 years was carrying out the repair of potholes using vibrating tools, the worker had been diagnosed in April 2005 with HAVS, the worker continued to work with vibrating tools for a further 14 years. The investigation found that:

- This was not an isolated case and affected others working within the road maintenance department.
- Despite being subject to regular health surveillance, the recommendations from the health surveillance reports were inconsistently implemented.
- Data used to calculate exposure was inaccurate and relied on the individuals to accurately log their exposure times.
- Workers were allowed to work up to the exposure limit value (ELV 5m/s2 A(8)) though due to the inaccurate data it is foreseeable that they worked beyond this limit on a regular basis.
- Workers were incentivised via a bonus scheme and overtime, which would also have contributed to over exposure.

INTERESTING HR STATISTICS

ARE YOU READY FOR THE EMPLOYMENT REFORMS?

In our recent research, we asked business leaders a range of questions centred around the forthcoming employment reforms, and this is what they told us...

- **Just 27% feel prepared:** This may sound as to be expected given the reforms continue to be debated in Parliament and the Bill has not been passed as an act of law. There are though, many ways in which employers can take proactive steps to start to prepare. Check out the handout we shared in our recent virtual employment law seminar that includes our 10 pieces of advice for preparing for the changes.
- **Training and information:** The overwhelming response to our question about required support needed in helping businesses to prepare was training and information, followed closely by the receipt of further guidance and resources and core HR support, such as in the providing of advice, template policies, handbooks and contracts.
- **Uncertainty about the details of the Bill and increased wage costs:** These were the most common concerns regarding the Bill, alongside concerns on the administrative burden it could bring.
- **Changes to statutory sick pay:** Business leaders felt that changes to SSP would have the biggest impact on their business, followed by the introduction of a genuine living wage and strengthened protections for zero hour workers.
- **Budgeting for increased costs:** The biggest potential challenge facing employers is the budgeting for increased costs.

COMPARING SECTORS, ANNUAL AVERAGE REGULAR EARNINGS GROWTH FOR THE PRIVATE SECTOR WAS 6.1% COMPARED TO 5.3% FOR THE PUBLIC SECTOR.

Businesses are primarily concerned about the uncertainty surrounding the reforms, particularly the financial implications of increased wage costs and administrative burdens. This analysis will aid us in ensuring that we keep you focussed on the Bill by providing support in compliance management, financial planning, and employee communication.

Our recommended tips for acting include:

1. Establish a task force including HR, legal, finance and operations
2. Conduct an Impact Assessment
3. Provide clear guidance on legal compliance
4. Budget for anticipated costs
5. Communicate with employees
6. Ensure readiness for law changes from day 1
7. Implement systems and process updates
8. Track and evaluate progress
9. Engage with industry peers and Regulators
10. Promoter a culture of adaptability

LABOUR MARKET OVERVIEW

The latest data from the Office for National Statistics (ONS), in their Labour Market Overview, published 20 March 2025, shows the following economic indicators:

EMPLOYMENT

For the period October to December 2024:

- Employment levels for those aged 16+ is largely unchanged, although a slight rise from 74.8% to 75% of the working population
- Unemployment remains at 4.4%
- The number of the working age population who are economically inactive is also broadly the same at 21.56% compared to 21.6% in the last quarter
- The number of payrolled employees for the period is estimated at 30.4 million, and estimated to be an increase 67,000 over a 12-month period
- Current redundancy rate per thousand of those aged 16+ is 4.2, an increase on the previous quarter of 0.3 per thousand.
- The number of total actual weekly hours worked has generally been increasing since 2000. Whilst it has increased over the year, there has been a decrease in the last quarter.

VACANCIES

For the period December 2024 to February 2025:

The estimated number of vacancies is broadly unchanged on the quarter, at 816,000. Until this quarter, the total number of vacancies had declined for 31 consecutive quarters since its peak of 1.3 million in the period March to May 2022.

EARNINGS

For the period October to December 2024:

- Payrolled employment increased by 21,000 employees in February when compared to January 2025
- Median monthly pay increased by 5% compared to the previous year (February 2024)
- Annual growth in employees' average earnings for regular earnings (excluding bonuses) was 5.9% and total earnings (including bonuses) was 5.8%.
- Comparing sectors, annual average regular earnings growth for the private sector was 6.1% compared to 5.3% for the public sector.

HOW DOES YOUR BUSINESS SUPPORT NEURODIVERGENT EMPLOYEES?

According to recent research by the City & Guilds Foundation in partnership with Do-IT platform, 51% of employees said they had taken time off work because of their neurodivergence with just 34% reporting that they felt supported by their employers.

Managing neurodiversity is about building a workplace culture that incorporates inclusive neurotypical and neurodivergent working practices that support the medical concept that the brain and cognitive function differs between person to person. Neurodiversity encompasses differences in the way people communicate, learn, process information, concentrate or in their creative thinking.

Overall, most people would be considered as 'neurotypical', which is where they possess traits that are typical amongst most people. Whereas, 'neurodivergent' is the term used to describe a person's brain that works differently to what is considered typical, such as in medical conditions such as autism, dyslexia or ADHD.

The research carried out for the City & Guilds Neurodiversity Index Report 2025 presents findings from a survey of 1,385 participants, including 335 employers and 814 employees which was conducted from September to December 2024. Further information was also obtained through case studies gathered via Capgemini Invent UK and Harbour Energy.

For context, 56% of respondents reported having ADHD, 36% had Autism Spectrum Conditions (ASC), 26% had Dyslexia, and 18% had Developmental Language Disorder (DLD). 43% of employers came from organisations with over 250 employees, and 66% were in education/training sectors.

In this article, we look at some of the statistics and report on what other employers are doing to be neuroinclusive.

POLICY AND TRAINING

- 38% of organisations reported having neurodiversity mentioned in their Equality, Diversity and Inclusion Policy, whilst 36% reported having a separate policy specific for Neurodiversity.
- 43% of Senior Leaders, 41% of HR and EDI teams and 35% of managers received training in some format on neurodiversity

WORKPLACE CULTURE

A culture change in embracing neurodiversity starts with Senior Leadership, and within the report, it cites various examples of how awareness was being raised by Senior Leaders.

- Internal blog posts
- Discussing it directly with their team
- Through providing coaching support to others
- Closed session with HR
- Verbally communicated in meetings
- HR manager shares at induction stage

- Open and ongoing conversations about sharing
- strengths and challenges

RECRUITMENT

For those who are considered 'neurodivergent', the research found the following top 5 challenges when applying for jobs:

1. Job applications
2. Face to face interviews
3. Job searching
4. Creating a CV
5. Dealing with online interviews.

Recommendations for neuroinclusive recruitment and workplace practices are reported include:

1. 25% of respondents said they had reviewed all their job descriptions.
2. 34% of employers offer alternative ways in which candidates could apply for a job
3. 29% reported that they provide interviewees with the questions in advance of an interview, when requested
4. 23% of organisations gave questions beforehand most of the time
5. 49% of organisations do not give questions beforehand

ONBOARDING

Onboarding is also another crucial stage in the employment lifecycle, and the research identified 46% of employers asked candidates about neurodivergent traits/conditions as part of data collective during recruitment.

COMPLAINTS TO TRIBUNAL

In the context of employment law, neurodivergent employees may have a medical condition classed as a disability for the purpose of the Equality Act 2010, meaning that where there is a disability, employers have a legal duty to make reasonable adjustments. The Neurodiversity Index Report 2025 reported that 13 % of employers were involved in employment tribunals relating to neurodiversity.

USEFUL LINKS

https://www.peoplemanagement.co.uk/article/1910571/third-neurodivergent-employees-dissatisfied-workplace-support-report-shows

https://www.peoplemanagement.co.uk/article/1910560/exclusive-disability-pay-gap-reporting-unintended-consequences-research-reveals

https://www.peoplemanagement.co.uk/article/1910412/like-dominoes-falling-does-city-regulators-u-turn-new-edi-rules-mean-inclusion-uk

https://www.peoplemanagement.co.uk/article/1910571/third-neurodivergent-employees-dissatisfied-workplace-support-report-shows

Got questions?

If you need any further guidance or have any HR-related queries, feel free to get in touch with us. You can also browse through our previous newsletters for more insights and updates here.