



HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

April 2025

HR
Solutions

RECENT AND FUTURE CHANGES

RECENT CHANGES

NEW STATUTORY RATES NOW IN FORCE

The start of the new financial year is when we see increase in statutory payments, and so this month we have seen increases to:

- Maternity Allowance
- National Minimum Wage and National Living Wage
- Statutory Family Leave Pay – adoption, maternity, parental bereavement, paternity and shared paternity pay
- Statutory Guarantee Pay
- Statutory Redundancy Pay
- Statutory Sick Pay

We have also seen the introduction of the new Neonatal Care Leave and Pay, increases to the employer national insurance contribution and changes to tribunal awards and compensation.

EMPLOYMENT RIGHTS BILL UPDATE

The Employment Rights Bill continues to progress through Parliament and following its second reading in the House of Lords, is next due to be discussed at the Committee Stage from 29 April 2022. From there, the Committee will publish its findings in its report, followed by a third and final reading before amendments are considered and it is passed to the King for being made into an Act of Law.

We still expect it to become an Act of Law from around July, with a phased implementation beginning, we believe, from October. With subsequent implementation dates in 2026. Here is a summary of the reforms:

POTENTIAL FOR OCTOBER 2025	WHAT WILL THIS MEAN?
Ban on 'fire and rehire'	Dismissing an employee will be automatically unfair if the main reason is the employer's attempt to change their employment terms, and the employee did not agree to the changes.
Increase in time limits for raising tribunal claim	Claimants will have 6 months instead of 3 to submit a tribunal claim
Some of the Trade Union reforms	This could include the minimum service level requirement which the previous Government introduced in 2024.
Change to the legal test for flexible working	The legal grounds for rejecting a flexible working request will be expanded. Employers will still need to adhere to the existing limited reasons for refusal, but now their decision must also be reasonable.
Sexual harassment to qualify as a protected disclosure	Whistleblowing claims will include the ability to bring claims of sexual harassment
POTENTIAL APRIL 2026	WHAT WILL THIS MEAN?
Remove the current 'waiting days' in place for qualifying for SSP	Statutory sick pay will be paid from the 1 st day of absence
Low earners to qualify for SSP by removing the lower earnings limit that is currently in place	Low paid workers will receive 80% of their pay when off sick.
Protection from 3 rd party harassment	Employers will become liable for harassment carried out by 3 rd parties. A Code of Practice is expected

Dismissal protections when on family leave	Legal protection for ensuring priority for suitable alternative employment during redundancy for individuals on family leave or who are pregnant will now apply to all forms of dismissal.
Removing the qualifying period for parental leave	It will remove the 1-year service currently needed to be eligible and it will become a day one right
Introduce bereavement leave for all employees	A new form of statutory leave for all employees, details to be determined
Changes to collective consultation	The "at one establishment" rule for collective consultation will remain, and a new trigger based on a percentage of the total workforce will be implemented. If planned redundancies exceed X% of the workforce, collective consultation will be mandatory.
Protective award for failing to consult	This will be doubled from 90 days to 180 days (has potential to be brought in earlier)
Trade Union reforms	Reform of the statutory recognition procedure and introduce a new right for Unions to access a non-unionised workplace
New right to written statement of trade union rights	Will have to be given on day 1 of employment
Equality action plans	Employers of 250+ to publish action plans regarding gender equality and race (has potential to be brought in earlier)
POTENTIAL AUTUMN 2026	WHAT WILL THIS MEAN?
Day one unfair dismissal	All employees will be able to claim unfair dismissal from day one of their employment, currently they require two years' service.
Statutory probation period	A new statutory probation period will be introduced for the management of ending employment when someone is in the first few months of their employment.
POTENTIAL 2027	WHAT WILL THIS MEAN?
Fair Work Agency	A new enforcement body will be established with the authority to file tribunal claims on behalf of employees and to enforce employment rights within workplaces.
Payments for cancelled /curtailed shifts for zero-hour workers	Employers will need to provide reasonable notice and continue to pay for the cancelled or curtailed shifts.
School support staff negotiating body	This negotiating body would set the terms and conditions for non-teachers in education
Adult social care negotiating body	This negotiating body would set the terms and conditions for the adult social care sector
Other trade union reforms	This will include introducing electronic balloting, as well as preventing blacklists from being maintained.
Guaranteed hour contracts for minimum hours	This proposal would mandate a minimum number of contracted hours based on a reference period of past work. Due to its complexity, significant consultation and regulatory development are required, and its implementation may be delayed.
Single employment status	This would remove 'worker' status and make everyone 'employee'. Self employed would remain a separate category.

FUTURE CHANGES (CURRENT BILLS PROGRESSING THROUGH PARLIAMENT)

EMPLOYMENT RIGHTS BILL

It is a realistic possibility that the Employment Rights Bill becomes an 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 have 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.

We continue to monitor the Bill and research the latest thinking from leading employment Barristers and other specialists, and through this, there are a few reforms that we could expect to see in force from as early as October 2025. For instance:

- The banning of 'fire and rehire' by making a dismissal for refusing changes to terms and conditions of employment unfair
- Increasing the time limit for bringing claims from three months to six
- Introduce some of the Trade Union reforms
- Expand the legal duty when making decisions in flexible working cases by requiring employers not only meeting one (or more) of the statutory decline reasons, but that the decision must be reasonable.
- Categorisation of complaints of sexual harassment as qualifying disclosure for whistleblowing purposes.

It is difficult at this point to know what to do to prepare and for what, but our advice would be to start planning now. Understand all the reforms, not just those anticipated for this year, keep up to date with developments and carry out your own impact assessment by considering the reforms in the context of your own business.

We have developed our own impact assessment templates. Each one takes a specific area of reform and sets out key questions to help you to understand what the reforms mean to your business. We have:

- Part 1: Contracts and Working Arrangements
- Part 2: Pay and Benefits
- Part 3: Family Leave
- Part 4: Industrial Relations
- Part 5: Enforcement

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, having started in the House of Lords, is progressing through parliament relatively quickly having first been published in October 2024. It is now in the House of Commons at the Report Stage, after which it will have a 3rd reading before being passed to the King for being given Royal Assent, i.e. becoming 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 require 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.

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 in the House of Commons, so very early on in its passage 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 is due its second reading on 20 June 2025.

CHILDREN'S WELLBEING AND SCHOOLS BILL

This [Bill](#) is about the safeguarding and welfare of children, support for children in care, the regulation of care workers, establishments and agencies and independent educational institutions and inspections of schools and colleges, as well as dealing with teacher misconduct.

FUTURE CHANGES (LEGISLATION BY COMMENCEMENT DATE)

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.

The Terrorism (Protection of Premises) Act 2025 (Martyn's Law)

This Act received royal assent 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 and so we expect when to prepare for the law coming 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.

6 April 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).

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. No date has been set for when this [legislation](#) comes into force.

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. We are waiting on a date for when this legislation comes into force. We expect it to be part of the forthcoming employment reforms.

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	<p>The Aim is to create a more equal society by focussing on inequalities in the areas of ethnic minority and those who have disabilities.</p> <p>The Government will ensure that ethnicity and disability pay gap reporting will address the fact that on average, ethnic minority groups earn less than white British peers and those with disabilities have lower average incomes than those who do not.</p>	18 March 2025 to 10 June 2025	You can participate by completing the online questionnaire.
Tribunal Procedure Committee	Consultation on further changes to the Employment Tribunal Rules	<p>It is expected that rule changes will come into force later in 2025. The changes are unlikely to significantly impact current practice. The rules proposed include:</p> <ul style="list-style-type: none">• More often be asked to submit a draft case management order• Changes in the way an ET treats a failure to submit a reply to an employer's contract claim	24 March to 19 May 2025	A questionnaire response can be sent by email to tpsecretariat@justice.go.uk

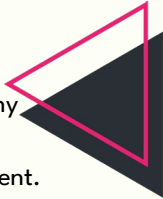
CLOSED PUBLIC CONSULTATIONS: FORMAL RESPONSES PUBLISHED

HM Treasury: Tackling non-compliance in the umbrella company market

This public consultation was to tackle the widespread issue of non-compliance in the umbrella company market, which has consequently led to depriving workers of their employment rights, distorting competition in the labour market and leading to significant tax losses.

The Government consequently proposed the regulation of umbrella companies and set out options for improving tax compliance in the umbrella company market. As a result of the consultation, the Government will:

1. Table an amendment to the Employment Rights Bill to define umbrella companies and to allow for their regulation
2. Will not introduce a mandatory due diligence requirement as a way of tackling tax non-compliance but instead pursue an option that will be more effective in closing the tax gap, protecting the interests of workers, and providing a level playing field for compliant businesses. Although they are yet to set out what this will be
3. Legislate to make agencies that use umbrella companies to employ workers responsible for ensuring that the correct income tax and National Insurance contributions (NICs) are deducted and paid to HMRC. The agency supplying the



worker to the end client will be legally responsible for operating PAYE on the worker's pay and will be liable for any shortfall (regardless of who operated the payroll).

4. Place the responsibilities of the employer for tax purposes with the agency that supplies the worker to the end client. It would mean that the agency would be legally responsible for the tax shortfall if the umbrella company failed to make the correct deductions.

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 than 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

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.
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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 – Remuneration 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.

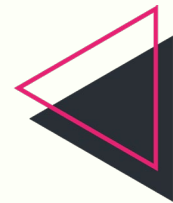
European Data Protection Board – Guidelines on Pseudonymisation

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.

CASE RULINGS



WHAT IS THE MEANING OF 'SEX' UNDER THE EQUALITY ACT 2010?

The Supreme Court has delivered its ruling today in the highly technical case of [‘For Women Scotland Ltd \(appellant\) v The Scottish Ministers \(Respondent\)’](#), in which it gives its judgement on the meaning of the term ‘sex’ for the purpose of the Equality Act 2010.

OVERVIEW OF CASE

The [Gender Recognition Act 2004](#) stipulates that “if the acquired gender is the male gender, then the person’s sex becomes that of a man, and if it is the female gender, the person’s sex becomes that of a woman”. The Act therefore provides comprehensive protection for someone who is transgender.

However, before today’s judgement, the extent of protection afforded to someone who is transgender under the [Equality Act 2010](#) has been unclear. It is ambiguous as to whether it refers to biological sex or the legal ‘certified’ sex as defined by the Gender Recognition Act 2004.

The Supreme Court was therefore tasked with determining the definition of ‘man’, ‘woman’, and ‘sex’ within the context of the Equality Act 2010.

CIRCUMSTANCES IN THE CASE OF ‘FOR WOMEN SCOTLAND LTD (APPELLANT) V THE SCOTTISH MINISTERS (RESPONDENT)’

In 2019, the Scottish Government enacted the [Gender Representation on Public Boards \(Scotland\) Act 2018](#), aiming to increase the representation of women on public sector boards. This legislation defined ‘woman’ to encompass individuals living as women who were either undergoing or proposing to undergo gender reassignment, and accompanying guidance was issued.

The guidance clarified that the legal definition of women would align with both the Equality Act 2010 and the Gender Recognition Act, meaning the definition of sex extended beyond biological or birth sex and included those possessing a gender recognition certificate, which would act as proof of their sex ‘for all purposes’.

The campaign group ‘For Women Scotland’ contested this interpretation, asserting that the terms ‘man’ and ‘woman’ should be understood in their common, everyday sense, arguing that sex is an immutable biological characteristic. They argued that the Equality Act 2010 takes precedence over the Gender Recognition Act 2004, and therefore, the definition of woman must strictly adhere to biological sex to safeguard the rights of women.

Conversely, the Scottish Government maintained that the language of both pieces of legislation is clear and that the intended meaning of the law was understood. Furthermore, they argued that the Gender Recognition Act 2004 explicitly states that a full gender certificate applies “for all purposes,” thereby entitling an individual whose sex has become that of their acquired gender to the protections associated with that sex, including protection against unfavourable treatment.

The central issue therefore before the Supreme Court was whether an individual holding a full Gender Recognition Certificate (GRC) affirming their gender as female is considered a “woman” under the Equality Act 2010.

SUPREME COURT JUDGEMENT 16 APRIL 2025

The Supreme Court delivered its judgement on the legal definition of a woman, with Lord Hodge saying, “it’s the “unanimous decision” of this court that the terms “woman” and “sex” refer to a biological woman and biological sex in the Equality Act 2010”. In other words, a trans woman with a GRC **would not** qualify as a ‘woman’ under the Equality Act 2010.

In the judgement ([Section 20, paragraph 248](#)), the Supreme Court states that “*a biological sex interpretation would not have the effect of disadvantaging or removing important protection under the EA 2010 from transpeople (whether with or without a GRC). Our reasons for this conclusion follow. We consider protection from both direct and indirect discrimination and harassment, and equal pay*”. Meaning, that a trans person can be protected from various forms of unfavourable treatment under the Act, in the form of both direct and indirect discrimination and harassment, including discrimination by association, whether or not there is a GRC.

The ruling also said that in the Equality Act 2010, the terms 'man', 'woman', and 'sex' which are understood to denote biological sex, and to treat sex acquired via a GRC as equivalent would create inconsistencies within the law, particularly in areas such as pregnancy and maternity. Furthermore, awarding greater rights to someone who holds a GRC would create practical issues for service providers as they are lawfully not allowed to ask if a person has a GRC.



WHAT DOES THIS MEAN?

This is a complex case and scrutiny of the judgment is vital. At high level what we can take away from this ruling, is that essentially, businesses can lawfully operate workspaces such as restrooms, changing rooms in a way to restrict them based on biological sex because the finding by the Supreme Court is that term 'woman' under the Equality Act refers strictly to biological sex.

It is really important to emphasise, that for many, this ruling will be a significant disappointment, and we must remember that transgender employees must continue to receive workplace protection against discrimination. Gender recognition is a protected characteristic under the Equality Act 2010 and so a person must not be subjected to unfair treatment of discrimination, either directly, indirectly, or to be harassed because of their protected characteristic.

PAYROLL

NEONATAL CARE LEAVE AND PAY NOW IN FORCE

This month the new Neonatal Care Leave and Pay Act 2023 came into force; it provides 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.

MAKE A NOTE! IMPORTANT REMINDERS

Here is a summary of the new statutory payments in force this month:

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 entitles employees to take a period of leave of absence when their baby requires neonatal care.

6 April 2025 - Statutory family rates

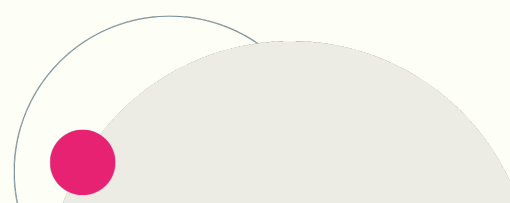
Family statutory rates increase from £184.03 to £187.18 per week. This is for statutory adoption, maternity, parental bereavement pay, paternity pay and shared parental pay. Neonatal care leave pay will also be included, where it has lasted for at least 6 weeks.

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 – Lower earnings limit

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 increased from £123 to £125.



6 April 2025 – Rate of SSP

Statutory sick pay increases 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 increases 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 increases from £115,115 to £118,223.

6 April 2025 – Statutory guarantee

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

7 April 2025 – Maternity Allowance

The rate of maternity allowance increases from £184.03 to £187.18 per week.

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.

P60

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.

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 THRESHOLDS

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

APRIL IS STRESS AWARENESS MONTH

Mental health is the number one work reason for sick days amongst employees. Data from the HSE 2022/23 showed that of the 1.8 million people suffering from work related illness, 875,000 were due to work related stress, depression or anxiety. According to the most recent Labour Force Survey 17 million working days are lost each year due to work related stress, depression and anxiety.

WHAT ARE THE MAIN CAUSES OF WORK-RELATED STRESS?

Demand: When the demands of the job exceed the capabilities or the capacity of the individual, this can lead to stress from burn out, lack of rest, or feelings of inadequacy.

Control: We've all likely experienced some form of micromanagement before and understand how that can make us feel. Having no control over your job, how it is performed, or even when you can take annual leave or a lunch break. Employees should have some say and flexibility in the way the role is undertaken, and this will help foster a productive work environment.

Support: Lack of managerial support or support from colleagues can become isolating. Employees who feel unsupported may feel uncomfortable raising concerns. This can become an increasing concern, when employees work remotely.

Relationships: Conflicts, lack of trust, bullying and harassment can create a toxic environment that fosters stress and anxiety for those subjected to it. Do you have clear policies in place for managing bullying and harassment?

Role: Where roles are not clearly defined, employees may feel conflicted and unclear of their responsibilities or purpose. Clearly defining roles and responsibilities and expectations around tasks can create clarity.

Change: Never underestimate the effects of 'minor' changes. Seemingly small changes can have a big impact on people's ways of working, their morale and level of work-related stress. When implementing change, consider how this will impact individuals and departments and consult and communicate often with them regarding the changes.

Over the course of the month, focus on one of the campaign's 5 Rs for each of the five weeks:

- a) Reach out and have conversations
- b) Recognise the signs and causes of stress
- c) Respond to any risks you've identified
- d) Reflect on actions you've agreed and taken, and make it
- e) Routine

Consider workplace stress as part of your workplace risk assessment process. You can access our templates stress risk assessment to help you conduct one.

Ensure you train management to recognise the early symptoms of stress and give them the skills to conversations with employees. Of course, training must not end with managers, it must be provided to all employees.


SPOTLIGHT ON LEGIONELLA BACTERIA

Legionella is a bacterium which can be found in natural and artificial water sources and classed as a 'biological agent' a living organism that can cause human disease and can be a hazard to the health of workers, customers or members of the public. Those age 45 or over are at a greater risk, men are disproportionately affected at a ratio of 3:1 male/female and those who smoke or people with underlying illnesses or impaired immune system are also more susceptible.

WHAT IS LEGIONNAIRES' DISEASE

People can contract Legionnaires' disease by inhaling small droplets of water, these can be known as 'aerosols' which can suspend in the air and contain the bacteria. Legionella species can be found in i.e. cooling towers, hot and cold-water systems, hosepipes, engineering processes to name a few and thrive in water temperatures between 20-45°C.

Symptoms from the disease can be headache, a cough, high temperature, muscle pains and chills. More serious symptoms can be confusion, diarrhoea or pneumonia. Depending on the severity most people can be treated with antibiotics, however it can become fatal if untreated, especially in vulnerable persons.



Duty Holders and employers have a legal requirement under the Health and Safety at Work Act, the Control of Substances, Hazardous to Health Regulations and the Management of Health and Safety at Work Regulations to reduce and manage the risk from exposure to legionella for workers, visitors and contractors at their premises.

Businesses can be fined with penalties ranging from thousands to millions of pounds by the Health and Safety Executive (HSE) and potential prison sentences, if they fail to manage and control legionella risks within their business.

Management Controls:

1. At your premises identify and assess any sources of risk and manage that risk
2. Develop a written control scheme to control and prevent any risks
3. Appoint a 'duty holder' and 'responsible person' to manage the control scheme
4. Maintain and retain correct records
5. Provide training
6. Review control measures

Tip! The HSE have developed an approved code of practice for the control of legionella bacteria, which employers should familiarise themselves with. <https://www.hse.gov.uk/pubns/books/l8.htm>

RECENT PROSECUTION

Amey Community Limited (who provide facilities management services) was recently fined following the failure to manage the risk from legionella bacteria in the hot and cold-water systems at HMP Lincoln, where a prisoner died after contracting Legionnaires' disease.

Water sampling was taken in the deceased cell and nearby shower blocks, the samples tested positive.

The company was fined £600,000 and ordered to pay £15,186.85 in costs when pleading guilty to breaching Section 3(1) of the Health and Safety at Work etc. Act 1974.

REPORTING OF INJURIES, DISEASES AND DANGEROUS OCCURRENCES REGULATIONS (RIDDOR)

A business must report any known cases of legionellosis of a worker, should the disease be attributed to an occupational exposure to a biological agent (legionella), if they have worked on hot and cold-water system or on cooling towers that could be contaminated with legionella.

Read our full article here to learn more about the steps businesses can take to reduce risk.

Check out our step-by-step guide to managing Legionella available here.

UPDATE ON MARTYN'S LAW

The Terrorism (Protection of Premises) Act 2025 also known as Martyn's Law received royal ascent on 3rd of April. The regulator the Security Industry Authority (SIA) have stated "There will be a period prior to the legislation being commenced. We expect this to be at least 24 months to allow for the set-up of the regulator. This will also ensure sufficient time for those responsible for premises and events in scope to understand their new obligations before they come into force, being able to plan and prepare accordingly."

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.

INTERESTING HR STATISTICS



DATA BREACHES REACH NEW HIGH

The latest information relating to personal data breaches reported to the [Information Commissioner's Office \(ICO\)](#) show an increase in the year 2023 to 2024. During this period, there was an increase of 471 complaints: the highest level of breaches since 2019.

The ISO's [Personal Data Breach Cases – data sets](#), particularly the latest publication for the period October to December 2024, provides the following data in respect of personal data breaches:

- 90% of cases led to informal action being taken
- 9% led to no further action being taken
- 1% resulted in regulatory action being taken (reprimand)
- 20% related to information systems cyber incident.

When you compare the above data to the previous quarter (July to September 2024), there were 392 fewer cases. Breaking this set of data down, it shows:

- 73% of cases led to informal action being taken
- 27% led to no further action being taken
- 23% related to information systems cyber incident.

This data regarding personal data breaches is alarming. Personal data is any personal information that relates to a 'data subject' (an identified or identifiable person to whom the personal information relates) that can be directly or indirectly identified by reference to a piece of data, which is processed or is intended to form part of an organisation's filing system (electronic or hard copy formats).

It includes (but is not limited to) a name, identification number, location data or online identifier. It may be an identifier that relates to physical, physiological, genetic, mental, economic, cultural, or social identity. It may also apply to data that has been pseudonymised.

The nature of the definition of data and personal data means that the expression of opinion or view about a data subject may also be regarded as personal data.

Furthermore, special category data is what is more commonly referred to as 'sensitive data'. In essence this is any data that has the potential to be used to discriminate against any person. It includes racial, ethnic, political opinion, religious or philosophical belief, trade union membership (or non-membership), genetic, biometric data (where used to identify a person), health, sex life or sexual orientation data.

With UK data protection laws subject to forthcoming reforms as set out within the [Data \(Use and Access\) Bill](#), it is important that employers keep up to date with the forthcoming changes to ensure personal data (including sensitive personal data) is handled lawfully.

This Bill is currently progressing through Parliament, and we are expecting it to become an Act of Law imminently, but with an implementation date not for some time. We understand that it is likely the reforms will not come into force until next year, giving employers time to prepare for the changes. 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.

PREVENTING REDUNDANCY IN 2025

Many businesses continue to find the economic climate challenging. In fact, according to the Office of National Statistics, the UK redundancy rate for the period October to December 2024 (as reported in their [March 2025 Labour Market Overview report](#)) was 4.2 per 1,000 employees - an increase of 0.3 per thousand on the previous quarter. In our recent webinar in which we explored the topic of redundancy, prevention and ensuring a lawful process, we ran several polls in order to understand further the concern for redundancies, prevention strategies being adopted.

PROACTIVE STRATEGIES BEING ADOPTED FOR PREVENTING REDUNDANCY

Fundamental to strategic business planning is how to prevent redundancy. This can take many forms such as cost management and efficiency measures, that includes a freeze on recruitment, restricting overtime or the use of agency or contract workers or reducing/eliminating non-essential spending.

It can also include strategic workforce planning, such as forecasting future needs in terms of skills and capabilities, roles and headcount; allowing natural attrition and not replacing the role when someone leaves or even upskilling the existing workforce enabling a greater amount of transferable skills in the future.

Flexible working can also be a good strategic prevention measure. This could include offering periods of unpaid leave or sabbaticals, part time working, job share or even moving to a four-day working week.

Finally, there are two statutory government mechanisms potentially available to an employer which is short time working or temporary lay-offs.

We asked respondents to tell us which proactive risk prevention strategy they were either considering or taking to avoid compulsory redundancies:

- 40% said that cost management and efficiency measures was their proactive strategy
- 35% said they used strategic workforce planning as their strategy for preventing redundancies
- 15% considered using flexible working options as their risk prevention strategy
- 10% considered either of the two government mechanisms of short time working / statutory guarantee lay-offs as their way to prevent redundancy

Despite preventative plans being in place, we found that unfortunately 55% of respondents said they were contemplating redundancies.

THE SCALE OF REDUNDANCIES

There are legal differences in managing a redundancy programme depending on the scale of it. For example, whilst all redundancy programmes regardless of numbers impacted, must include a consultation period, it is only where 20 or more individuals who are at risk at one establishment in any 90 day period, must there be collective redundancy with either union representatives or elected employee representatives. Proposed redundancies where there are fewer than 20 at risk, then individual consultation only is required.

As we know 55% of the respondents said they were contemplating redundancies, we found that the majority (70%) involved fewer than 20 individuals, meaning their legal obligation for consulting extended only to individual consultation.

When looking at larger scale redundancies, 30% of the respondents would therefore be required to undertake a period of collective consultation, and of this group, 25% would be consulting for at least 30 days because of there being between 20 – 99 individuals at risk. The remaining 5% would require collective consultation for at least 45 days because of there being 100+ individuals at risk.

AVOIDING REDUNDANCY

To ensure a potentially fair redundancy dismissal, there is a legal obligation on an employer to explore ways in which redundancy can be avoided. We explored in our webinar what steps employers are currently considering:

Voluntary redundancy?

75% of respondents said that they would offer voluntary redundancy, although this is not a mandatory step in a redundancy process. There are pros and cons for offering voluntary redundancy:

- Pros include improved morale, the reduced risk of a legal challenge, having greater control over departures and enabling a faster and smoother transition.,
- Cons include: the loss of key talent, unpredictability in the uptake, increased costs, and loss of business knowledge

Of course, employers do not need to accept applications for voluntary redundancy, and whilst they must have a sound non-discriminatory reason for who they select, there is some control over who is accepted.

Of the 75% who said they would consider asking for volunteers, their reasons for doing so included:

- 50% believed it would limit the impact of making redundancies on morale
- 30% felt that it would lead to a smoother transition
- 20% believed it would reduce the risk of legal challenge.

Those who did not consider asking for volunteers, their reasoning behind this was due to:

- 40% cited the loss of key talent to be a concern
- 30% felt there would be increased costs
- 20% were concerned about the unpredictable uptake
- 10% didn't want the risk of setting a precedent.

'Bumping'?

Are you familiar with the term when managing redundancies known as 'bumping'? If not, you are not alone, in fact, 70% of respondents were unfamiliar with this term too. It is a potentially lawful practice where an employee who is at risk of redundancy is moved to a different position that is already occupied, and thus, making that second person the one who is redundant. It is a legally recognised practice, but a fair and non-discriminatory procedure must be used when implementing it.

SUMMARY OF KEY INSIGHTS

1. **HR Management:** Smaller businesses rely on individual HR managers or outsourced HR, while larger businesses have dedicated HR teams.
2. **Redundancy Strategies:** Strategic workforce planning and cost management are the most common approaches to prevent redundancies.
3. **Voluntary Redundancy:** While widely considered, concerns about talent loss and costs remain significant barriers.
4. **'Bumping' Awareness:** Limited awareness and usage of the practice suggest a need for further education on this topic.

LABOUR MARKET OVERVIEW

The latest data from the Office for National Statistics (ONS), in their Labour Market Overview, [published 15 April 2025](#) shows the following economic indicators:

EMPLOYMENT

For the period December 2024 to February 2025:

- Employment levels for those aged 16+ slightly increased to 75.1%
- Unemployment levels increased to 4.4%
- The number of the working age population who are economically inactive has slightly decreased to 21.4%

PAYROLLED

Estimates for March 2025

- There were 30.3 million payrolled employees; a decline of 70,000 employees over the previous 12 months
- Estimates for March 2025 indicate that median monthly pay has increased by 4.8% compared with March 2024
- Annual growth in real terms, adjusted for inflation using the Consumer Price Index was 2.1% for regular pay and 1.9% for total pay
- The highest annual growth in median pay for March 2025 was in the accommodation and food services activities sector
- Annual average regular earnings growth was 5.9% for the private sector and 5.7% for the public sector
- Average weekly earnings were estimated at £716 for total earnings and £670 for regular earnings.

VACANCIES AND JOBS IN THE UK

For the period January to March 2025:

- The estimated number of vacancies fell by 26,000 (3.2%) on the quarter to 781,000. This was the 33rd consecutive quarterly decline
- Total estimated vacancies were down by 125,000 (13.8%), the first time since March to May 2021 and below the pre coronavirus figure
- The number of unemployed people per vacancy was 2.0 (December 2024 to February 2025), an increase from 1.9 in the period September to November 2024.

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](#).