



HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

October 2025

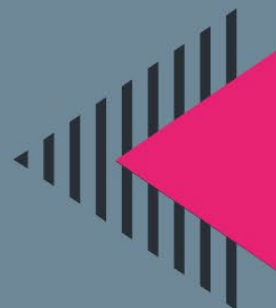
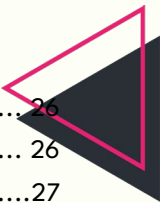


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RECENT AND FUTURE CHANGES

RECENT CHANGES

NEW DIGITAL ID SCHEME ANNOUNCED

26 September 2025, the [Prime Minister announced](#) the launch of a new scheme aimed at tackling illegal working. The introduction of a new digital ID system will mean that it will become compulsory to have digital ID to be able to work in the UK and, therefore, will become form of ID when carrying out the right to work.

This new scheme will take time to implement, and we must wait further guidance, but what we do know in terms of timescales, is that the Prime Minister Keir Starmer, has said that it will be rolled out before the end of parliament. In other words, before the next general election, which, based on when the Labour party came into office, must by law, take place no later than August 2029.

You will remember that back in January 2024, the Government at the time, increased the financial penalties for businesses found to be employing illegal workers by introducing the [‘Immigration \(Employment of Adults Subject to Immigration Control\) \(Maximum Penalty\) \(Amendment\) Order 2024](#). This resulted in a significant rise in fines - for a first breach, the fine increased from £15,000 to £45,000 per illegal worker, and for second and subsequent breaches, the penalty increased from £20,000 to £60,000 per illegal worker.

In today’s announcement, the Government reported that since coming to power, illegal working arrests have soared by 50%. In fact, 49,341 people were found to have entered the UK without permission in the year to June 2025 – up by 27% on the previous year.

Of course, there are other reasons for introducing this system, not only will it combat illegal working, but it will also make it easier for people to use Government services.

This announcement today, acts as a good reminder of the importance in right to work checks which must be carried out before someone starts work with you, and, in some cases, if the right to work is only for a defined period, then employers must ensure that their working practices ensure that checks are carried out in advance to these expiring.

If you would like to understand more about your obligations in recruiting overseas workers, or in carrying out right to work checks, [get in touch](#) with us.

EMPLOYMENT TRIBUNAL FEES DECISION

We have written previously about the prospect of employment tribunal fees returning. You may recall that the reason why they stopped a few years back was because of a Supreme Court ruling, which deemed them to be unlawful on the grounds that they prevented access to justice. It was however proposed that they return but at a much lower cost to reflect the administrative costs that placed upon the court system.

However, on 9 October, the Justice Secretary, David Lammy MP has now ruled out entirely re-introducing them by saying:

“it’s a fundamental principle that everyone, no matter their income, should be able to get access to justice to challenge unfair behaviour at work. It’s not just a basic right, it’s also fundamental to this government’s plan to make work pay. That’s why it will remain free to bring a case to an employment tribunal, ensuring everyone, no matter their means, can stand up for their rights at work.”

CHANGES TO IMMIGRATION RULES

On 14 October 2025, the Home Office published a [new statement](#) setting out changes to the UK’s Immigration Rules. Alongside this statement is an [explanatory memorandum](#).

One key development is the immediate introduction in a reduced graduate route stay period. Currently set at two years, but effective from 1 January 2027, this will become 18 months. A statement from the government’s minister for Migration and Citizenship says:

“The Government announced in the Immigration White Paper that it will reduce the period of leave granted under the Graduate route from two years to 18 months for most applicants. PhD graduates will continue to be eligible for three years of permission. This change is informed by data showing that too many graduates are not progressing into graduate-level employment which the Graduate route was created to facilitate access to. It is intended to ensure that those who remain in the UK transition into graduate level jobs and properly contribute to the UK economy”.

A further development is that English language will be a requirement for skilled workers, high potential individuals, and scale up workers will be level B2 for applications made on or after 8 January 2026.

There will also be an expansion of the High Potential Individual route, which will result in doubling the number of eligible institutions but with a cap of 8,000 applications a year

EMPLOYMENT RIGHTS BILL UPDATE!

Status of Bill:

With Parliament having been in recess since mid-September due to the annual party conference season, there haven't been many developments with the ERB Bill. Although just prior to recess, and since our last newsletter, the Government rejected a series of amendments that had been tabled by the House of Lords which had included:

- Replacing the day one right to claim unfair dismissal with a six-month qualifying period
- Altering the requirement for employers to offer a guaranteed hours contract to zero-hours, low-hour, and agency workers, making it a right for workers to request one
- Defining "short notice" on compensation for shift changes and cancellations for zero-hour, low-hour, and agency workers as less than 48 hours
- Expanding who can accompany a worker at disciplinary and grievance hearings to include a "certified professional companion"
- Extending whistleblowing protections and placing a requirement on large employers to investigate protected disclosures
- Softening trade union reforms on industrial action ballots and political fund contributions.

Our research is still indicating a possible late Autumn for the passing of the Bill. Before then however, we can expect to see several Government public consultations launched over the Autumn, which include consultations on:

- Reinstating the School Support Staff Negotiating Body (SSSNB)
- Introducing a Fair Pay Agreement for the Adult Social Care sector
- Giving employees protection from unfair dismissal from 'day 1' including on the dismissal process in the statutory probation period
- Various Trade Union measures such as electronic and workplace balloting, simplifying the trade union recognition process, new rights and protections for trade union representatives
- Banning fire and rehire practices
- The regulation of umbrella companies
- The introduction of a new statutory bereavement leave
- Rights for pregnant workers, and
- ending exploitative zero-hour contracts.

Once the Bill is passed, then please note that there will be some changes that would come into effect immediately, or within the first two months at the latest. These will generally relate to revoking laws in industrial relations and making small procedural changes.

After this, the first main implementation stage will be April 2026, which will include the following reforms:

- Doubling the maximum period of the protective award for collective redundancy
- Making Paternity Leave and unpaid parental leave a day 1 right
- Broaden whistleblowing protections to include sexual harassment
- Establishment of the new Fair Work Agency body with gradual phased implementation
- Removal of the lower earnings limit and waiting period for statutory sick pay
- Simplifying trade union recognition process
- Introduce electronic and workplace balloting
- Introduce voluntary gender pay gap and menopause action plans (will become mandatory from 2027).

UK BANK HOLIDAYS

Last month, the Government published dates for UK Bank Holidays from now through to the end of 2027. You can access their list here. However, you will notice that if a holiday year runs between 1 April 2026 to 31 March 2027, there will be ten public bank holidays not the usual eight, as the table below illustrates:

	HOLIDAY YEAR		
	1 APRIL 2024 – 31 MARCH 2025	1 APRIL 2025 – 31 MARCH 2026	1 APRIL 2026 – 31 MARCH 2027
Good Friday	1 April	18 April	3 April
Easter Monday	6 May	21 April	6 April
Early May Bank Holiday	27 May	5 May	4 May
Spring Bank Holiday		26 May	25 May
Summer Bank Holiday	26 August	25 August	31 August
Christmas Day	25 December	25 December	25 December
Boxing Day (including substitute)	26 December	26 December	28 December
New Year's Day	1 January	1 January 2026	1 January 2027
Good Friday			26 March
Easter Monday			29 March
Number of Bank Holidays when a holiday year is 1 April to 31 March	7	8	10

So why does this matter? Well, it may not; but you will need to check the wording within your contract of employment to check whether you are contractually obliged to give these additional two days paid leave to all workers (pro-rated for part time workers). Failing to give workers their full entitlement to paid annual leave risks unpaid wages and breach of contract claims.

So, check the contract of employment, because if for instance, the wording is ***“your entitlement to paid annual leave is 20 days, plus bank holidays”*** then the worker would need to be given just that - 20 days, plus the 10 bank holidays in the 2026/2027 holiday year. In this instance, the contract doesn't limit the amount of bank holidays to be given. The employee for the holiday year of April 2026 to March 2027 must receive 10 paid Bank Holidays.

So how would this be managed? If your business always closes on a Bank Holiday, this is perhaps easier to manage as your workers would automatically be given the paid time off. However, they would still require 20 days of normal paid annual leave agreed through the usual holiday booking process.

The challenge comes when your business remains open on a Bank Holiday. If an individual works a bank holiday, they will tend to receive a day off in lieu of a later day. An employer still has operational discretion as to how to manage annual leave, it just must ensure the full entitlement is given.

If on the other hand, the contract states “**your entitlement to paid annual leave is 28 days including bank holidays**” this is easier, because it allows you to count these additional two days as part of the contractual 28 days that you provide. You would not be required to give additional paid time off for this anomaly and they would receive the 28 days.

If it appears your business is caught out with this scenario, it presents a good opportunity to review and update your template contract of employment for new hires moving forward. Clearly, for those already employed you must honour the contract, but for new starters, you could appoint on terms that don't catch you out in the future if this situation arises again.

LEGAL CHANGES IN RESPECT OF NON-DISCLOSURE AGREEMENTS

Earlier this month, the Victims and Prisoners Act 2024 (Commencement No.6) Regulations 2025 came into effect giving victims of crime greater protection by being no longer legally bound to non-disclosure agreements or confidentiality clauses.

The law protects a victim's right to disclose information about criminal activity to specific individuals and organisations for support, advice, or to report the misconduct. Therefore, making any provision in a settlement agreement preventing a protected disclosure being made to specified bodies as void. The person can be an actual victim of crime, or someone who reasonably believes to be.

Disclosures will be permitted to the police, or other bodies who investigate or prosecute crime which includes, but not limited to:

- The Health and Safety Executive
- Competition and Markets Authority
- Environment Agency
- Gambling Commission
- Financial Conduct Authority
- Information Commissioner's Office
- Serious Fraud Office

The Ministry of Justice's [updated guidance](#) sets out who victims can talk to and examples of permitted disclosures.

These permitted recipients fall into the following categories:

1. Professional Advisors

Information can be disclosed to professionals when seeking advice or support regarding the relevant conduct:

- **Qualified Lawyers:** This includes the law firm itself, and any individual authorised to perform reserved legal activities under the Legal Services Act 2007 (e.g., solicitors, barristers) for the purpose of seeking legal advice.
- **Regulated Professionals:** Any individual entitled to practice a regulated profession for the purpose of obtaining professional support. Examples include those regulated by the Health and Care Professionals' Council such as paramedics, Social Workers who are regulated by the Social Work England or Social Care Wales, School Teachers, regulated by the Teaching Regulation Agency or the Education Workforce Council.

2. Support Services & Regulators

Protected disclosures can be made to services or bodies designed to offer support or investigate misconduct:

- **Victim Support Services:** Charities or organisations that provide confidential and independent support to those affected by crime. This includes services like helplines, therapeutic support (such as counsellors bound by confidentiality), and advocacy (such as independent sexual violence advisors). The goal is to help the victim cope, recover, and understand their entitlements.
- **Industry/Business Regulators:** Bodies that supervise a particular industry, set professional standards, and consider misconduct. Examples include the General Medical Council for doctors or the Solicitors Regulation Authority for solicitors and law firms in England and Wales.

3. Close Family

The law also protects a victim's disclosure of criminal activity to a close family member for the purpose of getting support related to the crime.

- Close Family Members include a victim's child, parent, or partner.
- A "partner" is defined as someone who is married to each other, in a civil partnership, or in an intimate personal relationship of significant duration.

However, disclosing information to *other* family members or close friends is not protected under this legislation. A victim who does so may still be in breach of a confidentiality or non-disclosure agreement (NDA).

4. Authorised Representatives

To ensure no practical barriers prevent victims from getting advice or support, disclosures are permitted to anyone authorised to receive information on behalf of the groups listed above for the permitted purpose. Examples include a receptionist at a law firm receiving information on behalf of a lawyer or an interpreter authorised to receive information on behalf of the police during a crime report.

PAY AND CONDITIONS OF SCHOOL TEACHERS IN WALES

The School Teachers' Pay and Conditions (Wales) Order 2025 came into force 7 October 2025, but for the purpose of coming into effect, it is given retrospectively, with an effect date from 1 September 2025.

FUTURE CHANGES

ARE YOU READY FOR THE 2026 STATUTORY SICK PAY (SSP) CHANGES?

Significant reforms to Statutory Sick Pay (SSP) are coming in just six months, and they will affect your business.

From April 2026, two major changes will take effect:

1. **Payment from day one:** SSP will be paid from the first day of an employee's absence, rather than the current fourth day.
2. **Removal of the Lower Earnings Limit (LEL):** The minimum earnings threshold for SSP eligibility will be removed. Those on low earnings will receive 80% of their average weekly pay instead.

These changes to how SSP is awarded and calculated are projected to make an additional 1.3 million employees eligible (according to the [Department for Work and Pensions](#)). This expansion will inevitably increase employer costs, with the heaviest financial impact falling on Small and Medium-sized Enterprises (SMEs), which represent [99% of all businesses in the UK](#).

Further possible implications are if your organisation operates a company sick pay (CSP) scheme. This is important because you will need to carefully review how these reforms interact with your enhanced sick pay policy.

For example, if your CSP policy is currently tied to the SSP framework—meaning your enhanced sick pay mirrors the SSP eligibility and waiting period—the enhanced element will also automatically be paid from the first day of absence, and the Lower Earnings Limit will be removed. This could therefore significantly raise your sick pay liabilities.

TRADE UNION REFORMS EXPECTED SOON

According to the Government's roadmap for delivering their Plan to Make Work Pay, the Employment Rights Bill will be implemented in at least four phases, the first one being at or soon after the Bill is given Royal Assent. Which means, the first round of changes could come into effect from as early as the end of the year.

According to the Government's roadmap, these are the areas of reform that will come into effect at phase 1. If your business recognises a trade union, it is vital that you are prepared for these changes:

- Repeal of the Strikes (Minimum Service Levels) Act 2023;
- Repeal of the majority of the Trade Union Act 2016;
- Removing the 10-year ballot requirement for trade union political funds;
- Simplifying industrial action notices and industrial action ballot notices;

- Protections against dismissal for taking industrial action.

Repeal the majority of the Trade Union Act 2016 and the Strikes (Minimum Service Levels) Act 2023

The Government believes that the Trade Union Act 2016 places unnecessary restrictions and red tape on trade union activity and believe that by repeal the 2016 Act, along with the Strikes (Minimum Service Levels) Act 2023, would reset industrial relations between unions, employers and workers.

Accordingly, the ERB proposes to return the law to pre-2016, which is when the Trade Union Act was introduced, although there will be three exceptions:

1. The Bill retains the ballot mandate expiration date; however, it is proposed that it increase from 6 to 12 months
2. Retain the notice period for industrial action but to shorten it from 14-days' notice to 10 days (although pre 2016 it was 7 days)
3. Retain the independence of the Certification Officer from political control (ministerial direction).

Since the Trade Union Act 2016 will be repealed, other than the three elements above, it will mean the following changes:

- **Political Funds:** New union members will be automatically opted in to contribute to a political fund unless they expressly opt out.
- **Check-off System:** Unions will no longer need to pay for the administration of the check-off system in the public sector.
- **Facility Time:** Requirements for public sector employers to publish information on facility time will be removed, as will the power to cap it.
- **Industrial Action Reporting:** Unions will no longer have to follow certain reporting requirements related to industrial action, such as providing additional information on voting papers.
- **Strike Ballots:** Unions will only need a simple majority of members who vote in an industrial action ballot to approve a strike.
- **The 40% support threshold:** The current threshold for strike ballots in critical public services (fire, health, education, transport, border security, and nuclear decommissioning) will be removed.
- **Picketing:** The additional requirement for unions to supervise picketing and appoint a supervisor will be removed.
- **Electronic Balloting:** The requirement to consult and publish a review on electronic balloting will be removed. The government will instead consult a working group to introduce modern electronic balloting.
- **Certification Officer:** The Certification Officer will no longer have certain investigatory powers, including the ability to investigate unions based on third-party complaints or on their own initiative. They will also lose the power to impose financial penalties or make declarations against a union regarding annual return requirements. They will however be able to continue to have the power to investigate financial affairs.
- **Levy payments:** The power to require unions and employers' associations to pay a levy to the

Removing the 10-year ballot requirement for trade union political funds.

The government is also of the view that the Trade Union Act 2016 creates unnecessary restrictions on union activities. So, by repealing this and the Strikes (Minimum Service Levels) Act, industrial relations among unions, employers, and workers will improve.

Trade unions cannot use their main funds for political purposes. Instead, they must create a political fund. They do this by first holding a ballot to get a mandate from its members and then a ballot takes place every 10 years on the question of whether the funds should be maintained is asked of its members. Members can choose whether to contribute under the current rules.

What the ERB will do, is to change this position so that instead of members automatically being opted out of contributing, new members will be automatically opted in and then free to opt out. The current requirement for a 10-year ballot on the question of maintaining political funds will be abolished, and instead, there will be a requirement for trade unions to send a reminder notice to its members informing them of their right to opt-out of making political fund contributions every 10 years.

Simplifying industrial action notices and industrial action ballot notices

The ERB also intends to simplify the approach taken for industrial action and ballot notices.

The current rules mean that industrial action ballot notices must include:

- a list of categories of workers being balloted
- a list of workplaces in which the workers work
- the total number of workers concerned
- the number of workers being balloted in each category listed
- the number of workers concerned at each listed workplace
- an explanation of how these figures were arrived at

When it comes to industrial action notices, currently, they must specify:

- a list of categories to which relevant workers belong
- a list of workplaces in which the said workers work
- the total number of affected workers
- the number of affected workers in each category listed
- the number of affected workers who work at each listed workplace
- an explanation of how these figures were arrived at.

The ERB will simply these above rules by changing them as follows:

- notices provided by the unions of their intent to ballot must include:
 - the total number of employees in each of the categories of workers being balloted
 - the number of workers concerned at each workplace
 - an explanation of how these figures, and the total number of employees concerned, were arrived at.
- notices provided by the unions of taking industrial action must include:
 - the number of affected workers in each category listed
 - (and consequently, the duty to provide an explanation of how this figure was determined).

Protections against dismissal for taking industrial action.

At present, there is a conflict between how the UK's Trade Union and Labour relations (Consolidation) Act 1992 operates alongside Article 11 of the European Convention on Human Rights. The Bill aims to address a flaw that had been the centre of a Supreme Court ruling in 2024.

At present, employees can only claim unfair dismissal if they are dismissed for having taken protected industrial action that has taken place within 12 weeks of them having started industrial action. The Bill will remove this 12-week cap, where the reason for the dismissal is taking protected industrial action. Employees will be protected regardless of the length of the strike action.

EMPLOYMENT BILLS

The Employment Rights Bill

This Bill, when passed, will introduce the biggest changes in employment law in decades. Impacting the entire employment lifecycle, it will change how we recruit and retain our employees, and in managing the ending of the employment relationship.

The Bill had returned to the House of Commons for consideration of the Lord's amendments, but since these were rejected, the Bill has returned to the Lord's, where it will be further discussed at the end of the month (28 October). Once both Houses agree on a version of the Bill, it will then be passed for Royal Assent. We still expect this could be around November 2025.

OTHER CURRENT BILLS PROGRESSING THROUGH PARLIAMENT:

The Domestic Abuse (Safe Leave) Bill

This Bill proposes to provide employees who are victims of domestic abuse with up to 10 days paid leave each year to support in dealing with the many challenges experienced when trying to leave the relationship. This is currently at the 2nd reading stage in the House of Commons and is scheduled to take place 31 October 2025.

Bullying and Respect at Work Bill

This [private members Bill](#) if passed, would introduce a statutory definition of bullying at work. In addition, it would make a provision relating to bullying at work that includes enabling claims relating to workplace bullying to be considered by an employment tribunal. It would also introduce a Respect at Work Code that would set minimum standards for positive and respectful work environments and give powers to the Equality and Human Rights Commission to investigate workplaces and organisations where there is evidence of a culture of, or multiple incidents of, bullying and to take enforcement action. The Bill had its first reading in the House of Commons on 21 October 2024, and the second reading took place 11 July 2025, and we're waiting for information regarding the next stage.

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. This Bill is currently at the report stage in the House of Lords, for which a date is to be announced. Once their report is published, the Bill is then passed for its third and final reading.

Company Directors (Duties) Bill

If passed, this [Private Members' Bill](#), would amend section 172 of the Companies Act 2006 to require company directors to balance their duty to promote the success of the company with duties in respect of the environment and the company's employees. It is early in the process and currently waiting the next stage which is its second reading, scheduled for around the Friday 31 October.

Equality (Race and Disability) Bill

We know through the Employment Rights Bill, that the Government are seeking to reform areas of equality relating to race and disability. A standalone Bill has been drafted which has recently been the subject of a public consultation. The Government are currently analysing the feedback from this process. In terms of the Bill, it is proposing the following:

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

It is unclear when this Bill could come into force, but our research indicates it may not be until 2027.

FUTURE CHANGES (BY IMPLEMENTATION DATE)

NOVEMBER 2025

Estimated November/December: Employment Rights Act 2025

It is estimated that the [Employment Rights Bill](#) could be passed as an Act of law around November/December 2025.

Estimated November-January: First set of reforms expected to come into force:

There are several reforms that will come into force not long after the Bill is passed, either immediately on its passing, or certainly within two or three months thereafter. These include:

- Repealing the Strikes (Minimum Service Levels) Act 2023
- Repeal the majority of the Trade Union Act 2016 to prevent the need for strikes
- Removing the 10-year ballot requirement for trade union political funds
- Simplifying industrial action notices and industrial action ballot notices
- Protections against dismissal for taking industrial action

DECEMBER 2025

1 December 2025 – Scotland only: Equality Act 210 (Specification of Public Authorities) (Scotland) Order 2025

This Order when in force, will add Zero Waste Scotland Limited to the list of Scottish public authorities in Part 3 of schedule 19 of the Equality Act meaning they will become subject to the public sector equality duty.

The Public Sector Equality Duty (PSED) applies in England, Scotland and Wales and requires public authorities to have due regard to certain equality considerations when exercising their functions. It is intended to help decision-makers, including Government ministers, to comply with the duty.

1 December 2025 – Scotland only: Equality Act 210 (Specific Duties) (Scotland) Amendment Regulations 2025

These Regulations amend the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, to provide different dates by which Zero Waste Scotland must report progress on compliance with the public sector equality duty and publish gender pay gap information and statements on equal pay.

The Regulations also define the 'relevant period' which is applicable to Zero Waste Scotland where a listed authority is not required to publish the information due to not having 20 or more employees at any time during the relevant period.

2026 AND BEYOND

Employment Rights Act Reforms: April 2026:

- Doubling the maximum period of the protective award for collective redundancy
- 'Day 1' Paternity Leave and unpaid parental leave
- Whistleblowing protections broadened
- Fair Work Agency body established which will have enforcement powers to ensure fairness
- Statutory sick pay – the removal of the lower earnings limit and waiting period
- Simplifying trade union recognition process
- Electronic and workplace balloting
- Gender pay gap and menopause action plans (initially voluntary in 2026, but mandatory in 2027)

April 2026: Finance Bill 2025-26 to amend part 2 of the Income Tax (Earnings and Pensions) Act 2003

This Act will make recruitment agencies accountable for Pay As You Earn (PAYE) on payments made on or after 6 April 2026 to workers supplied through umbrella companies (or the end client, where there is no agency).

It will make the agency and umbrella company jointly and severally liable and allowing HMRC to pursue either or both.

If there is more than one agency in the supply chain, the rules will apply to the agency that has the direct contract with the end client to supply the worker. Where there is no agency, or whether the agency holds a material interest in the umbrella company, the liability will fall directly on the end client.

June / July 2026 The Data Use and Access Act 2025 (around June 2026)

The Data Use and Access Act 2025 is expected to come into force within twelve months from becoming an act of law. This would therefore be around Summer 2026.

The date is yet to be confirmed, but it is anticipated to be approximately 12 months from when the Bill was given Royal Assent (19 June 2025). The Act will amend certain sections of the General Data Protection Act in areas such as automated decision making, data subject access requests and a new requirement in regard to complaints.

However, a limited number of provisions have already come into force upon Royal Assent, which includes section 78 that relates to reasonable and proportionate searches for data subject access requests and the introduction of the 'stop the clock' mechanism.

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.

Employment Rights Act Reforms: October 2026:

- Dismissals connected to an employer seeking to vary an employee's contract, but the employee does not agree will be automatically unfair
- Establish the Fair Pay Agreement Adult Social Care Negotiating Body in England
- Tightening tipping law by requiring employers to consult with workers to ensure fair tip allocation
- Requiring employers to take "all reasonable steps" to prevent sexual harassment of their employees
- New obligation on employers not to permit the harassment of their employees by third parties
- Introducing a new duty to inform workers of their right to join a trade union
- Strengthen trade unions' right of access
- New rights and protections for trade union reps
- Extending protections against detriments for taking industrial action
- Employment tribunal time limits extended from 3 months to 6 months

New regulatory framework to bar NHS managers for misconduct (sometime 2026)

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

2027

Employment Rights Act Reforms: 2027:

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

- Develop a modern industrial relations framework
- Updated rules relating to protections from blacklisting due to trade union membership or activity
- Changes to the threshold for when collective redundancy consultation applies
- An employer's reason for refusing a flexible working request must be reasonable
- A new statutory entitlement to bereavement leave
- The regulation of umbrella companies
- Ending exploitative zero-hour contracts and applying zero-hour contract measures to agency workers
- 'Day 1' right protection from unfair dismissal.

The Terrorism (Protection of Premises) Act 2025 (Martyn's Law) (date to be confirmed)

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

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

April 2027 - Mandatory Payrolling Benefits

The Government announced previously that it would be delaying the roll out of legislation that would mandate Payrolling Benefits in Kind (BIK) until April 2027. Mandating payrolling of BIK is the inclusion of the estimated value of non-cash employee benefits directly in the regular payroll instead of reporting separately on an annual P11D form. Until such time, it continues to be voluntary, and we expect draft legislation and guidance to be provided from around Autumn 2025.

2028

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).

FUTURE CHANGES (LEGISLATION DATE UNKNOWN)

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

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

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.

This legislation received Royal Assent back in 2024 under the previous Government, but we are waiting a date for when it is to come into force. However, given the Employment Rights Bill and the reforms within that, particularly around family leave, it may be this statutory right comes into force around the same time.

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

CONSULTATIONS RELATING TO THE EMPLOYMENT REFORMS

TIMETABLE FOR PUBLIC CONSULTATIONS ANNOUNCED

Many of the reforms set out in the Employment Rights Bill will require either further legislation or the development of new/existing Codes of Practice. As such, a key stage in the implementation process is to consult on the detail of policy and implementation for the changes proposed. In the Government's recently published [roadmap to change](#), they confirmed the following consultations:

Summer/Autumn 2025 consultations:

- Reinstating the School Support Staff Negotiating Body (SSSNB)
- Fair Pay Agreement for the Adult Social Care sector
- Giving employees protection from unfair dismissal from 'day 1' including on the dismissal process in the statutory probation period

Autumn 2025:

- Trade Union measures:
 - Electronic and workplace balloting
 - simplifying the trade union recognition process
 - duty to inform workers of their right to join a trade union and right of access
 - New rights and protections for trade union representatives will be covered by an Acas Code of Practice consultation
- Fire and rehire
- Regulation of umbrella companies
- Bereavement leave
- Rights for pregnant workers
- Ending exploitative zero-hour contracts

Winter/early 2026:

- Trade union measures:
 - Protection against determinants for taking industrial action
 - Strengthening the rules on blacklisting
- Tightening tipping law
- Collective redundancy threshold changes
- New obligation when refusing flexible working requests.

As these consultations begin, we will provide updates and how you can participate, should you wish.

OPEN CONSULTATIONS

FAIR PAY AGREEMENT PROCESS IN ADULT SOCIAL CARE

One of the reforms in the Employment Rights Bill is the introduction of a Fair Pay Agreement in the adult social care sector. For this to be introduced, the Government must first conduct a public consultation, where on conclusion, the responses will be analysed and used to inform policy development.

So, on 30 September, a new consultation opened titled '[fair pay agreement process in adult social care](#)' and seeks views from key stakeholders in areas such as:

- The Adult social care negotiating body
- The negotiating process
- Coverage and remit
- Dispute resolution
- Implementation
- Compliance and enforcement.

Here's a summary of each of these areas, as outlined in the Government's ministerial forward:

The Adult social care negotiating body

A consultation in which views are sought on "how the Adult Social Care (ASC) Negotiating Body could be set up to successfully create fair pay agreements and how the voice of workers and employers in the sector could be represented".

The negotiating process

The proposal is for negotiations to take place on a cyclical basis, each one following the same structure and pattern. It would involve negotiations being triggered by the Secretary of State in written notification to the ASC Negotiating Body. Negotiations would include sector engagement, understanding existing evidence and the gathering of new, and the holding of negotiations.

The feedback of members would be sought and would be fed back to the Body as to whether members agree or wish for further negotiations to take place.

Ultimately, the Body would either gain agreement to its proposal, or in the event of dispute, there would be dispute resolution. Ultimately, the Secretary of State will consider the agreement for approval, and if approved, would make Regulations to introduce it. In the event there is no agreement at this stage, it can be referred to the Negotiating Body.

Coverage and remit

The Government needs to establish before any negotiations take place, what and who can be in scope and therefore considered.

Dispute resolution

This area of the consultation is seeking views on what should happen if a Negotiating Body is unable to reach agreement.

Implementation

This area of consultation is about what happens when agreement has been sought, as well as the scenario of where it hasn't and what support the sector requires for carrying out negotiations.

Compliance and enforcement

The Government proposes that there will be statutory codes of practice to ensure compliance with the fair pay agreement, so this area of the consultation explores this and other ways in which the Government can drive compliance and enforcement.

Participating in the consultation

If you operate in the adult social care sector you can participate in the consultation by using the [online survey](#). The closing date is 16 January 2026.

REMINDER: DATA PROTECTION CONSULTATIONS

In our September newsletter we informed you of two public consultations, led by the Information Commissioner Office (ICO) in which it seeks views on the new lawful basis for processing data known as 'recognised legitimate interest' and on handling data protection complaints.

These remain open for a short time, so if you would like to share your feedback you can do so as follows:

Your response to the consultation on the ICO's draft guidance on recognised legitimate interest can be completed via the ICO's [consultation page](#) by 30 October 2025.

Your response to the ICO's draft guidance on handling data protection complaints can be completed via this [consultation page](#) by 19 October 2025.

CLOSED CONSULTATIONS

RESPONSES BEING ANALYSED AND WAITING FORMAL RESPONSE:

The following consultations are closed and the responses are currently being analysed.

- Work and Pensions Commission Inquiry: Employment support for those with disabilities
- Financial Conduct Authority - tackling non financial misconduct
- Parental leave and pay review - call for evidence

- European Commission Consultation - 2026-2030 Gender Equality Strategy
- Low Pay Commission Consultation 2025. Prudential Regulation Authority and the Financial

PARENTAL LEAVE AND PAY REVIEW: CALL FOR EVIDENCE

In June 2025, the Women and Equalities Committee (WEC) published its report, *"Equality at work: Paternity and shared parental leave."* This report followed a December 2024 call for evidence and forms part of the WEC's 'Equality at work' inquiry, aligning with the Labour Manifesto's commitment to enhancing family-friendly rights.

The report set out numerous recommendations to fix the "broken system" and address the "stark gendered disparity" in current statutory leave. The WEC's recommendations focus on significantly increasing the duration and pay of paternity leave:

	Key Recommendations
Focus Area	(Taken from the <i>Equality at work: Paternity and shared parental leave report June 2025</i>)
Increased Pay	Raise Statutory Pay for the first six weeks to match maternity pay (90% of average earnings). This change should be implemented during this Parliament without reducing existing maternity entitlements.
Increased Duration	Set a medium-term objective to increase paid statutory paternity leave to six weeks over the course of this Parliament, drawing on lessons from other countries (like Spain).
Eligibility & Access	The government should either amend the Employment Rights Bill or commit to establishing a day one right to paid paternity leave, removing the current service requirement.
Flexibility & Culture	The extended leave plan should allow for maximum flexibility in how the weeks can be taken (e.g., in multiple blocks) within the first year. The government should also assess the benefits of making a portion of the extended leave compulsory to drive cultural change.
Self-Employed Parents	Rectify the exclusion of self-employed fathers by considering options for statutory paid leave for them, and by introducing a Paternity Allowance equivalent to Maternity Allowance.
Cultural Barriers	Consider steps, such as targeted awareness campaigns, to reduce wider cultural and societal barriers to fathers taking more leave, particularly in working-class communities.

Shared Parental Leave (SPL) and Wider Family Support

The committee also called for a major review of SPL to simplify the scheme and for the inclusion of more family structures in the paid leave system:

- **Simplify and widen access to SPL:** The government must address flaws in SPL to increase take-up. The review should focus on simplifying or removing complex eligibility criteria related to employment status, time in service, and earnings, aiming to include the self-employed and those on lower incomes.
- **Maximise flexibility in SPL:** Examine and reduce notice periods (currently eight weeks) required for taking blocks of leave or changing dates to maximise flexibility for parents, subject to employer consultation.
- **Financial incentives:** Consider introducing financial incentives to increase SPL take-up, drawing inspiration from overseas models like the German "partnership bonus."
- **Support for kinship carers:** The review must include kinship carers with a view to implementing statutory paid leave for them, aligning their entitlements with those for parents by adoption and surrogacy.
- **Support for single parents:** Address the inequality faced by single-parent families by considering options to allow them to reallocate some entitlements to nominated family friends or relatives who can share caring responsibilities.
- **Multiple births:** Consider options for additional financial support and extra paid leave for parents of multiple births, drawing on systems in countries like Sweden, France, and Spain.



Government's response

Since our last newsletter, the Government have published their response to the June 2025 report. In their report dated 19 September 2025 the Government responds to the WEC and accepts many of the committee's recommendations, recognising the need for reform.

The report, '[Paternity and Shared Parental Leave – Government Response](#)' details extensive recommendations, some of which have already been adopted or will soon be, as part of the Employment Rights Bill, such as:

- Introducing neonatal care leave and pay
- Bereaved partner's paternity leave
- Paternity leave and unpaid parental leave a day one right
- Making flexible working applications more likely to be accepted.

The new report outlines further specific implementations that the Government has committed to undertaking:

1. **Raising paternity pay:** As a priority, the Government will consider raising paternity pay to the level of maternity pay in the first six weeks i.e. 90% of average earnings.
2. **Bereaved Partner's Paternity Leave:** The government will roll out this leave entitlement next year, 2026.
3. **Right to Time Off for Pregnancy Loss:** The government have committed to introducing a new right to time off work for pregnancy loss.
4. **Defining Kinship Care:** The process of defining kinship care in legislation has begun through the Children's Wellbeing and Schools Bill. This framework aims to ensure that local authorities interpret and apply the term uniformly.
5. **Kinship Allowance Trial:** The government has announced a £40 million package to trial a new Kinship Allowance later this year (2025) in several local authorities. The purpose of this trial is to test whether paying an allowance to cover the additional costs of supporting the child can help increase the number of children taken in by family members and friends.
6. **Parental leave and pay review:** The Government have committed to ensuring that substantial changes like raising the statutory paternity pay to 90% and extending leave to six weeks will fall in scope of the current review into parental leave and pay. This review commenced 1 July 2025 and is expected to run for 18 months, concluding with findings and a roadmap.

GUIDANCE

CALCULATING STATUTORY NEONATAL CARE PAY

HMRC have published a new tool to help employers in calculating statutory neonatal care pay. Calculating statutory payments can be confusing so this new guidance for employers is welcomed. Employer's will still be required to determine if someone is eligible though.

GUIDANCE TO RECRUIT WITHIN UK COMPETITION LAW

The UK Competition Markets Authority (CMA) published last month new guidance on how to recruit in line with UK competition law. '[Competing for Talent](#)' is a guide aimed to help employers comply with competition law when recruiting and setting pay and working conditions.

We know, it is a given, that when recruiting we must comply with employment law, but consideration must also be given to competition laws, as the case we reported on in July illustrates. It was an investigation by the CMA that found Sky Broadcasting, BT, ITV, IMG and the BBC to have operated unfairly in respect of setting freelancer rates of pay. The investigation found communications between the five competing organisations evidenced unfair behaviour whereby they all aimed to align pay rates and take steps in avoiding any bidding war to secure talent. Collectively, these large organisations were fined £4,240,356 because of their unfair practices.

This new guidance, available on the [Government website](#) provides information on wage fixing (as was prevalent in the above case), collective bargaining negotiations, exchanging competitively sensitive information and no poach agreements.

NEW GUIDANCE PUBLISHED FOR LABOUR SUPPLY CHAINS

The HMRC have published [new guidance](#) for labour supply chains that feature umbrella companies. This comes in readiness for the law change in April 2026 when recruitment agencies (or end clients in their absence) will be accountable for PAYE on payments to workers supplied through umbrella companies. This guidance will be updated nearer to when the law changes next year.

CASE RULINGS

CONCEALED DUAL EMPLOYMENT

The recent Employment Tribunal case, *Ms M Ogumodede v Churchill Contract Services*, provides critical lessons on an employer's duty to enforce the Working Time Regulations (WTR), especially when an employee has multiple contracts.

CASE SUMMARY

The Claimant, Ms Ogumodede, was employed by Churchill Contract Services as a cleaner under two separate contracts: a day shift (8 am to 5 pm) and a night shift (10 pm to 6 am).

Following a TUPE transfer, the employer discovered Ms Ogumodede was working approximately 17 hours in a 24-hour period, leaving less than the legally required 11 consecutive hours of rest between shifts. The Tribunal established that the Claimant had a history of deliberately concealing her dual employment, including misrepresenting the facts on a TUPE joiner form.

When the breach was discovered, the employer suspended the night shift (the less advantageous contract) on zero pay and offered the Claimant alternative, WTR-compliant work. The Claimant refused all alternatives, insisting she be made redundant. The employer ultimately terminated the night shift contract, citing the inability to continue the role lawfully.

TRIBUNAL FINDINGS: CLAIMS DISMISSED

The Employment Tribunal dismissed all the Claimant's claims which included unfair dismissal, wrongful dismissal, and redundancy pay primarily due to the doctrine of common law illegality.

THE PRINCIPLE OF ILLEGALITY

The core finding was that the Claimant was legally barred from enforcing her contract or claiming statutory protections because the performance of her night shift role was illegal.

- **Rationale:** Working 17 hours in 24 hours directly breached Regulation 10(1) of the WTR and violated public policy due to the serious health and safety risks associated with excessive night work.
- **Culpability:** The Tribunal stressed the Claimant's high degree of fault, finding she had knowingly and deliberately concealed the facts that made the contract illegal.
- **Outcome:** The Tribunal ruled that allowing the Claimant to recover pay or claim unfair dismissal would be "contrary to public policy," and the application of the illegality doctrine was a proportionate response to her actions.

FAIR DISMISSAL

Even setting aside the illegality, the Tribunal found the dismissal was substantively and procedurally fair. The employer was praised for taking a "considered and reasonable approach," making multiple documented attempts to consult, offer alternatives, and ensure legal compliance before termination.

KEY EMPLOYER LEARNINGS

This case offers crucial reminders for employers with staff who may hold second jobs:

1. **Prioritise WTR compliance:** Employers have a stringent legal and potentially criminal obligation to ensure employees adhere to the WTR, especially the right to at least 11 consecutive hours of rest in a 24-hour period.
2. **Act decisively and fairly:** When a breach is discovered, immediate action is necessary to fulfil your duty of care and ensure legal compliance. The employer's reasonable decision to suspend the contract that caused the breach while retaining the safer, higher-paying contract was praised.
3. **Document consultations:** Documenting attempts to consult with the employee and offer suitable alternative roles (e.g., the part-time shift) was critical to proving the fairness of the process.
4. **Concealment impacts rights:** Employees who knowingly participate in the illegal performance of a contract by concealing relevant facts risk losing the right to enforce contractual payments (like notice pay) and statutory protections (like unfair dismissal) due to the doctrine of common law illegality.

Does your organisation have a clear policy on monitoring external employment to prevent WTR breaches?

WORKPLACE DIGNITY AND DISMISSAL: WHEN MOCK ACCENTS LEAD TO THE TRIBUNAL

OVERVIEW

In the recent Employment Tribunal case, [Mr K Davies v Oscar Mayer Ltd. \(Mold, August 2025\)](#), found a company's summary dismissal of a long-serving employee to be unfair, not because of the employee's inappropriate conduct, but due to critical failures in its disciplinary procedure.

THE CASE

The case involved Mr. K Davies, an Engineering Storeman with nearly 27 years of unblemished service, who was dismissed for gross misconduct after repeatedly saying, "Top of the morning to ya" in a mock Irish accent to a manager.

The incident occurred on August 13, 2024, shortly before the Claimant was due to be made redundant in September 2024. At the time, the Claimant had a live, unresolved grievance filed against a manager who had handled his redundancy scoring.

On the day of the incident, the Claimant was sitting in his cabin, listening to an Irish ballad when a manager (Mr Millward), entered the store and the Claimant greeted him with the phrase, "top of the morning to ya!" in a mock Irish accent. He made this comment just before an external auditor entered the area. The auditor was later described as having "dark, auburn" hair, tied back in a bun, and a full beard.

The Claimant admitted using the phrase repeatedly to goad Mr Millward and draw attention because Mr Millward had ignored him. Mr Millward reported the incident, and the employer launched an investigation, assuming that the auditor had "stereotypical characteristics of an Irish person" and therefore, the Claimant was mocking the Auditor based on his appearance.

Allegations of racial harassment, constituting gross misconduct and a breach of the Dignity at Work Policy were raised and a disciplinary process followed with the claimant being dismissed.

THE TRIBUNAL FINDINGS

While the Employment Judge strongly disapproved of the Claimant's mocking conduct, the Tribunal ultimately found the dismissal to be unfair because the employer did not act fairly and reasonably in all the circumstances.

The judgment hinged not on the severity of the conduct itself, but on the Respondent's failure to follow fair procedures, particularly regarding the use of a conflicted investigating officer and a failure to consider mitigation or alternatives. The Claimant did, however, have his compensation reduced by 15% due to his blameworthy conduct.

The finding of unfair dismissal was based primarily on procedural flaws:

5. **Conflicted Investigator:** The Investigating Officer was the subject of the Claimant's live, unresolved grievance, which accused the Claimant's manager of targeting and singling him out during the redundancy process. The Tribunal found that manager was not a suitable or impartial investigator.
6. **Lack of Investigation/Superficiality:** The investigation was based on assumptions, particularly the assumption that the Claimant saw and was mocking the red/auburn-haired Auditor, even though the Auditor was not known to be Irish, did not complain, and did not recall the words used until the manager prompted him. The claimant's manager was found to have been leading the Auditor in the interview.
7. **Failure to Consider Mitigation:** The disciplinary officers failed to consider critical mitigating circumstances, including the Claimant's 27 years of unblemished service, the fact his employment was due to end imminently, and his explanation that the comment was influenced by the music he was listening to. The decision-makers appeared to believe that the serious nature of the allegation automatically required summary dismissal, suggesting predetermination.

The Tribunal made a crucial distinction regarding the Claimant's conduct:

- **Not Racial Harassment:** The conduct was found not to be specifically racial. The Respondent's case that the person racially harassed was the Auditor was reached despite the Auditor not recollecting the words or thinking they were addressed to him.
- **Blameworthy Conduct:** The Claimant's actions were nevertheless found to be blameworthy. The Claimant was found to be insubordinate and deliberately trying to goad and irritate his manager by mocking him with repetitive use of the phrase and mock accent.



CONTRIBUTORY FAULT

Despite the unfair dismissal, the Claimant was found to have contributed to his own dismissal through his blameworthy conduct (insubordination and deliberately minimising his reprehensible conduct during the process).

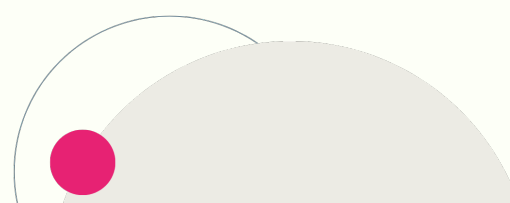
- The Tribunal assessed the Claimant's contributory fault to be 15%, leading to a 15% reduction in his Basic and Compensatory awards.
- No *Polkey* reduction was applied, as the Tribunal did not believe the Claimant was likely to have been fairly dismissed for insubordination alone.

The Tribunal noted that the judgment does not set a precedent and is specific to the peculiar facts of this case. The Judge also stressed that superficial reporting which suggests the ruling determines whether or not mocking people with mock accents is permissible at work would "miss the point" of the case.

LEARNINGS FOR EMPLOYERS

This case highlights the critical importance of procedural fairness and thorough investigations when handling serious allegations such as racial harassment and stereotyping in the workplace. The ruling offers significant lessons on ensuring disciplinary procedures are robust, particularly where allegations involve sensitive issues like race and stereotyping:

1. **Strictly maintain investigator impartiality:** If a manager is the subject of a pending grievance (especially one alleging targeting or bias), they must not be appointed as the investigating officer for a disciplinary matter concerning the same employee. Failure to recognise this conflict shows a "lack of fair and conscientious application" to the disciplinary process.
2. **Do not substitute assumption for investigation:** The belief that a comment was racial must be based on evidence, not assumptions about the perceived nationality or stereotypical appearance of a third party. Investigators must avoid leading questions (e.g., suggesting words or motives to a witness) and must thoroughly test the evidence and address inconsistencies between witness accounts.
3. **The duty to consider mitigation is essential:** Even when guilt is genuinely believed, employers must conscientiously weigh all mitigating factors before deciding on the sanction. Ignoring factors such as long service (27 years), a clean record, and the imminent end of employment demonstrates that the dismissal was not within the range of reasonable responses.
4. **Avoid predetermined outcomes:** Disciplinary and appeal officers must enter the process with an open mind and use "discernment, discretion and judgment". Allowing the perceived seriousness of an allegation to automatically preclude considering mitigation suggests the outcome was predetermined.
5. **Identify the true misconduct:** If the dismissal fails to stand up as racial harassment, the employer must still ensure the sanction applied for the actual proven misconduct (in this case, insubordination and goading) is reasonable. The fact that the conduct was insubordination, not racial harassment, was reflected in the Claimant's reduced liability (15% contributory fault), showing that the initial heavy-handed approach by the Respondent was disproportionate.



HEALTH AND SAFETY – WORKPLACE INJURIES

OVERVIEW

A waste management company based in County Durham has recently been fined £4,000 and costs after an incident on 29 January 2024 where a young worker was run over by an excavator, leaving them with serious injuries.

WHAT HAPPENED

In January 2024 at the Staindrop Road site, a worker was in their second week with the company when they were struck from behind by an excavator and run over, suffering fractures to both feet.

Following an investigation by the HSE inspector, the failures included:

- To ensure a safe system of work was in place
- The worker was working on a waste pile near moving vehicles with no physical separation between themselves and the vehicles
- There were no risk assessment or safe systems of work to protect pedestrians from vehicle movements.

THE COURT FINDINGS

The case went to Teesside Magistrates' Court on 5 August 2025, and the company pleaded guilty of breaching Section 2(1) of the Health and Safety at Work etc Act 1974. This hearing resulted in the company being fined £4,000 and ordered to pay cost of £4,285.

Afterwards, the HSE said,

“the outcome could have been much worse, but the failures that day meant a worker received serious injuries”.

“This incident was easily avoidable by implementing control measures and safe practices to ensure that workers were not put at risk from moving vehicles, including clear segregation and safe refuges”.

“This should be a reminder to the waste industry of the need to consider workplace transport risks and to introduce appropriate control measures to separate vehicles from pedestrians”.



GOVERNMENT CRACKS DOWN ON FIRMS FAILING TO PAY THE NATIONAL MINIMUM WAGE

The Government has shared that almost 500 employers have been fined over £10 million for failing to pay the National Minimum Wage (NMW), with the names having been published.

We know however that errors in paying the correct NMW isn't always intentional as there can be certain situations where underpayment occurs unintentionally. It's important therefore that due care and attention is given towards situations such as the following:

- If you employ workers on low income either at, or just above the NMW be careful when making a deduction from their wage so that it doesn't take them below.
- If you operate a salary sacrifice scheme, take care that the reduced pay is not less than the NMW
- If you allow the banking of "time in lieu" then check pay carefully, particularly with weekly paid workers who are close to the NMW rates. Whilst employees may bank time to take off later, if they are weekly paid, then a week is their "relevant pay period", and they must be paid at least the NMW for all hours worked within that period. So, any overtime for these workers may need to be paid in the same period to avoid inadvertent underpayment.

DO YOU EMPLOY INTERNATIONALLY OR GLOBALLY MOBILE EMPLOYEES?

If you employ internationally or globally mobile employees, you need to be familiar with the latest [HMRC guidance](#) on how to determine when national insurance contributions are due on earnings for this group of workers.

HMRC have recently updated their guidance to provide clarification that if an employee was liable for NICs at the time the work was carried out, they will continue to be liable for NICs in respect of those earnings, even if they are paid later.

CALCULATING STATUTORY NEONATAL CARE PAY

HMRC have published a new tool to help employers in calculating statutory neonatal care pay. Calculating statutory payments can be confusing so this new guidance for employers is welcomed. Employer's will still be required to determine if someone is eligible though.

NEW GUIDANCE PUBLISHED FOR LABOUR SUPPLY CHAINS

The HMRC have published [new guidance](#) for labour supply chains that feature umbrella companies. This comes in readiness for the law change in April 2026 when recruitment agencies (or end clients in their absence) will be accountable for PAYE on payments to workers supplied through umbrella companies. This guidance will be updated nearer to when the law changes next year.

ADVISORY FUEL RATES

The latest advisory fuel rates for employees that use a company car have been updated and [published](#). These rates can apply when you are either reimbursing an employee for business travel carried out in their own car, or when you need employees to repay the fuel costs of any private travel they have undertaken. The new rates, from 1 September 2025 are:

Petrol

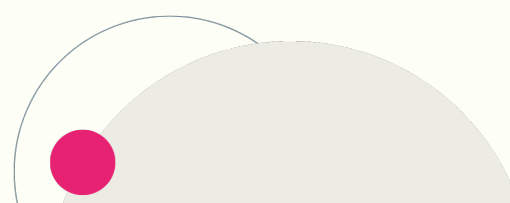
- Up to 1400 = 12p
- 1401 to 2000 = 14p
- 2000+: 22p = 22p

Diesel

- Up to 1600 = 12p
- 1601 to 2000 = 13p
- 2000+ = 18p

LPG

- Up to 1400 = 11p
- 1401 to 2000 = 13p
- 2000+ = 21p



Electric

- 8p per mile for home charging
- 14p per mile for public charging

Notes to consider:

- Where the journey involves charging the company car at both public and residential locations, HMRC advice that employers can apportion the mileage based on how much charging happens at each place and that the apportionment calculation should be fair and reasonable.
- Furthermore, employers can use a higher amount than the advisory rates if it can be shown that the fuel cost per mile for a public charger is higher.
- Hybrid cars are treated as either petrol or diesel for the purpose of advisory fuel rates.
- The previous rates can be used for up to one month from the date the above rates.

REMINDER! 2025 BUDGET

This year's budget is taking place Wednesday 26 November 2025, which is slightly later than usual. Join us in our February 2026 webinar where the budget will be central to our discussion alongside the Employment Rights Bill, details as follows:

****Upcoming event****

The Budget and HR: Essential Adjustments for 2026

Your HR and Payroll teams face a critical time of change: the 2025 Autumn Budget and new reforms from the Employment Rights Bill. These statutory and fiscal mandates that focus on supporting the lowest paid will require employers to make significant adjustments to their cost base and compliance framework.

Failure to prepare will lead directly to penalties, unexpected costs, and major administrative disruption starting in the next financial year.

Join Business HR Solutions as we explore these two significant areas of people management and share our insights in how employers can respond.

NOTE FOR DIARY – APRIL 2026 CHANGES AHEAD FOR WORKERS SUPPLIED VIA UMBRELLA COMPANIES

If your business engage workers supplied by umbrella companies, be sure you are prepared for changes that are expected April 2026.

Draft legislation, accompanied by explanatory notes was published recently in which the Finance Bill 2025-26 amends part 2 of the [Income Tax \(Earnings and Pensions\) Act 2003](#) (known as ITEPA).

According to HMRC the legislation will:

“introduce a new chapter 11 into part 2 to make employment agencies or end clients joint and severally liable for any amount required to be accounted for under the PAYE provisions where an umbrella company forms part of a labour supply chain.

Further legislation will be introduced to amend section 4A of Social Security Contributions and Benefits Act 1992 to provide HM Treasury with the power to make regulations imposing an equivalent joint and several liability for NIC purposes.

Joint and several liability will allow HMRC to pursue an agency in the first instance for any payroll taxes that a non-compliant umbrella company fails to remit to HMRC on their behalf. The end client will be liable if contracting directly with an umbrella company.”

The legislation will not apply to those operating via limited companies that are inside IRS35, as well as those workers on an agency payroll (they already pay tax like an employee).

What it does mean, that if a business pays a worker providing a personal service through an umbrella company, and that company employs that worker, but the income tax and NI is not paid, then all parties in the chain would be held responsible.

NOTE FOR DIARY - APRIL 2027: MANDATORY PAYROLLING BENEFITS

A note for your diary – is the mandating of [Payrolling Benefits in Kind \(BIK\)](#), which has been delayed until April 2027. Mandating payrolling of BIK is the inclusion of the estimated value of non-cash employee benefits directly in the regular payroll instead of reporting separately on an annual P11D form. Until such time, it continues to be voluntary, and we expect draft legislation and guidance to be provided from around Autumn 2025.

HEALTH & SAFETY

ROAD SAFETY WEEK 19-25 NOVEMBER

Road safety week is an annual event hosted by Brake, this is a nationwide event dedicated to promoting road safety awareness for responsible driver behaviour, safer roads and driving a 'safe vehicle'. Every year businesses, schools, emergency services and communities get involved to share an important message on road safety.

There are more than 1700 fatalities each year on our UK roads. Figures show that around 30,000 other people suffer serious or life-changing injuries.

The Health and Safety at Work etc Act 1974 places a duty on the employer to manage the health and safety risks of all workers who drive on a road for work activities. When we talk about driving for work, we're not just talking about professional drivers of heavy goods vehicle, this also encompasses mobile workers, who may be travelling to client sites, to meetings, or undertaking home visits.

The **Road Traffic Law** is enforced by the Police and Driver and Vehicle Standards Agency (DVSA) who place a duty on transport managers etc. to ensure all work vehicles are in good mechanical condition and that all drivers are competent and medically fit to drive a vehicle. They must ensure that passengers and any loads carried in vehicles are carried safely.

What you must do as an employer

To ensure workers who drive for work, either in a company vehicle or their own, you must comply with legislation, this can be achieved by assessing the risks, identify hazards and take steps to control the risks.

Assessing the risk from driving for work

The Management of Health & Safety at Work Regulations 1999, places duties on employers to undertake suitable and sufficient risk assessments to manage hazards associated with the vehicle, the driver and the journey. In addition, employers should develop a clear vehicle policy/handbook.

Identify Hazards

- Identify all persons who drive for business purposes
- The distance of the journey – driving hours
- Work schedule – reasonable schedule to prevent drivers from missing breaks or speeding
- Driver distractions or fatigue
- Stress from traffic or driving in 'rush hour'
- During a journey encountering roadworks, congestion, heavy traffic
- Other road users and their behaviour
- Risk from adverse weather conditions
- Vulnerable road users – cyclists, pedestrians, motorcyclists
- Use of prescribed medication, drugs or alcohol
- Vehicle condition, safety equipment, seating ergonomics

Controlling risks

An employer can control the risk from work related driving by:

- Undertake DVLA licence checks at least annually for those who drive for work purposes. You'll need to obtain permission from employees before undertaking the check using the Gov website - <https://www.gov.uk/view-driving-licence>
- Where company vehicles are provided ensure, there are arrangements in place to ensure they are roadworthy, including Insurance, Tax Service and MOTs.
- Where employees drive their own vehicles for business use, exercise your due diligence by seeking evidence of business insurance, MOT and Tax.
- Ask drivers to complete an annual health declaration to ensure they are medically fit to drive, including their eyesight.
- Share a driving for work policy/ handbook with employees which sets out company expectations around vehicle use, including but not limited to mileage expenses claims, arrangements for accidents, fire, damage, theft, fines and other vehicle related penalties.
- Request drivers of company vehicles complete periodic defect and vehicle inspections.
- Provide travel first aid kits for vehicles to manage minor injuries

- Plan journeys effectively to take account of driving hours, weather and traffic conditions.
- Discourage drivers from using mobile devices whilst driving, and only when necessary, provide handsfree or blue tooth devices in company vehicles.
- Develop a system for monitoring driving performance and investigating incidents

HALLOWEEN

31st October is a magical night for children but with darker nights and many children out and about trick or treating can create a danger to children and road users.

Drivers should be extra vigilant whilst driving down residential streets, reducing speed and looking out for excited children who may not think about the Green Cross Code when crossing roads. Drivers should be prepared to stop suddenly.

Children love dressing up for Halloween with most Halloween costumes being of a dark colour and not clearly visible in low lit areas. Drivers should ensure the vehicles headlight are switched on so that children can see a vehicle coming towards them.

Staying alert and driving cautiously can prevent an accident and people from getting hurt.

FESTIVE SEASON CELEBRATIONS

As the festive season approaches, virtually all businesses are gearing up to celebrate with their teams. Christmas parties are a great way to reward your employees, boost morale, and foster team spirit. However, it's easy to overlook the potential risks associated with hosting these events. While you want everyone to have a good time, as an employer, you also have a responsibility to ensure the health and safety of your staff during these celebrations.

The **Health and Safety at Work Act 1974 (HSWA)** is the cornerstone of health and safety legislation in the UK. Under this act, employers have a duty of care to ensure the health, safety, and welfare of their employees at work, which extends to work-related events, including Christmas parties.

Though these events may take place outside of regular working hours or even offsite, they are still considered work-related, and your legal responsibilities remain intact. You can also be held liable for any incidents that occur during or as a result of these events.

Why risk assessments are essential

Risk assessments are a legal requirement and a key step in managing the potential hazards associated with your Christmas party. These assessments help to identify potential risks and hazards, allowing you to implement preventive measures and minimise the chance of accidents, injuries, or other issues.

Key areas to address in your risk assessment

Venue safety

- Choose a reputable venue with a good health and safety records.
- Ensure the venue has adequate emergency exits, first aid facilities, and fire safety measures.
- Check the layout for any potential trip hazards (such as stairs, cables, or slippery floors) and ensure proper lighting.

Alcohol consumption

- Excessive drinking can increase the risk of accidents, alter behaviour, and lead to harassment or discrimination claims.
- Consider offering non-alcoholic alternatives and setting a limit on how much free alcohol is provided.
- Ensure employees are reminded of the company's code of conduct and acceptable behaviour during the event.

Food allergies and dietary requirements

- As the host, it's your responsibility to ensure that any food served takes into account dietary restrictions, such as allergies, vegetarian/vegan preferences, and religious considerations.
- Clearly label all food, and consult with your caterer or the venue to ensure the menu meets these requirements.

Transport arrangements

- Plan how employees will get home safely after the event, especially if alcohol is involved.
- Consider arranging group transport or providing taxi vouchers.

- If employees are driving themselves, ensure they are aware of the dangers of drink-driving.

Behaviour and harassment

- A Christmas party is an extension of the workplace, so the same standards of conduct apply.
- Ensure employees are aware of the company's policies on harassment and bullying.
- Designate responsible supervisors or managers who can step in if any issues arise, ensuring a safe and inclusive atmosphere.

General health and safety considerations for hosting staff events

Beyond Christmas, businesses should adopt a proactive approach to health and safety for any staff event. Here are a few general guidelines to keep in mind:

- Make sure all employees are aware of the details of the event, including transport options and any policies regarding behaviour.
- Ensure there is someone present at the event who is trained in first aid, and that the venue has adequate first aid facilities.
- Check your insurance policies to ensure they cover offsite events and any potential liabilities related to the party.
- After the event, take the opportunity to evaluate how it went. Did any incidents occur? Were there any complaints or issues that arose? This feedback can help inform future risk assessments for other events.

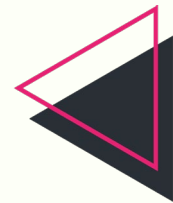
Join our upcoming HR webinar 'Managing the Christmas period'

In our next free monthly webinar, we provide clear, practical strategies you need to safely navigate the festive season. We will cover the essential management and compliance topics, including:

- Navigating challenging annual leave requests and avoiding staffing crises
- Managing the office party to prevent misconduct, discrimination claims, and employer liability.
- Proactively supporting employee wellbeing to mitigate stress and seasonal burnout.

[Sign up for our event here](#) – it's free!

EQUALITY, DIVERSITY & INCLUSION



LATEST ON THE EHRC'S DRAFT CODE OF PRACTICE GUIDANCE FOR SERVICES, PUBLIC FUNCTIONS AND ASSOCIATIONS.

We previously wrote how the Equality and Human Rights Commission (EHRC) had submitted its draft statutory Code of Practice for Services, Public Functions and Associations to Parliament for approval. We continue to wait for this however, it is understood that the EHRC have now written to the Government to chase this.

MENOPAUSE AWARENESS MONTH

This month is menopause awareness month and presents employers with an opportunity to reflect on how effective the workplace is at being inclusive to those going through it. It also presents a good opportunity to plan for April 2026 when as part of the employment reforms, the introduction of voluntary menopause action plans will come into effect for large employers (250+ employees).

Supporting the menopause at work is important for a variety of reasons that benefit both employees and the organisation as a whole. Doing so supports employee wellbeing and thus, preventing absenteeism, it normalises the conversation and therefore creating an inclusive environment. It can also help increase productivity and reduce costs because fewer absences from work are required and it is likely to lead to a more engaged workforce.

Even if your workplace does not fall within scope of the reforms coming into effect from next April, it is still best practice to adopt menopause workplace action plans. You can download our [workplace menopause action plan](#), which helps you to take action more broadly across the organisation; and if you require a specific action plan to help and support an individual, you can download our [individual menopause action plan](#).

INTERESTING HR STATISTICS



HR ALERT: UK LABOUR MARKET SEES DECLINE IN PAYROLL VACANCIES

The latest '[Labour market overview, UK: October 2025](#)' published by the Office for National Statistics (ONS) reveals a complex picture for human resources professionals, characterised by falling employee numbers and a prolonged contraction in available job vacancies.

The report, which provides estimates for employment, unemployment, economic inactivity, and other related statistics for the UK, covers data largely up to August and September 2025.

Here are the key findings.

EMPLOYEE NUMBERS CONTRACT, VACANCIES HIT 39-QUARTER DECLINE

Data concerning payrolled employees suggests a challenging recruitment environment for many organisations. Estimates for payrolled employees in the UK declined by 93,000 (0.3%) between August 2024 and August 2025. Furthermore, when comparing the period June to August 2025 (comparable with Labour Force Survey (LFS) estimates), payrolled employees dropped by 115,000 (0.4%) over the year. HM Revenue and Customs (HMRC) Pay As You Earn (PAYE) Real Time Information (RTI) data, which is considered by the ONS to give a more reliable reading on employees, shows a fall in 9 of the last 12 months.

In a clear sign of cooling demand for staff, the estimated number of vacancies in the UK fell by 9,000 (1.3%) on the quarter, settling at 717,000 during July to September 2025. This significant trend marks the 39th consecutive period where vacancy numbers have decreased compared with the previous three months, with declines reported across 9 of the 18 monitored industry sectors.

PAY GROWTH OUTPACES INFLATION IN REAL TERMS

Despite the drop in employee numbers, employees in Great Britain are seeing modest real terms pay increases. Annual growth in employees' average earnings for regular pay (excluding bonuses) was 4.7% in June to August 2025, while total earnings (including bonuses) saw growth of 5.0% in the same period.

A notable difference remains between sectors however:

- Regular earnings growth for the private sector was 4.4%.
- Regular earnings growth for the public sector was significantly higher at 6.0%.

When adjusted for inflation using the Consumer Prices Index:

- annual growth in real terms for regular pay was 0.6%, and
- total pay was 0.8% in June to August 2025.
- Utilising the Consumer Prices Index (CPI) adjustment shows slightly higher real-terms growth of 0.9% for regular pay and 1.2% for total pay.

WIDER LABOUR MARKET STABILITY

The broader labour market indicators for June to August 2025 reveal that the UK employment rate for people aged 16 to 64 years was estimated at 75.1%. While this employment rate is down in the latest quarter, it remains above estimates from a year ago.

KEY FIGURES ON THE TALENT POOL INCLUDE:

Unemployment:

The UK unemployment rate for people aged 16 years and over was estimated at 4.8% (June to August 2025). This rate is higher than both the previous quarter and estimates from a year ago. The definition of unemployment measures people actively seeking work in the last four weeks and available to start work within the next two weeks.

Economic Inactivity:

The UK economic inactivity rate for people aged 16 to 64 years was estimated at 21.0% (June to August 2025). This rate was largely unchanged from the previous quarter but below estimates from a year ago. Economic inactivity includes people not seeking work or who are unable to start work within two weeks.

Labour stability:

The data published has also highlighted labour stability issues, with an estimated 15,000 working days lost across the UK in August 2025 due to labour disputes.

<https://www.peoplemanagement.co.uk/article/1935489/uk-workers-not-understand-employment-tribunal-system-survey-reveals>

KEY FINDINGS FROM OUR RECENT EMPLOYER SURVEY: IS YOUR BUSINESS EQUIPPED TO DEFEND A TRIBUNAL CLAIM?

Our latest survey, conducted during our recent webinar on employment tribunals, offers critical insights into how mid-sized businesses are preparing for forthcoming legislative changes under the Employment Rights Bill.

SURVEY CONTEXT

Our polls were designed to capture essential information on business demographics, HR responsibilities, employee engagement practices, perception of risk, and operational concerns regarding the new legislation.

For context, most of our respondents were medium-sized businesses (50-249 employees). The internal management of HR was highly concentrated, with over 75% of organisations handling human resources internally, either via a dedicated in-house team or a single HR Manager.

EMPLOYEE ENGAGEMENT AS A RISK DEFENCE

During the webinar, we highlighted that a culture of strong employee engagement is vital for defending against employment tribunals, as it addresses the root causes of disputes and creates a demonstrable culture of fairness.

We asked employers about their use of employee engagement surveys, a key tool for driving this culture. Responses revealed a somewhat polarized, yet frequent, approach:

- 45% conduct surveys annually or more often.
- 24% rarely or never carry out surveys.
- 15% only use exit interviews.
- 12% survey every 2-3 years.
- 5% didn't know

These results show that frequent surveying of employees' views is the most common single practice.

When asked what the most effective way an engaged workforce prevents a claim from escalating, employers prioritised the cultural and emotional benefits:

- 46% believe it builds loyalty.
- 33% believe it ensures employees use the internal grievance process.

This indicates a clear focus on the belief that a strong cultural environment can prevent claims by building employee loyalty, with promoting formal internal processes also highly valued.

Priorities for improving engagement

Employers identified two clear areas of focus for both improving engagement and reducing tribunal risk, indicating a focus on relational factors and managerial competence:

- 41% cited improving internal communications and transparency.
- 31% cited manager training on effective feedback.

Together, these two areas account for approximately 80% of all responses, suggesting that direct, relational skills and transparent communication are seen as the most potent ways to reduce legal risk.

CONCERNS OVER NEW UNFAIR DISMISSAL RULES

The Employment Rights Bill is expected to remove the current two-year qualifying service for an unfair dismissal claim, making this legal protection apply from day one of employment. We asked employers about their greatest concern regarding this change:

- 36% were most concerned about the difficulty dismissing unsuitable employees during probation.
- 32% were concerned about the higher risk of employment tribunal claims and legal costs.

The practical concern of managing underperforming new hires slightly outweighs the concern over increased legal and financial risk. We also explored the potential impact of an anticipated statutory probation period:

- 36% anticipate having to lengthen existing policy to match the new statutory period.
- 30% will need to ensure their policy aligns with the 'lighter touch' rule expected under the new law.

The overwhelming consensus is that employers anticipate the need to adjust existing policies significantly to accommodate or align with the new statutory requirements.

PREPARING FOR REGULATORY CHANGE: AREAS OF URGENT ATTENTION

In preparation for forthcoming regulatory changes, businesses identified two key areas demanding immediate review. The clear priority reflects concerns over managing dismissals and ensuring documentation is legally sound.

The highest priority for review is Manager training on performance management and dismissals (44%), closely followed by updating Employee contracts and handbooks (37%).

THE MOST SIGNIFICANT IMPACT OF LEGAL CLAIMS

When asked to identify the most significant impact of a legal claim on the business, financial and reputational factors were prioritised over the actual compensation paid to the employee. The direct costs of litigation, such as legal fees, settlement payouts (34%) and the non-monetary cost of damage to corporate reputation (23%) were identified as the two most significant impacts.

BIGGEST CONTRIBUTORS TO LEGAL CLAIMS

Respondents pinpointed deficiencies in managerial skills (37%) and formal procedures (27%) as the single biggest contributors to legal claims, with low morale (22%) also being a significant factor.

Together these represent most perceived risk factors.

AREAS OF DESIRED SUPPORT

The need for external support is strongest for preparing for the new legislation (17%) and ensuring documentation compliance, directly mirroring the areas flagged for urgent internal review (14%).

There was also a strong focus on manager training and policy review, suggesting businesses recognise that internal competency and documentation are their primary defence against increasing legal risks.

What is your strategy for addressing these internal capability gaps? Read our latest news updated on the progress of the Employment Rights Bill and start preparing for the reforms now.

<https://www.cipp.org.uk/resources/news/life-on-low-pay-2025-living-wage-foundation-report.html>

Got any 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](#).