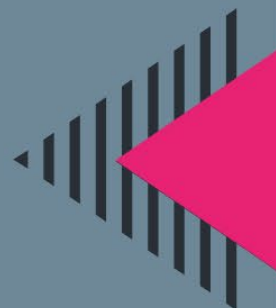




HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

December 2024



RECENT AND FUTURE CHANGES

RECENT CHANGES

2025/26 STATUTORY RATES PUBLISHED

STATUTORY PAY	CURRENT TAX YEAR 2024/25	NEXT TAX YEAR 2025/26
Maternity allowance	£184.03	£187.18
Maternity allowance threshold	£30	£30
Statutory Adoption Pay (SAP)	£184.03	£187.18
Statutory Paternity Pay (SPP)	£184.03	£187.18
Statutory Shared Parental Pay (SSPP)	£184.03	£187.18
Statutory Parental Bereavement Pay (SPBP)	£184.03	£187.18
Statutory Sick Pay (SSP)	£116.75	£118.75
Lower earnings limit (LEL)	£123	£125

MINIMUM WAGE RATES	CURRENT TAX YEAR 2024/25	NEXT TAX YEAR 2025/26
National Living Wage (21 years and over)	£11.44	£12.21
18-20 year olds	£8.60	£10.00
16-17 year olds	£6.40	£7.55
Apprentice rate	£6.40	£7.55
Accommodation offset	£9.99	£10.66

PLANNING FOR THE HR YEAR AHEAD

As we wrap up 2024, it is a good time to reflect and plan for the next.

2025 is set to be a busy year for business and HR leaders as further details will become clear regarding the employment reforms set out in the Employment Rights Bill. The purpose of which is to enhance employment rights and ban exploitative working practices.

Even though many of the reforms will require additional clarity through secondary legislation, public consultation, or the development of new or updated Codes of Practices and Government guidance our advice to employers is to start planning for the change now, in order to be ready, because if passed, the Bill will bring significant changes to employment protections and working practices.

As it stands, the Bill has many different stages to go through before it becomes an Act of law and is therefore subject to amendments. We have had the first round of amendments raised on 26 November, which you can [access here](#). As a result of the Bill still in draft stage, it means that your strategic planning must take this into account and be flexed accordingly.

With the scale of the reforms being the largest we have seen in decades, most will not come into force before 2026. In fact, the most significant reform, which is the removal of the two year service criteria for claiming unfair dismissal, will not come into force before Autumn 2026.

In addition to these reforms, there are also other changes expected that are due in 2025, such as a new statutory right to neonatal leave and pay, parental (bereavement) leave, and the annual increases in statutory pay rates (NMW, SSP, SMP etc).

To help you plan for the year ahead, you can download our [template people plan](#). It is an easy to use template document that will help you to set out the key people priorities for your business.

Our recent webinar '2025 – the HR year ahead' with its accompanying [Hot Topic](#) delves more deeply into what we can expect from a human resource management perspective next year.

EMPLOYMENT RIGHTS BILL – LATEST NEWS

As mentioned in the above article, since our last newsletter, we have had several amendments to the Bill published, which will all be subject to parliamentary debate. As there are so many amendments that have been submitted and because we do not know if any will be accepted or not, we will wait until we have more of an indication as to what will be introduced before providing full details. However, you can refer to the Government's 50 page document setting out these amendments by [accessing here](#).

One significant reform proposed is to extend the time limits for raising employment tribunal claims from 3 to 6 months (although discrimination claims already provide claimants with a 6 month period in which to claim).

We will continue to bring you updates on significant developments, as we continue to monitor the progress of the Bill. The finer detail about many of the amendments will be further clarified when we know more about whether they are to be accepted.

PAY AND CONDITIONS OF SCHOOL TEACHERS IN WALES

At the end of last month (29th), the updated pay and conditions book for Wales was published. Although, pay and conditions will retrospectively come into effect from 1 September 2024.

FUTURE CHANGES (LEGISLATION BY COMMENCEMENT DATE)

DECEMBER 2024

1 December 2024 - The Seafarers' Wages Act 2023 part 1 draft regulations and guidance

The Seafarer's Wages Act 2023 is to protect those who work on ships that operate a regular international service to/from the UK from being paid less than the national minimum/living wage. Operators will be required to provide a declaration that seafarers on certain services are remunerated at a rate equivalent to the minimum wage.

2 December 2024 – The Supreme Court Rules 2024

These replace the rules from 2009, and will provide for a new digital case management portal.

13 December 2024 (part 1) – The Recognition of Professional Qualifications and Implementation of International Recognition Agreements (Amendment) (Extension to Switzerland etc) Regulations 2024

These Regulations will recognise Swiss professional qualifications in the UK.

JANUARY 2025

1 January 2024 (part 2) – The Recognition of Professional Qualifications and Implementation of International Recognition Agreements (Amendment) (Extension to Switzerland etc) Regulations 2024

Remaining Regulations that were not enforced on 13 December, will come into effect 1 January 2025.

20 January 2025 – The Trade Union and Labour Relations (Consolidation) Act 1992

This amendment will allow Employment Tribunals to increase an employee's award when making a protective award in regards to an employer's non-compliance with collective consultation requirements. It will also extend to situations where an employer has unreasonably failed to comply with the Code of Practice on Dismissal and Re-engagement. If it is the employee that has unreasonably failed to comply with the relevant Code, their award can be reduced by up to 25%.

FEBRUARY 2025

1 February 2025 – Employment Tribunal rules

These rules amend EAT rules to allow the use of an electronic case management system for all legally represented parties and also updates the definition of 'legal representative'.

APRIL 2025

April 2025 – Increase to National Minimum and National Living Wage

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

SEPTEMBER 2025

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

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

2026 AND BEYOND

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

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

2028 – Pension age increase

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

FUTURE CHANGES (LEGISLATION COMMENCEMENT DATE TO BE CONFIRMED)

APRIL 2025? NEONATAL CARE (LEAVE AND PAY) ACT 2023

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

THE 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.

SOMETIME 2024/2025? EMPLOYMENT RIGHTS BILL

This Bill when passed, would introduce 28 reforms to employment rights. Changes are not expected before 2026 for most, with the rules around unfair dismissal rights not coming into effect until Autumn 2026 at the earliest.

SOMETIME 2024/2025? DATA (USE AND ACCESS)

Update current data protection laws including new rules relevant to AI systems and decision making processes.

SOMETIME 2024/2025? PENSIONS (EXTENSION OF AUTOMATIC ENROLMENT) ACT 2023

This legislation removes the current age requirements for eligible workers to be automatically enrolled into a workplace pension. The current minimum age is 22 years, but this will be reduced to 18 years.

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.

WHISTLEBLOWING – PROTECTION FOR CHILDREN'S SOCIAL CARE APPLICANTS

This protection will be introduced into the Employment Rights Act, section 49C which will prevent employers from discriminating against a job applicant for a children's social care role because they have made a protected disclosure.

EMPLOYMENT BILLS (A-Z)

ARTIFICIAL INTELLIGENCE (REGULATIONS AND WORKERS RIGHTS) BILL

[The Artificial Intelligence \(Regulation and Workers' Rights\) Bill](#) if passed, would regulate the use of artificial intelligence technologies in the workplace and to make provision for workers' and trade union rights in relation to the use of artificial intelligence technologies.

ASYLUM SEEKERS (PERMISSION TO WORK) BILL

This Bill, if passed, would enable asylum seekers who have waited six months for a decision on their asylum application, to be able to take up employment.

BULLYING AND RESPECT AT WORK BILL

A new Bill has been proposed that aims to address workplace bullying and promote a respectful working environment.

CARERS AND CARE WORKERS BILL

This [Bill](#) would require the Secretary of State for Health and Social Care to publish and implement a Carer Worker's Employment Strategy which would be aimed at improving the recruitment and retention of care workers and establish an independent National Care Workers Council that would have responsibility for setting professional standards for care workers. It would also be responsible for establishing a system of professional qualifications and accreditation for care workers.

DATA PROTECTION AND DIGITAL INFORMATION (NO.2) BILL

This Bill aims to make changes to the UK General Data Protection Regulations (UK GDPR) and to introduce several significant data protection and ePrivacy reforms.

Some of the key proposed changes include:

- removing the traditional role of Data Protection Officer and to replace it with 'Senior Responsible Individual' (SRI)
- remove the requirement to complete a data protection impact assessment – although risks must still be identified and managed but on a risk based approach
- require only controllers or processors of data that is likely to result in high risk to the rights and freedoms of individuals, to keep and maintain records
- the Regulator, the Information Commissioner's Office, will be replaced by the Information Commission and supported by a statutory Board, with a Chair and Chief Executive

- remove the requirement for non-UK based controllers and processors to appoint a UK representative
- remove the current test threshold “manifestly unfounded or excessive” when managing subject data access requests and replace with “vexatious or excessive”. Examples quoted in the Bill include requests that are intended to cause distress, not made in good faith or are an abuse of process.

DEVOLUTION (EMPLOYMENT) (SCOTLAND) BILL

This Bill would amend legislation (Scotland Act 1998) that would change the legislative competence on employment matters from the UK Government to the Scottish Parliament.

EMPLOYMENT (APPLICATION REQUIREMENTS) BILL

This Bill is aimed at introducing legislation that would regulate the use of minimum qualification or experience requirements in job applications.

EMPLOYEE SHARE OWNERSHIP (REFORM) BILL

This [Bill](#) would introduce a new share ownership scheme which would not require regular monthly contributions and so aimed at lower income and gig economy workers. It would also reduce the share incentive plan holding period from five years to three years and require companies to declare in their annual reports the type of share ownership plans they have in place and level of take up.

EMPLOYMENT AND TRADE UNION RIGHTS (DISMISSAL AND RE-ENGAGEMENT)

This [Bill](#) if passed, would provide workers greater rights and protection against ‘fire and rehire’, the practice where a dismissal occurs only for the worker to be offered new employment but on lesser terms.

FERTILITY TREATMENT BILL

This [Bill](#) is about providing employees with the legal entitlement to time out of the workplace in order to attend appointments for fertility treatment.

HEALTH AND SAFETY BILL

This [Bill](#) would amend the Enterprise and Regulatory Reform Act 2013 to make provisions about civil liability for breaches of health and safety duties.

MISCARRIAGE LEAVE BILL

This Bill would provide employees who have experienced a miscarriage with at least three days paid leave.

NON-DISCLOSURE AGREEMENTS BILL

This [Bill](#) would make provisions about the content and use of non-disclosure agreements and for connected purposes.

PATERNITY LEAVE (BEREAVEMENT) BILL

This Bill would make special provisions for paternity leave, including to be become a day one right where the mother or primary adopter dies within the first year of birth or placement.

PUBLIC SECTOR EXIT PAYMENTS

This [Bill](#) would limit the amount of exit payments made to those working within some public sector organisations.

WORKERS (RIGHTS AND DEFINITION) BILL

This is a [Bill](#) which would amend the definition of worker.

WORKING TIME REGULATIONS (AMENDMENT) BILL

This Bill seeks to amend the Working Time Regulations so the maximum working week would become 32 hours per week, rather than the current 48 hours.

CONSULTATION AND GUIDANCE

CONSULTATIONS

CONSULTATION ABOUT THE IMPACT OF THE REFORMS SET OUT IN THE EMPLOYMENT RIGHTS BILL

At the end of last month, a list of amendments to the Employment Rights Bill were published as part of the Committee Stage and will be debated by the House of Commons. These amendments are set out in a 50 page document, which can be [accessed here](#). One item that has become evident, is that the Bill now includes the proposal of extending the time limits for raising employment tribunal claims from 3 to 6 months. At this early stage, we will continue to bring you updates on significant developments, as we continue to monitor the progress of the Bill. The finer detail about the many amendments will be further clarified when we know more about whether they are to be accepted or not.

In addition, a public consultation was also launched, seeking evidence from business, trade unions and other professional bodies on the proposed reforms.

This consultation has now closed, and the Government are analysing the evidence submitted and we can expect a report published on the findings of the consultation process. Following this report stage, there will be a third reading of the Bill in the House of Commons, before it is passed to the House of Lords for debate and amending.

HR Solutions participated in the consultation process on behalf of small businesses.

WHITE PAPER: GET BRITAIN WORKING

Following the publication of the new Employment Rights Bill in early October, the Government published on 26 November its [‘Get Britain Working - White Paper’](#); the aim of which is to make significant reforms to both employment support and the health and disability benefits system.

The reforms are focussed on getting people back into work and to reach an employment rate of 80% (currently 74.8%). Specifically, the 6 key issues it sets out to address:

- “too many people are excluded from the labour market – especially those with health conditions, caring responsibilities or lower skill levels
- too many young people leave school without essential skills or access to high-quality further learning, an apprenticeship or support to work so that they can thrive at the start of their career
- too many people are stuck in insecure, poor quality and often low-paying work, which contributes to a weaker economy and also affects their health and wellbeing
- too many women who care for their families still experience challenges staying in and progressing in work
- too many employers cannot fill their vacancies due to labour and skills shortages, holding back economic growth and undermining living standards
- there is too great a disparity in labour market outcomes between different places and for different groups of people

The White Paper proposes many changes, all aimed at supporting people back to work such as launching a new independent review looking into how employers can be better supported to employ and retain those with disabilities. Introduce additional 8,500 new mental health employees into the health and social care sector. A £125 million investment into developing eight areas across England and Wales to locally join support together when it comes to health and skills; and for three areas in particular (North East, South Yorkshire and West Yorkshire), further funding to help people to stop falling out of work completely due to ill health. The practical application of how this funding is used will then be used to design a support network across the rest of England and Wales.

CALL FOR EVIDENCE: COSTS PROTECTION IN DISCRIMINATION CLAIMS

At the end of November, the Ministry of Justice (MoJ) announced a public consultation in which it seeks views and evidence from employers, trade unions and other professional bodies in respect of the current arrangements for bringing discrimination claims under the Equality Act 2010, in civil courts in England and Wales.

The MoJ is exploring whether costs protection should be extended to all discrimination claims as currently it only applies in certain areas. Costs protection apply in certain circumstances, and when granted it means that if a claimant loses a case they do not have to pay adverse costs. This of course is not the norm, since the general position in civil cases in England and Wales is that the loser pays the winner’s legal costs as well as their own.



The Government considers that there is insufficient evidence to make a decision on this matter and is seeking evidence from key stakeholders, which can include claimants and defendants. The purpose of the consultation is to understand whether stakeholders consider there to be access to justice concerns regarding discrimination, and if so, what it relates to. It is particularly looking for evidence in areas that include:

- Further evidence on the following factors in respect of discrimination claims under the Equality Act 2010, for all protected characteristics:
 - Types of claim/claimant
 - Types of defendant
 - How a claim was funded, and what remedy was sought
 - The complexity of the claim
 - Success rates (including outcome and e.g., what damages were awarded)
 - Level of costs, broken down (i) by stage and (ii) by which party had to pay them
- Are you able to obtain ATE insurance cover? Please provide evidence or further details
- Statistical evidence on discrimination claims under the Equality Act 2010 which could not be brought under the current costs regime in the CPR
- Further evidence of why a claim could not be brought. Was this due to fear of adverse costs, or another reason? Although statistical/quantitative data would be more useful in terms of building up a picture of these categories of claim, we will also accept qualitative evidence
- Do you possess evidence that there is more of an issue in respect of access to justice for one protected characteristic than another?

The Government website has shared a set of questions relating to this enquiry which you can [access here](#). It also provides information on how you can participate in the consultation. The deadline for doing so is 19 February 2025.

NORTHERN IRELAND GOVERNMENT CONSULTATION: GENDER PAY GAP

The Northern Ireland Government has opened a new public consultation relating to section 19 of the Employment Act (Northern Ireland) 2016, which sets out an employer's obligation to publish gender pay gap information.

Employers operating in Northern Ireland can participate in the survey by [clicking here](#), and the deadline for submitting responses is 14 February 2025.

GUIDANCE

The Department for Education (DfE) published recently an updated version of the statutory safeguarding and child protection guidance for schools in England “[Keeping children safe in education \(KCSIE\)](#)”. This version replaces previous editions of the guidance.

The guidance sets out what schools and colleges in England must do to safeguard and promote the welfare of children and young people under the age of 18. There are three key changes:

1. **Support for LGBTQ+ Children:** The updates focus on supporting children who are lesbian, gay, bisexual, or questioning their gender. These changes emphasize caution regarding social transitioning due to uncertainties about its long-term impact. Schools are advised to assess a child's broad needs in partnership with parents, except in rare cases where involving parents could pose a significant risk of harm to the child. Note that these guidelines are provisional, pending the outcome of a consultation on guidance for gender-questioning children.
2. **Abuse, Neglect, and Exploitation:** The terminology in the guidance has been updated to include “exploitation” with the section now titled “Abuse, Neglect, and Exploitation.” This change, ensures consistency in language and reinforces the importance of recognising all forms of harm. Schools must revise policies and training materials to align with the new language.
3. **Alternative Provision Safeguarding:** A new paragraph emphasizes that schools remain accountable for safeguarding students placed in alternative provision. Schools must ensure that such placements adequately meet the pupil's needs. Although this responsibility has been implicit, its inclusion in the guidance underlines its importance.

These changes highlight evolving priorities in safeguarding and stress the need for updated policies and training to ensure compliance and effectiveness.

CASE RULINGS

WHAT CLASSIFIES AN INDIVIDUAL AS A WORKER VS SELF-EMPLOYED?

OVERVIEW

The primary matter considered in this employment tribunal case was whether bolt drivers were classed as self-employed or workers.

The Employment Rights Act 1996, section 230(3) defines a worker as

“an individual who has entered into or works under a contract or any other contract whether express or implied and whether oral or in writing whereby the individual undertakes to do or perform personally any work or services for another party to the contract whose status is not by virtue of the contract that of a client or customer of any profession or business undertaking carried on by the individual”.

In recent years, we have seen several high profile cases examine employment status; whether it is between determining if someone is self employed or a worker (as in this case), or if they are an employee or work. It is a complex area of law, but the case rulings do provide clarity in how the law is to be applied.

THE CIRCUMSTANCES

Bolt Operations OU & Others is a company that offers ride-hailing, shared cars, scooters and food and grocery delivery services. Following the Supreme Court ruling in the case of Uber v Aslam and others in 2021, which ruled that Uber drivers were workers not self-employed, Bolt drivers raised a claim against Bolt Operations OU & Others making the same claim.

Individuals who are self-employed have limited employment rights, whereas a worker would qualify the national minimum wage, paid annual leave, rest breaks and having a maximum working week and may even qualify statutory sick pay depending upon the circumstances.

The claim argued that they should be classed as workers and not self-employed, and therefore be entitled to the national minimum wage and holiday pay.

THE JUDGEMENT

The tribunal determined that the Bolt drivers are workers. This decision was reached using a test which determines if an individual is considered a worker. Some of the test findings were as follows:

- Bolt has control over the service provided by the drivers including setting the driver's fares, collecting fees, applying a service fee, and in some instances the company can block a driver from using the app and only Bolt can unblock this.
- The effort of Bolt to create the right to substitution using their Bolt Link function was rejected as it is up to the company to allocate the trip to the next driver in line rather than the drivers substituting the work themselves.
- The drivers are not running a business of which Bolt are their customers, rather Bolt are purchasing the drivers labour strictly on its 'take it or leave it' terms.

The ruling means that the Bolt drivers will now have a number of employment rights including being paid national minimum wage, entitlement to holiday pay, and protection against unlawful deduction of wages and a hearing to determine the issue of compensation will be held next year.

KEY LEARNINGS

- **Understand the difference between all types of employment status:** Employers must learn what classifies an individual as a worker, employee or self-employed and act according to the law when employing people. Applying the wrong status can have significant implications not just in terms of employment rights, but also from a tax perspective. If you need help working out the status of an individual for the purpose of tax, the [government website has a useful tool](#).
- **Regularly review contracts and working practices:** These should be reviewed regularly to ensure they are legally compliant. Remember custom and practice can have implications for employment rights. These are unwritten rules that become an accepted part of the employment relationship over time.

MUST AN EMPLOYER ALWAYS CONSIDER AN EMPLOYEE'S LENGTH OF SERVICE AND ALTERNATIVE ACTIONS BEFORE DISMISSING FOR 'SOME OTHER SUBSTANTIAL REASON'?

OVERVIEW

The recent Employment Appeal Tribunal ('EAT') case of [Alexis v Westminster Drug Project \[2024\] EAT 188](#), considered matters concerning the termination of employment for some other substantial reason due to the irretrievable breakdown in the employment relationship.

THE CIRCUMSTANCES

The Claimant, a dedicated receptionist/administrator since 2010, joined WDP in 2015 as part of a transfer. In 2018, she disclosed her dyslexia to her employer, prompting an assessment by Dyslexia Assessment and Consultancy (DAC) that recommended accommodations such as 25% extra time for exams or interviews. While the report provided clear guidance for supporting her, these recommendations became a central issue during a 2020 restructuring process.

To streamline operations, WDP sought to reduce three receptionist/administrator roles to two new positions: a receptionist and an administrator. The selection process involved competitive interviews with standardised questions for all candidates. The panel chair was aware of the Claimant's dyslexia, and interview questions were sent 15 minutes before the first interview. The Claimant later asserted she had only received questions for the second interview, not the first, and her performance ranked lower than her peers. In October 2020, she was informed she had not been selected for either role.

Believing the process was unfair, the Claimant filed a formal grievance, arguing she should have received the questions 24 hours in advance. WDP's grievance panel partially upheld her complaint, admitting to not properly notifying her about the questions but maintaining that the adjustments provided were reasonable.

To address her concerns, WDP offered a second interview with additional accommodations, including extended interview time, advance access to question summaries, and a fresh evaluation. However, the Claimant was dissatisfied with this resolution and escalated her concerns through an appeals process.

The appeal strained the relationship further. While it reaffirmed certain adjustments, such as advance provision of question summaries or topics, the Claimant's dissatisfaction persisted. She expressed her frustration in multiple emails to senior decision-makers, including WDP's chairperson, which further heightened tensions. WDP management came to view her repeated challenges as a refusal to accept reasonable outcomes, perceiving her actions as obstructive to finalising the restructuring process.

In February 2021, the Claimant attended a meeting with HR to discuss the viability of her continued employment. Citing her perceived unmanageability, repeated challenges to resolved grievances, and the unsustainable demands her actions imposed on the organisation, HR concluded the employment relationship had irretrievably broken down. Alternatives such as warnings or modified employment terms were deemed unfeasible, given the absence of trust and confidence. The Claimant's dismissal was finalised on February 23, 2021.

The Claimant subsequently filed claims with the Employment Tribunal, alleging unfair dismissal, disability-related harassment, and failure to make reasonable adjustments. The Tribunal rejected most claims, ruling that the dismissal was fair and based on "some other substantial reason" under employment law, specifically, the employer's reasonable belief that trust and confidence had irretrievably broken down. The Tribunal also found the employer had followed a fair process.

The Claimant appealed the Tribunal's decision on two grounds; 1) that her length of service had not been sufficiently considered in the dismissal decision, and 2) that alternative sanctions, such as a warning, had not been adequately explored.

THE JUDGEMENT

The Employment Appeal Tribunal (EAT) upheld the original Employment Tribunal ruling, concluding that while length of service is valuable, it is not decisive when trust has been irreparably damaged.

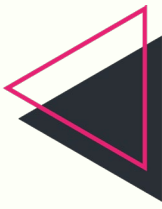
The EAT found that the employer had acted reasonably, lawfully, and within its rights.

LEARNING POINTS FOR EMPLOYERS

Employers must adhere to a fair and transparent process when addressing grievances and accommodating disabilities. However, it is somewhat reassuring that, in cases of an irreparable breakdown in the employment relationship, alternatives to dismissal may not be suitable, as the relationship has been fundamentally damaged.

This case serves as a clear reminder for employees to understand procedural boundaries and acknowledge the impact workplace relationships can have on outcomes. When trust is broken in a professional relationship, rebuilding it can be exceptionally challenging.

This case is specific to situations involving dismissals on the grounds of some other substantial reason. When managing dismissals in other circumstances, considering alternative sanctions and a person's length of service could be reasonable considerations to ensure that dismissal is a fair one.



SPRING FORECAST 2025

The Chancellor of the Exchequer has confirmed that the Spring forecast will take place on Wednesday 26 March 2025.

REMINDER: CHANGES IN HOLIDAY RULES

You will remember that back in April, we had significant employment law developments regarding how to calculate holiday entitlement and pay for someone who works irregular hours or part year.

They came into force for all holiday years that started on or after 1 April 2024, and not for those employers with a holiday year that had started before the April. For these employers, they would have to wait until the start of the next holiday year for implementing.

With the end of the year in sight, there will be employers who will be about to start a new holiday year (most likely from January). This means, the legal changes that came in back in April, will now need to be implemented to come into force from the start of the new holiday year. This means, for those who are irregular hours or part year workers, you will need to ensure:

- Your payroll processes use the new methods for holiday accrual and pay
- Your employee handbook, template contract of employment, template worker agreement and annual leave policy are updated for using from the start of the next holiday year.
- If you are in the process of recruiting now, but the expected start date will be in the new holiday year, then the updated contract of employment / worker agreement must be used as part of the new starter process

This is a contractual change for existing employees, which means employers are legally required to consult and serve appropriate notice before introducing contractual changes.

We have a template you can use to help you in managing the calculation and recording of holiday entitlement for those who work irregular hours or part year, which you can [access here](#).

2025/26 STATUTORY RATES PUBLISHED

The Government have published the statutory rates and minimum wage rates for the 2025/26 tax year which can be found on page 1 of this newsletter.

INCOME TAX RATES FOR WALES

On 10 December, the Welsh Government delivered its draft [budget](#) which confirmed that income tax will remain the same for the 2025/26 financial year. This means that taxpayers in Wales will remain at parity with England and Northern Ireland.

NEW HMRC TOOL TO IDENTIFY POTENTIAL FRAUD AND TAX AVOIDANCE SCHEMES

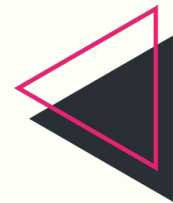
This month, the HMRC have launched a new tool to help workers that are engaged with an umbrella company, to identify signs of fraud and even tax avoidance scheme and will ultimately, help the user in correcting their tax position.

The tool works by providing the worker with an estimate on what amounts should have been paid in tax and it will highlight areas where incorrect deductions have been made.

It is available for individuals, as well as businesses and umbrella companies.

The tool has been tested, which included being tested by the Institute of Payroll Professionals. You can [access the tool here](#).

HEALTH & SAFETY



EMPLOYEE MENTAL HEALTH

With an increased focus on supporting employees mental health at work, a new survey from ACAS found that 9 out of 10 employees want their managers to prioritise this.

By improving communications within the workplace, employers can have a greater awareness of their employees mental wellbeing and take steps to make improvements where this has the potential to have a detrimental impact.

According to the [Office for National Statistics](#), 18.5 million working days were lost in 2022 through sickness absence relating to mental health conditions.

Discussing and identifying the cause for changes in behaviour can help with being proactive in eliminating any workplace stressors as well as creating the opportunity to make adjustments.

Increasing awareness of managers to identify possible signs of poor mental health, which can include:

- Changes in attendance such as increased sickness absence or lateness
- Changes in appearance such as poor personal hygiene or looking tired.
- Changes in behaviours such as lack of interest or focus, becoming withdrawn.
- Issues with work performance such as making mistakes, becoming disorganised or missing deadlines.

Under the Equality Act 2010, mental health conditions can be considered a disability if they have a substantial and long-term negative effect on a person's ability to carry out normal day-to-day activities. To qualify as a disability, the condition must last or be expected to last at least 12 months.

Regardless of whether an individual's mental health is considered a disability for the purposes of the Equality Act 2010, it would be considered as best practice to offer reasonable adjustments in order to support an employee to improve their mental health.

Employers can make several reasonable adjustments to support an employee's mental health, ensuring they feel valued and are able to perform effectively in their roles. Some potential adjustments include:

- **Flexible Working Hours:** Allowing flexible working times or the option to work from home can help employees manage their mental health, particularly if they need time to attend therapy sessions or manage stress.
- **Reduced Workload:** Temporarily adjusting an employee's workload or providing more manageable deadlines can help reduce pressure and prevent burnout.
- **Quiet Work Environment:** Providing a quieter or less stressful workspace can benefit employees who may feel overwhelmed by noise or distractions in open-plan offices.
- **Mental Health Days:** Offering additional paid or unpaid leave for mental health reasons allows employees to take time off to recover without fear of financial strain.
- **Access to Support Services:** Providing access to employee assistance programs (EAPs) or counselling services can help employees manage stress, anxiety, or other mental health issues.
- **Training and Awareness:** Educating colleagues and managers on mental health issues can reduce stigma, promote understanding, and encourage a supportive work environment.
- **Regular Check-ins:** Having regular one-on-one meetings to check on an employee's well-being, rather than solely focusing on performance, can offer a supportive space for employees to express concerns.
- **Adjustments to Job Role:** If an employee is struggling with specific tasks due to their mental health, altering their role temporarily or reassigning tasks can prevent stress and facilitate better performance.

These adjustments can help employees manage their mental health more effectively, reduce workplace stress, and improve overall productivity and wellbeing.

DIRECTOR HELD PERSONALLY LIABLE FOR H&S BREACHES

A Company Director has been held personally liable for breaching the Work at Height Regulations and the Health and Safety at Work Act.

This is a case from 2023, where workers were spotted working at height without scaffolding or edge protection, putting their lives at risk. No fall mitigation measures were in place either, such as harnesses and when working at night, they relied upon the light from their mobile phones and its torch.

Whilst the company, Weather Master Roofing, was found guilty of breaching the Work at Height Regulations and the Health and Safety at Work Act, the company Director was also found personally liable.

The Company was ordered to pay a £4,000 fine and £1,500 in costs and a victim surcharge of £1,600, and Mr. Jack Avanzo, the Company Director received a six month maximum prison sentence, suspended for two years, was mandated to complete 120 hours of unpaid work, disqualified from being a Director for three years and ordered to pay £1,500 in prosecution costs.

INTERESTING HR STATISTICS

FATHER'S UPTAKE ON SHARED PARENTAL LEAVE

Research conducted by the campaign group 'The Dad Shift' found that less than 2% of new fathers took shared parental leave last year (2023).

Since the Shared Parental Leave scheme was introduced 10 years ago, a [government review](#) found that 54% of dads, felt they were not well informed about the statutory scheme being an option for them.

The Dad Shift submitted a Freedom of Information request to the HMRC which found the top 20 per cent of earners made up 60 per cent of those to use shared parental leave, and just 5 per cent of users came from the bottom 50 per cent of earners, the campaign group found.

In our experience, because shared parental leave isn't commonly used, it makes it more complicated for employers to manage, when there is a request.

ONS LABOUR MARKET OVERVIEW

The latest data from the [Office for National Statistics \(ONS\)](#), in their [Labour Market Overview](#), published 17 December 2024, shows the following economic indicators:

EMPLOYMENT

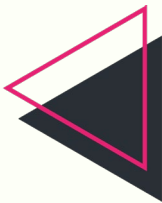
For the period August to October 2024:

- Employment levels for those aged 16+ has slightly increased on the previous quarter to 33.70 million, which is 74.9% of the working population
- Unemployment is at 4.3%
- The number who are economically inactive (i.e. not in employment and who have not been seeking work within the last 4 weeks and/or unable to start work within the next 2 weeks) is 9.37 million, 21.7% of the working age population
- Current redundancy rate per thousand, of those aged 16+ is 3.4.

VACANCIES

For the period September to October 2024:

- The estimated number of vacancies was 818,000, a decrease of 31,000 compared to the previous quarter
- This quarter is the 29th consecutive period with vacancy numbers decreasing, but are still above pre-coronavirus pandemic levels.



For the period September to October 2024:

- The number of payrolled employees increased by 0.1%, and when comparing to the previous year, the increase was by 140,000 (0.5%).
- Annual growth in employees' average earnings for regular pay (excluding bonuses) and total earnings (inclusive of bonuses) was 5.2%
- Annual growth in employees' average earnings in the private sector for regular pay (excluding bonuses) was 5.4%, whilst in the public sector it was 4.3
- Annual growth in employees' average earnings in the public sector for regular pay (excluding bonuses) was 4.3%.

Got questions?

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