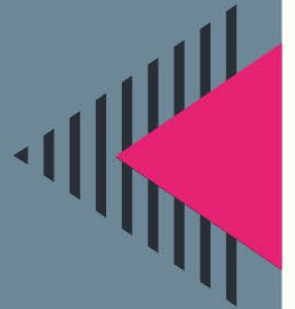




# HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

January 2025



# RECENT AND FUTURE CHANGES

## RECENT CHANGES

### NEW NEONATAL LEAVE AND PAY CONFIRMED FOR APRIL!

Back in 2023, the Neonatal Care (Leave and Pay) Act 2023 was passed, but we have been waiting since this time for a commencement date. The Government have now been confirmed (20 January 2025) that it will come into force from Sunday 6 April 2025.

As with most pieces of legislation, there needs to be Regulations, and these were put forward and are subject to Parliamentary approval. In the meantime, whilst we wait the detail, this is what we understand the new statutory entitlement will be:

- The right to take neonatal leave and pay will apply to someone with parental or other personal relationship with a child that is to receive or has received neonatal care.
- The entitlement to leave will be a day one employment right, but to be eligible for pay then there will be an eligibility criteria. One requirement will be to have been employed with their employer for a continuous period of 26 weeks.
- The total amount of statutory neonatal leave is capped at a maximum of 12 weeks.

Find out more on this new statutory entitlement by reading our article 'The Neonatal Care Leave and Pay Act 2023 on the Knowledge Base.

### EMPLOYMENT RIGHTS BILL UPDATE – 9 JANUARY 2025

For business owners and HR practitioners, 2025 is set to be a big year as we expect the Employment Rights Bill to be given Royal Assent and become an Act of law.

It is possible that the Bill could be given Royal Assent as early as the Spring/Summer 2025 but with most of the reforms not expected to come into force until 2026. Although some may come in later going into 2026.

So, the focus for business owners in 2025 is to plan and prepare the business for change, and the development of a strategic people plan is crucial for doing so. Many of the reforms bring significant change to how business will employ people and so creating a tailored plan specific to your business and how it will respond to legislative changes will be key.

As we continue to monitor the progress of the Bill, we have identified areas that have the potential to be introduced later in 2025 and should therefore be top of the agenda. You can read about these in our latest news update on the Knowledge Base by clicking here, where you can also find a template to develop your strategic people

plan as well as read our article guiding you on how to develop it.

### DO YOU HAVE A NEW HOLIDAY YEAR?

Is 1 January the start of your holiday year? Do you employ irregular hours workers or those who work part of a year? If so, then remember that there are different rules that you must use when calculating holiday entitlement and pay for these groups of workers. As a result, you need to ensure your template contract of employment, and worker agreement incorporate the changes to how holiday is managed, along with your handbook and policy.

Check out our Knowledge Base articles and templates to help you understand and manage, the new way for managing both entitlement and pay:

- calculating holiday entitlement and pay for irregular hours/part year workers
- Managing holidays
- Paid annual leave (WTR)
- FORM\_PAY10 Irregular hours holiday pay calculator

You can also download our template contract suitable for those who work part year or irregular hours. 'Contract of employment – zero hours worker' or 'Contract of employment – part year term time', 'Contract of employment – annualised hours'.

### A NEW BILL: THE DOMESTIC ABUSE (SAFE LEAVE) BILL

Earlier this month, a new private member's Bill was introduced into Parliament by Labour MP for Gloucester, Mr. Alex McIntyre MP known as the Domestic Abuse (Safe Leave) Bill.

In his statement at the time of introducing the Bill, Mr. McIntyre called domestic abuse as a "national emergency" and referred to a case in his own constituency back in 2014 in which a young woman, Ms Hollie Gazzard was murdered at work by her boyfriend after months of obsessive behaviour, jealousy and harassment.

This new Bill, which if becomes law, would 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.

The ability to take time out from the workplace without it impacting on a person's income would be a significant source of support. In Mr. Alex McIntyre's speech to Parliament, he said that in a Women's Aid report (The Price of Safety), it found that for a survivor of domestic abuse, it could cost almost £50,000 to leave their abuser.

## THE RECOGNITION OF PROFESSIONAL QUALIFICATIONS AND IMPLEMENTATION OF INTERNATIONAL RECOGNITION AGREEMENTS (AMENDMENT) (EXTENSION TO SWITZERLAND ETC) REGULATIONS 2024 – PART 2

With effect from 1 January 2025, the 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 month, the above Act has been amended to allow Employment Tribunals to increase an employee's award when making a protective award regarding an employer's non-compliance with collective consultation requirements.

It also extends 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%.

## HR SOLUTIONS ANNUAL VIRTUAL EMPLOYMENT LAW SEMINAR

Join HR Solutions virtually, for our annual employment law seminar to find out about recent and forthcoming changes to UK Employment Law in 2025.

This virtual seminar will help you to understand how you will need to protect your business from the risk of future employment claims.

During the seminar, we will cover:

- The Employment Rights Bill
- Statutory rates for 2025/26
- Significant case rulings from the previous 12 months and key ones to expect
- Our advice on helping you to prepare for changes in employment law

Join us for our annual event taking place on Thursday 6 March, 10am-12.00noon. You can register via our Events Page, on the Knowledge Base home page.

## FUTURE CHANGES (LEGISLATION BY COMMENCEMENT DATE)

### 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 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. Read our Knowledge Base article for further information on this new statutory entitlement.

### 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. Further detail can be read [here](#). 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.

### Data (Use and Access)

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

### 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.



# CONSULTATION AND GUIDANCE

## CONSULTATION

### EMPLOYMENT RIGHTS BILL CONSULTATIONS UPDATE

For many of the proposed employment reforms which form part of the Employment Rights Bill the Government are seeking public input through the completion of open consultations, all under the banner of 'Make Work Pay' and they include:

1. [Employment Rights Bill](#)
2. [Strengthening Statutory Sick Pay](#)
3. [Creating a modern framework for industrial relations](#)
4. [Collective redundancy and fire and rehire](#)
5. [The application of zero-hour contracts measures to agency workers](#)

For all the above, we now await the Government's response and will provide you with this the next available newsletter.

### General update

With the Christmas period, we haven't had any further new consultations open. Those that are ongoing and remain open include:

1. [Prudential Regulation Authority \(PRA\) and Financial Conduct Authority \(FCA\)](#) – Remuneration reforms (closes 13 March 2025)
2. [Financial Reporting Council – Stewardship Code](#) (closes 19 February 2025)
3. [Ministry of Justice call for evidence: Costs protection in discrimination claims](#) (closes 19 February 2025)
4. [Department of Health & Social Care Consultation: Leading the NHS, proposals to regulate NHS managers](#) (closes 18 February 2025)
5. [Northern Ireland Government: Gender Pay Gap Information Regulations](#) (closes 14 February 2025)
6. [Equality at Work: Paternity and shared parental leave](#) (31 January 2025)

To find out more and take part in the consultation, click the relevant consultation above by the closing date noted.

### Consultation on statutory paternity and shared parental leave

The Women and Equalities Committee (WEC) has launched a call for written evidence on statutory paternity and shared parental leave to examine options for reform. This request for evidence forms part of the overarching inquiry into equality at work.

This inquiry is looking for evidence into the following areas:

1. *“To what extent has the statutory shared parental leave scheme given parents (including different sex and same sex parents, adoptive parents, and parents through surrogacy) choice and flexibility in how they share parenting responsibilities in the first year?”*
2. *What have been the longer-term equality impacts of the scheme, for example on equal sharing of responsibilities for children as they grow up, and wider domestic responsibilities?”*
3. *What have been the labour market impacts of the scheme, particularly for women?”*
4. *Why has take up of statutory shared parental leave been low and what could be done to increase take up?”*
5. *How can inequalities in take up of shared parental leave, including by ethnicity, income, qualification level and occupational status, be addressed?”*
6. *Are there potentially more effective alternatives to the current “maternal transfer” model of shared parental leave?”*
7. *Which countries have most effectively incentivised equal parenting and wider gender equality through their approaches to parental leave? What would be the costs and benefits of replicating these approaches in the UK?”*

If your business would like to participate in this call for evidence, you can do so by accessing the [committee's website](#) by the 31 January 2025.

## Consultation response into data protection fees

The UK Government recently [published](#) its response to a public consultation on proposed increases to data protection fees.

The consultation, held in August 2024, explored a 37.2% fee increase for data controllers, aiming to cover the Information Commissioner's Office (ICO) operational costs amid inflation, as well as seeking views on the appropriateness of the existing fees and structure. Specifically, it sought public input on:

- The justification for the fee increase.
- The criteria used to determine fee amounts.
- The appropriateness of the current Direct Debit discount.
- The validity of existing fee exemptions.

It is a legal requirement that organisation's pay an annual fee to the ICO. The fee, are based on the size of the business and turnover and set within a three tier structure:

- Tier 1: applies to micro-organisations, with a maximum turnover of £632,000 or not more than 10 employees. The current fee is £40 and the proposed new fee was £55.
- Tier 2: applies to small and medium organisations, with a maximum turnover of £36 million or no more than 250 employees. The current fee is £60 and the proposed new fee was £82.
- Tier 3: – applies to large organisations that do not meet either criteria 1 or 2. The current fee is £2900 with the proposed new fee of £3,979.

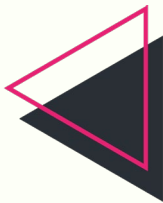
In the recently published Government response, the following is confirmed:

- Tier 1 fees will increase but not at the proposed rate of 37.2%. Instead, the increase will be 29.8% taking it to a new rate of £52 per year.
- Tier 2 fees will also increase but again, not at the originally proposed rate. Instead, the increase will be 29.8% taking the new rate to £78 per year.
- Tier 3 will follow suit, with an increase of £29.8% taking the new rate to £3763.

Part of the consultation sought views on the fee structure and how easy it was to understand and navigate. Most respondents felt that fairly or very easy to understand and the Government have concluded that it will retain the existing criteria for determining fees across the three-tier structure.

The Government have also confirmed that it will retain the current exemptions from the requirement to pay a fee and maintain the £5 discount that is applied when paying by direct debit.

The Government will now bring legislation into Parliament later this month, with the aim of the new fees coming into force early 2025.



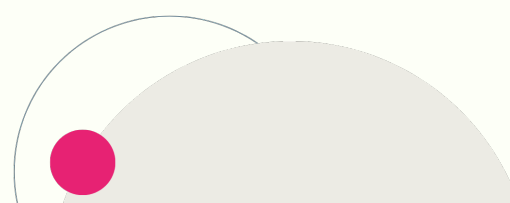
**EQUALITY AND HUMAN RIGHTS COMMISSION PUBLISH ADVICE TO PARLIAMENT**

You may recall back in December, HR Solutions [submitted its response](#) into the open public consultation on the Employment Rights Bill. It is this Bill, which is proposing 28 reforms to employment legislation, many of which will bring significant change.

This month, the Equality and Human Rights Commission (EHRC) published on its website, its own submission into the consultation, which provides us with interesting insight into how they perceive the new Bill would interact with human rights, if passed.

These are the key submissions from the EHRC:

REFORM	EHRC RESPONSE
<ul style="list-style-type: none"> <li>• Right to guaranteed hours</li> <li>• Shifts: rights to reasonable notice</li> <li>• Right to payment for cancelled, moved and curtailed shifts</li> <li>• Repeal of Workers (Predictable Terms and Conditions) Act 2023</li> <li>• Exclusivity terms in zero hours arrangements</li> </ul>	<p>EHRC believe these reforms have the potential to improve the enjoyment of the right to private and family life in accordance with Article 8 of the European Convention on Human Rights (ECHR) and have the potential to promote the right to just and favourable conditions at work (which is a protection under Article 7) of the International Covenant on Economic Social and Cultural Rights (ICESCR).</p> <p>The EHRC have also advised the Government of the need to undertake a rigorous impact assessment and to monitor the effects so it can comply with the public sector equality duty. As well as the need for monitoring to ensure there are no unintended impacts on employer behaviour.</p>
<ul style="list-style-type: none"> <li>• Employers to take all reasonable steps to prevent sexual harassment</li> <li>• Harassment by 3<sup>rd</sup> parties</li> <li>• Sexual harassment – power to make provision about ‘reasonable steps’</li> <li>• Protection of disclosures relating to sexual harassment</li> </ul>	<p>The EHRC believe that these reforms have the potential to strengthen existing protections.</p> <p>They flag the importance of careful consideration and consultation of the measures.</p> <p>They would also like to see greater clarity from the Government in regard to their intentions for enforcement.</p>
<ul style="list-style-type: none"> <li>• Harassment by 3<sup>rd</sup> parties</li> </ul>	<p>Further to the above, and specific to the 3<sup>rd</sup> party harassment, the EHRC recommends careful analysis of this measure in order to understand how to balance 3<sup>rd</sup> parties right to freedom of expression under Article 10 of the ECHR alongside the employees’ protection from harassment and their right to private and family life (Article 8).</p>
<ul style="list-style-type: none"> <li>• Equality action plans</li> <li>• Provision of information relating to outsourced workers</li> </ul>	<p>The EHRC believe these measures may encourage employers to address gender pay gaps and barriers to employment and progression for women workers.</p> <p>They do recommend that careful consideration and consultation is required in order to introduce these measures and that further clarity from the Government is required on its ambitions for enforcement.</p>
<ul style="list-style-type: none"> <li>• Enforcement of labour market legislation – the introduction of the new Fair Work Agency</li> </ul>	<p>The EHRC advises the Government that its new Fair Work Agency complements and operates alongside the EHRC’s regulatory role and does so in a way that it does not duplicate or undermine the work carried out by the EHRC.</p>



## GUIDANCE ON THE LEGAL DEFINITION OF PSEUDONYMISATION

Pseudonymisation refers to techniques that replace, remove or transform information that identifies individuals and keeps that information separate. Under UK GDPR, data that has undergone pseudonymisation remains in scope of UK data protection law because it remains 'personal data'.

This month, the European Data Protection Board (EDPB) published guidance on Pseudonymisation and opened a public consultation in order to seek views from within Europe, including from within the United Kingdom.

The guidance clarifies the legal definition of pseudonymisation under GDPR, and outlines its role as a safeguard for implementing data protection principles, particularly in risk reduction, data minimisation, and ensuring appropriate security levels.

Within the guidance, the EDPB also addresses the impact of pseudonymisation on data subject rights and its potential use in data transfers to third countries.

If your business wishes to participate in this consultation, comments should be sent by 28th February 2025 at the latest using the form provided on the [EDPB's website](#). You can access the recently published [guidance here](#).



# CASE RULINGS

## WOMEN SCOTLAND LTD V THE SCOTTISH MINISTERS

### IS SOMEONE WITH A FULL GENDER RECOGNITION CERTIFICATE WHICH RECOGNISES THEIR GENDER AS FEMALE A 'WOMAN' FOR THE PURPOSE OF THE EQUALITY ACT 2010?

At the end of last year, the [Supreme Court](#) began to hear a case in which it seeks to determine the definition of a woman; it is currently adjourned whilst we wait for a judgement. The Supreme Court is considering how the Gender Recognition Act 2004 operates alongside the Equality Act 2010 and will determine how someone who is transgender should be legally treated and determine what the process of gender recognition means. Which could have implications for single sex spaces.

The Gender Recognition Act 2004 states “if the acquired gender is the male gender, then the person’s sex becomes that of a man, and if it is the female gender, the person’s sex becomes that of a woman”. However, when the Equality Act 2010 refers to sex, it is unclear if it is to mean biological sex, or legal ‘certified’ sex, as qualified by the Gender Recognition Act.

Back in 2019, Scotland passed the Gender Representation on Public Boards (Scotland) Act as a way of getting more women onto public sector boards. In this legislation, it defines a “woman” to include people living as a woman who were either currently or proposing to undergo the gender reassignment process and new guidance was published alongside.

The guidance stated that the law would include women as defined by the Equality Act 2010 and by the Gender Recognition Act and therefore, a full gender recognition certificate could be taken as a declaration of someone’s sex “for all purposes”. The Scottish courts ruled back in December 2022 that the definition of sex was not limited to biological or birth sex, but included those in possession of a gender recognition certificate.

Campaign group For Women Scotland challenged this position, which is now at the Supreme Court for a definitive ruling. Their argument is that the meaning of the words “man” and “woman” should be taken to mean in the common sense of the meaning of the words because sex is unchallengeable and an “immutable biological state”. This definition of sex is necessary in order to protect the rights of women.

For Women Scotland believe the Equality Act supersedes the Gender Recognition Act, whereas, the Scottish Government believe that these two pieces of legislation are clear in their language and that it was known at the time the law was passed, what the legislation was taken to mean. Furthermore, that the Gender Recognition Act makes clear that a full gender certificate applies “for all purposes” and therefore a person who becomes the sex of their acquired gender is entitled to the protections of that sex, including protection against unfavourable treatment.

This ruling is currently in recess whilst the five judges consider the arguments and issue their judgement.

### POTENTIAL IMPLICATIONS

If the Supreme Court rules in favour of the Scottish Government’s position—that a person with a full gender recognition certificate should be considered the sex of their acquired gender under the Equality Act 2010, it would mean that transgender individuals who legally identify as female (with a gender recognition certificate) would be recognised as women for the purposes of employment protections, access to single-sex spaces, and other rights under the Equality Act.

Employers would be required to treat individuals with gender recognition certificates as women in all legal contexts, including workplace protections against discrimination. This could also impact recruitment and gender equality policies, potentially requiring employers to adjust their practices to accommodate transgender employees in single-sex spaces, such as bathrooms and changing rooms, according to their gender identity.

On the other hand, if the court rules in favour of the campaign group For Women Scotland—which advocates for the interpretation of “woman” to refer strictly to biological sex, employers would need to maintain separate legal treatment for those who have a gender recognition certificate and those whose sex is defined by biology. This could potentially limit the access of transgender women (those assigned male at birth) to women-only spaces and protections under the Equality Act and may require more stringent policies around single-sex spaces in the workplace. Employers would likely face increased complexity in determining when and how to apply protections based on sex versus gender identity, possibly leading to more legal challenges or the need for clearer guidelines.

In either case, employers will need to be prepared for changes in how they manage gender identity and sex in the workplace, ensuring they comply with whichever definition of “woman” the court upholds.

# PAYROLL



## DO YOU WANT TO SHARE YOUR FEEDBACK ON THE NATIONAL MINIMUM WAGE?

The Low Pay Commission (LPC) is the independent body responsible for recommending the latest rates for both the national living wage, and national minimum wage to the Government each year. Their recommendations are put forward based on comprehensive data collection and analysis, including how it impacts UK businesses, and workers.

Whilst we already have announced the 2025/26 NMW and NLW pay rates, the LPC will, over the next few months, travel the UK in order to gather the views and experiences of employers so that this evidence can help to form future recommendations. The LPC would like to understand your experience with:

- The economy and labour market in your area
- The outlook for pay and employment in your business
- How employers and workers affected by the rising minimum wage
- Your views on the future of the minimum wage.

Employees wishing to participate, can contact the LPC either via email at [lpc@lowpay.gov.uk](mailto:lpc@lowpay.gov.uk) or by phone on 07341 098734. The in-person consultations take place between March and August 2025. You can read more about the LPC visits [here](#).

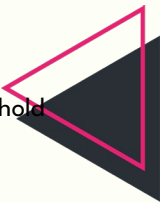
## REMINDER: ARE YOU PREPARED FOR THE INCREASE IN STATUTORY RATES AND EMPLOYER COSTS?

In last month's payroll newsletter, we informed you of the recently published statutory rates and employer national insurance costs. Here is a reminder of the new rates for the 2025/26 tax year:

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

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

Don't forget that Employers with a secondary Class 1 National Insurance contributions liability, or with employees with earnings of at least £5,000 a year will see changes to the contribution they are required to make.



First, the threshold for which an employer becomes liable to pay secondary Class 1 NICs will decrease. Currently the threshold is set at £9,100 per year, and from 6 April 2025, it will become £5,000. This will be in place at least until 5 April 2028.

In addition, the secondary Class 1 NIC rate will increase from 13.8% to 15% and the maximum employment allowance will increase from £5,000 to £10,500.

Furthermore, the restriction currently in place that applies to the Employment Allowance will be removed, meaning eligible businesses and charities will be able to claim a greater reduction on their secondary Class 1 NIC liability, irrespective of what secondary class 1 NIC liability they had in the previous tax year. Currently, the rules don't allow employers to claim a reduction.

## 2024 NATIONAL MINIMUM WAGE REPORT

The Low Pay Commission (LPC) have published this month a report on the compliance and enforcement of the National Minimum Wage in 2024.

The report looks at the scale of underpayments, the nature of them and the performance of how the NMW is being enforced.

A significant highlight in the report is that it is estimated that around 370,000 of workers were underpaid in April 2024, which was an increase on the previous year, but remains lower than the amount identified pre pandemic.

The LPC believes that the context at the time is important to consider because the underpayment of 370,000 workers occurred when the overall minimum wage coverage jumped substantially between 2023 and 2024. If you recall, 2024 saw a jump in the minimum wage level because it was the year when the top-level banding was broadened to include those over the age of 21, therefore capturing more workers.

The leading cause of underpayments was deductions, followed by unpaid working time, occurring in more than one in three cases. This report and its findings are a good reminder in the importance of the correct handling of pay; and where deductions are made that these deductions don't take the worker below the statutory minimum pay levels.

HMRC now 'name and shame' those employers who fail to comply with the national minimum wage, and have enforcement powers that include:

1. Award of arrears to the underpaid staff
2. Financial penalty of 200% of the underpayment, subject to a minimum £100 and maximum penalty of £20,000 per underpaid worker
3. Reputational risk of being 'named and shamed' on public record
4. Criminal prosecution.

Non compliance can also be as a result of the employer mis-categorising the status of the individual. If someone who is thought to be 'self employed', yet in practice, the relationship and nature of the work carried out is indicative of someone who is employed directly by the organisation, then this can mean that the individual has not been awarded their statutory entitlements, including that of the national minimum wage.

The full report by the LPC is also available to [read here](#).

# HEALTH & SAFETY

## WINTER SLIPS, TRIPS AND FALLS

During winter, the combination of shorter daylight hours, wet and decaying leaves, and icy surfaces increases slip, trip, and fall accidents significantly. According to recent statistics, such accidents are the leading cause of workplace injuries, resulting in over 145,000 cases annually and costing employers more than £500 million.

Failure to address winter hazards can lead to significant financial penalties. A third of personal injury claims stem from slips, trips, and falls, with average claims costing £7,500.

Risk Factors include lighting deficiencies, wet and decaying leaves, rainwater and of course ice, frost and snow. It is essential for employers to conduct a comprehensive slip risk assessment, where footwear is provided to employees, ensure that it is suitable for the conditions they will be working in and educate employees on safe behaviours such as wiping feet, walking cautiously and using handrails.

## THE HEALTH AND SAFETY AT WORK ETC. ACT 1974 (AMENDMENT BILL)

Late last year, a Parliamentary Bill was introduced to strengthen employer health and safety obligations under the Health and Safety at Work Act (HASAW). If passed, it would amend existing the HASAW to require employers to proactively prevent workplace violence and harassment, with a particular focus on enhancing protections for women and girls.

Recent legislative developments, such as the Worker Protection (Amendment of Equality Act 2010) Act 2023 (effective October 2024), which introduced new employer obligations to prevent sexual harassment, along with this development to the HASAW, highlight the growing recognition of the need to improve workplace environments.

If passed, this Bill would legislate as follows:

Require employers to take proactive steps to prevent violence and harassment, with particular focus on women and girls

Require employers to implement comprehensive policies and training

Empower the Health and Safety Executive (HSE) to establish a framework addressing workplace violence and harassment, including gender-based violence.

The Bill has its second reading in the House of Commons on 7 March 2025. A copy of the draft Bill can be found [here](#).

# INTERESTING HR STATISTICS

## THE HR POLICY GAP

In our recent webinar, now available on demand, we explored what the HR essentials are for small businesses, including which HR policies they should have in place.

It is interesting to know that in the UK, 99% of businesses employ fewer than 50 people, meaning their HR resources are typically on a smaller scale when compared to larger corporates - which can lead to gaps in expertise.

Our webinar revealed that while participants had the majority of HR policies in place, 51% did not have a family friendly policy. Family friendly policies set out the employer's position on adoption and maternity leave, parental leave, parental bereavement leave, paternity, shared parental leave and time off for dependants. We recommend having the one HR policy document covering all of these entitlements because it makes it easier for your employee to find information they need for their circumstances. Having separate policies can make it harder to find exactly the information you are looking for.

51% OF WEBINAR RESPONDENTS DON'T HAVE A 'FAMILY FRIENDLY' POLICY.

With regards to other policies in place, these were the results:

- Absence – 83%
- Bullying and harassment – 83%
- Disciplinary – 86%
- Equality, Diversity and Inclusion – 86%
- Grievance – 81%
- Health and safety – 90%
- IT and computer usage – 80%
- Whistleblowing – 66%

While more than 80% of participants had most of the essential policies in place, there is still a gap for some employers, which could turn out to be costly because of the risk of tribunal claims. Policies are not only a written form of evidence demonstrating your organisation's approach, but they ensure consistent treatment in how the workforce are managed.

During our webinar, we also asked participants when their policies were last reviewed, and these were our results:

- Last 12 months – 66%
- Between 1 and 3 years ago – 28%
- Pre pandemic – 6%

It is essential that policies are monitored and reviewed to ensure the business remains compliant all of the time and reflects the organisation's working practices.

2025 and 2026 are expected to be significant for employment law, and so employers will need to be thoroughly prepared. This is because the Government has proposed 28 employment reforms as part of its 'Make Work Pay' plan, all of which are set out in the new Employment Rights Bill. Consequently, many policies will become outdated.

Keep an eye out at the end of each month when we provide an update on what has been added to or updated on the Knowledge Base. We will always inform you when we have made changes to our template documents and articles.

## ONS LABOUR MARKET OVERVIEW

The latest data from the Office for National Statistics (ONS), in their Labour Market Overview, [published 21 January 2025](#) shows the following economic indicators:

## EMPLOYMENT

For the period September to November 2024:

- Employment levels for those aged 16+ is largely unchanged compared with the same period last year, but it down in the last quarter. It is 74.8% of the working population.
- Unemployment is at 4.4% and is an increase when compared to the same period last year, and also on the last quarter.
- The number who are economically inactive is 21.6% of the working age population; this is down on the same period last year and also in the last quarter.
- Current redundancy rate per thousand of those aged 16+ is 3.8, an increase on the previous quarter which was 3.4, and also an increase when compared to the same quarter last year.
- An estimated 51,000 working days lost in November 2024 because of labour disputes.

## VACANCIES

For the period September to November 2024:

- The estimated number of vacancies was 812,000 which was a decrease on the quarter which is the 30<sup>th</sup> consecutive period.

## PAY

For the period September to November 2024:

- Annual growth in employees' average earnings was for regular and total earnings was 5.6%. Growth in real terms and adjusted for inflation using the consumer price index was 2.5% for regular pay and 2.4% for total pay (including bonuses).
- The number of payrolled employees for December 2024 was 30.3 million, this is a decrease of 47,000 on the month and 8,000 on the year.

### 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](#).