

HR UPDATE

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A BIG THANK YOU

Welcome to our latest newsletter

It's been a busy first few months of the year, with many businesses starting to prepare for the upcoming Employment Rights Act (ERA) changes and the wider workplace reforms we'll begin to see over the next couple of years.

I've been working closely with clients to review policies, update processes and make sure managers understand what the April changes and future ERA developments will mean in practice.

As always, the aim is to make sure businesses are prepared early rather than reacting later.

In this edition I've pulled together some key updates, practical insights and common questions that have been popping up from employers over the past few months.

With Easter just around the corner, I hope you're able to take a well-earned break and enjoy some time to recharge [with chocolate, of course].

Best wishes,

Claire





Employment Rights Act: what's now enforced and what's to come?

The first wave of Employment Rights Act reforms came into force this month, with further changes scheduled throughout 2026 and 2027. To help you understand where your business stands, here is a summary of what has already come into force and what's still to come.

To Action Now



What's being enforced in April?

The following changes are in effect:

- New paternity leave rules
- Strengthened whistleblowing protections
- Updated Statutory Sick Pay
- Bereaved Partner's Paternity Leave
- Menopause and gender equality guidance

In addition, the Fair Work Agency is being established to strengthen enforcement across workplace rights.



Still To Come

Unfair dismissal qualifying period reducing to six months

From 1 January 2027, the qualifying period required for an employee to bring an ordinary unfair dismissal claim will be significantly shortened from 2 years' service to 6 months' service.

The key point is employees who already have 6 months service on 1 January 2027 will immediately qualify for ordinary unfair dismissal protection. That creates an overnight impact.



For example:

- An individual you employ tomorrow will be protected from 1 January 2027.
- An employee who starts on 1 July 2026 will qualify on 1 January 2027.
- An employee who starts on 1 October 2026 will qualify on 1 April 2027 (six months after their start date).

So, on 31 December 2026, someone with 1 years' service may not be protected, but on 1 January 2027, they will be.

IMPORTANT NOTE: Certain dismissals have never required a qualifying period, and that position remains unchanged.

Day one protections continue to apply in cases involving:

- Discrimination under the Equality Act 2010
- Whistleblowing (protected disclosures)
- Health and safety issues
- Pregnancy or maternity-related reasons
- Trade union membership or activities

For many employers, this will be one of the most significant changes. It will place greater importance on structured onboarding, well-managed probation periods and clear performance management processes.



Employment Rights Act: what's now enforced and what's to come?



What else is happening in 2026?

Further changes will take effect in October 2026, including new duties relating to:

- Preventing workplace harassment
- Informing employees of their right to join a union
- Supporting union access
- Revised tipping rules
- Changes to recognition processes and protections

What to prepare for in 2027

Several of the most significant reforms will take effect next year, including:

- Unfair dismissal qualifying period reducing to 6 months
- Uncapped compensatory awards
- Enhanced protections for pregnant women and new parents
- Changes to flexible working
- Bereavement leave including pregnancy loss
- Ending exploitative zero-hours practices
- Regulation of umbrella companies

Together, these reforms will reshape how employers manage probation, early performance concerns and different working arrangements.

How can we help?

We can help your business understand what legislative changes mean in practice and how to prepare effectively. If you would like to talk through what these reforms mean for your business, please get in touch for a confidential discussion.



A recent tribunal decision highlights why clear expectations and policies matter when a dismissal is challenged. In this case, a bus driver chased a thief and used force to stop him. Many people felt his actions were understandable.

However, the employer dismissed him because his actions went beyond what staff were trained and authorised to do. He left the bus unattended and pursued the thief, creating potential risk for passengers and for the business.

How clear expectations protected the employer in this tribunal case

The driver disagreed with the decision and challenged the dismissal. The tribunal did not consider whether the action felt justified. Instead, it examined whether the employer had set clear expectations and applied them consistently. Because it had done so, the dismissal was upheld.

You may not employ bus drivers, but similar situations arise in retail, warehouses and public-facing roles.

This case reinforces an important point: clear expectations are not about control. They provide the structure that allows employers to make decisions confidently, knowing they can demonstrate fairness if those decisions are questioned later.

Nearly half of workers don't take real breaks

What everyday working habits quietly say about your business

Recent research suggests that nearly half of workers only step away from their workspace to use the toilet.

This is not because people do not value breaks, but because many feel pressure to stay visible, keep working and demonstrate productivity.

The same research also found that informal breaks and everyday conversations can support wellbeing more effectively than formal initiatives or workplace perks. That matters because it is something most businesses already have influence over.

This is not about introducing new wellbeing programmes or enforcing breaks.

One practical step is simply encouraging employees to step away from their work during the day and visibly modelling the same behaviour as a manager or business owner.

Small signals like this often shape workplace culture more than formal policies.



When to stop DIY-ing HR and get the support you need

What HR tasks are quietly distracting you from growing your business?

Most business owners begin by handling HR themselves to keep costs down. Questions are answered as they arise, issues are dealt with informally and the hope is that nothing becomes too complex.

In the short term, that approach can feel efficient. Over time, however, it often begins to consume more time than expected.

A simple absence conversation turns into a pattern that needs managing. A performance concern stretches into weeks of back-and-forth. A behavioural issue leads to conversations that take up more attention than planned.

Gradually, HR starts taking up more time than sales, operations or strategy.

This is usually the point where DIY HR stops working. Not because anything has been done incorrectly, but because the business has reached a stage where informal processes become a bottleneck.

The key is recognising when it is time to hand over support.

Outsourcing to an independent HR consultancy is often the most cost-effective and practical option. An HR consultant can review the issues landing on your desk, take on the areas that are draining your time and help build the right HR foundations so the business can grow without unnecessary risk or disruption.

You regain your time. The business gains stability. HR becomes proactive rather than reactive.

If HR is starting to pull you away from the work that drives your business forward, get in touch for a confidential conversation about how we can help.

How an HR budget will save you money this year

With the new tax year approaching, many businesses say they don't have an HR budget. What they usually mean is that they haven't planned one.

In reality, most businesses are already spending money on HR. They just don't always recognise it.

HR costs tend to appear reactively:

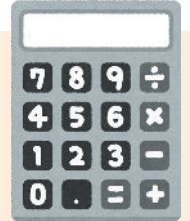
- A grievance that needs investigating
- A disciplinary process that takes up management time
- External advice brought in once an issue has escalated

By the time these costs show up, they're often higher than expected and harder to control.

We're seeing more business owners step back and ask a simple question:

"What has HR actually cost us this year?"

When you add up grievances, disciplinaries, management time, sickness linked to unresolved issues and recruitment following avoidable exits, the total can quickly mount up.



If you haven't done it before, set aside 30 minutes this month to review what HR has really cost your business. For many organisations, it's an eye-opening exercise. Often, redirecting just a small portion of reactive spend into proactive HR support can reduce risk, save money and give managers greater confidence day to day.

If you'd like help reviewing your HR spend or planning a more proactive HR budget, we'd be happy to talk it through and sense-check the numbers.

And if you'd like more detail, including how to identify hidden HR costs and what proactive HR support looks like, get in touch for a copy of our guide to creating an HR budget.

Minimum wage mistakes cost employers millions – Is your payroll compliant?

Hundreds of UK employers have been fined for minimum wage breaches, with 389 organisations ordered to repay over £7.3 million to around 60,000 workers, highlighting how common and costly compliance gaps can be. Experts emphasise that most breaches are unintentional, often caused by complex pay structures, outdated processes, or missed updates rather than deliberate wrongdoing.

However, the impact on employees is significant, affecting trust and morale. Regular payroll audits, clear pay frameworks, and embedding compliance into everyday HR processes are key to avoiding risk. Ultimately, minimum wage compliance isn't just a legal requirement, it's a reflection of how organisations value and treat their people.

How do I calculate holiday pay?

As we move into the time of year when employees start planning Easter breaks, summer holidays and even Christmas leave, questions about holiday pay tend to increase.



It sounds simple. In reality, it's one of the areas small businesses struggle with most.

The rule itself is straightforward: when someone takes holiday, they should receive their normal pay. But defining "normal pay" isn't always clear.

For example:

- Fixed hours – holiday pay usually reflects normal weekly pay
- Variable hours or pay – an average calculation is typically required
- Regular overtime, commission or allowances – these may also need to be included

Online calculators can help sense-check entitlement, but they don't understand your pay structures and won't prevent repeated errors.

This is where good HR software can make a real difference.

The right system will:

- Track holiday entitlement
- Calculate pay based on pay history
- Apply the same rules consistently every time

It removes guesswork for managers and reduces the risk of mistakes.
Just as importantly, it provides clarity for employees. They can see:

- How much holiday they have
- What they'll be paid when they take leave
- That calculations are consistent and fair



That transparency matters, both legally and culturally.

Accurate, consistent holiday pay protects your business and helps build trust with your team.

If you'd like to sense-check your current approach or explore HR systems that could simplify this, get in touch.

QUESTIONS & ANSWERS

Top HR Questions

How can I get help preparing for the Employment Rights Act changes?

The upcoming Employment Rights Act changes will affect policies, contracts, manager training and how you handle probation, performance and different working arrangements.

For many businesses, the challenge isn't understanding the headlines. It's translating the changes into practical steps that protect the business day to day.

This is where working with an experienced HR consultancy can help. At WoodcoteHR, we support businesses by reviewing their current HR processes, identifying where the new rules will affect them and putting the right policies, guidance and training in place.

Are policies really that important?

Yes. Clear, up-to-date policies set expectations, reduce risk and give you something to rely on if decisions are challenged.

Tribunals look closely at whether policies exist, are reasonable and are applied consistently. Without them, even sensible decisions are harder to defend.

What's the best way to keep my employees happy?

From a legal perspective, consistency and fairness matter more than perks.

Clear communication, predictable processes and managers who handle issues early and reasonably, do more to reduce disputes, grievances and absence than any formal benefit scheme.

What training do my employees need with the ERA stuff?

The priority is manager training. Line managers need to understand new rights, processes and risk points so that they don't inadvertently create liability.

Training should focus on day-to-day decisions, not legal theory, and be refreshed as changes are phased in.

Can I ask staff to share their work location if they are working remotely?

Yes, as long as there's a clear business reason. For example, health and safety, data security or knowing where people are working for operational reasons. Be clear about why you're asking and avoid collecting more information than you actually need.

What should I do if an employee refuses to complete mandatory training?

Start by understanding why they're refusing. If the training is genuinely mandatory for the role (for safety, legal or operational reasons), make that clear and give them a reasonable opportunity to complete it. If they still refuse, it may become a conduct or performance issue that needs to be managed formally.

Can I tell staff they cannot bring their personal phone on to the shop floor or job site?

Yes. You can set reasonable rules around personal phones at work, especially for safety, security or productivity reasons. Make sure the rule is clear, applied consistently and allows for exceptions where appropriate, such as emergencies.