


GUIDE
NEWSLETTER

Welcome and Introduction

Welcome to our Winter 2024 Newsletter. As we start to think about our business plans for the coming new year and reflect on the last 12 months, in this edition, we bring you the pending employment law changes affecting 2024/25. Happy Reading.

In this edition we cover the following topics:

- Key Employment Law Changes in 2024/25
- Goal Setting in business
- Focus on Reward
- New Services for our HRGuide subscribers



Key Employment Law Changes in 2024/25

National Minimum Wage changes

All employers are aware of the annual rise in the National Minimum Wage. With the change of government in the UK, the body that provides the recommendations on these rates was tasked with making the April 2025 rate more representative of the cost of living.

The Low Pay Commission has now indicated that the April 2025 rise may account for inflation up to March 2026; and that there may be a higher percentile increase for the age band rate 18–20-year-old band because the UK Government have a long-term ambition to phase out this age band

(allowing for the National Minimum Wage to start from the age of 18).

Subject to change, the current forecast for the April 2025 rate is £12.10.

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Key Employment Law Changes in 2024/25

Cancellation of one law and start of another

On the 5 September 2024, it was confirmed that the Workers (Predictable Terms and Conditions) Act 2023, is 'cancelled'. The law was set to allow those on unpredictable working patterns to make two requests a year for predictable patterns of work, subject to qualifying criteria. The current UK Government may choose to forward a similar law as part of its wider reforms on workers' rights, but we await further information.

The Tipping Act 2023

Withholding tips from workers is set to become illegal under the Employment (Allocation of Tips) Act 2023, which will come into force on 1 October this year.

The statutory code of practice, which outlines the requirements for employers under the new legislation, states they will need to distribute tips in a "fair and transparent manner" and pass on all tips and service charges to workers without deductions.

Under the Tipping Act, employers will also have to maintain a written policy on how tips are dealt with at their place of business and ensure the policy is made available

to all their workers. They will need to keep a record of all tips paid at their place of business, as well as their allocation and distribution.

Fairness and transparency

The code sets out that allocating and distributing tips fairly does not necessarily mean employers have to allocate the same proportion of tips to all workers. However, it states they should use a "clear and objective set of factors" to determine this, such as:

- Type of role or work
- Basic pay
- Individual and/or team performance
- Seniority or level of responsibility
- Length of time served with the employer
- Customer intention

According to the code of practice, employers should consult with workers to seek agreement that the system used to allocate tips is "fair, reasonable and clear" and the factors they decide to consider must be stated in the company's tipping policy.

This means businesses must maintain a record of the allocation and distribution of tips for three years, and workers will have the right to request to view it.

The consequences of any breach can be wide ranging, especially as tribunals will be given new powers to compensate workers for up to £5,000 for a proven breach."

The Employment Rights Bill is coming...

The new Labour Government intend to introduce this comprehensive bill which, once implemented, will represent the biggest upgrade in employment rights for a generation.

The bill was introduced into the House of Commons on 10 October 2024. Further detail on many policies in the bill will be provided in the coming 12 to 18 months. The government will begin consulting on the majority of these reforms in 2025. However, for some they will be consulting before the end of the year, including on applying the zero hours measures to agency workers; modernising trade union legislation; and Statutory Sick Pay.

It is expected that most reforms in the bill will take effect no earlier than 2026.

What does the bill do?

The plan is that the bill will **address one-sided flexibility** ensuring that jobs provide a baseline of security for workers.



This will include:

- ban exploitative zero hours contracts by introducing rights to guaranteed hours, reasonable notice of shifts, and compensation for short-notice cancellation of shifts
- end unscrupulous 'fire and rehire' and 'fire and replace' practices by considering any dismissals for failing to agree to a change in contract as automatically unfair, except where businesses genuinely have no alternative
- provide a day one right to protection from unfair dismissal (while allowing statutory probation periods in which a lighter-touch dismissal process applies)
- strengthen collective redundancy rights by ensuring the employer obligations to consult on and notify 20 or more redundancies applies across a workforce, not just at a single establishment
- close the maritime redundancy notification loophole, ensuring that operators providing regular services from the UK cannot avoid the collective redundancy notification requirement

Support family friendly rights by improving flexibility and security:

- make existing entitlements to Paternity Leave and Unpaid Parental leave available from 'Day 1' of

- employment enabling parents to take their Paternity Leave and pay after their Shared Parental Leave and pay
- introduce a new right to unpaid Bereavement Leave, allowing employees to take leave from work to grieve the loss of a loved one
- introduce new protections from dismissal for a woman who is pregnant and for six months after her return to work
- strengthen the existing 'Day 1' right to request flexible working, by requiring employers to explain the grounds on which they've denied a request

Prioritise fairness, equality and wellbeing of workers:

- strengthen employers' duty to prevent sexual harassment of their employees by requiring them to take all reasonable preventative steps
- introduce an obligation on employers to not permit harassment of their employees by third parties
- specify steps which are to be regarded as 'reasonable' for an employer to take in order to prevent sexual harassment
- add sexual harassment to the list of issues that workers can make protected disclosures on
- strengthen gender pay gap reporting to reflect outsourced workers

- introduce Equality Action Plans, setting out how to address gender pay gap issues and support employees going through the menopause

Ensure workers get fair pay for a fair day's work:

- improve access to Statutory Sick Pay by removing the Lower Earnings Limit and removing the waiting period

Modernise trade union legislation giving trade unions greater freedom to organise, represent and negotiate on behalf of their workers:

Improve enforcement of employment rights:

Establish the Fair Work Agency to bring together existing state enforcement functions including:

- regulations for employment agencies and employment businesses
- the unpaid employment tribunal award penalty scheme
- enforcement of the National Minimum Wage
- Statutory Sick Pay
- the licensing regime for businesses operating as 'gangmasters' in certain sectors
- The Fair Work Agency will also incorporate a wider range of employment rights, such as holiday pay.



Focus on Reward

In every Newsletter we focus on one aspect of people management. This quarter we are focussing on employee reward.

Introduction

Pay and benefits are important in attracting, retaining and engaging employees. A range of options is available to reward workers and recognise their contribution. The most effective reward packages meet the needs of:

- the business, and
- its team members
- the organisation's purpose, culture and performance – i.e. what behaviours do you want to reward that exemplify the culture of the business.

All this should be done in a fair and responsible way.

Managing Reward

The main reason for offering pay and benefits is to influence employee behaviour so they want to join and stay with an employer, and do their best in the job. Traditionally, organisations used:

- salaries to attract people
- benefits to help keep them, and
- bonus and incentive schemes motivate them.

Employee Benefits

Many employers offer a wide range of benefits. From traditional perks such as paid leave and pensions, to newer benefits such as unpaid leave or additional healthcare benefits.

Benefits are provided for a variety of reasons, including:

- to match market practice,
- to give some measure of health or disability security,
- to retain employees.

There are various ways of offering benefits. For instance, flexible benefits schemes (also known as 'cafeteria benefits' or 'flex plans') allow employees to vary their benefits package to meet their individual needs.

Other issues to consider include how the benefits on offer support the needs of the organisation and its employees, and how to communicate the benefits package, such as through Total Reward Statements.

Common benefits include:

- Pension Schemes
- Health Care Schemes
- Welfare Helplines
- Cycle to work schemes
- Discounted benefits from local retailers
- Life Insurance
- Long Term Sickness Benefits

Many of these benefits can be at a relatively low cost to the employer but seen as a high value to employee.

Get expert advice on managing reward from HRGuide

Having a robust, transparent reward strategy is a powerful tool to attract, reward and retain your talent. Download our more detailed step by step HR How to Guide for more detail on managing reward.





Goal Setting

Introduction

Setting goals and objectives for every team member in your business that cascade down from the annual business plan, are aligned and don't conflict is critical every year to ensure all employees are contributing to their maximum and all pushing in the same direction.

For each of your team to reach their full potential they need clear direction, understand the part they play in the vision for the business and have a plan to ensure their efforts contribute to the overall success of the company. Objective setting is paramount in this, so it needs to be effective and of high quality. This article is designed to give you some structure, insight and best practice when setting your teams objectives.

Key Principals for Setting Individual Objectives:

- Every employees objectives need to link to the Companies overall Vision, strategic plan, Functional Objectives and Team goals. This alignment is essential to maximise the effectiveness of the team and ensure you are pulling in the same direction.
- Ensure every employee has about five to six objectives (including at least one personal growth objective).

- All objectives need to be focused on the impact and outcome (rather than being transactional/activity based) – see our longer Guide for a detailed explanation of this principle.
- Sign off every employees objectives and ensure they are SMART. They are clear, they connect and complement each other and do not conflict with other individuals and teams objectives.
- Ensure there is a regular review process to measure how individuals and teams are tracking against their objectives. This is vital because what gets measured gets done.

BOMM – A Model for Objective Setting

The acronym BOMM is a useful way of remembering an effective objective setting methodology. Each letter in this acronym represents the following step in creating an objective:

Base – a description of the current “base” position you are in regarding this objective area. e.g. We currently have X number of customers who purchase Y number of our products for a total value of Z income.

Objective – a description of your desired future goal or position

e.g. We need to increase our number of customers to X plus 10 who purchase Y plus 20 of our products for a total income of Z plus 15 in income in the next 12 months.

Method – a description of the steps you are going to take to achieve your Objective. These steps effectively become your milestone plan and a detailed list of actions to deliver the plan. e.g. We will achieve our objective by:

- Identifying a target group of new customers
- Prepare a sales presentation focussing on the features and benefits of our product range
- Secure appointments and opportunities to present and sell out proposition
- Negotiate and secure new sales contracts with this target group
- Ensure supply and after sales support in place to maintain new customer base

Measure – a description of the measures you will have in place to indicate your progress against your objective over the timeframe and when you have achieved your objective.

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Goal Setting

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Are your Objectives SMART?

Cash flow conservation is not a goal. Once you have established your objective using the “BOMM” methodology you should use SMART (Specific, Measurable, Achievable, Realistic, Time bound) to ensure it has the necessary elements to achieve your objective. Using SMART as a checklist for your objectives allows you to sense check not just what you want to achieve, but how likely you are to achieve it.

• Set Specific Goals

Your goal must be clear and well defined. Vague or generalized goals are unhelpful because they don't provide sufficient direction. Remember, you need goals to show you the way. Make it as easy as you can

IMPORTANT TIP:

Try and establish measures that are already available to you in the business. If there is no current measure for this particular objective, then your first action in your Method section will need to include the development of the measurement tool.

to get where you want to go by defining precisely where you want to end up.

• Set Measurable Goals

Include precise amounts, dates, and so on in your goals so you can measure your degree of success. If your goal is simply defined as “To reduce expenses” how will you know when you have been successful? Without a way to measure your success you miss out on the celebration that comes with knowing you have actually achieved something.

• Set Achievable Goals

Make sure that it's possible to achieve the goals you set. If you set a goal that you have no hope of achieving, you will only demoralize yourself and erode your confidence.

However, resist the urge to set goals that are too easy. Accomplishing a goal that you didn't have to work hard for can be anticlimactic at best and can also make you fear setting future goals that carry a risk of non-achievement. By setting realistic yet challenging goals, you hit the balance you need. These are the types of goals that require you to “raise the bar” and they bring the greatest personal satisfaction.

• Set Relevant Objectives

Your objectives should link to the objectives of your team, function and Company. If Goals are also relevant to the direction your employees want their professional career to take they can be developmental as well.





Two new services we are providing our subscribers in 2024/25

Health and Safety

We announced earlier in the year a new section for our subscribers at HR Guide. The section features our Health and Safety How – to guides covering every aspect of Health and Safety. Each of these guides has the same easy to use basic layout and are available as downloadable PDF files. Accompanying every guide are a range of checklists and Health and Safety Record Forms for you to use when administering this topic in your business. These are available as downloadable ready to use template documents and checklists.

• Set Time-Bound Goals

Your goals must have achievable milestones and deadlines. If you have set, clear milestones you can track and measure where you are against your overall project plan. When you are working on a deadline, your sense of urgency increases, and achievement will come that much quicker.

If you found this article useful and would like to use our HR How to Guide on Setting Business Goals simply subscribe today at www.hrguide.co.uk Good luck with your goal setting and may all your dreams come true.

Training Content



We are very excited to announce that we are developing learning content for our subscribers covering the core topics of workplace leadership, team management, strategy, problem solving, decision making, project management, time management, stress management, communication, creativity and learning skills. These Learning Guides will become a source of online learning for all your team. We are delighted to announce the first Learning Guide is now available which covers Workplace Leadership.

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