



HR Committee

Employment Rights Act 2025

Prepared by Town Clerk/RFO

1. INTRODUCTION

- 1.1. The Employment Rights Act 2025 introduces significant changes to employment law, trade union rights, family leave, sickness absence, redundancy, harassment protections and employment tribunal claims.
- 1.2. The changes are being introduced in stages from December 2025 through 2027.
- 1.3. This report provides an overview of the principal measures and highlights areas that are particularly relevant Sandown Town Council.

2. LEGISLATION

- 2.1. The Employment Rights Act 2025¹ received Royal Assent in December 2025.
- 2.2. The legislation represents a significant change to the employment rights framework and introduces measures that will be implemented progressively.
- 2.3. Equality and Diversity legislation² must be considered alongside this act and therefore the recommendations in this report.
- 2.4. There are no direct Crime and Disorder implications resulting from the recommendations in this report.
- 2.5. There are no direct Biodiversity implications resulting from the recommendations in this report.

3. MEASURES TAKING EFFECT FROM 18 FEBRUARY 2026

Trade union and industrial action reforms

- 3.1. From 18 February 2026, a number of important changes take effect, including:
 - Repeal of the Strikes (Minimum Service Levels) Act 2023.
 - Repeal of most of the Trade Union Act 2016, with some provisions to be removed through commencement orders at a later date.
 - Removal of the requirement for a 50% turnout in certain industrial action ballots.
 - Removal of the requirement for a new ballot on trade union political funds every 10 years.
 - Simplification of requirements relating to industrial action notices and ballot notices.

¹ [Employment Rights Act 2025](#)

² [Equality Act 2010](#)

- Enhanced protection for employees against dismissal for taking protected industrial action.
- 3.2. Employees newly eligible for Day 1 Paternity Leave and Unpaid Parental Leave being able to give the necessary notice.
- 3.3. These changes will require the Town Council to ensure that their policies and procedures concerning trade unions, industrial action and employee rights are kept under review.

4. MEASURES TAKING EFFECT FROM 6 APRIL 2026

- 4.1. A further substantial package of measures takes effect from 6 April 2026.

Collective redundancy

- 4.2. The maximum period covered by a collective redundancy protective award is increased, potentially significantly increasing an employer's financial exposure where consultation requirements are not properly followed.

Day 1 family leave rights

- 4.3. Employees will have Day 1 rights to Paternity Leave and Unpaid Parental Leave, subject to the applicable statutory requirements.
- 4.4. Family and leave policies and procedures will need to be updated accordingly.

Whistleblowing and sexual harassment

- 4.5. Protections for whistleblowers are strengthened in relation to disclosures concerning sexual harassment.
- 4.6. Employers should therefore ensure that whistleblowing arrangements clearly explain how concerns about sexual harassment can be raised and investigated.

Bereaved partners' paternity leave

- 4.7. Bereaved fathers and partners will be able to take up to 52 weeks of paternity leave where the mother or primary adopter dies within the first year of the child's life.
- 4.8. The leave will generally be unpaid unless contractual arrangements provide otherwise.

Statutory Sick Pay

- 4.9. Changes to Statutory Sick Pay include:
- Removal of the lower earnings limit for SSP.
 - Removal of waiting days.
 - SSP being payable at 80% of average weekly earnings or the applicable statutory amount, whichever is lower.
- 4.10. Payroll arrangements and sickness absence policies need to be reviewed to ensure that they reflect the new requirements.

Gender equality and menopause

- 4.11. Employers will be able to introduce voluntary action plans addressing:
- Gender equality; and
 - Supporting employees experiencing the menopause.
- 4.12. Updated guidance concerning menopause will also be relevant to employers when considering workplace support and reasonable adjustments.

Trade union recognition

- 4.13. The process for trade union recognition is being simplified.
- 4.14. Employers should ensure that Council and Clerks understand the revised recognition process and the organisation's obligations when a union seeks recognition.

5. MEASURES TAKING EFFECT FROM 7 APRIL 2026

Establishment of the Fair Work Agency

- 5.1. The Fair Work Agency brings together functions previously carried out by different enforcement bodies dealing with minimum employment standards.
- 5.2. Its role includes enforcement of statutory employment rights and payments.
- 5.3. The Agency will have powers including the ability to:
- Order payment of certain statutory payments to employees; and
 - Bring employment tribunal claims on behalf of employees in appropriate circumstances.
- 5.4. For Council, this represents an important development in the enforcement of employment rights and reinforces the need for robust HR processes and record keeping.

6. MEASURES TAKING EFFECT FROM OCTOBER 2026

- 6.1. A further significant package of reforms is expected in October 2026.
- 6.2. These include:

Fair Pay Agreement – Adult Social Care

- 6.3. Regulations will provide for the establishment of an Adult Social Care Negotiating Body in England to develop Fair Pay Agreements.

Procurement

- 6.4. Changes will introduce a two-tier code in relation to procurement.

Tipping

- 6.5. The law relating to tipping will be strengthened.

Trade union rights

- 6.6. Employers will have a duty to inform workers of their right to join a trade union.

6.7. Trade unions will also receive strengthened rights of access to workplaces.

Sexual harassment

6.8. Employers will be required to take all reasonable steps to prevent sexual harassment of employees.

6.9. This represents an important development in employers' responsibilities for preventing harassment.

7. THIRD-PARTY HARASSMENT

7.1. One of the areas of particular importance to councils and other public-facing organisations is harassment by third parties.

7.2. The legislation introduces an obligation concerning harassment of employees by people who are not fellow employees.

What is a third party?

7.3. A third party may include:

- Customers;
- Clients;
- Service users;
- Patients;
- Contractors;
- Suppliers;
- Visitors;
- Members of the public; and
- Elected councillors.

7.4. This is particularly relevant to organisations where employees regularly interact with members of the public, service users, contractors or elected representatives.

What counts as harassment?

7.5. The conduct must relate to a protected characteristic under the Equality Act 2010. Protected characteristics include:

- Sex;
- Race;
- Disability;
- Age;
- Religion or belief;
- Sexual orientation; and

- Gender reassignment.

7.6. Harassment involves unwanted conduct which has the purpose or effect of:

- Violating an individual's dignity; or
- Creating an intimidating, hostile, degrading, humiliating or offensive environment.

What does "not permit" mean?

7.7. The obligation does not mean that an employer must guarantee that harassment will never occur.

7.8. Instead, employers need to take appropriate and reasonable steps to prevent harassment and respond effectively when incidents occur.

7.9. For example, where a customer or other third party harasses an employee, an employer should consider whether it has:

- Investigated the complaint promptly;
- Taken appropriate action against the individual responsible;
- Warned or, where appropriate, removed the customer or visitor;
- Supported the affected employee;
- Changed working arrangements where necessary;
- Provided appropriate policies and training; and
- Taken reasonable preventative measures.

7.10. For council, this could be a particularly challenging area where inappropriate behaviour involves members of the public or elected councillors.

7.11. Clear procedures for dealing with unacceptable behaviour towards employees will therefore be important.

8. EMPLOYMENT TRIBUNAL TIME LIMITS

8.1. Measures taking effect no earlier than October 2026 include an extension of the employment tribunal time limit to six months.

8.2. Employers should ensure that they retain relevant employment records and documentation for an appropriate period and do not assume that an employment dispute will become time-barred after the current period.

9. MEASURES TAKING EFFECT FROM JANUARY 2027

9.1. Further major changes are expected from January 2027.

Unfair dismissal

9.2. The qualifying period for ordinary unfair dismissal is reduced from two years to six months for relevant dismissals from 1 January 2027.

- 9.3. This represents a significant change for employers, as a much larger proportion of employees may acquire protection against unfair dismissal.

Financial exposure

- 9.4. The changes also have potentially significant implications for compensation in unfair dismissal cases, including the removal of the existing cap on compensatory awards in relevant circumstances.
- 9.5. This could have a substantial impact on how employers approach:
- Disciplinary procedures;
 - Performance management;
 - Capability procedures;
 - Restructuring;
 - Dismissals;
 - Settlement agreements; and
 - Employment tribunal litigation.
- 9.6. Where an employee has suffered a long-term loss of earnings, the potential compensation can be considerable. In appropriate cases, losses may extend over a substantial period, potentially including the effect on future pension benefits.
- 9.7. This makes early and appropriate HR advice particularly important.

Fire and rehire

- 9.8. New protections concerning fire and rehire will come into force.
- 9.9. Employers should therefore seek appropriate advice before attempting to make significant contractual changes where employees do not agree to the proposed changes.

10. FURTHER MEASURES EXPECTED DURING 2027

- 10.1. Additional reforms include:

Gender equality and menopause

- 10.2. Action plans concerning gender equality and support for employees experiencing the menopause will become mandatory.

Pregnancy and maternity

- 10.3. Enhanced dismissal protections will apply to pregnant women and new mothers.

Sexual harassment

- 10.4. Further regulations are expected to specify what steps will be regarded as reasonable when determining whether an employer has complied with its duty to prevent sexual harassment.

Blacklisting

- 10.5. Protections against blacklisting will be extended.

Industrial relations

- 10.6. Further measures will establish an enhanced industrial relations framework.

Umbrella companies

- 10.7. Umbrella companies will become subject to further regulation.

11. OTHER 2027 MEASURES

- 11.1. Further measures include:

- Changes to the collective redundancy consultation threshold.
- Changes concerning flexible working and the meaning of what is reasonable.
- Introduction of bereavement leave, including provisions relating to pregnancy loss.
- Measures addressing the use of zero-hours contracts.
- Electronic and workplace balloting for trade union recognition and derecognition ballots.

- 11.2. Employers should continue to monitor the implementation timetable, as the detail of these measures will be particularly important when reviewing policies and working practices.

12. THE USE OF AI BY EMPLOYEES

- 12.1. The increasing use of artificial intelligence by employees creates a further HR consideration.

- 12.2. Employees may use AI tools to:

- Generate correspondence;
- Research employment rights;
- Draft grievances;
- Prepare responses to disciplinary processes;
- Interpret policies; or
- Make claims about what they believe the law requires.

- 12.3. Employees and managers should not assume that information generated by AI is accurate or represents the current law.

Key principle

- 12.4. Do not believe everything you read – and do not assume that everything an AI-generated document states as fact is legally correct.

- 12.5. Where an employee raises an issue based on information obtained from AI, employers should consider the underlying issue carefully and obtain appropriate HR or legal advice where necessary.

- 12.6. At the same time, employers should not delay dealing with an issue simply because the information may have originated from AI.

13. KEY MESSAGE FOR COUNCILS

- 13.1. The Employment Rights Act 2025 requires councils to take a proactive approach to employment rights and workplace practices.
- 13.2. The objective should not simply be to update policies. Councils should be able to demonstrate that they have:
- 13.3. Communicated the changes → assessed the risks → updated policies and contracts → trained staff → monitored implementation → acted promptly when issues arise.
- 13.4. Good documentation will be particularly important in demonstrating that the Council has taken appropriate and reasonable steps to meet its obligations.

14. ACTION ALREADY TAKEN

- 14.1. Informed all staff of their right to join a trade union.
- 14.2. Spoke with teams about sexual harassment, including what constitutes inappropriate behaviour, how concerns can be raised and the Council's responsibilities to prevent and respond to harassment.
- 14.3. These actions were documented so that the Council can demonstrate the steps it has taken to communicate and implement the new requirements.

15. RECOMMENDED HR COMMITTEE ACTIONS

- 15.1. The HR Committee should consider the following additional actions to support the Council's compliance with the Employment Rights Act 2025.

Sexual Harassment Risk Assessment

- 15.2. Undertake a specific sexual harassment risk assessment and establish appropriate reporting and monitoring arrangements.
- 15.3. The review should consider:
 - Where risks of sexual harassment may arise;
 - Whether employees are particularly exposed to risks from third parties, customers, service users, contractors or elected councillors;
 - How employees can report concerns;
 - How reports will be recorded and monitored;
 - Whether existing preventative measures are sufficient;
 - What further reasonable steps should be implemented; and
 - How the effectiveness of those measures will be reviewed.

- 15.4. The Council should retain evidence of the assessment and the actions taken in response to identified risks.

Review HR Policies

- 15.5. The HR Committee should review existing policies to ensure they reflect the Employment Rights Act 2025 and associated changes.
- 15.6. Particular attention should be given to:
- Dignity at Work Policy
 - Bullying and Harassment Policy
 - Equality, Diversity and Inclusion Policy
 - Code of Conduct – for employees and/or elected councillors, as appropriate
 - Grievance Policy
- 15.7. The review should ensure that policies clearly explain how concerns can be raised, how complaints will be investigated and what action may be taken where inappropriate behaviour occurs.

Employment Contracts

- 15.8. It is recommended staff are issued with updated NALC model contracts of employment and written statements of employment particulars reflecting relevant changes to employment rights, including changes concerning:
- Paternity leave;
 - Parental leave;
 - Statutory Sick Pay; and
 - Other relevant statutory employment rights.
- 15.9. The Council should ensure that contractual wording is consistent with its current policies and statutory obligations.

Onboarding and Probation

- 15.10. Review the Council's onboarding and probation arrangements.
- 15.11. Consider introducing fortnightly one-to-one meetings during the first three months of employment.
- 15.12. This would provide a structured opportunity to:
- Check how new employees are settling into their role;
 - Identify training and support needs;
 - Address concerns at an early stage;
 - Monitor performance and conduct;

- Reinforce workplace expectations; and
- Create a clear record of discussions and any actions agreed.

15.13. Regular engagement during probation is particularly important given the reduction in the qualifying period for unfair dismissal protection.

16. RECOMMENDED ACTIONS

16.1. Council should begin preparing for the changes rather than waiting until each measure takes effect.

16.2. In preparation for the changes introduced by the Employment Rights Act 2025, Councils should take practical steps to demonstrate that they are actively considering and implementing the new requirements.

17. SUGGESTED COUNCIL ACTION PLAN

Area	Recommended Action	Evidence/Record
Trade unions	Inform all staff of their right to join a trade union	Staff communication/meeting record
Sexual harassment	Speak to teams about sexual harassment and reporting procedures	Staff meeting/training records
Sexual harassment risk	Complete a risk assessment and identify reasonable preventative actions	Risk assessment/action plan
Reporting & monitoring	Establish arrangements for reporting, recording and monitoring harassment concerns	Reporting procedure/register
Policies	Review Dignity at Work, Bullying & Harassment, EDI, Code of Conduct and Grievance policies	Updated policies
Contracts	Review and update employment contracts	Revised contracts
Family leave	Ensure contractual and policy wording reflects paternity/parental leave changes	Updated contract/policy
Sickness absence	Review contractual wording and procedures concerning SSP	Updated contract/policy
Onboarding	Introduce structured onboarding and fortnightly one-to-ones during the three-month probation period	Onboarding checklist/one-to-one records
Training	Ensure managers, staff and relevant councillors understand their responsibilities	Training records
Record keeping	Maintain clear records of employment decisions, meetings, concerns and actions	HR records