



June 2023 Update

Welcome to this month's update - where we discuss the latest legislation and guidance.

In this month's edition, we report on:

- Changing EU laws
 - How to boost employee engagement of your financial benefits and rewards programme
 - Being an appreciative leader
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Changing EU Laws

Last year the government said they were planning to review all EU-derived laws so they could decide whether to keep, change or remove them.

It seems that's no longer the case. The government wants to keep all EU-derived laws unless they decide to change or remove them.

It turns out that most employment laws will stay the same, except for a few major ones.

The ones that are changing aim to make life simpler and easier for us.

In plain English here are the main updates:

1. 5.6 weeks of holiday will be a single entitlement

It has been overly complicated calculating holidays for someone who isn't a full-time employee, so the government wants to simplify it.

Currently, almost everyone is entitled to 5.6 weeks of holiday a year, mainly split into two, with 20 working days (EU leave) and 8 days as public holidays (which is domestic leave).

There is difficult as the two sets of entitlements means two sets of rules for calculating pay. When you calculate holiday pay for the first four weeks, you have to include any additional payments like bonuses or overtime. You also can't carry this holiday over unless there's a special reason (like long-term sickness or family leave).

But for the last 1.6 weeks (public holidays) you only have to pay the basic rate (not including commission) and you can carry it over if you have a written agreement with your employee. To make it more confusing, the Working Time Regulations don't tell you which you should apply first in a leave year.

That's why the change will likely result in one system for calculating holiday pay. So it should mean employers have to pay either the full rate for the 5.6 weeks (which includes bonuses, etc) or the basic rate. We don't yet know which option they'll go for.

2. Rolled up holiday pay will acceptable

At the moment, you are not supposed to pay someone extra money on top of their hourly wage and call it 'holiday pay'.

The problem with rolled-up holiday pay is that workers don't get paid when on holiday so workers might not want to take holiday. But calculating holiday for workers who have irregular hours is complicated, so the rolled-up payment is easier this is why it is being considered to bring it back.

If this change does come in you should make a note in your contracts and payslips, to be clear which element is holiday pay if your roll it up. You will need to make sure your staff take their holiday. If they refuse you can enforce it as long as you give them double the amount of notice for how many days you're asking them to take off.

3. More businesses won't need to consult employee reps if they change hands

Under current transfer regulations, businesses have to consult with elected employee reps about the transfer and arrange an election of employee reps if they don't already them.

If you have fewer than 10 employees that you can consult staff directly.

The change proposed is if you have fewer than 50 employees or a transfer involving less than 10 employees, you will also have the right to consult staff directly.

This means more businesses will be able to avoid the time-consuming and tricky nature of electing employee reps.

4. Non-compete agreements will have a three month limit

Currently, there's no law that limits how long these non-compete clauses can last, although they often fail for being unreasonable.

The government is looking at limiting non-compete clauses to three months to allow employees more freedom to change jobs and help businesses hire from a wider talent pool.

Employers: the key thing is being clear with your records and payslips as these changes come in

Contact us: we can assist with guidance

How to boost employee engagement of your financial benefits and rewards programme

A great financial benefits and rewards programme can help you attract the very best talent and retain staff. Many businesses spend valuable time, money and other resources putting together complicated schemes for their employees, without knowing how successful they are.

It is good to understand the following, including the percentage of your workforce who have currently opted into your financial rewards and benefits schemes:

1. Look at the numbers. You may not have access to all the data but check with any third-party providers as well to get a clear picture of the take up and how often employees use what is offered.
2. Could you perhaps produce a rewards statement, which shows the total value of each employee's pay and reward package including both the benefits they claim and those they don't.
3. Revisit accessibility and positioning. Emailing people, having the information on an intranet or discussing at induction are not necessarily the right ways to flag up these

types of important schemes. Do your managers remember to mention them to staff from time to time.

4. Review wording. Sometimes the schemes are not easy to understand to participate. Check the wording/ suitability of language and whether the benefits are clearly demonstrated.
5. Ask your employees for their views. It may sound simple but often the best way to find out whether the financial wellbeing benefits you are offering are the right ones is to ask them.
6. External factors. If you are pushing pensions and you have a young workforce who are struggling with the cost-of-living crisis, it may be time to revisit the benefits to ensure they are clear enough.
7. Timings. Perhaps it makes sense to reinforce some benefits in payslips or when a bonus / pay rise is given with a rewards statement.

Employers: by being clear about the value of benefits and rewards employees are able to see how much their overall package is worth rather than just thinking about salaries alone.

Contact us: for further advice

Being an appreciative leader

We know employees want appreciation, although it seems over 80 per cent of leaders don't see it as a strategic priority. Many managers do not see the need to thank someone for doing their job. There needs to be a balance between the two.

Appreciative leadership humanises the workplace. It can help shift work from simply goals and performance to emphasising positivity, kindness and gratefulness. It helps build wellbeing, productivity, trust and the overall workplace culture.

Appreciation is a core skill that rarely features in leadership competences. And yet, it is this quality that can make the difference in how a leader is perceived as well as their effectiveness.

It starts with being open and kind to yourself so that you can be generous with others.

Leaders are often so busy that they forget to stop and appreciate their own qualities, even accepting they are fallible.

Consider:

- * It is good to understand how good your skills are in emotional intelligence and interaction.
- * Think about how inclusive and open you are in all communication. Do you tend to be more open with senior colleagues?
- * Make sure that you show and promote integrity in all you say and do.
- * It is OK to acknowledge that there may have to be some compromise.
- * When problem solving try and look for the positive things you can do and not simply focus on the negative issues.
- * Allow room for errors to be reviewed fairly and so building trust to encourage delegation.
- * Think about what more could you do in the verbal and non-verbal ways you communicate.
- * Think about how reward, recognition and appreciation are present in the organisation.

Recognition programmes need to be meaningful and taken seriously by staff. Consider asking the staff what they want and look at peer-to-peer recognition beyond the odd email.

Link these programmes to the organisation's purpose and company values. Above all, honourable communication and behaviour must be the norm. Respect cultural differences and preferences.

From this staff need to be encouraged to learn the skills of problem solving and other solution focussed methods, rather than expecting managers to suggest things for them. We all want workplaces where staff learn to solve problems more creatively rather than getting stuck in often repeating cycles.

Employers: all this is uncomplicated yet necessary, it just needs a shift in attitude.

Contact us: we can guide businesses

For more information or assistance Email: caroline@employmentlawsupport.co.uk



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