



Personnel and Policy Committee

Briefing Report: Employment Rights Act 2025 (formerly the Employment Rights Bill)

Meeting Date: 14 January 2026

Prepared by: Locum Clerk

Purpose: To summarise the key reforms expected under the Employment Rights Act 2025 and identify practical actions required by the Council as an employer.

1. Headline Overview

The Employment Rights Act 2025 introduces a major programme of employment law reform. Implementation is expected to be phased, with key changes anticipated from:

- April 2026
- October 2026
- January 2027

The reforms are expected to affect statutory sick pay, family leave, enforcement arrangements, contract change practices, harassment prevention duties, and dismissal-related protections (including a reduced qualifying period for unfair dismissal).

2. Key Changes by Implementation Phase

April 2026 – Immediate Operational Impacts

Statutory Sick Pay (SSP)

- SSP expected to be payable from day one (removal of waiting days)
- eligibility expected to widen (removal of lower earnings barrier)
- new approach for those earning below the previous threshold (anticipated as a percentage of normal pay)

Family Leave

- “day one” eligibility changes expected to apply to family leave rights (subject to statutory criteria)

New enforcement arrangements — Fair Work Agency

- increased enforcement capability expected in areas such as holiday pay, SSP and other employment rights
- greater emphasis on record-keeping and auditable compliance



October 2026 – Governance and Policy Impacts

Restrictions on “fire and rehire”

- reforms expected to restrict/prohibit this practice
- any contract changes will require careful planning, consultation and documentation

Sexual harassment prevention duty

- strengthened employer duty expected (“all reasonable steps”)
- protections expected to include third-party harassment

Employment Tribunal time limits / trade union rights

- reforms may extend time limits (noted as six months for many claims) and strengthen union rights

January 2027 – Higher Risk Employment Protections

Unfair dismissal qualifying period reduced

- expected reduction from two years to six months

Potential increase in compensation exposure

- reforms include proposals that may increase exposure in dismissal claims (including potential removal of the cap on compensation)

3. What this means for the Council (practical implications)

Probation and early employment management becomes higher-risk

- more structured review points, documented feedback, and fair process will be needed

Payroll and sickness administration must be ready for SSP reforms

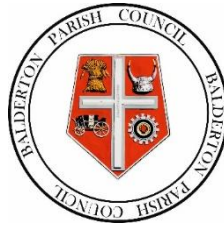
- processes must be clear, consistent and auditable

Contract wording and working patterns must match reality

- particularly for variable hours, fixed-term arrangements and role scope

Policies must be refreshed and applied consistently

- especially around absence, leave, harassment prevention, and contract change practices



4. Recommended Council Actions (Checklist)

Immediate (Jan–Mar 2026)

1. Create a tracker of changes and implementation dates
2. Review contracts: fixed-term, variable hours, probation clauses, role clarity
3. Confirm payroll readiness for SSP changes and tighten absence processes
4. Adopt a consistent probation framework (review points + templates)

Before April 2026

5. Update sickness absence procedures and manager guidance
6. Update family leave references and eligibility wording

Before October 2026

7. Review contract change approach and consultation practice
8. Update harassment policies, reporting routes and training plan

Before January 2027

9. Strengthen probation and performance management documentation and training
10. Ensure all HR decisions and processes are auditable and consistently applied

5. Suggested Committee Note / Next Steps

The Committee is asked to note this briefing. The Locum Clerk/Clerk will continue to work in collaboration with the Council's external HR resource to consider the implications of the Employment Rights Act 2025 for the Council as an employer and, at a future meeting, will bring forward a short implementation plan covering policy updates, contract review priorities, payroll readiness, and recommended actions to support compliance and risk reduction.