



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Employment Committee

Wednesday, 25 March 2026

Report of Councillor Ashley Baxter -
Leader of the Council and Cabinet
Member for Finance, HR and Economic
Development

Employment Rights Act

Report Author

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Purpose of Report

To update on the implications of the Employment Rights Act 2025 and to seek endorsement of policy changes to ensure the Council remains legally compliant.

Recommendations

The Committee is asked to:

- 1. Approve the proposed amendments to the Council's Probation Policy and Paternity Policy to ensure alignment with forthcoming legislative changes and best practice.**
- 2. Note the update provided on the Employment Rights Act and the ongoing work to review and update relevant policies, plans and procedures.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	All Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 There are no significant financial implications arising from the proposed changes to the Paternity and Probation policies. The changes primarily ensure that the Council's policies remain compliant with current and upcoming legislation. There may be some minor financial impact if colleagues access enhanced entitlements of 'Bereaved partners' paternity leave', however in the unfortunate events that this is required, the costs would be met within existing budgets. Similarly, Paternity is now a Day One right and this may increase the number of employee taking paternity leave slightly, but this would also be met within existing budgets.

Completed by: Richard Wyles (Deputy Chief Executive and S151 Officer)

Legal and Governance

- 1.2 The proposed policy updates ensure the Council remains compliant with forthcoming employment legislation. Regular review of HR Policies forms part of the good governance and supports the Council in maintaining fair, transparent and legally compliant employment practices. The updates will help ensure that managers and employees are supported by clear and consistent policies that reflect statutory rights and best practice.

Completed by: Graham Kitchen (Monitoring Officer)

Equalities, Diversity and Inclusion

- 1.3 The implications of the Employment Rights Act 2025 have been considered in relation to equality, diversity and inclusion. The HR Policy Equality Impact Assessment has been updated to assess the proposed changes on employees and identified only positive impacts, supporting the Council's commitment to fairness, inclusivity and equitable treatment. The changes introduced through the Act are expected to strengthen protections for employees and promote fairer employment practices.

Completed by: Fran Beckitt (Head of HR)

2. Background

- 2.1 The Employment Rights Act 2025 presents a significant programme of reform to UK employment law and introduces a number of changes that will be implemented on a phased basis between April 2026 and 2027.
- 2.2 The Bill was given Royal Assent on 18 December 2025 and amends a number of existing employment rights.
- 2.3 In February 2026, the government published additional guidance to ‘Implementing the Employment Rights Bill: our roadmap for delivering change and timeline update’.
- 2.4 This report provides an overview of the key provisions of the Act that are relevant to SKDC. It highlights changes that will require amendments to the Council’s policies and procedures to ensure continued legal compliance.

3. Key Considerations

- 3.1 The table below summarises the new Employment Laws and the implications for the Council.

Legal Change Date	Topic	Explanation	Impact to SKDC	SKDC Actions
No earlier than Oct 26	Employment Tribunal (ET) changes	Extended time limits for bringing tribunal claims from three to six months.	Potentially more claims but also more time to resolve disputes prior to ET claims.	Review file retention; with ET backlogs and longer time limits, there is a need to ensure emails/files are still available if required for an ET.
January 2027	Unfair dismissal	Qualifying period for unfair dismissal protection has reduced from 2 years to 6 months service.	Council dismissal processes are robust but this may increase claims. Therefore changes are proposed to the Probation Policy to reduce probation period.	Amendment to Probation Policy timescales. Appendix 1 details the amendments. 3 months’ probation period (with 6-week review and extension if required). Focus on ensuring recruitment, induction and performance management is correct to minimise risk.
Expected Jan 27	Unfair dismissal	Removal of cap on compensatory awards for unfair dismissal.	Current cap is the lower of:	Most likely to benefit very high earners. Limited potential impact on SKDC.

			employee's 52 weeks' gross pay or £118,223	
6 April 2026	Family Friendly	The reform removes the restriction on taking paternity leave after shared parental leave.	Not currently restricted in SKDC policy but timing not referenced.	Amendment to current policy adding that Paternity Leave can be taken before or after Shared Parental Leave. See Appendix 2 for amended Paternity Policy amendments.
		Introduction of bereaved partners' paternity leave (52 weeks) if mother or primary adopter dies within a year. Not currently linked to pay.	Not currently in SKDC policy.	'Bereaved partners' paternity leave' of up to 52 weeks. It is proposed the pay mirrors maternity/adoption/shared parental leave.
		Paternity is a Day One right.	Currently a 26 week qualifying period for Paternity.	Amendment to Paternity Policy to give new starters a Day One right to Paternity Leave. Appendix 2 details the Paternity Policy amendments.
Voluntary April 2026 and compulsory in 2027	Menopause Actions Plans	Regulations for employers with 250+ employees to publish 'Menopause Action Plans' as part of an Equality Action Plan. There will be penalties for not doing so.	SKDC currently has a published Equality Action Plan which contains information on menopause support. This will need to be published as a specific Action Plan.	From 2026, Menopause Action Plan to be published.
2027	Change to collective consultation trigger	Duty to consult will be extended to apply where an employer proposes 20 or more redundancies across locations (currently one establishment). 6 April 2026 – Current penalty for failing to consult is a max of 90 days gross pay and this will double to 180 days (per person).	Continue lawful consultations relating to redundancies and be aware of new multi-site regulations.	Managers to be made aware of new requirements for consultation.

April 2026	Fair Worker Agency	<p>The 'Fair Worker Agency' is expected to:</p> <ul style="list-style-type: none"> • Enforce minimum wage laws • Tackle modern slavery and labour exploitation • Ensure compliance with holiday pay and statutory pay rules • Regulate certain employment agencies and umbrella companies • Take action against employers who breach labour laws 	Not expected to cause significant operational change but reinforces the need to ensure HR policies, payroll processes and arrangements remain fully compliant with legislation.	The Council needs to remain up-to-date with any guidance, enforcement priorities and regulatory requirements.
2027	Flexible Working	<p>The 8 reasons for rejecting the request remain unchanged.</p> <p>New procedure for demonstrating rejections are reasonable will be published.</p>	Awaiting new procedure. SKDC to continue to manage requests well.	
April 2026	Sexual Harassment	<p>Requires employers to take 'all reasonable steps' to prevent sexual harassment (includes third party harassment).</p> <p>Whistleblowing Protection for Sexual Harassment - Extends protection for whistleblowers to include disclosures relating to sexual harassment.</p> <p>NDA's will not prevent employees discussing allegations of</p>	<p>SKDC has a Sexual Harassment action plan and training has taken place.</p> <p>If someone raises sexual harassment concerns and they are later dismissed or subjected to detriment, they may bring an automatic unfair dismissal/detriment claim with uncapped compensation.</p>	<p>Review of Sexual Harassment Action plan in line with new legislation.</p> <p>Amendment to the Whistleblowing policy to list sexual harassment as a protected disclosure. This is scheduled for presentation to Governance and Audit Committee in June 2026.</p>

		discrimination or harassment.		
Delayed until 2027	Zero-hour contract	Right to be offered guaranteed hours, based on the number of hours worked in a previous period. Right to reasonable notice of shifts.	SKDC currently have 60 employees on zero-hour contracts. Limited information has been provided so far from the Government - consultation is required, but no current live consultation is open.	A full review of casual contracts at SKDC is taking place. When further regulations are published, SKDC must ensure contracts and working arrangements remain compliant and reflect the anticipated requirements regarding predictable work patterns.
April/October 2026	Trade Unions (TU) rights	Simplified requirements on TUs, including industrial action (Feb 2026)	Advance notice of industrial action reduces from 14 days to 10 days. Industrial action mandates will last 12 months instead of 6. Unions will only need more votes in support of IA than against.	To be aware of changes.
		Duty to inform workers of their right to join a TU	This is already included in induction information and on HR Hub.	Potential addition to statement of particulars.
		New rights and protections for TU reps.	Further protections against dismissals for doing work related to TU activities.	To be aware of Trade Union rights.
		Extending protection against detriments for taking industrial actions. Dismissal for taking part in industrial action will become automatically unfair. (Feb 26)	SKDC is unlikely to be impacted by the changes to strike legislation.	SKDC to be aware of protections for those taking part in Industrial Action.
Voluntary April 2026, compulsory in 2027	Pay Gap Reporting	Required gender pay gap action plans i.e. how the gap will be closed.	Limited impact at present as SKDC does not have a Gender Pay Gap.	Stay up to date with changing legislation including potential pay gap reporting for Ethnicity and Disability. Gap.
6 th April 2026	Statutory Sick Pay (SSP) Reform	Statutory sick pay from first day of absence (currently fourth day)	Enhanced sick pay terms are already paid from first day of absence.	No actions as enhanced sick pay already in place.

		Lower earnings limit will be removed.		
2027	'Fire and rehire' automatic unfair dismissal	'Fire and rehire' gives automatic unfair dismissal. No statutory cap on compensation	Limited use in the Council but will no longer be a lawful 'last resort'. Must consult to manage contractual change or we would face significant legal and financial exposure.	To be aware of.

4. Other Options Considered

- 4.1 **No change to current policies or practices.** This option was discounted as the Council must ensure its employment policies remain aligned with the requirements of the Employment Rights Act 2025 and associated employment law.

5. Consultation

- 5.1 Consultation with the Trade Union representatives has taken place. They are in support of the proposed changes.

6. Appendices

- 6.1 Appendix 1 – Amended Probation Policy
6.2 Appendix 2 – Amended Paternity Policy