

The Employment Rights Act 2025 introduces major changes to UK employment law, aimed at improving job security, strengthening worker protections, and modernising employment practices. Although parish councils are small organisations, they are legally classed as employers and must comply fully with the new requirements. Several provisions will be phased in during 2025–2026.

Key Reforms Relevant to Parish Councils

Zero-Hours and Casual Work

- Workers with regular patterns must be offered a contract that reflects actual hours.
- Reasonable notice must be given for any change in working hours.
- Compensation is required for short-notice cancellations.

Relevance:

Useful for councils using casual caretakers, event staff, or seasonal grounds workers.

Unfair Dismissal

- Qualifying period reduced from 2 years to 6 months.
- Cap on compensation removed, increasing potential financial exposure.

Relevance:

Councils must ensure robust probation processes, clear documentation, and early intervention where performance concerns arise.

Ending 'Fire and Rehire'

- Dismissal for refusing detrimental contractual changes becomes automatically unfair, except in cases of severe financial difficulty.

Relevance:

Councils must use proper consultation and legal advice when changing staff terms.

Statutory Sick Pay (SSP)

- SSP becomes payable from day one.
- Lower Earnings Limit removed, meaning all employees qualify.

Relevance:

Budgeting for sickness absence becomes more important.

Family-Friendly Rights

- Paternity leave and ordinary parental leave become day-one rights (from April 2026).
- Notice period for paternity leave reduced to 28 days.

Relevance:

Update policies and ensure councillors acting as employers understand the changes.

Industrial Relations

- Dismissal for taking part in industrial action becomes automatically unfair.

Relevance:

Low impact for most parish councils but relevant where staff belong to unions (e.g., SLCC, Unison).

Fair Pay & Sector Bodies

- Establishes a Fair Work Agency.
- Strengthens rules on tipping (not usually relevant to councils).

Relevance:

Public sector expectations around fair work and transparency will increase.

Additional Measures

- New rules on NDAs, limiting their use.
- Stronger duties to prevent workplace sexual harassment.
- New requirements for public sector equality action planning.

Relevance:

Councils must ensure policies are up to date and training is proportionate.

Implications for Parish Councils

- **Review employment contracts, especially for part-time or casual staff.**
- **Update staff handbook, HR policies, and Standing Orders (employment sections).**
- Strengthen probation, supervision, and documentation processes.
- Ensure councillors involved in staffing matters receive updated training.
- Build potential SSP and HR-related costs into budget planning.
- Consider whether shared services or external HR support may be beneficial

Governance Checklist: Employment Rights Act 2025

For Parish Councils

■ 1. Governance & Oversight

- Ensure the Staffing Committee has reviewed the Act and understands the key changes.
- Confirm the council has named HR responsibility (usually the Clerk + Staffing Committee).
- Schedule a policy review cycle to incorporate changes during 2025–2026.
- Ensure councillors involved in staffing matters receive updated training (e.g., SLCC, NALC).

■ 2. Contracts & Employment Documentation

- Review all employment contracts, especially:
 - Part-time staff
 - Casual or seasonal workers
 - Caretakers, grounds staff, event staff
- Ensure contracts reflect:
 - Actual working hours (new zero-hours rules)
 - Clear notice periods for shift changes
 - Probation arrangements aligned with the 6-month unfair dismissal threshold
- Update job descriptions and ensure they match duties in practice.

■ 3. Policies & Procedures

- Update the Staff Handbook to reflect:
 - New SSP rules (day-one entitlement, no lower earnings limit)
 - Family-friendly rights (day-one paternity/parental leave from 2026)
 - Industrial action protections
 - Anti-harassment duties
 - NDA restrictions

- Review disciplinary and grievance procedures to ensure fairness and documentation.
- Ensure Standing Orders (employment sections) are consistent with updated policies.

4. HR Processes & Record-Keeping

- Strengthen probation processes:
- Clear objectives
- Regular reviews
- Documented outcomes
- Ensure all employment decisions are properly minuted and stored securely.
- Maintain accurate records of:
- Hours worked
- Sickness absence
- Leave
- Training
- Confirm GDPR-compliant storage of personnel files.

5. Financial & Risk Management

- Update the budget to reflect:
- Increased SSP costs
- Potential compensation exposure (unfair dismissal cap removed)
- Training needs
- Add employment law compliance to the Risk Register, including:
- Contractual risk
- Documentation risk
- Consultation risk
- Equality and harassment risk
- Consider whether the council needs external HR support or legal advice for complex cases.

■ 6. Equality, Conduct & Culture

- Review the council's Equality Action Plan (required for public bodies).
- Ensure councillors understand their role as employers, including conduct expectations.
- Strengthen measures to prevent workplace harassment, including lone-working protections for Clerks.

■ 7. Communication & Implementation

- Provide staff with a plain-English summary of the changes.
- Agree a timeline for implementing policy and contract updates.
- Ensure any changes to terms and conditions involve proper consultation with staff.