

Developments in 2020

The start of the year is an opportunity to provide an update on planned or likely changes and developments in the employment field over the next twelve months.

Brexit has only happened recently and its future impact upon employers, employees and related matters is unclear. Statements relating to potential initiatives will be launched in the press in order to gauge reaction and obtain feedback. However, the primary focus of the Government is to have trading agreements in place by the end of the year. Therefore, changes to employment legislation and related arrangements are likely to follow later.

Increases in National Living Wage and National Minimum Wage

The National Living Wage applies to all working people aged 25 and over. With effect from April 2020, the National Living Wage (NLW) rate will increase from £8.21 to £8.72 per hour.

For employees aged under 25, the National Minimum Wage will also increase in April in accordance with the following details:

- £8.20 per hour for those aged 21-24;
- £6.45 per hour for those aged 18-20;
- £4.55 per hour for those aged 16-17;
- £4.15 per hour will be the apprentice rate.

Towards the end of last year, the Chancellor pledged to increase the NLW towards a new target of two-thirds of median earnings by 2024, provided economic conditions allow, which, on current forecasts, would make it around £10.50 per hour.

The introduction of the NLW has already delivered the fastest pay rise for the lowest earners in 20 years. Supported by the NLW, the lowest paid saw their wages grow by 8% above inflation between April 2015 and April 2018.

The Chancellor also announced plans to expand the reach of the National Living Wage to cover workers aged 23 and over from April 2021, and to those aged 21 and over within five years. This is expected to benefit around 4 million low paid workers.

Last week's changes to the Cabinet particularly with regard to the appointment of a new Chancellor may mean that objectives are altered and so the above plans may well change but we will have to wait and see.

Introduction of Parental Bereavement Leave and Pay

Parents who lose a child under the age of 18 will become entitled to two weeks' leave and statutory bereavement pay. The Government intend to bring the right into force in April 2020. More detailed information is given later in this Briefing.

Extension of IR35 Obligations

We have reported the details and obligations involved but it is important to remind you that, from April of next year, legislation is being introduced which will require private sector companies who use contractors to become responsible for deciding whether they are inside or outside of the requirements of IR35 .

The Gov.UK website has developed a tool to allow you to assess the employment status of an individual who may be working for you. If you click [here](#) the link takes you straight to it.

Employment Contracts

From 6 April 2020, employers must provide a written statement of employment particulars to all workers, not just to employees. In addition, it will have to be supplied by the start of employment and not after two months which is the case currently.

The additional information to be provided includes extra information on variable working hours, paid leave other than sick pay, benefits, probationary periods and training. More extensive details are provided later in this Briefing.

Statutory Payment Rates for 2020/21

The new rates for statutory maternity pay (SMP), statutory adoption pay (SAP), statutory paternity pay (SPP), statutory shared parental pay (ShPP) and statutory sick pay (SSP) for the 2019/20 tax year have been confirmed by the Government.

The standard weekly rates of SSP will increase from £94.25 to 95.85 from 6th April 2020. SMP, SAP, SPP and ShPP will increase from £148.68 to £151.20 (or 90% of average earnings if lower) from 5th April 2020.

Dealing with Conflict – Tackling and Preventing the Causes at Work

There is much in the media these days about the sharp, serious end of conflict in the workplace including sexual and non-sexual harassment, intimidation and bullying. However, recent research by the Chartered Institute of People and Development indicates that these 'headline grabbing' situations only account for 4% of conflict

incidents which occur in the workplace. The report identified that 35% of employees participating in the research had experienced some form of conflict over the past year either as an isolated incident or an ongoing, problematic relationship.

But what is conflict? A precise definition is difficult to pin down because one person's perception of a challenging situation can differ from someone else's. Some conflict can even be positive, for example there can be a healthy amount of competition to attain goals. In the absence of a clear definition, particularly in a negative sense, we need to look at what generally is seen to constitute conflict through the responses provided by the research participants.

What kinds of conflict make up the other 96% of cases identified in the research? The list is extensive but a number of recurring themes are:

- pressure to take on more work to keep a contract or their job;
- not being invited to a relevant meeting and not being given an explanation as to why;
- the manager overrides reasonable decisions;
- underlying and destructive tensions or resentment;
- the manager embarrasses someone in front of their workmates;
- excluding a colleague from work conversations;
- someone gets a promotion and someone else does not without explanation as to why;
- setting individual goals which are working against the team ethos;
- managers saying one thing and doing something else;
- managers agreeing to flexibility in a person's working hours but then not making appropriate adjustments to job content in order to make it work successfully;
- personality clashes.

The research undertaken by the CIPD shows that people managers are not only at the forefront of identifying and managing conflict but also are often the cause of it. They need to have the confidence and capability to be proactive and deal with conflict at the earliest possible stage. Fewer than half (44%) of those in the research who had experienced conflict felt the situation had been satisfactorily resolved by their manager. Almost a third (31%) said the person they reported it to did not take it seriously. The research also suggests that managers would benefit from having further training in this particular area to increase their levels of confidence in dealing with

conflict rather than avoiding it or passing it on to an HR colleague.

The impact of conflict in the workplace can be many and varied. Some of the most common consequences are psychological or behavioural, with stress, a drop in motivation or commitment and anxiety the top three. These in turn can lead to increases in sickness absence, low confidence, anxiety and ultimately staff turnover.

Going forward, it should be the aim of every organisation to create a culture based on dignity and respect, where people have the confidence to speak up and call out inappropriate behaviour. It is encouraging that the research reveals that many employers feel that their employees would feel confident raising issues about conflict. However, it's the 44% of employees who feel issues aren't effectively resolved that probably needs the most work. The old adage 'prevention is better than cure' must be applied here. It is never going to be possible to wipe out workplace conflict entirely but, through more effective education and by creating awareness of the potential implications of their actions, managers can certainly be more confident in putting in place measures to prevent conflict and, when it does occur, feel confident to tackle issues rather than avoid or ignore them.

Post-Brexit Immigration Plans

The Government is believed to be planning new immigration reforms, including a drop in salary threshold for some migrants together with a new points-based system.

Currently, skilled migrants from outside the EU must have a job offer with a minimum salary of £30,000. It is understood that this threshold will be lowered to £25,600, in line with recent recommendations from the government's migration advisers.

Under the intended Australian-style points-based system (PBS) it has been indicated that workers earning less than the salary threshold might still be able to get a visa to work in the UK. The system would award points towards getting a visa to migrants who speak good English, have a strong educational background or if they work in a sector with a skills shortage.

It is anticipated that the same rules will be applied to people from EU countries once the transition period for the UK's departure from the EU ends on 31 December 2020.

The Home Office has confirmed that it will provide details of its new "firmer and fairer" immigration system in due course. A Home Office spokesperson said: "We will deliver on the people's priorities by introducing a points-based immigration system from 2021 to attract the brightest and best talent from

around the world, while cutting low-skilled immigration and bringing overall numbers down.”

So, in skills shortage areas, the lowering of the salary threshold should help although it is a pity that there are no plans to have regional variations on the threshold which may encourage talent from abroad to move to regions outside of London and the South-East because £25,600 will still be viewed as a high salary in many parts of the UK economy.

In addition, there are many businesses across our country that are dependent upon employing low-skilled EU workers. The plans do not take account of the difficulties that they will experience because it is intended that future supply will be cut off. In the short-term, it is imperative that they ensure that the existing EU members of their teams are applying for settled status which will allow them to remain in the UK. In addition, focus should be placed on establishing requirements for employees and putting a recruitment plan in place to bring people into the UK before the end of 2020. In the medium term, strategies will have to be devised to target alternative sources of labour and how best to attract them into the necessary sectors.

Parental Bereavement Leave and Pay – Outline of the Benefits

It is intended that, from April, parental bereavement leave will become a new entitlement for bereaved parents to be absent from work with pay at a statutory minimum rate for up to two weeks.

The Government has published draft Regulations setting out details of the new statutory right. It is important to highlight that the details provided below could be changed as it passes through Parliament. It is believed that the entitlement will be available to parents of a child who dies on or after 6th April 2020.

Employees will be entitled to parental bereavement leave from their first day of employment. Any individual who has, for a continuous period of at least four weeks before the child dies, been living with the child and has "day-to-day responsibility" for the child will qualify.

In most circumstances, the leave will also be available to the partner of a bereaved parent, if they live together in an enduring family relationship.

Adoptive parents as well as those parents who suffer a stillbirth from 24 weeks or more into pregnancy will also be entitled to the leave.

Parental bereavement leave will operate in blocks of one week and will not be available as individual days. So, it can be taken as a single block of two weeks or two separate blocks of one week at different times providing it is taken within 56 weeks of the date of the death of the child.

To take parental bereavement leave, an employee must tell their employer:

- the date of the child's death;
- the date on which she/he is beginning her/his parental bereavement leave; and
- if he/she intends to take one week or two weeks' parental bereavement leave.

As the employer, you need to be aware that there is no need to give the notice in writing nor for employees to supply evidence of their child's death. Consequently, a phone call or email will be sufficient to take parental bereavement leave.

To qualify for statutory parental bereavement pay, an employee will need to have at least 26 weeks' continuous employment with their employer ending with the week before the week in which their child dies and still be employed by that employer on the day that the child dies. In addition, normal weekly earnings in the eight weeks up to the week before the child's death should be no less than the lower earnings limit for national insurance contribution purposes.

Employees will be required to give notice that they wish to claim statutory parental bereavement pay which will usually need to be given before the end of a period of 28 days, starting on the first day for which they are claiming statutory parental bereavement pay. However, the planned legislation recognises that this will often not be possible and so 'reasonably practicable' notice will be acceptable.

At the same time as the employee gives notice, evidence of entitlement to statutory parental bereavement pay will have to be provided to the employer in the form of:

- the employee's name;
- the date of the child's death; and
- a declaration in writing that there is a relationship with the deceased child which allows an entitlement to statutory parental bereavement pay.

The weekly rate of statutory parental bereavement pay (SPBP) will be £151.20 (for 2020/21) or 90% of average weekly earnings where this figure is less than £151.20.

According to the Government, "small employers will be able to recover all statutory parental bereavement pay while larger employers will be able to reclaim almost all of it". It is anticipated that this will be done using the same methods as SMP, SPP and other parental rights.

Survey Suggests Over Half of Workers Will Change Jobs This Year

A poll conducted by the accreditation organisation, Investors In People, has found that nearly a quarter (24 per cent) of respondents had already started actively job hunting, with a further 32 per cent considering moving in 2020 but have not started looking.

The poll also showed that nearly a quarter (23 per cent) of employees were unhappy with their current role, up 10 per cent on last year, and nearly two-thirds (65 per cent) suffered from 'Sunday night blues', dreading going back to work after the weekend.

Respondents were found to be most dissatisfied with pay levels, with 28 per cent citing this, and 29 per cent of those considering finding a new job saying they believed they could get more money elsewhere. This was followed by not feeling valued (cited by 23 per cent) and a lack of career progression (18 per cent).

The survey identified concerns over the levels of stress faced by workers. Three-quarters (76 per cent) reported feeling stressed at work in the last six months, increasing to 80 per cent for women. More than six in 10 (64 per cent) said their sleep had been affected, and the same number complained about being 'always on duty'.

Workplaces being friendly was considered important by respondents. More than half (54 per cent) said having a friend at work was important to them, while 25 per cent admitted to staying in a job because of a friendship rather than because they enjoyed the work. Similarly, 47 per cent said they would rather have a friendly workplace than a 3 per cent pay rise.

So, the results reveal that attracting **and** retaining good people is not a simple matter of ensuring that your salaries and rates of pay are competitive. You have to provide a comprehensive employment 'mix' which suits your market, your business needs and, most importantly, your team. So, you must consider the entire package offered including the benefits, the environment, the management style, the culture as well as training and development offered to show that your people are valued, appreciated and enjoying their roles.

The Right to a Written Statement of Terms and Conditions of Employment

The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations will remove the two-month period for employers to provide a written statement.

With effect from 6th April, employers will have to provide most of the information required in the

statement in a single document by the first day of employment, although employers will still have up to two months to provide information on certain limited terms.

Also, additional information will have to be provided, namely:

- the days of the week when the employee is required to work, and if and how working hours or days may be varied and how this will be determined;
- other types of paid leave;
- any benefits provided;
- probationary periods;
- training that the employer will provide; and
- training that the employee must complete (including training for which the employer will not bear the cost).

As a part of our service, MCM will ensure that any necessary adjustments are made to existing contracts of employment although it is believed that the required information has been included.

And Finally....Protecting our Environment

Most (we would hope all) of us are aware of the need to protect our environment as well as the need to cut waste particularly with regard to single-use plastic.

The Sheffield-based company, Intelligent Hand Driers, is being particularly vigilant by making it a disciplinary offence for members of its team to bring single-use plastic into the office, including crisp packets and coffee cups. Instead, the company has opted to provide reusable water bottles, glass bottled milk and a weekly local fruit delivery.