

March 2023 Employment Updates

Budget 2023 – Key points

The Chancellor, Jeremy Hunt announced his spring budget on 15th March 2023. Below is a summary of relevant provisions and changes that will affect employers/ employees and businesses in general.

Back to work schemes

- New fitness-to-work testing regime to qualify for health-related benefits
- New voluntary employment scheme for disabled people in England and Wales, called Universal Support
- Tougher requirements to look for work and increased job support for lead child carers on universal credit
- £63m for programmes to encourage retirees over 50 back to work, "returnerships" and skills boot camps
- Tax-free yearly allowance for pension pot to rise from £40,000 to £60,000 - having been frozen for nine years
- Immigration rules to be relaxed for five roles in construction sector, to ease labour shortages

Finance and tax

- Main rate of corporation tax, paid by businesses on taxable profits **over** £250,000, confirmed to increase from 19% to 25% from April 2023
- Companies with profits between £50,000 and £250,000 to pay between 19% and 25%
- Companies able to deduct investment in new machinery and technology to lower their taxable profits
- Tax breaks and other benefits for 12 new Investment Zones across the UK, funded by £80m each over the next five years
- Reduced paperwork for international traders, who will also be given longer to submit customs forms under streamlined rules

Updates/Further Changes Expected in 2023

Changes to national and living wage:

	23 and over	21 to 22	18 to 20	Under 18	Apprentice
April 2022 (current rate)	£9.50	£9.18	£6.83	£4.81	£4.81
April 2023	£10.42	£10.18	£7.49	£5.28	£5.28

Employment Relations (Flexible Working) Bill:

Day 1 right, a new requirement for employers to consult with employees when they intend to reject the request, allow two statutory requests a year, provide a decision period of two months and remove the existing requirement for an employee to explain what effect, if any, the change applied would have on the employer and how that effect might be dealt with. The Bill passed its second reading on 28th October 2022 and given the government's latest position it is anticipated should become law in 2023. However, this is questionable given the delays already experienced and that many key aspects of the bill have now been tabled separately as other bills.

Carer's Leave Bill:

The Carer's Leave Bill proposed the introduction of a day one right for up to five working days of unpaid leave for employees with long-term caring responsibilities of a dependant, either arranging or providing care. Dependants include partners, children, parents, people living in the same house as the employee and people who reasonably rely on the employee. The employee will be required to give notice twice the length of the leave and can take the time as partial or full days and can be taken flexibly at different times to suit their caring responsibilities. Proof is not needed to show how the leave has been used. Employers should be aware that if the Bill becomes law employees will be protected from dismissal or detriment due to taking this leave. If an employer dismisses an employee because of this leave, it will be an automatic unfair dismissal. This bill has passed all stages within the House of Commons and is at committee stage in the House of Lords, with a sitting scheduled for 19th April 2023.

Redundancy Protection for Pregnancy and Family Leave:

As the law currently stands, in a redundancy process an employer has an obligation to offer those on maternity leave, adoption leave or shared parental leave suitable alternative employment (if it exists) as a priority over other employees provisionally selected for redundancy. Failure to do so is automatically unfair. The Protection from Redundancy (Pregnancy and Family Leave) Bill proposes to increase this protection to extend to the point from which the employee tells their employer they are pregnant/ will be taking adoption or shared parental leave and also after they have returned to work, potentially for a period of up to 18

months after the child's birth/ adoption. This bill is currently at the committee stage in the House of Lords, with a sitting scheduled for 17th April 2023. There are a number of Parliamentary stages this Bill must pass before it becomes law.

The Employment (Allocation of Tips) Bill:

Proposes to make it unlawful for employers not to provide employees with 100% of the tips left by customers. It is proposed that tips will be distributed in a fair and transparent manner, so that employees are paid what they have earned. It is likely that this will be accompanied by a Code of Practice, which will offer more guidance on which workers benefit from the tips in different situations. Enforcement of these obligations has not yet been clarified. It is proposed that employers will have to record tips and show how they have been allocated. Records will need to be kept for a minimum period and workers will have a right to request to see these records. The bill is set to undergo the third reading stage in the House of Lords on 21st April 2023.

The Retained EU Law (Revocation and Reform) Bill:

By the end of 2023, the Retained EU Law (Revocation and Reform) Bill aims to abolish all EU law that is not specifically reinstated or replaced. This may affect a number of EU-derived secondary legislation, including the Working Time Regulations, Agency Worker Regulations and TUPE. There are concerns around whether the end of 2023 will provide enough time to reform these laws, although there is a potential extension to June 2026 but no later.

The Worker Protection (Amendment of Equality Act 2010) Bill

Will extend employers' duties to protect against sexual harassment and reintroduce protection (and businesses' responsibility and therefore legal liability) for third-party harassment. Unclear when this will happen.

If you would like more information on these updates and how they will affect your workplace, please contact jenny@agilehrconsulting.com

Managing Generation Z



Generation Z employees were born between 1995 and 2012. Typically, they prefer to connect through social media, text messaging, emailing and any other apps they can find on their smartphones but panic sets in when it's time to answer a telephone call! It's important that we recognise the differences between the generations within our workforces to ensure we are getting the most out of each individual.

Here are some of the things that Gen Zs might be looking for in the workplace:

- Flexibility – working from home is becoming more popular and following covid and a lot of Gen Zs are looking for this as part of their terms & conditions.
- Their own working space rather than collaborative working environments.
- They are interested in keeping their options open and learning new skills or taking on projects outside of their job role.
- Prefer digital/ on the job training – training agreements are something that Gen Zs worry about signing/ taking on!

So how can we manage Generation Z?

1. **Introduce hybrid communication and collaboration techniques** – having a mix of on-line and in-person meetings/ working to cater to the likes and dislikes of everyone in your workplace.
2. **Encouraging Team Bonding** – Gen Z employees enjoy and value social interactions and building relationships with their colleagues.
3. **Review day-to-day communications channels** – Gen Z often prefer to send an email or text message rather than making a phone call.
4. **Financial Stability** – unlike Millennials, Gen Z are motivated by money, especially since things like buying a house are becoming more unreachable. Studies have shown, if you pay Gen Z the right salary, they are more likely to work harder and longer.
5. **Encourage Independence** – Gen Z like to take ownership of a project and are inquisitive and independent. Managers should try to make use of this where they can.
6. **Continue to embrace new technology** – try out new communication channels, social media participation and encourage safe internet use.

Performance Management: How to make the process productive!

Running a performance management meeting can be challenging, but with the right approach, it can be a valuable tool for improving employee performance and avoiding the disciplinary process. Here are some tips to help you run an effective performance management meeting:

1. **Prepare in advance:** Review the employee's performance over the previous period, including their achievements, challenges, and areas for improvement. Prepare specific examples of their performance that you want to discuss during the meeting.
2. **Plan the structure of the meeting:** Create an agenda for the meeting that outlines the topics you want to cover, including the employee's performance against their goals, areas for improvement, and development plans. Share this in advance. You want the employee to be prepared.
3. **Start with positive feedback:** Begin the meeting by highlighting the employee's achievements and successes. This will help set a positive tone and build rapport with the employee.
4. **Don't sidestep the issues!** Be direct about areas of performance that need addressing. Be specific about areas where the employee needs to improve and provide examples of how they can do so. Use specific, measurable, and achievable goals to help them understand what is expected of them.
5. **Ask for their input:** Encourage the employee to provide feedback on their performance and ask for their ideas on how they can improve. This will help build a collaborative relationship and increase engagement.
6. **Agree on an action plan:** Discuss with the employee what steps they will take to improve their performance and agree on a development plan that includes specific goals and deadlines.
7. **Follow up:** Schedule regular check-ins to monitor the employee's progress and provide ongoing feedback and support. This will help ensure that they are making progress and achieving their goals.

Whilst this process can be daunting, Agile HR Consulting are experienced and enthusiastic about guiding your business on this journey!

For further information on the above, please contact david@agilehrconsulting.com