

16 November 2023

Why robust employment contracts are key to business success



Introductions



Meet the Presenters and Technical Support

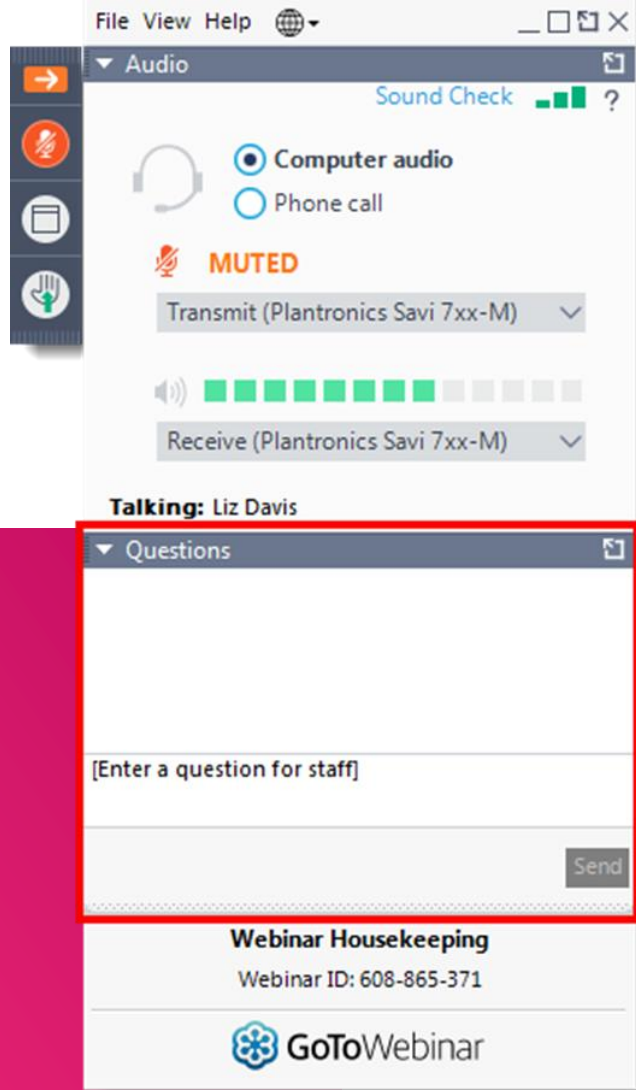
	<p>Sue Watson Operations Director</p> 	
<p>Victoria Templeton ↑ HR Knowledge Manager</p>		<p>Rebecca Johnson ↑ Marketing Manager</p>





How to ask questions





GoTo Webinar Housekeeping

Time for Questions

Your Participation

Please continue to submit your text questions and comments using the Questions panel



Agenda

- Why are robust contracts key to business success?
- Using contracts to respond to changing social demographics
- Employment status
- Using contracts to build a flexible and modern workplace





Why are robust contracts key to business success?



- Contracts have a significant impact on business operations and success
- The employment contract plays a crucial role in the relationship between an employer and a worker
- A significant shift globally, in the way in which people are employed
- Business operations and the employment of staff can be even more flexible
- The right type of contract can help employers attract the best talent, help with employee retention and modernise employment practices.

Why are they
important?

**The
importance
of robust
employment
contracts**

Why are they important?

The importance of robust employment contracts

A diagram consisting of two large magenta circles connected by a horizontal line. The left circle contains the text 'The importance of robust employment contracts' and the right circle contains 'Legal compliance'. A vertical magenta bar is on the right side of the slide.

Legal compliance

Why are they important?

Legal compliance

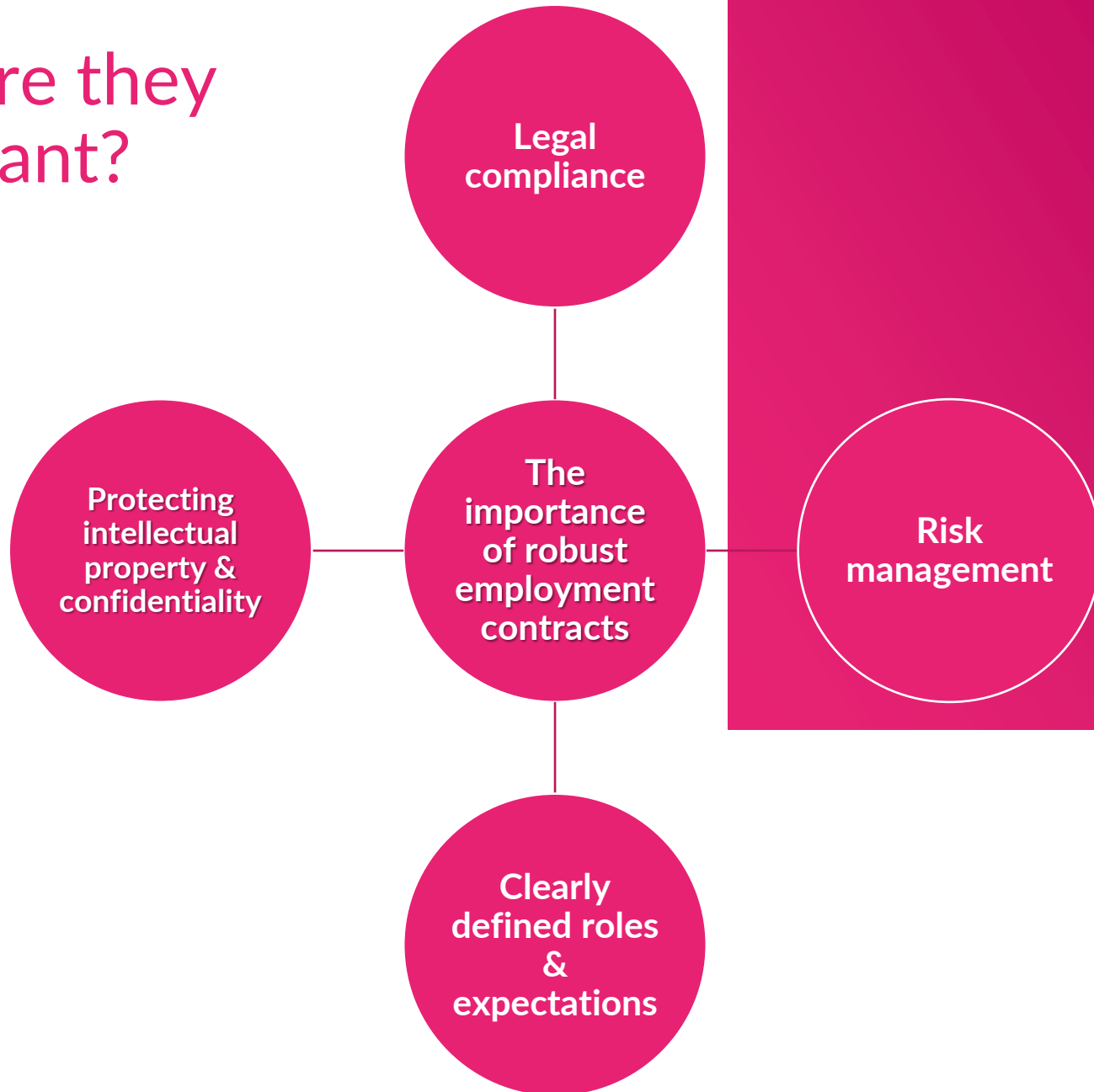
The importance of robust employment contracts

Risk management

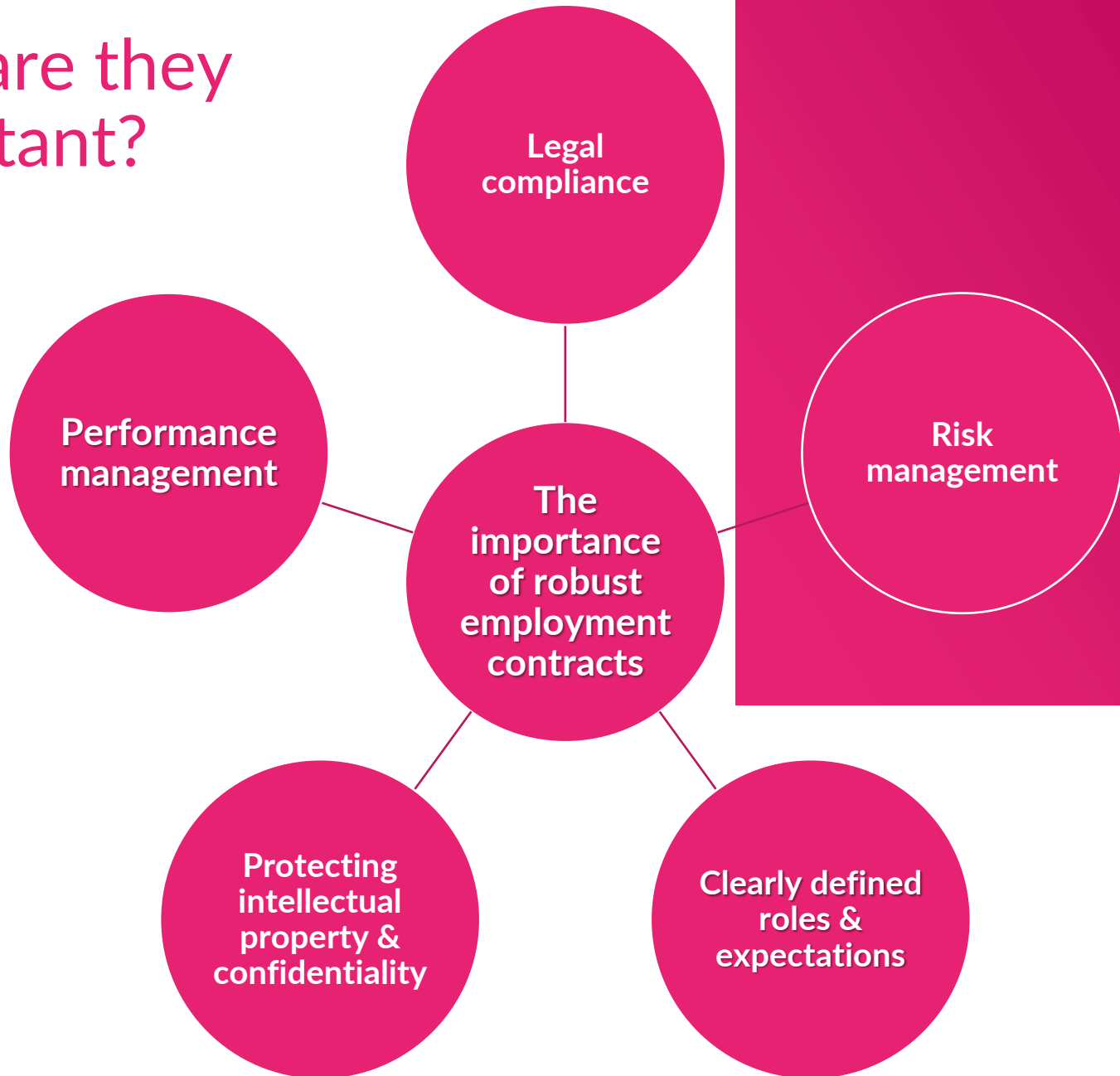
Why are they important?



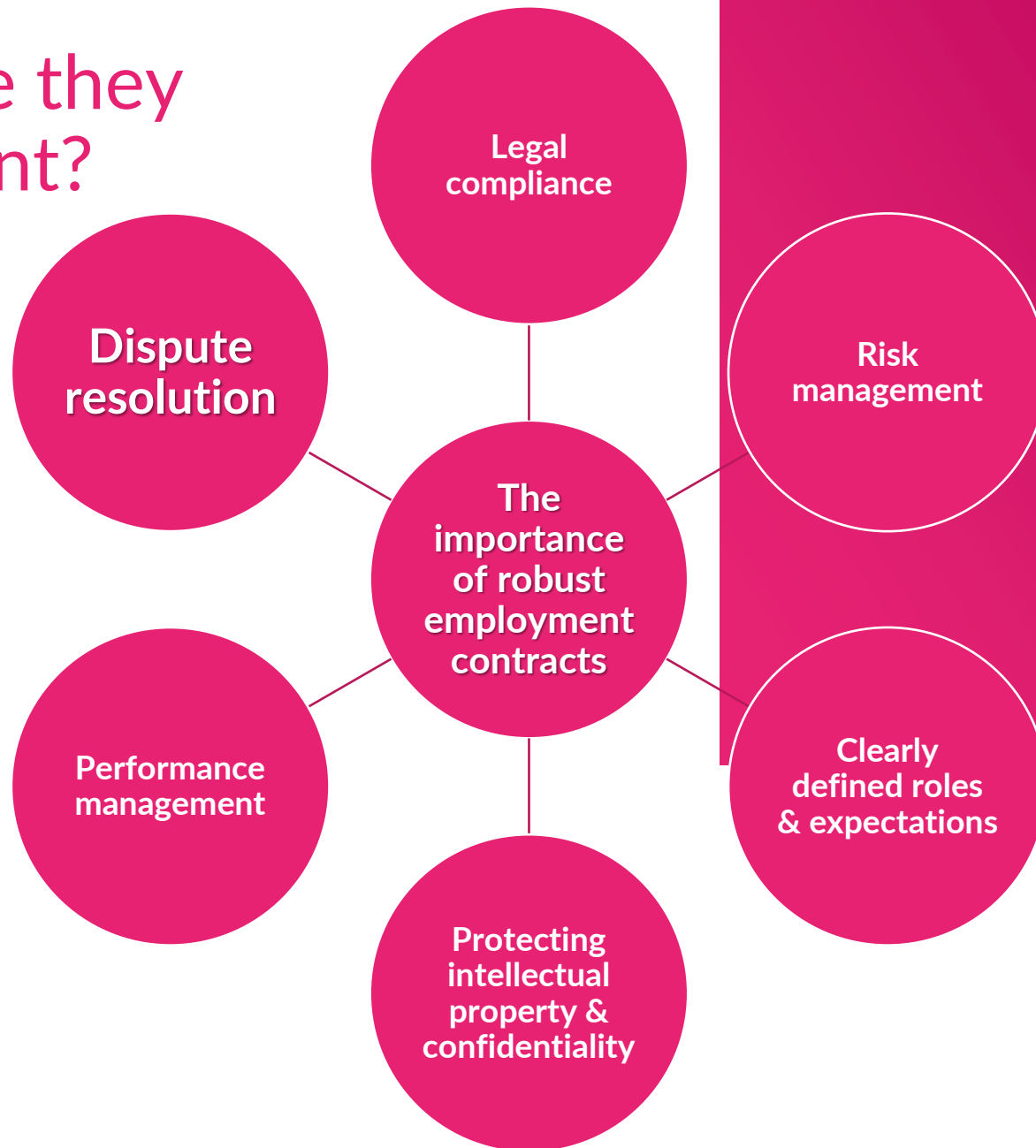
Why are they important?



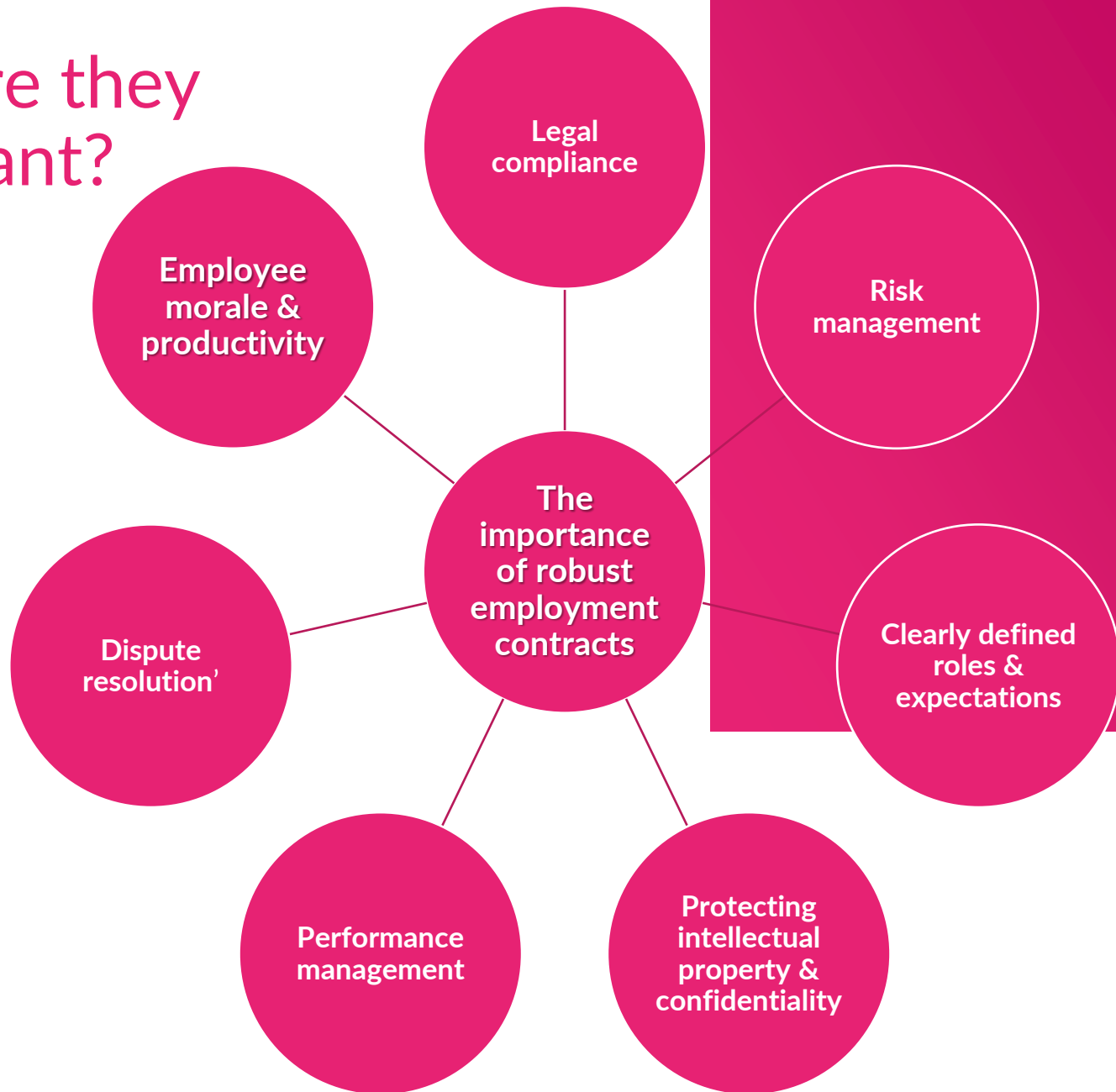
Why are they important?



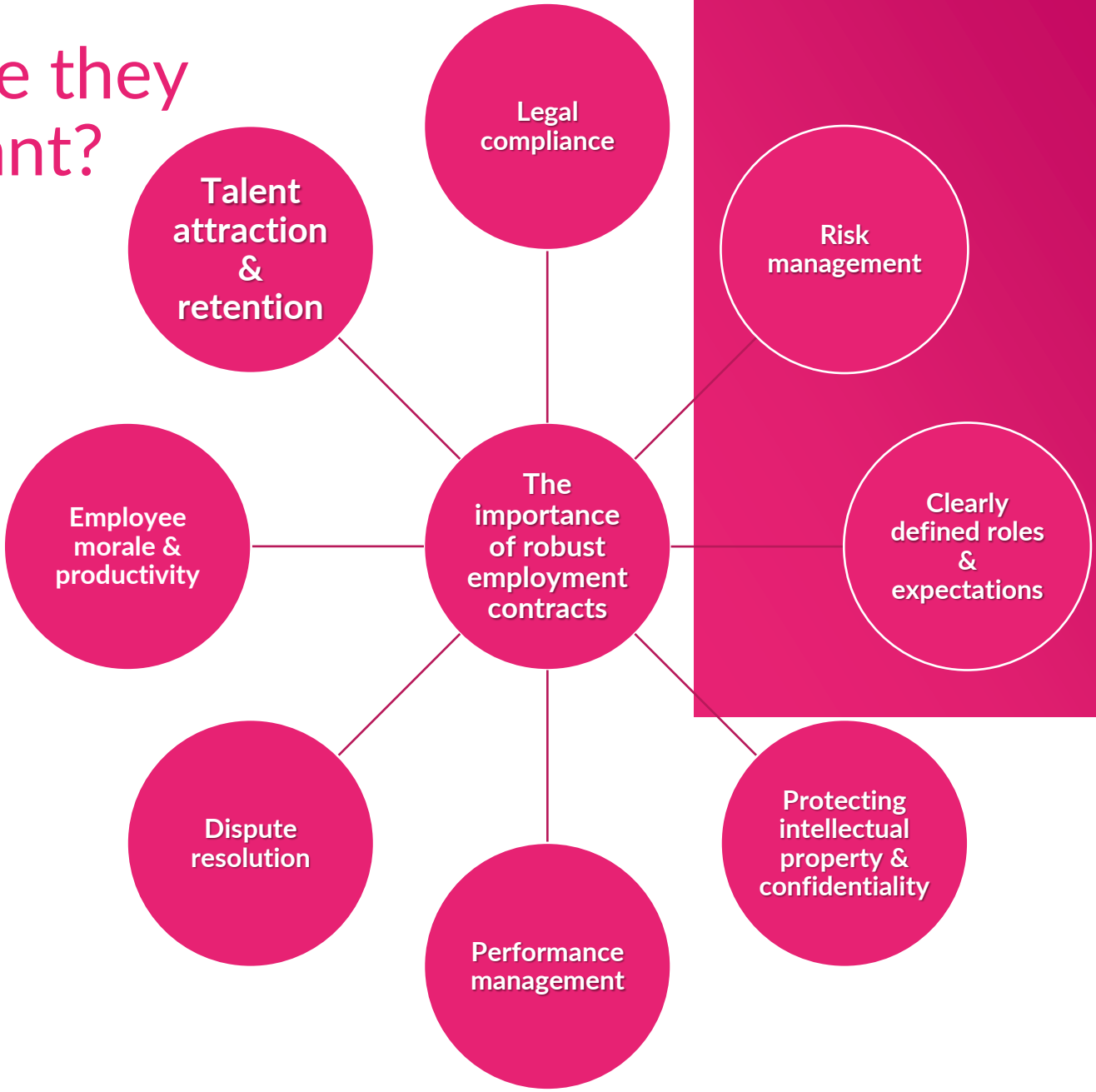
Why are they important?



Why are they important?



Why are they important?



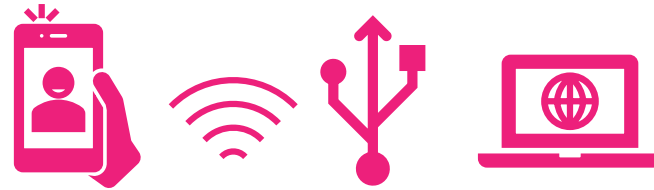
Why are they important?





Changing social demographics

Advancements in technology:



Caring responsibilities



Health reasons



Wellbeing

Changing social demographics



- 40% employers have seen an increase in flexible working requests following the pandemic
- 66% of employers believe it is important to provide flexible working as an option when recruiting
- 39% of employers are more likely to approve flexible working other than working from home
- 39% of employers already offered flexible working as a day 1 right

CIPD survey May 2023: Flexible and hybrid working practices in 2023

Changing social demographics

- The most common type of flexible working was working from home (37%)
- 46% of employees would want a four-day working week
- 39% of employees would want flexitime



Employment status? Employee, worker or self employed?



- When determining resource, consider the type of relationship the business needs:
 - Employee?
 - Worker?
 - Self employed – individual or via a company?

- The ability to distinguish between the different types of relationship is crucial for legal compliance and effective management
 - Legal protections differ between each status
 - Tax implications

- Using the correct type of contract provides greatest flexibility in managing your resources



- Every employee must be given a written statement of employment particulars
(Employment Rights Act)
- Both parties enter into a legal relationship where there are *obligations on both sides*.
- One party agrees to employ another as an employee with the other person agreeing to serve the employer as an employee
- This relationship is known as a *'contract of service'*
- *Full* employment rights

Employee

Open ended contract

Fixed term contract

Hybrid/remote contract

Annualised hours contract

Zero hour contract

Job share

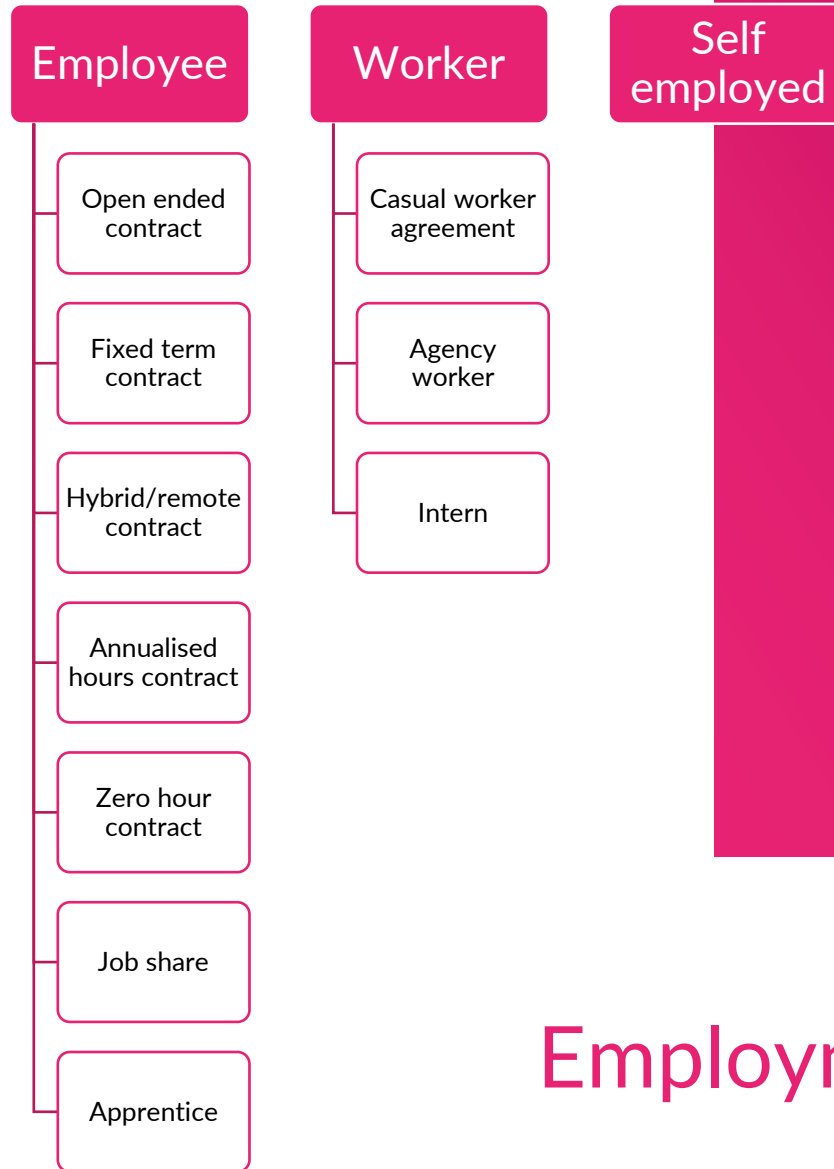
Apprentice

Worker

Self employed

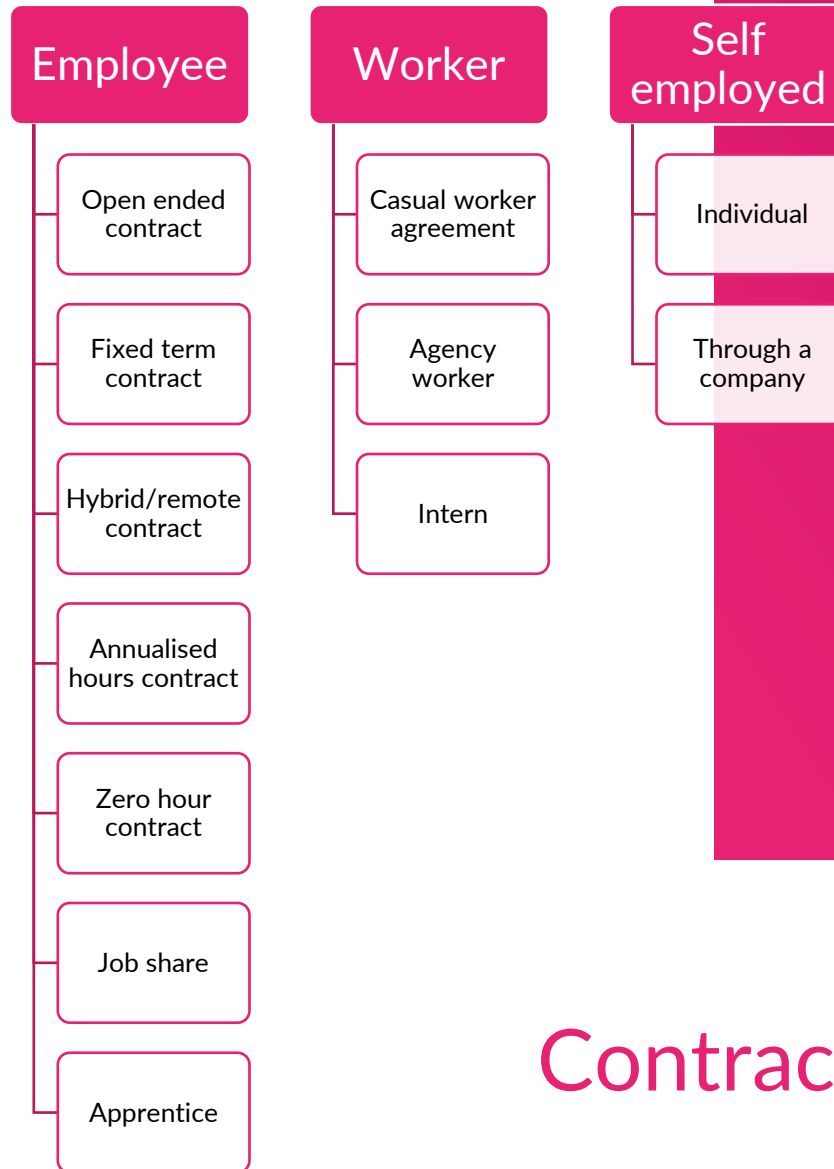
Employment status

- Every worker should be given a written statement of employment particulars (**Employment Rights Act**)
- Both parties enter into a legal relationship where there are **obligations on both sides**.
- This relationship is known as a '**contract of service**'
- **Partial** employment rights



Employment status

- There is **no legal definition** of what constitutes a contractor/self employed
- Commercial agreement not an employment contract for the provision of services
- This relationship is known as a **'contract for services'**
- **No** employment rights
- **IR35** obligations



Contract type

Employment status

Worker

- National Minimum Wage
- Protection from unlawful deduction of wages
- Statutory minimum of rest breaks
- To work no more than 48 hours on average, per week
- Protection from unlawful discrimination
- Protection for reporting wrongdoing in the workplace (whistleblowing)
- Not to be treated less favourably if they work part time
- May be eligible for SSP, SMP, SPP, SAP, SPP (not family leave)

Employee

- **All of those provided to a worker** as listed to the left, and:
- Minimum notice periods
- Protection against unfair dismissal
- The right to request flexible working
- Time off for emergencies
- Statutory redundancy pay

You need to recruit....

The business relies on a certain, specialist skill set that is hard to recruit for. You decide to recruit for an apprentice with the aim of building the skill set internally.

The business has three peak periods during the year, with the remaining months being quiet. You recruit someone on an annualised hours contract to reflect resource levels with workload.

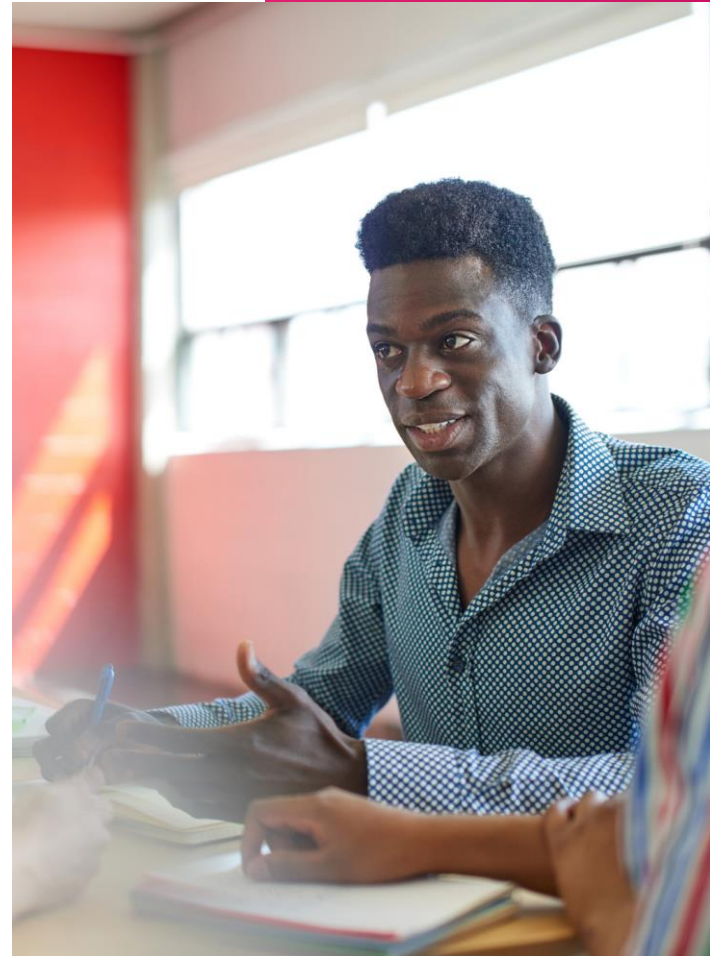
You have been using agency staff throughout the summer but has been costly. and have committed to employing individuals on fixed term contracts The business relies on a certain, specialist skill set that is hard to recruit for. You decide to recruit for an apprentice with the aim of building the skill set internally.

You need to find cover for someone's adoption leave. You recruit on a fixed term contract basis.



Using contracts to build a flexible and modern workplace

- Contracts are key to a flexible and adaptable business
- Hybrid and remote working improves ability to recruit
- Variable work load
- Short term projects
- Bring in a specialist skill
- Address recruitment and retention challenges
- Improve employee engagement

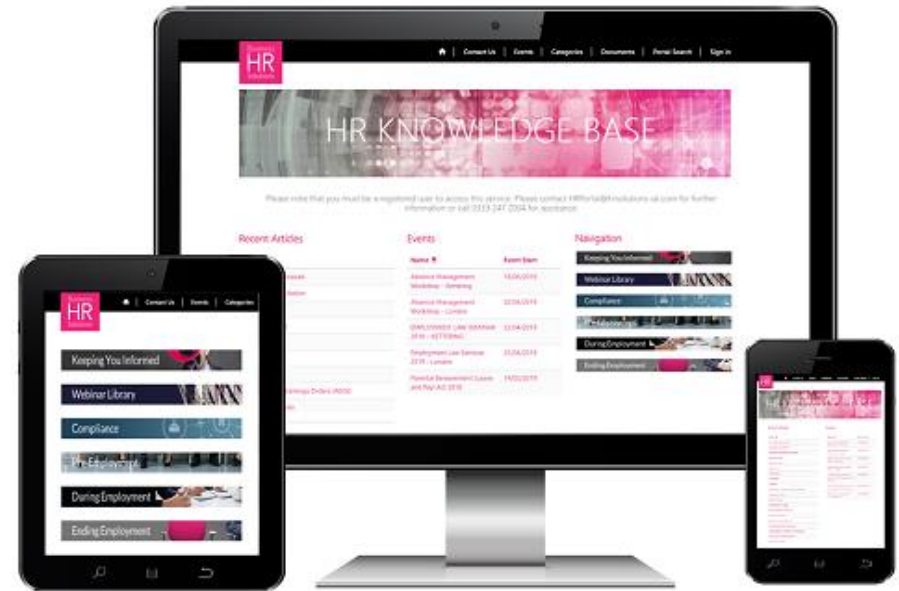




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14 December @ 10am
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11 January @ 10am



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- **Why we're seeing an ever increasing need to support long term sickness**
14 March @ 10am
- **HR Solutions Virtual Employment Law Seminar**
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Thank you

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