

# Governing Body Paper

## Employment Rights Act 2025 (Schools Focused)

**Purpose:** For Governing Body consideration and approval, and for sharing with the Senior Leadership Team (SLT).

**Author:** Schools HR Advisory Service

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### Executive Summary

The Employment Rights Act 2025 introduces significant and phased changes to employment law from 2026 to 2027, materially increasing Legal, Financial and Governance risk for Schools.

The reforms strengthen staff protections, expand enforcement powers, and reduce flexibility in key workforce areas, requiring Schools to move from reactive compliance to proactive, evidence-based risk management.

Key risks for Schools include increased exposure to uncapped compensation in dismissal and whistleblowing cases, substantially higher penalties for failures in collective redundancy consultation, and proactive enforcement by the Fair Work Agency without a complaint being raised.

From 2027, collective redundancy obligations will include an organisation-wide threshold, meaning staffing reductions across multiple Schools may need to be aggregated and centrally monitored. Workforce and budgetary pressures are also expected to increase due to guaranteed hours, expanded family rights, strengthened Flexible Working, and Support Staff pay reforms.

A phased Timeline Action Plan has been developed to support Schools through implementation to 2027, underpinned by structured assurance arrangements.

The Schools HR Advisory Service will provide coordinated, proactive support and act as a professional assurance and risk-management function. Governors are asked to approve the proposed approach, agree the oversight arrangements, and support early escalation and consistent application across the School and Senior Leadership Team.

## 1. Purpose of the Paper

This paper provides Governors with an overview of the Employment Rights Act 2025, the key changes affecting Schools, and the proposed timeline and actions required to manage risk, affordability and compliance.

It seeks Governor endorsement of the proposed approach and oversight arrangements.

## 2. Summary of the Employment Rights Act – Key Implications for Schools

The Employment Rights Act 2025 introduces significant changes to employment law over a phased period from 2026 to 2027.

Collectively, these reforms increase scrutiny of employment decisions, strengthen staff protections, expand enforcement powers, and raise potential legal and financial exposure for Schools.

- Earlier and strengthened protections relating to industrial action, whistleblowing and dismissal.
- Expanded family-related rights with cumulative workforce planning implications.
- Increased collective redundancy penalties and stricter consultation expectations.
- Proactive enforcement through the Fair Work Agency.
- Reduced flexibility in areas such as Fire and Rehire, Guaranteed Hours and Flexible Working.
- Introduction of a national minimum pay and conditions floor for Support Staff via the School Support Staff Negotiating Body.

## 3. Governance and Risk Considerations

The Act represents a shift from reactive compliance to proactive risk management.

Governors will need to be assured that employment decisions are well evidenced, consistently applied, and aligned to statutory requirements.

- Increased risk of uncapped compensation in dismissal and whistleblowing-related claims.
- Financial exposure arising from failures in collective consultation processes.
- Reputational and safeguarding risk where Third-Party Harassment is not addressed promptly.
- Budgetary impact arising from Guaranteed Hours, Flexible Working and Support Staff Pay Reforms.
- Greater likelihood of inspection or enforcement activity without a complaint being raised.

## 4. Roles and Responsibilities

### Governing Body

- Provide strategic oversight of compliance, affordability and workforce sustainability.
- Approve the proposed timeline action plan and receive regular assurance updates.
- Challenge high-risk decisions and ensure appropriate escalation to HR.

### Headteacher and Senior Leadership Team

- Lead consistent and evidence-based decision-making.
- Ensure managers are trained and policies are applied fairly.
- Escalate high-risk cases early and maintain clear documentation.

### School Business Manager

- Model medium-term financial and workforce impacts.
- Ensure payroll, contracts and records align with new requirements.
- Support affordability planning and contract alignment.

## 5. Proposed Timeline and Action Plan

A phased Timeline Action Plan has been developed covering immediate readiness through to full implementation in 2027.

This includes defined actions, deliverables and assurance evidence for each phase.

- Immediate readiness and baseline compliance checks (**Now – March 2026**).
- Implementation of early statutory changes (**February – April 2026**).
- Embedding and assurance activity (**May – July 2026**).
- Preparation for enhanced enforcement and access rights (**August – October 2026**).
- Strategic preparation for **2027** reforms (**Autumn – December 2026**).
- Operating under the new framework from **January 2027** onwards.

## 6. Assurance and Monitoring Arrangements

It is proposed that Governors receive periodic assurance reports aligned to the Timeline Action Plan. These will focus on completion of key deliverables, emerging risks, and any areas requiring further action or support.

- Termly update to the Governing Body or relevant committee.
- Exception reporting for high-risk cases or enforcement activity.

- Annual review of employment-related risks within the school risk register.

## **7. Recommendations**

- Note the key implications of the Employment Rights Act 2025 for the School.
- Approve the proposed Timeline Action Plan and Deliverables Checklist.
- Agree the governance oversight and assurance arrangements set out in this paper.
- Support sharing of this paper and the action plan with the Senior Leadership Team.

## **8. Schools HR Advisory Service Support Arrangements**

The Schools HR Advisory Service will provide co-ordinated, proactive and ongoing professional support to assist Schools in implementing the Employment Rights Act 2025 and managing the associated legal, financial and governance risks.

The Service will support Schools to act lawfully, consistently and defensibly, with a strong emphasis on early escalation, robust evidence and governance assurance, rather than reactive intervention following challenge or enforcement.

The Service will deliver Schools-Focused briefings, written guidance and policy updates aligned to statutory commencement phases, highlighting key changes, risks and governance implications. It will support Governing Bodies through assurance prompts and challenge questions, assist Schools to identify and monitor employment risks within risk registers, and provide early strategic advice to Headteachers, Chairs of Governors and School Business Managers on high-risk proposals before decisions are taken.

The Schools HR Advisory Service will act as an escalation and quality-assurance point for high-risk employment matters, including industrial action-related decisions, Whistleblowing Disclosures, Collective Redundancy Proposals, Pregnancy and Maternity-Related Processes, and Contractual Change considerations.

It will also support workforce and financial impact modelling, deliver targeted training and briefings, and provide advice where enforcement activity or emerging risks are identified.

The Service will support as a professional assurance and risk-management function, supporting compliance, managing increased exposure, and maintaining confidence in Leadership and Governance decision-making.

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