

**PWYLLGOR DIWYLLIANT, POBL A DATBLYGU SEFYDLIADOL
PEOPLE, ORGANISATIONAL DEVELOPMENT & CULTURE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	19 August 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Contractual and Legislative Changes Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lisa Gostling, Executive Director of Workforce & Organisational Development and Deputy Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Heather Hinkin, Assistant Director of People Management

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

In accordance with the Terms of Reference for Committee, this report provides an overview of the contractual and legislative changes that have or may impact our workforce in relation to our approach to people management, policies, procedures and our terms and conditions of employment. It also outlines where UK legislation may diverge as a result of devolved responsibilities in Wales.

The report will provide an overview of recent changes and some insight into proposed or potential changes that may also impact on the way we manage or discharge our people responsibilities.

This report focuses on the period 1 April 2025 to date as well as outlining any forward planning requirements to maintain our compliance and support best practice in workforce management.

Cefndir / Background

It is imperative that Hywel Dda University Health Board (HDdUHB) keeps up to date with both contractual and legal changes which impact on our staff. This enables us to offer and promote the most recent terms and conditions of employment for our staff and raise awareness of forthcoming changes that may impact them so that they can make informed choices where required. It also enables the Health Board to minimise any associated risks with our offering not being compliant with employment law requirements.

Since April 2024, the UK Governments (Conservative and Labour) have enacted a series of employment law reforms under the Employment Rights Bill plus other initiatives. These changes aim to modernise protections, enhance workplace fairness, and address longstanding gaps in equality and inclusion. Welsh health boards, including HDdUHB, must adapt to these changes while managing potential operational and the financial impacts of such changes.

The employment law reforms target key areas such as flexible working, zero-hours contracts, new parent rights, protections against harassment, and fair pay. In addition to these changes, the new Labour Government has outlined further reforms aimed at promoting equality, reducing work-related stress, and creating a fairer labour market.

This report builds on previous updates to Committee as more detail relating to the above reforms become available.

Asesiad / Assessment

The following section details the legislation, its implications for Welsh health boards, and any specific impacts for HDdUHB.

Contractual and Legal Changes

Maternity, paternity and statutory sick pay changes

The Department for Work and Pensions (DWP) confirmed pay rates would increase as follows with effect from 6 April 2025:-

1. Statutory maternity, paternity, adoption, shared parental, and parental bereavement pay will increase from £184.03 per week to £187.18 per week (or 90% of the employee's weekly earnings if that amount is lower).
2. Statutory sick pay will increase from £116.75 to £118.75 per week.

These are relevant changes for our staff as some are only entitled to the statutory elements rather than occupational allowances depending on their ability to meet the eligibility thresholds including length of service.

Changes to Pension Tiers and Auto Enrolment

Pension Tiers

We were advised of the new contribution rates on 28 March 2025. This information was communicated to staff via a Global message. Member contribution rates were assessed as part of the Annual Rebanding Exercise in April 2025 and some staff may have reduced a tier as a result of the slight increases to the maximum pay for tiers 2-6. Staff were further advised that, once this year's pay award was implemented (August 2025 payroll), the pension tier would be reassessed again and backdated to 1 April 2025. This may result in staff moving up a tier.

The new rates are outlined below:-

1	£0 to £13,259	5.2%
2	£13,260 to £27,288	6.5%
3	£27,289 to £33,247	8.3%
4	£33,248 to £49,913	9.8%
5	£49,914 to £63,994	10.7%
6	£63,995 and above	12.5%

N.B. as Pensionable Salary Range Contribution Rates are based on actual pensionable pay, it is not possible to align the pay bands to any particular tier.

Auto Enrolment

The Health Board received its re-enrolment and re-declaration letter from the Pensions Regulator in March 2025 and has until 2 December 2025 to submit. Failure to submit on time can result in penalties for non-compliance. However, the Health Board is proactive in the management of this requirement and tends to submit early.

As part of HDdUHB's statutory obligations, we, along with other employers, are required to ensure that all employees who are not members of a pension scheme are automatically enrolled into one and then, to review this on a 3-yearly basis.

The auto re-enrolment date for HDdUHB was 1 July 2025. Global communications were issued to staff in June 2025 to advise them of this exercise and the Pensions Team wrote to all staff with details of the scheme they would be re-enrolled into and how to opt out if they did not wish to remain a scheme member.

Plans are in place to ensure the Health Board complies with its statutory duties in this respect by the due date.

The Government is also considering a wide range of additional pension-related developments. These include a possible reduction in the benefits of salary sacrifice for pensions contributions and the key issues to consider regarding life assurance benefits. We will monitor these developments and advise staff accordingly of any proposed changes that will come into effect.

Pay Awards

The Government accepted both pay review body recommendations (AfC and DDRB) in respect of the pay awards for 2025/26. These were as follows:-

Staff Group	Uplift	Effective Date
Agenda for Change (AfC) N.B. this does not apply to those staff previously covered by the advanced pay circular (01/2025 – living wage foundation rate)	3.6%	1.4.25
Executive and Senior Pay (ESP) NHS Employers wrote to Welsh Government in June 2025 to request an update.	Unknown at this stage.	1.4.25
Medical & Dental Consultants, speciality doctors, GPs and dentists Resident Doctors (junior doctors)	4% on basic pay 5.4% total uplift (4% basic plus £750)	1.4.25

Backpay is due to be paid in the August 2025 pay. There was no option this year for staff to spread their back pay over 3 months.

Immigration and DBS Update

Immigration

The UK Government has indicated its intention to review the right-to-work (RTW) check regulations, particularly regarding the gig economy, as part of broader immigration enforcement and fair work reforms. These potential changes stem from concerns that irregular employment structures (e.g. platform-based work) can be exploited to bypass proper RTW vetting.

Skilled Worker Visa salary thresholds now reflect the revised rates for NHS roles. From 22 July 2025 the threshold will increase to £41,700 for the general category. We will keep these changes under review and ensure compliance for any sponsored staff however we don't anticipate any impact for the Health Board as this increase in the salary threshold does not cover the Health & Care Worker visa.

Proposed or Emerging Immigration Changes

- Extension of Employer Liability: The Home Office is considering tightening accountability, so that organisations using indirect labour (e.g. via apps, agencies, or platforms) are responsible for ensuring workers have valid immigration status.
- Clarification of "employer" status: The definition of an employer in RTW checks may be expanded to include end users of labour in some gig-style arrangements.
- Digital RTW updates: further automation and biometric verification may become required for short-term or flexible workers under new proposed compliance frameworks.
- More stringent checks for health and social care sectors: These sectors are considered as high-risk due to volume of visa-sponsored roles.

Health Boards using bank staff, outsourced contractors, or third-party apps for locum, care, or auxiliary services may therefore face increased RTW verification duties and Health Boards could in future be held jointly liable with outsourced providers for any illegal working if documentation is not adequately checked or retained.

The Health Board will continue to review its processes in respect of any updates required to the RTW checks in place with outsourced providers with a review of the contract with such providers to ensure more robust RTW responsibilities and audit rights are included and also review/update our internal staff bank protocols.

Any such statutory changes, if implemented, may require Health Boards to consider the use of digital ID verification tools internally before work commences going forward. The Health Board will continue to monitor Home Office guidance and Welsh Government's engagement with the immigration enforcement strategy and update staff responsible for such compliance in terms of any changes to the RTW requirements.

Disclosure and Barring Service (DBS) Identity Documents

We were advised on 28 July 2025 that there are changes to identity document requirements for the DBS Identity Check. Shared Services have clarified the new guidance with the DBS Agency and Trac. Under the new guidance, there is no requirement from a DBS perspective for all applicants to provide address documentation to be validated provided that the applicant's address history is provided on the application form, as this will be sufficient. Internal processes may need to change as there will now be significant differences between a DBS ID check and an NHS Employers ID Check. Trac (online NHS jobs platform) plans to make the changes required during November 2025 and DBS have advised that a transition

period will apply for 6 months. We await further information from Shared Services of the impact of the changes.

Employment Law Updates

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

There have been no transfers that have taken place in the period either as transferor (from the Health Board) and transferee (into the Health Board).

TUPE continues to apply to outsourced or restructured service functions, and the Health Board continues to work with the regulations when such options emerge to ensure staff rights are safeguarded and our trade unions are consulted in accordance with the All-Wales Organisational Change policy.

Social Partnership Duty

Under the Social Partnership and Public Procurement (Wales) Act 2023, Health Boards must work in partnership with recognised trade unions to advance fair work outcomes. The Act mandates inclusive dialogue in strategic workforce decisions and ensures public procurement reflects fair work objectives. This Act provides a robust alternative to Westminster's Fair Work Agency.

The Welsh Social Partnership Duty (Section 338 S.I. 2025) specifically mandates co-design and social partnership in policy, service, employment practices, especially in procurement and workforce planning. It is imperative therefore that our managers engage at an early stage with our trade union colleagues when considering transforming services, service changes including any organisational change programmes (OCPs) before a proposal is written.

The Health Board is in the process of finalising its first annual report for the Social Partnership Council and has worked with its trade union colleagues in the co-production of the report. A copy of the report will be shared with Committee by our Public Health colleagues in due course.

Worker Protection (Amendment of Equality Act 2010) 2023

This legislation is now in force (26 October 2024) and is a new requirement for employers to be more proactive with a duty to prevent sexual harassment and create a safe working environment in regard to their employees rather than just redress it once it has occurred. It will also make employers liable for harassment of their employees by third parties.

The key requirement of this Act is that employers must now take all reasonable steps to prevent harassment, including third-party incidents. This sends a clear signal to all employers that they must take reasonable preventative steps against sexual harassment, encourage cultural change where necessary, and reduce the likelihood of sexual harassment occurring.

The Equality and Human Rights Commission's guidance on sexual harassment has been updated to reflect the new legal requirements under the Act for employers and this document has been shared with Senior Workforce colleagues to support them in their management of case work.

Employees will not be able to bring a claim for the preventative duty but in successful Tribunal claims for alleged sexual harassment, it will naturally follow that a breach of the employment duty will automatically be examined. The Employment Tribunal system does

expect to see a rise in the number of claims under this legislation, but this is often the case with any new piece of legislation.

We are cognisant that patients and visitors can be significant third-party risks, particularly in high-stress areas like Accident and Emergency and mental health services. Work is ongoing jointly across Wales in terms of this agenda and the Health Board is actively engaged in those discussions. Separately, colleagues across Workforce and Organisational Development (W&OD), Safeguarding and frontline services are also actively working on plans to ensure we can meet the new duties included in the act.

An All-Wales Sexual Safety policy, charter, toolkit and resources are nearing completion and these will be put forward for adoption by the Health Board at a future meeting. In the interim work continues across W&OD and Medical Education to encourage and strengthen staff confidence in reporting such concerns and reinforcing professional boundaries.

The Assistant Director of People Management and the Chair of our Staff Partnership Forum attended the 'Tackling Workplace Sexual Harassment in the Public Sector' conference in Aberystwyth in July 2025. This event was led by the Trade Union Congress (TUC), Welsh Government and the Police. A summary of the conference was shared with our Staff Partnership Forum in July 2025. The conference was also delivered in Cardiff and North Wales.

Neonatal Care (Leave and Pay) Act 2023

This Act came into effect on 6 April 2025 albeit it received Royal Assent on 24 May 2023. This Act provides support for when a baby is admitted to neonatal care within 28 days of birth and remains continuously in care for at least 7 consecutive days.

The changes provide a new day one employment statutory entitlement of up to 12 weeks' paid leave for both parents so they can spend more time with their babies and would cover the time spent in neonatal care. Depending on when the leave is taken, there are rules around whether the leave is taken in continuous or non-continuous blocks of one week. This legislation now means that an employee could be absent from work for a period of 68 weeks when taken with full maternity leave and annual leave entitlement.

We were advised by NHS Employers that Section 15 of the would be updated in April 2025 to reflect the statutory provisions. However the changes made merely stated:

Neonatal care (leave and pay)

15.118 All NHS employers must ensure local policies incorporate the statutory neonatal care Act 2023 provisions. This provision provides statutory leave and pay provisions for parents whose newborns have received medical or palliative neonatal care for a period of seven days or more in the first 28 days post birth.

We have therefore developed a new local policy which is currently out to consultation and will be brought to Committee's next meeting for approval.

The Equality & Human Rights Commission (EHRC) Consultation on Gender

Following the April 2025 Supreme Court ruling (For Women Scotland Ltd v The Scottish Ministers) on legal sex in service provision, the EHRC issued [interim guidance](#) and launched a consultation focused on how gender should be treated under the Equality Act 2010.

The ruling on the definition of “woman” or “man” within the Equality Act 2010 was clarified in this case as referring to biological sex only.

The dedicated consultation (20 May – 30 June 2025) was in relation to revisions to its Services Code of Practice, focusing on how public-facing services (like healthcare settings and patient spaces) should now interpret and manage sex-based protections.

The Health Board submitted a response to the consultation and will continue to monitor developments closely and, where required, will review our equality impact assessments and Human Resources (HR) policies accordingly.

Whilst the focus remains primarily on service access, future outcomes may affect workforce policies — particularly in occupational requirements, staff facilities, and safeguarding. For example, the Health Board’s Supporting Transgender Staff Policy states that trans staff can use the changing, showering and toilet facilities which they feel most comfortable with, unless another member of staff raises concerns in relation to sharing facilities with a trans employee, at which time a reasoned decision will need to be made by the manager, sensitively and carefully balancing the issues. A further Supreme Court case due in October 2025 may expand the scope to include workforce policies.

To date, we have not received any guidance on an All-Wales basis and whilst we await the outcome of the consultation, the Health Board has not made any changes to its patient or staff policy frameworks as these may require financial investment, and it may therefore be more prudent to await the final position. A paper, with recommendations, has therefore been prepared for the Executive Team’s consideration in relation to applying the status quo to our existing policy frameworks or following the interim guidance issues by the EHRC.

The Royal College of Nursing has published a position statement on the Supreme Court ruling and our Staff Partnership Forum has also voiced its concerns for the lack of clarity for staff as employees and in their provision of services to patients and their families.

A follow-up case due in October 2025 may further clarify an employer’s obligations to provide or restrict access, with potential ripple effects on internal policies—especially regarding staff-patient interface zones.

Outcomes related to the consultation may therefore affect how health boards manage access to clinical and non-clinical spaces, single-sex wards or facilities, and patient-facing protocols.

The Health Board therefore needs to remain cognisant of any requirement to:

- Consider the impact on patient access procedures for single-sex accommodations
- Ensure that sex-based exemptions are clearly defined, justifiable and communicated
- Train staff in navigating nuanced guidance balancing sex and gender reassignment protections.

We are expecting the EHRC to publish its revised Services Code in late 2025. This will be a statutory code and may require policy changes across our patient facing policies and, potentially, our workforce policies depending on the breadth of the confirmed changes.

Employment Rights Bill

On 1 July 2025, the UK Government published its phased implementation plan for the Employment Rights Bill. Major changes include repeals of previous trade union restrictions,

new day-one rights to leave, and a statutory ban on ‘fire-and-rehire’ practices. Some reforms, such as the creation of a Fair Work Agency and Fair Pay Agreements, apply in England only.

Implications for Welsh Health Boards include aligning policies with UK-wide changes (e.g. unfair dismissal protections, sick pay reforms), while continuing to operate under devolved frameworks such as the Social Partnership and Public Procurement (Wales) Act 2023. Committee has already received more detailed updates on these proposals. Details of key proposals are covered in the “Looking Forward” Section.

Tribunal Case Law Developments

There have been a number of high-profile judgments since April 2025 which may have implications for staff management practices in respect of:

- **Racial Harassment:** Recent findings reinforced the employer's duty to respond to subtle and repeated conduct.
- **Disability Discrimination:** Adjustments must be timely and meaningful; failure to act promptly has been penalised.
- **Belief-based Harassment:** A case is ongoing regarding ‘gender critical’ beliefs and workplace inclusion.

The Workforce Team reviews such decisions to consider how best we can mitigate similar concerns arising in the Health Board.

A brief summary of those cases is listed below:-

1. **Assan v Vigilant Security** – £361,000 was awarded after persistent racial harassment (“slave” comments) and victimisation; insufficient proactive steps were found to have been taken by the employer
2. **Rooke v NHS Blood & Transplant** – £30k for detriment related to a colleague likening her to Darth Vader; this case highlights the risk of “harassment via role-play or unprofessional comments”, especially post a disclosure
3. **Blewitt v Mach Recruitment Ltd** – (£188k) where a regional director was unfairly dismissed post-cardiac arrest; tribunal cited lack of reasonable adjustments and failure to seek occupational health input
4. **Campbell v Sheffield Teaching Hospitals NHS Foundation Trust & Mr Hammond** - EAT decision – Employer successfully defended racist comment liability by demonstrating “all reasonable steps” had been taken; this case is considered as setting a benchmark for evidence-based policies and builds on the “Canniffe” test (identify what was done and then check if any other reasonable steps exist).

The Health Board is therefore reviewing the above cases with a view to ensuring as far as reasonably practicable that our policy and its application supports best practice in employee relations matters in relation to:-

- Strengthening its approach to microaggressions, role-based offensiveness, and belief-based incidents.
- Any reinforcement needed to ensure reasonable adjustment pathways are considered, particularly after long-term staff illness or disability.

- Thorough HR investigations and record-keeping which support the “all reasonable steps” defences.

There have been no published Employment Tribunal decisions yet directly applying the Worker Protection (Amendment of Equality Act 2010) 2023 however Tribunals have recently considered parallel claims where workers alleged harassment or discrimination by third parties, which the Act now explicitly covers. This is an area of case law that we will continue to monitor closely as the principles around ‘reasonable steps’ and injury awards now apply more broadly to cover harassment by third parties.

Looking Forward

The Employment Rights Bill

Many of the high-profile changes such as day-one unfair dismissal rights and changes to zero hours contracts are now not expected until 2027. The main reforms now proposed by the Employments Rights Bill are detailed below: -

October 2025 – The ban on fire and rehire practices becomes law. Committee will have received a summary of this outline proposal in a previous report.

Late 2025/early 2026 – One or both NHS pay review bodies may propose structural reforms are made as part of their recommendations for the next pay round.

April 2026 – New rights to parental leave, Statutory Sick Pay enhancements, day one unfair dismissal protections and zero-hours reform. Committee will have received a summary of the outline proposals in a previous report.

April 2027 onwards – Introduction of guaranteed-hours contracts and improved bereavement leave rights. Further detail on these aspects will be covered in a subsequent report.

Welsh Health Boards will need to scenario plan for workforce contract models, internal consultation processes and policy adaptations to reflect these future rights once they become statute. Our continued engagement with Social Partnership structures will be essential during such changes.

Summary

Health boards in Wales, as significant public sector employers, may experience unique challenges in implementing some of these legislative proposals while maintaining service delivery.

However, HDdUHB must prepare for these changes by continuing to invest in workforce development, enhancing data systems, and further embedding Equality, Diversity & Inclusion (ED&I) principles into its culture. These steps will support compliance, maintain workforce morale, and improve health outcomes for diverse patient populations.

As always, there are clearly implications for the Health Board to consider: -

- Cost pressures - Potential for increased staffing costs due to higher rates of pay, guaranteed minimum hours and administration however, this may also present opportunities for better rostering and reduced high costs agency spend.
- Operational – We may need to re-evaluate our staffing models and contractual arrangements to ensure alignment with the new regulations. This could involve

transitioning more bank or locum workers to fixed-term or permanent contracts to maintain compliance.

- Recruitment and Retention - While the Bill could improve job satisfaction and reduce turnover by providing workers with greater job security, it may also limit the flexibility that attracts some workers to zero-hour contracts in the first place, potentially affecting recruitment.
- Legal - Employers must navigate new legal requirements, which may increase the risk of non-compliance and associated penalties. This necessitates investment in training and systems to ensure adherence to the new rules.
- Systems – We may need to review existing system capability and ensure that we future proof our procurement of systems over the next few years as best we can.

To reduce or mitigate the challenges and leverage opportunities presented by the new legislation and those proposed in the Employment Bill, the following may assist employers including the Health Board to remain compliant and be prepared: -

- Complete our Pension Auto Enrolment assessment by the due date of 2 December 2025.
- Monitor any further government consultations and prepare for the legal changes due in October 2025 and April 2026 to avoid any last-minute disruption.
- Continue to conduct assessments of current workforce strategies and include the impact of the changes on the use of zero-hour contracts.
- Explore alternative employment models that align with any new requirements while maintaining operational flexibility.
- Embed any proposed changes within any new rostering tools or models to accommodate flexible working requests thus enabling more to be agreed and to manage the increased complexity of compliance with any new pay and scheduling regulations.
- Develop contingency plans for staffing shortages caused by expanded leave rights.
- Continue to foster open communication with our trade unions and zero-hour workers to understand preferences and concerns.
- Ensure our career development pathways provide opportunities for our zero-hour workers to upskill or transition into roles with guaranteed hours where available.
- Continue to collaborate with industry associations and government bodies to provide feedback on forthcoming consultation exercises and advocate for any necessary adjustments to address the unique challenges faced by the healthcare sector, particularly in maintaining flexible staffing to meet patient care demands.

By addressing these areas, the Health Board will meet legal requirements, uphold staff morale, and proactively manage the financial and procedural demands of these changes.

Argymhelliad / Recommendation

The People, Organisational Development & Culture Committee is requested to:

- **NOTE** the Contractual and Legislative Changes Report.

Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.1 To provide assurance to the Board on compliance with legislation, guidance and best practice around the workforce and OD agenda
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	N/A
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable 6. Person-Centred
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	1. Leadership
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	1 Workforce Stabilisation
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	2. Develop a skilled and flexible workforce to meet the changing needs of the modern NHS 5. Offer a diverse range of employment opportunities which support people to fulfill their potential

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Tribunal Judgements and Government publications
Rhestr Termiau: Glossary of Terms:	Included in the paper
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Diwylliant, Pobl a Datblygu Sefydliadol: Parties / Committees consulted prior to People, Organisational Development & Culture Committee:	N/A

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	None arising directly from the report – for information only

Ansawdd / Gofal Claf: Quality / Patient Care:	N/A
Gweithlu: Workforce:	None arising directly from the report – for information only
Risg: Risk:	None arising directly from the report – for information only
Cyfreithiol: Legal:	None arising directly from the report – for information pre-statute or post implementation.
Enw Da: Reputational:	N/A
Gyfrinachedd: Privacy:	N/A
Cydraddoldeb: Equality:	N/A