

**HR**

# Solutions

Monthly Newsletter | November 2023

## Hot Topic!

On 8th November the Department for Business & Trade published the government's response "to the consultation on reforms to retained EU Employment law, and the consultation of calculating holiday entitlement for part-year and irregular hours workers". read the response [here](#).

There are three key headline responses to the consultation.

- The government has decided **not** to move forward with the idea of implementing a 52-week holiday entitlement reference period. Instead, for irregular hours or part-year workers, holiday entitlement will now be calculated as 12.07% of the hours worked in a given pay period.
- The current holiday pay rates, as outlined in both Regulation 13 and Regulation 13A, will be preserved. There will be no consolidation into a single annual leave entitlement. Consequently, workers will persist in receiving 4 weeks at their normal rate of pay and 1.6 weeks at their basic rate of pay.
- Rolled-up holiday pay is permissible, but exclusively for individuals with irregular hours or part-year workers.

We need to await additional guidance and documentation from the government to understand how this will be implemented in practice.

The return to the use of the 12.07% may well be a welcome one for administrative ease. In practice, however, for the time being you should continue to retain working hours records for **all employees** to ensure that holiday calculations can be completed based on a 52-week reference period and **NOT** calculated at 12.07%. If you are still calculating holiday pay for employees in this way and not using the 52-week reference period, then you are potentially at risk of Employment Tribunal for unlawful deduction of wages. HR Solutions at MHA could advise you on managing holiday calculations required for additional hours worked, commission and bonus payments.

**HR Solutions at MHA could advise you on managing holiday calculations required for additional hours worked, commission and bonus payments.**

**Now, for tomorrow**

## Artificial Intelligence: Where does it fit within your organisation and should you have a policy for it.

If you work outside of the tech industry, you may not be aware of the extent to which artificial intelligence (AI) is already integrated into our day-to-day experience. For example, when a bank calls an account owner in regard to fraud, it is likely that AI is responsible for detecting the fraud in the first place.

Over recent years AI has increasingly been used within organisations to help streamline recruitment, analyse onboarding data as well as take over repetitive tasks which don't require creative or critical thinking. Naturally this could lead to concern for job safety and the impact of AI on UK employment and the demand for skills. In 2021 PWC completed a report for the Department for Business, Energy and Industrial Strategy looking at the potential impact on UK employment and skills demand of AI and related technologies. Their findings estimated that **"around 7% of existing UK jobs could face a high (over 70%) probability of automation over the following 5 years, rising to around 18% after 10 years and just under 30% after 20 years"**. The report also noted that AI will also create many jobs through the boosts that it would give productivity and economic growth. **"Whilst some of these extra jobs will be in areas linked directly to AI and related technologies ... most of the additional employment will not be in high tech areas. Instead, these additional jobs created will mostly be in providing relatively hard-to-automate services (e.g., health and personal care) that are in greater demand due to the additional real incomes and spending arising from higher productivity generated by AI"**.

**What does this mean for the labour market and business in general?** Most businesses are a long way off from implementing technologies with autonomous sophistication. Rather the most commonly used are technologies such as Chat GPT and WalkMe Digital Adoption Platform (DAP). ChatGPT is likely the most used technology in recent months as it is a free conversational chat bot that produces plausible human-like response text form from user inputs. The introduction of ChatGPT may reduce the time and effort for many written tasks,

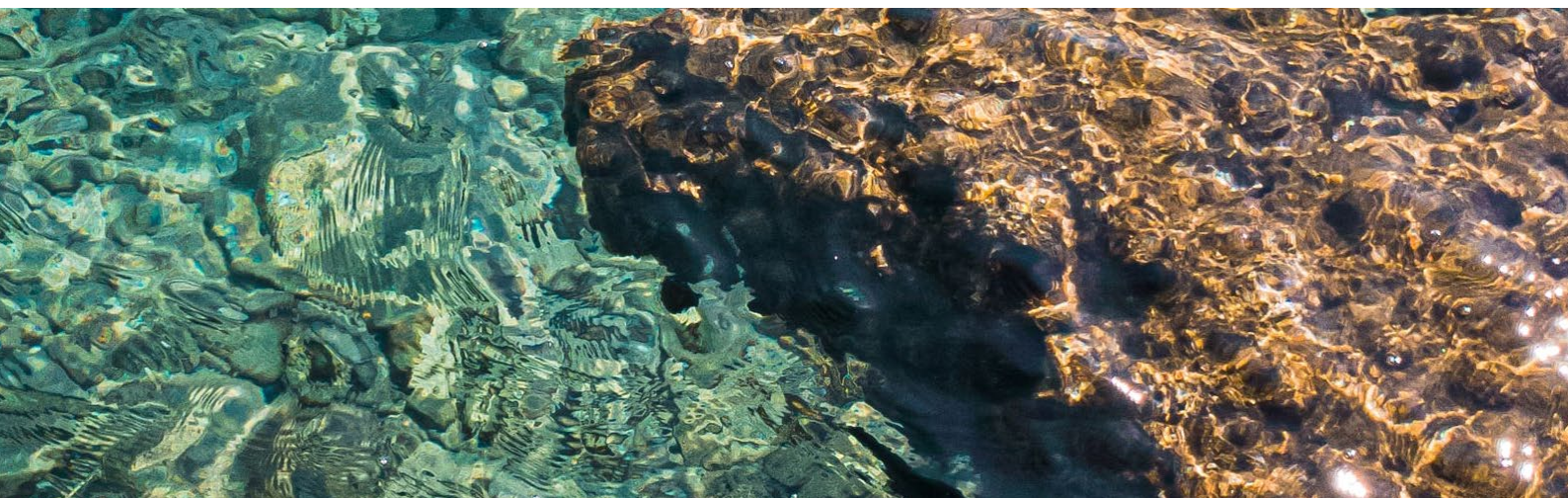
such as summarising documents, generating social media post ideas, interview guides and drafting job descriptions but this could have an impact on jobs built around those activities. The use of various AI can cause some concern for employers, but it can also offer significant benefits. Adopting AI can mean the creation of jobs in which people skills such as empathy, collaboration, teamwork and listening are integral to the role.

It is essential for employers using AI such as ChatGPT to understand the limitations and to ensure that functions using the tools have established safeguards, standards and guidelines on appropriate use. Key boundaries to consider include ensuring that no sensitive data is used in conversations with ChatGPT as this data will not remain private. It is likely that existing policies around the Data Protection Regulations and Privacy Notices will need to be updated to include usage and the protection of sensitive personal data.

If you are thinking of introducing an AI policy, it is essential that in the first instance you have identified which AI tools may be helpful to your business. Once you have weighed up any pros and cons, you will be able to decide whether to permit workers the use of AI for work purposes. Equally if you chose not to permit the use of AI then this should be specified in writing within your existing policies. An AI specific policy for chatbot usage, like any employment policy, can be advantageous in setting out clear guidelines and standards to ensure that systems are used in an appropriate and consistent manner minimising any risks of ethical concerns.

Given the dynamic growth in AI development and its increasing integration into workplaces, establishing an AI policy is a vital step in defining explicit guidelines for your employees regarding the acceptable and unacceptable use of AI within your organisation. Crafting a comprehensive and unambiguous policy not only safeguards your business against potential risks such as intellectual property or confidential information breaches and professionally embarrassing errors but also enables you to harness the efficiencies and advantages that AI offers.

**HR Solutions at MHA can discuss with you your requirements for an AI policy and draft any amendments to existing policies documentation as required. We can also advise you on how best to implement a new policy.**



## Getting the basics right

By law employers must set out a grievance procedure and share it in writing with all employees, e.g., in their written terms of employment or the staff handbook. This is a day one right for any employee who will be working for one month or more.

**But what constitutes a grievance?** A grievance refers to a formal complaint or concern raised by an employee about a workplace issue, typically related to their employment terms, working conditions, or relationships with colleagues. Grievances can cover a wide range of matters, including disputes with coworkers or supervisors, alleged discrimination, harassment, unfair treatment, contractual issues, or any perceived violation of employment policies. Employees may raise a grievance when they believe their rights have been infringed upon or when there is a dispute that cannot be resolved through informal means. It is a mechanism for employees to voice their concerns and seek resolution in a structured and formal manner.

You may already have established grievance procedures as part of your human resources policies to address and resolve workplace issues efficiently and fairly. These

procedures often include both informal and formal steps for addressing grievances, ensuring that employees have opportunities to resolve problems at different levels before escalating to more formal processes.

It's important for you to handle grievances in a timely and transparent manner to maintain a positive work environment and address concerns before they escalate into more serious problems. Grievance procedures are designed to provide a fair and objective means of resolving workplace disputes, promoting employee satisfaction, and fostering a healthy and productive workplace culture. [Click here for the video.](#)

**HR Solutions at MHA can discuss with you your requirements for a grievance policy and draft any amendments to existing policies or documentation as required. Where required we can support you when grievances arise with advice, scripts and if necessary, presence within any hearing. We can also advise on how best to implement a new policy.**



## Please see below some examples of the work that we have completed recently.

 **London**

Consultant Agreement for a fixed fee

 **Maidenhead**

Advice in relation to Long Term Sickness and a phased return to work

 **Milton Keynes**

Advice in relation to Disability Discrimination

 **Milton Keynes**

Explanation on how to calculate holiday pay based on a 52 week reference period and not the previously used 12.07% calculation

 **London**

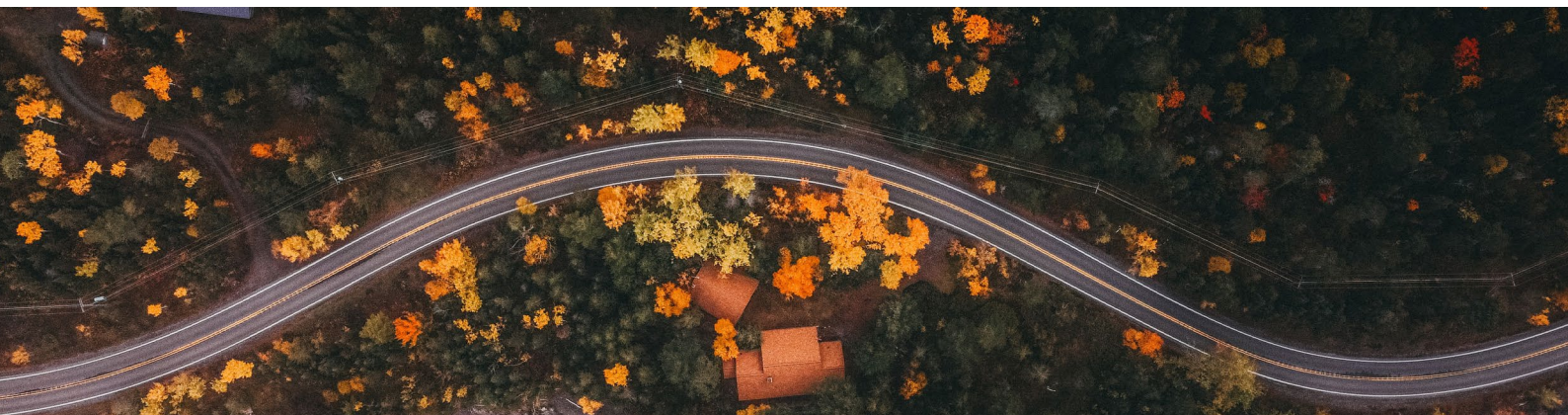
Advice in relation to TUPE requirements and whether it applied to an entity name change

 **London**

Set up of Breathe HR account and upload of initial data

 **Birmingham**

Advice in relation to claw backs for an employee leaving who had damaged company property



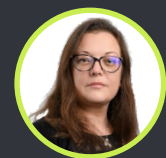
### How we can help?

If you require HR support, please contact us at [HRsolutions@mha.co.uk](mailto:HRsolutions@mha.co.uk) to discuss how we could assist you.

We can provide support on an hourly, fixed-fee or retainer basis so there are a number of options available according to your needs; as you can see from the above examples, we can assist with a large project or a one-off piece of advice.



**Stephanie Pote**  
Senior HR Consultant



**Joanna Rose**  
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