

What does the Bank of England's interest rate rise mean for employers?

Last week the Bank of England increased the base rate by 0.5% to 1.75% and predicted that inflation will reach 13% in October. We look at the key implications for employers.

- The Bank of England announced that a recession this year is likely. In some cases, this may, unfortunately, lead to redundancies or employers needing to make changes to existing terms and conditions.
- Employers must make sure they follow a full and fair consultation process and exhaust all possible alternatives before proceeding with formal action. Where relevant, trade unions should be involved from the outset, to avoid the risk of industrial action and tribunal claims.
- Workers who have previously enjoyed home or hybrid working arrangements may now turn to their employers to request a return to office-based working, to avoid higher bills over the winter months. Such requests can be treated in line with normal flexible working rules but should be given full consideration.
- There is also expected to be an increase in the number of retired workers looking to return to work. Supporting staff to 'unretire' and phase them back into the workplace can help to improve employees' financial wellbeing and also alleviate staff shortages. Businesses can benefit from the diversity of thought you get from having a team with a broad age range and encourage staff to come together to achieve individual and organisational success.

Combating climate change in the workplace

A new report by the Climate Change Committee highlights the dangers of extreme high temperatures as a threat to health and wellbeing, and economic productivity. As temperatures soar again this week, employers are under pressure to implement sustainable measures to deal with this climate emergency. HR teams are essential to the success of sustainability strategies, as they are key to ingraining positive action.

Did you know?

Employees are increasingly expecting their employer to make the workplace environmentally friendly and may be more at risk of resigning if their employer does not adopt sustainable business practices.

Lack of support at work around breastfeeding

New research carried out to mark World Breastfeeding Week has found that only 18% of employers offer any support to new parents for breastfeeding. Employers are encouraged to do more to understand the challenges new parents face and demonstrate they care about their health and wellbeing. Potential measures include offering support from a paediatric expert to help new parents settle into this new phase of life.

Did you know?

Employers who support breastfeeding can benefit from increased staff morale and loyalty, a higher rate of employees returning to work and lower recruitment and training costs.

No social media policy resulted in unfair dismissal

An employee was dismissed for gross misconduct after liking, commenting on and sharing a Facebook post that criticised her manager. The employment tribunal found that the employer had no social media or disciplinary policy warning employees that this behaviour is a disciplinary issue. As such, the tribunal stated no reasonable employer would have dismissed in these circumstances, so upheld the claim for unfair dismissal.

Did you know?

This case demonstrates the importance of having a clear social media policy and a disciplinary policy that warns employees what behaviour will constitute a disciplinary issue.

Employers who are considering redundancies or changes to terms and conditions will need to build a robust business case. Contact our 24-hour Advisory Service for up-to-date guidance on this and more.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.