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C O N S U L T A N C Y January 2025



What are your HR priorities for 2025?

It's 2025 already and time to think about your HR priorities for the year ahead. Here is what I would focus on in the coming year.

1. Employee wellbeing

Enhancing employee wellbeing is vital for businesses as it has a key role in driving overall performance.

Approaches will vary from developing wellbeing strategies to promoting existing initiatives and refining current offerings.

A big focus should be on creating environments that support employees' mental, physical and emotional wellbeing.

Key initiatives could include flexible work arrangements, access to mental health resources and fostering a culture that values work-life balance.

Examples of practices include reviewing and reducing workloads, introducing a shorter working week and providing

targeted support such as for menopause.

Next steps

- Look at your wellbeing programme
- Train your line managers
- Support your workforce with financial wellbeing

2. Navigating employment law changes

Employment law changes are a key concern for businesses. With the recent implementation of the new duty to prevent sexual harassment and the Employment Rights Bill, which is set to introduce significant legislative changes in the coming years, staying ahead of compliance requirements will be a top priority for many.

So how can you plan to prepare for these changes?

- Stay informed about legal updates
- Review organisational policies and processes
- Deliver training across the organisation

As we usher in 2025, it's crucial for employers to stay informed by considering significant employment law and HR changes for the year ahead. In this January newsletter my aim is to share experiences along with best practice HR advice. I want to help businesses comply with legislation whilst supporting their workforce.



You can request an initial free consultation to see if I can help you. Please contact me using any of the methods listed below. I would love to hear from you!

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07779 508972
01279 771098
natalie@hr2goconsultancy.co.uk





3. Leader and manager development

Leader and manager development continues to be a top priority. The delegation of people management activities to line managers is important, but challenges often occur with manager capability and engagement. The need for developing skilled leaders is vital.

To address these skills gaps, employers will need to prioritise training and coaching to equip managers and leaders with the skills necessary to drive performance, navigate change and foster collaboration.

I would advise employers to focus on manager and supervisor development so managers don't miss out on key people management and leadership skills.

Another area to look at is the core HR functions. I partner with BreatheHR and the introduction of an HR Information System can transform and streamline HR functions, giving managers more valuable time.

4. Reviewing reward packages

A competitive compensation and benefits package is essential for organisations looking to recruit, retain and engage top talent.

I work with employers to review and enhance existing benefits packages, including non-financial perks like flexible working and recognition initiatives, both financial and non-financial, to boost employee engagement.

Transparency and market competitiveness is key so it's always advisable to review and refine pay structures, salary frameworks and job evaluation processes. I support employers to take a more strategic

approach to compensation and benefits, focusing on total reward rather than individual components.

5. Technology and AI

The adoption of new technology such as HR information systems (HRIS) and the use of AI is on the agenda for many organisations.

In today's digital HR landscape, creative use of AI can significantly boost efficiency and increase productivity. But when you're trying to find the right AI solutions, it's vital to focus on specific needs rather than targeting all areas at once.

Effectively managing AI cultural change and prioritising key functions is essential for success. Companies are looking at smarter ways for employees to integrate with their systems whilst allowing the people team to measure performance of the organisation and staff.

I would advise employers to have a policy setting out the limits of use of AI if employees are using these tools for work-related activities. In the policy employers can set out the acceptable use of AI-powered chatbots and what types of tasks they may be used for and what is prohibited use.

The policy should have guidelines for using these tools at work, so employees really understand the dangers such as sharing confidential information, as well as the opportunities such as content generation.

As these tools continue to advance and develop employers will need to carry on assessing and navigating the risks associated with using them. Business owners need to ensure that their approach to AI remains current and effective.

Looking ahead to 2025: new employment laws

It's important that business owners keep on top of new legislation and should consider the implications and practicalities of these changes to reduce legal risk and ensure employees and workers can benefit from any new entitlements. Here I look at what is happening and what is myth!

National minimum wage rates increase 1st April 2025

The rate for workers aged 21 or over (the national living wage) increases to £12.21 per hour (previously £11.44). The rate for workers aged at least 18 but under 21 increases to £10.00 per hour (from £8.60). The rate for workers aged 16 to 17 increases to £7.55 (from £6.40). The apprentice rate increases to £7.55 (from £6.40).

Increase in employer NICs and changes to employment allowance - 6th April 2025

As announced in the Autumn Budget 2024, the rate of employer national insurance contributions (NICs) increases from 13.8% to 15%.

The secondary threshold, at which employers become liable to pay NICs reduces from £9,100 to £5,000 until 5 April 2028. After this date the threshold will be updated in line with the Consumer Price Index.

The employment allowance, which entitles employers to claim money off their liability for employer NICs, increases from £5,000 to £10,500 and the £100,000 eligibility threshold for employment allowance is removed.

Statutory maternity pay and other family-related statutory pay rates increase - 6th April 2025

The rates of:

- statutory maternity pay;
- statutory paternity pay;
- statutory adoption pay;
- statutory shared parental pay; and
- statutory parental bereavement pay
- increase from £184.03 to £187.18 per week.

The earnings threshold for these benefits increases from £123 to £125.

And what isn't happening

The banning of zero hours contracts - Though much trailed in the media, this policy is not part of the Employment Rights Bill. However, the Government has set out proposals to increase the regulation of the gig economy.

The four-day, 32-hour working week - I understand that the Government is not planning to implement the proposals by the campaign to give workers 100% of their current pay in return for working a four-day, 32-hour week. However, employees remain entitled to request to work compressed hours.

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