

EMPLOYMENT

Staff Handbooks and Policies

Separating contractual terms from non-contractual policies, and keeping handbooks current as employment law reform is phased in.

Why a handbook matters

A staff handbook gathers the rules and policies of the workplace in one place. It saves managers time, sets expectations for staff and gives the business a consistent response to problems. It can also be evidence that the employer acted fairly when a dispute reaches a tribunal.

It can also cause problems. A handbook that promises more than the employer intended, or that is out of date, can become a source of claims. The key is to know which parts are contractual and which are not.

Contractual and non-contractual

A term is contractual if it forms part of the employment contract. Pay, hours, holiday and notice are contractual. Many policies, such as disciplinary and grievance procedures, equal opportunities and use of IT, are better treated as guidance that the employer can update without consent.

To keep this clear:

- put the core terms in the contract or written statement, not the handbook
- state in the handbook that it is not contractual, except where it says so
- avoid wording that sounds like a promise, such as will always or guaranteed
- keep a power to amend policies, and tell staff when they change

If a policy is expressed in strong terms, a court may find that it has become contractual in practice, for example enhanced redundancy or sick pay that has been paid consistently for years.

What most handbooks contain

- a welcome and a summary of the business
- the disciplinary and grievance procedures, aligned to the ACAS Code
- absence and sickness reporting and pay
- holiday, family leave and flexible working
- equality, dignity at work, and anti-harassment
- whistleblowing, anti-bribery and conflicts of interest
- IT, email, social media and data protection
- health and safety, including the written policy a business with five or more employees needs

Key points

- Put core terms in the contract and policies in the handbook.
- Say clearly what is and is not contractual.
- Outdated policies are a risk. Review at least yearly.
- Follow the policy you have written, or change it.
- Tell staff about changes and keep a record.
- Reform is being phased in. Dates matter.

Keeping the handbook current

Employment law is being reformed in stages. Changes announced in recent legislation touch on sick pay, family and flexible working rights, harassment, dismissal and fire and rehire. Each change takes effect on its own date, and some depend on regulations still to be made.

For a handbook, that means a short routine:

- keep a register of each policy with the date it was last reviewed
- list the reforms due in the next year, with the date each starts
- update the handbook in batches, not piecemeal, and tell staff
- check that managers have read the updates, not just posted them

Policies that regulators and tribunals look for

Some policies are close to essential. A grievance and disciplinary procedure is expected under the ACAS Code. A sexual harassment policy is increasingly important, since employers have a duty to take reasonable steps to prevent it. An up-to-date whistleblowing policy and data protection information for staff are also standard.

Rolling it out

Give each employee the handbook at the start and when it changes. Ask for a signed acknowledgement. Train managers on how to apply it, because a handbook that managers do not follow is worse than none.

Small businesses

A handbook does not need to be long. Ten pages that are read and used are better than fifty that are not. Start with the essentials and add as the business grows.

Equality and fairness

Policies on equality, dignity at work and bullying matter because they show what the business expects and give a route for complaints. A policy that is never applied does not help. If a complaint is made, follow the procedure as written, keep records and give the employee a fair hearing, including the right to be accompanied at formal meetings.

Review and record

Keep dated copies of every version of the handbook. If a tribunal claim is made, the version in force on the relevant date is evidence of what the employee was told, and of what the employer did.

Before you start

- What is already in the contracts?
- Which policies are contractual?
- When were they last reviewed?
- Which reforms apply now?
- How will staff be told of changes?
- Who is responsible for the handbook?

How MTM can help

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We prepare and refresh staff handbooks and policies for practices and their clients, and we keep a review schedule so documents are updated when the law changes. HR advice on individual cases stays with your client or their HR adviser. We do not conduct tribunal proceedings.