

The three
HR policies
you need to



protect
your business



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UK employment law dictates that every company must have three specific HR policies on file. It doesn't matter how small your company is, either. These rules apply to everyone, so if your business doesn't have these three documents then it's already in breach of the law.

These policies must also be tailored specifically to your business and – most critically – you need to understand how to use them.

If you don't have these documents or you're not sure how to use them properly, then your business is vulnerable to legal action that could mean paying out large amounts in compensation. Having these documents in place is the only way to protect your business.

The 3 policies that every business in the UK is required to have by law are:

- 1.** A Health and Safety Policy
- 2.** A Disciplinary/Dismissal Policy
- 3.** A Grievance Policy

In this short guide, our CIPD-qualified HR Advisor is going to take a look at each policy, identifying exactly what the law requires of your company.

1.

A Health and Safety Policy

Under the Health and Safety at Work Act 1974, every business in the UK employing 5 people or more is required to have a written Health and Safety Policy.

This is a document setting out exactly how you manage and protect the health, safety and wellbeing of all your staff.

➔ What could happen if my company doesn't have a compliant Health and Safety Policy?

Having a legally compliant Health and Safety policy for your business has never been more important – over the last few years, fines levied on companies for H&S breaches have been rising consistently. In fact, between 2017-18 the total sum of fines reached £76.2 million – that's more than three times the amount from 2013/2014.

If someone you employ becomes ill or injured while carrying out their work and you don't have a compliant Health & Safety Policy in place, then you could find yourself criminally liable and being sued for compensation.

➔ Can't I just download a free template from the internet?

Yes, you could – but the law doesn't just require that you have any old policy.

That policy also needs to be tailored specifically to your business and where your team works.

A good, properly-compliant Health and Safety Policy needs to include what is called a Health and Safety Assessment. This is a thorough examination, carried out by yourself, of the way your work is carried out – where the risks and dangers specific to your company can be identified and addressed.

The generic templates you find online have not been written with the benefit of a Health and Safety assessment, which means the cover they provide you is patchy at best. If one of your employees is hurt by something not covered within your Policy, then you could find yourself liable for significant compensation.

➔ How have things changed since COVID-19?

Now that so many of us are working entirely from home, the majority of Health & Safety policies are now out of date. The assessments were generally carried out on the company office, not the team's home-working set up – which means if you want your H&S policy to be compliant, it almost certainly needs updating.

Need a Health and Safety Policy for your business?

Our team is on hand to guide you through the process. [Click here](#) to set up a call today to find out more.

2.

A Disciplinary Policy

Ever since the passing of the Employee Rights Act in 1996, every business in the UK has been required to have a written Disciplinary Policy, stored where employees can easily find it.

The Employee Rights Act was established to protect employees from unfair treatment or dismissals by their employer, which means the UK has some very strict laws around the correct process for firing a member of staff. It's not as simple as just letting someone go; you need to make sure you are following the correct process.

→ What happens if my company doesn't have a compliant Disciplinary Policy?

If your company fires an employee and you don't have a proper Disciplinary Policy in place, then you could be sued for unfair dismissal. What's more, your disciplinary process must conform to the strict guidelines provided by ACAS – if it does not, then the compensation you are ordered to pay at an employment tribunal could be up to 25% higher.

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The procedure set out within your Disciplinary Policy needs to be something you are capable of carrying out. It's all well and good having a process filed away in a back cabinet – knowing how to implement that process in line with the ACAS Code of Practice is a whole different story.

The ACAS-approved process for dismissing an employee is centred around a system of informal, formal, and final written warnings. If you miss a step or don't deliver one of those warnings in the correct manner, then your business is vulnerable to legal action.

Need help writing a Disciplinary Policy for your small business?

[Click here](#) to get in touch with our HR Advice team.

3.

Grievance Policy

Many small business owners think their companies are 'too small' for disagreements to be a serious problem at work.

However, a compliant Grievance Policy is a legal requirement of all businesses in the UK, regardless of their size. Not only that, it's also your best opportunity to protect your company from difficult disputes with your employees.

→ What could happen if my company doesn't have a compliant Grievance Policy?

Having a compliant Grievance Policy in place (and stored where your employees can access it) is a legal requirement under the Employee Rights Act. If you're running a business without one, you are already breaking the law.

Moreover, if you don't have a defined process in place for addressing workplace grievances, you make it very hard for your employees to make their complaints heard. Without the option of a grievance process, your business is left exposed to a claim for constructive dismissal.

If that happens, an employment tribunal could find you liable for lost earnings and you would have to pay significant compensation. And remember – if your grievance process does not conform to the ACAS Code of Practice, that compensation could end up being 25% higher, straight off the bat.

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This all comes down to implementation. If your employee has a grievance against your company, then it's very natural to feel personally involved and attacked – after all, it's your business.

Thinking clearly in that situation and carrying out your Grievance Policy in a way that is compliant with the ACAS Code of Practice can be a very difficult challenge. This is particularly true of small business owners, who don't have a trained HR department to fall back on.

The free Grievance Policy templates you find online cannot help you with this - that's why it's worth seeking more personal advice that can guide you through the process, step-by-step.

Looking for help with your Grievance Policy?

[Click here](#) to get in touch with one of our dedicated HR advisors.

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