



ActifHR

Where people matter..

June 2025 Update

Welcome to this month's update - where we discuss the latest guidance and legislation.

In this Edition we report on:

- Notice periods - can they be enforce
- Apprenticeship funding
- Volunteers in your business

Notice periods - can they be enforced?

Can the notice period be waived?

The starting point is that any clause in a contract of employment seeking to provide less than the statutory notice period is void. This doesn't stop an employer or employee agreeing to work a shorter notice period.

Employers may also make a payment in lieu of notice (PILON) if allowed by the employment contract. This is typically payment of the employee's basic salary and does not need to include compensation in lieu of any other benefits that fall due like holidays.

However, if the contract does not have a PILON it could amount to a breach of contract.

Factors employers take into account when agreeing to waive notice entitlement?

- * is there is a risk of the exiting employee causing a nuisance during their notice period?;
- * the financial savings in agreeing a reduced notice period; and
- * whether the relationship is amicable and what handover is needed.

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In many situations an employee decides to leave without providing adequate notice to their employer. The employer may not agree to a waiver of their notice entitlement, if for example the employee is taking up alternative employment with a competitor or having to find adequate cover if the employee leaves early. In this situation the employee is not entitled to any payment for the part of their notice period not worked.

Use of garden leave clause

If the concern is to stop an employee from working elsewhere during the notice period, the options are:

- * Treating the contract as ongoing through the notice period, therefore requiring the employee to continue working. However, an employee cannot be forced to work.
- * Placing the employee on garden leave, as long as the contract of employment allows this.

Both options mean that the employee is still employed during the notice period and continues to be bound by the terms of their employment contract.

If an employee is trying to start work in a new role in this time, in theory the employer could pursue an injunction requiring the employee to observe the notice period. However, this is costly and time intensive, meaning they are rarely worth pursuing unless, unless it is a senior employee.

Tips for employers

- * Ensure contracts of employment include an express garden leave clause and express notice provisions.
- * Also consider adding in provisions relating to failure to work notice periods.
- * If an employer agrees to reduce a notice period make sure this is recorded in writing.

Employers: check your termination clauses in standard contracts of employment to make sure that these provisions are in there.

Contact us: we can review and update your employment contracts.

Apprenticeship funding

The Department for Education has just announced changes to apprenticeship funding which will come into force on 1 January 2026.

It means that from this date, level 7 apprenticeships (which are equivalent to a master's degree or post-graduate qualification) will only be government-funded for apprentices aged 16-21 and for apprentices who are under 25 who are carers or who have an Education, Health and Care Plan.

The government has put forward that these changes are to direct investment towards young people at the start of their working lives, instead of on those who are already in work with higher levels of qualifications.

If an apprentice has started their level 7 apprenticeship before 1 January 2026, their apprenticeship will continue to be government-funded through to the end regardless of their age.

Employers: businesses which offer level 7 apprentices will need to review their arrangements and how the funding changes affect them.

Contact us: we can support your business

Volunteers in your business

Many organisations engage volunteers as a flexible additional resource and to save costs.

There are a few pointers to watch out for:

Employment status

Be careful not to accidentally give a volunteer employment rights.

If the way a volunteer is treated starts to look like an employment relationship - such as expecting set hours, meet performance targets or paying more than expenses - they could inadvertently get worker or employee status.

In the recent case of *Groom v Maritime and Coastguard Agency* the Employment Appeals Tribunal found that a 'volunteer' coastguard was a worker for the times he carried out duties he received payment for above just expenses.

Similarly, if a volunteer is required to attend certain training and could be subject to processes like disciplinary hearings, it could suggest mutual obligations – a feature of employment.

To ensure this does not happen:

- * keep volunteer roles genuinely flexible;
- * avoid paying anything more than out-of-pocket expenses;

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- * don't make them do specific hours or tasks – instead it is best to set out 'reasonable expectations';
- * use informal language in volunteer agreements; and
- * avoid formal processes like appraisals or warnings.

The key is to consider how the relationship looks in practice. Even if your documents state volunteer, a tribunal is only interested on what happens on the ground.

Employers: although there is no requirement to have an agreement a well drafted document sets out expectations clearly.

Contact us: we can help with volunteer agreements.



Caroline has a wealth of experience supporting business clients with practical hands on HR and Employment Law advice. Caroline's pragmatic approach helps businesses of all sizes deal with complex HR situations. She qualified as a Solicitor in 1999 and now acts as a specialist Human Resource / employment Law Consultant to business.

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