

New Employer Compliance & HR Essentials Guide (2026)

Introduction

Taking on your first employee is an exciting milestone and often a sign that your business is growing in the right direction. Whilst becoming an employer brings additional responsibilities, it doesn't need to feel overwhelming. This guide is intended to help you understand some of the key HR and compliance requirements. It outlines the key employment, payroll and HR requirements every UK employer should consider before recruiting and during the early stages of employment.

Employer Liability Insurance – regardless of what else you have in place (public liability, professional indemnity etc) as soon as you start employing others you want to make sure you have the correct insurances in place. Most employers are legally required to hold Employers' Liability Insurance with a minimum level of cover. Review your existing insurance arrangements to ensure employees are covered before employment begins.

PAYE Registration – You will need to register as an Employer with HMRC. If you intend to use an external payroll provider they can do this for you. Depending on the size of your organisation and the number of people you expect to employ, you may wish to outsource payroll or consider doing this yourself. Consider what will be most efficient as your business grows.

Health & Safety – appoint someone to take ownership of Health & Safety. This will include carrying out any necessary risk assessment of premises, work stations etc.

Before Employment Starts

Recruitment Process - if you are planning to advertise for new staff you should look to prepare:

- Job description
- Person specification
- Recruitment advert
- Application and interview process
- Offer documentation

You should ensure recruitment decisions are fair, objective and compliant with the Equality Act 2010.

Right to Work Checks - Carry out and retain evidence of Right to Work checks before employment commences. Failure to conduct proper checks can result in significant civil penalties. [Checking a job applicant's right to work - GOV.UK](https://www.gov.uk/guidance/checking-a-job-applicant-s-right-to-work)

Employment Contract and Job Offer Letter – all employees are entitled to a Written Statement of Employment Particulars on or before their first day of employment. This must contain:

- Employer and employee details
- Start date and continuous service date (where applicable)
- Job title and a description of the role
- Place of work
- Pay, pay date and working hours

- Holiday entitlement and holiday pay
- Sickness absence and sick pay arrangements
- Details of any other paid leave and employee benefits
- Notice periods
- Details of any probationary period
- The expected duration of employment (if fixed-term or temporary)
- Overseas working arrangements (if applicable)
- Any training requirements

Within two months, employees must also receive information relating to:

- Pension arrangements
- Collective agreements (where applicable)
- Non-compulsory training provided by the employer
- Disciplinary and grievance procedures

Pension – Employers must provide a pension scheme for employees who meet the requirement of auto-enrolment. This applies to any staff who:

- are aged 22 and over
- earn at least £10,000 per annum
- work in the UK

References & Pre-employment Checks – it is recommended to obtain references and verify qualifications for all employees. In addition, you may need to carry out DBS checks and/or confirm professional memberships for certain positions.

Day One Essentials

Employee Induction – welcoming your new starter on board will set the tone for the rest of the employment relationship. During their first day you may wish to provide:

- Business overview
- Role expectations
- Key contacts
- Health & Safety information
- Access to policies and procedures

Data Protection - employees should be provided with an Employee Privacy Notice and information regarding how personal data is collected, processed and stored to ensure compliance with UK GDPR requirements.

Health & Safety - Employers with five or more employees should maintain a written Health & Safety Policy. Regardless of the number of people you employ, you should arrange:

- Workplace induction
- Risk assessments
- Workstation assessments
- Lone working arrangements (where relevant)

Employment Essentials

Policies and Procedures – set out standards and expectations which you may need to refer to, particular if these are not being met. Every employer should have:

- Disciplinary and Grievance
- Health & Safety
- Data Protection (including employee privacy notice)
- Equality, Diversity & Inclusion Policy
- Anti-Harassment & Bullying Policy (including sexual harassment)

Some organisations will choose to have a policy for every element of the employment relationship, other choose to keep this simple and few. It is important that you choose an approach that is reflective of the organisational culture you have or are looking to achieve.

As your organisation grows, you may wish to consider:

- Flexible Working
- Homeworking
- Social Media
- Absence Management
- Family Leave
- Whistleblowing
- AI & Technology Use

Depending on the nature of your business you may also need:

- Driving at Work
- Lone Working
- Drugs & Alcohol
- Customer Complaints
- Safeguarding

Company Handbook – it's a great place for employees to know where to find all your terms, policies and benefits. However, you can default to Statutory Terms and ACAS Codes of Conduct until such time as you have these established. It may be better to have nothing than to have something that is not accurate, or does not reflect your organisation properly.

Managing Employees

Probation Period

Implement a probation process that includes:

- Clear objectives
- Regular reviews
- Performance feedback
- Confirmation or extension decisions

Document all probation discussions.

Flexible Working - Employees have the right to request flexible working from the first day of employment. Ensure managers understand how requests should be handled and documented.

Working Time Regulations – Employees and workers cannot generally be required to work more than an average of 48 hours per week. However, individuals may choose to work longer

hours by signing a written opt-out agreement. Employers should also ensure they comply with requirements relating to rest breaks, daily and weekly rest periods, and paid annual leave.

Family-Friendly Rights

Be prepared to manage:

- Maternity leave
- Paternity leave
- Adoption leave
- Shared Parental Leave
- Parental Leave
- Neonatal Care Leave

Additional Considerations

Depending on the size and nature of your organisation:

Gender Pay Gap Reporting - Organisations with 250 or more employees must report gender pay gap data annually.

Modern Slavery Statement - You may need a Modern Slavery Statement if your organisation:

- Supplies goods or services
- Operates in the UK
- Has annual turnover of £36 million or more

and meets the statutory requirements

Ongoing Compliance Checklist

To keep on top of your processes and procedure it is recommended that you annually review:

- ☐ Employment contracts
- ☐ Employee handbook
- ☐ Right to Work records
- ☐ Pension compliance
- ☐ Payroll records
- ☐ Risk assessments
- ☐ Data protection arrangements
- ☐ Training records
- ☐ HR policies
- ☐ Insurance cover
- ☐ National Minimum Wage compliance
- ☐ Equality and anti-harassment measures

Need some support?

Every business is different and there is no one-size-fits-all approach to managing people. Whether you're thinking about recruiting your first employee, creating contracts and policies, or simply want reassurance that you're on the right track, I'd be happy to have an informal chat.

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