

Breedon Bulletin

Disability Discrimination Claims Surge as Mental Health Pressures Mount in the Workplace

The volume of disability discrimination disputes handled through Acas early conciliation has seen a significant spike over the past year, according to new analysis. In 2024–25, more than 16% of all workplace conflict cases involved claims of disability discrimination, a steep rise from just 9% in 2022–23.

Increasingly, conditions such as anxiety, depression, and menopause symptoms are being recognised as qualifying impairments under the Equality Act 2010, provided they have a long-term and substantial effect on a person's daily activities.

While employers adapted relatively quickly to physical accessibility requirements following changes to disability legislation in the mid-2000s, the broader understanding of disability, including non-visible or episodic conditions, has been slower to take hold. The now-common phrase “not all disabilities are visible” highlights this cultural shift, but its practical application remains inconsistent across many workplaces.

The Equality Act 2010 sets out that a disability is any physical or mental impairment that has a substantial, long-term negative impact on a person's ability to carry out everyday activities. Though many employers are aware of this in theory, the subjective nature of the definition continues to pose challenges in practice. Employers often struggle with what constitutes a mental impairment, and when it requires adjustments or protection under the law.

Failing to make adjustments, dismissing someone because of behaviours linked to their condition, or allowing inappropriate comments to go unchallenged can all lead to discrimination claims—even if unintentional.

Recent tribunal cases have awarded thousands in compensation for:

- Overly rigid sickness policies applied to staff with depression
- Dismissals linked to ADHD-related performance without proper support
- Managers expressing visible frustration or making comments dismissive of a diagnosis
- Failing to consult occupational health or take medical input seriously

Look out for this month's guide for more information on managing disability in the workplace.

Discrimination Claims: Is there a cap on compensation?

Unlike unfair dismissal claims, there is no upper limit on the amount of compensation that can be awarded in a successful discrimination case.

Tribunals have broad discretion to award damages that reflect both financial losses and the emotional impact of discriminatory treatment.

Compensation can include:

- Lost earnings or career opportunities
- Physical or psychological harm
- Injury to feelings, even where there is no financial loss

The emotional distress element - injury to feelings, is assessed using what's known as the Vento bands, which vary depending on the severity of the discrimination. For claims lodged after 6 April 2025:

- Lower band: £1,200 – £12,100 (minor or one-off incidents)
- Middle band: £12,100 – £36,400 (more serious but not the most extreme)
- Top band: £36,400 – £60,700 (most severe or sustained discrimination)
- Exceptional cases may go beyond £60,700

Employers should remember: a single act can carry significant consequences—especially if it causes lasting emotional or psychological harm.



Entry-Level job market shrinks as AI tools take hold

New data shows that entry-level job opportunities in the UK have fallen by nearly a third since the rise of generative AI tools like ChatGPT in late 2022.

While the broader job market is showing early signs of recovery, with advertised salaries up nearly 9% year-on-year, junior roles, internships and apprenticeships have dropped significantly, now accounting for just 25% of total vacancies (down from 29% two years ago).

According to Adzuna's latest UK Job Market Report, this decline is particularly evident in graduate and junior positions, suggesting employers may be streamlining early-career roles through automation or AI-powered tools.

Although the labour market remains resilient in sectors like teaching, logistics and hospitality, the sharp drop in entry-level hiring points to a longer-term shift in how organisations recruit and structure work, raising important questions about access to careers, skills pipelines, and how businesses support the next generation of talent.

See this month's focus on article for more...





**LIVING
WAGE**

National Living Wage Could Rise to £12.71 in April 2026

The Low Pay Commission is forecasting that the National Living Wage for workers aged 21+ could increase to £12.71 an hour from April 2026 - a 4.1% rise on the current rate.

The final figure will depend on economic conditions, with the projected range between £12.55 and £12.86.

This estimate would put the NLW slightly above the current “real” Living Wage (£12.60 outside London), which will be updated by the Living Wage Foundation in October.

The government has also renewed its commitment to remove age-related pay bands for adults, meaning 18–20-year-olds, currently on £10 per hour, could see a significant boost or even be brought into line with the NLW.

The LPC will consult on how to achieve this while managing potential impacts on youth employment, training, and the wider economy.

The LPC will submit its recommendations to the government by the end of October, with the new rates being formally announced on or just before Budget day.

Care Worker Wins Race Discrimination & Harassment Claim Over Language Use in Meeting

A care worker in Scotland has successfully claimed direct race discrimination and harassment after being excluded from parts of a workplace meeting because colleagues spoke in a language she could not understand.

The Employment Tribunal in Glasgow heard that the employee attended a supervision meeting with three managers, all of whom spoke Polish to each other at points during the discussion. She was the only person in the room who did not speak Polish.

Given the sensitivity of the matters under discussion following a recent disciplinary meeting, the tribunal found it reasonable that she felt intimidated, degraded, or humiliated by the situation, even though the managers had not intended to cause offence.

The panel ruled that, in this context, the ability to speak a language linked closely to a particular nationality could amount to a protected characteristic under the Equality Act, and that treating an employee less favourably because of it could constitute race discrimination.

Takeaway for employers:

Even unintentional conduct can lead to discrimination findings if it creates a hostile or exclusionary environment. Where sensitive matters are discussed, ensure all participants can follow the conversation fully, especially if multiple languages are spoken in the workplace.

Focus on

The Disappearing Entry-Level Job – AI's New Workplace Challenge

The UK job market is showing some welcome signs of recovery, with vacancies holding steady and advertised salaries rising. But beneath the surface, a major shift is underway, and it's hitting early-career jobseekers hardest. Since late 2022, when generative AI tools such as ChatGPT moved into the mainstream, entry-level opportunities have fallen by almost a third. Graduate roles, internships, apprenticeships, and junior positions now make up just 25% of all advertised jobs, down from nearly 29% two years ago.

Why the drop?

For many businesses, AI-powered tools are automating parts of the work traditionally handled by junior staff, from data entry and research through to basic content creation. In other cases, roles are being restructured so that fewer staff are needed at the “starting out” level, with remaining responsibilities absorbed by more experienced employees. While these changes can improve efficiency, they also raise questions:

- Where will the next generation of talent come from?
- How will young people gain the experience needed to move up?
- Will diversity and fresh thinking suffer if we cut the entry point too narrow?

The bigger picture

The sectors seeing growth, such as teaching, hospitality, logistics and creative work, still need hands-on human skills. But in areas where processes can be digitised or automated, opportunities for early-career workers are shrinking. For SMEs, this could create long-term skills gaps if there's no clear pathway for development.

What employers can do

1. Keep an early-career pipeline – Even if AI reduces the volume of junior work, consider taking on a smaller number of trainees or apprentices to build future capability.
2. Redesign roles for development – Blend AI-enabled tasks with hands-on responsibilities so new starters still learn valuable skills.
3. Invest in mentoring – Pair early-career staff with experienced colleagues to accelerate learning and retention.
4. Promote skills over tasks – Focus on building problem-solving, communication and adaptability, not just job-specific duties.

Why it matters for SMEs

Small businesses rely on fresh talent just as much as large ones, often more so, because each hire has a bigger impact. While AI offers exciting opportunities, it's worth remembering that technology can't replace the unique value people bring when they're developed from the start.

Final thought: AI can be a powerful business tool, but without a plan for growing human talent alongside it, we risk creating a skills gap that no software can fill.



Questions & Answers

Do I have to approve every flexible working request now it's a day-one right?

No – you can still refuse requests for valid business reasons, but you must follow the statutory process and respond within the legal timeframe.

Are there risks in using AI to screen job applicants?

Yes. Poorly designed AI screening can lead to bias or indirect discrimination, and applicants who aren't offered a position or an interview could make a claim of discrimination. You remain responsible for ensuring the process is fair, transparent, and compliant with equality law.

Can I use AI tools to monitor staff performance without telling them?

Monitoring must be proportionate, lawful, and transparent. In most cases, you'll need to inform staff via a clear policy and explain what data is being collected and why.

Let us know if you have questions you'd like to have answered in our next Breedon Bulletin

Let's talk on the phone

Here are three questions for you:

- Do you currently have HR support?
- On a scale of 1 to 10, how happy are you with them?
- If the answer isn't "I'm so delighted I could print 1,000 flyers to spread the word about them", let's jump on a video call

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