

HR Policies

A simple guide for small businesses

Focus on the key HR policies you need
to set your small business up for
success, right from the start



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1.

HR Policies and why you should care about them

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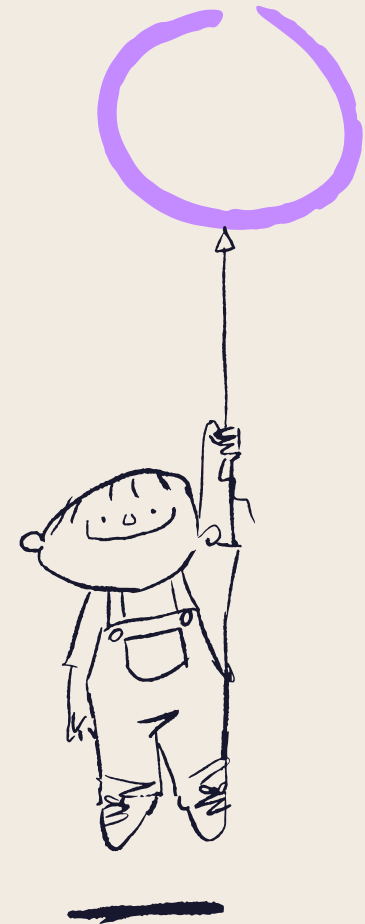
HR policies might not be the most exciting part of running a business — but they're one of the most important. Without them, things can get messy: confusion with team members, legal headaches, and no clear way of running your business.

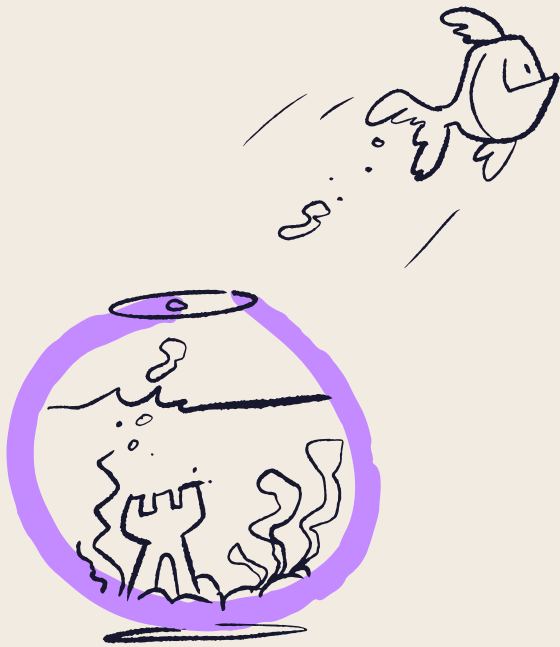
HR policies help set expectations, protect your business, and create a fair and consistent experience for everyone on your team.

But let's be honest, creating HR policies can be overwhelming. You might have no idea where to begin, especially if you've never written one before and you might end up wondering: do I really need these HR policies?

In this day and age, it can be tempting to just use AI and call it a day. And while those tools can help, they're only a temporary solution. If your policies aren't written with your specific business context in mind, you could end up with legal issues further down the line — and costs that you won't necessarily be able to recover from.

To help make your business legally compliant, we spoke with our HR Advice Manager, Alisa Mistry. With over eight years of experience in HR, a track record working with industry leaders, and a CIPD Level 7 qualification, we knew she'd be a great source of info. Let's dive into her expert advice.





2.

So, how can you actually go about creating your HR policies?

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Fiit

“With HR Advice, it’s like having an extra member on your team. You have that kind of expertise you can lean on and tap into whenever you need it, without needing to hire someone in the business.”

Ben Wharfe

Chief People Officer @ Fiit

[Read case study](#)

There are a few different ways to create your HR policies. Here’s a quick look at your options:

Employment lawyers

Pros

- Ensure your policies are legally watertight
- Experienced professionals who’ve done it many times before

Cons

- Focused on law, not on HR best practices
- Won’t tailor policies to your company culture
- Unlikely to offer practical advice for your team’s day-to-day needs

CIPD-qualified HR advisors (like our Charlie Advice team!)

Pros

- HR experts with experience
- Create bespoke, legally compliant policies that fit your culture
- Can support with other HR matters too (e.g. grievances, redundancies, disciplinaries)

Cons

- Can’t represent you at an employment tribunal

In-house HR hire

Pros

- Always available to support you and the team
- Can take on other roles (e.g. office management)
- Can write your handbook and policies

Cons

- Expensive for a small business
- May not have enough work to justify a full-time role

Using ChatGPT or online templates

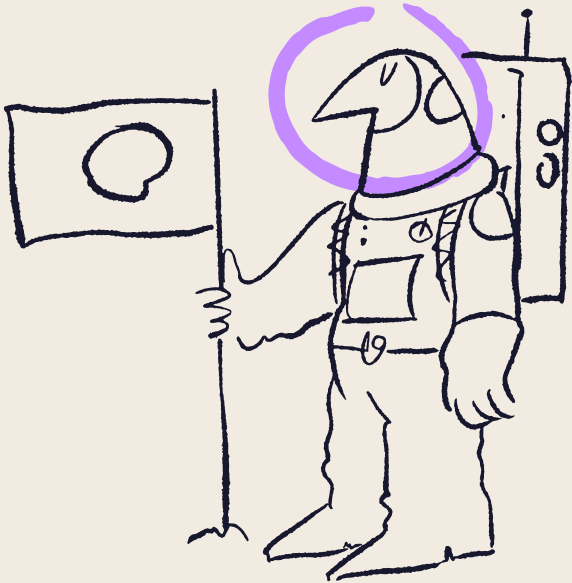
Pros

- Quick, easy, and free
- Can generate well-written content in minutes and a good place to start from

Cons

- High legal risk if the wording isn’t spot on
- Not tailored to your business or team
- Still needs to be reviewed by an HR professional

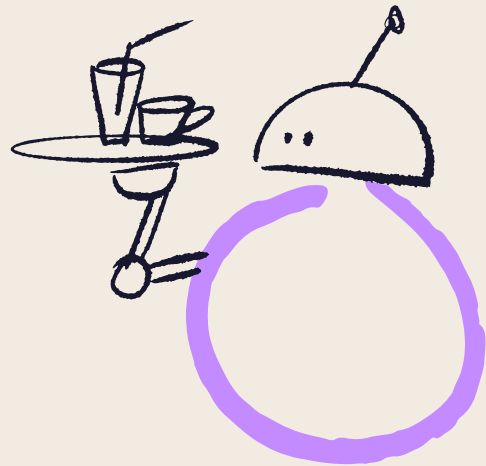




3.

Which HR policies do you need to comply with UK employment law?

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Technically, UK employment law only requires three HR policies to be included in your employee handbook.

But in reality, it's a bit more subtle than that. Yes, only three policies must be written out, but there are many other legal requirements you need to follow. Don't forget that your team members have employment rights ;) Without clear HR policies in place, it leaves room for mistakes on all sides.

So, think of these policies as your baseline protection:

- If you're offering only the legal minimum, these are the essentials.
- But if you want to go beyond the basics and offer more flexibility, support, or benefits, your policies should reflect that too.

Fiit

"Being able to understand what policies you need in place to be legally compliant was vital. Getting those policies off the shelf, revised and reviewed by Charlie, enabled us to free up our headspace and our thinking time to focus on the things that were more strategically important to us — such as our team's growth and development."

Ben Wharfe

Chief People Officer @ Fiit

[Read case study](#)

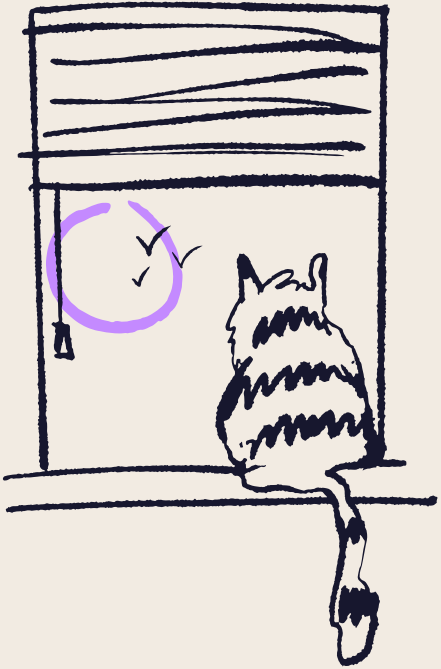
Key HR policies and whether they're required by UK law

Unsure whether what you're doing is 100% compliant?

Speak to our advisors



HR policy	Legally required?	Why it matters
Health & safety	✔ Yes	Required under UK employment law
Disciplinary	✔ Yes	Ensures fair and lawful handling of misconduct
Grievance	✔ Yes	Provides a clear process for employee complaints
Holiday	✘ No	Not required in writing, but must follow UK statutory holiday
Sick Leave	✘ No	Must comply with Statutory Sick Pay (SSP) rules if offering the minimum
Family Leave	✘ No	Covers maternity, paternity, adoption, and parental leave, each with its own legal framework
Flexible Working	✘ No	Employees now have the right to request this from day one, so a clear policy is useful
Data Protection	✘ No	Helps you stay compliant with the Data Protection Act 2018
Carer's Leave	✘ No	New legal right introduced in April 2025 – worth including if relevant



4.

What kind of HR policies do you need, at which stage?

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“I didn’t even know how important employee handbooks could be before I had to deal with an HR-related issue. The Charlie HR advisors really helped me put the right processes in place, relieving my stress and anxiety with clear steps.”

James Chessum
Founder @ Red 5 People

[Read case study](#)

We also asked Alisa to share her thoughts on which HR policies work best for different business sizes. And the truth is, it depends.

You need to remember that every business is different and this won’t apply to all of them, but Alisa pulled together some of the most common requests she sees based on company size just to give you a starting point as to what you could get.

Examples of HR policies depending on company size

HR policy	Size bracket	Why
Bullying and harassment	20-50 people	To prevent group dynamics from arising, ensure everyone feels safe reporting any bullying or harassment through clear procedures, and stay in line with the Equality Act 2010.
Diversity and inclusion	1-10 people	To be in line with requirements from the Equality Act of 2010 and make sure you have policies in place to address EDI.
Recruitment	30-50 people	To have clear recruitment processes, embed EDI and equal opportunities requirements into them, but also streamline your recruitment.
Social media	50-100 people	Ensure your employees understand that while they are free to have a life outside of work, their social media posts can still reflect on the company.
Menopause, pregnancy loss	50-100 people	To support women and parents through difficult times in their lives, such as pregnancy loss and menopause, and create a fair workplace.
Performance management	1-10 people	To have a clear and standardised process when it comes to promoting your people and giving payrises.



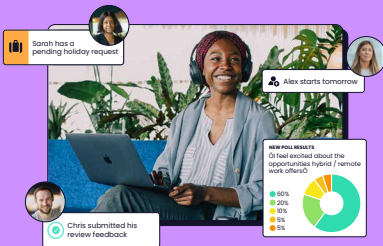


5.

So, which HR policies? Speak to your team!

Want to see Charlie in action?

Start a free trial



The screenshot displays the Charlie AI interface. At the top, a large orange button says "Start a free trial". Below it, a central video window shows a woman with red hair and headphones smiling while using a laptop. Surrounding this window are four circular profile pictures of other users. To the left of the main window, a notification box shows a calendar icon and the text "Sarah has a pending holiday request". To the right, a notification box shows a person icon and the text "Alex starts tomorrow". At the bottom left, a notification box shows a person icon and the text "Chris submitted his review feedback". At the bottom right, a box titled "NEW POLL RESULTS" contains a donut chart and the text "Or feel excited about the opportunities hybrid / remote work offers?". The donut chart is divided into four segments: green (60%), yellow (20%), orange (10%), and red (10%).

NEW POLL RESULTS

Or feel excited about the opportunities hybrid / remote work offers?

- 60%
- 20%
- 10%
- 10%

You can do it in different ways, mainly by talking to people, organising one-to-one's, etc.

At Charlie, we use our engagement surveys to understand what kind of changes our team would like to see, and whether one policy would be more effective than another. An example of a survey could be the following:

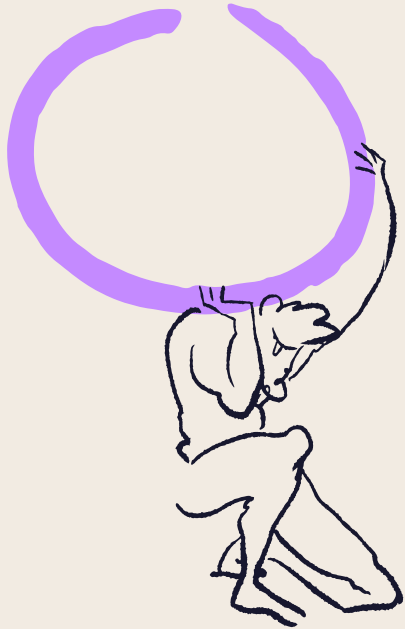
From these results, Charlie generates clear charts to help you analyse your answers, compare them against budget, and find a balance between what you can do and what your team would like. You can learn more about how to interpret employee engagement survey results in [our blog](#).



6.

Don't let employment
law updates catch
up with you

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As important as it is to get your team on board, the other aspect you should think about is keeping your HR policies updated to stay in line with UK employment law.

You may or may not know this, but UK employment law is constantly changing. That means that one policy might comply with it one year and be redundant the next, leaving you exposed to legal risks.

So, how do you solve that?

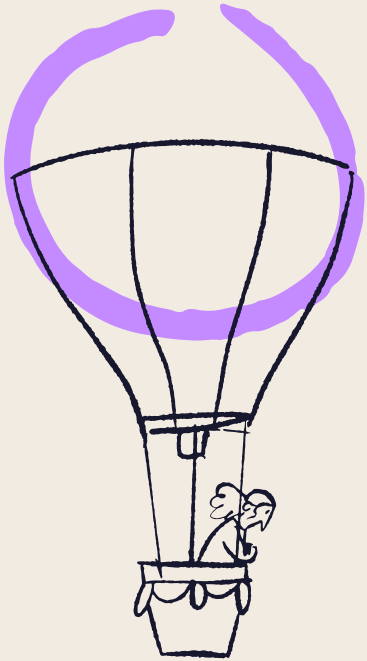
You need to stay on top of it and regularly review your handbook and policies to make sure you're protected.

Our HR advisor team can handle this for you on a yearly basis, ensuring your employment contracts are up to date and conducting a full audit – giving you the peace of mind you so much need. They also host regular webinars and workshops to keep you in the loop of what's going on.

Unsure whether what you're doing is 100% compliant?

[Speak to our advisors](#)





7.

Finally, the HR
policies your small
business needs

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We shared samples of what HR policies might look like for you and your team, but it's more helpful to think about why you need HR policies in the first place.

Our HR advisors can guide you through this process. If you're interested in building a handbook or making changes to your existing one (where all your HR policies are stored), they'll be able to build a plan together by sending you a questionnaire with questions along these lines:

- What are you most unsure about when it comes to HR?
- What are your short-term company goals related to HR?
- What policies or procedures do you need to cover? (Dress code, probation, pay, payslips, pensions, expenses, core hours, TOIL, progression, equity, IT security, absences, maternity/paternity leave, health and safety, GDPR, etc.)

You'll then have a conversation with our team to review these answers. When you reach out to our HR advice team, they'll talk about:

- Your budget for building HR policies and what that can cover
- The current processes you already have in place
- How your policies can align with the company culture you want to create
- Whether you're legally compliant or not

Maybe think about booking a call to find out more about the service and whether it's the right fit for you.




Ready to kick start your HR journey?



charlie.advice

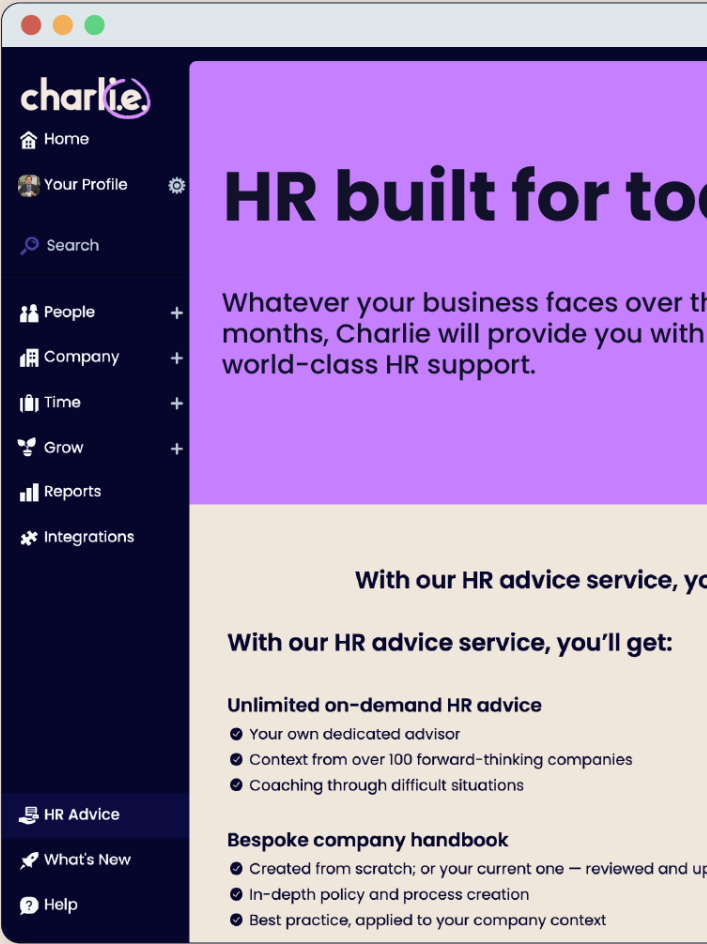
- ✓ One-to-one HR support
- ✓ Fully compliant
- ✓ Small business expertise



Book a free call today

[Book a demo](#)

We don't do one-size-fits-all. Instead, we work with you to understand your specific HR challenges and long-term vision.



charlie.