

Revised ACAS Code of Practice on Disciplinary and Grievance Procedures: what employers need to know

On 30 July 2026, the Advisory, Conciliation and Arbitration Service (ACAS) published a [revised draft](#) of their Code of Practice on Disciplinary and Grievance Procedures (Code), along with a [consultation](#) on the new proposed provisions.

Most employers will be familiar with the current version of the Code, which sets out expectations for how disciplinary and grievance procedures will be run by employers. It does not have any statutory force, but an unreasonable failure by an employer to comply with the Code can lead to an uplift of up to 25% on any compensation awarded to an employee by an Employment Tribunal in a relevant claim. Similarly, compensation may be reduced by up to 25% if the employee themselves unreasonably fails to follow the Code. In addition to the Code, ACAS produces statutory guidance which is advisory only.

Given the consequences for a breach, the new proposed draft Code and accompanying consultation will be of great importance to employers and employees.

What are the proposed changes?

The key changes suggested by the new draft Code are as

follows:

- References to 'employee(s)' have been replaced with references to 'worker(s)', and ACAS have indicated that they consider it **good practice for employers to follow the Code for workers as well as employees**. This expands the scope of the Code and will likely be a surprise to many employers who do not currently have disciplinary or grievance processes applicable to workers. However, it may have little practical effect, as the potential uplift to compensation for any failure to comply will still only apply to claims from employees.
- There is a greater degree of focus on **informal resolution**, with new sections on resolving both employer and worker concerns and an aim to reduce adversarial or overly legal language. The revised Code refers to "*concerns*" rather than disciplinary or grievance matters at the informal stage, and for the first time will confirm that a **failure to attempt informal resolution will could lead to the uplift or reduction in compensation**. Clear expectations are set for how employers should approach informal management of concerns about conduct and performance, as well as how they should manage concerns raised by workers. Additionally, the Code is now explicit that formal warnings or other actions should not result from any informal conversation. When moving to a formal process (i.e. a disciplinary or a grievance), the party issuing the notification will also be expected to set out what steps have been taken to resolve the matter informally.

- A new section has been introduced on the **principles of fairness**, which ACAS intend to apply to all sizes of organisation. The principles largely reflect those already present throughout the current Code, but now specifically include promotion of early and informal resolution and a new expectation that concerns should be resolved early to avoid unnecessary escalation.
- Additionally, a new section has been introduced to cover **mediation and facilitated conversations**, encouraging the use of these processes where possible. The Code acknowledges that these might not always be appropriate, for instance for smaller businesses or concerns that require an independent decision, and should always be voluntary and confidential. The Code also confirms that any formal procedure should be paused pending the outcome.
- Clear indications of the **meaning of key terms** have now been included, with “*must*” meaning a legal requirement, “*should*” meaning a step that is strongly recommended, and “*good practice*” meaning what ACAS consider to be good practice (but not mandatory).

- The Code continues to state that it will apply in most situations / cases, indicating that employers will continue to be able to adapt it where necessary for their business. However, there is a **new reference to how other legal requirements might need to be considered**, such as the UK Market Abuse Regulation for senior employees or directors. The Code now confirms that it should be followed to the extent that it is reasonably possible to do so.
- There is a **new reference included to the Equality Act 2010 and employers' obligations to make reasonable adjustments for disabled workers**, including examples of adjustments that might need to be made to processes covered by the Code. Suggestions include accessible venues, documents and permitting the right to be accompanied beyond what is required by statute (e.g. allowing an interpreter or support worker, and/or permitting companions at informal meetings). Workers are encouraged to request adjustments as early as possible.
- New **provisions regarding training** have been introduced, with the Code now confirming that it is "*good practice*" for this to be available to help those involved resolve concerns early and effectively with confidence.

- The **requirements for formal disciplinary processes have been expanded** upon, including a new section on when suspension might be appropriate and how it should be conducted. In line with the overall focus on de-escalating resolution, the Code encourages **continuous consideration of alternative options** such as training, support or mediation, together with more traditional sanctions such as warnings where appropriate.
- Similarly, the **recommendations for formal grievances have been expanded** upon, including a new provision encouraging employees to provide a “*short, clear written explanation of the concern*”. Employers are expected to permit the employee to provide further information where needed.
- The provisions regarding the **employee’s right to be accompanied** have been consolidated, and updated to more expressly include case law indicating that extensions beyond the statutory five-working-day minimum should be permitted to allow a companion to attend (unless it would cause unreasonable delay).

The consultation invites views on the above proposals and two additional matters:

- Whether there are any issues arising from the **use of AI in disciplinary and grievance processes** that ACAS should address in the Code or associated non-statutory guidance; and
- Whether the **current title of the Code should be retained** in light of the fact that the scope is now wider than formal disciplinary and grievance procedures.

What will happen next and what should employers do to prepare?

The consultation on the new draft Code opened on 30 July 2026 and will close on 23 September 2026, after which responses will be considered and further amendments may be made. No indication has been given as to when the final Code would be published or when it would come into force.

The proposed revised Code is substantially longer than the current version and places a much greater emphasis on the informal resolution of concerns, as well as opening up new opportunities for workers to argue that they should be covered by employers' policies. There is a clear sense throughout the revised draft Code that employment disputes as a whole need to be de-escalated, and for the first time employees will be obliged to attempt informal resolution rather than raising a grievance (or risk a reduction in compensation). Even where grievances are raised, the Code is clear that they should be

short and to-the-point. This may well be a response to the ever-growing backlog in Employment Tribunal claims, as well as the increased trend towards lengthy grievances drafted with the assistance of AI which place a considerable burden on employers to address.

The draft Code also highlights employers' obligations to make reasonable adjustments for those with disabilities, giving potential recourse for any failures (via the uplift) without requiring the employee to bring any claims under the Equality Act 2010. As employers should already be aware, in January 2027 the continuous service requirement for unfair dismissal claims will reduce to six months and the compensation cap will be removed, making such claims more available and far more attractive to employees. As a result, their obligations to make adjustments in order to comply with the Code will be of much greater importance, and failures could lead to significant financial consequences even where no disability-related claims are pursued.

Employers will therefore need to keep a watchful eye on the progress of the consultation and be prepared to review their disciplinary and grievance processes when the Code is formally updated.

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