**Employment Rights Bill Webinar Fact Sheet**

The recently unveiled **Employment Rights Bill**, announced by the Labour Government, is set to introduce significant changes aimed at improving job security, wages, and workers’ rights across the UK. This fact sheet summarises the key points discussed during the webinar, including new statutory duties, updates to existing laws, and major reforms expected in the coming years.

**Key Provisions of the Employment Rights Bill**

1. **Labour’s Overall Vision**
* The Employment Rights Bill aims to make work more secure and improve workers’ terms and conditions, however it will also mean significant changes to business operations.
* It includes a range of reforms intended to address the **changing dynamics of work** and **modern-day challenges**, such as the rise of remote working and shifts in technology.
* A key message from Labour is for them to put legislation before parliament within the **first 100 days**, but full implementation will be spread over the course of their term.
1. **Sexual Harassment in the Workplace**

**New Statutory Duty (Effective 26 October 2024)**

* Employers have a legal preventative duty to **take reasonable steps to prevent sexual harassment** in the workplace, with specific focus on harassment from third parties, such as customers and suppliers.
* There is the potential for a **25% uplift in compensation** if an Employment Tribunal finds that an employer has failed to meet this new duty.

**Definition of Sexual Harassment**

* **Unwanted conduct of a sexual nature**, which can include verbal, non-verbal, or physical actions.
* The duty applies to harassment by **third parties** as well. This marks a significant change from previous laws. This will impact all industries, in particular hospitality, retail, and client-facing sectors.

**Actionable Steps for Employers**

* **Implement a robust sexual harassment policy** tailored to your business.
* Conduct **risk assessments** to evaluate potential risks of third-party harassment.
* Ensure that **managers and employees are trained** regularly on preventing harassment, with ongoing refresher courses.
1. **Unfair Dismissal and Qualifying Period Changes**

**Removal of the Two Year Qualifying Period for Unfair Dismissal**

* The qualifying period for bringing an unfair dismissal claim will be reduced to **day one** of employment, meaning more than **9 million workers** will become eligible to bring claims immediately upon starting a job.
* This change is aimed at protecting employees from arbitrary or unfair dismissals without waiting for two years, a significant shift from the current provisions.

**Implications for Employers**

* Employers can no longer rely on the two-year window to terminate employees without the risk of claims.
* A focus on **improving performance and absence management processes** is crucial. Dismissals must follow a fair and documented process, especially in cases involving conduct or capability concerns.
1. **Fire and Rehire Ban**
* The government aims to **ban fire and rehire practices**, where employers dismiss workers and re-engage them on less favourable terms.
* Under the new law, dismissal based on refusal to accept new contract terms would be considered **automatically unfair**.

**Limited Exemption**

* A rare exception may apply in cases where a company is on the brink of collapse and can demonstrate it had no alternative but to fire and rehire. This will be difficult to prove and subject to strict scrutiny.
1. **Zero-Hours Contracts & Shift Work Regulations**

**End of Exploitative Zero-Hours Contracts**

* Labour pledged to **restrict zero-hours contracts**. While a total ban hasn’t been enacted, the government plans to implement measures ensuring that workers on these contracts have more **predictable hours** and are treated fairly.

**New Rights for Shift Workers**

* Workers on zero-hours or minimum-hour contracts will be entitled to **reasonable notice of shift changes** and **compensation for last-minute cancellations**.
* This is especially relevant in sectors, such as hospitality and retail, where shifts can often be unpredictable, and employees are penalised for not being available on short notice.

**Key Employer Considerations**

* Introduce clear and transparent scheduling policies.
* Plan for compensation mechanisms in case shift cancellation.
1. **Right to Flexible Working**

**Default Right to Request Flexible Working**

* From April 2024, employees have the right to request flexible working **twice within a 12 month period**. This can include requests for remote work, compressed hours, or other flexible arrangements.
* Employers must provide **reasonable grounds for refusal**, ensuring the decision is both fair and justified.

**No Immediate Move to a Four-Day Week**

* Despite earlier discussions, there has been no suggestion to mandate a four-day work week or hybrid working by default.

**Implications for Employers**

* Review your flexible working policies and ensure managers are aware of how to respond to requests fairly and consistently.
* Consider the impact of flexible working on business operations, but ensure decisions are well-documented and justified.
1. **Paternity, Parental, and Bereavement Leave**

**Day One Rights for Parental Leave**

* From day one of employment, all employees will have rights to **paternity, parental, and bereavement leave**.
* While details are still being finalised, **bereavement leave** is expected to offer **one weeks leave** for the loss of close family members.

**Implications for Employers**

* Review parental leave and bereavement policies to ensure they are in line with upcoming changes.
* Prepare for potential increases in leave requests, particularly for bereavement, which will be a statutory entitlement.
1. **Statutory Sick Pay (SSP) Reforms**

**SSP from Day One**

* Workers will be entitled to Statutory Sick Pay from **the first day of sickness** instead of the current system that applies SSP after three waiting days.
* Additionally, the **lower earnings limit** will be removed, ensuring all workers can access SSP, regardless of their income.

**Key Changes to SSP**

* It is expected SSP will be calculated as a **percentage of pay**, rather than being a flat rate, making it more equitable for part-time and low-wage workers.
* Employers will need to update absence management processes to reflect these changes.
1. **Collective Redundancy Consultation**

**New Collective Consultation Requirements**

* Employers with multiple sites will need to conduct **collective consultations** across all locations, not just individual sites, in the event of large-scale redundancies.

**Implications for Employers**

* Employers who have distributed workforces will face longer, more complex consultation processes, leading to potential delays in redundancy procedures.
1. **Additional Reforms and Developments**

**Fair Work Agency**

* Set to launch in **late 2026**, the new Fair Work Agency will support employers and enforce workers’ rights, including handling issues like **holiday pay** and providing **legal guidance**.

**Gender Pay Gap and Menopause**

* Businesses with over **250 employees** will be required to report on gender pay gaps and offer support to employees affected by the menopause. Smaller businesses may also benefit from adopting best practices related to fair treatment.

**Written Contracts and Trade Unions**

* Employment contracts must clearly state that workers have a **right to join a trade union**, reinforcing the Labour government’s commitment to strengthening collective bargaining.

**Action Points for Employers**

1. **Review and Update Company Policies**
* Especially in regard to the areas of sexual harassment, dismissal procedures, zero-hours contracts, and flexible working.
1. **Prepare for Consultation**
* Anticipate potential changes and make provisions for more **employee consultations** on redundancies and contract changes.
1. **Manager and Employee Training**
* Ensure managers understand their new responsibilities under the legislation, particularly regarding sexual harassment and unfair dismissal.
1. **Adapt to New Leave and Pay Systems**
* Implement processes to manage enhanced leave rights and Statutory Sick Pay reforms.
1. **Stay Informed**
* Labour’s employment law changes will evolve over the next few years. Stay updated with consultations, statutory instruments, and government guidance as it becomes available.

If you need more guidance on how to adapt to these changes, please reach out to the HR Advisory Team or consult the legal resources provided during the webinar. You can also book a [One2One Business Review](https://outlook.office365.com/book/Quest%40vantageandpartners.com/) for a personalised gap analysis of your business’ compliance, as well as tailored guidance on navigating future legislation updates.