

Legislative update: Employment Rights Bill announced 10th October

Business Owner's

Post-Election
100 DAYS
Plan



Executive Summary

This one-pager provides an overview of the UK's Governments proposed changes to employment law, announced on October 10th, 2024.

The **Employment Rights Bill**, introduced to Parliament on this date, marks the first phase of the **Plan to Make Work Pay**. These changes, set to begin consultation in 2025 and implementation in 2026 will **significantly impact business operations and employee rights**.

Business owners need to prepare for these substantial reforms to remain compliant, support their workforce, and avoid significant financial penalties.

Enhancing existing rights

Unfair dismissal protection: Employees will be protected from unfair dismissal from their first day of work

Probationary period: The Government will consult on a statutory probationary period, likely 9 months, with simpler dismissal procedures during this time

Ban on fire and rehire: Practices of firing and rehiring under less favourable terms will be banned, except in cases of insolvency

Protection for pregnant women and new mothers: Enhanced protection from dismissal for pregnant women and new mothers, extending to six months after returning to work

Repeal of anti-union legislation: Anti-union laws, including the Minimum Service Levels (Strikes) Act, will be repealed

Fair Work Agency: A new agency will be established to enforce holiday pay and strengthen statutory sick pay



Employers need to act now to prepare for these sweeping changes. Failing to do so could result in significant costs and compliance risks. By getting ahead of these reforms, you can safeguard your business and ensure a smooth transition.

Lucy Cobb
Employment Law Expert



Time off

Flexible working: Flexible working will be the default where practical, unless the employer can justify otherwise

Paternity Leave: Paternity leave will be a right from day one

Parental Leave: Parental leave will be a right from day one

Bereavement leave: A new right to bereavement leave from day one, replacing parental bereavement leave with the same provisions—2 weeks to be taken separately or together

Equality and harassment

Sexual harassment: Employers will be required to take all reasonable steps to prevent sexual harassment

Menopause support: Large employers will need to create action plans to support employees through the menopause

Pay

Statutory Sick Pay (SSP): Removal of the lower earnings limit for SSP, which will be paid from the first day of absence. The Government will consult on SSP for lower earners

Minimum wage: The cost of living will be considered when setting the Minimum Wage, with one rate for all workers

Tips policy: Employers will have to do more consultation to agree on a tips policy with staff

Gender pay gap: Large employers will be required to create action plans to address gender pay gaps

Contracts

Zero-hour contracts: Exploitative zero-hour contracts will be banned. Workers on zero-hour or low-hour contracts will have the right to a guaranteed hours contract if they work regular hours over a defined period

Shift changes: Zero-hour workers must be given reasonable notice of shift changes and compensation for cancelled shifts

Union rights: Contracts must inform workers of their right to join a trade union

How will the changes impact business owners?

The new day-one rights and entitlements, including universal Statutory Sick Pay (SSP) will bring significant costs for business owners.

A BrightHR survey of over 140,000 small business owners in the UK revealed that 88% are concerned about implementing these reforms. The main worries are the time required to implement the changes (42%), the associated costs (40%), and the risk of financial penalties for incorrect implementation (24%).

On top of this, a whopping 78% of small business owners believe it will be challenging to implement new day-one rights, such as protection from unfair dismissal. Only 195 feel they have the necessary in-house HR expertise and systems to manage these changes confidently and compliantly.

Small business owners need to rethink their hiring strategies and find ways to boost operational efficiency to handle the many increased costs from this new Bill. By streamlining their operations and automating where possible, SMEs can better position themselves for success.

Alan Price | CEO



What steps should I take to protect my business?

- ✓ Recruitment and hiring processes will need to be tightened
- ✓ Updates will need to be made to employee handbooks and contracts
- ✓ The probation and performance management processes will need reviewing
- ✓ New employees should be given more support in their induction periods, including clear objectives

Updating policies can be a lot of paperwork, coming at a substantial cost for small businesses. With BrightBase, you gain access to 300+ policies, documents, and templates, including an induction checklist, probation review form, employee contracts, and much more.

These documents are constantly-updated in-line with the new legislation to save you time, ensure compliance, and protect your business from financial risk.

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