



The Labour Government's Employment Law Reforms

The new Labour government has laid out an extensive plan for employment law reforms, expected to be introduced within the first 100 days of taking office. Key aspects of these reforms include:

1. Day One Rights:

- **Unfair Dismissal:** Employees will gain protection against unfair dismissal from the first day of employment, eliminating the current two-year qualifying period;
- **Parental Leave and Sick Pay:** Both statutory sick pay and parental leave will be available from day one, with statutory sick pay extending to all workers and removing the three-day waiting period;
- **Flexible Working:** Flexible working will become the default from day one, except where it is not reasonably feasible.

2. Workplace Protections and Equality:

- **Ban on Zero-Hour Contracts:** Exploitative zero-hour contracts will be banned, with a right to more predictable contracts;
- **Fire and Rehire Practices:** The practice of firing employees and rehiring them on less favourable terms will be prohibited;
- **Sexual Harassment:** Employers will have a duty to take all reasonable steps to prevent sexual harassment, including harassment by third parties;
- **Enhanced Maternity Protection:** It will be unlawful to dismiss a woman within six months of her return from maternity leave, with some exceptions.

3. Employment Status and Tribunal Reforms:

- **Single Worker Status:** Labour plans to move towards a single status of 'worker' for all but the genuinely self-employed, consolidating the current three-tier system and extending more rights to workers;
- **Extended Tribunal Time Limits:** The time limit for bringing most employment claims to tribunal will be increased from three months to six months.

4. Trade Union and Collective Rights:

- **Union Access and Rights:** There will be new rights for unions to access workplaces, simplified union recognition processes, and strengthened protections for union representatives;



- **Mandatory Union Notification:** Employers will be required to inform employees of their right to join a union in their written statement of employment terms.

5. Other Reforms:

- **Fair Work Agency:** A new enforcement body will be established to ensure compliance with workplace rights;
- **Right to Switch Off:** Employees will have the right to disconnect from work to prevent their homes from becoming 24/7 offices, addressing concerns around remote working.

The new government's employment law proposals have generated significant criticism from various quarters, reflecting concerns over feasibility, economic impact, and potential unintended consequences.

Zero-Hours Contracts: Labour's plan to ban zero-hours contracts is seen by some as overly harsh. Critics argue that these contracts can offer valuable flexibility for both employers and workers, particularly in sectors like hospitality. Instead of an outright ban, there is a call for a more nuanced approach that targets exploitative practices without removing the flexibility offered by such arrangements.

Fire and Rehire Practices: Labour aims to end fire and rehire practices, but critics highlight the complexity of this issue. For example, it is suggested that employers might simply opt to make redundancies over rehiring under new terms. In addition, some critics have argued that the government's proposal that there should be a *'proper process based on open dialogue between employers and workers'* will be difficult to define and may make it harder for employers to implement changes to employees' terms and conditions.

Single Worker Status: The proposal to create a single worker status, merging the concepts of *'employees'* and *'workers'*, has been met with scepticism. While it aims to simplify employment rights and curb bogus self-employment, detractors argue it could lead to litigation and tax complications. In addition, some employers' groups have expressed concern about the impact on flexibility and innovation, as well as the potential for increased costs.

Family-Friendly Rights: Enhancing family-friendly rights, such as making parental leave a day-one right and extending protections for pregnant women, is generally welcomed. However, some argue that these changes could impose significant burdens on businesses, particularly small and medium enterprises.

Flexible Working: Labour's plan to make flexible working a default right from day one, with a requirement for employers to accommodate such requests where feasible, has raised practical concerns. Employers are wary about the feasibility and potential disruption to business operations, fearing that it might lead to operational challenges and increased administrative burdens.



Employment Tribunal Claims:

- Extending the right to bring unfair dismissal claims from day one of employment will present a significant challenge for many businesses. The current rule that employees generally require two years' service in order to be eligible to make an unfair dismissal claim, provides employers with a degree of flexibility to assess new hires and to terminate employment in the first two years. Quite how the new *'day one'* right to unfair dismissal will work in practice, and what impact it will have on employer's recruitment practices and probationary periods, remains to be seen.
- Removing the three-month limit for Tribunal claims is likely to lead to a significant increase in litigation. This extension is seen as a potential source of prolonged uncertainty for employers and a further burden on an already stretched Employment Tribunal system.

The government's proposals aim to significantly enhance worker protections and promote fairer working conditions. However, Labour has committed to consulting with businesses, workers, and civil society before finalizing the legislation, meaning that some of these changes may take several months to fully implement.

Overall, while Labour's proposals are aimed at improving worker protections and addressing exploitation, critics emphasize the need for a balanced approach that considers the practical implications for businesses and the broader economy.