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Understanding the New Employment Rights Bill

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On 10 October 2024, the government published the Employment Rights Bill, following its pledge to introduce such legislation within 100 days of taking office. The stated aim of Bill, expected to take effect in 2026, is to help deliver economic security and growth to businesses, workers and communities across the UK. It proposes some of the most wide-reaching changes to Employment Law in decades. Simon Bond, Director at Bond Legal Limited looks at the main proposals in the Bill and the key changes employers need to understand.

What are the main changes proposed in the Employment Rights Bill?

The Bill introduces a large number of reforms and is set to significantly reshape the landscape of employment law and HR practice, with the emphasis on workers rights.

The proposals in the Bill include the following:

• that workers are entitled to statutory sick pay from their first day of sickness absence (i.e. abolishing the current three unpaid 'waiting days')

- making parental leave and protection from unfair dismissal available from day one on the job for all workers;
- abolishing the practice of 'fire and rehire' unless there is genuinely no alternative;
- more protection for workers around collective redundancy consultation;
- making flexible working the default from day-one for all workers;
- additional protection from redundancy for pregnant workers or those on (or returning from) maternity leave;
- day one rights to paid bereavement leave;
- banning 'exploitative' zero-hour contracts, by creating a right to right to guaranteed hours for zero hours workers, and others with no or low guaranteed hours of work;
- extension of the time limit for bringing an Employment Tribunal claim from three months to six; and
- changes to trade union law, including easing restrictions on taking industrial action.

Unfair dismissal from day one

One of the most significant changes to be introduced by the Bill is the right for employees to claim unfair dismissal from day one of their employment. Currently employees require two years' service to bring an unfair dismissal claim, providing employers with significant flexibility to assess new hires in the first 24 months of their employment and potentially terminate their employment if the employee proves to be unsuitable.

The Bill will introduce an 'initial period of employment' during which a 'light touch' procedure can be followed by employers to dismiss employees on grounds of conduct, capability, statutory ban (e.g. not being entitled to work in the UK) or for 'some other substantial reason'.

Whilst the Bill does not set out the duration of the initial period, the government has indicated that it may be 9 months. The new light-touch procedure is likely to be set out in a separate Code of Practice.

Provided an employee has actually started work, they will be able to claim unfair dismissal from day one of their employment even if the employer follows the new Code of Practice. This is because the onus will be on the employer to prove the reason for dismissal and to demonstrate that they have followed the Code. Employees may well, for example, dispute the employer's stated reason for dismissal and/or argue that the employer deviated from the Code in some way.

The light-touch procedure will not apply to dismissals for redundancy, meaning that employees will need to ensure that a fair process of redundancy consultation and selection is followed for all employees irrespective of their length of service.

Preparing your HR employment processes and probation procedures

In preparation for the new laws coming into effect, employers would be well advised to assess their current recruitment practices to ensure (insofar as is possible) that new recruits have the right skills and 'fit'.

In addition, employers should review how their existing probationary periods operate, for example, ensuring that probationary review meetings take place when they should and that any concerns around performance or suitability are addressed in a clear and structured way. Employers may also wish to consider extending their existing probationary periods to ensure that these match the proposed 'initial period of employment'.

Navigate the new employment law landscape with support from Bond Legal

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