






# The Employment Law Landscape

Xabier Reynoso, Director  
Deloitte Legal

# Today's Agenda

-  Introductions
-  Quick recap on 2024
-  Employment Rights Bill and implications



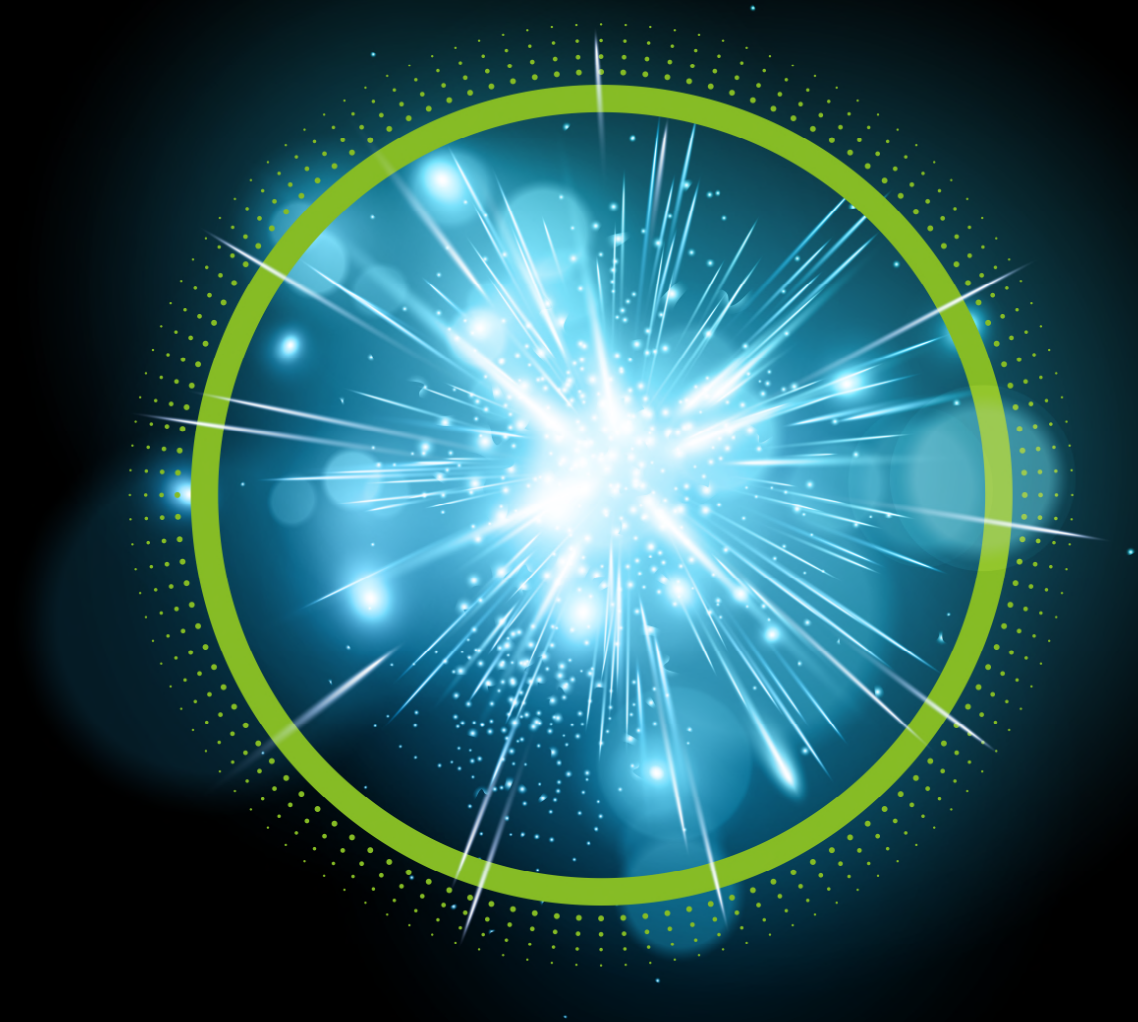
**Xabier Reynoso**

**Director**  
Employment Legal  
Deloitte Legal



**2024**

# Recap and recent changes and developments



# The story so far...

## Changes introduced in 2024:

### In effect from 6 April 2024

- Changes to Paternity Leave
- Carer's Leave Act 2023
  - Day one right for employees to take one week of unpaid leave to care for dependents with a long-term care need
- Updates to the flexible working regime
  - Day one right to request flexible working
  - Employees can make up to 2 requests in any 12-month period
- Extended redundancy protection
  - Pregnant women protected from the time they inform employer of pregnancy until 18 months after birth/adoption

### In effect from 1 July 2024

- **TUPE:** No obligation to collectively consult where the TUPE transfer is taking place at:
  - A small business (<50 employees)
  - A business of any size where the transfer is <10 employees.

### In effect from 26 October 2024

- Introduction of employer duty to prevent sexual harassment
  - New mandatory **positive duty** on employers to put in place **proactive measures** to prevent sexual harassment from arising in the workplace.
  - New ECHR technical guidance and eight step guide to prevent sexual harassment in the workplace

### Employment Rights Bill





- Presented on 10 October 2024
  - Represents the most comprehensive review of employment laws in the UK for a generation
  - 158 pages of reforms
  - Many proposals will be subject to consultation and secondary legislation
  - Timetable of changes won't begin before 2026

# The Employment Rights Bill and Next Steps







# Summary of employment law proposals – Details (1/6)

	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
DAY 1 RIGHTS	<p>Changes to unfair dismissal rights:</p> <ul style="list-style-type: none"> <li>Removal of qualifying service for protection from unfair dismissal, making it a day one right</li> <li>Consultation regarding 9 month 'initial period of employment' / probationary period and "proportionate assessment of an employee's suitability"</li> <li>Earlier promise to remove compensation cap has gone</li> </ul>	<ul style="list-style-type: none"> <li>Increased complexity in managing probationary periods and dismissing employees</li> <li>Increased costs and resources</li> <li>More employee claims</li> </ul>	<ul style="list-style-type: none"> <li>Revisit probationary period wording and approach in template contracts</li> <li>Recruitment processes</li> <li>Performance management processes</li> <li>Manager training</li> <li>Settlement Agreements</li> </ul>	
	<p>Parental and Paternity Leave:</p> <ul style="list-style-type: none"> <li>Parental and paternity leave will become a day one right</li> </ul>	<ul style="list-style-type: none"> <li>Increased uptake in parental leave</li> </ul>	<ul style="list-style-type: none"> <li>Consider review of family leave policies</li> </ul>	
	<p>Statutory Sick Pay:</p> <ul style="list-style-type: none"> <li>Removal of the need to wait until Day 4 to receive SSP</li> <li>Removal of lower earnings limit for statutory sick pay</li> </ul>	<ul style="list-style-type: none"> <li>Increased sick pay costs</li> <li>Administrative burden</li> </ul>	<ul style="list-style-type: none"> <li>Consider policy review</li> </ul>	
ZERO-HOURS	<p>Zero-Hours Contracts:</p> <ul style="list-style-type: none"> <li>Right to contract reflecting regular number of hours</li> <li>Right to reasonable notice of changes in shifts with proportionate compensation</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs</li> <li>Staffing creativity (contractors / agency workers / certain minimum hours workers)</li> </ul>	<ul style="list-style-type: none"> <li>Consider review of contracts</li> <li>Timetabling management</li> </ul>	

# Summary of employment law proposals – Details (2/6)



	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
DISMISSALS	<b>Fire and Rehire’:</b> <ul style="list-style-type: none"> <li>Previously promised ban on ‘fire and rehire’ practice</li> <li>Now only permitted where the need to make the change was for “unavoidable” financial reasons, recognising the importance of businesses being able to restructure to remain viable</li> </ul>	<ul style="list-style-type: none"> <li>Defining business viability is a grey area for Employment Tribunals, leading to increased uncertainty and risk for businesses making use of this exception</li> <li>May encourage businesses to fire and <b>not</b> re-hire</li> <li>Unintended consequences for redundancy processes</li> </ul>	<ul style="list-style-type: none"> <li>Revisit probationary period wording and approach in template contracts</li> <li>Recruitment processes</li> <li>Performance management processes</li> <li>Manager training</li> <li>Settlement Agreements</li> </ul>	
	<b>Redundancy:</b> <ul style="list-style-type: none"> <li>Collective consultation requirements would be triggered if redundancies reach the defined threshold <b>across the whole business</b>, rather than in each site/workplace</li> </ul>	<ul style="list-style-type: none"> <li>Likely to have to engage in collective consultation more often</li> <li>Increased costs and resources</li> </ul>	<ul style="list-style-type: none"> <li>Timing of any planned redundancies</li> <li>Careful review of redundancy numbers for multi-site employers</li> </ul>	

# Summary of employment law proposals – Details (3/6)


	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
FAIR PAY	<b>Pay:</b> <ul style="list-style-type: none"> <li>Gender pay gap reporting to identify providers/employers of contract workers</li> <li>Equality Action Plans (for employers of 250+)</li> </ul>	<ul style="list-style-type: none"> <li>Increased time/cost spent on pay gap reporting and action plans</li> </ul>	<ul style="list-style-type: none"> <li>Consider availability of data and Equality Action Plan requirements</li> </ul>	
	<b>Equal pay extension to ethnicity and disability:</b> <ul style="list-style-type: none"> <li>Equal pay claims based on ethnicity and disability could be made in same way as claims based on sex</li> </ul>	<ul style="list-style-type: none"> <li>Possible increased equal pay claims (although these claims are particularly complex and expensive, and notoriously slow, so there may not be a material impact in practice)</li> </ul>	<ul style="list-style-type: none"> <li>'Watch this space' – this proposal would make this area of law vastly complex and make it harder for employees to bring claims.</li> </ul>	
ENFORCE	<b>Single Enforcement Body:</b> <ul style="list-style-type: none"> <li>Creation of Fair Work Agency - a single body to enforce workers' rights</li> <li>Single body will be established with trade union representation</li> </ul> <b>Extension of Employment Tribunal time limits from 3 months to 6 months</b> <ul style="list-style-type: none"> <li>Not included in the ERB, but has been added by way of amendment</li> </ul>	<ul style="list-style-type: none"> <li>Heightened focus on compliance</li> <li>Increased levels of guidance for employers</li> <li>Enforcement body likely to have "more teeth"</li> <li>Extension of ET time limits will result in more claims</li> </ul>	<ul style="list-style-type: none"> <li>'Watch this space'</li> </ul>	





# Summary of employment law proposals – Details (4/6)

	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
FAMILY RIGHTS	<b>Family-friendly rights:</b> <ul style="list-style-type: none"> <li>Family leave returners protected for longer and for more types of dismissal</li> </ul>	<ul style="list-style-type: none"> <li>Additional restrictions to consider when making relevant dismissals</li> </ul>	<ul style="list-style-type: none"> <li>Consider review of family leave policies</li> </ul>	
	<b>Other rights and action plans:</b> <ul style="list-style-type: none"> <li>New right to bereavement leave</li> <li>Menopause Action Plans (for employers of 250+)</li> </ul>	<ul style="list-style-type: none"> <li>Increased resources on creation of new policies and action plans</li> <li>Increased uptake in bereavement leave</li> </ul>	<ul style="list-style-type: none"> <li>Consider Menopause Action Plan requirements</li> <li>Consider review of bereavement and sickness absence policies</li> </ul>	
SINGLE WORKER STATUS	<b>Single status of worker:</b> <ul style="list-style-type: none"> <li>Intention to abolish distinction between ‘employee’ and ‘worker’ - commitment to consult on a simple status framework</li> </ul>	<ul style="list-style-type: none"> <li>Single status set to be a long way off given the need for consultation</li> <li>Employee protections (e.g. TUPE rights and protections) could extend to ‘workers’</li> </ul>	<ul style="list-style-type: none"> <li>‘Watch this space’</li> </ul>	Next Steps

# Summary of employment law proposals – Details (5/6)

	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
WORK LIFE BALANCE	<b>New right to ‘switch off’:</b> <ul style="list-style-type: none"><li>Right to disconnect from work outside working hours</li></ul>	<ul style="list-style-type: none"><li>Increased resources on creation of policies and on employee ‘switch off’ conversations</li><li>Challenges for work across different time zones</li></ul>	<ul style="list-style-type: none"><li>‘Watch this space’</li><li>Feasibility of a disconnect policy?</li></ul>	Next steps
	<b>Flexible Working:</b> <ul style="list-style-type: none"><li>Focus shifting from reasonable process in dealing with request to reasonableness of rejection</li></ul>	<ul style="list-style-type: none"><li>Increase in flexible work requests</li><li>Increase in number of employees challenging decision</li></ul>	<ul style="list-style-type: none"><li>Consider review of flexible working policies</li></ul>	

# Summary of employment law proposals – Details (6/6)

	Proposals	Potential Impact on Businesses	Practical Considerations	Confirmed in ERB?
VOICE	<b>Trade Unions:</b> <ul style="list-style-type: none"> <li>• Simplified recognition for collective bargaining</li> <li>• Lowering of strike thresholds / relaxing strike rules</li> <li>• Enhanced protection against detriment/dismissal for taking part in industrial action</li> <li>• Obligation on employers to tell employees of right to join union</li> <li>• Workplace access rights</li> <li>• Tightening of blacklisting rules</li> </ul>	<ul style="list-style-type: none"> <li>• More requests for trade union recognition</li> <li>• Increased union involvement and demands</li> <li>• More disruption and disputes</li> </ul>	<ul style="list-style-type: none"> <li>• Review strategy on workforce representation and relations</li> <li>• Is there a viable alternative for employee voice?</li> </ul>	
	<b>Harassment:</b> <ul style="list-style-type: none"> <li>• Requirement to take all reasonable steps to prevent sexual harassment, includes third parties by virtue of accompanying guidance</li> <li>• Employers to become liable for third party harassment of employees during the course of employment</li> </ul>	<ul style="list-style-type: none"> <li>• Greater responsibility on employers to take steps to prevent sexual harassment / third party harassment</li> </ul>	<ul style="list-style-type: none"> <li>• Risk assessments</li> <li>• Consider policy review</li> <li>• Provide training to line managers on how to deal with sexual harassment</li> </ul>	





This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

© 2025 Deloitte LLP. All rights reserved.

Designed by CoRe Creative Services. RITM1620560