The King's Speech triggers the start of the Labour Government's workplace law reforms

The King's Speech was delivered in Parliament on 17 July 2024, setting out the Labour Government's legislative agenda. The speech promised that two new pieces of employment legislation will be introduced: an Employment Rights Bill and an Equality (Race and Disability) Bill.

Although the draft Bills have not yet been published, the background briefing notes to the King's Speech suggest that they will take forward many of the Labour Government's Manifesto promises on workplace law reform.

The Employment Rights Bill

This Bill will deliver the following manifesto promises:

- Banning exploitative zero-hour contracts and ensuring that workers have a right to a contract that reflects the number of hours they regularly work and that all workers get reasonable notice of any changes in shifts with proportionate compensation for any late cancellations or changes.
- Ending 'Fire and Rehire' by reforming the law to provide

effective remedies and replacing the previous Government's statutory Code of Practice on Dismissal and Re-engagement (which came into force on 18 July 2024).

- Making parental leave, sick pay and protection from unfair dismissal available from day 1 on the job, but with employers permitted to operate probationary periods to assess new hires. We discussed the impact of making unfair dismissal a Day 1 right in our briefing <u>here</u>.
- Strengthening Statutory Sick Pay by removing the lower earnings limit to make it available to all workers and removing the waiting period.
- Making flexible working the default from day 1 on the job, with employers required to accommodate this as far as is reasonable.
- Strengthening protections for new mothers by making it unlawful to dismiss a woman who has had a baby for six months after her return to work, except in specific circumstances.
- Establishing a new Single Enforcement Body, also known as a "Fair Work Agency", to strengthen enforcement of workplace rights.
- Establishing a Fair Pay Agreement in the adult social care sector and, following review, assess how, and to what extent, such agreements could benefit other sectors.
- Reinstating the School Support Staff Negotiating Body, to establish national terms and conditions, career

progression routes, and fair pay rates.

- Updating trade union legislation by removing restrictions on trade union activity – including the previous Government's approach to minimum service levels – and ensuring industrial relations are based around good faith negotiation and bargaining.
- Simplifying the process of statutory recognition and introducing a regulated route to ensure workers and union members have a reasonable right to access a union within workplaces.

The Equality (Race and Disability) Bill

This Bill will deliver the following manifesto promises:

- Enshrining in law the full right to equal pay for ethnic minorities and disabled people, making it easier for them to bring unequal pay claims. We discussed the potential impact of these new equal pay rights in our briefing <u>here</u>.
- Introducing mandatory ethnicity and disability pay reporting for larger employers (i.e. those with 250+ employees).

What's missing?

Although ambitious in scope, many of Labour's promises for workplace law reform are missing from these two Bills. In some cases, this is because the nature and impact of the proposals needs to be explored in greater depth (e.g. by way of a "call for evidence" and public consultation) before setting them out in legislation. For example, the proposals to introduce a single worker status and a right for workers to disconnect outside their normal working hours.

In contrast, other proposals may be taken forward by way of secondary legislation (i.e. a statutory instrument) and do not need to be included in a new Act of Parliament. For example, the dual discrimination provisions and public sector socioeconomic duty provisions are already contained in the Equality Act 2010 and just need to be enacted. It is possible that other proposals which require relatively minor drafting changes to existing legislation could also be taken forward by way of secondary legislation. For example, the proposals to require employers to publish gender pay gap action plans and to increase the time limits in statutory employment claims from three to six months.

It remains to be seen how, and when, other proposals will be taken forward, including plans to:

- strengthen the new duty to prevent sexual harassment and introduce protection from third party harassment;
- change equal pay law to permit comparisons with outsourced workers and introduce a new enforcement unit;

- regulate the surveillance of employees;
- introduce a right to bereavement leave;
- strengthen the law on whistleblowing and TUPE;
- require employers to publish "menopause action plans"; and
- change the trigger for collective redundancy consultation.

Next steps?

Labour promised to introduce legislation on workplace law reform within 100 days of coming into power, meaning drafts of the two Bills should be published on or before 12 October 2024. We will produce a further update once the draft Bills are available.

In the meantime, if you would like a refresher on Labour's plans for employment law, you can revisit our webinar from last month <u>here</u>.

The King's Speech 2024

<u>The King's Speech 2024 – Background Briefing Notes</u>

BDBF is a law firm based at Bank in the City of London specialising in employment law. If you would like to discuss any issues relating to the content of this article, please contact Principal Knowledge Lawyer Amanda Steadman (amandasteadman@bdbf.co.uk) or your usual BDBF contact.