

# How the new Labour government will impact the UK recruitment landscape





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The UK job market is on the brink of a pretty important transformation. With the new Labour government in power, employers, HR professionals, and recruiters need to get ready for some big changes coming their way. These changes stem from Labour's ambitious plan to overhaul Employment Law.

On 24 May, Labour published its "Plan to Make Work Pay – A New Deal for Working People," outlining a game plan for revamping workers' rights. These changes will come quickly, with Labour promising to introduce an Employment Bill within their first 100 days of government. While they've promised full consultations, many of these reforms are extensions of the 2017 Taylor Review, showing that Labour is ready to take decisive action.

## Key proposals and their impact on recruitment



### 1. Single Enforcement Body (Fair Work Agency)

Labour plans to introduce a Single Enforcement Body, expected to be named the Fair Work Agency. This agency will combine the functions of a few of the existing enforcement bodies to make sure workers get "faster access to justice". It will include trade union representatives and have strong powers to inspect workplaces and enforce employment rights, such as working time or flexible working.

**Impact:** Employers will need to make sure they're following all employment laws to avoid inspections and potential penalties. Recruitment practices will need to be transparent and fair from the outset.



### 2. Unfair Dismissal Rights from Day One

Currently, employees must work for two years before gaining unfair dismissal rights. Labour plans to change this, granting unfair dismissal rights from day one of employment. While employers can still make use of probationary periods, these must follow fair and transparent rules.

**Impact:** This shift will require a more thorough hiring process and a more structured and robust probation process. Employers should make sure to address conduct and capability issues right from the start to avoid any legal headaches later.



### 3. Ban on Exploitative Zero-Hours Contracts

Labour aims to end “one-sided flexibility” by banning “exploitative” zero-hours contracts. Workers will have the right to contracts reflecting their regular hours, based on a 12-week reference period. Plus, workers will be entitled to reasonable notice of any shift changes and compensation if their shift gets cancelled.

**Impact:** Employers will need to make sure they’re following all employment laws to avoid inspections and potential penalties. Recruitment practices will need to be transparent and fair from the outset.



### 4. Establishing a genuine living wage

Currently, employees must work for two years before gaining unfair dismissal rights. Labour plans to change this, granting unfair dismissal rights from day one of employment. While employers can still make use of probationary periods, these must follow fair and transparent rules.

**Impact:** This shift will require a more thorough hiring process and a more structured and robust probation process. Employers should make sure to address conduct and capability issues right from the start to avoid any legal headaches later.



### 5. Single status of worker

Labour wants to make employment status simpler by ending the differing rights and status between employees and workers, to create just one worker status, and only distinguishing between workers and those who are truly self-employed.

**Impact:** Clear definitions will help recruiters classify workers accurately, making sure everyone gets the correct rights and protections and potentially speeding up and simplifying the recruitment process. However, there could be some cost implications for HR departments if some job roles need to be reclassified.



## 6. Harsher penalties on inequality and harassment

In October, the Worker Protection (Amendment of Equality Act 2010) Act 2023 is set to come into force, which will require businesses to take reasonable steps to prevent sexual harassment. However, Labour is aiming to build upon this by requiring employers to demonstrate they've taken "all" reasonable steps to prevent sexual harassment, including by third parties.

Additionally, they're planning on increasing protection for those on maternity leave by making it unlawful to dismiss a woman within six months of her return, except in special circumstances.

Furthermore, women going through the menopause will be receiving more support, with businesses that have over 250 employees being required to produce a Menopause Action Plan, which sets out how they support employees.

And finally, Labour will be implementing measures to address pay gaps that are related to gender, ethnicity, and disability, with more new reporting obligations being introduced to businesses with over 250 employees.

**Impact:** Businesses and recruiters will have even more responsibilities when it comes to ensuring a fair recruitment process and a positive culture. Whilst some of these changes are specifically aimed at businesses with over 250 employees, many of these changes will place extra responsibility on all businesses.



## 7. A push on flexible working arrangements

Whilst flexible working is the norm for many modern businesses, Labour is aiming to take it a step further by introducing legislation that makes flexible work the default from day one for all staff, except where it's not "reasonably feasible".

Whilst we're unsure yet of how this will be reviewed, or if there will be changes to the current eight broad reasons employers can rely upon to reject a request, businesses should now look to offer more flexible arrangements if possible. Not only will this help them get ready for these legal changes, but it will help with their recruitment drive.

**Impact:** With flexible working requests set to become a day one right for all staff, businesses must be prepared to operate with staff in ways they may not have operated before. This could include managing remote workers, offering different shift patterns, and other requests that require flexibility from the business itself.



## Challenges for employers and recruiters

The changes set to come into force by September 2024 will present new challenges for employers and recruiters. It's important that you continue to follow official updates and ensure your business is ready to adjust its ways of work.

Outlined below are a few challenges you can expect as a result of these upcoming changes...

**Managing compliance** - With stricter enforcement and new rights, recruitment practices must carefully follow the new laws.

**Adapting to new contract types** - Employers will need to rethink their use of zero-hours contracts and make sure all employment terms are fair and predictable, as well as bearing in mind the new combined worker status and any enhanced rights potentially arising from it.

**More paperwork and admin** - Keeping better records and following stricter procedures will help business owners stay on the right side of these changes from the very start.

## How pre-employment checks can help you get prepared

Labour's proposed changes to Employment Law are going to have a big impact on UK recruitment, and they'll require following the new rules extremely closely. Doing accurate pre-employment checks is crucial for meeting these legal requirements and avoiding any fines or legal troubles.

Thorough checks not only help you comply with the law but also ensure you hire the best candidates by verifying their qualifications, experience, and right to work in the UK. This leads to a more competent and reliable workforce.

By doing proper checks, you can streamline your hiring process, cut down on administrative hassles, and speed up onboarding.



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To find out how we can help, [contact](#) us today at [info@ucheck.co.uk](mailto:info@ucheck.co.uk).