

The Employment Rights Bill:

What the changes mean for your recruitment practices

Last year, the Employment Rights Bill was published – a 150-page document that outlines around 28 employment law changes, hailed by the government as "the biggest upgrade to rights at work for a generation". After the amendments, the Bill now sits at over 300 pages. That's quite a bit to take in, isn't it?

Hiring the wrong person for your business is already costly. Did you know that a poor hire at mid-manager level with a salary of £42,000 can end up costing your business over £132,000? That's before even considering the added complexities introduced by these legal changes.

While the Bill brings some valuable new rights for workers, it's meant to support businesses. The aim? To create a secure workforce that's more productive and will in turn spend in the economy. But, naturally, as an employer, you might be asking yourself, "What does this mean for my recruitment strategy?"

The specifics of some proposals are still being ironed out, but there's already plenty we can unpack to help you prepare.

Key changes impacting recruitment:

- Unfair dismissal rights from day one, and probationary periods
- Changes to zero-hours contract use
- Preventing abuse of fire and rehire practices
- Strengthened redundancy rights and protections
- Making flexible working the default





Unfair dismissal rights from day one and probationary periods

The goverment believes that the two-year wait to earn unfair dismissal rights acts a deterrent to people moving jobs, which in turn has a detrimental impact on productivity. They're therefore removing the service requirement to make the right to claim unfair dismissal a day-one right.

Unfair dismissals are the change most businesses are worried about, with 76% of employers concerned about it.

They point out that this won't prevent fair dismissals, and employers will still be able to exercise probationary periods with "fair and transparent rules and processes". There was some talk in the Bill about an "initial period of employment" – we're assuming this is referring to probationary periods – it's now been confirmed that probationary periods can be between three and nine months long.

These changes will mean that it'll be more important than ever for employers to **handle conduct and capability problems correctly** from the very start of the employment.

Preventing abuse of fire and rehire practices

The Bill will make it automatically unfair to dismiss an employee for not agreeing to a variation in their contract and to dismiss an employee when planning to re-engage them (or employ another person) on varied terms to carry out substantially the same duties.



Changes to zero-hours contract use

The government has committed to ending 'one-sided flexibility' and ensuring that all jobs provide a baseline level of security and predictability. This is one of the more complex parts of the Bill, and we still don't have a clear picture of how this will work – but here's what we do know.

The government haven't outright banned zero-hours contracts – and if it works well for both the employer and the employee, there won't be any rule saying you can't continue. But the Bill introduces a "right to guaranteed hours" and puts a new duty on employers to offer a "guaranteed hours" contract to certain workers once they've completed a certain amount of work. It's not yet been defined what that certain amount of work will be.

- This right will apply to people who are working under either a zero-hours contract or under a contract with fewer working hours each week than the specified maximum.
- This maximum is likely to be a small amount of hours, but this exact number is still to be decided
- The right will apply where these workers undertake work for a certain number or pattern of hours in a relevant period, and the offer should reflect this number or pattern of hours
- The most recent amendments confirmed that this right would also apply to agency workers. The guaranteed hours offer will be the responsibility of the hiring company rather than the agency.

They will also introduce new measures to make sure all workers **get reasonable notice of changes to shifts or working hours**, with compensation that's proportionate to the notice given for any shifts which are cancelled or curtailed.

In an agency arrangement, the hirer and the agency can arrange between themselves who will give the notice, but they can recover it from the hirer.

Strengthened redundancy rights and protections

The government is changing collective consultation rules for redundancy to make sure that, when looking at the numbers of people affected by changes that require a collective consultation process, these could be triggered by either a certain number at each individual site, or a certain number or percentage of the workforce across the whole business.

Making flexible working the default

Last year already saw significant changes to flexible working, but these reforms don't go far enough for the new government, which has committed to **making flexible working the default from day one for all workers**, except where it isn't "reasonably feasible". The Bill has amended the Employment Rights Act 1996 to say that an employer can only refuse a request if:

- They believe the application should be refused on one or more of the existing grounds
- They explain to the employee why it's reasonable for them to do that.





How can you protect your recruitment process?

Clear candidate screening process

Take extra care to verify qualifications, work history, and any essential checks during recruitmen. Services like uCheck offer thorough pre-employment screenings, so you can be confident in your hiring decisions.

Did you know: In December 2024 convicted murderer was found working with children for nearly two years after being barred, due to gaps in the employer's safeguarding process. A DBS check initially missed the issue, and a later check flagged the problem. But not before the individual had contact with multiple vulnerable children.

Focus on finding the right fit

Don't just look at CVs. Think about how candidates fit with your company's culture and goals. Structured interviews and skills-based assessments can help identify individuals who bring expertise and the values your business needs.

Tackle bias in recruitment

Unconscious bias can prevent you from finding the best talent. Use standardised interview formats and diverse hiring panels for a fair and inclusive selection processes. This adheres to equality expectations and broadens your talent pool.

Robust probation process

A clear probation framework of three to nine months (aligned with the government's updated guidance) allows you to assess new hires fairly and transparently. Set measurable goals, provide feedback, and document progress to avoid surprises for either side.

Update policies and procedures

Review your employment policies. Do they reflect the changes introduced by the Bill? Make sure you include updates on zero-hours contracts, notice periods, and flexible working. Keep employment contracts clear and up to date for every new hire.

Train your managers

Your managers should know how to handle probation periods, performance reviews, and new day-one rights. Well-trained managers reduce missteps and create a positive experience for employees from the start.



Other changes

Reviewing parental leave

Parental leave is currently available to employees with one year's service – the Bill will remove that and make it a day-one right.

Tackling harassment

On 26 October 2024, the Worker Protection (Amendment of Equality Act 2010) Act 2023 came into force, and put a new duty on employers to take reasonable steps to prevent sexual harassment. The Employment Rights Bill extends this to include "all reasonable steps" and include harassment by third parties for all categories of harassment. It'll also give the Secretary of State the power to make regulations that set out exactly what would be viewed as "reasonable steps."

To find out more about this and what you need to do now, <u>read our full guide to the Worker Protection Act</u>.

Paternity leave

This is currently available to employees with 26 weeks' service by the qualifying week. The Bill makes this a day-one right.

Bereavement leave

At the moment, employees have a right to take up to two weeks' parental bereavement leave if they have a child who dies under the age of 18. The Bill will extend this beyond parents to others who suffer a bereavement. This new right will only be for one week's leave though, as opposed to the two weeks' parental bereavement leave (but the two weeks will still remain the case for bereaved parents).

Statutory Sick Pay (SSP)

The goverment will remove the lower earnings limit to make SSP available to all workers. However, it's now proposed that employees on low wages will receive 80% of their average weekly earnings or the current rate of SSP, whichever is lower. They will also remove the current three-day waiting period, meaning SSP will be payable from the first day of sickness absence.

A new Adult Social Care Negotiating Body (ASCNB)

The Bill will create a new Adult Social Care Negotiating Body, which will oversee pay and terms and conditions for social care workers in England and Wales. This will be made up of employer and trade union representatives.



Fair allocation of tips

The Employment (Allocation of Tips) Act 2023 has come into force in October 2024, and the Bill proposes some changes to this Act, introducing:

- A requirement that employers consult with recognised trade unions, worker representatives or workers who will be affected by the policy before they produce their tipping policy
- 2. A requirement to **review their policy** from time to time the first review must be within three years of introducing the policy
- A requirement to consult with workers as part of the review process

The School Support Staff Negotiating Body (SSSNB)

This body will be responsible for regulating the employment of support staff in schools in England, and it'll cover pay, terms and conditions, training and career progression of school support staff.

Equality Action Plans

The Bill introduces a new requirement for larger companies (over 250 employees) to produce an annual 'Equality Action Plan' that shows what actions they've taken to support and push forward gender equality in their workplace.

There should be a focus on steps taken to address gender pay gaps and support employees going through the menopause. The government have also added in their 'Next Steps to Make Work Pay' guidance (more on this later) that there will be a Regulatory Enforcement Unit for equal pay.

Tribunal time limits

The time limit for bringing a tribunal claim will be increased from three months to six months. While this might not affect day-to-day work that much, it could mean longer periods of uncertainty if an employee does bring a claim. The idea behind this is to give employees who might not be in a good position more time to consider their options, take advice and take action."





Establishing a Single Enforcement Body (the Fair Work Agency)

The goverment considers the current enforcement system to be ineffective. By introducing the Single Enforcement Body, they promise to deliver "swifter access to justice" for workers, and this body will be called the Fair Work Agency. It'll include trade union representatives, employer representatives and independent experts, and it'll have strong powers to inspect workplaces and enforce employment rights — and the enforcement officers will have the right to enter business premises to do so.

Plus, the most recent set of amendments to the Bill included powers for the Fair Work Agency to bring their own tribunal claims on behalf of workers, provide legal assistance to workers and recover the costs of their own enforcement actions from the employer.

Unions

All major trade union legislation introduced by Conservative governments over the last 14 years will be repealed. The changes they're proposing include:

- Rights to reasonable access within workplaces via new access agreements
- A new obligation for employers to provide all workers with a written statement of their right to join a union. This will need to be reissued to longer-standing staff on a regular basis and if an employer doesn't provide this, a worker can make a claim to the tribunal and could be awarded between two and four weeks' pay.
- Simplification of the rules on ballots for union recognition and for industrial action or strikes this will make it easier for unions to be recognised and to have successful votes for strike action.



Timelines for change

So now we've been through the changes, when will it all happen?

The Bill has now passed through the House of Commons and is with the House of Lords for debates and any further amendments, and after that, regulations will be published and consultations carried out on multiple changes."

It's likely that most of the measures will be put in place around **April 2026**, with the unfair dismissal changes coming in around **October 2026**.

It sounds like a long time away, but time goes quickly, and these changes could mean a fundamental shift in the way you manage your business – and that shift will take longer than you think. Understanding these laws and collecting the information you need so you can see how much change you need to make is critical so you're prepared for the laws to come into force.

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