

Agenda Item No:	5	
Committee:	Employment Committee	
Date:	10 September 2025	
Report Title:	Overview of forthcoming Employment Rights Bill	

1.0 Purpose / Summary

- 1.1 This report provides the Employment Committee with an overview of the forthcoming Employment Rights Bill.
- 1.2 The Employment Rights Bill is expected to become law later in 2025.
- 1.3 This will mean important changes to employment law, and is likely to have a significant impact for all employers.

2.0 Key Issues

- 2.1 The Government has set out its timetable for the implementation of the Employment Rights Bill, which is currently progressing through Parliament. The implementation will be phased over the period from when the Bill is passed, which is expected to be in autumn this year, to 2027.
- 2.2 While some of the changes, such as those relating to industrial action notices and the repeal of public sector check off requirements, will take place on or shortly after the Bill being passed (expected to be in autumn this year) most of the changes will take place at a later date.
- 2.3 It will not be until April next year before the next set of changes, including those to industrial action ballot thresholds, and then the restrictions on 'fire and rehire' will come into place with other changes in the autumn of that year, followed by further changes in 2027, including the proposal for unfair dismissal becoming a day one right.
- 2.4 A few changes are expected to happen in 2025. Most changes will happen in 2026 and 2027. The Bill is currently going through Parliament; therefore it may have further changes added before becoming law.
- 2.5 When it becomes law, the Bill will introduce additions and amendments to existing legislation, including the Employment Rights Act 1996.
- 2.6 This report provides a summary and overview of what the changes are likely to be.

3 Recommendations

3.1 Employment Committee are requested to note the report for information.

Wards Affected	All
Forward Plan Reference	N/A
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Background Papers	N/A

4.0 Autumn 2025 changes

To become law, the Bill needs 'Royal Assent'. This is when the King formally agrees to make the Bill into an Act of Parliament. At the time of writing this report, this had not happened, and is expected sometime in autumn 2025.

4.1 *Removing minimum service level rules for strikes*

It's expected that rules around 'minimum service levels' for strikes will be removed. Change expected as soon as the Bill becomes law.

4.2 *Increased dismissal protection for industrial action*

Dismissal for taking part in industrial action is expected to become 'automatically unfair'. This will remove the current 12-week limit for claiming unfair dismissal. Change expected 2 months after the Bill becomes law.

4.3 *Trade union activity*

These changes are expected 2 months after the Bill becomes law:

- the time needed to give notice of industrial action will reduce to 10 days, instead of 14 days
- unions will need a simple majority to vote for industrial action
- picket supervisors will no longer be required
- industrial action mandates will last for 12 months, instead of 6 months
- industrial action and ballot notices will be simplified
- political fund rules will change

5.0 April 2026 changes

After the autumn 2025 changes, more employment law changes are expected in April 2026.

5.1 *Paternity leave and unpaid parental leave*

- paternity leave and ordinary parental leave are expected to become 'day one rights' – allowing someone to give notice to take leave from their first day in a new job
- the restriction on taking paternity leave after shared parental leave is likely to be removed

5.2 *Sick pay*

- statutory sick pay (SSP) will be paid from the first day of illness, instead of the fourth day
- the lower earnings limit will be removed – currently, workers must earn a minimum amount to be eligible for statutory sick pay

5.3 *Collective redundancy protective award*

- The maximum 'protective award' for failure to consult in collective redundancy is expected to double from 90 days' pay to 180 days' pay.

5.4 *Whistleblowing protections for sexual harassment*

- Sexual harassment is expected to become a 'qualifying disclosure' under whistleblowing law. This will mean protection from detriment and unfair dismissal for whistleblowers making a sexual harassment disclosure.

5.5 *Gender pay gap and menopause action plans*

- It's expected that employers will need to create action plans around menopause and gender pay gaps. These are likely to be voluntary from April 2026. Although they're not expected to become mandatory until 2027.

5.6 *More trade union changes*

- simplifying how a trade union can gain recognition in a workplace
- allowing trade union members to vote electronically

5.7 *Fair Work Agency*

It's expected that the Fair Work Agency will be established in April 2026, to:

- bring together existing enforcement bodies
- take on enforcement of other employment rights, such as holiday pay and statutory sick pay

6.0 **October 2026 changes**

Many of these proposed changes are subject to government consultations, and therefore the details might change.

6.1 *Dismissal and rehire*

Dismissing someone then rehiring them on worse terms and conditions is expected to become an automatically unfair dismissal in most cases. This is sometimes known as 'fire and rehire'.

6.2 *Harassment*

- a new duty for employers to prevent harassment from third parties, for example customers or clients
- employers needing to take 'all reasonable steps' to prevent sexual harassment – current law says 'reasonable steps'
- A change to the law around non-disclosure agreements (NDAs) is also expected. This will void clauses that would prevent workers from alleging or disclosing work-related harassment or discrimination. The date of this change is not known yet.

6.3 *Tipping*

Updates to tipping law are expected to say employers will need to consult with workers or their representatives before creating a tipping policy and update their tipping policy every 3 years.

6.4 *Employment tribunal time limits*

Time limits for making a claim to an employment tribunal are expected to increase to 6 months for all claims. The current time limit for most claims is 3 months.

6.5 *More changes to trade union rules*

- a new duty for employers to inform workers of their right to join a trade union
- updated rules on a trade union's right of access to the workplace
- a new right to reasonable accommodation and facilities for trade union representatives carrying out their duties
- a new right to time off for union equality representatives to carry out their duties
- Increased protection against detriment for industrial action
- It's expected that workers taking part in industrial action will be protected against detriment, in addition to unfair dismissal. 'Detriment' is when someone is treated less favourably by their employer. Change expected in October 2026.

6.6 *Public sector outsourcing 'two-tier code'*

New measures are expected for public sector outsourcing. This is to avoid having different terms and conditions for ex-public sector employees and private sector employees. Expected in October 2026.

6.7 *New Adult Social Care Negotiating Body*

A new negotiating body is expected for adult social care.

7.0 **December 2026 change**

The only change expected in December 2026 is specific to the seafarer industry.

7.1 *Mandatory Seafarer's Charter*

A new mandatory charter is expected for seafarers, with higher standards around health and safety, pay, job security and rest breaks.

8.0 **2027 changes**

The government has not announced yet when in 2027 these changes are expected. Many of these proposed changes are subject to government consultations, and as such, the details might change.

8.1 *Unfair dismissal day one right*

It's expected that protection from unfair dismissal will become a right from the first day of employment. Currently, someone must have worked for their employer for 2 years before they can claim unfair dismissal.

8.2 *Increased pregnancy and maternity rights*

The Bill intends to strengthen protections against dismissal for pregnant workers and those returning from maternity leave.

8.3 *Bereavement leave*

A new right to statutory bereavement leave is expected. It's not known yet whether this will be paid or unpaid leave.

8.4 *Zero-hours contracts*

Workers on zero-hours contracts are likely to get the right to guaranteed working hours, if they want them.

8.5 *Compensation for cancelled shifts*

It's expected that workers will have the right to be paid if a shift is cancelled, moved to another date, or cut short by an employer.

8.6 *Flexible working*

An amendment to flexible working law is expected in 2027. An employer will not be able to refuse a flexible working request unless they:

- state the reasons
- explain why they believe their refusal is reasonable

8.7 *Further harassment change*

It's expected that the law will specify what 'reasonable steps' means when preventing sexual harassment, following earlier changes in October 2026.

8.8 *Mandatory gender pay gap and menopause action plans*

It's expected that action plans around menopause and gender pay gaps will become mandatory, following their voluntary introduction in April 2026..

8.9 *Collective redundancy*

- employers will need to consider the total number of redundancies across their whole organisation, not just individual workplaces – currently, collective redundancy rules only apply to individual workplaces
- increased collective redundancy protection for workers on ships that regularly operate from British ports but are registered outside Great Britain
- 2027 trade union changes

8.10 *Trade union changes*

- extending laws that protect trade union members from discrimination and being 'blacklisted'
- a new industrial relations framework, to modernise the legal framework that underpins trade unions

8.12 *Regulation of umbrella companies*

It's expected the definition of agencies will be expanded to include 'umbrella companies'. This will allow enforcement by the relevant bodies.