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The UK Employment Rights Bill

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This briefing describes the key topics covered by the UK Employment Rights Bill. This Bill is a significant piece of legislation currently being considered at Westminster. Although a UK Parliament Bill, the Bill is important in a Scottish context, as most of it applies to Scotland.



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Contents

Executive summary	5
Introduction and overview	8
The background to the Bill	9
The Bill's introduction	9
The scope and structure of the Bill	9
The progress of the legislation so far and possible future timescales	9
What has happened in the House of Commons and the House of Lords so far	10
Implementation of the legislation	11
Work of other UK Parliament committees	11
Scottish Parliament: legislative consent memorandums	12
The wider policy context and relevant consultations	12
Key proposals in the Bill	14
Zero-hours and low-hours contracts	14
Background	14
What the Bill would do (Part 1, clauses 1-8 and schedule 1)	15
Flexible working	15
Background	16
What the Bill would do (Part 1, clause 9)	16
Statutory sick pay	17
Background	17
What the Bill would do (Part 1, clauses 10-11)	17
Tips, gratuities and service charges	18
Background	18
Employment (Allocation of Tips) Act 2023	18
What the Bill would do (Part 1, clause 14)	19
Family-related entitlements to leave	19
Background	19
Paternity leave	20
Ordinary parental leave	20
Shared parental leave	20
What the Bill would do (Part 1, clauses 15-17)	21
Bereavement leave	21
Background	21
What the Bill would do (Part 1, clause 18)	22

Protection from harassment	22
Background	22
Employers: duty not to harass staff	22
Employers: vicarious liability	23
Employers: duty to prevent sexual harassment	23
Employers: no duty where staff are harassed by third parties	23
What the Bill would do (Part 1, clauses 19-22)	23
Unfair dismissal	24
Background	24
How long must an employee have worked for an employer in order to be protected?	24
Unfair dismissal: the general law	25
Automatically unfair dismissal	26
What the Bill would do (Part 1, clause 23 and schedule 3)	26
Fire and rehire	27
Background	27
What the Bill would do (Part 1, clause 26)	27
Collective redundancies	28
Background	28
What the Bill would do (Part 2, clauses 27-29)	29
Clause 27: collective redundancies: businesses operating from more than one location	29
Clause 29: maritime shipping	30
Fair working and equality	30
Background	31
What the Bill would do (Part 2, clauses 30-32)	31
What do these provisions mean for Scotland?	33
Pay and conditions in particular sectors	33
Background	33
What the Bill would do (Part 3, clauses 36-54 and schedule 5)	34
Trade unions and industrial relations	34
Background	34
Key features of the current system	34
Legislation	35
What the Bill would do (Part 4 and schedule 6)	36
Enforcement of employment rights	37
Background	37

Bringing a claim before an employment tribunal	38
Employment rights which are enforced by the state	38
What the Bill would do (Parts 2, 5 and 6, schedules 7-12)	39
Beyond the Bill	41
Suggestions for further reading	42
Bibliography	43

Executive summary

The [Employment Rights Bill](#) ('the Bill') was introduced by the UK Government in the House of Commons on 10 October 2024. The Bill is a crucial part, but only one part, of a wider package of labour market reform measures [which the UK Government calls 'Make Work Pay'](#).

After its initial Commons stages, and between 26 November 2024 and 16 January 2025, the Bill was considered [at the committee stage](#) in the House of Commons. [The relevant bill committee](#) both took evidence on the Bill and considered possible amendments to it. The Bill, as amended, then completed [its report stage](#) and [third reading](#) in the House of Commons on 11 and 12 March 2025. The Bill thereafter moved to the House of Lords, where it has completed its initial stages of consideration.

In terms of the Bill's content, it is split into **six parts** and now has **12 schedules**. Chapter 1 of Part 3 of the Bill (on pay and conditions for school support staff) does not apply to Scotland. All other parts of the Bill apply to Scotland, either in their entirety or with limited exceptions.

Part 1 of the Bill, a particularly substantial part of the Bill, would make a range of reforms to key employment law rights and duties.

For **zero-hours contracts**, where workers do not have a guaranteed right to hours, and **low-hours contracts**, where workers' guaranteed hours are low, [proposed changes include](#): 1) a right to reasonable notice of shifts; and 2) payment for shift cancellation and curtailment at short notice.

In some circumstances, these workers would also be offered **a contract with guaranteed hours**, reflecting a pattern of hours regularly worked in practice.

For [the existing right to request flexible working](#) (including, for example, part-time hours, home working or a job-share) an employer's refusal would only be possible where it is based on one of the existing statutory grounds for refusal and is **reasonable**. In addition, an employer would be required to **give reasons for the refusal of a flexible working request** to the employee.

For [statutory sick pay](#), employees would become eligible from the first day of illness or injury, removing **a three-day waiting period** without sick pay which currently exists. Employees also would no longer need to earn above a **lower earnings limit** to be eligible.

In terms of [family friendly entitlements](#), employees would have a right to [paternity leave](#) and [ordinary parental leave](#) from the first day of their employment with an employer. Existing requirements to have worked for that employer for certain qualifying periods would be removed. Separately, [eligibility for statutory bereavement leave would be expanded](#).

Also under Part 1 of the Bill, employers' duties to prevent harassment of staff, whether related to sex or any other [protected characteristic](#), would be made more substantial. For example, Part 1 would introduce an obligation on employers not to permit harassment of their employees by **third parties**, such as customers, clients or suppliers of the employer concerned.

Finally, Part 1 of the Bill says that [employees would be protected from unfair dismissal](#)

from the first day of employment. The Bill would remove the current **two-year qualifying period** that applies to most unfair dismissals. However, the new protection is still likely to be subject to a potential probationary period of some description. The details of this are still to be developed.

Part 2 of the Bill relates to the tactic used by some employers known as **fire and rehire**. This is where an employer dismisses an employee and then offers to rehire them on new terms, usually more favourable terms from an employer perspective. The tactic is often used where an employee has refused to agree to a variation to their employment contract.

The Bill would make it **automatically unfair** to dismiss employees because they refuse to agree to a contract variation.

Part 2 of the Bill would also make changes to **collective redundancy procedures**, that is, those that apply where an employer proposes to make a certain number of employees redundant within a relatively short time period.

One key change is that the threshold - in terms of the number of affected employees needed for the collective redundancy procedures to be required - will apply across a business rather than at one 'establishment'. This has implications for those businesses which operate out of more than one premises. The UK Government is also aiming to clarify the position for those employees working from home.

Part 3 of the Bill covers **sectoral bargaining**. This is where the aim is to reach a collective agreement on pay and other terms and conditions that covers all workers in a particular sector. Part 3, as amended, enables Scottish Ministers, with the agreement of the UK Secretary of State, to establish a **new statutory negotiating body for the social care sector**.

The amended Part 3 also aims to improve pay and conditions for **seafarers**. Among other things, it enables regulations to be made giving effect to certain international conventions on seafarers.

Part 4 of the Bill would modernise trade union legislation. The UK Government's policy aim is to give trade unions greater freedom to organise, represent and negotiate on behalf of their workers. Significantly, the Bill would repeal most of the [Trade Union Act 2016](#) and the [Strikes \(Minimum Service Levels\) Act 2023](#) in its entirety. Both are important pieces of legislation passed by previous Conservative governments.

Part 5 of the Bill focuses on certain employment rights which are currently enforced by the state, rather than [by individuals through employment tribunals](#). A key policy idea is the creation of a new enforcement body, which would be known as **the Fair Work Agency**. This would take over the enforcement functions of several existing bodies and government departments.

Part 6 of the Bill contains miscellaneous and general provisions, including a regulation-making power for UK Ministers.

Provision in Part 6 and schedule 12 of the Bill, as amended, cover claims [before an employment tribunal](#). They would change the time limit for bringing claims (for almost all types of claims) from **three months** to **six months**.

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Introduction and overview

This briefing describes [the Employment Rights Bill](#) ('the Bill'), a significant piece of legislation being scrutinised by the UK Parliament. The Bill has been considered by the House of Commons and is currently being considered in the House of Lords.

The briefing provides an introduction to the main proposals in the Bill.

The briefing takes account of amendments to the Bill made in the House of Commons but not any changes made in the House of Lords.

Note that employment rights currently come from three main sources: **legislation**, individual **employment contracts** and the **common law**, that is the branch of law developed by the decisions of judges in previously decided cases. All sources would remain important should the Bill become law.

The Bill's proposals would apply in England and Wales and would also introduce some policy changes in Northern Ireland.

However, the focus of this briefing is the Scottish context. Most of the Bill applies to Scotland. Chapter 1 of **Part 3 of the Bill** (on pay and conditions for school support staff) is the main exception to this. A limited number of provisions elsewhere in the Bill also do not apply to Scotland.

For UK Parliament bills, note that the individual provisions are called **clauses** not **sections** and the briefing reflects the UK Parliament's terminology in this regard.

Where the briefing refers to clauses, unless otherwise stated, these are the clauses as they were numbered [when the Bill was brought from the House of Commons to the House of Lords](#).

The briefing is split into three main sections:

- [the background to the Bill](#)
- [the key proposals in the Bill](#)
- [proposals related to the Bill which may be progressed later but which are not in the Bill itself](#).

There is a final section of the briefing which contains [some suggestions for further reading](#).

Readers who would want to get up to speed quickly with the Bill, may wish to concentrate on the second section of the briefing, that is [the key proposals in the Bill](#).

The background to the Bill

This section of the briefing provides some initial background to the Bill.

Topics covered in this section are as follows:

- [the Bill's introduction in the UK Parliament](#)
- [the progress of the Bill so far and possible future timescales](#)
- [the scope and structure of the Bill](#)
- [the wider policy context](#).

The Bill's introduction

Greatly anticipated, the Bill was introduced in the UK Parliament on 10 October 2024 by the UK Government. [As promised](#), introduction of the Bill was within 100 days of the new Parliament formed after the Labour Party victory at the 2024 UK General Election.¹

At the time of the Bill's introduction, the UK Government said the Bill's proposals “represent the biggest upgrade in employment rights for a generation.”^{2 3}.

The scope and structure of the Bill

The structure of the Bill is as follows:

- **Part 1:** employment rights – many of the key employment law changes can be found in this part
- **Part 2:** other employment issues, including [duties on employers relating to equality](#) and changes to so-called [collective redundancy procedures](#)
- **Part 3:** [pay and conditions in particular employment sectors](#)
- **Part 4:** [trade unions and industrial action](#)
- **Part 5:** [enforcement of certain employment rights](#)
- **Part 6:** miscellaneous and general provisions, including the power for the UK Ministers to make regulations.

As a reminder, Chapter 1 of **Part 3 of the Bill**, on pay and conditions for school support staff, does not extend to Scotland.

The progress of the legislation so far and possible

future timescales

This section of the briefing considers the progress of the legislation so far and what might happen next.

What has happened in the House of Commons and the House of Lords so far

The version of the Bill first introduced in the House of Commons had 119 clauses and seven schedules. By the time the Bill moved to the House of Lords, it had 157 clauses and 12 schedules.

To recap in more detail, the Bill had [its first reading](#) in the House of Commons, a purely procedural stage where a Bill's contents are not discussed, on 10 October 2024. It then had its [second reading](#), the stage when a bill is first debated, on 21 October.

Between 26 November 2024 and 16 January 2025, the Bill was [in the committee stage in the House of Commons, a substantial and important part of the legislative procedure](#). The [relevant bill committee](#) both took evidence on the Bill and considered possible amendments to it.

A total of 264 amendments were tabled to the Bill at committee stage. 149 of these, all UK Government amendments, were agreed to by the relevant committee. All opposition amendments were either withdrawn, not moved or disagreed to (by division).⁴

At the Commons committee stage, provision was added to the Bill which would change the time limit for bringing claims before an employment tribunal from three months to six months (for most types of claim).ⁱ

Part 3 of the Bill, on pay and conditions in particular sectors, which originally did not apply to Scotland, got a new chapter, Chapter 3 - on pay and conditions for seafarers - which applies to Scotland.

On 11 and 12 March 2025, the Bill [completed report stage in the Commons, another important parliamentary stage](#) and, on 12 March, its [third reading](#), the final opportunity for the Commons to debate the Bill.

There were 287 government amendments at report stage (all agreed to). There were 171 non-government amendments, four of which were withdrawn and the remainder disagreed to (by division).⁵ The House of Commons passed the bill at third reading on division, by 333 votes to 100.⁶

For a summary of some of the key UK Government amendments at report stage, see [the UK Government press release](#), or [the relevant minister's written statement](#), both dated 4 March 2025.^{7 8}

The Bill as amended at the Commons report stage makes more detailed provision on statutory sick pay than the Bill at earlier stages - [statutory sick pay is discussed in more](#)

ⁱ [Employment Rights Bill](#), clause 149 and schedule 12.

[detail later](#).

Chapter 2 of Part 3 of the Bill (on adult social care), which originally did not apply to Scotland, was extended to Scotland.

The Bill has now moved to consideration by the House of Lords, where, on 14 March, it completed its [first reading](#), and on 27 March, [its second reading](#). It moves to Committee stage in the House of Lords [on 29 April](#). [This stage will involve detailed line by line examination of the Bill](#).

The UK Parliament has published [a guide to its full legislative process on its website](#).

Implementation of the legislation

If the Bill passes all parliamentary stages in both Houses of Parliament, the UK Government expects that most of the changes would not come into effect **until 2026** and, for some changes, **late 2026**.⁹

Most of the Bill would come into force **on a day appointed by secondary legislation**. However:

- a range of provisions in [Part 4 of the Bill](#), relating to trade unions and industrial relations, would come into force at the end of the period of two months beginning with the date on which the Act is passed.ⁱⁱ
- Clause 75 of the Bill, also in Part 4, [which would repeal statutory provisions relating to required minimum service levels during strikes](#), would come into force on the day on which the legislation is passed.ⁱⁱⁱ

Work of other UK Parliament committees

Separate from the work of [the relevant public bill committee](#) at Commons committee stage, note that the UK Parliament's [Business and Trade Select Committee](#) has [held an inquiry on the Bill](#).

As part of this inquiry, [Business and Trade Select Committee](#) undertook three oral evidence sessions between 17 December 2024 and 14 January 2025.

For the avoidance of any confusion, the [Business and Trade Select Committee's](#) inquiry is not part of the legislative process associated with the Bill at Westminster.

Separately, in January 2025, the [Women and Equalities Committee](#) published [a report recommending that the Bill should be amended to create bereavement leave for those who miscarry during pregnancy](#).¹⁰

ii [Employment Rights Bill](#), clauses 58-60, 63-64, 66-72, 77, 79-81, 83-84, 156.

iii [Employment Rights Bill](#), clauses 75 and 156.

The UK Government said it supported this proposed change in principle and will look at making relevant amendments to the Bill in future (see the associated [BBC news article](#), dated 11 March 2025).

Scottish Parliament: legislative consent memorandums

On 11 December 2024, the Scottish Government lodged a [legislative consent memorandum](#) (LCM) in the Scottish Parliament relating to the Bill. This was considered by [the Economy and Fair Work Committee of the Scottish Parliament on 19 March 2025](#).

This LCM relates to what is now **clause 30** of the Bill (clause 25 in the Bill as introduced). Clause 30, not otherwise covered in this briefing, is in [Part 2 of the Bill](#). It aims to increase protection for workers when public sector services are to be outsourced to the private sector. It would confer some new powers on Scottish Ministers related to this policy goal.

The LCM is asking the Scottish Parliament to consent to the UK Parliament having considered the relevant UK Government amendments made to clause 30 at the Commons committee stage.

See the [SPICe factsheet on the process for giving legislative consent in the Scottish Parliament](#).

On 3 April 2025, a supplementary LCM was lodged. This relates to the provisions on social care negotiating bodies, which are included within Chapter 2 of Part 3, with further consequential amendments in Schedule 5. [This part of the Bill is discussed later in the briefing](#).

The wider policy context and relevant consultations

While of itself very substantial, the Bill is but one part of a wider package of labour market reform measures [which the UK Government calls 'Make Work Pay'](#).⁹ Some possible proposals for reform, which the UK Government aims to progress separately from the Bill, are [explored in the final section of this briefing](#).

After the Bill was introduced, on 21 October 2024, the UK Government also published [four consultations seeking feedback on specific aspects of the Bill](#) (all now closed).^{11 12 13 14} The UK Government's responses to the individual consultations were published on 4 March 2024^{15 16 17 18}, along with a [written statement](#) summarising those consultation responses.

Separately, in 2023, the previous UK government also published [a consultation on the practices of umbrella companies](#), including in relation to employment rights.¹⁹ An **umbrella company** is a business often used by recruitment agencies to pay temporary workers.

As a result of some of these consultations, there were amendments to the Bill itself, at [report stage](#) in the House of Commons.

Separately, in some cases, the intention of the UK Government is that [the consultations](#) will shape any future secondary legislation made under the powers granted under the Bill.

⁴ If the Bill becomes an Act, it is expected that there will be [substantial secondary legislation and, to some extent, codes of practice](#).⁹

The UK Government's detailed plans - including those in any future secondary legislation - are important to assess the extent of what the proposed reform package might ultimately deliver.

Key proposals in the Bill

This section of the briefing explores the key proposals in the Bill.

As a reminder, for UK Parliament bills, the individual provisions are called **clauses** not **sections** and the briefing reflects the UK Parliament's terminology in this regard.

The briefing from here onwards also refers exclusively to the clauses as numbered when [the Bill was brought from the House of Commons](#).

Zero-hours and low-hours contracts

Clauses 1-8 and **schedules 1 and 2** of the Bill cover **zero-hours contracts** and **low-hours contracts**.

A **zero-hours contract** is one where workers have no guaranteed hours and agree to be potentially available for work. Workers are only paid for the hours they actually do.

A related type of contract to the zero-hours contract is a **low-hours contract**, which offers a low number of guaranteed hours. These contracts could be used to circumvent any law applying to zero-hours contracts.

Note that, as well as their specific research briefings on the Bill,^{20 4} SPICe's colleagues at the House of Commons Library have published a briefing entitled [Zero-hours Contracts](#) (dated 4 October 2024).²¹

Background

Part 2A of the [Employment Rights Act 1996](#) ('the 1996 Act'), as amended, currently covers **zero-hours contracts**.

In particular, since 2015, employers have been banned by the 1996 Act from inserting **exclusivity clauses** into such contracts.^{iv} These clauses try to stop those individuals with such contracts from also working elsewhere.

[The Workers \(Predictable Terms and Conditions\) Act 2023](#), originally a private member's bill, aims to empower those with atypical contracts to seek more predictable terms and conditions of work. **However, the Act has not been brought into force.**

[In policy terms, opinions on zero-hours contracts have been mixed.](#) For instance, organisations representing employers argue that they help meet a fluctuating demand for labour and play a vital role in keeping people in employment.²¹

On the other hand, organisations representing workers say that the contracts result in financial insecurity for workers who lack key employment rights.²¹

^{iv} [Employment Rights Act 1996](#), section 27A.

A key concern of the UK Government is that, without safeguards, such contracts lead to 'one sided' flexibility which unfairly benefits employers.²²

What the Bill would do (Part 1, clauses 1-8 and schedule 1)

For those workers on **zero-hours contracts** and **low-hours contracts**, the Bill aims to introduce:

- a right to a reasonable notice of shifts
- payment for shift cancellation, movement and curtailment at short notice
- a right to be offered a contract with guaranteed hours - which reflects the hours eligible workers regularly work over a **statutory reference period**
- a right to information for workers from employers about aspects of their statutory rights.

Certain policy issues would be covered in later secondary legislation, including, for example:

- what constitutes a low-hours contract
- the length of the statutory reference period in relation to the possible offer of guaranteed hours - [the UK Government has said it wants this period to be twelve weeks](#)^{23 22}.

Agency workers are a type of worker who have a contract or arrangement with a work-finding agency but work temporarily for the organisation which hires them.

Following a UK Government consultation,^{14 18} the Bill was amended [at the Commons report stage](#) to allow similar protections for agency workers as those already afforded to other types of workers in the Bill (**clause 4** and **schedule 1**). The intention is that some details of the UK Government's plans in this area will be developed by secondary legislation.⁸

The [Workers \(Predictable Terms and Conditions\) Act 2023](#), which, [as noted earlier](#), has never been brought into force, would be repealed under this part of the Bill (**clause 7**).

Flexible working

Clause 9 of the Bill covers **flexible working**.

Flexible working is seen as a way of allowing employees to balance their personal and working lives. Suggested benefits for employers include workforce recruitment, motivation

and retention.²⁴

As well as the research briefings on the Bill itself,^{20 4} researchers at the House of Commons Library have published a briefing called [Flexible Working](#) (dated 9 September 2024).²⁴

Background

As a concept flexible working can include, for example:

- **part-time hours**
- **compressed hours**, that is when a person works their contracted hours over fewer working days
- **term-time only hours**
- **working from home** or **remotely at another office location**, such as at a regional hub
- **flexitime**, a system where start and finish times are, at least to some extent, within the control of the employee
- **job-sharing**, where two part-time employees share the work of one full-time employee.

At present, the 1996 Act,^v as amended by [Employment Relations \(Flexible Working\) Act 2023](#), and associated regulations,^{vi} cover flexible working.

Since **April 2024**, employees have been able to make a statutory request to make permanent changes to their contract related to flexible working **from their first day of employment**.^{vii} There is also general duty on the employer to deal with an application in a reasonable manner.^{viii} Employers can only refuse the request on certain grounds set out in legislation.^{ix}

What the Bill would do (Part 1, clause 9)

Under **clause 9 of the Bill**, the employer would only be allowed to refuse a request under a particular statutory ground where **reasonable** to do so.

v [Employment Rights Act 1996](#), Part 8A and section 47E.

vi The Flexible Working Regulations 2014 SI 2014/1398, as amended by the Flexible Working (Amendment) Regulations 2023 SI 2023/1328.

vii The Flexible Working Regulations 2014 SI 2014/1398, as amended by the Flexible Working (Amendment) Regulations 2023 SI 2023/1328.

viii [Employment Rights Act 1996](#), section 80G(1)(a).

ix [Employment Rights Act 1996](#), section 80G(1)(b).

Clause 9 would also require an employer to **explain to employees the ground(s) on which it has denied a request**.

Statutory sick pay

Clauses 10 and 11 of the Bill would make changes to **statutory sick pay (SSP)**.

SSP is the basic minimum statutory payment to which qualifying employees are entitled for periods where they are incapable for work because of an illness.

As well as their briefings on the Bill,^{20 4} researchers at the House of Commons Library have published a briefing called **Statutory Sick Pay** (dated 20 August 2024).²⁵

Background

The right to **statutory sick pay (SSP)** is set out in the **Social Security Contributions and Benefits Act 1992** and in associated regulations.^x

SSP is currently paid at a rate of £118.75 per week. It is paid to employees who earn over a **lower earnings limit (LEL)**, that is an average of **£123 a week**.

At present, SSP is not paid for the **first three qualifying days**. These are called **waiting days**. Employees will typically be paid SSP from their fourth day of absence from work.

Contractual sick pay

SSP is not to be confused with **contractual sick pay**, also called **occupational sick pay** or **company sick pay**, which some employers offer employees. Contractual sick pay is typically more generous than SSP, for example, in terms of the rates of pay offered or the period of time for which the sick pay is payable.

The Bill would have no direct effect on contractual sick pay. However, under contractual sick pay, an employee must not receive less than their minimum statutory entitlement under SSP. Accordingly, certain employers might have to revisit their policies on contractual sick pay as a result of changes to SSP.

What the Bill would do (Part 1, clauses 10-11)

Clause 10 of the Bill would remove the **three-day qualifying period** relating to SSP, so that it would be paid from the first day of absence from work due to illness or injury.

Clause 11 of the Bill would remove the requirement to earn the **lower earnings limit (LEL)** to qualify for SSP.

^x The Statutory Sick Pay (General) Regulations 1982 SI 1982/894.

Clause 11 of the Bill would also **change the rate of SSP**. Instead of eligible employees being paid the flat rate of SSP ([as discussed earlier](#), **£118.75 per week**), they would instead either receive the **flat rate** or a **percentage of their weekly earnings**, whichever is lower.

The Bill originally said that the relevant percentage of weekly earnings would be set, and could be varied, by secondary legislation. However, following [a UK Government consultation](#),¹² the Bill was amended at the Commons report stage to set the relevant percentage referred to above at **80% of their weekly earnings (clause 11)**.

Tips, gratuities and service charges

Clause 14 of the Bill covers employers' policies on tips, gratuities and service charges.

Tips and **gratuities** are spontaneous payments offered by the customer.

Traditionally a **tip** was left by cash and a **gratuity** by a card payment, however, now they are usually viewed as one in the same.

A **service charge** is an amount added to a customer's bill before it is presented to them, often a percentage.

Background

In 2015, [media reports](#) highlighted [unfair tipping practices](#) by [major restaurant chains and other hospitality outlets](#), where tips were deducted before being passed to workers. This sparked [calls for reform](#) to ensure employers [pass on all tips and service charges in full](#).²⁰

The then UK government held a [consultation](#) in 2015 and [proposed further reforms in 2016](#).^{26 27} In 2018, [the government announced plans to legislate against tip deductions](#), including these proposals in the Employment Bill mentioned in [the December 2019 Queen's Speech](#). However, the Employment Bill was not introduced. During the COVID-19 pandemic, there were renewed calls for reform due to a decline in cash tips and broader financial challenges in the hospitality sector.²⁰

Employment (Allocation of Tips) Act 2023

The [Employment \(Allocation of Tips\) Act 2023](#) ('the 2023 Act'), introduced as a private member's bill, amended the [Employment Rights Act 1996](#) by adding Part 2B.

Part 2B imposes several obligations on employers:

1. **Payment of tips:** Employers must ensure all tips, gratuities, and service charges they control are paid to workers in full without deductions by the end of the following month.
2. **Fair distribution:** Employers must ensure fair arrangements for distributing tips among workers, whether done directly or via a tronc system ([an organised pay arrangement system](#) managed by someone known as a **troncmaster**).

3. **Written policy:** Employers are required to maintain a written policy outlining how tips are handled in their business.
4. **Code of practice:** UK Ministers are empowered to introduce a code of practice for the fair and transparent distribution of tips. This [code was published on 29 July 2024](#) and came into force on 1 October 2024, alongside the 2023 Act.

What the Bill would do (Part 1, clause 14)

Clause 14 of the Bill would introduce new requirements for employers relating to their written tipping and gratuity policy. These include the requirement to consult with employee representatives before producing their policy, as well as a requirement to review the policy every **three years**.

Family-related entitlements to leave

Clauses 15-18 of the Bill would amend various family-related entitlements to leave:

- **Clauses 15-17**, which would make changes to **paternity leave**, **ordinary parental leave** and, to a limited extent, **shared parental leave**, are all explained in this section of the briefing
- **Clause 18**, which would make changes to **bereavement leave**, is [discussed separately in a later section of the briefing](#).

Background

This section of the briefing explains the three types of **family-related leave** which would be reformed by **clauses 15-17 of the Bill**, including the current law which applies to them.

The law relating to all three types of leave is currently set out in the 1996 Act and associated secondary legislation.^{xi}

Contractual family-friendly entitlements

Separate from the statutory family-friendly entitlements, note that an employer might offer family-friendly entitlements to employees under their employment contracts, typically on more generous terms and conditions than the statutory entitlements.

Contractual entitlements are not directly affected by the Bill. However, the law says contractual entitlements must not be less generous than statutory entitlements. Accordingly, certain employers might have to revisit their policies on existing contractual entitlements as a result of changes to the statutory entitlements.

xi Employment Rights Act 1996, Part VIII; The Paternity and Adoption Leave Regulations 2002 (SI 2002/2788), Part 2, as amended, most recently by the The Paternity Leave (Amendment) Regulations 2024 (SI 2024/32); Maternity and Parental Leave etc. Regulations 1999, SI 1999/3312, Part 3; Shared Parental Leave Regulations 2014 (SI 2014/3050).

Paternity leave

Paternity leave allows employees to spend time with a new child and support their partner. [It is available to a range of employees](#), including fathers, same-sex partners, and [those who become parents through surrogacy or adoption](#).

To qualify, an employee must have worked for the same employer for at least 26 weeks at the end of the qualifying week, which varies for births and adoptions.^{xii}

Eligible employees can choose to take either one or two weeks of paternity leave.

Ordinary parental leave

At present, an employee with at least **one year's continuous service** may be eligible for **unpaid parental leave**, sometimes called **ordinary parental leave**, in respect of their child.

[This could be used by such an employee, for example, to:](#)

- spend more time with their child
- look at new schools
- settle a child into new childcare arrangements
- spend more time with family, such as visiting grandparents.

Eligible employees can take up to **18 weeks of unpaid parental leave** for each child, which can be used anytime **up to the child's 18th birthday**. This leave can be taken in one-week blocks, with a maximum of four weeks per year.

Ordinary parental leave is different from **shared parental leave**, which is a separate entitlement for parents during the first year after a child is born or adopted. [More details on this are provided in the next section](#).

Shared parental leave

Eligible parents who are sharing responsibility for a child can get [shared parental leave](#) (SPL) in the **first year** after the birth or adoption of their child.

SPL aims to give more choice in how two parents can care for their child. Eligible parents can choose to be off together or to stagger their leave.

Broadly, how much shared parental leave eligible parents get depends on how much maternity leave the birth parent has taken or adoption leave the primary adopter has taken.

At present, it is **not** possible for [an eligible parent to take paternity leave](#) after taking **shared parental leave**.^{xiii}

xii Paternity and Adoption Leave Regulations 2002 SI 2002/2788, regs 4 and 8.

What the Bill would do (Part 1, clauses 15-17)

Clause 15 of the Bill would remove [the current qualifying period of one year's continuous service with one employer related to ordinary parental leave](#).

Clause 16 of the Bill would likewise remove [the current qualifying period of 26 weeks' continuous service with one employer relating to paternity leave](#).

Employees would be eligible for these rights from **the first day of their employment** with a particular employer.

Clause 17 of the Bill would make it possible for the first time to [take paternity leave](#) after [taking shared parental leave](#).

Neonatal care leave

Separately, in January 2025, [the UK Government announced](#) the commencement of the [Neonatal Care \(Leave and Pay\) Act in 2023](#) on **6 April 2025**.

This Act provides leave and pay for parents of babies admitted to neonatal care within 28 days of birth, with a continuous hospital stay of at least seven days.

Eligible parents can take up to 12 weeks of leave (and pay, if eligible) in addition to other leave entitlements (such as maternity leave and [paternity leave](#)).

Neonatal care leave is available from day one of employment, while pay requires a qualifying period with the same employer.

Bereavement leave

Clause 18 of the Bill would make changes to bereavement leave.

Background

The [Employment Rights Act 1996](#),^{xiii} as amended by the [Parental Bereavement \(Leave and Pay\) Act 2018](#) along with associated regulations^{xv} contains entitlements to [parental bereavement leave and pay](#).

These entitlements currently apply where **a child dies before they reach the age of 18**, or where someone had **a stillbirth after 24 weeks of pregnancy**.

The leave and pay are available to employees who are the child's parents. In the case of pay, [the parent must also meet further conditions](#), including a qualifying period of employment with the same employer.

xiii [Employment Rights Act 1996](#), section 80A and 80B.

xiv [Employment Rights Act 1996](#), section 80EA.

xv [Parental Bereavement Leave Regulations 2020 \(SI 2020/249\)](#) and the [Statutory Parental Bereavement Pay \(General\) Regulations 2020 \(SI 2020/233\)](#).

What the Bill would do (Part 1, clause 18)

Clause 18 of the Bill would, through a requirement to make regulations, expand eligibility for bereavement leave. It would be available to employees when anyone dies with whom they have a **specified relationship**. What qualifies for that purpose would be later defined in regulations.

In relation to leave associated with the death of a person other than a child, regulations would also set the duration of leave and when the leave can be taken.

While eligibility for bereavement leave would be expanded, there is no equivalent proposal to expand eligibility for parental bereavement pay.

As noted earlier, following a [report by a UK Parliament select committee](#),¹⁰ the UK Government said recently that it would aim to amend the Bill in future to extend eligibility for bereavement leave to those who miscarry during a pregnancy.

Protection from harassment

Clauses 19-22 of the Bill cover various issues relating to the protection of staff from harassment. The main provisions are discussed in this section of the briefing.

Background

The law in this area is currently set out in [the Equality Act 2010](#) ('the 2010 Act') as amended, most recently by [the Worker Protection \(Amendment of Equality Act 2010\) Act 2023](#) ('the 2023 Act'). The changes associated with the 2023 Act came into force on **26 October 2024**.

The existing law is a fairly complex legislative picture.

Employers: duty not to harass staff

Section 40 of the 2010 Act prohibits employers from harassing their staff, or applicants for a job with that employer.

Section 26 of the Act defines **harassment** covered by the Act as "unwanted conduct" which violates a person's dignity or creates an "intimidating, hostile, degrading, humiliating or offensive environment." The conduct must also fall into **one of three categories**:

- unwanted conduct related to a [protected characteristic](#), for example, the person's race or a disability
- unwanted conduct of a sexual nature
- unfavourable treatment due to submitting to or rejecting "unwanted conduct of a sexual nature or that is related to gender reassignment or sex".

The last two categories are usually described as **sexual harassment**, as opposed to more general harassment related to other [protected characteristics](#).²⁰

Employers: vicarious liability

Section 109 of the 2010 Act is an important provision. This says that an employer may be **vicariously liable**, that is, liable for the wrongs committed by another person. Specifically, an employer can be vicariously liable for harassment carried out by its employees.

This vicarious liability of an employer applies unless the employer took **all reasonable steps** to prevent it.

Employers: duty to prevent sexual harassment

Section 40A of the 2010 Act, inserted by the 2023 Act, went further and introduced a **positive duty** on employers to take “reasonable steps” to prevent sexual harassment of their employees “in the course of their employment.”

The section 40A duty does extend to sexual harassment by third parties, such as customers and clients of the employer.

However, significantly, section 40A does not create a legal liability enabling a free-standing legal claim against an employer because the employer has failed to prevent sexual harassment by a third party.

The 2023 Act (at section 3) does provide for the possibility of an uplift (that is, a percentage increase) in the compensation which can be awarded in sexual harassment cases if sexual harassment is, to any extent, established. If, in these circumstances, the employment tribunal also finds that the employer's duty under section 40A has been breached, then the tribunal may order an uplift in the compensation awarded in respect of the sexual harassment claim.²⁰

Employers: no duty where staff are harassed by third parties

As alluded to earlier in the context of sexual harassment, under the current law, employers are **not** legally liable - in a way that can be enforced as a free-standing legal claim - where staff are harassed by **third parties** outside of the employer's direct control, such as by customers, clients or suppliers.^{xvi 28 20}

What the Bill would do (Part 1, clauses 19-22)

Clause 19 of the Bill would amend section 40A of [the Equality Act 2010](#).

As noted earlier, section 40A sets out the positive duty of employers to take “reasonable steps” to prevent sexual harassment of employees.

Clause 19 of the Bill would strengthen the duty, to make it one on employers to take “**all**

xvi [Enterprise and Regulatory Reform Act 2013](#), section 65, repealing section 40(2)-(4) of the [Equality Act 2010](#).

reasonable steps” to prevent such harassment.

Related to clause 19, **clause 21 of the Bill** would create a power for a UK Minister to make **regulations**. These can specify particular steps that employers may be required to make to comply with the duty to take “all reasonable steps” to prevent sexual harassment of employees.

Another significant provision on harassment is **clause 20 of the Bill**. Clause 20 of the Bill, [by way of amendment to the 2010 Act](#), would introduce a specific legal obligation on employers not to permit harassment (related to sex or any other [protected characteristic](#)) of their employees by **third parties**, such as customers, suppliers or clients of the employer. The employer is legally liable unless they took **all reasonable steps** to prevent the harassment.

Finally, **clause 22 of the Bill** would make a change to the law on **whistleblowing**.

Whistleblowing enables a worker to qualify for protection where they disclose information which they reasonably believe is in the public interest.

The information must relate to a failure of a person or an organisation, including an employer, falling into certain categories listed under statute (a **protected disclosure**).^{xvii}

Where a worker makes a protected disclosure, the worker will have legal remedies if they experience detriment or, if they are an employee, are [unfairly dismissed](#), as a result of their disclosure.

Clause 22 of the Bill adds sexual harassment to the relevant failures for the purposes of a protected disclosure.

Unfair dismissal

In certain situations, an employee may be able to take legal action if they are dismissed by an employer. One such situation is if the employee is **unfairly dismissed**.

Clause 23 of the Bill would make changes to the law relating to unfair dismissal.

Background

The current law on unfair dismissal is set out in Part X of the [Employment Rights Act 1996](#) ('the 1996 Act') and other legislation.

How long must an employee have worked for an employer in order to be protected?

In most circumstances, a key requirement is that employees currently need to have worked for their employer for **at least two years** to be protected from unfair dismissal.^{xviii} It

^{xvii} [Employment Rights Act 1996](#), Part IVA.

^{xviii} [Employment Rights Act 1996](#), section 108(1), as amended by the Unfair Dismissal and Statement of Reasons for

is this period of qualifying service that is the focus of **clause 23 of the Bill**.

The length of continuous service - a historical perspective

Note that the length of continuous service required to claim unfair dismissal has changed a number of times since the introduction of the law relating to unfair dismissal in 1971.^{xix} In particular, the required length of continuous service changed several times between 1971 and 1985, from two years, to six months, to one year, then back to two years.²⁰

In 1999, under the then Labour government, it was reduced again to one year.^{xx} In 2012, under the Conservative/Liberal Democrat coalition government, it was once again increased to two years.^{20 xxi}

While the general requirement is for two years' qualifying service, certain categories of dismissal are regarded as so inherently bad in policy terms they are treated as **automatically unfair dismissals**.

Employees are protected from an automatic unfair dismissal from the point they start a job.

The law on automatically unfair dismissals is relevant in relation to **clause 26 of the Bill** on fire and rehire, [considered later in the briefing](#).

Both [unfair dismissals after a qualifying period of service](#) and [automatically unfair dismissals](#) are now described in more detail.

Unfair dismissal: the general law

[Assuming the employee has two year's qualifying service with their employer](#), unfair dismissal occurs where an employer cannot show that the reason for dismissal is one of the “fair” ones provided for in the 1996 Act.^{xxii} These are where the principal reason for the dismissal is:

- related to the capability or qualifications of the employee to perform their job
- related to the conduct of the employee
- because the employee is redundant
- because the employee cannot continue to work without contravening the law, or

Dismissal (Variation of Qualifying Period) Order 2012 (SI 20212/289).

xix Industrial Relations Act 1971, section 28 (now repealed).

xx [Employment Rights Act 1996](#), section 108(1), as amended by the Unfair Dismissal and Statement of Reasons for Dismissal (Variation of Qualifying Period) Order (SI 1999/1436) (now repealed).

xxi Unfair Dismissal and Statement of Reasons for Dismissal (Variation of Qualifying Period) Order 2012 (SI 20212/289).

xxii [Employment Rights Act 1996](#), section 98.

- for “some other substantial reason” which justifies the dismissal.

Once an employer has demonstrated that a dismissal is for one of the fair reasons, they must also show that they acted **reasonably in the circumstances** and followed a **fair procedure**.

Automatically unfair dismissal

As explained earlier, some dismissals are classified as **automatically unfair dismissals**, both in Part X of the 1996 Act and in other legislation.

For example, it is an automatically unfair to be dismissed for:

- trying to assert a statutory right, such as [making a flexible working request](#) ^{xxiii}
- grounds relating to [trade union membership or activities](#) ^{xxiv}
- taking action on a health and safety issue ^{xxv}
- something which constitutes discrimination under the [the Equality Act 2010](#).

See [the ACAS guidance on unfair dismissals](#) for a more comprehensive list of reasons for dismissal which are automatically unfair.

As noted earlier, employees are protected from an automatic unfair dismissal from day one of their employment.

In the context of an automatically unfair dismissal, an [employment tribunal](#) does not have to consider whether the employer acted reasonably or not before awarding compensation.

What the Bill would do (Part 1, clause 23 and schedule 3)

Clause 23 of the Bill, together with **schedule 3**, would remove the current two-year qualifying period in the law of unfair dismissal.

However, there would be exceptions, including for employees who have not yet started work, and, significantly, for dismissals during an **initial period of employment**. This initial period is referred to by the UK Government in [Next Steps policy paper accompanying the bill](#) as a **probationary period**. ⁹

The length of the initial period of employment, and the different test which would apply during that time, is to be set by regulations. However, the UK Government has suggested **nine months** might be appropriate. ⁹

xxiii [Employment Rights Act 1996](#), section 104C.

xxiv [Employment Rights Act 1996](#), section 104 and 104F; [Trade Union and Labour Relations \(Consolidation\) Act 1992](#), sections 68, 86, 145A, 145B, 146, 152, 168, 168A, 169 and 170.

xxv [Employment Rights Act 1996](#), section 100.

Following amendments [at the Commons committee stage](#), UK Ministers are empowered in the Bill to make regulations capping the maximum compensation which can be awarded by an [employment tribunal](#) to an employee during the probationary period.^{xxvi}

The UK Government has said that the reforms of unfair dismissal will take effect **no sooner than autumn 2026**.⁹

Fire and rehire

Clause 26 of the Bill relates to the practice of **fire and rehire**, also called **dismissal and re-engagement**.

This is when an employer dismisses an employee and offers to hire another employee to do essentially the same job, or to rehire the employee in question on new terms. The new terms are usually more favourable toward the employer.

Background

Fire and rehire is typically used when it has not been possible for the employer to vary the terms of the contract by agreement.²⁰

The practice is not currently unlawful in and of itself. However, as it does involve dismissal, [the employer might face claims for unfair dismissal](#).²⁰

If there are sufficient numbers of employees involved, the employer will also have a legal duty to undertake **collective redundancy consultations** first ([see later in the briefing on this](#)).²⁰

Note that, as well as its briefings on the Bill,^{20 4} in 2022, the House of Commons Library also published [a specific briefing on fire and rehire practices](#).²⁹

What the Bill would do (Part 1, clause 26)

[As mentioned earlier](#), employees have protection from certain **automatically unfair dismissals** from day one of their employment.

Clause 26 of the Bill would add a new section to the 1996 Act, creating **a new type of automatically unfair dismissal** related to fire and rehire practices.

xxvi [Employment Rights Bill](#), clause 10 and schedule 2, para 4.

Specifically, the dismissal would be automatically unfair if the reason for the dismissal is either of the following reasons:

- an employer tried to vary an employment contract and the employee did not agree
- the employer aims to employ someone else, or rehire the employee, on a varied contract, to carry out substantially the same duties as the employee carried out before the dismissal.

Significantly, there is also a **proposed exemption** set out in **clause 26 of the Bill**.

Here the dismissal would not be automatically unfair if the employer can show that the variation of contract was because of "financial difficulties" that would affect its ability to carry on the business. Furthermore, the employer could not have "reasonably avoided" making the variation.

If the exemption applies, the employer would still have to show that the dismissal was fair, according to the normal tests for unfair dismissal [discussed earlier](#), and additional factors proposed in the Bill.

Various factors are proposed in the Bill which would have to be considered in deciding whether the dismissal is fair or unfair. For example, one relevant factor is any consultation carried out with the employee about varying their contract of employment.

There is also a power for UK Ministers to specify additional factors by way of secondary legislation.

On 21 October 2024, the UK Government [published a consultation](#) (now closed) ¹¹ on topics including strengthening the legal remedies against the abuse of rules on fire and rehire.

On 4 March 2025, the UK Government said that it had decided not to progress the part of the proposals relating to fire and rehire at this stage but that it would keep the situation under review. ¹⁵

Collective redundancies

Redundancy is a form of dismissal from employment where the employer needs to reduce the workforce or where the job an employee does is no longer necessary.

Clauses 27-29 of the Bill covers **collective redundancies**, broadly, where an employer proposes to make **20 or more employees** redundant **within ninety days or less**.

Background

Collective redundancies are currently dealt with by the [Trade Union and Labour Relations \(Consolidation\) Act 1992](#) ('the 1992 Act') and associated regulations.^{xxvii}

The law says that a proposed collective redundancy must trigger a consultation (a **collective consultation**) about the proposals with recognised trade unions or employee representatives.

How far in advance the consultation must start depends on the number of employees affected by the proposals.

As noted earlier in the briefing, to qualify as a collective redundancy in the first place, the employer must propose to make 20 or more employees redundant within 90 days or less. Under the 1992 Act, these employees must come from the same **establishment**.

The Woolworths case (2015)

How the number of affected employees should be counted when a business is spread over multiple geographical locations was the subject of litigation in a case usually known as [the Woolworths case \(2015\)](#).³⁰

The relevant employment tribunal took the view that each Woolworths store was a separate establishment in the circumstances of the individual case. This meant there was no requirement to do a collective consultation where an individual store was proposing to make less than 20 employees redundant.

The employment appeal tribunal, on the other hand, had disagreed with the employment tribunal's approach, and found an incompatibility between the wording of the domestic legislation and the relevant EU Directive in this regard.

The matter was ultimately referred by the Court of Appeal to [the European Court of Justice](#) (ECJ). The ECJ concluded that the original employment tribunal's approach was permissible in EU law.

What the Bill would do (Part 2, clauses 27-29)

Clauses 27 and 28 of the Bill would [make changes to the law on collective redundancies affecting businesses operating from more than one location](#).

Clause 29 of the Bill would [make a change relating to maritime shipping](#).

Clause 27: collective redundancies: businesses operating from more than one location

Clause 27 of the Bill is a policy response to the impact of the Woolworths case, [described earlier in the briefing](#). Clause 27 says that whether a [collective consultation](#) is required in a redundancy situation will be determined by reference to the number of people affected across the business as a whole, rather than the number of people affected at each establishment.

xxvii [Trade Union and Labour Relations \(Consolidation\) Act 1992](#), sections 188-198; Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations SI 1995/2587; Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations SI 1999/1925; Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations SI 2014/16.

As well as affecting employers who run their operations across multiple sites, [the UK Government has said that](#) the proposed change should provide clarity relating to employees who work remotely. At present, it may be somewhat unclear how the term 'establishment' applies to them.

The Bill was amended [at the Commons report stage](#) to enable the UK Government to make regulations to specify, among other things, the number of affected employees to be treated as the threshold number triggering a collective consultation. The threshold number cannot be lower than 20 employees but it may be higher.

Failure to comply with the consultation requirements associated with collective redundancies currently can result in an employee raising a claim [before an employment tribunal](#) for a **protective award**. This is payable from employer to affected employee(s).

The award is currently capped at up to **90 days' uncapped pay** for each affected employee. Following [a UK Government consultation](#),¹¹ the Bill was amended at report stage (inserting clause 28) so that the maximum level of award would be raised to **180 days' uncapped pay**.

Clause 29: maritime shipping

Clause 29 of the Bill would change the law on collective redundancies as it applies to shipping, with a particular focus on the operators of ships registered outside Great Britain (GB).

Since 2018, there has been a statutory requirement to requirement to notify the authorities of **the country where the ship is registered** of plans for collective redundancies.^{xxviii}

Clause 29 of the Bill would impose an additional requirement on operators providing regular services between ports in GB, or from ports in GB to overseas ports regularly. They would also have to **notify the UK Government of what is planned**.

This proposed change follows [the high-profile redundancies of around 800 workers by P & O Ferries without consultation in 2022](#).³¹

See [the associated UK Government press release dated 9 October 2024](#) on what is now clause 29 of the Bill.

Fair working and equality

This part of the briefing covers clause 31 and clause 32 of the Bill.

xxviii [Trade Union and Labour Relations \(Consolidation\) Act 1992](#), section 193A, as inserted by the The Seafarers (Transnational Information and Consultation, Collective Redundancies and Insolvency Miscellaneous Amendments) Regulations 2018 (SI 2018/26).

Background

The aim of these clauses is to:

- introduce Equality Action Plans, setting out how to address gender pay gap issues and support employees going through the menopause
- strengthen gender pay gap reporting to reflect outsourced workers.

However, where these clauses have been extended to public authorities, they only apply to English public authorities, and not Scottish or Welsh public authorities.

This is likely due to powers available to Scottish and Welsh Ministers under the Public Sector Equality Duty in the Equality Act 2010, although such information has not been provided by the UK Government.

What the Bill would do (Part 2, clauses 30-32)

Clause 30 provides a power to create regulations that would require certain employers to:

- develop and publish an Equality Action Plan showing the steps that the employers are taking in relation to their employees with regard to prescribed matters related to gender equality, and
- publish prescribed information relating to the plan.

The matters related to gender equality include:

- addressing the gender pay gap, and
- supporting employees going through menopause.

This will only apply to:

- employers with 250 employees or more
- certain public authorities - those that are listed in [Part 1 and 4 of Schedule 19 in the Equality Act 2010](#). Part 1 and 4 list English and cross-border public authorities. Parts 2 and 3 list Welsh and Scottish public authorities, respectively.

This means that if the power is used to require employers to publish a gender equality action, Scottish public authorities will not be required to do so.

The Scottish Parliamentary Corporate Body will be subject to the regulations because it comes under Part 1 of Schedule 19 in the Equality Act 2010, as does the National Assembly for Wales Commission.

It is unclear why Scottish and Welsh public authorities have been excluded from this provision.

Most public authorities in Scotland are currently required to follow the Scottish-specific Public Sector Equality Duty, this includes duties to publish gender pay gap information and statements on equal pay. There is no requirement to "support employees going through

menopause." Scottish public authorities with 20 staff or more must currently publish:

- the percentage difference between men's average hourly pay (excluding overtime) and women's average hourly pay (excluding overtime) every two years
- their policy on equal pay
- information on occupational segregation - where people with the same protected characteristics mostly work at particular pay grades or in particular occupations.

The equal pay policy and occupational segregation information must include detail about:

- women and men
- disabled and non-disabled people
- people who are from ethnic minority groups and those who are not.

While the Scottish Government has undertaken a [review of the Scottish-specific Public Sector Equality Duty](#), with plans to update the regulations in April 2025, there are no plans to introduce a requirement for public authorities to support employees going through menopause.

The EHRC provides [guidance on the Scottish-specific Public Sector Equality Duty](#), and the Scottish Government has been [reviewing the duty](#). The [Equalities, Human Rights and Civil Justice Committee is conducting an inquiry](#) on the Scottish Government's review of the duty.

Clause 31 would amend [section 78 of the Equality Act 2010](#) regarding gender pay gap information.

Section 78 of the 2010 Act includes a power to create regulations requiring private and voluntary sector employers to publish gender pay gap information, and sets out what may be prescribed. The [Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) requires employers with at least 250 employees to publish annual information to show whether there is a difference in the average pay of their male and female employees.

Clause 32 of the Bill would allow for the regulations on gender pay gap information to require private and voluntary sector employers with at least 250 employees in Great Britain to publish information about the service providers that they contract with for outsourced services.

Clause 32 also applies to [section 153](#) and [section 154](#) of the Equality Act 2010. These two sections are concerned with the general Public Sector Equality Duty (general PSED) at [section 149](#). The general PSED requires public authorities, and any organisation carrying out functions of a public nature, to consider the needs of protected groups, for example, when delivering services and in employment practices.

Section 153 of the Equality Act 2010 gives Ministers in England, Wales and Scotland the power to impose 'specific duties' through regulations. The specific duties are legal requirements designed to help public authorities meet the general duty. Each administration has developed the duty differently.

Section 154 is similar; it allows UK Ministers to impose specific duties on cross-border authorities.

Clause 32 would allow for regulations "to require public authorities in England to publish information about the service providers they contract with for outsourced services".³² Again, it does not extend to Scottish, or Welsh, public authorities.

What do these provisions mean for Scotland?

Public authorities in Scotland have been excluded from these two clauses. There has been no information from the UK Government to explain this rationale.

According to both the EHRC³³ and Scottish Government officials³⁴, it is the position of the UK Government that similar changes can be achieved through the Scottish-specific Public Sector Equality Duty.

The Minister for Equalities, Kaukab Stewart MSP, has written to UK Ministers requesting that they put forward an amendment to the Bill to give Scottish Ministers the same powers as are being proposed to be taken by UK Ministers. The aim would be to avoid any future difficulties which might result in devolved nations unintentionally diverging on pay gap reporting practices.³⁴

Pay and conditions in particular sectors

Part 3 of the Bill, covering pay and conditions in particular sectors, did not extend to Scotland in the Bill as introduced. However, [as noted earlier](#), **chapters 2 and 3** of Part 3 and **schedule 5** - all added to the Bill during the Bill's passage through the House of Commons - apply to Scotland.

Background

A key policy focus of Part 3 of the Bill is on **sectoral bargaining**. This is where the aim is to reach a collective agreement on pay and other terms and conditions that cover all workers in a particular sector.

This can be contrasted with collective bargaining with a particular employer, [discussed in more detail later in relation to Part 4 of the Bill](#).

In the UK today most collective bargaining, where recognised trade unions exist, takes place at the level of an individual business, rather than the sector level. This is in contrast to the practice in many European countries such as Germany, Italy or Norway where sectoral bargaining is more common.²⁰

That said, in Scotland, sectoral bargaining is already somewhat more common than in England and Wales.²⁰

[As noted earlier in the briefing](#), a growing policy concern in recent years has been the employment conditions of seafarers. The [Seafarers Wages Act 2023](#) which came into force in **December 2024**, requires most ferry operators to pay their seafarers with regular UK port calls at least the equivalent of the UK national minimum wage.

What the Bill would do (Part 3, clauses 36-54 and schedule 5)

Chapter 2 of Part 3 of the Bill, specifically clause 36, enables Scottish Ministers, with the agreement of the UK Secretary of State, to establish a new statutory negotiating body for the social care sector, called the **Social Care Negotiating Body for Scotland**.

Equivalent arrangements are also set out in clause 36 for an equivalent negotiating body for England, as well as a separate negotiating body for Wales.

Each of these bodies will be made up of relevant employer and worker representatives, including officials of trade unions representing the interests of social care workers, as well as other appointed members.

This framework will allow for agreements to set out matters relating to pay and other terms for relevant social care workers, which the Secretary of State, Scottish Ministers, or Welsh Ministers will have the power to ratify through regulations. If ratified, pay and terms for eligible workers will be set in accordance with the agreement.

Chapter 3 of Part 3 of the Bill and schedule 5 also aim to improve pay and conditions for **seafarers**.

Clause 53 of the Bill introduces **schedule 5**, which would amend the [Seafarers' Wages Act 2023](#) to support the overall policy aim. Under the amended Act, the UK Government would have powers to set higher employment and welfare conditions for seafarers with regular UK port calls on pay, hours of work and rest and wider conditions.

Clause 54 of the Bill enables regulations to be made giving effect to certain international conventions on seafarers. Specifically, clause 54 of the Bill would amend the [Merchant Shipping Act 1995](#) to allow the UK Secretary of State to make regulations giving effect to the [Maritime Labour Convention, 2006](#) and the [Work in Fishing Convention, 2007](#).

Trade unions and industrial relations

Part 4 of the Bill covers trade unions and industrial action.

Background

To help with the understanding of Part 4, this section of the briefing introduces [key features of the current system associated with trade unions and industrial relations](#), as well as [relevant legislation](#).

Note that, as well as its briefings on the Bill, ^{20 4} the House of Commons Library also published [a briefing on trade unions and industrial relations](#) in January 2024. ³⁵

Key features of the current system

Trade unions are primarily funded by their members and there are restrictions on both their collection and spending of funds.

One of the primary functions of trade unions is to represent the workforce in negotiations with employers over issues such as pay, terms and conditions or redundancies. This process is called **collective bargaining**.

To collectively bargain on behalf of a particular group of workers, unions need to be **recognised by the employer**. This can be by voluntary agreement, or unions can apply for statutory recognition if agreement cannot be reached.

A public official known as [the Certification Officer](#) (CO) is the primary regulator of trade unions and their functions include overseeing a public register of trade unions. The CO also determines whether a trade union is 'independent' of control by any employers and, if so, issues **certificates of independence** accordingly.³⁵

The [Central Arbitration Committee](#) (CAC) is an independent tribunal with statutory powers to resolve certain types of collective disputes in Great Britain, specifically around the statutory recognition of trade unions and the disclosure of information to trade unions.³⁵

Industrial action is the withdrawal of labour as part of industrial dispute. A total stoppage of work is known as a **strike**, but other kinds of industrial action short of a strike are also possible. For example, another form is **work to rule**, a form of protest in which employees do exactly what is stated in their contracts, and nothing more.

Trade unions have to comply with certain statutory requirements relating to strikes and other forms of industrial action.

Blacklisting is the practice of compiling information on individuals concerning their trade union membership and activities. This is with a view to that information being used by employers or employment agencies to discriminate in relation to recruitment or treatment.

Blacklisting is covered in more detail in [a House of Commons research briefing on the topic](#) from 2017.³⁶

Legislation

Most trade union law is contained in the [Trade Union and Labour Relations \(Consolidation\) Act 1992](#) ('the 1992 Act') which consolidated a large amount of prior trade union legislation.

The 1992 Act has been amended a number of times, most recently and significantly by the [Trade Union Act 2016](#) ('the 2016 Act').

The 2016 Act introduced a range of measures, including new restrictions on industrial action and on unions' finances and administration. It granted new powers to [the Certification Officer](#) who, [as noted earlier](#), is the public official who acts as the primary regulator of trade unions.

The [Strikes \(Minimum Service Levels\) Act 2023](#) ('the 2023 Act') is another important piece of recent legislation.

The 2023 Act and associated regulations^{xxix} created a framework allowing the government

to set minimum service levels during strikes in several key sectors, for example, in ambulance services and in fire and rescue services.

The minimum service levels mean workers can then be required to work during industrial action in order to provide that service. **In practice, the legislation has not been used to date by employers.**

Separately, the Employment Relations Act 1999 (Blacklists) Regulations 2010, made under section 3 of the [Employment Relations Act 1999](#) ('the 1999 Act'), prohibit the compilation, use, sale or supply of [trade union blacklists](#).^{xxx}

What the Bill would do (Part 4 and schedule 6)

Clause 55 of the Bill would amend the 1992 Act so that employers would be required at the point someone starts work to give them a **written statement** advising that they have the right to join a trade union.

This new statement would have to be supplied at the same time as the employer gives the **statement of employment particulars** under the 1996 Act.^{xxxi} This, in turn, is a document describing the main conditions of a person's employment.

Clause 56 of the Bill introduces a new procedure for a trade union to follow in order to gain access to workplaces. Since the Bill was amended [at the Commons committee stage](#), this procedure would only be available for trade unions with a **certificate of independence** relating to [their independence from the employer in question](#).

This new procedure may, after negotiations with an employer - or, in some circumstances, a determination by [the Central Arbitration Committee](#) - enable the trade union to enter into an **access agreement** with that employer.

The access would be for **various specified purposes**. These include recruiting workers to a union, or representing them in individual disputes, or negotiating with employers on general issues affecting workers (such as pay, hours or holidays) through [collective bargaining](#). However, the Bill states that access by a union cannot be for the purpose of organising strike action.

In a change made [at the Commons committee stage](#), parts of workplaces used as private dwellings for people to live in are excluded from the scope of the right of access.

Clause 57 of the Bill, introduces **schedule 6** of the Bill. Schedule 6 would amend the conditions which must be satisfied for [a trade union to be recognised](#), to make the recognition process easier and guard against the risk of unfair practices by the employer.

xxix The Strikes (Minimum Service Levels: Passenger Railway Services) Regulations 2023 (SI 2023/1335); The Strikes (Minimum Service Levels: NHS Ambulance Services and the NHS Patient Transport Service) Regulations 2023 (SI 2023/1343); The Strikes (Minimum Service Levels: Border Security) Regulations 2023 (SI 2023/1353); The Strikes (Minimum Service Levels: Fire and Rescue Services) (England) Regulations (SI 2024/417).

xxx Employment Relations Act 1999 (Blacklists) Regulations 2010 (SI 2010/493).

xxxi [Employment Rights Act 1996](#), Part 1, sections 1-7B.

This would include both changes to the conditions associated with the process of voluntary recognition by employers and the process associated with statutory recognition (where voluntary agreement has not been possible).

Clause 64 of the Bill would strengthen existing protections from [blacklisting](#).

For example, clause 64 would amend section 3 of the 1999 Act to extend prohibitions to lists which are not prepared for the purposes of discrimination, but are subsequently used for that.

The [Explanatory Notes to the Bill](#) (para 1384) say that secondary legislation can then be made which will ensure that when AI compiles a list, and that list is subsequently used, sold or supplied by a person with a view to discriminate, the list becomes a prohibited list at that point.

Clause 73 of the Bill would amend Part V (Industrial Action) of the 1992 Act to widen protections for workers from detriment as a result of taking industrial action.

The 2016 Act and the 2023 Act to be repealed

Significantly, **clause 75 of the Bill** will repeal most of the measures introduced in the 2016 Act. It will also repeal the 2023 Act.

[As explained earlier](#), the 2016 Act and the 2023 Act are key pieces of recent legislation affecting trade unions and the right to take industrial action.

Enforcement of employment rights

Part 5 of the Bill, in conjunction with **schedules 7-11**, is the main part of the Bill which deals with the enforcement of employment rights.

Part 2 of the Bill and **Part 6 of the Bill**, along with **schedule 12**, also contain some relevant provisions.

These areas of the Bill are explored in this section of the briefing.

Background

Currently, there are two major frameworks for enforcement of employment rights in the UK:

1. most employment rights can only be enforced by individuals [bringing claims to an employment tribunal](#), or sometimes, as an alternative, before the civil courts, against their employer
2. certain rights are enforced by government departments and other public bodies on behalf of the state.

Bringing a claim before an employment tribunal

In more detail, [a claim can be made before an employment tribunal](#) if an employee thinks they have been treated unlawfully at work by their employer, potential employer or trade union.

There are **strict time limits** to making a claim before an employment tribunal, with very few exceptions. These are:

- three months for most claims
- six months for claims about statutory redundancy pay or equal pay.

An employment tribunal can extend the three month deadline, but this happens rarely and only where it is fair to both sides.

Employment rights which are enforced by the state

[As noted earlier](#), certain employment rights are enforced by government departments and other public bodies on behalf of the state. Table 1 below provides more details.

Table 1: Current state enforcement arrangements

Name of body	Remit and functions
Gangmasters and Labour Abuse Authority (GLAA)	This authority covers labour exploitation. It oversees licensing for sectors at high risk of bad practices. See the GLAA's webpage on how the body operates in Scotland .
Employment Agencies Standards Inspectorate (EAS)	This body covers regulations relating to employment agencies and employment businesses. An employment agency is one that provides staff to an employer on a temporary basis. The staff are directly employed by, and paid by, that employer. An employment business supplies or seconds staff to an employer but retains responsibility for employing and paying those staff itself.
His Majesty's Revenue and Customs (HMRC)	HMRC has enforcement powers for arrears relating to the National Minimum Wage , on behalf of the Department for Business and Trade , and Statutory Sick Pay , on behalf of the Department for Work and Pensions .
Health and Safety Executive (HSE)	HSE is responsible for workplace health and safety, with enforcement powers for higher risk sectors, such as the construction industry and in factories. Note however that the arrangements for prosecution of relevant offences is significantly different in Scotland, compared to England and Wales. See the webpage on the HSE in Scotland and the HSE's Enforcement Guide (Scotland) .
The Employment Tribunals Financial Penalties team at the Department of Business and Trade .	Enforces the UK Government's financial penalty scheme for unpaid employment tribunal awards. An employee can apply to this free scheme in order that an employer can receive a fine where that employer has not paid the employee after a successful claim against that employer at an employment tribunal.

In relation to Table 1, note that a **gangmaster** is an individual or business that provides workers for certain types of work set out in the [Gangmasters \(Licensing\) Act 2004](#).^{xxxii}

Broadly, relevant work under the 2004 Act includes agricultural work; gathering shellfish; and processing or packaging produce associated with the agricultural or shellfish industries.

In 2019, [the UK Government consulted on creating a single enforcement agency for employment rights](#),³⁷ based on recommendations from [the Taylor Review \(2016-17\)](#) and [the UK Government's Good Work plan \(2018\)](#).^{38 39} The consultation aimed to maintain the two-tier enforcement system, where individuals enforce some rights through employment tribunals and a public body enforces others.

In 2021, the government confirmed its intention to establish this agency,⁴⁰ but it was not created before the end of the 2019-2024 parliamentary session.

What the Bill would do (Parts 2, 5 and 6, schedules 7-12)

The key policy idea underpinning **Part 5 of the Bill** is the creation of a new enforcement agency known as the **Fair Work Agency**.

This would bring together existing public enforcement functions, including those relating to:

- regulations for employment agencies and employment businesses (currently enforced by the [Employment Agencies Standards Inspectorate](#))
- the penalty scheme for employment tribunal awards which have not been paid by an employer (this scheme is currently enforced by [the Department for Business and Trade](#))
- obligations associated with the National Minimum Wage ([currently enforced by HMRC on behalf of the Department for Business and Trade](#))
- obligations relating to [Statutory Sick Pay](#) ([also currently enforced by HMRC, but on behalf of the Department of Work and Pensions](#))
- the licensing regime for businesses operating as [gangmasters](#) in certain sectors (currently enforced by the [Gangmasters and Labour Abuse Authority](#), a body to be abolished under the Bill).

The Fair Work Agency will also incorporate a wider range of statutory employment rights, [such as holiday pay](#).

[As noted earlier](#), an **umbrella company** is a business often used by recruitment agencies to pay temporary workers. The [Employment Agency Standards Inspectorate](#) currently cannot act against non-compliant umbrella companies because they are not covered by

xxxii [Gangmasters \(Licensing\) Act 2004](#), section 3.

existing legislation. **Clause 34 of the Bill** (in Part 2) aims to amend [the Employment Agencies Act 1973](#) to include umbrella companies, allowing for their regulation and enforcement by the Inspectorate and, in the future, the Fair Work Agency.

The Bill introduced changes to [the enforcement of individual employment rights before employment tribunals](#):

- [As noted earlier](#), the time limit for bringing claims would be extended from three months to six months for most types of claims (Part 6, clause 149 and schedule 12).
- A new clause allows the UK Government or a delegated public authority to enforce a claim before an employment tribunal, including in Scotland, if a worker chooses not to pursue it (Part 5, clause 113).
- Another clause permits, but does not require, the UK Government (or a delegated public authority) to provide legal assistance in employment-related legal proceedings, including in Scotland (Part 5, clause 114).

On the last bullet point, legal assistance includes legal advice, legal representation in proceedings and "any other form of assistance."^{xxxiii}

xxxiii [Employment Rights Bill](#), clause 114(2).

Beyond the Bill

Certain policy ideas, [some of which attracted considerable media attention prior to the Bill's introduction](#), ultimately did not make it into the Bill. [However, the UK Government's current intention is that some of them will form part of future reforms](#). Not all of these will require legislation.^{3 9}

First, the UK Government says it will introduce **a new statutory code of practice** relating to what originally might have been a legally enforceable **right to switch off**. The policy aim of the code of practice is to discourage employers from contacting employees out of hours, save in exceptional circumstances.⁹

The Government is also proposing [a draft Equality \(Race and Disability\) Bill](#) this UK parliamentary session. This legislation would, among other things, make it mandatory for large employers to report their ethnicity and disability pay gap.⁹ On 18 March 2025, the UK Government published [its consultation](#) on this topic. The consultation will remain open until 10 June 2025.⁴¹

Furthermore, at present, whether someone has key employment rights, or the full extent of those rights, depends on three definitions - whether someone is an [employee](#), a [worker](#) or [a self-employed person](#). The UK Government hopes to move towards a single status of **worker** and transition towards a simpler two-part framework for employment status.⁹

In addition to [the provisions in the Bill on parental leave](#), the UK Government also plans to conduct a full review of the effectiveness of [the parental leave system](#), considering it not currently fit for purpose.

The UK Government also proposes to review the implementation of [carer's leave](#).^{xxxiv} Carer's leave is unpaid at present. It covers caring for dependants with several types of care needs, such as those associated with a disability or the person's old age. As part of the review, the UK Government plans to:

“ examine all the benefits of introducing paid carer’s leave, while being mindful of the impact of any changes on employers, particularly small employers”

UK Government, 2024⁹

Suggestions for further reading

The UK Government has published and regularly updated associated [factsheets on the Bill](#).^{2 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 22}

The [Explanatory Notes to the Bill as brought from the House of Commons](#) provide a useful update to the Bill as amended in the House of Commons.⁶¹ In addition, on 20 March 2025, the research service in the House of Lords [published a briefing on the Bill as it was brought from the Commons](#).⁶

For a more in-depth policy overview of the Bill than this SPICe Briefing provides, see [the briefing by SPICe's research colleagues at the House of Commons Library](#), dated 18 October 2024.²⁰ Note that this briefing was published shortly after the Bill's introduction.

Also very useful is a [further in-depth research briefing](#), taking account of the Bill as amended at [the Commons committee stage - but not at the Commons report stage](#) - published by the House of Commons Library on 12 February 2025.⁴

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