

The Employment Rights Bill: What the new amendments mean for employers

08 April 2025  Rachel Billen

The Employment Rights Bill (the Bill) is now with the House of Lords and has been through its First and Second Readings. At the end of April 2025, the committee stage of the Bill in the House of Lords will commence.

In October, we provided a brief overview of the key announcements in the proposed Bill, which represents the most significant overall of [employment law](#) for decades. The update can be read here: [Labour's employment law reforms: Employment Rights Bill unveiled](#).

A number of amendments are under consideration, which start to give more detail about the Bill's proposed changes, with the headline amendments being:

- The application of rights to those working under zero hours contracts to be extended to agency workers.
- Changes to the collective redundancy framework proposed in the Bill.
- New enforcement powers to be given to the newly created Fair Work Agency.
- The further extension of bereavement leave and statutory bereavement pay in cases of pre-24-week baby loss.
- Further changes to legislation around trade union action to create a Modern Framework for Industrial Relations.
- Clarification that the weekly rate of Statutory Sick Pay will now be the lower of £118.75 and 80% of an employee's weekly earnings.
- New changes to tackle non-compliance in the umbrella company market by bringing them within the scope of the rules applying to employment businesses, with responsibility for PAYE to fall to the recruitment agency, or in the absence of an agency, the end client.
- The widely discussed proposed right to disconnect or switch off has been dropped.

Whilst all these changes have implications for employers, the most notable amendments are:

Zero hours, low hours and agency workers

It is proposed that the rights given by the Bill to zero hours workers (to contracts with guaranteed hours based on an employee's previous work pattern, reasonable notice of shifts and compensation for changes to shifts) will be extended to agency workers, to prevent agency workers being used as a way to circumvent the rights being given to zero hours and "low hours" workers.

A further amendment provides that these provisions could be excluded via a relevant collective agreement between the employer and trade unions, incorporated into the contract. This change is seen as an acknowledgement of concerns raised by employers about the practicality of these rights.

In addition, new anti-avoidance measures have been proposed to the provisions relating to guaranteed hours, with a view to circumventing potential loopholes. These include the right to bring claims in the tribunal in relation to a guaranteed hours offer.

Collective redundancies

The Bill included provisions to ensure that the right to redundancy consultation was determined by the number of people impacted by the proposal, rather than those in just one establishment, significantly increasing the circumstances in which the right to collective consultation would have been triggered. In response to concerns raised by large employers operating over multiple sites, an amendment now provides that the obligation to collectively consult will apply where the proposal is to make redundant twenty or more employees at

one establishment or at least the “threshold number of employees”, which will be determined by future regulations. While more redundancy consultations are likely to trigger collective consultation, we are yet to know the exact numbers to trigger that obligation.

In addition, the amendments confirm the government’s intention to double the protective award (from 90 days’ pay to 180), available where there has been a failure to collectively consult. This means that tribunals will still have discretion to vary the payment to reflect the severity of the breach.

Proposals for payment of interim relief (i.e. where an employer is required to continue to pay an employee’s salary pending a tribunal hearing) in cases relating to collective redundancy and “fire and rehire” have been dropped.

The Fair Work Agency

The amendments set out further enforcement powers, including the issuing of a notice of underpayment to a party who has failed to pay a sum due (including sick pay and holiday pay), with shorter timescales for payment and increased penalties. Further, there is also the ability for the Secretary of State, presumably through the Fair Work Agency, to bring a tribunal claim in the place of a worker, if that worker has decided not to pursue a claim. The amendments also include the provisions of legal assistance in civil proceedings, in relation to any aspect of those proceedings. These steps are clearly intended to address any perceived imbalances in claims in favour of the employer.

What does this mean for employers?

Whilst the amendments announced here do give some additional detail about how the Bill will affect employers, there is still a great deal which is yet to be announced. Equally the details published to date may also change again before the Bill becomes law. Concessions to employers are minor, making clear the Government wishes to strengthen the rights of workers and employees further, despite potentially challenging economic times ahead.

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