



Employment law Change:

What's coming and when



Introduction

Employment law reform has been at the top of Labour's priorities since it assumed office in July 2024. Fast-forward a year, and we're nearing the end of the Bill's parliamentary sign-off, with the **statute book** set to be updated by Autumn 2025.

However, this doesn't mean every aspect of the revised Employment Rights Bill will land immediately. Instead, the government has published a helpful roadmap to help employers clarify what parts of the Bill will land and when. But there is a caveat. Many of the Bill's proposals remain subject to further consultation; some proposals may yet be dropped altogether.

Nevertheless, we recommend HR use the **government's roadmap** to best prepare for the biggest shake-up of employment law since the Employment Rights Act 1996. To get you started, please find our summary of the key issues and the anticipated timelines in the government's roadmap...



Employment Rights Bill roadmap

Day one unfair dismissal

Current: Under current Employment Law, employees can only pursue claims for unfair dismissal after two years.

Under consultation: Giving employees protection from unfair dismissal from day one.

Likely effects on HR: HR must give extra consideration to the absolute necessity of hiring right-first time.

Implementation: 2027

Fire and rehire 'ban'

Current: Generally speaking, fire-and-rehire is a termination of an employee's contract while offering reemployment on usually considerably less favourable terms.

Under consultation: A dismissal for failing to agree a contract variation will qualify as an unfair dismissal, with the only exception being if the contract variation was necessary for the survival of the business.

Likely impact on HR: If contractual changes are required to an employee's terms and conditions, HR must approach this through consultation and agreement with everyone involved.

Consultation period: Autumn 2025

Implementation: October 2026

Increased collective redundancy protective award

Current: Currently, any company proposing 20 or more redundancies within 90 days must go through a collective redundancy consultation.

Under consultation: Failure to comply with collective consultation requirements will result in a doubling of the protective award – to 180 days' gross uncapped pay from April 2026 - thus increasing the financial risks associated with falling foul of the rules.

Consultation period: Winter 2025/early 2026

Initial implementation: April 2026

Note: Thresholds for collective consultation will change, though not before 2027.

Employment Tribunal time limits extended

Current: Employment tribunal claims are currently limited to three months, minus one day from the date of the event the employee is complaining about.

Proposed change: The government wants to extend this to six months from October 2026. This particular change could be high impact – putting more pressure on an already overburdened system and elongating the time it takes to receive a judicial outcome.

Likely impact on HR: The extended time limits will increase periods of uncertainty for both employers and employees. In addition, because of the extended time limit, HR may have to deal with an increase in claims.

Implementation: October 2026

Sexual harassment

Current: There has been a duty on all employers to take reasonable steps to prevent sexual harassment since October 2024.

Proposed change: Under new government proposals, *reasonable steps* will be changed to ***all reasonable steps***. There will also be moves to reintroduce employer liability for third-party harassment.

Likely impact on HR:

From implementation, employers need to be aware...

- That they're responsible for the actions of their employees – known as *vicarious liability*
- There's likely to be a 25% uplift in compensation
- They'll be liable if they permit third-party harassment [unless they've taken all reasonable steps to prevent it]

Implementation: 2026



Zero-hour contracts

Current: Under zero-hour contracts, employees have no guaranteed hours, yet are required to work when called upon.

Under consultation: The following points are up for consideration...

- Workers have a right to guaranteed hours offer
- An offer of work must reflect the reference hours
- Workers be given a guaranteed hours contract
- Workers be given reasonable notice of shifts and cancellations
- For agency workers, the obligation to offer guaranteed hours will rest with the end user of the worker's services

Consultation period: Autumn 2025

Implementation: 2027



Simplifying Trade Union recognition

Current: 'While the thresholds introduced by the Trade Union Act 2016 had the effect of preventing industrial action from taking place – especially in the public sector – it didn't resolve the underlying disputes and grievances between workers and their employers.' CIPD

Proposed change: Labour proposes a repeal of the Trade Union Act 2016...

Notable changes:

- An employee's contract should state their right to join a union
- Trade Unions have the right to request access to the workplace from employers
- Increased union recognition
- Lower thresholds for strikes
- Reducing the notice period for strikes
- Extending the mandate period

Implementation: Various

Improving retention with continuous performance management

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