

What's coming up? Quarterly horizon scan

Topic	Summary	Timescale	What can you do to prepare?
Legislation on the statute books			
Neonatal care leave and pay	The legislation creates a statutory right to paid leave of between one and 12 weeks (in addition to other family leave) for a parent where their child has received, or is receiving, neonatal care.	This legislation will come into force on 6 April 2025 .	Familiarise yourself with the conditions a person wishing to take statutory neonatal care leave must satisfy. Make managers aware of this new right, as employees may need to take neonatal care leave at short notice. Consider if you wish to enhance the statutory level of neonatal care pay if you offer enhanced pay for other forms of family leave.
Paternity leave for bereaved parents	The legislation introduces a "day-one" statutory right to paternity leave of up to 52 weeks for a father or partner if the child's mother or adoptive parent dies. Employees who take bereavement paternity leave will be able to take keeping-in-touch days and separate regulations may provide enhanced redundancy protection during and on return from extended paternity leave.	There is not yet a date for this to come into force.	Once we have a date for the new right to come into effect, update your paternity leave policy to reflect it.
Pensions: automatic enrolment	Provides the Secretary of State with the power to reduce the lower age threshold for automatic enrolment into a pension scheme from 22 to 18.	There is not yet a date for this to come into force.	The government decided not to utilise the new powers for the 2024/25 tax year. Watch out for our updates on these provisions coming into force.
Employment Rights Bill proposals			
Bereavement leave	<p>The Bill would make bereavement leave available to all workers by adapting the existing parental bereavement leave regime to provide unpaid leave to all eligible bereaved people. The government would set out in secondary legislation the types of relationship to a deceased person that will qualify for bereavement leave.</p> <p>The Women and Equalities Committee recently recommended extending the existing parental bereavement leave and pay</p>	Likely to be 2026.	Nothing to do yet. In due course, you would need to update any policy covering bereavement leave, or consider introducing one, and ensure managers are aware of the new entitlement.

	entitlement to employees who experience pregnancy loss before 24 weeks. The Chair of that Committee has tabled amendments to the Bill that would implement such an extension, which would include miscarriage, ectopic and molar pregnancies, medical termination and unsuccessful IVF embryo transfer. Media reports have suggested the government will support these amendments.		
Day-one rights	<p>The Bill would make certain "basic" rights available from day one of employment, including:</p> <ul style="list-style-type: none"> • protection from "ordinary" unfair dismissal; • paternity leave; and • parental leave. <p>The government will consult on introducing a statutory probation period and has indicated that its preference is for this to last nine months. For more information, please see the "Unfair dismissal" entry below.</p> <p>The Bill will also make entitlement to statutory maternity pay, paternity leave and parental leave day-one rights.</p>	Likely to be 2026 and no earlier than autumn 2026 for the removal of the two-year qualifying period for unfair dismissal claims.	Be ready to update your policies if these changes come into effect. Consider if you wish to maintain a qualifying service entitlement for any enhanced maternity pay you offer and ensure you make this clear in your policy.
Fire and rehire	<p>The Bill would make it automatically unfair to dismiss an employee if the reason for dismissal is:</p> <ul style="list-style-type: none"> • that the employee did not agree to a variation of their contract; or • to enable the employer to employ another person, or re-engage the employee, under a varied contract of employment to carry out substantially the same duties as the employee carried out before their dismissal. <p>There would be an exception where the employer shows that the reason for the variation was to address financial difficulties</p>	Likely to be 2026.	<p>Nothing to do yet other than ensure you follow the existing code of practice on dismissal and re-engagement, which came into force in July 2024 (see first entry in the table above).</p> <p>If these provisions come into force, they would significantly restrict the circumstances in which an employer may dismiss and re-engage employees to those situations in which the viability of the business is under serious threat.</p>

	<p>that were affecting (or were likely to affect) the employer's ability to carry on the business as a going concern and the employer could not reasonably avoid the need to make the variation in the circumstances.</p> <p>The government consulted on removing the 90-day cap on protective awards, or increasing the cap to 180 days, if a tribunal finds that an employer did not follow the collective consultation process properly. The consultation also sought views on allowing employees to apply for interim relief where they have brought a claim for a protective award or a claim for unfair dismissal in a "fire and rehire" situation. After reviewing the consultation responses, the government has decided:</p> <ul style="list-style-type: none"> • that the most proportionate and balanced approach is to double the cap to 180 days' pay; and • not to introduce a right to interim relief in these circumstances. <p>It plans to update the statutory Code of Practice on dismissal and re-engagement (the Code) to reflect the new provisions of the Bill, if passed. The Code gives employment tribunals discretion to increase a protective award by up to 25% if the employer unreasonably fails to comply with its provisions. With the planned increase in the cap on protective awards to 180 days' pay, this could result in an award of up to 225 days' pay in the most serious cases.</p> <p>An amendment would make it clear that employees who have not yet started work will not benefit from protection from this type of dismissal.</p>		
Flexible working	<p>The Bill contains provisions to make flexible working the default from day one by requiring an employer's refusal to be both from the list of specified grounds and to be reasonable. The employer would also have to explain in writing to the employee why their refusal is reasonable.</p>	Likely to be 2026.	<p>You would need to prepare to accommodate flexible working for all roles, except where it is not reasonably feasible. It might be helpful to carry out an audit of where flexibility already exists and consider how you can overcome any barriers to flexible working in particular roles.</p>

Gender pay gap	<p>The Bill would require employers with more than 250 employees to publish and implement an equality action plan showing the steps they are taking in relation to prescribed matters related to gender equality, which include addressing the gender pay gap and supporting employees through the menopause.</p> <p>Secondary legislation is likely to follow setting out various other requirements that an equality action plan must meet.</p>	Likely to be 2026.	<p>If you have or expect to have more than 250 employees and do not already have an action plan for closing your gender pay gap, you would need to work on putting one in place. Many employers already publish an action plan alongside their gender pay gap data and you may wish to consider publishing your plan before it becomes a legal requirement. It makes sense to start implementing your plan before you are required to do so.</p>
Harassment	<p>The Bill would re-introduce employer liability for harassment of employees by third parties.</p> <p>This provision covers harassment on the grounds of any relevant protected characteristic, not just sexual harassment. The relevant protected characteristics for the purposes of harassment are age, disability, gender reassignment, race, religion or belief, sex or sexual orientation. Harassment related to marriage and civil partnership, or pregnancy and maternity, is not covered, but harassment because of these protected characteristics is likely to give rise to a claim of harassment on the grounds of sex or sexual orientation.</p>	Likely to be 2026.	<p>Consider the risks of third parties harassing employees and take steps to mitigate those risks in advance of the new liability taking effect.</p> <p>If the prohibition on non-disclosure agreements preventing the disclosure of harassment comes into force, review the terms of any non-disclosure agreements you use.</p>
Holidays	<p>The government has introduced an amendment that would require employers to keep for six years adequate records to show that it complied with its workers' statutory entitlements to holiday and holiday pay.</p> <p>Failure to comply with this obligation would be a criminal offence.</p>	Likely to be 2026.	<p>Carry out an audit of your record-keeping and assess if you would need to keep additional records to fulfil this requirement.</p>
Maternity and other statutory family leave: dismissal protection	<p>The Bill would pave the way for enhanced protection against dismissal during pregnancy and for six months upon return from leave for workers on maternity leave and on return from other statutory family leave.</p>	Likely to be 2026.	<p>Nothing to do yet. If the new protection comes into force, you would need to ensure managers are aware of it. This protection against dismissal is wider than the enhanced protection introduced in April 2024, which covers redundancy situations only.</p>

Menopause	The Bill would require employers with more than 250 employees to produce an equality action plan (see the "Gender pay gap" entry above), which includes the steps they are taking to support employees going through the menopause.	Likely to be 2026.	You could consider preparing a menopause action plan now, ahead of it becoming a legal requirement.
Minimum service levels during industrial action	The Bill would repeal the legislation that allows employers in certain sectors to impose minimum service levels in the event of strikes.	Likely to be 2026.	The government has encouraged employers not to impose minimum service levels pending repeal of the legislation.
Parental leave	The Bill would make eligibility for statutory parental leave a day-one right.	Likely to be 2026.	You would need to update your policies and procedures in due course.
Paternity leave	The Bill would make eligibility for statutory paternity leave a day-one right and would allow employees to take paternity leave after taking shared parental leave.	Likely to be 2026.	You would need to update your policies and procedures in due course.
Redundancy	<p>The Bill initially required employers to consult collectively if the number of people impacted across the business meets the threshold, rather than treating each workplace separately. In response to feedback, the government now proposes that the trigger for consulting collectively will be either:</p> <ul style="list-style-type: none"> • 20 or more employees at one establishment; or • at least the "threshold number of employees". <p>The government would have the power to make regulations specifying the threshold number, which might be a particular number or could be a particular percentage of employees, or it could be calculated in some other way. No matter the method of calculation, the provision will stipulate that the threshold number must not be lower than 20 employees.</p>	Likely to be 2026.	Nothing to do yet. This would impact future redundancy exercises and is likely to mean that more proposals trigger an obligation to consult collectively.
Sexual harassment	The Bill would strengthen the new duty to take reasonable steps to prevent sexual harassment in the workplace by requiring employers to take all reasonable steps to prevent it.	Likely to be 2026.	The duty to take reasonable steps to prevent sexual harassment came into effect on 26 October 2024. For more information, see our recent insight and blogs . For now, you only have to show you have taken "reasonable steps", but

	It would also give the government the power to make regulations setting out what steps are to be regarded as "reasonable" for the purposes of this duty.		<p>this will change to taking "all reasonable steps" if these provisions in the Bill come into force.</p> <p>In the meantime, ensure you have taken reasonable steps to prevent sexual harassment in the workplace and pay particular attention to assessing the risk of sexual harassment by third parties so that you are well placed to defend any claims if the new liability for harassment by third parties takes effect.</p>
Sick pay	<p>The Bill would remove the lower earnings limit and three-day waiting period for SSP.</p> <p>The government consulted on what the percentage weekly rate of SSP should be for those who earn less than the current flat SSP rate. After publishing its response to that consultation, the government has introduced an amendment that would ensure that all employees receive the lower of the existing flat rate (£118.75 from 6 April 2025) and 80% of their normal weekly earnings.</p>	Likely to be 2026.	You would need to update your policies and procedures on sick pay to reflect the new requirements and ensure your payroll team is ready to implement them.
Single enforcement body	<p>The Bill would create a single enforcement body called the Fair Work Agency. The new body's role would be to ensure greater protection of workers' rights, with representation from trade unions and businesses to improve cooperation.</p> <p>Recent amendments to the Bill would give wide-ranging powers to the Fair Work Agency, which would be able to:</p> <ul style="list-style-type: none"> • pursue employers for underpayments of national minimum wage, holiday pay and sick pay, with potential financial penalties payable to the government in addition to the unpaid amount due to employees; • pursue employment tribunal claims on behalf of workers; and 	Likely to be 2026.	No action needed from employers. The Fair Work Agency would work with employers to provide support on employment law compliance.

	<ul style="list-style-type: none"> offer legal assistance for employment tribunal claims, with a losing employer potentially having to pay the Fair Work Agency's costs. 		
Social care for adults	The Bill would enable a framework for a Fair Pay Agreement process in the adult social care sector.	Likely to be 2026.	Nothing to do yet for employers in this sector. The government will consult on how the Fair Pay Agreement should work.
Tips and gratuities	<p>The Bill would require employers to consult with a recognised trade union or employee representatives (or affected workers if there is neither) before producing the first version of a written policy about the allocation of tips.</p> <p>It would require employers to review that policy at least once every three years.</p>	Likely to be 2026.	Nothing to do yet. Prepare to review your allocation of tips policy on a three-yearly basis if these provisions come into force.
Trade unions	<p>The government consulted on several of its proposals for a modern industrial relations framework. This has resulted in the government proposing some amendments to the Bill's original provisions. If the Bill passes in its amended form, the key provisions on industrial relations would:</p> <ul style="list-style-type: none"> remove the requirement for at least 40% of those entitled to vote in a ballot for industrial action in "important public services" to vote in favour of the action; simplify the information a trade union must provide in a notice of an industrial action ballot and a notice of industrial action; reduce the required period of notice before industrial action from 14 to 10 days; extend the period for which a ballot for industrial action is valid to 12 months (with no possibility of extension); 	Likely to be 2026.	<p>If you recognise a trade union, you would need to comply with the new right to reasonable access to workplaces and respect the new rights for equalities representatives if they come into force.</p> <p>All employers would need to update documentation for new joiners to inform them of their right to join a union and devise a process for reminding employees of this on a regular basis.</p>

	<ul style="list-style-type: none"> • introduce protection from detriment on the grounds of industrial action; • give trade unions a reasonable right to access workplaces, including by digital means as well as physical access, and put in place a framework for entering into an access agreement with an employer; • place a duty on employers to inform new employees of their right to join a union at the same time as providing their section 1 statement of conditions of employment and to remind employees on a regular basis; • give equalities representatives statutory rights to ensure they have adequate time to support colleagues facing discrimination or inequality and to contribute to changes in the workplace; and • require employers to provide accommodation and other reasonable facilities where requested by an employee granted time off to carry out trade union duties or as a union learning representative. 		
Tribunal time limits	One of the most significant amendment proposals would increase the time limit for lodging any tribunal claim from three months to six months.	Likely to be 2026.	No action required for employers but be aware that, if this proposal becomes law, employees will have much longer to lodge a tribunal claim.
Umbrella companies	The government has responded to the previous government's consultation on umbrella company market non-compliance. As a result, it has introduced an amendment to the Bill that would extend the regulation of employment businesses to cover umbrella companies.	Likely to be 2026.	No action required for employers.
Unfair dismissal	As set out above, the Bill would remove the two-year qualifying period for unfair dismissal claims so that protection from "ordinary" unfair dismissal becomes a day-one right.	No earlier than autumn 2026.	Review the probationary period clauses in your template employment contracts. Consider your process for assessing performance during a probationary period and put in place a/review your policy on this.

	<p>The government will consult on introducing a statutory probation period and has indicated that its preference is for this to last nine months. The Bill would allow the government to make regulations disapplying the "day-one" unfair dismissal protection during that statutory probation period where the reason for dismissal is capability, conduct, legal bar or some other substantial reason relating to the employee.</p> <p>The government will consult on a lighter touch process for businesses to follow before dismissing someone during the statutory probation period. It will also consult on what compensation should be available in successful claims.</p> <p>Employees who have not yet started work will not receive unfair dismissal protection.</p>		
Whistleblowing	<p>The Bill would provide employees who report sexual harassment with the same protections as other whistleblowers by specifying that a disclosure that sexual harassment has occurred, is occurring or is likely to occur, is a disclosure qualifying for protection.</p>	Likely to be 2026.	<p>You would need to train managers so that they are aware that employees who report sexual harassment benefit from the same protections as other whistleblowers. We recommend training should already be on this basis.</p>
Zero-hours contracts	<p>The Bill would introduce a right for workers on zero-hours or low-hours contracts to:</p> <ul style="list-style-type: none"> • a "guaranteed-hours" contract that reflects the employee's normal hours, based on a 12-week reference period; • reasonable notice of changes to shifts or working time; and • proportionate compensation for cancelled or curtailed shifts. <p>Workers would be able to bring tribunal claims in relation to breach of these rights and for detriment or unfair dismissal in relation to the operation of these rights.</p>	Likely to be 2026.	<p>If you use zero-hours contracts, you should carry out an audit of your existing practices and consider how you would manage these new rights. You should budget for providing proportionate compensation for cancelled or curtailed shifts and ensure managers are aware of these new rights.</p>

	<p>The government has consulted on how to apply these reforms effectively and appropriately to agency workers. It has decided to extend each of the above rights to agency workers to prevent employers using agency workers to get round these new rights. There would be some modifications to reflect the nature of agency work, including who is responsible for each of these rights:</p> <ul style="list-style-type: none"> • The obligation to provide a guaranteed hours offer to an agency worker will rest with the end hirer. • The agency and end hirer will be jointly responsible for providing reasonable notice of shifts. • Employment agencies will have responsibility for paying compensation for the short notice of cancelled or curtailed shifts, but they will be able to recoup the compensation from the end hirer in some circumstances. <p>The government has also introduced amendments containing anti-avoidance measures. A separate amendment would allow an employer to enter into a collective agreement with a recognised trade union to exclude these new rights.</p> <p>It also plans to consult on:</p> <ul style="list-style-type: none"> • how reference review periods should work so that, if a worker's regular hours increase over time, workers have the opportunity to reflect this in their contract; and • what constitutes "low hours" for each measure. 		
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Longer-term plans

Proposal	Further details/timescale
Call for Evidence on unpaid internships	To be published "in due course".
Working group on the use of secure electronic balloting for trade union statutory ballots	To be launched "in the coming months".
Right to switch off through a statutory Code of Practice	To be developed alongside the Employment Rights Bill's passage and beyond Royal Assent. Media reports have suggested this will not proceed.
Equality (Race and Disability) Bill, which would introduce mandatory ethnicity and disability pay gap reporting for large employers	Draft Bill to be published during this parliamentary session for pre-legislative scrutiny. The government will also consult prior to making secondary legislation to implement the reforms set out in this Bill.
Consultation on a single status of worker and a simpler two-part framework for employment status	Longer-term delivery.
Call for Evidence to examine a variety of issues relating to TUPE regulations and related processes	Longer-term delivery.
Consultation with Acas on enabling employees to raise collective grievances about conduct in their place of work	Longer-term delivery.
Review of health and safety guidance and regulations	Longer-term delivery.
Review of the parental leave and carers' leave systems	Longer-term delivery.