

The Rt Hon Liam Byrne MP
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Dear Liam,

It is with great pleasure that I write to you to inform you of the introduction of the Government's landmark Employment Rights Bill.

The Plan to Make Work Pay is part of this Government's pro-worker, pro-business agenda and sets out a significant and ambitious programme to ensure workplace rights are fit for a modern economy, empowering working people, and contributing to economic growth.

The Bill is the first phase of delivering our Plan to Make Work Pay, supporting employers, workers, and unions to get Britain moving forward. Alongside other planks of our modern supply side approach, including planning reform, kickstarting a skills revolution, a modern industrial strategy and a plan to tackle inactivity, the Bill will support the Government's strong commitment to increase productivity and create the right conditions for long-term sustainable, inclusive, and secure economic growth. This is a comprehensive Bill which, once implemented, will represent the biggest upgrade in employment rights for a generation. It will raise the minimum floor of employment rights, raise living standards across the country and provide better support for those businesses who are engaged in good practices.

Key measures included in the Bill from my Department include:

- Ensuring that all employees have the same basic '**Day one rights**' of employment, including protection against Unfair Dismissal (while allowing employers to operate probation periods), entitlement to Paternity Leave, and Parental Leave.
- Establishing **Bereavement Leave** and making **Flexible Working** the default.
- Banning exploitative **zero-hours contracts** by providing a right to a guaranteed-hours contract based on the hours worked regularly over a reference period; requiring reasonable notice of shifts; and proportionate compensation for late notice shift cancellation – addressing unfair one-sided flexibility.
- Ending **unscrupulous fire and rehire practices** by closing the loopholes which allow firms to engage in this unscrupulous practice.
- Building on the progress we have already made on fair pay by establishing powers to bring forward a **Fair Pay Agreement** in the adult social care sector.
- Bringing forward multiple measures to modernise **trade union** laws, including to protect workers from dismissal and blacklisting for trade union activity, ensuring

workers understand their right to join a trade union, and increasing their access to organise in the workplace. We will repeal the Strikes (Minimum Service Levels) Act 2023 and the Trade Union Act 2016, improving trade unions' rights, recognition, and ability to represent workers.

- Establishing the **Fair Work Agency**, transforming the enforcement of employment rights and protections.

The Bill also contains a number of measures that sit outside the remit of my Department, such as removing waiting days for Statutory Sick Pay and removing the Lower Earnings Limit (DWP); Gender Pay Gap reporting and Equality Action Plans (Equality Hub), and reinstating the Schools Support Staff Negotiating Body (DfE), and the Two-Tier Procurement Code (Cabinet Office).

The Government is committed to implementing our Plan to Make Work Pay in full. Not all of the commitments within the plan require primary legislation to implement; in many areas the Government has existing powers to deliver on commitments through secondary legislation and non-legislative means. In addition, the Government has been clear that some parts of the plan will take longer to develop and implement. In order to provide Parliament, workers and businesses with clarity on how the Government intends to deliver the plan, today we are publishing **Next Steps to Make Work Pay** (enclosed), which sets direction and give businesses and workers confidence in our long-term programme of work. Work is already underway to prepare consultations on several aspects of the plan.

Implementation of the Government's Plan to Make Work Pay will represent the biggest upgrade in employment rights for a generation. We are working hand in hand on these changes with business, unions and civil society in a spirit of partnership to get Britain moving again.

I would be happy to engage with the Committee further on the Bill and look forward to members' input and scrutiny as the legislation progresses.

Best wishes,



THE RT HON JONATHAN REYNOLDS MP
Secretary of State for Business & Trade and President of the Board of Trade