

Make Work Pay & Employment Rights Bill Tracker

The plan to Make Work Pay is a flagship programme of the Labour Government focusing in reforming the current employment rights landscape. The plan covers 7 key areas:

- Ending one-sided flexibility
- Fair Pay
- Voice at Work
- Enforcing rights at Work

- Family Friendly Rights
- Equality at Work
- Procurement

Future ERB Timeline (for a full overview see Annex 1):

29 April 2025	House of Lords Committee scheduled
11 June 2025	Consultation on mandatory ethnicity and disability pay gap closes

Spring 2025 Consultations on Flexible Working, Right to Switch Off, Zero Hour Contracts and Collective Redundancies expected to open

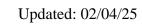
Autumn 2025 Consultations on secondary legislation expected to begin

Key FDF Messages on ERB

- Food and drink manufacturers provide good jobs and great careers for nearly half a million people across every region and nation of the UK, and we support 4.3 million jobs in the wider food supply chain.
- FDF members support the intent behind the government's 'Make Work Pay' plans to reform the labour market and remove exploitative labour market practices. We also recognise government's willingness to engage on some of the measures where businesses have concerns.
- However, while our members support the goals behind these policies, there are concerns about how the current approach and the unintended consequences that could damage growth, jobs and investment across food and drink manufacturing.
- Top priority measures we're tracking are:
 - Zero Hours Contracts specifically regarding low hours contracts and Guaranteed Hours Contracts.
 - o Collective Redundancy including the 'at one establishment' trigger and extension of the protective award.
 - o Industrial Relations concerns that government proposals could be weighted too heavily towards trade unions.
 - Establishment of the Fair Work Agency (FWA) this would combine three existing enforcement agencies, and while we support the broad aims there are concerns of over-reach and excessive punitive measures towards businesses who are inadvertently non-compliant.
 - Ethnicity and Disability Pay Gap reporting which is currently under consultation.
- Small consultations on **Flexible Working** and the **Right to Switch Off** are expected in the coming weeks, with more substantive consultations on **Zero Hour Contracts** and **Collective Redundancies** are expected later this Spring.



Below is a summary of measures that could impact FDF members with an overview of current risks as the measures are developing, through the Employment Rights Bills (ERB) and FDF's positions. For more detail on any of the below, please contact <u>Tanya</u>.





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	 Requirement for 5.6 weeks annual leave Correct pay for holiday pay Payment in lieu of annual leave on termination of employment. Records must be maintained for 6 years. 	Without additional resourcing to the Employment Tribunal system this could worsen the already overburdened system.
Collective Redundancy	Government consulted on Collective Redundancy in November 2024 as part of ERB Primary Legislation. Consultation included the following proposals:	Priority: High FDF's full response to the November 2024 consultation can be found here.
	 Remove 'at one establishment' language to trigger a collective redundancy (e.g. a company-wide consultation when more than 20 redundancies are made anywhere in the business – rather than the current law where this applies to a single site). Increase the protective award that a tribunal can award from 90 to 180 days which awards compensation via an employment tribunal where an employer did not consult with the worker before they were made redundant. March 2025 Amendments: The 'at one establishment' wording will be retained. However, a 2nd trigger for the duty to collectively consult will be introduced which may catch redundancies taking place across more than one establishment. HMG has suggested a percentage of the workforce trigger but will require further consultation under secondary legislation Maintained the proposal for the protective award to be increased to 180 days. 	 Government should retain 'at one establishment' as part of the trigger when considering collective redundancy thresholds. This could otherwise lead to permanent collective consultation for businesses and would add considerable burden to employers. Amendments Response: We are pleased that government has listened to business concerns related to the 'one establishment' language, however, greater clarity is on the 2nd trigger proposed in the amendments. FDF's Employment and Skills Group will consider the impact of a 2nd trigger for collective redundancy through percentage.
Fire & Rehire & Protective Award	Government consulted on Fire and Rehire in November 2024 as part of ERB Primary Legislation. Current policy:	Priority: Medium FDF's full response to the November 2024 consultation can be found here.



- Currently employers can use 'fire and rehire' where they have a sound business reason for seeking to change a contract of employment. However, there are examples of employers who use 'unscrupulous' tactics to put employees at a disadvantage with contract negotiations.
- In July 2024 a <u>Code of Practice on 'Fire and Rehire'</u> was published (created under the previous government)
- Under the plan to Make Work pay HMG's want to ensure employees have security in their pay and contract terms.

Consultation focused on:

- Increase of the Protective Award for employees who claim unfair dismissal through the Tribunal system, from 90 to 180 days.
- Whether an employee who makes a claim for unfair dismissal in a fire and re-hire scenario should be able to make an application for interim relief to the Employment Tribunal.

March 2025 Amendments:

- Interim relief will not be available where an employee brings a claim for automatic unfair dismissal in a 'fire and rehire' scenario. Will be under review for secondary legislation.
- No other changes to address business concerns.

FDF Position:

- As good employers, food and drink manufacturers support HMG's aim behind the measure, however it needs to also allow employers the flexibility to fire and rehire employees for genuine business reasons.
- Maintain the current 90-day cap for interim relief for unfair dismissal claims
- Implementation period of two full years after Royal Assent before measures become active.
- It is important that the employers' ability to re-engage an employee at a later date is not unintentionally prevented – for example, if someone has been dismissed due to business performance but can be re-hired as it improves.
- A level of flexibility on employer's practice, especially for SMEs, is crucial in ensuring productivity and growth.

FDF Position on Amendments:

- We support the move away from interim relief for an employee brings a claim for automatic unfair dismissal, but wary that much of the detail will still need to be worked out during Secondary Legislation.
- There are concerns about doubling the Protective Award and the impact this will have on members.

Day 1 Rights (protection from unfair dismissal)

Government is expected to address this under Secondary legislation.

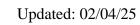
Current indication is government will push for:

- 9-month probation period
- Light touch process for fair dismissal during the probation period

Priority: Medium

FDF Position:

- Most members operate 3- or 6-month probation periods for new employees.
- Employers will need time to plan and restructure their probation systems in relation to the new regulations.



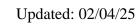


		 We welcome the opportunity to consult on this measure, in order to help determine what a 'light-touch' process will entail. Need more information on how this measure will interact with existing ACAS guidance to avoid a significant increase in legal liability for employers.
TUPE – Transfer of	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Undertakings		
Regulations	Little detail has been announced and expected as part of future	
	reviews beyond the ERB.	
Strengthen	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
protections for the		
self-employed	Little detail has been announced and expected as part of future	
	reviews beyond the ERB.	
Consult on single	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
status of worker		
	Government proposals are to move towards a single status for	
	'worker' as part of its Make Work Pay plan and a simpler two-	
	part framework for employer status	

Fair Pay		
Measure	Government Proposals	FDF Positions
Genuine National Living Wage	NOT COVERED by the Employment Rights Bill	Priority: Medium
	Will be addressed by the Low Pay Commission (LPC) as part of their annual review of National Living and Minimum Wages (NLW).	FDF responds annually to the LPC consultation on National Living and Minimum Wages and will feed in positions through our 2025 review response.
		 FDF Positions: The FDF advises consideration for maintaining pay differentials after employers have seen significant increases over the last three years. Since reaching the target of a 2/3rd median rate for the NLW in 2024, employers had prepared for stability in maintaining that target. There is a lack of clarity from the LPC as to what metrics will be used to consider 'cost of living' in the



calculation going forward and what effect that will have on rates. The current highly competitive retail environment means that profit margins for many food and drink manufacturers are tight, especially SMEs. **Statutory Sick Pay** Government consulted on SSP in November 2024 as part of the **Priority: Low** (SSP) ERB. **Key positions:** FDF is broadly supportive of government proposals and decided to The consultation focused on how and whether employers prioritise other areas and did **NOT** submit a response to this should support the costs of employees who are sick but not consultation. eligible for Statutory Sick Pay (SSP). • Waiting Period – Currently SSP is not payable for the **FDF Position:** first three qualifying days of a sickness absence, • Support the removal of the 3-day waiting period for SSP, with referred to as 'waiting days'. This can force employees the viewpoint that this would help to reduce presenteeism and to come to work when they are unwell, increasing the risk of longer-term sickness absence. presenteeism and reducing overall productivity. Given the increased liability for employers and the potential Lower Earnings Limit (LEL) – SSP is not currently during further consultation on this measure to increase the payable to those who earn less than the Lower Earnings rate at which SSP is paid, government should consider the Limit (currently £123 per week). There are currently added cost to small businesses. between 1 and 1.3 million individuals who earn below the LEL, and therefore do not have access to SSP. **Amendments Response: Government Proposals:** • While we continue to support the governments intent to raise • To introduce a taper to the current SSP rate: an SSP, we feel the 80% will add burden to SMEs who operate employee would be entitled to a certain percentage of under smaller margins and will struggle with the overall impact their average weekly earnings or the current SSP flat of the ERB on their businesses. rate (whichever is lower). We would request HGM consider creating an SME rebate (as Government considering a percentage rate ranging happened during the pandemic) to support both the businesses from 60% of earning to 80%. and employees. This rate will only affect people earning below a certain SSP is set to increase to £118.75 per week (from £116.75) as of amount per week. April 2025. March 2025 Amendments: • Following the earlier consultation, HGM announced that lower-wage employees (including those earning



	 below the lower earnings limit of £123) will be entitled to sick pay of 80% of their wages. This will be implemented following regulations, so is unlikely to come into force before 2026. These regulations will also include the removal of the 'waiting days' for SSP which will become payable from day one of absence. 	
Remove age-related bands (of the National Minimum Wage)	NOT COVERED by the Employment Rights Bill Will be addressed by the Low Pay Commission as part of their annual review of National Living and Minimum Wages	Priority: Low FDF Position: • Broadly supportive of the removal of the age bands for National Minimum Wage. FDF responds annual to the LPC consultation on National Living and Minimum Wages, will feed in positions through our 2025 review response.
Ban unpaid internships	NOT COVERED by the Employment Rights Bill	Priority: Low FDF Position: • We expect to support the government's ambition to ban unpaid internships but will be monitoring for further detail.
Paid travel time	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.

Voice at Work		
Measure	Government Proposals	FDF Positions
A Modern Framework	Government consulted on Industrial Relations in November	Priority: High
for Industrial	2024 as part of the ERB.	FDF's full response to the November 2024 consultation can be found
Relations		<u>here</u> .
	The consultation was seeking views on what obligations	
	between employers, workers and trade unions should look	FDF Positions:
	like and how they should operate in practice, as well as the	



role of the Central Arbitration Committee (CAC) in managing disputes.

- Simplifying the amount of information unions are required to provide in industrial action notices.
- Removing the 10-year ballot requirement on political funds.
- Securing a mandate for negotiation and dispute resolution.
- Extending the expiry of the strike mandate.
- Reducing the industrial action notice period.
- Updating the law on repudiation and prior call

March 2025 Amendments:

- The notice period for industrial action will drop down to 10 days (instead of proposed 7 days)
- Industrial action ballot mandate will be doubled from 6 to 12 months.
- Information requirements for industrial action ballots and notices to employers will be simplified (i.e. less onerous for unions)

- Government should retain the 14-day notice period for industrial action and retain the ballot mandate at 6-months
- The UK's international obligations to protect Freedom of Association need to be upheld by ensuring that collective representation is not imposed without the support of affected workers.
- Retain or reform measures that ensure that industrial action has the support of the workforce and not only a vocal minority.

FDF position on Amendments:

 FDF would prefer government keep the original 14-day notice period for industrial action but recognise the compromise to 10 days.

Strengthen TU Right to access

Government consulted on Industrial Relations in November 2024 as part of the ERB.

• The enforcement mechanism for right of access.

March 2025 Amendments:

- A fixed timeline agreement of access arrangements will be introduced with businesses required to respond to access requests within a set timeframe.
- A fast-track route will be introduced for template access arrangements.
- Right of trade union access will be extended to digital spaces in addition to physical access.

Priority: High

FDF's full response to the November 2024 consultation can be found here.

FDF position on Amendments:

- We would recommend government consider the overall impact of these proposals so that employees have fair access to union representation without feeling pressured.
- Extending trade union access to digital spaces could change this balance.



Simplify TU	Government consulted on Industrial Relations in November	Priority: High
recognition process	2024 as part of the ERB.	FDF's full response to the November 2024 consultation can be found
	 Strengthening provisions to prevent unfair practices during the trade union recognition process March 2025 Amendments: Removal of the 50% turnout threshold for strikes has been delayed. A separate commencement order will be required – no date has been communicated. New mechanism for unions to challenge a union voluntarily recognised by an employer that is not independent and for the independent union to apply for recognition. 	 FDF Positions: Government should reconsider the removal of the 50% support threshold for statutory recognition. FDF position on Amendments: FDF (alongside CBI) will push for the removal of the 50% turnout threshold for strike to be further amended, or not coming into force at all.
Workers informed of right to join a TU	Government consulted on Industrial Relations in November 2024 as part of the ERB. Taken from 'Employment Rights Bill Amendment Paper' - Every employee, worker and self-employed person has the right to join an independent trade union of his choice subject to its rules, and, to take part in the activities of an in dependent trade union at an appropriate time, subject only to its rules.	Priority: High FDF's full response to the November 2024 consultation can be found here. FDF Positions: • The UK's international obligations to protect Freedom of Association need to be upheld by ensuring that collective representation is not imposed without the support of affected workers. • Retain or reform measures that ensure that industrial action has the support of the workforce and not only a vocal minority.
Rights and protections for TU reps	Government consulted on Industrial Relations in November 2024 as part of the ERB. Deliver greater rights and protections for trade union reps to undertake their work and strengthen protections for trade union reps against unfair dismissal. March 2025 Amendments:	Priority: High FDF's full response to the November 2024 consultation can be found here. FDF Positions: • The UK's international obligations to protect Freedom of Association need to be upheld by ensuring that collective representation is not imposed without the support of affected workers.

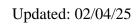


	 Extend protections to cover detriment in matters of career progression and would require employers to demonstrate they have not denied promotion to trade union representatives because of trade union activities. Employers would be required to have a policy in place to support career progression of employees who are trade union representatives. 	Retain or reform measures that ensure that industrial action has the support of the workforce and not only a vocal minority.
Action on blacklisting	Government is expected to address this under Secondary legislation.	
Electronic balloting	NOT COVERED by the Employment Rights Bill March 2025 Amendments: • The introduction of e-balloting will be aligned with removal of turnout thresholds.	Monitoring, pending further detail from government.
Right to TU representation for gig economy workers	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Simplifying industrial actions notices	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.

Enforcing Rights at Work		
Measure	Government Proposals	FDF Positions
Establish the Fair Work Agency	Government proposals set out in primary legislation include: • To establish a single enforcement body to enforce workers'	Priority: High
Work Agency	rights, consolidating the current fragmented and complex structure until a single executive agency. This new body would bring together four enforcement bodies: HMRC's National Minimum Wage enforcement function (HMRC NMW) Employment Agency Standards Inspectorate (EAS)	 FDF Positions: Welcome the continued independence of the Health and Safety Executive. More detail was announced during the March 2025 amendments including that the FWA could take forward tribunal cases on behalf of an employee (and when the employee has decline to take things further). Their intent is



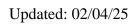
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	 Gangmasters Labour Abuse Authority GLAA) Director of Labour Markets (DLME) Through the ERB, the first phase of the Fair Work Agency will be delivered. Primary powers of the FWA would include: Powers to inspect workplaces and require employers to produce relevant documents and evidence to demonstrate compliance. A civil penalty regime (based on NMW Act 1998) to issue Notices of Underpayments where enforcement officers find the employers have underpaid their workers. Civil proceedings power to bring proceedings in the employment tribunal on a workers behalf. An enforcement regime in respect of labour market criminal offences (based on the Labour Market Enforcement regime in the Immigration Act 2016). Cost recovery – where the FWA can impose charges to recover enforcement costs from employers against whom enforcement action has been taken for non-compliance. 	 this power would help to tackle systematic non-compliance, however, could lead to over-reach and has raised concerns about HGM having this power. We would recommend that HMG ensure that employers have access to guidance and support from ACAS etc, and that there is a minimum 2-year implementation period before companies can be penalised for non-compliance. Broadly across these measures there is a concern around the ability for overreach from the FWA which CBI, Make UK and others are raising with HMG. Concerned that without additional resources or enforcement, this new body could take an overzealous and punitive approach and would urge government to consider how a more proportionate approach to enforcement can be ensured. There is also the risk that without correct resourcing this could add even more pressure onto the already overburdened tribunal system.
Safer workplaces – harassment and sexual harassment	Requirements for employers to implement clear policies, conduct risk assessments and provide staff training to prevent workplace harassment.	 Priority: Low FDF Position: We welcome government's ambition in this area, but would urge caution on the overall employment rights package will increase costs and burden to employers Without support and guidance to employers there is a risk of unintended non-compliance by businesses.
Employment Tribunal Time Limits	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Raising collective grievances to ACAS	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.





Safer workplaces – modernising guidance	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Safer workplaces – wellbeing and health	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.

	Family Friendly R	ights
Measure	Government Proposals	FDF Positions
Make flexible working the default	 Government proposals set out in primary legislation include: Flexible working established as a day-one right. Reforms to further limit an employer's ability to refuse a flexible working request. The onus will be on the employer to provide valid reasons why Expecting a government consultation imminently. 	 Priority: Medium FDF Positions: Most food and drink manufacturers now offer some form of flexible working. Important that employers retain the flexibility in circumstances where it is not possible to accommodate a flexible working request. Broadly supportive of the plan to maintain the existing eight businesses reasons for refusing a flexible request as it creates clear expectations for both sides. The current provisions however place sole burden on the employer for proving the grounds for refusal, creating an increased burden for businesses, especially SMEs.
'Day 1' unpaid parental leave and paternity leave	Government proposals set out in primary legislation include: 12 weeks of neonatal leave from day one of employment. Paternity leave eligibility will expand	Priority: Low
Dismissal protections for pregnant workers	 Government proposals set out in primary legislation include: Extension of the current provisions which set out that employees who are pregnant, on maternity leave, and for an 'additional protected period' after their return from maternity leave (currently 18 months) have preferential rights in the event of a redundancy. 	Priority: Low





	ERB is expected to extend these protections to include dismissals for any reason (not just redundancy).	
Bereavement leave	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Carer's leave review	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Parental leave review	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.
Right to switch off	Has been removed from the ERB – is expected to be published as a Code of Practice Expecting a government consultation imminently.	Monitoring, pending further detail from government.
Workplace surveillance technologies	NOT COVERED by the Employment Rights Bill	Monitoring, pending further detail from government.

Equality at Work		
Measure	Government Proposals	FDF Positions
Equal pay and gap reporting – ethnicity and disability	Proposals released in the <u>Cabinet Office consultation</u> on 18 March. The consultation will close on 11 June.	Currently under review and will be discussed at FDF's Employment and Skills Forum.
reporting, outsourced employment	 Ethnicity reporting proposals (HMG aims to align with gender pay gap reporting when possible): Mandatory for private and voluntary sector employers in England, Wales and Scotland Pay Gap Calculations based on: Mean and Median different in average hourly pay Pay quarters (percentage of employees in 4 equally sized groups by hourly pay) Mean and Median differences in bonus pay 	

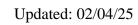


- Percentage of employees receiving bonus pay for the relevant protected characteristic.
- Employers would have to **report on**:
 - Overall breakdown of their workforce by ethnicity pay gap figures
 - Percentage of employees who did not disclose personal data on ethnicity
- Employers mandated to produce an **action plan** for ethnicity pay gap reporting.
- Dates and deadlines proposed in line with gender pay gap reporting:
 - o A 'snapshot date' of 5 April to collect pay data
 - Reporting due 12 months later (4 April the following year)
- **Enforcement** proposed to stay in line with gender pay gap reporting and go through the Equality and Human Rights Commission (EHRC).
- Collection of data proposed employers should use the <u>Government Statistic Service (GSS) ethnicity</u> harmonised standard
- Calculations should include as many of the GSS standard categories as possible. However, where there are less than 10 employees under a classification, then they should be grouped together for reporting to protect.
 - Employers with a smaller number of employees could use a binary classification system.

Disability reporting proposals (HMG aims to align with gender pay gap reporting when possible):

- Mandatory for private and voluntary sector employers in England, Wales and Scotland
- Pay Gap Calculations based on:
 - Mean and Median different in average hourly pay

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	 Pay quarters (percentage of employees in 4 equally sized groups by hourly pay) Mean and Median differences in bonus pay Percentage of employees receiving bonus pay for the relevant protected characteristic. Employers would have to report on: Overall breakdown of their workforce by disability pay gap figures Percentage of employees who did not disclose personal data on disability Employers mandated to produce an action plan for disability pay gap reporting. Dates and deadlines proposed in line with gender pay gap reporting: A 'snapshot date' of 5 April to collect pay data Reporting due 12 months later (4 April the following year) Enforcement proposed to stay in line with gender pay gap reporting and go through the Equality and Human Rights Commission (EHRC). Collection of data using a binary approach (i.e. disabled and non-disabled employees) rather than measuring across different impairment types. This would be based on the Equality Act 2010 definition of 'disability'. Calculations would also be based on the binary approach in line with collection of data. 	
Action plans – pay gap reporting & menopause for large employers	NOT COVERED BY the Employment Rights Bill (See box above for actions plans related to mandatory ethnicity and disability reporting.) Government proposed to introduce an Equality (Race and Disability) Bill which will cover these measures. Nothing has yet been announced.	Action plans under review and will be discussed at FDF's Employment and Skills Forum. Monitoring menopause reporting, pending further detail from government.





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Menopause guidance	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
	Government proposed to introduce an Equality (Race and	
	Disability) Bill which will cover these measures. Nothing has yet	
	been announced.	
Equal pay – enforcement	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
	Government proposed to introduce an Equality (Race and	
	Disability) Bill which will cover these measures. Nothing has yet	
	been announced.	
Terminal illness	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
	Government proposed to introduce an Equality (Race and	
	Disability) Bill which will cover these measures. Nothing has yet	
	been announced.	
Neurodiversity	NOT COVERED BY the Employment Rights Bill	Monitoring, pending further detail from government.
awareness		5.1
	Government proposed to introduce an Equality (Race and	
	Disability) Bill which will cover these measures. Nothing has yet	
	been announced.	

Annex 1:

Employment Rights Bill Timeline:

10 October 2024 Employment Rights Bill Laid in Parliament

21 October 2024 Consultations opened on 4 Primary Legislation areas: Zero Hours Contracts; Industrial Relations; Statutory Sick Pay; Collective

Redundancies and Fire & Rehire

1 November 2024 Business and Trade Committee (BTC) and the Public Bill Committee opened for evidence on the Employment Rights Bill

26 November 2024 Committee Stage begins

4 March 2025 ERB amendments published

11 March 2025 Report stage begins

18 March 2025 Equality (Race and Disability) Bill consultation on mandatory ethnicity and disability pay gap report opened

27 March 2025 Bill 2nd reading in House of Lords

29 April 2025 House of Lords Committee scheduled

April 2025 Small consultations on Flexible Working and Right to Switch off expected to open

May 2025 Consultations on Zero Hour Contracts and Collective Redundancies expected to open

11 June 2025 Consultation on mandatory ethnicity and disability pay gap closes

Autumn 2025 Consultations on secondary legislation expected to begin