

GIBSON DUNN



Labor & Employment Update

July 8, 2024

What Employers Can Expect in the UK under the New Labour Government

In the lead up to the election, the Labour Party proposed extensive reforms to UK employment law as part of “Labour’s Plan to Make Work Pay: Delivering A New Deal for Working People.” Legislation is expected to be put before Parliament within the first 100 days of the Labour Party’s entry into government.

On July 5, 2024, the Labour Party was announced to have won a substantial majority in the UK General Election that was held on July 4, 2024, marking an end to the Conservative Party’s 14 years in power. In the lead up to the election, the Labour Party proposed extensive reforms to UK employment law as part of “[Labour’s Plan to Make Work Pay: Delivering A New Deal for Working People](#)” (the “**New Deal**”), and legislation is expected to be put before Parliament within the first 100 days of the Labour Party’s entry into government. In this update, we outline these anticipated developments in UK employment law.

A brief overview of the potential developments which we believe will be of interest to our clients is provided below, with more detailed information on each topic available by clicking on the links.

1. Implementing Workforce Changes ([view details](#))

We summarise changes proposed to an employer’s ability to terminate employees who have acquired less than two years of service, as well as the impact on employers of proposed changes: (i) to the controversial practice of dismissing and re-hiring employees as a means of changing terms of employment; and (ii) designed to strengthen employee rights and protections in connection with both collective redundancy situations (lay-offs) and business transfers,

strategic sourcing transactions, and other transfers subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) (“**TUPE**”).

2. Enforcement of UK Employment Law ([view details](#))

We summarise proposed reforms to the practice of enforcing UK employment laws, including the establishment of a single enforcement body and the extension of the time limit for bringing the majority of employment claims before the Employment Tribunal. We also consider the potential new ability for employees to collectively raise grievances about their workplace with Advisory, Conciliation and Arbitration Service (“**ACAS**”).

3. Discrimination, Diversity, Equity and Inclusion ([view details](#))

We summarise the proposed new obligations on employers to address the gender pay gap, reduce workplace harassment, strengthen whistleblower rights, extend the gender pay gap regime to include race and disability, and carry out ethnicity and disability pay gap reporting. We also consider potential changes to family-friendly rights.

4. Working Arrangements ([view details](#))

We consider the proposed changes to an employer’s ability to engage workers on “zero hour” contracts, changes to national minimum wage (“**NMW**”) rates, and the introduction of fair pay agreements to the adult social care sector. We also summarise the potential new right for employees to disconnect from work outside of working hours, enhancements to the right to flexible working and the strengthening of trade unions.

5. Employment Status ([view details](#))

We consider the possible move away from the three-tier system of employee, worker and self-employed contractor that currently exists in the UK towards a simpler two-part framework of employment status, and the proposal to strengthen the rights and protections of the self-employed.

We will provide a further update once the Labour government publishes draft legislation implementing these changes. In the meantime, we will continue to work with our clients to navigate the changing employment landscape in the UK.

Please click below to view the complete Update and Appendix.

[Read More](#)

The following Gibson Dunn lawyers prepared this update: James A. Cox, Georgia Derbyshire, Olivia Sadler, and Finley Willits*.

Gibson Dunn lawyers are available to assist in addressing any questions you may have about these developments. Please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's Labor and Employment practice group, or the following authors in London:

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