

August 2024

Employment Newsletter

17 July saw the first State Opening of Parliament since Sir Keir Starmer became Prime Minister. On the day, King Charles III delivered "the King's Speech" outlining a series of measures and pieces of legislation that his new Government intend to drive through Parliament.

As expected, much of the King's speech focused on issues that had been included within the Labour Party manifesto for the recent General Election. In this Employment Newsletter, attention will be given to those aspects of the King's speech that relate to Employment and Skills. ECIA members might also be interested to hear what the speech said about Energy.



Employment

The King's speech referred to three pieces of forthcoming draft legislation in this area. The first of which is the, much-heralded, Employment Rights Bill, which the Government have pledged to lay before parliament within 100 days of taking office. The bill will include:

- A ban on exploitative zero-hours contracts.
- Extending Unfair Dismissal protection so that it starts from day 1 of employment and also provides new mothers with 6 month's protection after their return from maternity leave.
- Removing both the lower earnings threshold and the current waiting days on Statutory Sick Pay.
- Requiring employers to oblige flexible working requests, where reasonable, from day 1.



- Replacing the ACAS Code of Practice on "fire and rehire" as well as introducing effective remedies for affected employees.
- An enhancement of trade union rights including: scrapping minimum service levels during industrial action in specific sectors; reviewing current balloting requirements; and removing barriers to employees accessing unions in the workplace.

The King's speech referred to **the Equality (race and disability) Bill**, which will "enshrine full right to equal pay in law" by aiming to extend the right to make equal pay claims to disabled and ethnic minority employees.

Members interested in further detail around some of the areas in these Bills might wish to look at the previous edition of the Employment Newsletter which focused on the Labour Party manifesto.

The King's Speech also mentioned the **Pension Schemes Bill**, which will aim to support more than 15 million people with private sectors pensions to get better outcomes from their pensions assets at retirement, as well as support the Government's mission to drive growth. Though little detail was provided, the Bill will include: automatic consolidation of an individual's various small pension pots to maximise retirement income; the introduction of a test to ensure Defined Contribution schemes deliver value for money to their members; and requiring occupational pension scheme trustees to offer their scheme members retirement income options (i.e. a pension), not just a "pot" of savings. The speech suggested that the proposals in this bill will mean that the average earner will have at least £11,000 more in their pension pot at retirement, than they would under current arrangements.



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Skills

The King confirmed the Government's plans to reform the Apprenticeship Levy. Again, details were scant but it is thought the focus will be on raising educational standards, breaking down barriers to opportunity and engaging more with SMEs to ensure greater participation in apprenticeships. It may also permit some employer levy payments to be spent on non-apprentice training.

The speech also announced the formation of a new body, Skills England. The aim of the body will be to "bring together businesses, providers, unions, mayoral combined authorities and national government to ensure we have the highly trained workforce that England needs".



Energy

The King's speech also referred to a Bill (the **Great British Energy Bill**) being introduced to "set up Great British Energy (GBE), a publicly owned clean power company headquartered in Scotland, which will help accelerate investment in renewable energy such as offshore wind" and to "help the country achieve energy independence and unlock investment in energy infrastructure". The Bill will aim to: boost the UK's energy independence through deploying renewable energy generating capacity; create new jobs; lower energy bills for households; and at the same time tackle climate change.

Commentators are suggesting the Bill will allow GBE to begin investments and allow new Energy Secretary Ed Miliband to begin securing partnerships with the private sector.

It is hoped that ECIA Members may benefit from the additional work opportunities that may be delivered by this initiative.

