

# LABOUR'S PLAN TO MAKE WORK PAY

Delivering A New Deal for Working People



 Labour

Change



## Foreword: Modernising the world of work

**Under the Conservatives we have seen a lost decade when it comes to the world of work. Too many people are unable to get jobs you can raise a family on, while businesses are unable to retain the workers they need to grow.**

The Government has failed to get to grips with the challenges Britain faces or update employment protections so they are fit for the modern economy and ready for the future of work.

That failure has cost Britain's workers and businesses dearly, with more and more people

drawn into insecure work and good employers being undercut in an uneven playing field.

The Tories have taken Britain down the path of managed decline and overseen the worst strike disruption in decades. After years of chaos, the Tories have left behind a broken labour market and an economy marked by dire productivity, insecurity and low pay. They have attacked trade unions and disrespected business, creating a division and conflict that has harmed working people and the economy.

**It's time for change.**

Rather than division and decline, Labour will offer people the hope that comes from a long-term plan, working with employers and workers to get Britain moving forward. From now until polling day, we'll show how our plans will be turned into a reality benefiting those who contribute to our economy. We will bring in a new partnership with business and trade unions to turn the page on 14 years of failure.

Labour's New Deal for Working People is our plan to make work pay. It's how we'll boost wages, make work more secure and support working people to thrive – delivering a genuine living wage, banning exploitative zero hours contracts, and ending fire and rehire.

Labour will back working people to take their voice back, improve their terms and conditions and ensure protections at work are fit for the world today. While the Tories have failed to take on those who exploit Britain's workers, we'll deliver the biggest upgrade to rights at work for a generation.

Too much time has been lost already, so we will hit the ground running and introduce legislation within 100 days of entering government. We will consult fully with businesses, workers and civil society on how to put our plans into practice before legislation is passed.

As the party of working people, Labour is committed to creating jobs that provide security, treat workers fairly, and pay a decent wage. Our New Deal is core to our mission for growth, raising living standards in every part of the country. Because creating well-paid jobs across all parts of our country is what it takes to rebalance our country.

Modernising the world of work will raise standards and tackle undercutting, so businesses are empowered to compete in a race to the top.

By boosting incomes, ensuring workplace rights are fit for a modern economy and tackling insecure work, we'll increase productivity and create the right conditions for sustained economic growth.

We will also learn from countries around the world that are looking to boost worker voice in response to economic challenges. Economists across the board also recognise the vital role that workers' voices and unions have in delivering a strong economy and rising living standards.

Labour's New Deal will ensure more people stay in work, make work more family-friendly and improve living standards, putting more money in working people's pockets to spend, boosting economic growth, resilience and conditions for innovation. Stronger trade unions and collective bargaining will be key to tackling problems of insecurity, inequality, discrimination, poor enforcement and low pay.

The last Labour government lifted basic minimum rights in the workplace by introducing the National Minimum Wage, the 48-hour working week, 28-days paid holiday, parental leave, and greater protections from unfair dismissal. The Tories opposed every one of them.

But today they are the cornerstone of our working lives. Labour, working with businesses and trade unions, has transformed the world of work before, and we can do so again. A step change is needed in how working people exercise control over their working lives, and businesses need urgent action to address our nation's poor productivity.

These dual challenges require a Government that can face the future, empower working people and back businesses to modernise. It is clear only Labour can make Britain work for working people once again.

# Implementing our plan to make work pay

Labour's New Deal for Working People is a core part of our Mission to grow Britain's economy and raise living standards across the country. A Labour Government will need to hit the ground running. That is why we will introduce legislation in Parliament within 100 days of entering government.

Labour is pro-worker and pro-business, and we will work in partnership with trade unions and business to deliver our New Deal. That is why we are committed to following a proper parliamentary process for our legislative proposals, with a full and comprehensive consultation on the implementation of the New Deal. We will invite businesses, trade unions, and civil society to input on how we can best put our plans into practice. The legislation will then continue the parliamentary process in both Houses, with an implementation period as is standard following Royal Assent. These are necessary and vital reforms to achieving our five Missions, so would be a top legislative priority for an incoming Labour Government.

Many of the reforms we are setting out have been discussed and debated for years, with some being consulted on as part of the Theresa May government's response to the 2017 Taylor Review. We will bring an end to the years of failure, dither and delay, finally bringing about the change our country so desperately needs. There are many things that we can and want to move quickly on and include in our Employment Rights Bill, for example creating the Single Enforcement Body that successive Tory governments have consulted extensively on but failed to deliver, or removing the lower earnings limit on statutory sick pay.

As is typical with employment legislation, much of the detail will be based on regulations so we can react flexibly to changing economic circumstances. Where these plans require substantial secondary legislation, we will engage widely with experts and stakeholders, including employers and trade unions.

We have acknowledged that there are other areas of the New Deal that will take longer to review and implement. We will carry out full and detailed consultation on our plans to move towards a single status of worker and we will conduct a review of parental leave within the first year of a Labour government.

There are other policies that will not need primary legislation to be put into effect. We will implement each of these through different routes. For example, we will write to the Low Pay Commission to change its remit, requiring it to take account of the cost of living.



## Ending “one-sided flexibility”

- The last Labour government tackled the scourge of low hourly pay with the minimum wage. We now face a modern challenge of insecurity, where new technologies and ways of working mean too many face uncertainty over working hours.
- The UK labour market performs well in creating jobs, and new opportunities to work flexibly brings benefits for many workers. But while this has often benefitted the poorest in society by bringing people into work, without proper safeguards this becomes one-sided, with workers bearing all the risk and unable to plan and live.
- We are committed to Securonomics, which will give working people security in their day-to-day lives – this involves banning exploitative zero hours contracts and ending fire and rehire.
- The lengthy wait for basic rights means the risk of moving jobs falls to heavily on the worker. As a result, people are less inclined to move jobs, posing risks to productivity.
- Developed countries across the world are acting to tackle one-sided flexibility, ensuring new technologies and ways of working are mutually beneficial.
- The Conservative Government consulted seven years ago on this issue, asking the Low Pay Commission and experts for views, but has shamefully dragged its feet.
- Meanwhile, businesses and workers miss out. As the Taylor Review found, workers being able to work when they want is a good thing, but not knowing whether you have work from one day to the next is not.

### **Zero hours contracts and one-sided flexibility**

Labour will end ‘one sided’ flexibility and ensure all jobs provide a baseline level of security and predictability, banning exploitative zero hours contracts and ensuring everyone has the right to have a contract that reflects the number of hours they regularly work, based on a twelve-week reference period.

We have an ongoing commitment to protect the integrity of these policies and will put in place anti-avoidance measures where necessary. We will ensure all workers get reasonable notice of any change in shifts or working time, with compensation that is proportionate to the notice given for any shifts cancelled or curtailed.

These proposals are supported by the impartial Low Pay Commission.

Workers will continue to have the right to be paid overtime rates as now. Our plans will not prevent employers from offering fixed-term contracts including seasonal work.

## **Fire and rehire**

‘Fire and rehire’ is the practice of an employer making an employee redundant and then re-engaging them on reduced terms and conditions. The threat of fire and rehire is often enough to ensure employees are ‘voluntarily’ agreeing to lower pay and reduced terms and conditions. Good businesses rightly do not want to be associated with practices like fire and re-hire.

It is important that businesses can restructure to remain viable, to preserve their workforce and the company when there is genuinely no alternative, but this must follow a proper process based on dialogue and common understanding between employers and workers.

Labour will end the scourges of ‘fire and rehire’ and ‘fire and replace’ that leave working people at the mercy of bullying threats. We will reform the law to provide effective remedies against abuse and replace the inadequate statutory code brought in by the Government with a strengthened code of practice.

Ending fire and rehire means workers can be safe in the knowledge that terms and conditions negotiated in good faith can’t be ripped up under threat of dismissal. Workers will be able to plan and save for the future with security in their pay and terms. Good employers will also know that they will not be undercut by competitors who only engage staff under threat of the sack.

## **Basic day one rights**

The rate at which people move jobs has been declining, posing risks to productivity, because the lengthy wait for basic rights means the risk of moving jobs falls to heavily on the individual. This is a problem for workers, because those who switch jobs get pay rises on average four times higher than those who do not. It’s also a problem for businesses because they may not be able to hire the best possible candidate. Labour’s changes will address this, with genuine two-sided flexibility that works both ways – giving workers the security to change jobs.

Our New Deal will include basic individual rights from day one for all workers, ending the current arbitrary system that leaves workers waiting up to two years to access basic rights of protection against unfair dismissal, parental leave and sick pay.

This will not prevent fair dismissal, which includes dismissal for reasons of capability, conduct or redundancy, or probationary periods with fair and transparent rules and processes. We will ensure employers can operate probationary periods to assess new hires. However, the changes will help to ensure that newly hired workers are not fired without reason or cause and will help drive up standards in workplaces.

## **Single status of worker**

The UK has a three-tier system for employment status, with people classified as employees, self-employed or ‘workers.’

The Taylor Review noted this framework often fails to provide clarity for workers and business. Determining which category you are in – and your access to various employment rights and protections – requires knowledge of complex legal tests and an “encyclopaedic knowledge of case law”. This means many workers find it difficult to get a clear picture of where they sit and what protections they are owed, while business can also struggle to properly place staff and comply with legal obligations.

The rise of new technologies and ways of working has exacerbated this challenge, with workers and businesses struggling to apply the complex legal framework to novel forms of working and operating.

In some extreme cases, the ambiguity has been deliberately used to cut costs and avoid legal responsibilities. Labour believes our three-tier system of employment status has contributed to the rise of bogus self-employment, with some employers exploiting the complexity of the UK's framework to deny people their legal rights. The complexity has meant businesses and workers are reliant on lengthy legal processes to resolve issues.

Therefore, we will move towards a single status of worker and transition towards a simpler two-part framework for employment status. We will consult in detail on a simpler framework that differentiates between workers and the genuinely self-employed. We will consult in detail on how a simpler framework that differentiates between workers and the genuinely self-employed could properly capture the breadth of employment relationships in the UK, adapt to changing forms of employment and guard against a minority of employers using novel contractual forms to avoid legal obligations, while ensuring that workers can benefit from flexible working where they choose to do so. We will also evaluate the way flexibility of 'worker' status is used and understood across the workforce and the way it interacts with and is incorporated into collective agreements.

We will also consider measures to provide accessible and authoritative information for people on their employment status and what rights they are owed, tackling instances where some employers can use complexity to avoid legal obligations.

## **Redundancy rights and TUPE**

Labour will also strengthen redundancy rights and protections, for example by ensuring the right to redundancy consultation is determined by the number of people impacted across the business rather than in one workplace.

Labour will also strengthen the existing set of rights and protections for workers subject to TUPE processes.

## **Whistleblowers**

Labour will strengthen protections for whistleblowers, including by updating protections for women who report sexual harassment at work.

## **Self-employment**

Labour is the party of the self-employed and recognises their significant contribution to the UK economy, and the next Labour government will support and champion them.

We will strengthen rights and protections to help self-employed workers thrive in good quality self-employment, including the right to a written contract, which for example would benefit freelancers, action to tackle late payments, and by extending health and safety and blacklisting protections to self-employed workers. Our plans to strengthen trade union rights will also benefit self-employed workers.



## Family friendly rights

- Many employers already provide good, family-friendly conditions for their workers because they know that doing so improves productivity, morale and retention.
- Having a baseline set of family-friendly rights means that working people can enjoy a better work-life balance that benefits their wellbeing and productivity.
- It is right that working people are given the chance to fit some work around their family conditions – people are increasingly likely to work flexible hours or occasionally work from home. This needs to be done sensibly, to fit the workplace and the type of work.
- One of our biggest labour market challenges is inactivity and getting more people into work – our plan will do that, ensuring that employers have strong talent pools to hire from, and growing our economy.

### Flexible working

Labour will embrace technological advancements in a way that ensures both workers and our economy benefit. We'll help ensure workers can benefit from flexible

working, including opportunities for flexi-time contracts and hours that better accommodate school terms where they are not currently available, by making flexible working the default from day one for all workers, except where it is not reasonably feasible.

The Government has made some welcome shifts on flexible working, and consulted on moves to make flexible working the default in workplaces, with many businesses noting flexibility makes good business sense. The Government has recently implemented some changes to the framework for flexible working, and we will adapt and build on this baseline to ensure flexibility is a genuine default.

### Parental rights

Labour knows that the current parental leave system does not support working families. We will review the parental leave system so that it best supports working families within the first year of a Labour government. As part of our mission to reduce the impact of parental income on a child's opportunities, we will ensure that parental leave is a day one right.



## **Maternity discrimination**

Labour is committed to strengthening protections for pregnant women by making it unlawful to dismiss a woman who is pregnant for six months after her return, except in specific circumstances. This will give new mothers certainty that the law is on their side.

## **Carers' leave**

Helping more carers in the workplace is an important element in our plans to modernise the world of work, ensuring that there are good jobs for carers, and a skilled workforce for employers. Recognising that new legislation for unpaid carers' leave was introduced in April 2024, we will review the implementation of this policy and examine all the benefits of introducing paid carers' leave, while being mindful of the impact of any changes on small employers.

## **Bereavement leave**

Going through the loss of a loved one can be one of the hardest things a person must go through. While the vast majority of employers give their workers the time off that they need, the law remains outdated and ill-defined. Labour will clarify the law and entitlement, introducing the right to bereavement leave for all workers.

## **Right to switch off**

The pandemic has led to a step change in flexible and remote working practices in many workplaces, which offer significant opportunities to fit work around family life. However, it has also inadvertently blurred the lines between work and home life.

Good employers understand that for workers to stay motivated and resilient, they need to be able to 'switch off' and that a culture of presenteeism is damaging to morale and productivity. Equally, workers know that there are circumstances where their employer may need to contact them, and some value the ability to work outside of conventional work patterns.

Many other countries have already taken action to promote healthier working practices that ultimately end up with a more productive and motivated workforce. Labour will also act to promote a positive work-life balance for all workers.

We will bring in the 'right to switch off', so working from home does not result in homes turning into 24/7 offices. We will follow similar models to those that are already in place in Ireland and Belgium, giving workers and employers the opportunity to have constructive conversations and work together on bespoke workplace policies or contractual terms that benefit both parties.

## **Technology and surveillance**

New technologies, including automation and AI, have the potential to boost wages, drive up productivity and empower workers, but they also pose risks to jobs and livelihoods. Our approach will be to protect good jobs, ensure good future jobs, and ensure that rights and protections keep pace with technological change. We will safeguard against discrimination, and we will put worker voice at the heart of Britain's digital transition.

Furthermore, recognising the advancement of technologies at work, the next Labour government will work with workers and their trade unions, employers and experts to examine what AI and new technologies mean for work, jobs and skills, and how to promote best practice in safeguarding against the invasion of privacy through surveillance technology, spyware and discriminatory algorithmic decision making.

At a minimum Labour will ensure that proposals to introduce surveillance technologies would be subject to consultation and negotiation, with a view to agreement of trade unions or elected staff representatives where there is no trade union. Where there is a collective agreement relating to surveillance, this will not override it.

# Fair pay

## Genuine living wage

The creation of the National Minimum Wage was one of the greatest achievements of the last Labour government and has lifted many working people out of poverty, and narrowed the pay gap between men and women, older and younger workers and between places.

The next Labour government would go further and make sure the minimum wage is a real living wage that people can live on. To achieve this, we would change the Low Pay Commission's remit so that alongside median wages and economic conditions, the minimum wage will for the first time reflect the need for pay to take into account the cost of living.

We will remove discriminatory age bands to ensure every adult worker benefits, and we will work with the Single Enforcement Body and HMRC and ensure they have the powers necessary to make sure our genuine living wage is properly enforced, including penalties for non-compliance.

Labour will work with the Single Enforcement Body and HMRC to ensure the National Minimum Wage regulations on travel time in sectors with multiple working sites is enforced and that workers' contracts reflect the law. More widely, we will work with the Low Pay Commission, trade unions, employers, the Council for Economic Growth and more to address the ongoing issue of low pay.

## Sick pay

The pandemic exposed just how precarious work and life is for those on acute low incomes, with many forced to choose between their health and avoiding financial hardship. It is simply unacceptable that the safety net of sick pay should not be available to those who need it most, and so a Labour government would strengthen statutory sick pay, remove the lower earnings limit to make it available to all workers and remove the waiting period. We will ensure the new system provides fair earnings replacement for people earning below the current rate of statutory sick pay.

## Fair tips

Frontline workers in pubs, bars, cafes and restaurants are often low paid, and with the cost-of-living crisis worsening by the month, every penny counts. Labour will strengthen the law to ensure hospitality workers receive their tips in full and workers decide how tips are allocated.

## Unpaid internships

Labour will ban unpaid internships except when they are part of an education or training course. This will be good for social mobility, ensuring that the talent of tomorrow get the vital skills and experience they need to succeed.

## Fixing adult social care

- Adult social care has a turnover rate of nearly a third and vacancy rate of nearly 10%.
- This recruitment and retention crisis is a key driver of the crisis facing our NHS and is only set to get worse and more costly with an ageing population. Patients and workers alike are suffering from the Conservatives' inability to do anything to change this.
- Given these stark challenges, the Resolution Foundation has argued for "institutional innovation" to address the very stark and specific issues in this vital sector.
- Labour will follow this lead with a New Deal for Social Care Workers, ensuring these workers are treated with dignity and respect and that they have a route to better conditions, training and progression.

Collective bargaining, whether in the public or private sector, at enterprise level or sectorally, makes a positive contribution to Britain's economy and will continue to do so with the next Labour government.

To achieve a stronger and fairer economy we will work with the grain of Britain's economic traditions, with employers and trade unions.



We also agree with the OECD that collective bargaining can help companies and workers respond to demographic and technological change and adapt to the new world of work.

We will start by establishing a new Fair Pay Agreement in the adult social care sector, empowering workers and the trade unions that represent them to negotiate fair pay and conditions, including staff benefits, terms and training, underpinned by rights for trade unions to access workplaces, in a regulated and responsible manner, for recruitment and organising purposes. This will help us tackle the serious recruitment and retention crisis facing the sector, deliver higher standards for those receiving care and help us to tackle NHS waiting lists.

Labour will consult widely on the design of this Fair Pay Agreement, learning from those economies where they already operate successfully, ensuring the highest standards of representation and accountability. We will monitor the implementation, ensuring it delivers for workers and employers in the sector.

We will publish a full and transparent review of the agreement. We will also assess how and to what extent FPAs could benefit other sectors and tackle labour market challenges.

A Fair Pay Agreement will not be the best solution for many parts of our economy, where labour markets are operating effectively or where existing collective arrangements at

employer or sector level are already working well and are supported by trade unions. We will look to support and build on these existing arrangements, with other forms of collective bargaining being most appropriate in many areas.

Labour will also work with the Single Enforcement Body and HMRC to ensure the National Minimum Wage regulations on travel time in sectors with multiple working sites is enforced and that workers' contracts reflect the law. The law states home care workers should in most cases be paid for their travel time. However, due to poor enforcement too many aren't being paid what they are owed. Labour will ensure all social care workers are paid fairly for what they do.

### **Reinstating the School Support Staff Negotiating Body**

Labour will value and recognise the professionalism of the entire school workforce and address recruitment and retention challenges by reinstating the School Support Staff Negotiating Body. This body will be tasked with establishing a national terms and conditions handbook, training, career progression routes, and fair pay rates for support staff. This reform will ensure that schools can recruit and retain the staff needed to deliver high-quality, inclusive education.

# Voice at work

- Countries around the world are looking to boost worker representation in response to economic challenges.
- Economists across the piece also recognise the vital role that workers' voices have in delivering a strong economy and rising living standards.
- Everyday across the UK employers and trade unions already work together for the better of business and workers.
- It's in this spirit that Labour will bring in a new era of partnership that sees employers, unions and Government work together in co-operation and through negotiation – putting an end to the worst strikes chaos seen in decades under this Conservative Government.

Labour believes strong collective bargaining rights and institutions are key to tackling problems of insecurity, inequality, discrimination, enforcement and low pay. When workers are empowered to act as a collective, they can secure better pay and conditions.

Labour is committed to strengthening the rights of working people by empowering workers to organise collectively through trade unions. Our existing framework for industrial relations and collective bargaining is rife with inefficiencies and anachronisms that work against cooperation, compromise and negotiation.

## Modernising legislation

Labour will update trade union legislation so it is fit for a modern economy, removing unnecessary restrictions on trade union activity and ensuring industrial relations are based around good faith negotiation and bargaining. This will end the Conservatives' scorched-earth approach to industrial relations, ushering in a new partnership of cooperation between trade unions, employers and government and putting us in line with high-growth economies that benefit from more cooperation and less disruption. In 2022

and 2023 we lost more days to strike in any year since the 1980s, whilst we lost many more days to strikes than competitors like Germany, Spain and Norway.

As the recent period of disruption has shown, arcane bureaucratic hurdles do not prevent strikes and they make it harder for unions to engage in the bargaining and negotiation that does settle disputes. The rules around agency workers in breaking strikes were condemned by industry and put the safety of the public and workers at risk.

It places unnecessary red tape on trade union activity that work against their core role of negotiation and dispute resolution. Over the past 14 years, the Conservatives have consistently attacked rights at work, including through the Trade Union Act 2016, the Minimum Service Levels (Strikes) Bill and the Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022 – all of which Labour will repeal to give trade unions the freedom to organise, represent and negotiate on behalf of their workers.

## Balloting

The law governing trade union statutory ballots is antiquated and fails to recognise the huge steps trade unions have made to engage and communicate with members. The current system of only allowing statutory trade union ballots via the post significantly impacts turnout and hampers democratic engagement with members. Labour will allow modern, secure, electronic balloting and workplace ballots, as political parties and listed companies use, while ensuring we maintain high standards of engagement and participation.

## Statutory recognition

Labour will simplify the process of union recognition and the law around statutory recognition thresholds, so that working people have a meaningful right to organise through trade unions. We will ensure workers in precarious and gig-economy sectors have

a meaningful right to organise through trade unions, modernising rules to ensure they are fit for an economy with growing platform sectors and a rise in remote and home working. Labour will review the process for statutory recognition claims, with existing thresholds presenting too high a hurdle in modern workplaces that are increasingly fragmented, and we will remove the antiquated rule that means that unions must show that at least 50% of workers are likely to support their claim before the process has even begun. Labour will also modernise the rules governing the final ballot in which workers vote on whether to recognise a trade union, requiring unions to gain a simple majority to win.

## **Right of access**

There are currently no clear and consistent rules regulating access to workplaces for trade union members meeting and representing their members. The ad hoc arrangements of the 20th century no longer fit with modern working practices.

This is why a Labour government will act to ensure that union members and workers are able to access a union at work through a regulated and responsible route where there is support within the workforce. Labour will introduce rights for trade unions to access workplaces in a regulated and responsible manner, for recruitment and organising purposes. This would bring the UK in line with many other modern advanced economies, giving business, workers and unions clarity and certainty when navigating their interactions.

Labour will ensure reasonable access within workplaces by introducing a transparent framework and clear rules, designed in consultation with unions and business, that allow unions officials to meet, represent, recruit and organise members, provided they give appropriate notice and comply with reasonable requests of the employer, as in other models already present in successful economies.

We recognise it will be necessary to formally monitor these reasonable and regulated new rules, to ensure trade union officials and workplaces are complying with their

responsibilities and obligations, and that rules allowing access are used proportionately and effectively.

## **Informing employees of their rights**

Labour will introduce a new duty on employers to inform all new employees of their right to join a union, and to inform all staff of this on a regular basis. We will require this as part of the written statement of particulars that all new workers already receive when starting a new job.

## **Facilities time**

Labour will ensure there is sufficient facilities time for all trade union reps so that they have capacity to represent and defend workers, negotiate with employers and conduct training.

Labour will create new rights and protections for trade unions reps to undertake their work, strengthening protections for trade union representatives against unfair dismissal and union members from intimidation, harassment, threats and blacklisting. Labour will introduce statutory rights for trade union equality reps in order to strengthen equality at work for all.

Labour will ensure our plans do not undermine existing collective bargaining arrangements that are supported by unions.

## **Blacklisting**

Rules on blacklisting have not been updated for over a decade and need to be modernised to account for new technologies and ways of storing data. The Consulting Association Scandal that blacklisted thousands of union workers underscored the need for strong anti-blacklisting laws. The next Labour government will update regulations to outlaw the use of predictive technologies for blacklisting and safeguard against singling out workers for mistreatment or the sack without any evidence of human interaction. We will act to end the loophole that allows employers to bypass laws through third party contractors and we will give the regulator and Employment Tribunals the power to order the seizure and destruction of any list, digital or not, to prevent blacklisting happening again.

# Equality at work

- 50 years after Barbara Castle's Equal Pay Act and 14 years after Harriet Harman's Equality Act, women are still fighting for equality in the workplace.
- Progress on closing the gender pay gap has also stalled under the Conservatives.
- Women often find themselves in work they are overqualified for, or even pushed out of the workplace, and that is bad for us all.
- In addition, Black, Asian and ethnic minority people and disabled people have often felt the worst of the cost-of-living crisis.
- We know that many employers are leading the way with equality, diversity and inclusion programmes, putting the Conservatives' refusal to take action to shame.
- Labour will raise awareness of neurodiversity in the workplace and across wider society.
- Labour is the party of equality, and we are committed to building on the successes of previous Labour Governments so that everyone thrives at work.

## Equal pay

50 years after the implementation of the Equal Pay Act, in Government Labour will finish the business of ending pay discrimination at work, and deliver Barbara Castle's vision. Labour is committed to tackling the gender pay gap which is narrowing too slowly.

Labour will put in place measures to ensure that outsourcing of services can no longer be used by employers to avoid paying equal pay, including for work of equal value, to women, ending this longstanding injustice.

Equality Impact Assessments for public sector bodies will be strengthened. Labour recognises that the current equal pay framework is inaccessible, for example due to very long employment tribunal backlogs, and the lack of access to pay justice for women. Labour will implement a regulatory and enforcement unit for equal pay with involvement from trade unions.

Labour will reverse the Conservatives' attack on equal pay by protecting the ability to draw on equal pay comparators where workers' terms and conditions can be attributed to a single source, ensuring those provisions that were previously derived from EU law remain enshrined in UK law. The Government caved into Labour pressure on this, being forced into a u-turn after Labour repeatedly raised this issue during the passage of the Retained EU Law Act.

## Terminal illness

Terminally ill people deserve security and decency during the hardest period in their lives. Many employers already provide the support and assistance terminally ill workers need, going above and beyond statutory minimums. Labour encourages employers and trade unions to negotiate signing up to the Dying To Work Charter – a charter with best practice for employing workers with terminal illness, and we will work with trade unions and others to ensure that workers diagnosed with a terminal illness are treated with respect, dignity and supported at work.

## Socioeconomic duty

Labour will enact the socioeconomic duty under Section 1 of the Equality Act. The socioeconomic duty will apply to public bodies.

## Public sector equality duty

Labour is proud to be the party of the Equality Act and we will protect and uphold it, including the Public Sector Equality Duty and ensure its provisions cover all parties exercising public functions.

## Pay gap reporting

Progress on closing the gender pay gap has stalled in recent years, on top of 14 years of low growth and stagnant pay. As usual, it's women footing the bill for Conservative failure. The next Labour Government will go further and faster to close the gender pay gap.



Large firms will be required to develop, publish and implement action plans to close their gender pay gaps, and we will ensure outsourced workers are included in their gender pay gap and pay ratio reporting.

The publication of ethnicity and disability pay gaps will also be made mandatory for employers with more than 250 staff, to mirror gender pay gap reporting, following years of inaction from the government. Requiring large companies to report on their ethnicity and disability pay gaps is a common-sense way to begin the process of tackling these glaring inequalities.

## **Menopause in the workplace**

Thousands of women are struggling at work due a lack of support in dealing with symptoms of menopause, whilst women in their mid-life make up a large proportion of people who are out of work. This is bad for these women, their employers and the economy.

Labour will require large employers with more than 250 employees to produce Menopause Action Plans, setting out how they will support employees through the menopause, much like gender pay gap action plans. In addition, we will publish guidance, including for small employers, on measures to consider relating to uniform and temperature, flexible working and recording menopause-related leave and absence.

Labour is on the side of women and business. That is why we're prioritising the wellbeing of women workers, which we know contributes to growth and productivity.

# Rights at Work

- The UK's labour market enforcement system is fragmented and ineffective. This is bad for workers and bad for those businesses being undercut by the minority who can freely break the rules.
- The Conservatives once recognised this too, but they have abandoned their plans. Labour will now get the job done.
- We will take a balanced approach to upholding workers' rights, including better support for employers to comply with the law, with accessible and joined-up guidance and best practice examples.
- This will level the playing field for the vast majority of employers who do right by their workers and ensure that those who don't no longer have the leeway to treat their workers poorly.
- Our approach will also take pressure off the overstretched system of employment tribunals, providing swifter access to justice and greater certainty for employers.

## Enforcement

Britain's labour market enforcement system is unusually fragmented and inefficient. We have multiple different enforcement bodies, each with narrow remits, reporting to different government departments.

This has very real consequences – workers and businesses do not know where to report breaches, enforcement is poorly coordinated, and the bodies struggle to work coherently with both unions and businesses. Businesses that want to play by the rules also don't know where to go for authoritative advice.

Working people cannot properly uphold their rights as a result, and businesses are routinely undercut by a small minority of unscrupulous employers. Hard-won rights are all too often dismissed for workers in precarious work or those employed from overseas in sectors like social care and agriculture.

A Single Enforcement Body for workers' rights would better support businesses who want to comply with the rules, create a strong, recognisable single brand so individuals know where to go for help and lead to a more effective use of resources and coordinate enforcement action.

The Conservatives have long promised reform but failed to deliver. They pledged a Single Enforcement Body for workers' rights in their 2019 manifesto and consulted on it in 2021. But five years after the general election, progress is nowhere to be seen.

Labour will deliver where the Conservatives have failed. We will finally establish a Single Enforcement Body to enforce workers' rights, including strong powers to inspect workplaces and take action against exploitation. This will include discriminatory practices against migrant workers, who are vulnerable to some unscrupulous employers.

We will establish a Single Enforcement Body, with trade union and TUC representation, to ensure greater coordination in the face of complex enforcement challenges. This body will have the powers it needs to undertake targeted and proactive enforcement work and bring civil proceedings upholding employment rights. This will be done in conjunction with our plan for better laws to enforce workplace rights.

## Employment Tribunals

For complex cases or contract disputes, the best route for enforcement is through an employment tribunal. Tribunals are less costly and more specialist than civil courts and help employers and working people resolve disputes and gain clarity over their obligations.

But employment tribunals are arbitrarily restricted by arcane rules on enforcement of fines and constraints on when claimants can begin proceedings, a fact highlighted by



the independent Law Commission. Like our wider court system, employment tribunals are seeing growing delays.

We will ease the burden on civil courts by bringing employment tribunals up to standard. We will work to further digitise employment tribunals, a process which will benefit employers, trade unions and workers.

We will improve and strengthen enforcement through Employment Tribunals to provide quicker and more effective resolutions. In line with the Law Commission recommendation in April 2020, we would increase the time limit within which employees are able to make an employment claim from three months to six months, bringing the time limit for all claims in line with the time limit for statutory redundancy and equal pay claims.

This will particularly support those who are seeking to make claims for pregnancy discrimination, as evidence suggests women struggle to make funds available to lodge claims within the time limit. It will also allow more time for internal procedures to be completed, potentially decreasing the number of claims.

## **Collective grievances**

Whilst workers can formally raise a grievance that they've experienced at work individually via ACAS, no mechanism exists to do so collectively. In the worst cases, this can mean that some workers may not know that other people have experienced the issues that they have, meaning bad or illegal practice can continue without properly being dealt with.

Labour will make it easier for workers to raise grievances about conduct at work. Labour will enable employees to collectively raise grievances about conduct in their place of work, to ACAS. This will be in line with the existing code for individual grievances.

## **Safer workplaces**

Labour will in government review health and safety guidance and regulations with a view to

modernising legislation and guidance where it does not fully reflect the modern workplace.

Labour recognises that in a number of sectors working temperatures are regularly unacceptably high, including for those working in strenuous and sedentary jobs, causing serious health and safety concerns. Labour will commit to modernising health and safety guidance with reference to extreme temperatures, preventative action and steps to ensure safety at work.

As part of this review, Labour will also work with employers, trade unions and other stakeholders to support the wellbeing of workers and their long term physical and mental health, whether existing regulations and guidance is adequate to support and protect those experiencing the symptoms of long Covid, and we will ensure health and safety reflects the diversity of the workforce.

Labour will require employers to create and maintain workplaces and working conditions free from harassment, including by third parties. And Labour would properly tackle sexual harassment at work. One in two of all women have been sexually harassed at work; this must change. Labour will strengthen the legal duty for employers to take all reasonable steps to stop sexual harassment before it starts.

# Procurement

Labour will learn the lessons from the collapse of Carillion and bring about the biggest wave of insourcing of public services in a generation. A Labour government will end the Tories' ideological drive to privatise our public services, extend the Freedom of Information Act to apply to private companies that hold contracts to provide public services, exclusively with regard to information relevant to those contracts, to ensure any outsourced contracts are transparent and accountable for delivery. We will also extend the Freedom of Information Act to publicly funded employers' associations, where not already covered.

The next Labour government will also examine public services that have been outsourced as part of our drive to improve quality, design better services to meet changing needs, ensure greater stability and longer-term investment in the workforce, and deliver better value for money. Where relevant, we will work with local government to build on their experience and expertise around procurement, drawing on best practice from local government.

In most cases, the best time to achieve value for money for publicly run provision will be when existing contracts expire or are broken through a failure to deliver. Before any service is contracted out, public bodies must carry out a quick and proportionate public interest test, to understand whether that work could not be more effectively done in-house. The test will evaluate value for money, impact on service quality and economic and social value goals holistically. We will also reinstate and strengthen the last Labour government's two-tier code to end unfair two-tiered workforces. The scope of the two-tier code and the public interest test will apply to wholly owned subsidiary companies.

Through our new National Procurement Plan, Labour will ensure social value is mandatory in contract design. Mandating consideration of social value will mean a Labour government will value organisations that create local jobs, skills and wealth and treat their workers well and equally, including on matters such as pay, conditions, trade union access, recognition and provision for collective bargaining arrangements, effective equality policies, adherence to high environmental standards and tax compliance. Labour will make sure that trade union recognition and access is valued and considered as part of the process of awarding public contracts and determining strategic suppliers, alongside other factors that demonstrate a commitment to good jobs.

This will drive up employment standards across the economy and strengthen supply chains, so these standards are upheld throughout the whole chain of the contract. The Procurement Bill will give a future Labour government the powers to implement our new principles of procurement through guidance, learning from the Social Partnership Act pioneered by the Labour government in Wales.

Our new Fair Work Standard will ensure the best employers get the recognition they deserve. The Standard will be created and upheld by our new Social Value Council - inspired by the Wales Social Partnership Council - made up of public, employer and trade union representatives. The Council will also be tasked with reviewing how social value can be better strengthened and delivered in public contracts.



