

“Red tape” reform and no-fault dismissals

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Whilst the removal of certain reporting obligations will no doubt be welcomed by some employers, there will be others who may wish to continue on a voluntary basis – for example, to support internal ED&I initiatives to improve gender pay gaps.

What is less clear at this stage is how far these exemptions will be applied. The Government [press release](#) refers to the same approach being taken to the pieces of retained EU law currently under review (see [here](#) for further information on this), but states that it will be applied in a “proportionate way”. The exemptions may be widened further in the future to apply to businesses with fewer than 1,000 employees.

There have also been reports from the Conservative Party Conference of proposals by Business Secretary Jacob Rees-Mogg to remove all business regulation from businesses with fewer than 500 employees; the Financial Times has, however, reported that the Prime Minister has “quashed a series of half-baked ideas” put forward to reform the labour market.

Whilst there appears to be some ongoing tensions between the best way to streamline processes for businesses without an associated “bonfire” of employment rights, it seems likely that there will be further changes ahead, even if the precise detail of those changes remains unclear. One proposal that is reportedly still being considered is the introduction of a no-fault dismissal for some employees, with potential earning thresholds for who would be in scope proposed at both £50,000 and £100,000. If introduced, this would be a significant departure from the current unfair dismissal regime, and could lead to employees seeking longer employer-notice provisions and/or golden handshakes in the event of a no-fault dismissal.

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