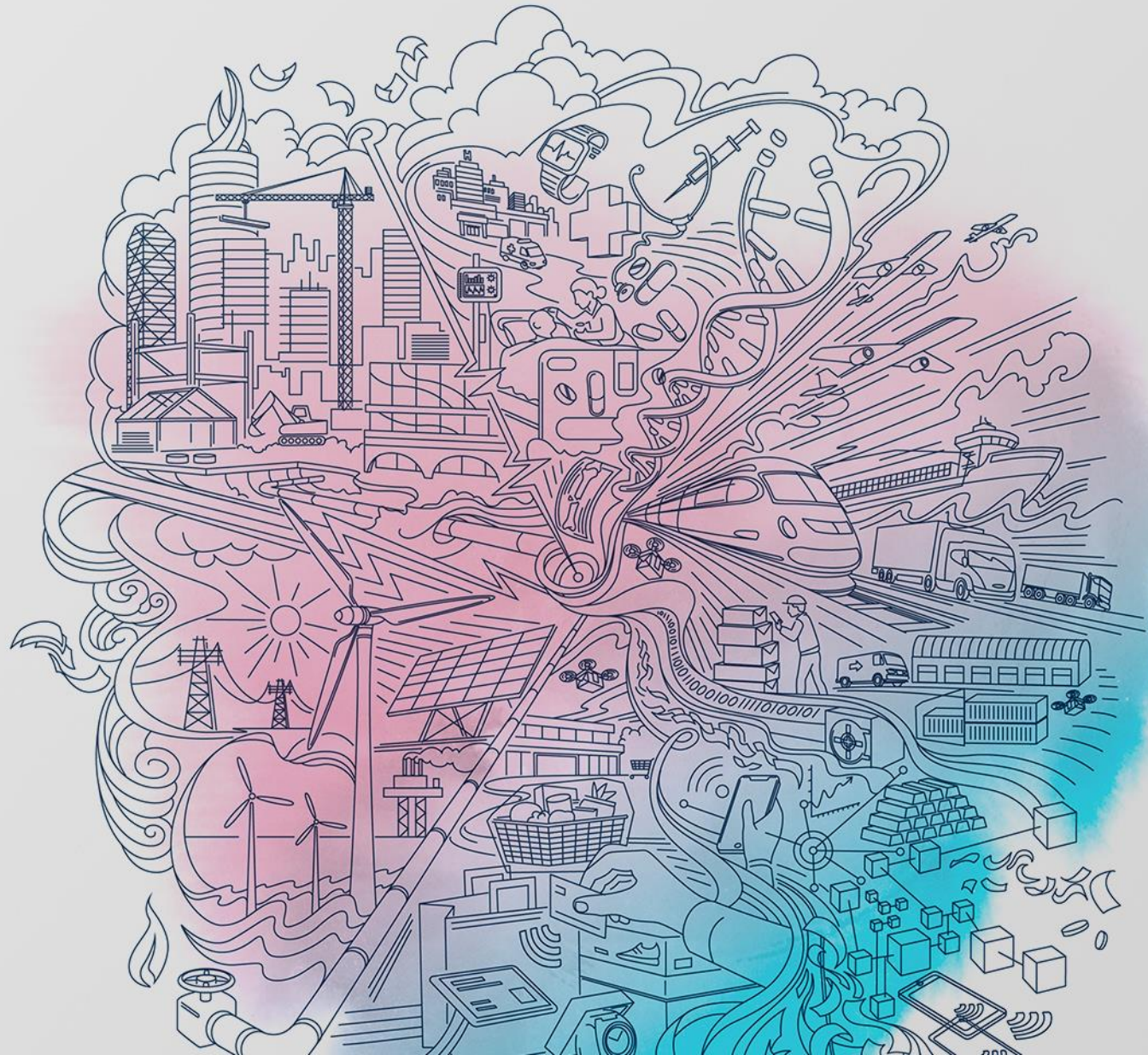


# UK EMPLOYMENT HORIZON SCANNER

March 2026



## FUTURE KEY LEGISLATION DEVELOPMENTS

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
1	Employment Rights Act 2025	<p><b>Employment Rights Act 2025</b></p> <p>On 18 December 2025, the Employment Rights Bill received Royal Assent to become the Employment Rights Act 2025 (<b>Act</b>). See the Government's <a href="#">Factsheet: ERA 2025 (Overview)</a> and below for implementation details.</p> <p>Most of the Act's provisions require commencement regulations to bring them into force, and many require further substantive regulations (following consultation) to give them full effect. On 3 February 2026, the Government updated the <a href="#">Implementation Timeline</a> for changes being introduced in 2026.</p> <p>See the separate entries below for a summary of key changes expected to come into force on each of the following dates: 18 February, April 2026, October 2026, January 2027 and in 2027. For more details of the proposals contained in the Act as well as the consultation and implementation timetable, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	<p>Phased implementation over two years starting from 18 December 2025 until 2027. Key dates:</p> <ul style="list-style-type: none"> <li>• 18 February 2026</li> <li>• April 2026</li> <li>• October 2026</li> <li>• January 2027</li> <li>• 2027</li> </ul>
2	Employment Rights Act 2025	<p><b>Changes to trade union rights which came into effect on 18 February 2026</b></p> <p>On 18 February 2026) the Act:</p> <ul style="list-style-type: none"> <li>- Repealed the majority of the Trade Union Act 2016 (and brought in a 12-month mandate and a 10-day notice period for industrial action)</li> <li>- Simplified the requirements for industrial action notices and industrial action ballot notices; and</li> <li>- Removed the 12-week cap that an employee is protected for when taking industrial action, where the reason for the dismissal is taking protected industrial action, so that employees are protected regardless of the length of the strike action against unfair dismissal when taking protected industrial action.</li> </ul> <p>The changes make it easier for trade unions to organise industrial action. As a result, it is more important for employers to engage proactively with trade unions to encourage future collaboration and head off potential conflict.</p>	18 February 2026
3	The National Minimum Wage (Amendment)	<p><b>Increase in National Living Wage (NLW) and National Minimum Wage (NMW)</b></p> <p>From 1 April 2026, the NLW for all workers <b>aged 21 and over</b> will rise from £12.21 to <b>£12.71</b> per hour (a 4.1% increase).</p>	1 April 2026

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
	Regulations 2026	<p>NMW rates will also rise:</p> <ul style="list-style-type: none"> <li>• from £10.00 to <b>£10.85</b> for those aged 18-20 (an 8.5% increase);</li> <li>• from £7.55 to <b>£8.00</b> for those aged 16-17 (a 6% increase); and</li> <li>• from £7.55 to <b>£8.00</b> for Apprentices (a 6% increase).</li> </ul> <p>The Government's <a href="#">press release</a> states that the increase in the National Living Wage "will ensure a real-terms pay rise for low-paid workers. It will meet the Government's aim to ensure the rate does not drop below two-thirds of median earnings. The increase to the 18-20 year-old rate makes progress towards alignment with the National Living Wage."</p> <p>Employers will face higher wages bills and will need to be alive to the common risk areas that create NLW / NMW underpayment. Employers should take a proactive approach to ensuring compliance to avoid incurring penalty payments to the new Fair Work Agency (who will be taking over enforcement from HMRC, supported by extra funding from Government), as well as paying any sums owed to employees and workers.</p>	
4	The Social Security Benefits Up-rating Order 2026	<p><b>Increases to statutory sick pay, maternity, paternity and adoption pay</b></p> <p>The following updated statutory payment rates and thresholds <a href="#">proposed by the Department for Work and Pensions</a> to apply from April 2026 are as follows:</p> <ol style="list-style-type: none"> <li>1. A weekly rate of <b>£123.25</b> (up from £118.75) for statutory sick pay (SSP).</li> <li>2. A weekly rate of <b>£194.32</b> (up from £187.18) for statutory maternity pay, maternity allowance, statutory adoption pay, statutory paternity pay, statutory shared parental pay, statutory neonatal pay and statutory parental bereavement pay.</li> </ol> <p>For maternity allowance the threshold remains at £30 a week.</p> <p>The lower earnings limit (the weekly earnings threshold for qualifying for the above payments, except maternity allowance) will increase to <b>£129</b> (up from £125).</p>	6 April 2026  (5 April 2026 for statutory maternity pay)
5	The Employment Rights (Increase of Limits) Order 2026	<p><b>Increase of tribunal award limits from April 2026</b></p> <p>On 6 April 2026, the compensation limits for certain tribunal awards will increase. For unfair dismissal where the effective date of termination falls on or after 6 April 2026, the limits will be:</p> <ul style="list-style-type: none"> <li>• The limit on a week's pay increases to <b>£751</b> (up from £719).</li> <li>• The maximum compensatory award for unfair dismissal increases to <b>£123,543</b> (up from £118,223).</li> </ul>	6 April 2026

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
6	<a href="#">Bereaved Partner's Paternity Leave Regulations 2026</a>	<p><b>Bereaved Partner's Paternity Leave</b></p> <p>The Paternity Leave (Bereavement) Act 2024 (PLB Act) came into force on 29 December 2025. It applies where the mother / adopter of a child dies in childbirth, or within a year of the birth or adoption, to facilitate the father, or partner of the mother / adopter, taking an extended period of paternity leave (bereaved partner's paternity leave). The PLB Act amended the Employment Rights Act 1996 to remove the six-month qualifying period for paternity leave in such situations. Further regulations setting out the details of the new rights have now been made.</p> <p>The <a href="#">Bereaved Partner's Paternity Leave Regulations 2026</a> were made on 10 March 2026 and will apply where the bereavement takes place on or after 6 April 2026. The Regulations are intended to provide an entitlement which mirrors the length of leave available to other primary caregivers through Maternity/Adoption Leave. They set out the details of the new rights including enhanced protections such as the right to return, preserving the contractual terms, redundancy protection, allowing KIT days to be taken, protection from detriment and dismissal and a right to up to 52 weeks' paternity leave, rather than the usual 2 weeks, where the child's "primary carer" (usually the mother or other adoptive parent) has died within 52 weeks of the birth or adoption placement.</p>	6 April 2026
7	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect on 6 April 2026</b></p> <ul style="list-style-type: none"> <li>• <b>Collective redundancy:</b> Maximum period of protective award to double from 90 to 180 days for failure to properly consult on collective redundancies.</li> <li>• <b>Day 1 right to paternity leave and to unpaid parental leave</b> (and enabling parents to take their paternity leave and pay after their shared parental leave and pay).</li> <li>• <b>Day 1 right to statutory sick pay</b> (no 3-day waiting period and removal of lower earnings limit).</li> <li>• <b>Strengthen protections for whistleblowers</b>, by making it clear that workers who 'blow the whistle' on sexual harassment can benefit from whistleblowing protections against detriment (adverse treatment) and unfair dismissal.</li> <li>• <b>Simplify the trade union recognition process</b>, including providing better access arrangements for unions and dealing more effectively with unfair practices.</li> </ul> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	6 April 2026
8	The Finance Bill 2026 will amend	<b>Umbrella Companies – tacking non-compliance in the umbrella company market</b>	6 April 2026

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
	Part 2 of the Income Tax (Earnings and Pensions) Act 2003	<p>Recruitment agencies will be accountable for Pay As You Earn (<b>PAYE</b>) on payments made on or after 6 April 2026 to workers supplied through umbrella companies (or the end client, where there is no agency), making the agency and umbrella company jointly and severally liable, and allowing HMRC to pursue either or both.</p> <p>If there is more than one agency in the supply chain, the rules will apply to the agency that has the direct contract with the end client to supply the worker. Where there's no agency in the supply chain or where the agency holds a material interest in the umbrella company, the responsibility will sit with the end client. The change is expected to protect around £2.8 billion from being lost to umbrella company non-compliance. See Policy Paper: <a href="#">Umbrella companies — tackling non-compliance in the umbrella company market</a>.</p>	
9	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect on 7 April 2026</b></p> <ul style="list-style-type: none"> <li>• <b>Establishing the Fair Work Agency (FWA)</b> to enforce workers' rights. The FWA will bring together the enforcement of domestic agency rules, the National Minimum Wage, licensing of gangmasters, and action against serious labour exploitation. It will also take on additional functions (such as the enforcement of holiday pay) and creates the flexibility to bring in additional legislation to respond to future challenges. The Act will give the FWA the tools it needs to do its job, including an expanded civil penalty regime, clear gateways for sharing information and the power to bring tribunal cases on behalf of workers.</li> </ul> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	7 April 2026
10	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect in August 2026</b></p> <ul style="list-style-type: none"> <li>• <b>Electronic and workplace balloting Phase 1 (August 2026):</b> Trade unions will be able to use hybrid electronic balloting for all statutory union ballots and pure e-balloting for all statutory union ballots other than recognition and de-recognition ballots.</li> <li>• <b>Electronic and workplace balloting Phase 2 (2027):</b> This will allow pure electronic balloting to be used in recognition and derecognition ballots once legislative changes have been made.</li> <li>• <b>Unions will only require a simple majority</b> of voting members for lawful industrial action (rather than a 50% turnout threshold).</li> </ul>	August 2026 and 2027

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
		For further details, see our Employment Rights Act Tracker <a href="#">here</a> .	
11	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect in October 2026</b></p> <ul style="list-style-type: none"> <li>• Requirement for <b>employers to take "all" reasonable steps to prevent sexual harassment at work.</b></li> <li>• Power to enable <b>regulations to specify steps to be regarded as "reasonable"</b> to determine whether an employer has taken all reasonable steps to prevent sexual harassment.</li> <li>• Reintroduce employer <b>liability for third party harassment</b> for all relevant protected characteristics.</li> <li>• Sufficient access to facilities and strengthened right to <b>facility time off for trade union reps and statutory rights for trade union equality reps.</b></li> <li>• <b>Extend the time limit</b> for bringing an <b>employment tribunal claim from 3 to 6 months.</b></li> <li>• New <b>duty to provide workers with a written statement informing them of their right to join a trade union</b> (and to remind them of this on a regular basis).</li> <li>• New <b>rights for trade unions to access the workplace</b> for recruitment and organising purposes.</li> <li>• <b>Protection against detriment for taking part in protected industrial action.</b></li> <li>• Measures to deal more effectively with <b>unfair practices during recognition and derecognition processes.</b></li> <li>• Amend the Procurement Act 2023 to <b>protect transferring workers on outsourcing contracts and introduce a two-tier workforce code</b> of practice for outsourced workers.</li> <li>• Employers required to consult workers/any recognised trade union about the <b>allocation of tips and gratuities.</b></li> </ul> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	October 2026
12	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect no earlier than October 2026</b></p> <ul style="list-style-type: none"> <li>• <b>Extend the time limit</b> for bringing an <b>employment tribunal claim from 3 to 6 months.</b></li> </ul> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	No earlier than October 2026
13	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Reducing the qualifying period for unfair dismissal protection to 6 months and removing the compensation cap for unfair dismissal</b></p> <p>On 27 November 2025 the Government dropped their manifesto pledge for 'day one' unfair dismissal protection. Instead, they will:</p>	1 January 2027

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
		<ol style="list-style-type: none"> <li>1. <b>Reduce the qualifying period for unfair dismissal protection from 24 months to six months;</b></li> <li>2. <b>Remove the overall limit on the compensatory award for unfair dismissal</b> (both the 52-weeks' pay and the compensation cap (currently £118,223 rising to £123,543 from 6 April 2026)); and</li> <li>3. <b>Remove the power to vary the qualifying period by regulations</b> (meaning that the six-month limit could only be amended by primary legislation).</li> </ol> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	
14	The Employment Rights Act 2025	<p><b>The Employment Rights Act 2025: Changes coming into effect in 2027</b></p> <ul style="list-style-type: none"> <li>• <b>Ban on fire and rehire for restricted variations</b> (e.g. reduction in pay or holiday, changes to hours) except where no alternative to remain viable (January 2027)</li> <li>• Ban 'exploitative' zero hours contracts (including agency workers) - <b>right to a guaranteed hours contract reflecting regular hours and reasonable notice of shift changes</b> - compensation for curtailed or cancelled shifts</li> <li>• <b>Alternative threshold for collective redundancy consultation</b> determined by number of employees across the business as well as in one workplace</li> <li>• <b>Specifying steps that are to be regarded as 'reasonable'</b>, to determine whether an employer has taken all reasonable steps to prevent sexual harassment</li> <li>• <b>Day 1 right to flexible working as the default</b> for all workers (refusal of requests only if reasonable on prescribed grounds)</li> <li>• <b>Day 1 right to new statutory bereavement leave</b> going beyond existing parental bereavement leave (to include pregnancy loss before 24 weeks)</li> <li>• <b>Mandate gender pay gap and menopause support action plans</b> (large firms)</li> <li>• <b>Unlawful to dismiss a woman during pregnancy and up to 6 months after her RTW</b> (except in specific circumstances)</li> <li>• Update <b>blacklisting regulations</b> to protect wider range of people</li> <li>• <b>Industrial relations framework</b></li> <li>• <b>Regulation of umbrella companies</b></li> </ul> <p>For further details, see our Employment Rights Act Tracker <a href="#">here</a>.</p>	2027
15	Draft Equality (Race and Disability) Bill	<p><b>Draft Equality (Race and Disability) Bill</b></p>	<p>Before May 2026.</p> <p>The Government consultation on the Equality (Race and Disability)</p>

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
		<p>The Government announced the draft Equality (Race and Disability) Bill in the King's Speech in September 2024. The draft Bill will include the following reforms to:</p> <ul style="list-style-type: none"> <li>• Enshrine in law the full right to equal pay for ethnic minorities and disabled people, making it much easier for them to bring unequal pay claims.</li> <li>• Introduce mandatory ethnicity and disability pay reporting for larger employers (those with 250+ employees) to help close the ethnicity and disability pay gaps.</li> <li>• Ensure that outsourcing of services can no longer be used by employers to avoid paying equal pay.</li> </ul> <p>In March 2025, the Government <a href="#">consulted</a> on how to implement mandatory ethnicity and disability pay gap reporting for large employers (those with 250 or more employees) in Great Britain. The Government is proposing to mirror the gender pay gap reporting framework where appropriate in terms of geographical scope, pay gap measures (with two additional measures to give context to the employer's ethnicity and disability pay gap figures), reporting deadlines and enforcement policy. It also proposes to follow the voluntary guidance for ethnicity pay gap reporting for a consistent approach to classifications and proposes certain protections to preserve employee privacy on data collection. The consultation closed on 10 June 2025 and the Government's response is awaited.</p> <p>In April 2025, the Government also conducted a <a href="#">call for evidence</a> seeking feedback on areas of existing equality legislation and possible equality law reform to help shape the forthcoming Equality (Race and Disability) Bill. The call for evidence was wide ranging and included seeking views on:</p> <ul style="list-style-type: none"> <li>• The prevalence of pay discrimination on the basis of race and disability.</li> <li>• Making the right to equal pay effective for ethnic minority and disabled people.</li> <li>• Measures to ensure that <b>outsourcing of services</b> can no longer be used by employers to avoid paying equal pay.</li> <li>• Improving the <b>enforcement of equal pay rights</b> by establishing an Equal Pay Regulatory and Enforcement Unit with the involvement of trade unions, including ways that a new unit could strengthen equal pay provisions, whether by building on the Equality and Human Rights Commission's existing role or through new functions.</li> <li>• Improving <b>pay transparency</b>. Government is looking to build evidence before deciding whether changes in this area would be appropriate.</li> <li>• Strengthening protections against combined discrimination. <b>Dual discrimination</b> in s14 of the Equality Act 2010 has never been brought into force despite repeated calls from Women and Equalities Committee.</li> </ul>	<p>Bill closed on 10 June 2025. A draft bill is expected to be published. In March 2025, the Minister for Equalities <a href="#">stated in the House of Commons</a> that the draft Bill will be published later in the July 2024-May 2026 Parliamentary session.</p>

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
		<ul style="list-style-type: none"> <li>Creating and maintaining workplaces and working conditions <b>free from harassment</b>.</li> </ul> <p>The call for evidence closed on 30 June 2025 and the Government's response is awaited.</p>	
16	Working Paper on non-compete clauses, published 26 November 2025	<p><b>Consultation on non-compete clauses</b></p> <p>The Government has published a <a href="#">working paper</a> seeking views on options for reforming non-compete clauses in employment contracts. The objectives set out in the paper are to seek to increase job mobility, reduce barriers to recruitment, promote competition for talent and avoid workers spending time out of the labour market in their area of expertise.</p> <p>Alternative policy options being put forward include:</p> <ol style="list-style-type: none"> <li>Statutory time limit on the length of non-compete clauses (3-months)</li> <li>Statutory time limit on length of non-compete clauses according to company size</li> <li>Ban on non-compete clauses in employment contracts, making them unenforceable.</li> <li>Ban on non-compete clauses below a salary threshold, given that the highest earners most often have non-compete clauses in their contracts.</li> <li>Combining a ban below a salary threshold and a statutory time limit of 3 months.</li> </ol> <p>The Government was also seeking views on enforcement and whether the threat of high legal costs is an obstacle to bringing claims on restrictive covenants, including non-compete clauses.</p> <p>Interested parties had until 18 February 2026 to respond to the government consultation. We now await the government's response which will be published in due course.</p>	Government response awaited
17	Consultation on employment status	<p><b>Employment status</b></p> <p>In 2025, the Government announced that it will publish a consultation on employment status by the end of 2025. It acknowledges that this is a complex issue, but it is committed to consult on tackling the pressing issues with the existing framework for employment status, such as substitution clauses. It will also consult on additional measures to strengthen protections for the self-employed, including health and safety protections. In January 2026, the government reaffirmed its commitment to tackling the issues and its aim to publish the consultation "as soon as possible". The consultation publication is still awaited.</p>	TBC. Was expected by the end of 2025 but has not yet been published.

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
18	EHRC Statutory Code of Practice for Services, Public Functions and Associations and EHRC non-statutory interim guidance	<p><b>EHRC Interim Guidance and Consultation on updates to its Code of Practice for Services, Public Functions and Associations</b></p> <p>The Equality and Human Rights Commission (EHRC) published its <a href="#">consultation</a> to update its statutory Code of Practice for services, public functions and associations following the Supreme Court's <i>For Women Scotland</i> judgment. The EHRC made a number of technical amendments to its draft Code of Practice and sought views on whether the updates outlined in the consultation clearly articulate the practical implications of the judgment and enable those who will use the Code to understand, and comply with, the Equality Act 2010. The consultation <b>closed on 30 June 2025</b> and an updated Code of Practice was handed to Government on 5 September 2025 for ministerial approval. If Government approves it, it will be laid before Parliament for 40 days after which the Government may make an order bringing it into force if neither House has rejected it.</p> <p>In response to a question as to why the Services Code has not yet been approved, the Government explained that it has asked the EHRC to provide a costs assessment to help Government to decide whether it needs a full regulatory impact assessment prior to approval.</p> <p>Employers have been asking whether the EHRC's Employment Code of Practice will also be updated following the Supreme Court's judgment. Work on the Employment Code is expected to begin after the Services Code is complete.</p> <p>Following the Supreme Court judgment on the definition of "man", "woman" and "sex" in the Equality Act 2010, the EHRC published non-statutory <a href="#">interim guidance</a> on the practical implications of the judgment pending the updated Services Code. The interim guidance has now been removed from the EHRC's website pending Parliamentary approval of the new Services Code.</p>	Consultation closed on 30 June 2025. An updated Services Code has now been handed into Government for consideration and approval.
19	The Employment Rights Act 2025 (clause 24)  The Victims and Prisoners Act 2024 (Permitted Disclosures) Regulations 2025	<p><b>Confidentiality clauses and non-disclosure agreements</b></p> <p>The Employment Rights Act 2025 includes a provision at section 24 banning clauses/NDAs that seek to prevent <b>allegations or disclosures of information</b> relating to work-related harassment or discrimination. However, it is not yet clear when this provision will come into effect. Further, the Government recognises that in some cases, both parties may genuinely wish for confidentiality about certain details. An amendment therefore gives the Secretary of State powers to:</p> <ul style="list-style-type: none"> <li>• set criteria for "excepted NDAs" in limited, legitimate circumstances; and</li> <li>• specify situations where disclosures will always be allowed, even if an "excepted NDA" exists.</li> </ul>	<p>The Employment Rights Act 2025 came into force on 18 December 2025, but it is not yet clear when section 24 will come into force.</p> <p>The Victims and Prisoners Act 2024 (Permitted Disclosures) Regulations 2025 came into force on 12 December 2025.</p> <p>The Victims and Courts Bill is currently making its way through Parliament.</p>

NO.	ACT OR STATUTORY INSTRUMENT	SUMMARY AND IMPACTS	IMPACT DATE
	The Victims and Courts Bill	<p><b>Section 17 of the Victim and Prisoners Act 2024</b> clarifies that confidentiality clauses and NDAs cannot be legally enforced if they prevent victims from reporting crime and will ensure information related to criminal conduct can be discussed with specified groups without fear of legal action, including police, lawyers, victim support services and close family members. New regulations came into force on 12 December 2025 adding to the list of persons to whom disclosures are permitted which are:</p> <ul style="list-style-type: none"> <li>• The Criminal Injuries Compensation Authority, for the purpose of a claim for compensation in relation to the relevant criminal conduct under the Criminal Injuries Compensation Scheme or the Victims of Overseas Terrorism Compensation Scheme.</li> <li>• A court or tribunal, for the purpose of issuing or pursuing any proceedings in relation to a decision of the Criminal Injuries Compensation Authority made in connection with a claim mentioned above.</li> <li>• A person authorised to receive information on behalf of either of the above, for the relevant purposes mentioned above.</li> </ul> <p>Separately, <b>the proposed Victim and Courts Bill</b> will go further than the current s.17 of the Victim and Prisoners Act 2024 (which came into force on 1 October 2025) and is intended to be a simpler protection allowing victims and direct witnesses of crime to disclose information about the conduct <b>to anyone and for any purpose</b>, not just to the bodies and for the purposes set out in the previous Act.</p>	
20	The Border Security, Asylum and Immigration Act 2025	<p><b>Extending Right to Work Checks</b></p> <p>On 2 December 2025, the Border Security, Asylum and Immigration Act 2025 received Royal Assent. The Act expands the scope of the Right to Work Check scheme to those engaged under workers' contracts, individual sub-contractors and online matching services. It will include those working in the gig economy or on zero hours contracts and will require employers to confirm that individuals working on their behalf have the legal right to work in the UK before hiring them.</p> <p>Penalties for non-compliance include fines up to £45,000 for a first offence and up to £60,000 per illegal worker for repeated offences. In serious cases it could also lead to the closure of the business, director disqualification, seizure of earnings made as a result of illegal working and, where a criminal offence has occurred, a prison sentence of up to five years.</p> <p>A <a href="#">consultation</a> on extending the right to work regime closed on 10 December 2025 and we await the Government's response. The expanded regime is expected to come into force in <b>2026</b>.</p>	Expected in 2026

## FUTURE KEY CASES

NO	CASE	SUMMARY AND IMPACTS	CURRENT STATUS
1.	Miller v University of Bristol	<p><b>Discrimination: Protected philosophical belief</b></p> <p>An employment tribunal held that an academic's anti-Zionist beliefs qualified as a protected philosophical belief under the Equality Act 2010 and that his summary dismissal was an act of direct discrimination and was unfair.</p> <p>The case was heard by the EAT on 12 November 2025. Judgment is awaited.</p>	<p>Heard in the EAT on 12 November 2025. Judgment awaited.</p>
2.	Augustine v Data Cars Ltd	<p><b>Employment status</b></p> <p>Although a part-time private hire driver was treated less favourably than a full-time comparator, it did not breach the Part-Time Workers (Less Favourable Treatment) Regulations 2000. The EAT felt bound to follow the ruling of the Court of Session (though not strictly bound by the Court's decisions) which applied a "sole reason" test. The EAT preferred a construction which considered the "effective and predominant cause" of the less favourable treatment. The case was appealed to the Court of Appeal. While a majority considered the Court of Session case (<i>McMenemy v Capita Business Services Ltd</i>) was wrongly decided, it held that it was highly desirable that the decision be followed, given that it pertained to a statutory provision applicable throughout Great Britain. Given its misgivings about <i>McMenemy</i>, the Court granted leave to appeal to the Supreme Court so that the issue can be decisively resolved.</p> <p>The case is due to be heard in the Supreme Court on 7 May 2026.</p>	<p>Due to be heard in the Supreme Court on 7 May 2026.</p>
3.	Rice v Wicked Vision Ltd	<p><b>Whistleblowing detriment</b></p> <p>The EAT considered that in a whistleblowing claim it was only possible to bring a claim that dismissal amounted to a detriment under s47B ERA if it was not possible to bring a claim for dismissal for making a protected disclosure under s103A ERA.</p> <p>The Court of Appeal held that employers can be vicariously liable under s47B ERA 1996 for co-workers who subject employees to dismissal amounted to a detriment in whistleblowing cases. It felt bound by the precedent set in <i>Timis and another v Osipov [2018] (EWCA)</i> which established that the ERA 1996 does not prevent employees from bringing detriment claims against co-workers for dismissal, with corresponding vicarious liability against employers.</p>	<p>The appeal is due to be heard in the Supreme Court on 21 May 2026.</p>

NO	CASE	SUMMARY AND IMPACTS	CURRENT STATUS
		<p>It noted that the conflicting interpretation of the statutory provisions can only be resolved by the Supreme Court or by legislative amendment.</p> <p>Permission to appeal to the Supreme Court was granted on 5 December 2025. The appeal is due to be heard in the Supreme Court on 21 May 2026.</p>	
4.	Corby v ACAS	<p><b>Belief discrimination: opposition to critical race theory</b></p> <p>An employment tribunal held that a claimant's opposition to critical race theory (as opposed to his anti-racist beliefs based on the ideas of Martin Luther King Jr) is a protected belief under the Equality Act 2010. The claimant's beliefs passed all five stages of the <i>Grainger</i> test and were therefore capable of protection under the EqA. An appeal has been lodged and a preliminary hearing was heard by the EAT on 4 September 2025.</p>	Preliminary hearing heard in the EAT on 4 September 2025.
5.	Afshar and others v Addison Lee Ltd	<p><b>Deductions from wages</b></p> <p>A tribunal held that Addison Lee drivers were workers for the purposes of holiday pay, national minimum wage and deductions from wages claims. It went on to find that the two-year backstop on deductions from wages claims in the Employment Rights Act 1996 was ultra vires and of no effect. An appeal has been granted. Awaiting hearing date.</p>	An appeal has been granted. Awaiting hearing date.
6.	Thandi and others v Next Retail Ltd and another	<p><b>Equal Pay</b></p> <p>An employment tribunal found that the retailer Next breached equal pay law by paying its warehouse staff more than its shop-floor sales staff, despite the jobs being of equal value. The tribunal determined that the material factors relied on by Next to justify the pay disparity for basic pay, including market forces, indirectly discriminated against female employees, who predominantly worked in sales roles. Next's argument that the pay difference was motivated by cost-cutting measures was rejected, as cost-cutting alone was not a legitimate aim.</p> <p>For the time being, this is an employment tribunal decision, so it is not binding on future tribunals. If it is not overturned on appeal, it could have significant ramifications for employers who want to defend equal pay claims on the basis they are paying market rate for certain roles. An appeal has been lodged and a preliminary hearing was heard by the EAT on 22 May 2025. Due to be heard in the EAT on 16 June 2026.</p>	A preliminary hearing was heard by the EAT on 22 May 2025. Due to be heard in the EAT on 16 June 2026.
7.	Ngole v Touchstone Leeds	<p><b>Religion or Belief Discrimination: Withdrawal of job offer</b></p> <p>A tribunal held that the retraction of a job offer from a Christian mental health support worker was direct discrimination. The charity does a significant amount of work with people in the LGBTQI+ community and the claimant had made</p>	Judgment published on 16 February 2026. Claimant

NO	CASE	SUMMARY AND IMPACTS	CURRENT STATUS
		<p>Facebook posts expressing negative views about homosexuality. Withdrawing the job offer before the second interview was not proportionate and put too great a limitation on the claimant's freedom of expression. On appeal, the EAT held that the ET must analyse separately each reason for alleged discriminatory treatment. The ET had failed to determine whether for each reason it constituted impermissible objection to protected religious beliefs or potentially justifiable objection to inappropriate manifestation of those beliefs. The matter was remitted to the same tribunal. The claimant has indicated an intention to appeal.</p>	<p>indicated intention to appeal, listing awaited.</p>
8.	Lister v New College Swindon	<p><b>Religion or belief discrimination: gender-critical beliefs</b></p> <p>A Tribunal dismissed claims for discrimination where claimant was dismissed for refusing to use a gender transitioning student's name and chosen pronouns and for subjecting the student to trans-phobic discrimination and harassment. An appeal has been granted as there were arguable points as to the boundary between belief and manifestation of belief and unqualified rights to hold a belief under ECHR. The case is due to be heard in the EAT on 20 October 2026.</p>	<p>Due to be heard by the EAT on 20 October 2026.</p>
9.	Appiah v Tripod Partners Ltd	<p><b>Agency worker and unlawful deduction from wages</b></p> <p>An employment tribunal held that a consultant who contracted with a recruitment agency through a service company was a worker for the agency for the purposes of an unlawful deduction from wages claim under the Employment Rights Act 1996.</p>	<p>Due to be heard in the EAT on 29 October 2026.</p>
10.	Peggie v Fife Health Board and another	<p><b>Harassment</b></p> <p>A tribunal held that nurse who was suspended for complaining that she had to share a changing room with a transgender woman was harassed by Health Board but it dismissed other claims. The tribunal acknowledged the <i>For Women Scotland</i> judgment but concluded that it did not result in it being inherently unlawful for a trans female (a biological male under the Equality Act 2010) to be given permission to use a female changing room at work, but nor did having the protected characteristic of gender reassignment mean that permission to use the changing room was necessarily lawful.</p> <p>The ET appreciated there was a conflict between protected characteristics, but the Equality Act 2010 does not provide a test in such cases. It concluded that the test that should be applied was one of "objective justification" (derived from Supreme Court judgment in <i>Bank Mellat v HM Treasury (No 2) (2014) AC 700</i>).</p> <p>The decision is being appealed. Awaiting an EAT listing date.</p>	<p>The decision is being appealed. Awaiting an EAT listing date.</p>

NO	CASE	SUMMARY AND IMPACTS	CURRENT STATUS
11.	Kelly v Leonardo UK Ltd	<p><b>Sex discrimination</b></p> <p>A tribunal dismissed claims of direct and indirect sex discrimination and harassment brought by a female employee who objected to her employer permitting transgender women to use the female toilet facilities. The tribunal found that the policy applied equally to men and women and was not inherently less favourable to a woman. It did not put female staff at a particular disadvantage compared to male staff. Even if it had, it would have been objectively justified by legitimate aims of treating transgender employees lawfully and fostering an inclusive workplace. In respect of the harassment claim, the policy did not have the prohibited effect of violating the claimant's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for her.</p> <p>The decision is being appealed. Awaiting an EAT listing date.</p>	The decision is being appealed. Awaiting an EAT listing date.
12.	Robert Gagliardi v Evolution Capital Management LLC	<p><b>Breach of contract - Bonus</b></p> <p>The High Court awarded a trader \$5.385million (plus interest) in a breach of contract claim following his employer's refusal to pay him a discretionary bonus where the employer was contractually required to award a bonus within a target range of 10 to 15% of profit based solely on the trader's revenue contributions to the relevant funds. The High Court summarised the law of trust and confidence in relation to bonuses and held that it required the decision maker to exercise their contractual discretion in good faith in accordance with its contractual purpose and not irrationally, arbitrarily or capriciously and to take into account matters which they ought to take into account and not take into account irrelevant factors.</p> <p>Permission to appeal to the Court of Appeal is being sought.</p>	Permission to appeal to Court of Appeal lodged on 12 January 2026.
13.	Bailey v (1) Stonewall Equality Ltd (2) Garden Court Service Company (3) representatives of Garden Court Chambers	<p><b>Religion and belief: did a barristers' chambers discriminate against a barrister due to her 'gender critical' philosophical beliefs and did the organisation Stonewall instruct, cause or induce that discrimination?</b></p> <p>An employment tribunal held that Garden Court Chambers had discriminated against a barrister for holding 'gender critical' beliefs and for expressing misgivings about Stonewall's policy aims, but rejected the claimant's claim against Stonewall for instructing, causing or inducing that discrimination. The employment tribunal found that the communications from Stonewall relating to the claimant were just a protest and not sufficient to amount to an inducement, or attempted inducement, of any particular course of action by Garden Court. On appeal, the EAT concluded that the employment tribunal had not erred in rejecting Ms Bailey's claim against Stonewall. A £20,000 costs award was made against representatives of Garden Court Chambers for unreasonable conduct of their solicitor in preparing the trial bundle in the employment tribunal case.</p>	Permission to appeal to the Supreme Court has been sought.

NO	CASE	SUMMARY AND IMPACTS	CURRENT STATUS
		<p>The Court of Appeal dismissed an appeal and upheld that the tribunal’s decision that Stonewall did not cause or induce Garden Court Chambers to discriminate against the barrister. Permission to appeal to the Supreme Court has been sought.</p>	
14.	<p>AB v Grafters Group Ltd</p>	<p><b>Discrimination: “in the course of employment”</b></p> <p>The EAT overturned a tribunal decision that the actions of a male colleague who drove a hospitality worker to a golf course after falsely offering work-related transport and sexually harassed her were outside the course of employment. The EAT held that the tribunal had failed to assess properly the nexus between the harassment and work. Relevant factors included: the male colleague’s prior sexual messages sent during his work shift, whether this formed a pattern of conduct, his previous work-related driving for the claimant, and whether he exploited her belief that the lift was part of his work duties.</p> <p>Permission to appeal to the Court of Appeal has been lodged.</p>	<p>Permission to appeal to the Court of Appeal has been lodged.</p>
15.	<p>Stobart v Zen Internet</p>	<p><b>Unfair dismissal – capability</b></p> <p>The EAT held that in the case of a senior executive who had been dismissed for capability, the tribunal had wrongly confined its consideration to what would have occurred after notice of termination was given, rather than from the date when the capability concerned crystallised, and had not given adequate reasons for its conclusions as to timings.</p> <p>An appeal to the Court of Appeal is due to be heard by 15 February 2027.</p>	<p>An appeal to the Court of Appeal is due to be heard by 15 February 2027.</p>
16.	<p>Chaudhry v Paperchase Products Ltd and another</p>	<p><b>Insolvency – recovering basic award for unfair dismissal</b></p> <p>The EAT held that an employee cannot recover a basic award for unfair dismissal from the Secretary of State following their employer’s insolvency without an employment tribunal decision making such an award. The Employment Rights Act 1996 is clear that an “award” means a decision that a payment should be made, not just an entitlement that crystallises on dismissal, despite arguments that these provisions could be interpreted differently by applying EU principles. Permission to appeal to the Court of Appeal has been granted.</p>	<p>Permission to appeal to the Court of Appeal has been granted.</p>

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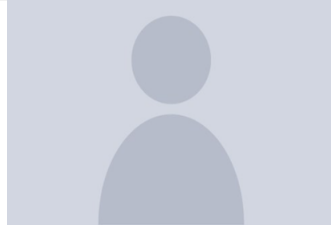
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