Forward thinking
Straight talking

10 key employment law developments that employers should be aware of

July 2025

Gateley

Since our last update in December 2024, the world of employment law has remained as busy as ever.

In this update, we comment on some key developments so far in 2025, including a brief update on amendments to, and the progress through Parliament of, the Employment Rights Bill (the **Bill**), as well as updates to NMW rates and Vento bands. However, we have particularly focused on some recent case law this time, as there have been several important decisions.

The Bill is continuing its progress through Parliament. At the time of writing, it has just completed the House of Lords Committee Stage, with a final reading in the House of Lords before it returns to the House of Commons for its third and final reading. Royal Assent is expected in Autumn 2025.

There have been some important amendments to the Bill announced just before this update went "to press" so while we have flagged these, as they have not yet had any Parliamentary scrutiny, we have not done so in detail in case that the amendments are rejected or further changed. The Government has also recently published an Implementation Roadmap for the Bill which provides anticipated commencement dates for various parts of the Bill, and we cover this below.

Meanwhile, the employment courts (ET, EAT and above, right up to the Supreme Court (**SC**)) have been busy and we comment below on a few interesting cases, including the recent SC decision in the case brought by *For Women Scotland Ltd* against the Scottish Government attracting significant attention.

1. Discrimination based on religious belief and freedom of expression

Some of the most recent high-profile employment law cases have been in relation to the expression of religious beliefs and specifically how employers handle disagreements between employees who have contrasting beliefs and express these in the workplace.

Our general observation has been that case law in this area has broadly strengthened the protection for employees from expressing a religious or philosophical belief conditional upon their belief being expressed in a respectful manner.

The emphasis has been on how the belief has been expressed rather than the reaction or offence it has caused if another employee disagrees with the belief, or has a strong conflicting belief. This has made it difficult for employers to manage workplace disputes involving employees who have conflicting beliefs as situations can quickly escalate and result in both employees insisting they cannot work together. However, an employer must be careful what action it takes as any dismissal arising in this circumstance could result in a successful claim of unfair dismissal and/or discrimination on the grounds of belief, as illustrated in the Higgs case summarised below.

Higgs v Farmor's School and others [2025] *EWCA Civ 109*

Facts

Mrs Higgs was employed in a school as a pastoral administrator and work experience manager.

Mrs Higgs was dismissed for gross misconduct after she had re-posted messages by others on her personal Facebook page and which had opposed the teaching in schools, particularly primary schools, of "gender fluidity" and that same-sex marriage is equivalent to marriage between a woman and man. Most of the views expressed in the posts were not directly written by Mrs Higgs but were copied or shared from other posts. However, a parent of one of the students reported this to the headteacher of the school. The school took disciplinary action against Mrs Higgs, and she was dismissed for gross misconduct.

Mrs Higgs was dismissed because the school concluded that someone reading the posts might conclude that Mrs Higgs not only felt strongly about gender fluidity and same sex marriage, but also that she was hostile towards the LGBTQ+ community, and trans people in particular.

Mrs Higgs brought proceedings in the ET for unlawful discrimination on the grounds of religion or belief contrary to the Equality Act 2010 (the **EqA 2010**).

Decision

The Tribunal held that Mrs Higgs' beliefs about gender fluidity and same-sex marriage were protected by the EqA 2010. In the light of the later *Forstater* decision (see our previous article here, which includes a summary of this decision) that conclusion was not disputed by the school. However, Mrs Higgs' claim was dismissed as the ET agreed with the rationale behind the school's decision to dismiss Mrs Higgs, including concerns about its reputation.

The EAT disagreed with the ET and sent the claim back to the ET for the matter to be re-considered. Mrs Higgs appealed to the Court of Appeal (**CA**) that the EAT ought to have overturned the ET judgment not remitted the claim to be reconsidered to the end of the last sentence.

The appeal to the CA was successful and the CA replaced the EAT decision to remit the case back to the ET with a judgment that Mrs Higgs' dismissal was discriminatory. The CA was clear that Mrs Higgs had the right to express her protected beliefs and also made it clear that unless the manner of an individual's expression of their protected belief has been done in a way that is objectively "inappropriate" and offensive, dismissal of an employee due to them having expressed their protected beliefs because the employer fears that those beliefs will offend a third party, or that it was a necessary step to protect the employer's reputation, will constitute unlawful discrimination within the meaning of the EqA 2010.

In this case, the CA concluded that the school's decision to dismiss was a disproportionate sanction taking into account that:

- Mrs Higgs had a clean six-year record;
- There was no evidence that she had expressed her views at work or would mistreat gay or trans pupils;
- While her posts were provocative they did not express hatred;
- She supported the message, not the tone of the posts; and
- The risk to the school's reputation was minimal due to limited access to Mrs Higgs' Facebook posts.

The school sought to appeal the CA judgment but the SC has refused permission.

The case shows how employers face a significant ongoing challenge to balance the expression of conflicting beliefs by employees in the workplace whilst trying to balance its own business interests. This decision makes it harder for employers to dismiss, or even fairly discipline, an employee with strong beliefs where the employer is concerned this *may* negatively impact its reputation or cause upset to other employees who hold a differing viewpoint. Where the employer does have concerns about the reputational impact of an individual having expressed their protected beliefs, it will need to carry out a proportionality assessment in deciding what (if any) action to take, balancing the employee's rights under the EqA 2010 and any legitimate concerns they have about the same (i.e. reputational risks), as well as considering all the circumstances of the expression (such as the language used, where the comment was made, and how "public" it was).

This CA decision is likely to be significant to other cases that raise similar issues and are due to be heard by the EAT this year. Therefore, we expect this to remain a "hot topic" and will continue to provide updates.

2. Statutory interpretation of “sex” in the EqA 2010

At first glance, the case of *For Women Scotland* seemed to provide some clarity in relation to the interpretation of definitions of “woman”, “man” and “sex” under the EqA 2010. However, the reality is that while this decision does mean that where such terms are used in the EqA 2010 they are to be interpreted as “biological sex”, the decision leaves questions unanswered that make it challenging for employers to know what their obligations are.

For Women Scotland Ltd v The Scottish Ministers [2025]

Facts

The Gender Representation on Public Boards (Scotland) Act 2018 created gender representation targets to increase the proportion of women on public boards in Scotland. The Scottish Parliament had issued guidance that stated for these purposes the definition of a “woman” was the same as that in the EqA 2010, and that this included a person appointed to a public board who had a gender recognition certificate (GRC) that identified them as a woman. The guidance was challenged on the grounds that the reference to woman in the EqA 2010 did not include someone with a GRC.

Decision

The SC held that the references to ‘man’, ‘woman’ and ‘sex’ in the EqA 2010 were to be interpreted as meaning biological sex not - as the court used the term - ‘certificated sex’. There were historical and practical reasons supporting this interpretation. The original Sex Discrimination Act which had been replaced by the EqA 2010 had clearly referred to sex in this way. Attempting to provide a different interpretation now would cause difficulties when considering the other provisions in the EqA 2010 in relation to maternity and similar protections, and sexual orientation. A different interpretation of “sex” would also give rise to confusing differences in protections that might apply to transgender people who had not applied for a GRC. As the leading judgment said: *‘Interpreting “sex” as certificated sex would cut across the definitions of “man” and “woman” and thus the protected characteristic of sex in an incoherent way.’*

The SC also considered it relevant that the EqA 2010 provided protection to trans people under other provisions including those that covered gender reassignment and also perceived/associated discrimination protections that could also be relied upon to provide protection against less favourable treatment or harassment.

What has the Equality and Human Rights Commission (EHRC) said about this?

Following this decision, the EHRC issued an interim update to its guidance outlining the practical implications of the ruling. The EHRC has confirmed that it will update both its guidance to reflect the judgment and proposed changes to its Code of Practice for Services, Public Functions and Associations following a period of public consultation about the implications of the SC decision. That consultation only closed on 30 June 2025, and as at the date of writing the final version of the updated Code is still awaited.

In the meantime, the EHRC’s interim update highlights key areas affected by the ruling, including workplaces, and advises employers to seek specialist legal advice where necessary to ensure compliance with the law.

Advice for employers

If an employer facing a workplace dispute related to the provision of employee facilities (such as toilets, changing rooms, or showers), or involving conflicting beliefs between employees (for example, between those with gender-critical views and those with trans-positive views), we strongly recommend seeking specialist legal advice at the earliest opportunity. We have experience supporting employers through these sensitive and complex situations.

This is an important case we will be commenting further on it once we have greater clarity when updated EHRC guidance is published.

3. Retirement and age discrimination

Since April 2011, there has been no legal retirement age in the UK. Where an employer seeks to force an employee to retire at a particular age. the employee could challenge this on the grounds of it being direct age discrimination. It's worth pointing out that unlike direct discrimination on the grounds of other protected characteristics, direct age discrimination such as a retirement age is capable of being justified by an employer, but this can only be done if an employer can show that the retirement age and acting on it is a proportionate means of achieving a legitimate aim. Both limbs of this defence must be demonstrated by the employer.

Scott v Walker Morris LLP

Facts

Mr Scott, a partner in the firm, had successfully applied to extend his membership for three years when he had reached the firm's default retirement age for partners of 60. However, his subsequent application to extend his membership for a further two years was unsuccessful. Mr Scott brought a claim for direct age discrimination which the firm defended on the grounds that its retirement policy was justified as a proportionate means of achieving the legitimate aims of protecting the interests of its business and ensuring inter-generational fairness.

Decision

The ET accepted that the firm had legitimate aims behind its retirement policy including:

- maintaining a collegiate and cohesive atmosphere amongst its partner group;
- avoiding difficult and potentially degrading performance management of older partners; and
- the general social policy aim of maintaining dignity of individuals in the workplace.

It was also able to rely on the need for workforce and succession planning to ensure it had sufficient partners to run its business profitably and this fell within the social policy aim of inter-generational fairness.

However, the ET held that the firm's treatment of Mr Scott was not proportionate as it was not satisfied that the firm had acted in an appropriate and reasonably necessary way to achieve those aims. There were alternative – less discriminatory – ways in which these aims could have been acted upon, including having career conversations with partners and staff to identify short-term and long-term career goals, increasing the potential retirement ages or adopting "moderated late retirement" with partners reducing their equity stake over time. There was also no evidence presented to show poor performance at partner level, or that the retirement policy helped with workforce and succession planning.

As a result, the ET held that Mr Scott had been subject to direct age discrimination.

This judgment reinforces the importance for employers of considering both the "legitimate aim" and "proportionality" elements if it proposes to implement a retirement policy that could negatively impact employees who are considering or approaching retirement.

4. Knowledge of allegations raised in a disciplinary process

In a disciplinary process, the ACAS Code of Practice on disciplinary and grievance procedures (the **Code**) provides clear guidance that an employer should "inform the employee of the problem" that is the subject of the disciplinary process.

A failure to follow the Code does not, in itself, make an employer liable to proceedings. However, if a claim arises, ETs will take the Code into account and in the event that the claim is successful, if the employer has unreasonably failed to follow the Code, then the ET can uplift any compensation awarded by up to 25%.

As a further point, if an employee is not "informed of the problem" that is the employer's reason for dismissal, then it will almost always mean any subsequent dismissal will be procedurally unfair unless there are exceptional circumstances.

The below case sets out an "exceptional circumstance" where the ET's consideration of the entire dismissal process, including the appeal, was relevant in assessing whether an employee was aware of the allegations that had been raised against them.

Hesham Elhalabi v Avis Budget UK Ltd [2025]

Facts

Mr Elhalabi was initially invited to a disciplinary hearing for misconduct for the following allegations:

- failure to work at another of the employer's outlets when instructed; and
- leaving an outlet unmanned and unlocked.

During the investigation, Mr Elhalabi disclosed that he had CCTV evidence showing the store was not unmanned as alleged. He initially would not disclose how he obtained the CCTV, but eventually said it was from a former colleague. This issue was therefore something that was discussed as part of the disciplinary process. The employer carried out further investigations after the disciplinary hearing and after speaking to the former colleague, discovered the footage had not in fact come from this individual. The employer therefore concluded that Mr Elhalabi had been dishonest about how he had obtained the CCTV footage.

Mr Elhalabi was dismissed and one of the reasons was due to his dishonest account of how he had obtained the CCTV footage. Prior to this, Mr Elhalabi was not clearly told about the further investigation into how he had obtained the CCTV footage nor was he informed that his potential dishonesty was a new allegation that could lead to his dismissal (the **Procedural Issue**).

Decision

The Procedural Issue was not explicitly discussed in the first instance hearing by the ET as it was not raised by Mr Elhalabi as part of the initial claim. Therefore, without taking the Procedural Issue directly into account, the ET found the dismissal to be fair.

Mr Elhalabi appealed this, and one of the grounds of appeal was the Procedural Issue. The EAT concluded that by considering the entirety of the disciplinary process, the ET had considered procedural matters when reaching its conclusion, and therefore indirectly considered the Procedural Issue, in finding the dismissal was fair. As a result, the appeal was dismissed.

Notwithstanding this decision, our view remains that it is best practise to ensure that all allegations are put to the employee prior to any disciplinary action being decided. The employer could have reduced the risk of the EAT ruling in Mr Elhalabi's favour by clearly informing him before making a decision that it was now investigating how the CCTV footage had been obtained and giving him the opportunity to respond to the findings on this point. The employer should also have made it clear that this matter would be considered as part of the disciplinary process and that, if substantiated, it could constitute gross misconduct potentially leading to dismissal.

5. TUPE transfers - automatic unfair dismissal

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (**TUPE**) allows for an employee to claim that they have been automatically unfairly dismissed in circumstances where they resign due to a change in working conditions which is to their material detriment being made as a result of the transfer. TUPE also provides that an employee cannot be forced to transfer to another employer and may object to the transfer which automatically brings the contract to an end on the date of the transfer.

The issue in *London United Busways Ltd v Mr De Marchi* was whether there was any liability, and if so on who it fell, in circumstances where an objection had been made to the transfer because of changes that were to be made to the place of work, but where there had been no resignation by the claimants.

London United Busways Ltd v Mr De Marchi [*2024*]

Facts

In this case, Mr De Marchi, a bus driver, objected to a TUPE transfer that would have moved him from a depot near his home to one over an hour away. He refused to sign new terms, but did not resign, and instead requested that he be made redundant. The transferor declined to make Mr De Marchi redundant. As a result of his objection, on the transfer date his employment ended and he did not transfer to the transferee. He then brought a claim for constructive unfair dismissal.

Decision

In the first instance, the ET found that Mr De Marchi had been unfairly dismissed and that even though the reason for the objection to the transfer was the transferee's proposed change of location, the transferor was liable for the dismissal. This decision was appealed by the transferor by appeal and by Mr De Marchi on cross-appeal.

The EAT held that where an employee objects under Reg 4(7) TUPE in circumstances involving a substantial and materially detrimental change (under Reg 4(9)), the contract does not transfer. Instead, Reg 4(8) operates to terminate the contract with the transferor, who is treated as having dismissed the employee. This is the case even where the employee did not elect to resign or treat the contract as terminated.

In practical terms in Mr De Marchi's case, his claim was limited in value to his redundancy entitlement as the transfer meant that his role with the transferor no longer existed. However, the EAT's decision in this case reinforces a long-standing anomaly in TUPE which was first highlighted in *Humphreys v University of Oxford* that liability for a pre-transfer resignation or dismissal rests with the transferor, not the transferee, even where an employee objects to a transfer due to detrimental changes which are proposed by the transferee (and often nothing to do with the transferor or which it has any control or influence over).

This case is a reminder that TUPE doesn't always follow the usual rule of passing liabilities to the transferee. Where an employee objects due to detrimental changes, dismissal liability can remain with the transferor (i.e., seller). This reinforces the need for sellers to consider indemnities in asset purchase agreements, to ensure that liability for such claims is appropriately allocated.

6. Detriment on the grounds of trade union activities

When an employer is facing strike action, it can be tempting for it to seek to "penalise" striking workers in an attempt to persuade them to cease the strike and return to work as normal. Such detrimental action will often face challenges, including ET claims alleging unlawful detriment under section 146 of the Trade Union and Labour Relations (Consolidation) Act 1992 (**TULRCA**). However, the decision in *Mercer v Secretary of State for Business and Trade* determined that s.146 TULRCA does not cover detrimental action taken against employees who participate in strike action.

The case below was an attempt by a union to seek compensation for its members via a different route, specifically the Employment Relations Act 1999 (Blacklists) Regulations 2010 (the **Blacklisting Regulations**).

Morais and others v Ryanair DAC and Secretary of State [2025]

Facts

This case involved Ryanair pilots who went on strike over pay and conditions. The strikes were organised by the union BALPA, an independent trade union recognised by the employer for the purposes of collective bargaining. In response, by referring to a list of those who participated in the strike action, Ryanair withdrew concessionary travel benefits from striking pilots for a year. The pilots claimed this was an unlawful detriment under the Blacklisting Regulations and that they had been subject to a detriment under s.146 TULRCA . The s.146 claim was discontinued in view of the *Mercer* judgement.

Therefore, the key question was whether the reference to "taking part in the activities of trade unions" for the purpose of Regulation 3(2)(a) of the Blacklisting Regulations included participation in industrial action.

Decision

The CA ruled against Ryanair and concluded that the natural meaning of "trade union activities" in the Blacklisting Regulations did include strike action. The workers concerned were therefore entitled to compensation.

Ryanair made an application to appeal this decision, but leave to appeal was denied by the SC so this decision is an important precedent in these circumstances.

This ruling broadens protection for workers involved in union activities, but in particular including when they are participating in industrial action (provided that this action is endorsed by a union).

Striking workers who are subjected to a detriment by their employer can now bring a detriment claim to the ET under the Blacklisting Regulations which if successful can lead to a minimum award of £5,000 (unless the court concludes it is just and equitable to reduce this amount).

It's also worth flagging that the Bill also includes provisions which will introduce new protection for workers against detriments short of dismissal (i.e. under s.146 TULRCA) for taking part in protected industrial action. The proposed amendments to TULRCA will close the gap in protection, but these are not likely to be in force until autumn 2026.

7. Employment status in the UK for overseas employees

This recent EAT decision is a strong reminder of the importance of assessing the degree of connection to the UK when dealing with overseas workers in relation to whether they may be considered employees or contractors.

Cable News International Inc (CNI Inc) v Ms Saima Bhatti [2025]

Facts

In this case, Ms Bhatti, a journalist of Pakistani heritage, was employed by a US-based media employer under a contract governed by the law of the US state of Georgia. Her employment commenced in 2013. Although her assignments were mostly (but not entirely) in Asia, she relocated from Bangkok to work from London in March 2017, seeking to become London-based and while receiving treatment and recovering from injury sustained in 2014.

However, Ms Bhatti's request to CNI Inc that she be relocated to London was denied and, after she had worked for one day on an assignment in London in June 2017, CNI Inc instructed the London subsidiary not to deploy her on assignments without permission from the Atlanta headquarters. Eventually, Ms Bhatti was dismissed with immediate effect in August 2017 and she was escorted from the London premises. She brought multiple UK employment claims as a result for discrimination of various kinds, victimisation, unfair dismissal, equal pay and outstanding holiday pay.

Decision

After considering the facts, the ET found that from March 2017 Ms Bhatti had two work bases, Bangkok and London, from which she worked at various times. The ET concluded that from 1 March 2017 onwards, but not before, London had displaced the "territorial pull" of Bangkok as Ms Bhatti' base. Despite her contract being governed by US law, the ET held that Ms Bhatti's employment had a "sufficiently" close connection to Great Britain to fall within the territorial scope of UK employment legislation.

The EAT dismissed CNI Inc's appeal and found that the ET had correctly applied the "sufficiently close connection" test laid down in *Lawson v Serco Ltd*. There were also further consideration in relation to whether UK statutes could confer international jurisdiction. The EAT did not agree with the ET's reasoning as to why this was the case, but ultimately concluded that the ET was entitled to find that Ms Bhatti could issue proceedings against CNI Inc in England.

This case reaffirms that employers need to consider (amongst other things) what work overseas-based employees are carrying out, where they are based, and whether there a is a "sufficiently close connection" to the UK. For example, is the employee supporting the UK business or working with/supporting its UK-based clients? If so, there may be exposure to UK employment claims (in addition to potential claims in another country) regardless of where the individual is based, what the contract says, or what its governing law is.

8. Employment Rights Bill – Implementation Roadmap

As indicated at the beginning of this update, at the time of writing, the Bill has just passed through the House of Lords Committee Stage and is expected to receive Royal Assent in Autumn 2025. On 3 July 2025, the Government published its Implementation Roadmap which can be found here. This sets out the timeline below for the expected implementation for **some of the key changes** in the Bill:

Immediately After Royal Assent (Expected Autumn 2025):

- The Strikes (Minimum Service Levels) Act 2023 and most of the Trade Union Act 2016 will be repealed.
- New protections will come into force to prevent dismissal for taking part in lawful industrial action.

April 2026:

- The maximum protective award for collective redundancies will be doubled (i.e. up to a maximum of 26 weeks' pay).
- Paternity leave and unpaid parental leave will become day-one rights.
- The lower earnings limit and waiting period for Statutory Sick Pay will be removed, expanding access to 1.3 million low-paid workers.
- Enhanced whistleblowing protections will be introduced.
- The Fair Work Agency will be launched to enforce certain workplace rights.
- A package of trade union reforms will take effect, including simplified recognition procedures and changes to support electronic and workplace balloting.

October 2026:

- A ban on unfair fire and rehire practices will be introduced.
- Employers will be required to fairly allocate tips to workers.
- Employers will be required to take "**all**" reasonable steps to prevent sexual harassment of employees.
- Employers will be under a duty to take all reasonable steps to prevent harassment (on any grounds) of employees by third parties.
- Further trade union protections will be implemented, including stronger rights for union representatives and protection from detriment for workers involved in industrial action.
- ET claim time limits will be extended.

2027:

- Day-one protection from unfair dismissal will be introduced.
- Enhanced dismissal protections for pregnant women and new mothers will come into force.
- Measures to end exploitative zero-hours contracts will be implemented, including a right to request a contract with guaranteed hours.
- Access to flexible working will be improved.

Whilst this provides some time for employers to prepare for changes, the Government is encouraging employers to begin reviewing contracts, workplace policies, and training procedures now to ensure compliance. The Government has also committed to supporting businesses through guidance and consultation ahead of implementation.

Employers should ensure they stay informed, and we will continue to provide support and advice throughout this period.

9. Employment Rights Bill – Recently-announced amendments Section 22 of the Bill: Protection of disclosures relating to sexual harassment

In early July a number of proposed amendments were announced to the bill. These include:

Extension to bereavement leave

The government announced on 7 July that it proposes to amend the Bill to extend bereavement leave to parents who experience a miscarriage before 24 weeks of pregnancy. It has been proposed that this will be "for at least one week". However, the exact detail (i.e., who will be eligible) is yet to be finalised and will be decided following consultation.

Discrimination and harassment complaints NDAs to be "banned"

In our view, one of the more understated yet potentially significant provisions in the Bill was at section 22. This will amend Part 4A of the Employment Rights Act 1996 to add disclosures about sexual harassment to the list of "qualifying disclosures" protected under whistleblowing legislation.

Specifically, it inserts a new paragraph into section 43B(1) ERA 1996, confirming that a disclosure "that sexual harassment has occurred, is occurring or is likely to occur" will be a protected disclosure. It also defines "sexual harassment" by reference to section 26(2) of the EqA 2010 i.e., unwanted conduct of a sexual nature.

This amendment is important because it will change the legal and practical considerations for employers when handling sexual harassment complaints.

However, on 7 July the Government announced that it proposed to further extend this provision by way of a new section 22A in the Bill which will make void (and therefore unenforceable) any provision of an agreement (such as a confidentiality clause in an employment contract or settlement agreement) which seeks to prevent an individual from speaking up:

- about workplace harassment or discrimination,
- who has been perpetrating such behaviour, or
- about how the employer has responded to a complaint about this type of behaviour.

Note that this extension of the restriction on confidentiality clauses or NDAs will not be limited to sexual harassment, but will cover any type of harassment or discrimination apart from alleged failures to make reasonable adjustments for disabled employees.

If these provisions come into force:

- Complaints of sexual harassment will be protected disclosures under whistleblowing law.
- This means that any detrimental treatment or dismissal of an employee for raising such a complaint could give rise to a whistleblowing claim, which has no cap on compensation.
- The changes will also mean that employers will no longer be able to include details pretty much any discrimination complaint in a confidentiality clause within a settlement agreement.

This is a significant shift and should act as a substantial incentive for employers to properly investigate discrimination complaints as a first step and thereafter take appropriate remedial action to ensure the complaint is dealt with appropriately, rather than seeking instead to resolve the issue quickly by seeking to have a "protected conversation" with the person who has raised the concerns in the first place and agreeing exit terms under a settlement agreement.

In turn, this provision will also be likely to mean that employers need to have the skills and resource available to effectively investigate discrimination complaints swiftly whenever a complaint of that nature arises. As a minimum, training a cohort of managers to be able to carry out such investigations will be worthwhile.

A further, possibly unintended, consequence of these changes, in particular the change proposed by section 22A of the Bill is that individuals who have raised discrimination concerns may be forced to take a claim all the way to an ET hearing (with the time, costs, pressure and risk inherent in any litigation) in order to secure redress. This is because an employer may be reluctant to settle a claim or threatened claim if it believes that it is unsubstantiated, simply because it may be unable to ensure that settlement terms will include a suitable confidentiality provision which the individual will adhere to. Employers may decide that it is preferable to defend its actions and those of its employees and see if an ET agrees with them, than risk entering into settlement and still facing adverse publicity.

The proposals include provision to allow for future regulations which may specify that the restriction on the use of confidentiality provisions will **not** apply to an "excepted agreement". As ever with developments such as this, the devil will be in the detail, and so we await with great interest details of what will or will not be an "excepted agreement". Will it include, for instance, a settlement agreement terminating someone's employment in which the individual themselves has raised (e.g. without any "pressure" from their employer) the fact that they would like to have the terms of the settlement agreement and the background circumstances which have led to the settlement agreement being entered into to be kept confidential? Time will tell.

10. Rate increases

National Minimum Wage (NMW) including the National Living Wage (NLW) – from 1 April 2025

All employers are under an obligation to ensure that their workers are paid at least the National Minimum Wage or National Living Wage.

From 1 April 2025, the National Living Wage has been extended to cover all workers aged 21 and over. The updated hourly rates are as set out below:

	Rate up to 30 March 2025	Increase	Rate from 1 April 2025	Percentage increase
National Living Wage (21 and over)	£11.44	£0.77	£12.21	6.7
18-20 year old rate	£8.60	£1.40	£10.00	16.3
16-17 year old rate	£6.40	£1.15	£7.55	18.0
Apprentice rate	£6.40	£1.15	£7.55	18.0
Accommodation offset	£9.99	£0.67	£10.66	6.7

We have linked our "Top 10 employer mistakes when paying National Minimum Wage" here for further guidance.

Vento Bands for injury to feelings awards in discrimination claims – from 1 April 2025

On 27 March 2025, the Presidents of the Employment Tribunals in England and Wales and in Scotland issued updated Presidential Guidance on employment tribunal awards for injury to feelings.

These apply to claims presented in the Tribunal on or after 6 April 2025 and are relevant in harassment and discrimination claims.

Band	Range	Description
Lower	£1,200 – £12,100	Less serious cases
Middle	£12,100 – £36,400	Cases not meriting the upper band
Upper	£36,400 – £60,700	The most serious cases

Amounts in excess of £60,700 can be awarded in the most exceptional cases.

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