



Department for Business & Trade

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15 December 2025

Dear Business Representatives,

Employments Rights Bill

Thank you for your letter urging Parliament to now pass the Employment Rights Bill. I am grateful for the leadership business and trade unions have shown in our efforts to create a fair and flexible labour market. The strategic compromises, made by both sides of industry, demonstrate that, with a spirit of consensus and cooperation, we can build a brand-new framework for industrial relations in our country. And I look forward to working with the representatives of both business and trade unions to bring that about.

Your call for Parliament to now pass the Employment Rights Bill is absolutely right. Business needs certainty and clarity about the details and support for implementation of the new arrangements, just as working people need the certainty of job security and fair reward central to Make Work Pay. Making progress on the agreed road map for consultation and implementation of the Bill is vital to achieving the certainty both sides of industry demand. The leadership that you and the trade unions have shown in recent weeks, coming together to overcome the last significant hurdle on unfair dismissal, points the way. Parliament should now show similar leadership by passing the Employment Rights Bill without further delay to end the uncertainty and insecurity for both employees and employers.

Compromise and consensus are important components of successful industrial relations. The best negotiators on all sides understand they are essential to progressing beyond the 'winner takes all', zero-sum game approach, that only leads to discord, dispute, and long-term decline. All parties – business, trade unions, Government and Parliament – have made difficult but necessary compromises to bring this Bill forward. In that same spirit of compromise, during the remaining stages of this Bill I urge everyone to recognise that the elected representatives of business, trade unions and the people are committed to passing this Bill without further delay.

If we can make progress towards achieving Royal Assent, I can assure your members, and the trade unions, that we are keen to see the spirit of consensus and cooperation shown to date continue in its implementation. As we have said throughout the passage of the Bill, we are committed to extensive consultation on its detailed implementation and in secondary legislation. I note that the business representation organisations continue to have concerns in a number of areas, including on the compensation system for unfair dismissal in

employment tribunals. I want the good will and good faith shown during these recent rounds of negotiations to continue and for us to make further progress in partnership with both business and the trade unions. I am, therefore, very happy to confirm that we will continue this approach to ensure that implementation can be harmonious, sensible and sensitive to the needs and perspectives of both sides of industry.

Finally, may I take this opportunity to wish you and your members, along with every working family in our country, a very merry Christmas and a prosperous and productive New Year. I am certain that the spirit of courage, cooperation and consensus, that has been so clear during these recent few weeks, will be the basis for even greater progress in 2026.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Peter Kyle', with a stylized flourish at the end.

Rt Hon Peter Kyle MP

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