

The Baroness Fox of Buckley  
House of Lords  
London  
SW1A 0PW

13 June 2025

Dear Baroness Fox,

### **Employment Rights Bill – Follow up**

Thank you for your contribution to the committee stage debate on the Employment Rights Bill on 3 June, regarding Clauses 31 and 32. I appreciate your interest and engagement on this topic, and I am pleased to write with further information.

#### **Clause 31 - Equality action plans**

During the debate there was some disagreement over whether such action was still necessary, given the small or negative gender pay gap for younger age groups, and increasing education level of women. However, the evidence, some of which is detailed in this House of Commons Library paper<sup>1</sup>, demonstrates that the gender pay gap is a persistent issue. Numerous studies show that gaps widen across the lifecourse, and that this pattern is still displayed by current cohorts. There are also both moral and economic reasons for why it is imperative that we act. 1 in 10 women who worked during the menopause left a job due to their symptoms<sup>2</sup>, while a 5% increase in female employment could boost the UK economy by up to £125 billion every year<sup>3</sup>. If we are to secure the economic growth we all want to see then supporting women is crucial; and we, and even more so, employers, can't afford not to make the most of their skills and experience.

Where we firmly agree, is that we don't want plans to merely provide an opportunity for virtue signalling by employers, but instead generate real positive change for employees. It is for that reason that we are focussing on designing a reporting process that will prompt employers to take actions shown by research to be effective. We are currently in the process of ensuring that we reflect the latest evidence base. However, previous research we have done in this area provides a good indication of the kinds of actions we are likely to be encouraging employers to take<sup>4</sup>.

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<sup>1</sup> <https://researchbriefings.files.parliament.uk/documents/SN07068/SN07068.pdf>

<sup>2</sup> <https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=9672cf45-5f13-4b69-8882-1e5e643ac8a6>

<sup>3</sup> <https://www.pwc.co.uk/economic-services/assets/women-in-work-24.pdf>

<sup>4</sup> <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/closing-your-gender-pay-gap#actions-to-close-the-gap>

There were concerns raised during the debate that plans would result in employers adopting positive discrimination (which would be unlawful). As you will be able to see from the previous research, the majority of the actions focus on improving organisational processes and transparency, to the benefit of all staff. Many employers already recognise that there are business costs associated with underutilising and losing female talent from their workforce, and they are keen to take action. By providing information and guidance on actions which have a proven track record we can ensure that organisations see a real benefit from the time and effort they put in.

You raised particular concerns about the level of detail in the Clause itself. The drafting of this power closely follows the format and contents of Section 78 of the Equality Act 2010, which is the enabling power for existing gender pay gap reporting. This was a deliberate choice in order to ensure there was read across and consistency for employers. Our working assumption is that the definitions and enforcement approach, in practical terms, will be the same as they are for the gender pay gap reporting measures; although enforcement will remain a matter for the Equality and Human Rights Commission. However, the advantage of this approach is that it enables us to provide more detail in subsequent regulations than would be normal on the face of a Bill, and thus more detail to employers at the point that this becomes mandatory. Another benefit is that the contents of the regulations will be subject to periodic post-implementation review, meaning that we will have greater flexibility to amend reporting requirements if they don't meet intended aims, if the evidence base for the measures changes, or, if they are deemed disproportionate in future.

Furthermore, I would like to stress that this is not a Henry VIII power, as was alluded to during the debate. The subsequent regulations required to introduce mandatory action plans will be subject to the affirmative procedure and will not contain any power to amend or modify the effect of primary legislation. Please be assured that both Houses will be provided with adequate time to scrutinise those regulations, and I look forward to your contributions to those debates in future. The same is also true for Clause 32 of the Bill, which I know you also raised doubts about.

### **Clause 32 - Provision of information relating to outsourced workers**

The intention of Clause 32 is to ensure that those providing outsourced services, who are often on the lowest pay, are not overlooked when it comes to steps taken to support employees. By requiring organisations to state which companies they outsource to, we will ensure that they can be held accountable for the pay gaps among everyone responsible for making their organisation work. We recognise that employment relationships are a complex area, which is why we believe that the detail of reporting under this power is best dealt with through regulation, where we can set clear and workable parameters for those required to report.

I hope that this letter has provided answers to the questions you raised during the debate, and provided necessary clarity. I am copying this letter to all Noble Peers who spoke in the debate.

A copy of this letter will be placed in the House of Lords library.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'R. Collins', written in a cursive style.

**Lord Collins of Highbury**  
Government spokesperson for Equalities