

# EMPLOYMENT RIGHTS ACT FOR MANUFACTURERS



Small and mid-sized manufacturers face three overlapping risks under the Employment Rights Act 2025 (ERA). Established union relationships, reliance on agency temps for production peaks, and periodic restructuring of terms during downturns all fall squarely within the new rules.

| THE CHANGE                          | WHAT IT MEANS FOR YOU                                                                                                                                                                                                                                                                                                                                                | WHAT YOU NEED TO DO                                                                                                                                                                                                                                         |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trade union access rights</b>    | Many manufacturers have existing union recognition. With effect from October 2026, the ERA expands workplace and digital access rights for union representatives and simplifies the recognition process for non-recognised workplaces. Existing access agreements may no longer be sufficient.                                                                       | Review existing recognition and access agreements against the new requirements. Brief production managers on expanded access rights. Prepare for digital access (union communications via email or intranet). Update union-related policies and procedures. |
| <b>Fire and rehire restrictions</b> | Manufacturers often need to vary terms during downturns – changing shift patterns, removing allowances, or renegotiating pay structures. From January 2027, dismissal and re-engagement will be automatically unfair in almost all circumstances. The narrow financial-necessity exception demands evidence well beyond a commercial preference for different terms. | If you anticipate needing to vary terms, take early legal advice. Audit existing consultation procedures and template letters. Develop lawful alternatives to dismiss-and-re-engage that will withstand tribunal scrutiny.                                  |
| <b>Zero-hours and agency temps</b>  | Agency temps brought in for production peaks may fall within the guaranteed-hours provisions if their actual working patterns become regular and predictable. Shift-notice and cancellation rules also apply to production scheduling.                                                                                                                               | Review your use of agency temps. Identify any whose engagement pattern looks regular rather than genuinely temporary. Ensure scheduling procedures comply with shift-notice requirements. Consider whether contract arrangements need restructuring.        |

## THE COST OF INACTION

A manufacturer with 120 employees, active union recognition, and a recent history of varying shift patterns by dismiss-and-re-engage faces compound exposure. The automatic unfair dismissal provisions on fire-and-rehire, combined with expanded union access during any consultation, make proper legal advice before restructuring essential rather than optional.

## NEXT STEPS

We advise SME manufacturers on practical ERA compliance. A 20-minute initial call is enough to identify the priority areas. No charge for that first conversation.

**[stephens-scown.co.uk](https://stephens-scown.co.uk)**

**[era2025@stephens-scown.co.uk](mailto:era2025@stephens-scown.co.uk)**

