

UK Peers Block New Worker Contract Rules, Stirring Controversy

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New regulations aimed at curbing zero-hour contracts and bolstering worker protections in the UK have hit a roadblock in the House of Lords, sparking fierce debate. Business leaders and certain peers are pushing back against the Labour government's proposed reforms, which include guaranteed hours contracts and immediate safeguards against unfair dismissal. Critics argue these measures threaten economic growth and burden businesses, while supporters claim the opposition is prioritising corporate interests over workers' rights.

The Trade Union Congress (TUC) has sharply criticised the Lords' resistance. In a recent interview with Birmingham Live, TUC General Secretary Paul Nowak said, "The sight of hereditary peers voting to block stronger workers' rights belongs in another century. It's plain wrong." He accused the Lords of "doing the bidding of bad bosses" and urged them to step aside.

The opposition, led by Conservative and Liberal Democrat peers, has introduced amendments to soften the proposed rules. Lord Goddard, a Liberal Democrat and former Stockport council leader, defended the amendments, stating, "We support the bill as a whole and have worked constructively to try to improve it. It's a shame to see the government getting upset that we didn't simply give them a blank cheque." Goddard argued that the reforms overlook the needs of small businesses and farms, which could face unintended consequences.

Conservative peer Lord Sharpe, a former investment banker, was more direct in his criticism. "Keir Starmer's unemployment bill is a disaster for employees as much as it is a threat to business," he told Birmingham Live. "Labour politicians who have never worked in business are destroying the economy. Only the Conservatives are listening to business and making the case for growth." Lord Hunt, the shadow business minister, also backed the amendments, emphasising the need for policies that balance worker protections with economic realities.

The British Retail Consortium (BRC) has echoed these concerns. Chief Executive Helen Dickinson stated, "Putting forward positive, practical, and pragmatic amendments to the employment rights bill helps protect the availability of valuable, local, part-time, and entry-level jobs up and down the country." She added that, even with the amendments, retailers remain wary of the bill's broader impact on employment.

The Labour government's proposals stem from their manifesto pledge to strengthen worker protections, particularly for those on precarious zero-hour contracts. However, the Lords' vote last week to restrict these measures has fueled accusations of elitism and disconnect. Nowak's remarks reflect a broader sentiment among unions that the unelected chamber is out of touch with modern workforce needs.

As the standoff continues, the debate underscores a deeper divide over the UK's economic direction. Business groups warn that overly stringent regulations could stifle job creation, particularly in retail and small enterprises. Meanwhile, worker advocates argue that

guaranteed hours and fair dismissal protections are long overdue in a system that has left millions vulnerable. The outcome of this legislative battle will likely shape the UK's labour market for years to come.