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Minister of State
Cabinet Office 70 Whitehall London
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The Lord Hendy KC
The Baroness Finlay of Llandaff
House of Lords
London
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17 May 2023

Dear Lord Hendy and Lady Finlay,

REUL REPORT STAGE - DAY 1

On Monday 15 May during report stage of the Retained EU Law (Revocation and Reform) Bill, I committed to write to you both responding to points on workers' rights made at the beginning of the debate.

On 12 May the Government launched a consultation seeking views on reforms to the Working Time Regulations, and the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). This followed the announcement, and publication, of the paper Smarter Regulation to Grow the Economy on 10 May, which referenced these proposals. We want to use this consultation as part of our ongoing dialogue with businesses and workers to set out an employment rights framework that will retain our global position as a dynamic, vibrant, and flexible economy. The proposals are now out to public consultation, and ACAS, trade unions and others are able to comment.

Link to the consultation:

<https://www.gov.uk/government/consultations/retained-eu-employment-law-reforms>

Regarding the requirements on business to record working hours – the Government is consulting on removing retained EU case law that imposes time-consuming and disproportionate requirements on business for working hour records to be kept for almost all members of the workforce. This change could help save businesses around £1bn a year. These proposals do not remove rights, increase health and safety or accident risks, or change entitlements. Instead, they remove unnecessary bureaucracy in the way those rights or entitlements operate, allowing business to benefit from the freedoms we have through Brexit.

With regards to holiday pay, we want to reduce burdens on business by simplifying complex holiday pay and entitlement legislation so it is easier for employers to

calculate annual leave entitlement and holiday pay for their workers. The Government is consulting on proposals to merge the current two separate annual leave entitlements in the Working Time Regulations into one pot of statutory annual leave, whilst maintaining the same amount of statutory annual leave entitlement overall.

Combining the two existing leave entitlements into a single pot of statutory annual leave aims to reduce the costs that businesses, especially small businesses, face when trying to understand which legal framework applies and will help ensure that workers are receiving consistent amounts of holiday pay for their entire entitlement. The statutory annual leave entitlement amount will not change, and we will continue to provide a statutory annual leave entitlement greater than the EU's required minimum of 4 weeks. The consultation also seeks views on how holiday pay is currently calculated and how we could define a single rate of holiday pay for the entire statutory annual leave entitlement.

There was mention of consultation requirements for redundancies for SMEs. I assume this relates to the announcement regarding the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) mentioned above.

We recognise the administrative burden businesses face when a business transfers to a new owner and will simplify and clarify the transfer process. That is why the Government is consulting on changes to the TUPE regulations. These changes will reduce the complexity of the regulations for businesses and simplify and clarify the transfer process. However I must emphasise that we are ensuring that workers' rights continue to be protected.

Turning to the points made by Lady Finlay. I can reassure her that the Government has no intention of abandoning our strong record on workers' rights, having raised domestic standards over recent years to make them some of the highest in the world. To make good on this promise, the consultation makes clear the areas of employment law where the Government will not make any changes, including the system of maternity, paternity, adoption or parental leave. We also attach great importance to health and safety and of course the regulatory regime provides other safeguards to help prevent fatal accidents supported by the Health and Safety Commission.

I am placing a copy of this letter in the House Library.

Warm regards

Lucy Neville-Rolfe

Baroness Neville-Rolfe DBE CMG