

Press release: Largest upgrade in a generation to workplace rights – getting work right for British workers and businesses

- New legislation to upgrade workers' rights introduced today – including a day one statement of rights for all workers setting out leave entitlements and pay
- plans to bring forward proposals for a new single labour market enforcement body to ensure workers rights are properly enforced
- scrap Swedish derogation – an end to the legal loophole which enables some firms to pay agency workers less than permanent staff
- package delivers on the government's commitment to build an economy that works for all as part of the modern Industrial Strategy

The government will today set out the biggest package of workplace reforms for over twenty years (Monday 17 December), with ambitious reforms to ensure the UK leads the world in meeting the challenges of the changing world of work.

Building on our commitment to promote high quality work, the package of new legislation and measures, set to be unveiled by the Business Secretary Greg Clark, will ensure workers can access fair and decent work. They will provide and give businesses greater clarity on their obligations and ensure the enforcement system is fair and fit for purpose.

Today's announcement takes forward 51 of the 53 recommendations made by Matthew Taylor in his review, some of which we have gone further than review, of Modern Working Practices. Our reforms will cement the UK's status as a world leader in workers' rights now and well into the future and will be the first country in the world to address the opportunities and challenges of the gig economy and the changing world of work, and its impact on a modern economy.

They form a key part of the government's [modern Industrial Strategy](#), a long-term plan to build a Britain fit for the future by helping businesses create better, higher-paying jobs in every part of the UK.

The new legislation introduced today will:

- closing a loophole by repealing the Swedish derogation – which currently allows agency workers to be employed on cheaper rates than permanent counterparts
- extend the right to a day one written statement of rights to workers, going further to include detail on rights such as eligibility for sick leave and pay and details of other types of paid leave, such as maternity and paternity leave

- quadruple maximum employment tribunal fines for employers who are demonstrated to have shown malice, spite or gross oversight from £5,000 to £20,000
- extend the holiday pay reference period from 12 to 52 weeks, ensuring those in seasonal or atypical roles get the paid time off they are entitled to
- lower the threshold required for a request to set up Information and Consultation arrangements from 10% to 2%

The government is also committing to legislate to improve the clarity of the employment status tests to reflect the reality of the modern working relationships.

Business Secretary Greg Clark said:

The UK has a labour market of which we can be proud. We have the highest employment rate on record, increased participation amongst historically under-represent groups and wages growing at their fastest pace in almost a decade.

This success has been underpinned by policies and employment law which strikes an effective balance between flexibility and worker protections but the world of work is changing, bringing new opportunities for innovative businesses and new business models to flourish, creating jobs across the country and boosting our economy. With new opportunity also comes new challenges and that is why the government asked Matthew Taylor to carry out this first of a kind review, to ensure the UK continues to lead the world, through our modern Industrial Strategy, in supporting innovative businesses whilst ensuring workers have the rights they deserve.

Today's largest upgrade in workers' rights in over a generation is a key part of building a labour market that continues to reward people for hard work, that celebrates good employers and is boosting productivity and earning potential across the UK.

I would like to thank Matthew Taylor and Sir David Metcalf for their leadership. Today's reforms build on our pledge to build an economy that works for everyone.

As part of our major reforms to upgrade workers right and improve the quality of work the Government is also today responding to the Labour Market Strategy set out by Sir David Metcalf, the Director of Labour Market Enforcement, with detailed plans to tackle exploitation of low paid workers, including:

- bringing forward proposals in early 2019 for a single enforcement body to ensure vulnerable workers are better protected
- more resource for the Employment Agency Standards (EAS) Inspectorate
- creating new powers to impose penalties for employers who breach employment agency legislation like non-payment of wages
- consulting on Salaried Hours Work and Salary Sacrifice Schemes to ensure

- National Minimum Wage rules do not inadvertently penalise employers
- bringing forward legislation to enforce holiday pay for vulnerable workers
 - consulting on the recommendations on non-compliance in supply chains

Sir David Metcalf, the Director of Labour Market Enforcement, said:

I welcome the government's response to my UK Labour Market Enforcement Strategy for 2018 to 2019. I am extremely grateful to the 3 enforcement bodies for their engagement and help during the development of the Strategy and for the constructive approach they have taken throughout with a view to strengthening Labour Market Enforcement across the UK.

I am pleased that the vast majority of my 37 recommendations have been accepted, including my recommendations regarding a shift to more proactive enforcement and improving joint working between the 3 enforcement bodies under my remit and wider organisations within labour market enforcement.

The plans set out today in the Good Work Plan, the government's response to the independent Matthew Taylor review of the impact of modern working practices, and the response to the Director of Labour Market Enforcement's Strategy, build on the government's record of action to build a fairer economy for everyone, including:

- ensuring tips left for workers go to them in full
- ensuring workers are paid fairly by providing agency workers with a Key Facts Page when they start work, including a clear breakdown of who pays them, and any costs or charges deducted from their wages
- enforcing vulnerable workers' holiday pay for the first time
- introducing a list of day-one rights including holiday and sick pay entitlements and a new right to a payslip for all workers, including casual and zero-hour workers
- introducing a right for all workers, not just zero-hour and agency, to request a more predictable and stable contract, providing more financial security for those on flexible contracts
- Secretary of State for Business, Energy and Industrial Strategy taking a new responsibility to ensure the "quality of work"
- revising the GLAA licensing standards to ensure that they reflect current worker rights and employer obligations
- introducing a new naming scheme for employers who fail to pay employment tribunal awards
- taking further action to ensure unpaid interns are not doing the job of a worker

The government is also committing to legislate to improve the clarity of the employment status tests to reflect the reality of the modern working relationships. In addition, the government has published the Low Pay Commission's letter on potential options to address the issue of 'one-sided

flexibility', which the Taylor Review described as the issue where some businesses have transferred too much business risk to the individual.

The reforms announced today reflect the views expressed by Matthew Taylor in his review into Modern Working Practice that:

- banning zero hours contracts in their totality would negatively impact more people than it helped
- that the flexibility of 'gig working' is not incompatible with ensuring atypical workers have access to employment and social security protections
- platform based working offers welcome opportunities for genuine two way flexibility and can provide opportunities for those who may not be able to work in more conventional ways

Measures outlined in the package form part of the government's modern Industrial Strategy, published last year, which sets out how the whole of the UK can build on its strengths, extend them into the future, and capitalise on new opportunities.

The Good Work Plan comes as the latest response to the independent [Taylor Review of impact modern working practices](#) (2017). The review found that the strength of the UK's labour market is built on flexibility but that a clearer focus was needed on quality of work as well as the quantity of jobs.