

Press release: Millions to benefit from enhanced rights as government responds to Taylor review of modern working practices

- millions of workers to get new day-one rights with sick and holiday pay to be enforced for vulnerable workers for the first time
- reforms will ensure employment law and practices keep pace with modern ways of working created by rapid technological change
- for the first time the government will be accountable for good quality work as well as quantity of jobs – a key ambition of the UK's Industrial Strategy

Millions of flexible workers will receive new rights under major government reforms as the UK becomes one of the first countries to address the challenges of the changing world of work in the modern economy.

Today's 'Good Work plan' comes in response to the [independent Taylor Review](#), published last year, which investigated what impact modern working practices are having on the world of work. The review found that the strength of the UK's labour market is built on flexibility but that a clearer focus is needed on quality of work as well as the quantity of jobs.

The reforms are a vital part of the [Industrial Strategy](#), the government's 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.

Delivering on the Prime Minister's pledge to not just protect but build on workers' rights, the government today (7 February 2017) set out proposals to ensure workers know their rights and receive the benefits and protections they are entitled to, and that action is taken against employers who breach workers' rights.

In some cases the government plans to go further than the review's proposals, including:

- enforcing vulnerable workers' holiday and sick pay for the first time
- 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
- a right for all workers, not just zero-hour and agency, to request a more stable contract, providing more financial security for those on flexible contracts

The Prime Minister said:

We recognise the world of work is changing and we have to make sure we have the right structures in place to reflect those changes, enhancing the UK's position as one of the best places in the world to do business.

We are proud to have record levels of employment in this country but we must also ensure that workers' rights are always upheld.

Our response to this report will mean tangible progress towards that goal as we build an economy that works for everyone.

Matthew Taylor recognised that the UK's employment law and tax law can fail to provide the clarity that employers and individuals need. The Government is also launching a detailed consultation examining options, including new legislation, to make it easier for both the workforce and businesses to understand whether someone is an employee, worker or self-employed – determining which rights and tax obligations apply to them.

Business Secretary Greg Clark said:

The Taylor Review said that the current approach to employment is successful but that we should build on that success, in preparing for future opportunities.

We want to embrace new ways of working, and to do so we will be one of the first countries to prepare our employment rules to reflect the new challenges.

We will take forward Matthew Taylor's recommendations and commit to pursuing the quality of work as well as number of jobs.

The 'Good Work plan' puts the UK at the front of the pack in addressing the challenges and opportunities of modern ways of working, it is an important part of the Industrial Strategy and will enhance our business environment as one of the best places to work, invest and do business.

The government will seek to protect workers' rights by:

- take further action to ensure unpaid interns are not doing the job of a worker;
- introducing a new naming scheme for employers who fail to pay employment tribunal awards
- quadrupling employment tribunal fines for employers showing malice, spite or gross oversight to £20,000 and considering increasing penalties for employers who have previously lost similar cases

The government will ensure workers are paid fairly by:

- providing all 1.2 million agency workers with a clear breakdown of who

- pays them and any costs or charges deducted from their wages
- asking the Low Pay Commission to consider the impact of higher minimum wage rates for workers on zero-hour contracts
- considering repealing laws allowing agencies to employ workers on cheaper rates

The government will increase transparency in the business environment by:

- defining 'working time' for flexible workers who find jobs through apps or online so they know when they should be being paid
- launching a task force with business to promote awareness and take-up of the right to request flexible working introduced in 2014
- making sure new and expectant mothers know their workplace rights and raise awareness amongst employers of their obligations
- launching a new campaign to encourage more working parents to share childcare through Shared Parental Leave – a right introduced in 2015

Quality work will also be considered by the government when agreeing new sector deals with industry, encouraging employers to show how they are investing in their workforces to improve productivity.

The Department for Business, Energy and Industrial Strategy will work with labour market experts, trade unions and the business community to measure the standards of quality work established in the Taylor Review.

The [UK's Industrial Strategy](#) is a long term plan to build a Britain fit for the future through a stronger, fairer economy. Through this we will help businesses to create better, higher-paying jobs – setting a path for Britain to lead in the high-tech, highly-skilled industries of the future.

Today's 'Good Work plan' comes in response to Matthew Taylor's Review: [Good work: the Taylor review of modern working practices](#) in which he outlines the "7 principles for good quality work for all".

The review found that:

"maintaining the flexible and adaptable approach to labour market regulation that has benefitted the UK so far, but focusing more closely on the quality of work as well as the number of people employed, will take us in the right direction". (p.31)

"determining employment status must be simpler, clearer, and give individuals and employers more information, a greater level of certainty and an understanding of which rights and responsibilities apply. We feel it is time that the government takes a fresh look at the legislation". (p.35)

Today the government will launch the following consultations to inform what the future of the UK workforce looks like:

- Consultation on enforcement of employment rights recommendations
- Consultation on agency workers recommendations
- Consultation on measures to increase transparency in the UK labour market

- Consultation on employment status

These are complex issues and the government will consider the impacts of these reforms on business and other groups before implementing changes.

Over the coming months the government will work with industry to consider ways of encouraging the development of online tools for self-employed people to come together and discuss issues that are affecting them.

The government has acted on all but one of Matthew Taylor's 53 recommendations. It rejected his proposals to reduce the difference between the National Insurance contributions of employees and the self-employed following Budget 2016 and subsequently have no plans to revisit the issue.

The employment status consultation makes very clear that changes to the rates of tax or NICs for either employees or the self-employed are not in scope.

The government has acted on all but one of the joint Work and Pensions and Business, Energy and Industrial Strategy Select Committees' 11 recommendations.

Their report ['A framework for modern employment'](#) echoed many of the recommendations in the Taylor Review including greater clarity around employment status, better upfront information to workers and increased enforcement of employment rights.

The government is determined workers receive their rights and pay:

- this year we are spending a record £25.3 million on minimum wage enforcement
- last year we recovered a record £11 million in back pay for 98,000 workers – a 70% increase
- since 2013, through our naming and shaming scheme we have named 1,500 employers for underpayment of minimum wage and recovered £8 million for 58,000 of the UK's lowest paid workers

Our National Minimum and Living Wage Campaign seeks to drive awareness and compliance. The government research 'The experiences of individuals in the gig economy' to be published today found that gig workers enjoyed the flexibility and freedom to choose when they worked.