

# Red tape cut for thousands of growing businesses

- More businesses to be categorised as small businesses, meaning less red tape
- Move will potentially exempt tens of thousands of the UK's growing businesses from relevant future regulations, saving them thousands of pounds
- Start of a sweeping package of reforms to cut red tape for business and stimulate growth

Thousands of the UK's fastest-growing businesses will be released from reporting requirements and other regulations in the future, as part of plans aimed at boosting productivity and supercharging growth, Prime Minister Liz Truss announced earlier today.

Currently, small businesses are presumed to be exempt from certain regulations. However, many medium sized businesses – those with between 50 and 249 employees – still report that they are spending over 22 staff days per month on average dealing with regulation, and over half of all businesses consider regulation to be a burden to their operation [[source](#)].

The Prime Minister has announced plans to widen these exemptions to businesses with fewer than 500 employees for future and reviewed regulations, meaning an additional 40,000 businesses will be freed from future bureaucracy and the accompanying paperwork that is expensive and burdensome for all but the largest firms.

The exemption will be applied in a proportionate way to ensure workers' rights and other standards will be protected, while at the same time reducing the burden for growing businesses.

Regulatory exemptions are often granted for SMEs, which the EU defines at below 250 employees. However, we are free to take our own approach and exempt more businesses to those with under 500 employees. We will also be able to apply this to retained EU law currently under review, which we would not have been able to do without our exit from the EU.

The changed threshold will apply from tomorrow (Monday 3 October) to all new regulations under development as well as those under current and future review, including retained EU laws. The Government will also look at plans to consult in the future on potentially extending the threshold to businesses with 1000 employees, once the impact on the current extension is known.

This is the first step in a package of reforms to ensure UK business regulation works for the UK economy. The reforms will harness the freedoms the UK has since leaving the EU to remove bureaucratic and burdensome regulations on businesses, while streamlining and making it easier for them to comply with existing rules, ultimately saving them valuable time and

money.

## Notes to editors

- Currently, government's starting assumption when developing policy is that businesses with less than 50 employees should be exempt from certain regulations. We are now amending this assumption to businesses with less than 500 employees.
- These are not blanket exemptions, and they can be overridden in appropriate cases as a result of the policy development process including any consultations that may be undertaken if there is a justifiable reason for doing so.
- The changed threshold will apply from Monday 3 October.
- 'Staff days' refers to the total number of days worked by individual members of staff during one month.

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## Areas urged to 'go for growth' as Investment Zone applications open

- Pushing ahead with its mission to level up, the government is encouraging councils to take full advantage of its offer to lower taxes and streamline planning rules
- The Department for Levelling Up, Housing and Communities is inviting expressions of interest for Investment Zones from all local areas in England from today
- Investment Zones will boost growth, deliver homes, spread opportunity and create jobs across the country.

Local areas wanting to turbocharge economic growth can apply to host a new Investment Zone from today (Saturday 1st October).

The government is encouraging councils to take full advantage of its offer of lower taxes and streamlined planning rules for specific sites to boost investment and development – both commercial and residential.

These offers will, as part of the government's wider levelling up measures, drive serious economic growth that will be transformational for towns and cities across the country. They will create jobs, deliver new homes and spread opportunity.

Investment Zones could benefit from a range of tax incentives over the next

10 years, such as reliefs on business rates, stamp duty land tax and employer national insurance contributions.

Through Investment Zones, the government will also empower local places to deliver planning that is right for their area, while maintaining high environmental outcomes and keeping national green belt protections in place. To ensure this, local areas must agree in the EOI process to require mitigation of any adverse environmental impacts of the proposed development.

The government has been working with local areas to identify bureaucratic requirements, processes and red tape that needlessly slow down development or make it more complex than it should be – with Investment Zones set to benefit from simplified planning rules. This includes reviewing ineffective EU requirements, lengthy consultations with statutory bodies and onerous national and local policy rules.

The government has had encouraging discussions with 38 councils, from Cornwall to Cumbria, about proposals for specific, defined areas within the local authority that could become an Investment Zone. The Department for Levelling Up, Housing and Communities is now inviting expressions of interest from those initial places and all other Mayoral Combined Authorities or Upper Tier Local Authorities and Freeports in England by Friday 14 October.

To ensure Zones have the infrastructure and skilled workforce that they need, the government will give greater control over local growth funding to local leaders.

Local authorities are being asked to keep growth at the front and centre of their plans by setting out the potential economic opportunities of an Investment Zone in their area, how they fit into the area's wider economic strategy and how they will support long-term UK economic growth.

Investment Zones will be open to all but the government will set a high bar for establishing them, honing in on areas where they will have the greatest impact on growth and housing supply.

Bids will also be considered on the pace at which development can be delivered and should set out any live or potential, public, private or foreign direct investment that is likely to come forward.

Freeport governing bodies will be able to convert their existing tax sites to Investment Zones, should they wish to.

The UK government wants the offer of Investment Zones to be extended across Scotland, Wales and Northern Ireland and is working with the devolved administrations on the best way to do this.

The deadline for expressions of interests is noon on Friday 14 October, and successful areas will be announced within weeks.

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# Foreign Secretary statement on the truce in Yemen

Press release

Foreign Secretary James Cleverly has called on the Houthis to engage constructively with UN efforts to broker an extension to the truce in Yemen.



Foreign Secretary James Cleverly said:

Yemen must not return to conflict. The truce expires tomorrow, but the Houthis continue to endanger the talks and deny Yemenis a peaceful future.

The truce has brought tangible benefits to both Yemenis and regional security and we welcome the Government of Yemen's commitment to extend it further if an extension can be agreed.

We call on the Houthis to engage constructively with UN Special Envoy Hans Grundberg's efforts to broker an extension to the truce, so that serious dialogue about achieving a peaceful, inclusive and Yemeni-led future can take place.

During the truce period, civilian casualties have fallen dramatically in Yemen and cross-border attacks by the Houthis into Saudi Arabia and the United Arab Emirates have stopped.

The UK commends the Government of Yemen's commitment to continue delivering the benefits of the truce through enabling Yemeni people to move more freely and safely around Yemen, to access fuel throughout the country, to fly in and out of Yemen to visit families and access healthcare, and through restarting payments for civil servants. The Yemeni people will only experience these benefits beyond Sunday if the parties agree to extend.

## [PM meeting with Prime Minister Mette Frederiksen: 1 October 2022](#)

Press release

The Prime Minister welcomed Danish Prime Minister Mette Frederiksen to Downing Street today.



The Prime Minister welcomed Danish Prime Minister Mette Frederiksen to Downing Street today.

The leaders stressed the need to stay united in the face of Russia's despicable actions in Ukraine.

Prime Minister Frederiksen updated the Prime Minister on the damage caused to the Nord Stream pipelines last week. They agreed the incidents were clearly an act of sabotage. The Prime Minister offered the UK's support for the ongoing investigation.

The leaders agreed that the safety and security of the Baltic Sea is in everyone's interest, and welcomed increased cooperation through the Joint Expeditionary Force.

On energy security more widely, the Prime Minister and Prime Minister Frederiksen agreed on the need for likeminded democracies to work together to increase our energy independence.

The Prime Minister outlined the steps the UK has taken to decrease energy bills in the short-term and bolster our energy supply in the longer term. The leaders agreed to further UK-Danish cooperation in areas like wind power, where our countries are global pioneers.

## [Civil news: Specialist Quality Mark contract from 1 October 2022](#)

### News story

New Specialist Quality Mark contract awarded to existing supplier Recognising Excellence which comes into force on 1 October 2022.



A new Specialist Quality Mark (SQM) contract begins on 1 October 2022 following a successful tender from Recognising Excellence, the existing supplier.

### **Has anything changed for providers?**

An early booking discount is being introduced for SQM holders who apply for reaccreditation early. We have also managed to reduce the cost of an audit for the majority of SQM holders and applicants.

These improvements were introduced through the tender by the Legal Aid Agency (LAA) as part of efforts to achieve better value for SQM holders and applicants.

For the most part, the terms of the SQM contract remain broadly the same.

Recognising Excellence will now continue to administer the SQM scheme on behalf of the LAA.

### **Standard and guidance updates**

Changes to the standard and guidance for the SQM also come into force on 1 October 2022. These apply to all requests for an SQM audit made after this date.

Advance notice of the changes was given in the early part of 2022. A summary can be found on our legal aid pages on GOV.UK.

## **Further information**

[Legal Aid Agency quality standards](#) – for changes to the standard and guidance for the SQM

[SQM – Recognising Excellence](#) – how to apply for the SQM through Recognising Excellence

Published 1 October 2022