

House of Lords: Written Statement (HLWS4)

Department for Business and Trade

Written Statement made by: **The Earl of Minto (Minister of State)** on 08 Nov 2023.

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023

My Hon Friend, the Parliamentary Under Secretary of State (Minister for Enterprise, Markets and Small Business) (Kevin Hollinrake MP) has today made the following statement.

I am pleased to update the House that the Government laid the Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 on 7 November.

Under this Government we have seen employment reach near record highs. The number of payroll employees for September 2023 was 30.1 million, 370,000 higher than this time last year and 1.1 million higher than before the pandemic. The UK's flexible labour market is at the heart of this success. It enables businesses to start up, grow and create jobs and opportunity for people across this country.

To build further on this success the Government has been conducting a comprehensive review of all retained EU law, to ensure that our regulations are tailored to the needs of the UK economy – seizing the benefits of Brexit.

During the passage of the REUL Bill, ministers made clear 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. And of course, this SI keeps to that pledge.

We identified and consulted on several areas of retained EU employment law where we saw opportunities for improvements following our exit from the EU. The Government's response to the REUL Employment Law consultation, published on 7 November, sets out three areas we believe will benefit from reform to ensure that they are fit for purpose for employers and employees alike:

- Record keeping requirements under the Working Time Regulations;
- Simplifying annual leave and holiday pay calculations in the Working Time Regulations;
- Consultation requirements under the Transfer of Undertakings (Protection of Employment), or 'TUPE', Regulations.

These reforms will support businesses as the economy continues its recovery from the impact of the Covid-19 pandemic and the impacts of war in Ukraine. For example, reducing time-consuming and disproportionate reporting requirements for businesses on specific elements of the Working Time Regulations could save employers around £1bn a year.

These changes are made under powers provided by the Retained EU law (Revocation and Reform) 2023 Act – the 'REUL' Act - and are designed to minimise unnecessary bureaucracy for businesses without reducing levels of worker protections.

A core objective of the REUL Act is to remove interpretive effects and thus allow our courts to interpret retained EU law the same way as other domestic law. The Act also provides 'restatement' powers to maintain any existing policy effects which we want to keep. The SI therefore restates the following principles to retain existing rights, including:

- the right to carry over annual leave where an employee has been unable to take it due to being on maternity or other family related leave or sick leave;
- the right to carry over annual leave where the employer has failed to inform the worker of their right to paid annual leave or enable them to take it; and
- the rate of pay for annual leave accrued under regulation 13 of the Working Time Regulations.

The SI revokes the European Cooperative Society (Involvement of Employees) Regulations 2006 and the Working Time (Coronavirus) (Amendment) Regulations 2020 as these regulations are no longer necessary.

The scope of the SI is limited to Great Britain other than the revocation of the European Cooperative Society (Involvement of Employees) Regulations 2006 which extends to Northern Ireland. Employment law in Northern Ireland is a transferred matter. My officials will continue to engage with the territorial offices and the Devolved Administrations on the implementation of these reforms.

By ensuring that employment regulations are fit for purpose, entrepreneurial businesses will have more opportunity to innovate, experiment, and capitalise on the UK's global leadership in areas like clean energy technologies, life sciences, and digital services. And important workers' rights will be protected. This will cement our position as a world-class place both to work, and to start and grow a business.