

ENABLING THE FUTURE OF WORK

GUIDANCE ON THE GOVERNMENT'S GOOD WORK PLAN

ISSUED ON 17TH DECEMBER 2018

BACKGROUND

As the UK's largest blue-collar employer and provider of services to the Government Department for Work and Pensions (DWP), providing flexible workforces to 1,600 of the UK's best-known brands, Staffline couldn't be better placed to support our clients and government with the implementation of the Good Work Plan, released on Monday 17th December 2018.

Staffline contributed to the consultation on the Good Work Report on Modern Working Practices, and the report's author, Matthew Taylor, was guest speaker at this year's 'Enabling the Future of Work' – our annual client conference.

We welcomed the findings of Matthew's report, which set out (amongst other things) a far greater level of policy and enforcement that, in the main, reflected Staffline's standard practices. We were confident that should Matthew's suggestions be adopted, they would improve employment standards across the UK while also establishing an equal playing field.

BACKGROUND CONT.

The Good Work Plan is a logical and anticipated development that provides businesses with some clarity as to which parts of Matthew's recommendations will be adopted. It sets out the government's plans for improving the quality of work in the UK, as well as changes to policy and legislation. These changes ensure workers can access fair and decent work by increasing their rights, while maintaining the advantages of flexible working – which has been so key to the recent success of the UK labour market.

The Good Work Plan is, at this stage, just that – a 'plan' – and is some way from becoming legislation although there is a draft legislation in circulation. Until it becomes Legislation we cannot be sure on the timescales or the process of implementation although the draft suggests a date for some parts to be implemented on 6th April 2020.

Given the important role Staffline plays in both the UK labour market and in partnership with the DWP, we are well placed to advise on the Good Work Plan and its likely impact. Speaking at the 2018 'Enabling the Future of Work' conference, Matthew Taylor commented: "Staffline is best practice, and if everybody operated like Staffline the Government wouldn't have required me to write my report".

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The following guidance outlines the key points of the plan, ahead of the further level of clarification we require

- New legislation to upgrade workers' rights – including a day one 'Statement of Rights' for all workers, outlining leave entitlements, pay and details of other types of paid leave such as maternity and paternity leave. Also a new right to a payslip for all workers, including casual and zero-hour workers [Standard practice at Staffline, as per our Worker Handbook.]
- Plans to bring forward proposals for a new, single-labour market enforcement body to ensure workers' rights are properly enforced
- The removal of Swedish Derogation - the key change is the removal of Regulations 10 and 11 and related provisions in the Agency Workers Regulation. Those parts of the AWR set out the Swedish Derogation and how to calculate pay between assignments. The practical impact is that agency workers will be entitled to equal pay in line with a comparator after the 12 week qualifying period. [This affects 10% of Staffline's clients, who we will consult over the coming months. We expect this change to be implemented on 6th April 2020 at the earliest.]
- No higher National Living Wage for flexible workers
- Extension of the holiday pay reference period from 12 to 52 weeks, ensuring those in seasonal or typical roles get the paid time off they are entitled to
- Bringing forward proposals (early 2019) for a single enforcement body to ensure vulnerable workers are better protected – particularly when it comes to holiday pay

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- More resource for the Employment Agency Standards (EAS) Inspectorate
- New powers to impose penalties for employers who breach Employment Agency legislation, such as non-payment of wages
- Consultation on Salaried Hours Work and Salary Sacrifice Schemes to ensure National Minimum Wage rules do not inadvertently penalise employers
- Consultation on non-compliance in supply chains
- Ensuring tips left for workers go to them in full
- Providing workers with a 'Key Facts Page' to ensure they are paid fairly, including a clear breakdown of who pays them, and any costs or charges deducted from their wages
- 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. [It is currently unclear how this will be implemented or what is meant by "more predictable and stable" in a flexible working environment where workers choose to work flexibly.]
- Revision of the GLAA licensing standards to ensure they reflect current workers' rights and employer obligations
- New naming scheme for employers who fail to pay employment tribunal awards
- Further action to ensure unpaid interns are not doing the job of a worker

SUMMARY

We are pleased to see the majority of Matthew's recommendations have been accepted – including proposals for more proactive enforcement. Moreover, the reforms of the Good Work Plan reflect the views expressed in his review of Modern Working Practice; namely:

- Flexible working is not incompatible with ensuring typical workers have access to employment and social security protections
- Flexible working continues to rise in popularity and offers welcome opportunities for genuine, two-way flexibility which can provide opportunities for those who may prefer not to work in more conventional ways.

The government is also committing to legislate improvement in the clarity of employment status tests, to reflect the reality of 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 businesses transferring too much business risk to the individual.

While it remains unclear when the draft will be passed as legislation we can expect greater clarity over the process for implementation, Staffline is led to believe that the new policies and legislation are likely to be implemented in 2020 at the earliest. We will continue to use our representation on the REC Policy Committee, as well as our relationships with government and enforcement bodies, to help shape the government's thinking and we will of course keep you informed of developments as they happen.

If you have any further queries in the meantime, please do not hesitate to get in touch.

Best regards,
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