



House of Commons  
Business, Energy and Industrial  
Strategy Committee

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# Post-pandemic economic growth: UK labour markets

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**Tenth Report of Session 2022–23**

*Report, together with formal minutes relating  
to the report*

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## Business, Energy and Industrial Strategy Committee

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## Summary

The UK has a tight labour market: the rate of unemployment remains close to a record low and the number of job vacancies, though lower than throughout 2022, still trends higher than pre-pandemic levels. A shortage of labour weighs heavily on the potential for economic growth. The Government's Spring Budget, which announced employment incentives, ranging from support with childcare costs to more generous pension allowances, demonstrates the political priority given to widening the pool of available labour.

Rates of economic inactivity have risen, and the UK is the only country in the developed world where people have continued dropping out of the labour market in greater numbers beyond the acute phase of the Covid-19 pandemic. About 500,000 people have left the British workforce since the start of the pandemic, driven by those deciding to take early retirement. With an ageing population, and the average age of workers in many sectors already above 50, older workers must be supported to remain in the workplace and workers of all ages must be able to access the skills development they need to meet the needs of the changing labour market and economy.

The majority of the current workforce will still be in the workforce in 2030 and reskilling workers is a major challenge. Reskilling and upskilling is important in order to meet the demands from employers for skilled workers and for workers to adapt to the increasing adoption of new technology across all sectors. The Government has already announced that it will introduce a Lifelong Loan Entitlement to give people the opportunity to study, train and upskill throughout their lives to respond to changing skills needs and employment patterns. This is welcome, but it needs to be done in partnership with business. Government and business must together create the climate for investment in skills and technology.

The adoption of AI and new technology in the workplace is necessary, but it is all too often implemented without involving workers in how it is deployed, or what it is being deployed for. As a consequence, workers can end up feeling anxious when surveillance AI is increasingly used for setting targets and monitoring their performance. The recent advances in AI technology, most notably the creation of ChatGPT, present challenges for regulating responsible use of AI and technology in the workplace. We recognise that AI and technology offer enormous potential in the workplace and that innovation must be encouraged to deliver economic growth. However, while we welcome the Government's most recent White Paper on its approach to regulating AI, public trust must be earned through transparent implementation in the workplace, ideally with worker consultation and input, and with adequate safeguards and rights of redress when it is demonstrated to impinge on workers' rights and privacy.

The Taylor Review of Modern Working Practices looked at how employment law needed to adapt to keep pace with modern business practices in 2016. Driven by the rise in atypical forms of working, particularly in the 'gig economy', it set out recommendations around an explicit commitment for 'good work' for all through tackling exploitative employment practices, helping people to enforce their rights and aligning the incentives for driving labour market change with broader national objectives. Since that review was published, the labour market has changed considerably, partly driven by the pandemic,

and also by the adoption of technology, that makes remote and hybrid working possible for many. For workers who do get to work more flexibly, however particularly those in the gig economy and in night-time work, they often do so without the proper rights and protections afforded to those who are employed. Enforcement of labour market rules in the UK is inadequate and results in unscrupulous employers getting away with bad practice. This is not because the existing regulators are not performing, it is because they are under-resourced and not given the priority they deserve for legislative reform.

Whilst this is a significant policy challenge, and a growing economic risk for the country, it is notable how dispersed Ministerial ownership of this policy area is across Whitehall. The Government must address this by improving the political leadership of labour market policy in government.

This report sets out positive actions the Government can take to shape economic growth by supporting employers to create the best working conditions to promote worker wellbeing and skills development and implement new technology in a fair and responsible way to contribute to a productive economy.

### Machinery of Government

Ministerial responsibility for labour market policy is fragmented across Whitehall departments. We therefore call on the Government to consider the following:

- a) establish a Ministry of Labour
- b) appoint a new Minister of State for Labour in the Cabinet Office with the authority to convene and coordinate labour market policy across Whitehall
- c) establish a Cabinet Committee on Labour, chaired by a Business and Trade Minister, which convenes each relevant Minister from each relevant Department on labour market policy.

### Technology and skills development

- The Government must introduce, whether by statute in the Data Protection and Digital Information (No. 2) Bill, or by other means, a requirement on businesses to conduct impact assessments to understand the scope and consequences of the use of new technologies in the workplace;
- The Government must bring forward a new data poverty and digital skills strategy to set out how workers will be supported in the development of digital skills;
- The Government must establish a taskforce of relevant enforcement bodies, alongside the Centre for Data Ethics and Innovation and the TUC, to assess the implications of technology in the workplace;
- The Government must assess whether existing regulators have the expertise and capacity to perform the functions proposed in the recent White Paper on regulation of AI.

## Workers' rights and protection

- The way in which the recommendations of the Taylor Review have been implemented has been fragmented and drawn-out. The Government must reconsider the need for an Employment Bill in the upcoming King's Speech to address gaps in employment protections;
- The desire to work flexibly has increased since the pandemic and its potential to make the labour market more inclusive for people who are excluded from traditional forms of work is transformative. Businesses must be more open to create more flexible constructions of work, and the Government must consider new legal structures for flexible work that include appropriate rights and protections for workers;
- Working night-time shifts can be detrimental to health. The Government must provide more protection for workers from any damaging effects of night-time working and, as a first step, commission an investigation into the health and safety implications of night-time working;
- The enforcement of labour market rules is under-resourced. The creation of the planned single enforcement body would clarify rights of redress for those most in need, but it must be resourced to at least the level of what is deemed appropriate by the International Labour Organisation.

## Older workers

- As economic inactivity has risen among people aged 50 to 64 years, older workers must be supported to remain in work to lessen the effect of an ageing population on the cost of pension provision and labour supply. The Government's attention to this demographic in the Spring Budget is welcome, but what motivates people to continue working for longer must not be ignored;
- Employers must offer more flexible working opportunities to benefit from a huge untapped pool of older workers and they must assess whether their recruitment practices and workplaces are 'ageist';
- To improve upon the expansion of the mid-life MOT programme which will help more people make better-informed choices about work, health and retirement, the Government must also look at how and where employment support is delivered for people over 50 and improve the availability of career coaching.
- The announcement of 'returnerships' for retaining older workers in the labour market is welcome. However, they must offer a decent package of training, value and recognise the skills that older workers already possess and offer flexible working opportunities to maximise take-up.
- Ministers must consider expanding the eligibility for access to initiatives which prove successful in supporting older workers to return to work, especially to increase economic activity amongst workers aged under 24.





# 1 Introduction

1. Many years have passed since a Commons select committee assessed the overall state of the labour market in the UK, its prospects, the pressures it faces, and the Government's policy response. Our series of inquiries into post-pandemic economic growth<sup>1</sup> presented the ideal opportunity for a fresh look at the subject, and this Report presents our findings.

2. The UK's labour market is currently unusually tight, with more than one million job vacancies across the country. The employment rate<sup>2</sup> in early 2020 was 76.6%—the highest rate since records began in 1971; and rates of unemployment (3.7%)<sup>3</sup> are close to their lowest levels. But rates of economic inactivity<sup>4</sup> have risen, and the UK is the only country in the developed world where people have continued dropping out of the labour market in greater numbers beyond the acute phase of the Covid-19 pandemic.<sup>5</sup> While the UK no longer benefits from the free movement of workers from the European Union, the Government expects net migration to return to pre-pandemic levels.<sup>6</sup> The Office for Budget Responsibility's latest fiscal outlook projects higher levels of net migration than previously anticipated, expecting it to stabilise at 245,000 a year from 2026–27 onwards.<sup>7</sup>

3. Furthermore, the labour market is changing: the gig economy continues to grow, and the pandemic accelerated the adoption of technology that enabled more workers to work from home. Workers increasingly seek flexible and remote working opportunities, and artificial intelligence (AI) and automation play an increasing part in not just work itself but also recruitment and, in some cases, performance management. The country finds itself at a pivotal moment in seeking to deliver sustainable economic growth whilst also tackling structural shortfalls in the availability of labour.

4. The Government is grappling with some of these issues as demonstrated in its Spring Budget,<sup>8</sup> with specific announcements to tackle labour shortages through measures to help people move into work and extend their working lives. It has also recently announced a new consultation on its approach to regulating AI,<sup>9</sup> setting out its vision for a future AI-enabled country where ways of working are complemented by AI, rather than disrupted by it. It is also supporting a succession of private Members' bills relating to employment rights, in place of bringing forward a Government bill, some of which fulfil recommendations made in the Taylor Review of Modern Working Practices, published in July 2017.<sup>10</sup>

1 [Post-pandemic economic growth inquiry: Terms of reference](#), 3 June 2020; [Post-pandemic economic growth: Industrial policy in the UK](#), 28 June 2021; [Post-pandemic economic growth: Levelling up](#), 22 July 2021; [Post-pandemic economic growth: state aid and post-Brexit competition policy](#), 25 October 2022

2 The proportion of the population aged 16–64 in work

3 The unemployment rate for December 2022 to February 2023 increased by 0.1 percentage points on the quarter to 3.8%. (ONS, Labour market overview UK, April 2023, 18 April 2023)

4 People who are not looking for work and/ or are not able to start work are defined as economically inactive. This lack of participation in the labour market is often due to retirement, studying, caring responsibilities or ill health

5 Financial Times, Half a million missing workers show modern Britain's failings, 7 October 2022

6 [Autumn Statement policy paper](#), 17 November 2022

7 Office for Budget Responsibility, [Economic and fiscal outlook](#), March 2023

8 [Spring Budget 2023](#), 15 March 2023

9 [A pro-innovation approach to AI regulation white paper](#), 29 March 2023

10 [Good Work: The Taylor Review of Modern Working Practices](#), July 2017

5. The Government faces a challenge, given that labour market policy is inextricably linked with many other policy areas. Neil Carberry, Chief Executive, Recruitment and Employment Confederation, described the responsibility for workplace planning as “balkanised”. He pointed out that:

skills is with DfE; immigration is with Home Office; employment rights are with BEIS; the Treasury has a significant interest on the tax side; local authorities are doing things that are really relevant to workforce participation, like transport infrastructure.

He added that “we do not have a coherent strategy around that”.<sup>11</sup> Since taking evidence from Mr Carberry, the Prime Minister’s Machinery of Government changes have increased the number of ministers with some responsibility for labour market policy. We understand this to include:

- Department for Work and Pensions;
- Department for Education;
- Department for Business and Trade;
- Department for Science, Innovation and Technology;
- Home Office; and
- HM Treasury

6. This is in addition to a number of devolved responsibilities in different parts of the country, including the delivery of adult skills budgets by combined and local authorities, which we considered in our inquiry on economic devolution.<sup>12</sup>

### *Our inquiry*

7. The purpose of this inquiry, which we launched in May 2022,<sup>13</sup> was to investigate whether we have enough workers, with the right skills, and in the right places. As the final strand in our post-pandemic economic growth series of inquiries, we looked specifically at what employers need in order to accelerate the post-pandemic recovery, what workers need for their own stability and growth, and how new technology can be harnessed in a fair and productive economy.

8. We received more than 100 written submissions, most of which have been published on our website. We took oral evidence from the Office for National Statistics, business representatives, trades unions, trade bodies, recruitment specialists and career development experts in five separate sessions between July 2022 and February 2023. We undertook a visit to Japan in October 2022 to learn from another country grappling with labour shortages due to an ageing population and declining birth rate, and where attempts have

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11 Q38

12 Business, Energy and Industrial Strategy Committee, [Post-pandemic economic growth: Levelling up](#), HC 566, 22 July 2021

13 [Post-pandemic economic growth: UK labour markets inquiry: Terms of reference](#), 27 May 2022

been made at using technology to deliver outputs normally delivered by human workers. A full list of all those who gave evidence to our inquiry is included at the end of this report. We are grateful to all who assisted us in our inquiry.

9. We also commissioned an online poll from Deltapoll, which ran from 6 March to 12 March 2023. We wanted to hear the voice of those who are aged over 45 years who have left the labour market, or who are considering leaving it before retirement age. We received 1,031 responses and used the results of this survey to inform our understanding of the reasons why people have left the labour market, whether they would like to return to paid employment and the barriers they face in doing so. The results of the survey are set out in the Appendix to this Report.

10. In chapter three of this report, we look at how automation and the adoption of AI is changing the way we work and how it can boost productivity, but also potentially lead to role replacement. We also consider whether existing legislation adequately protects workers' rights and their privacy as AI and algorithms are increasingly used in surveillance and the management of workers.

11. In chapter four, we look at workers' rights and protections and in particular what has changed since the Taylor Review of Modern Working Practices. While that review concluded that the labour market was changing, the speed of change since that review, driven in part by the pandemic, has brought working practices such as hybrid working to the forefront. We consider whether employment law is keeping pace with modern business practices.

12. In chapter five, we examine the reasons why so many people over the age of 50 have left the workforce since the pandemic and what impact an ageing population has on the labour market of the future. We assess what kinds of support will both encourage and enable more people over 50 to remain in, or re-join, the labour market. We have looked specifically at people aged over 50 due to the significant drop in their levels of economic activity since the pandemic, but we note the long-term increase in the economic activity of people aged over 50 since the mid-1990s<sup>14</sup> and, conversely, the decline in economic activity among people aged 16 to 24<sup>15</sup>. We have not, however, had sufficient time to commission our own evidence in relation to 16 to 24 year olds.

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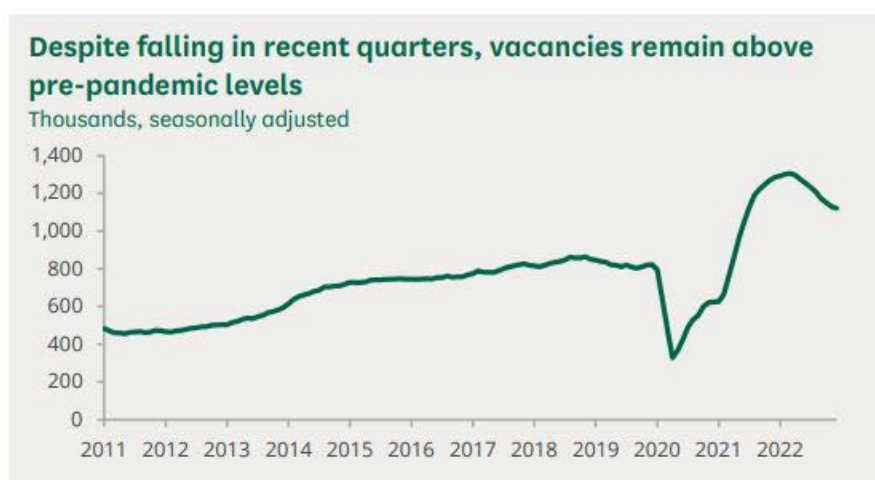
14 Chartered Management Institute (ULM0025)

15 House of Commons Library, [UK labour market statistics](#), 18 April 2023

## 2 Labour market statistics

### *Job vacancies*

13. We started this inquiry in July 2022 when the UK was experiencing low levels of unemployment and quite pronounced labour shortages which, if not tackled, would restrict post-pandemic economic growth. According to recent figures submitted by the Office for National Statistics, there were 1.134 million vacancies, down 76,000 since August to October 2022. The overall number of vacancies has declined (by 166,000) from a record high of 1.3 million in March to May 2022. However, it remains 328,000 above its pre-pandemic level (January to March 2020).<sup>16</sup>



Source: ONS, [VACS01: Vacancies and unemployment](#), 18 April 2023

14. In October to December 2022, the unemployment rate increased to 3.7% and there were 1,270,000 people unemployed. In the latest three-month period, the number of people unemployed for up to six months increased, driven by people aged 16 to 24 years.<sup>17</sup> While the number of job vacancies has recently come down, there were 1.1 unemployed people for every vacancy in November 2022 to January 2023.<sup>18</sup> In logistics, food manufacturing and hospitality, “people are really scrabbling for staff”.<sup>19</sup> The labour market is currently tight, and recruitment remains challenging.

15. Stephen Phipson CBE, the CEO of Make UK, told us that the level of vacancies the UK is experiencing is a “drag on growth”. Concerned about the effect of the labour shortage on output in the manufacturing sector, he added:

We cannot produce enough because we do not have the skilled staff. It is starting to affect people’s investment plans.<sup>20</sup>

16 Office for National Statistics (ULM0116)

17 Ibid.

18 House of Commons Library, [UK labour market statistics](#), updated 18 April 2023

19 Q29

20 Q1

## Economic inactivity

16. The rate of economic inactivity increased during the pandemic but has begun to decrease and is at 21.4% for October to December 2022. Overall economic inactivity has increased by 516,000 people in the quarter from October to December 2022 compared with before the pandemic (December 2019 to February 2020). The decrease of 113,000 in the last quarter has largely been driven by those aged 16 to 24 years. When looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they were students, retired or long-term sick.<sup>21</sup>

17. Regularly making the media headlines, and being a specific focus of the Government's Spring Budget,<sup>22</sup> is the number of 50 to 64 year olds who have left the labour market over the pandemic period and who are now economically inactive. In the quarter from October to December 2022, there were 3.5 million economically inactive people aged 50 to 64 years, an increase of 318,000 since before the pandemic (December 2019 to February 2020).<sup>23</sup>

18. Some people in the over 50s cohort have decided to retire (24%), but many have left due to ill health. Between April to June 2019 and the same period in 2022, the number of people aged 50 to 64 years who were economically inactive because of long-term sickness rose by 183,000 to 1.3 million.<sup>24</sup> Since we have taken evidence, the Government announced<sup>25</sup> that it would delay its decision to raise the state pension age from 67 to 68 prior to the conclusion of the next periodic review of state pension age,<sup>26</sup> due to the projected life expectancy at birth increasing at a slower rate than previously expected.<sup>27</sup> The Government noted uncertainty about economic forecasts and said the implied "fast rises in state pension age" should be "considered more fully".<sup>28</sup>

19. The ageing profile of the UK has profound implications for the labour market and for the levels of demand on pensions, health and social care. The Office for National Statistics' most recent national population projections estimate that while the population of the UK is projected to increase by 3.2% in the first 10 years of the projections, from an estimated 67.1 million in mid-2020 to 69.2 million in mid-2030, there will be an increasing number of older people. The number of people aged 85 years and over in the UK was estimated to be 1.7 million in 2020 (2.5% of the UK population) and this is projected to almost double to 3.1 million by 2045 (4.3% of the UK population). Over the next 10 years, there is projected to be a total of 59,000 more deaths than births, as fertility rates are projected to decline and the "baby boom generation", who were born after World War Two and in the 1960s, reach older ages.<sup>29</sup>

21 In December 2022 – February 2023, there were 8.79 million people in the UK who were economically inactive (not in work and not actively looking for work). The inactivity rate (the proportion of the population aged 16-64 who are economically inactive) was 21.1% ((new Labour market statistics released on 18 April 2023)

22 [Spring Budget 2023](#)

23 Office for National Statistics (ULM0116)

24 Ibid.

25 HC Deb, 30 March 2023, [col 1176](#)

26 Periodic reviews of state pension age are required under the Pensions Act 2014. The [second periodic review](#) was published on 30 March 2023, together with the independent and GAD reports

27 House of Commons Library, [State Pension age review](#), 6 April 2023

28 [State Pension age review 2023](#), Policy Paper, 30 March 2023

29 Office for National Statistics, [National population projections: 2020-based interim](#), 12 January 2022

20. *Ministerial responsibility for labour market policy is fragmented across Whitehall departments. We therefore call on the Government to consider the following:*

- a) establish a Ministry of Labour*
- b) appoint a new Minister of State for Labour in the Cabinet Office with the authority to convene and coordinate labour market policy across Whitehall*
- c) establish a Cabinet Committee on Labour, chaired by a Business and Trade Minister, which convenes each relevant Minister from each relevant Department on labour market policy.*

### 3 AI and Tech

21. Automation, and the greater adoption of artificial intelligence (AI)<sup>30</sup> and other technologies, is changing the way we work. The pandemic accelerated and transformed the use of AI and technology in the workplace: workers are having to adapt, not least to acquire digital skills that will be required for future roles. The use of AI and algorithms<sup>31</sup> in recruitment, and the type of AI that is increasingly used in the surveillance and management of workers, raises questions about whether existing legislation adequately protects workers' rights and privacy.

22. What does AI and automation in the workplace look like? We offer some examples below:

- Distribution companies, such as Amazon, deploy robotics in their warehouses. By using robots to move and store items to fulfil customer orders, Amazon is replacing the “most difficult and repetitive tasks”,<sup>32</sup> improving speed by cutting down on walking time in Amazon's fulfilment centres<sup>33</sup> and reducing the number of musculoskeletal disorders which are present in the logistics industry.<sup>34</sup> Brian Palmer, Head of Public Policy, European Operations at Amazon, also explained that AI-backed hardware like computer vision is helping workers with “low vision, blindness or partial blindness to perform tasks or roles they traditionally would not have been able to do”.<sup>35</sup>
- In retail and hospitality, the development of ‘apps’ during the pandemic helped companies to manage orders and table reservations more effectively.<sup>36</sup> Stephen Phipson, the CEO of Make UK,<sup>37</sup> told us that automation in the food and drink manufacturing sector is a good example of how it is being used to address labour shortages.<sup>38</sup>
- AI is increasingly used in recruitment and outsourcing “to support a faster, more effective hiring process”.<sup>39</sup> Increasingly, AI-powered chatbots are being used to “ensure strong communication and feedback with candidates”.<sup>40</sup>

23. Public engagement with sophisticated large language models, such as Chat GPT-3, took place after we took evidence on the impact of AI in the workplace. We refer to this later in this report. But it is clear that, whilst we have not taken detailed evidence on

30 AI is defined in the Government's [Science and Technology Framework](#) and its [National AI Strategy](#) as “machines that perform tasks normally requiring human intelligence, especially when the machines learn from data how to do those tasks”.

31 AI should not be confused with algorithms, which are a series of instructions for performing a calculation or solving a problem, especially with a computer.

32 Amazon (ULM0100)

33 An Amazon fulfilment centre is a warehouse that not only stores products, but serves as a distribution centre where employees pick, pack and ship customer orders

34 Q71

35 Q89

36 Q70

37 A body representing businesses in the engineering and manufacturing sectors in the UK

38 Q5

39 See Tania Bowers, unnumbered question before Q117

40 Ibid.

complex AI, such as neural networks and large language models, such tools could become as common a tool at work as major search engines such as Google, have been in the past two decades.

## Recent Government proposals for the use of AI in the UK

24. We held an oral evidence session in November 2022 specifically on AI and tech in the workplace, since when the Government has announced the creation of the Department for Science, Innovation and Technology and has published a UK Science and Technology Framework, outlining its vision for the use of AI and tech in building a stronger economy and better jobs.<sup>41</sup> On 29 March 2023, the Government published its Artificial Intelligence Regulation White Paper,<sup>42</sup> which seeks “to find the right balance between more rigid approaches to AI regulation on the one hand, and those who argue there is no need to intervene on the other”.<sup>43</sup> The Government said in its announcement on the White Paper that “by unleashing innovation and driving growth, AI will create new, good quality jobs ... [and] improve work by increasing productivity, and making workplaces safer for employees”.<sup>44</sup>

## What does AI and automation mean for the workplace of the future?

25. Digital technologies and the automation of some tasks have supported businesses through the pandemic. This includes the automation of physical tasks (such as using robotics in factories to operate production lines) and knowledge-based work (such as report writing and language translation). Industrial robotics are already being used across a range of sectors, including food and drink, pharmaceuticals, and cosmetics. AI technologies are increasingly being used for customer service roles, for example, the use of AI chatbots to deal with customer queries.<sup>45</sup> The Government’s UK Science and Technology Framework links future use of AI with bold business innovation, from predicting when equipment or machinery is likely to fail, to using quantum computers to discover new life-saving drugs.<sup>46</sup> In its Artificial Intelligence Regulation White Paper, the Government suggests that AI “will support people to carry out their existing jobs, by helping to improve workforce efficiency and workplace safety”.<sup>47</sup>

26. The way in which companies adapted to new ways of working during the pandemic, by increasing the adoption of video conferencing software and other collaborative digital technologies, has enabled people to work remotely and has changed the UK labour market for good. The widespread introduction of such new technology has opened up vacancies to people from wider regions of the UK and enables them to communicate with colleagues around the world at a time that suits them. Charlotte Holloway, Government Relations Director for Zoom, told us that a survey they conducted with Boston Consulting Group

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41 [UK Science and Technology Framework](#), 6 March 2023

42 [A pro-innovation approach to AI regulation White Paper](#), 29 March 2023

43 Written Statement, tabled 29 March 2023 ([HCWS686](#))

44 Ibid

45 Parliamentary Office for Science and Technology, [How technology is accelerating changes in the way we work](#), April 2021

46 [UK Science and Technology Framework](#), published 6 March 2023

47 [A pro-innovation approach to AI regulation White Paper](#), 29 March 2023



in 2021 showed that the UK was the highest adopter of hybrid and remote technologies of any significant developed country they surveyed. She went on to say that “the UK is very good at this stuff. We have a savvy customer base”.<sup>48</sup>

27. The adoption and prevalence of AI and other forms of automation is not, however, uniform across different sectors of the economy or regions of the UK. Whereas 30% of businesses in the legal sector have adopted some form of AI, only around 12% of businesses have done so in the retail and hospitality sector.<sup>49</sup> Neil Ross, Associate Director for Policy at TechUK,<sup>50</sup> explained that the higher prevalence of AI and tech in sectors such as financial services, technology and communications means that there is also a higher concentration of it in businesses in London and the south-east. AI adoption is also more likely in large companies, where 68% of such companies have adopted at least one AI technology, compared with only 15% of small companies.<sup>51</sup> This trend has existed for many years in respect of more traditional software adoption. To encourage greater adoption, Mr Ross suggested that support might be offered in the form of grants, tax credits, or how R&D tax credit is used.<sup>52</sup> **We note that dedicated support is needed to help business owners and leaders understand what technologies are available, how they might be best used within their businesses and how to integrate those technologies and train workers to use them.**

28. The Office for National Statistics, in its 2019 study of the probability of automation, predicted that women would account for 70.2% of employees in the jobs most at risk of automation, compared to 42.6% of employees in jobs at low risk of automation.<sup>53</sup> This is because women predominate in sectors such as retail and wholesale trade, healthcare, administration and government. While it might remain the case that women continue to predominate in roles most at risk of automation, the use of technology in remote working has, on the other hand, opened up employment to more women. Ms Holloway noted that hybrid work is enabling more diversity amongst people in the workplace. She told us that:

women in the workplace have increased over the last couple of years, we believe in part due to those hybrid technologies. Women in work with children under three have increased by over 5% during that period ... [and] being able to work from home or remotely has enabled women to advance their careers.<sup>54</sup>

29. We support the conclusions reached on automation and the future of work of our predecessor committee in its report published in 2019. That report concluded that “well managed automation is likely to improve the quality of work, create new jobs and boost UK productivity”. But it also concluded that while the regulatory framework for automation was working well at that time, in the interests of both business and the public, there “will be significant pressure on regulators and other public bodies to reconsider how

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48 Q67

49 Q69 and TechUK (ULM0068)

50 A trade association for firms in the technology sector

51 The Department for Business, Energy and Industrial Strategy (ULM0093)

52 Q70

53 Office for National Statistics, [The probability of automation in England: 2011 and 2017](#), 25 March 2019

54 Q115

automation is managed in light of rapid technological developments”.<sup>55</sup> With fast-paced advances in artificial intelligence in the intervening period, the issues which we explored in evidence during our inquiry and which we address in this chapter are:

- Is AI a threat to jobs?
- Skills - how do we adapt to technological change?
- The use of AI and technology for workplace surveillance
- The use of algorithms

### *Is AI a threat to jobs?*

30. In November 2022, Open AI, an AI and research company, launched “ChatGPT”,<sup>56</sup> a natural language processing tool driven by AI technology that can answer questions and assist with certain tasks, such as writing essays and computer code. User numbers surpassed one million in less than a week and immediately led to questions being asked about its potential threat to jobs. Even the journalists reporting on it questioned whether they themselves will one day be replaced by AI.<sup>57</sup> Since its launch, schools and universities have published advice on how ChatGPT should be treated in terms of homework and exams; its abilities have been tested in writing musical lyrics<sup>58</sup>; and law firms have reported their interest in trialling it to automate and enhance tasks, including contract analysis, due diligence and regulatory compliance.<sup>59</sup>

31. There is no doubt that the launch of ChatGPT has excited the tech world and has the potential to disrupt almost every profession but, as one witness warned us, “it does raise a number of ethical and societal risks. It might perpetuate disinformation or disrupt existing institutions and services—ChatGPT might be able to write a passable job application, school essay or grant application, for example”.<sup>60</sup> Like other AI technologies, it will inevitably change jobs, but human judgement will still need to be applied to avoid error and bias. The McKinsey Global Institute suggests that “we have to think about these things as productivity enhancing tools, as opposed to complete replacements”.<sup>61</sup>

32. Many sectors are increasing the adoption of AI and tech in the workplace to try to resolve labour shortages and boost productivity. According to the IBM Global AI Adoption Index 2022, one in four companies are adopting AI because of labour and skills shortages, and 59% said that AI is helping them address shortages by automating repetitive and manual tasks.<sup>62</sup> Whereas such adoption has been seen in the past as a potential threat to

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55 Business, Energy and Industrial Strategy Committee, [Automation and the future of work](#), 18 September 2019

56 <https://chat.openai.com>. The most recent version GPT-4 was released on 14 March 2023, which is available to paid subscribers on a limited basis. Google’s Bard was developed as a response to the rise of Open AI’s ChatGPT and released in limited capacity in March 2023.

57 BBC News, [ChatGPT: New AI chatbot has everyone talking about it](#), 7 December 2022

58 BBC News, [Nick Cave says ChatGPT’s AI attempt to write Nick Cave lyrics ‘sucks’](#), 17 January 2023

59 The Global Legal Post, [Allen & Overy integrates ChatGPT-style chatbot to boost legal work](#), 16 February 2023

60 BBC News, [ChatGPT: New AI chatbot has everyone talking about it](#), 7 December 2022

61 Insider, [ChatGPT may be coming for our jobs. Here are the 10 roles that AI is most likely to replace](#), 2 February 2023.

62 CBI (ULM0085) and IBM Global AI Adoption Index 2022

employment, particularly for low-skilled roles, there is a growing recognition that this is not a “zero-sum game”,<sup>63</sup> and companies using robotics alongside the workforce have in many cases created jobs, rather than employed fewer people.

33. Research commissioned by the Department for Business, Energy and Industrial Strategy, *The potential impact of AI on UK employment and the demand for skills*, published in August 2021, estimated that around 7% of existing jobs could face a high (over 70%) probability of automation over the next five years, rising to 18% after 10 years and just under 30% after 20 years. However, it also found that AI would create many jobs through the boost it gives to productivity and economic growth.<sup>64</sup>

34. Mr Ross told us that technology adoption inevitably leads to roles being replaced, but he said that “the key thing to ensure is that, as new technologies develop, people are trained to use them and new roles are created off the back of them”.<sup>65</sup> Laurence Turner, Head of Research and Policy at the GMB Union, cautioned us not to think of the roles most at risk of automation in terms of whether they are low or more highly skilled. Rather, as classification of roles changes over time, and old assumptions are challenged about the types of jobs being done, the presence of AI and automation is increasing in roles that would once have been classed as highly skilled, such as finance and medicine.<sup>66</sup>

35. The use of AI and other technologies is a significant factor in increasing productivity in the UK economy. The Government’s UK Science and Technology Framework predicts that more than half of the UK’s future labour productivity growth will come from adopting the best available technologies, and the rest from ‘pushing the frontier’ of technology even further.<sup>67</sup> Neil Ross, representing TechUK, referred to recent research by Deloitte indicating that by 2035 AI could boost UK labour market productivity by 25%.<sup>68</sup> Four out of five UK organisations said that use of AI tools had made their employees more productive, improved their decision-making, and made their process more efficient.<sup>69</sup>

36. Mr Ross noted that, as well as boosting labour productivity, AI and tech also “have an enormous role to play in getting more people into the workforce, particularly people from disabled backgrounds or with mental health illnesses, who are largely underrepresented in the labour market and underemployed”.<sup>70</sup> But he went on to warn that AI systems that can boost productivity very significantly are expensive and difficult to use. He also warned that “we have a massive digital skills shortage in this country”.<sup>71</sup>

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63 Q82 [Brian Palmer, Amazon]

64 A report by PwC for the Department for Business, Energy and Industrial Strategy, *The potential impact of Artificial Intelligence on UK Employment and the Demand for Skills*, published August 2021. See also *The Department for Business, Energy and Industrial Strategy (ULM0093)* and *ReWAGE (University of Warwick) (ULM0106)*

65 Q84

66 Q124

67 [UK Science and Technology Framework](#), published 6 March 2023

68 Q65

69 TechUK (ULM0068)

70 Q65

71 Q65; TechUK (ULM0068) also say that as organisations gather increasingly more data on their business practices, AI is enabling them to analyse this data for efficiency and productivity gains. An [IBM trending insights report](#) found that 85% of advanced adopters of AI are reducing operating costs across numerous areas, including process efficiency, supply chain and production, and headcount efficiency.

37. We also note the key findings of the Trades Union Congress (TUC) 2021 manifesto: *Dignity at work and the AI revolution* which, while it acknowledged the transformative potential of AI in boosting productivity and improving working lives, it also warned that “new technologies also pose risks: more inequality and discrimination, unsafe working conditions, and unhealthy blurring of boundaries between home and work”.<sup>72</sup>

**38. Artificial intelligence and automation are already established in many workplaces, and they have many benefits in improving productivity and consistency of output. They are here to stay. We therefore welcome the general recognition that they should not be resisted or perceived solely as a threat to jobs. But we do conclude that implementation of new technologies in the workplace should be done in partnership with workers and, where relevant, their trade unions.**

39. *We call on the Government to introduce, whether by statute in the Data Protection and Digital Information (No. 2) Bill,<sup>73</sup> or by other means, a requirement*

- a) *on businesses to conduct impact assessments to understand the scope and consequences of the use of new technologies in the work place; and*
- b) *for workers to have the right to consultation and notification where the application of technology in the workplace will result in the surveillance of a worker, or result in a significant change to their work. That notification should explain in plain English what the technology is, when it is being implemented, how it will be operated, and what the impact will be on the worker. We encourage employers to involve workers in the design and implementation of new workplace technologies from the start of that process.*

### **Skills - how do we adapt to technological change?**

40. The Government estimates that the UK could lose up to £141 billion of GDP if it does not fix the digital skills shortage.<sup>74</sup> Future jobs are likely to require new and different skills. These include the skills required to work alongside technology, such as those needed to supervise and maintain automated systems, and more specialist skills needed to develop new technologies, such as engineering and coding. Concerns have been raised that digital skills training and education may not keep pace with technological developments, leading to a wider digital skills gap in the labour market.<sup>75</sup>

41. While digital skills are crucial, they are irrelevant if people are unable to access the internet at home: for job searching and recruitment, online interviews or hybrid working. HMRC limits the amount an employer can give to an employee to pay for home working costs, such as broadband, to £26 per month before that contribution becomes taxable and requires the worker to be able to complete and submit a self-assessment tax return each tax year. The All Party Parliamentary Group on Data Poverty highlighted in its 2022 State of the Nation report that 1.5 million households had no internet access in 2021 and a

72 [Dignity at Work and the AI Revolution, A TUC Manifesto](#), 25 March 2021

73 The Data Protection and Digital Information (No.2) Bill was introduced on 8 March 2023 and had its second reading on 17 April. Much of the Bill is the same as the Data Protection and Digital Information Bill which was introduced in the Commons on 18 July 2022. That Bill was withdrawn on 8 March 2023.

74 Q65

75 Parliamentary Office of Science and Technology, [How technology is accelerating changes in the way we work](#), 29 April 2021. See also UfiVochTech Trust (ULM0037)

further 1.1 million households were struggling to pay their broadband service bills.<sup>76</sup> This was before most broadband suppliers started to significantly increase their prices from 31 March 2023.<sup>77</sup>

42. The number of job postings for digital and tech occupations increased by 21% from April 2020 to April 2021<sup>78</sup> and there were over two million vacancies for tech roles between May 2021 and 2022, from a total 14.85 million vacancies across the economy as a whole.<sup>79</sup> TechUK warns that, despite Government investment, 35% of UK business leaders foresee an AI skills gap in the next two years and 28% say that they already have one.<sup>80</sup> Mr Ross, representing TechUK, warned us that data and software engineers “are not being churned out at the rate we need them from the education system, from universities etc.” He suggested that post-16 and post-18 re-training requires more thought, whether that is through the apprenticeship levy or tax incentives for companies.<sup>81</sup>

43. But addressing skills gaps is not just about ensuring that those entering the labour market are equipped with the digital skills necessary for the future. Around three-quarters of the 2032 workforce is already in work. Andrew Pakes, Deputy General Secretary and Research Director at Prospect Union, emphasised that “we also need a transition plan to enable people already in work to see their future”.<sup>82</sup> Matthew Percival, Director of Skills and Inclusion at the Confederation of British Industry, told us that labour shortages have compounded skills shortages due to the fact that companies are finding it more difficult to release workers to “go and do training”.<sup>83</sup> Clare Tunley, Chief Executive of the Financial Skills Commission, pointed out that, as reskilling is necessary for workers already in work to change their skills for future jobs, “it is up to the employers to work in partnership with Government to reskill individuals”.<sup>84</sup> Ms Tunley added that in a piece of work they did last year on the business case for reskilling, they identified that “firms can make a saving of £49,000 for each employee they reskill instead of looking to the wider market to recruit them”.<sup>85</sup>

44. Jane Gratton, Head of People Policy at the British Chambers of Commerce, told us however that the Chambers had found that:

a very large number of businesses were not planning for skills. They did not have the HR or learning and development resources to help them understand what skills they had, or the change management skills to help them bring people in the business to support the innovation and technology that they would need to become more productive.<sup>86</sup>

45. As part of our recent inquiry on UK plc, we heard further evidence that there is inadequate investment in workplace training. Torsten Bell, Chief Executive of the

76 All Party Parliamentary Group on Data Poverty, [State of the Nation report](#), 25 October 2022

77 Uswitch, [Broadband mid-contract price increases in 2023, explained](#), 3 April 2023

78 City & Guilds (ULM0104). See also TechUK (ULM0068)

79 TechNation, [People and skills report 2022: Key statistics](#)

80 TechUK (ULM0068)

81 Q65. See also Q89: Brian Palmer, Head of Public Policy, Europe Operations for Amazon, stressed the need for improved literacy at a younger age in both software and hardware programming, highlighting the focus that Amazon has on its Future Engineer Programme, in partnership with Teach First.

82 Q66

83 Q1

84 Q10

85 Q28

86 Q14

Resolution Foundation, dismissed the argument of companies that the financial incentives of training their staff “do not add up”, due to the perceived increase in labour mobility. He told us that “we have a broader cultural problem, which is that British businesses do not think that it is their job to train”.<sup>87</sup> Matthew Percival, representing the CBI, did raise with us the lack of return on investment from training due to workers moving on to other roles, but for that reason he emphasised that “we need partnership”, saying that “it is really about how business and Government get the partnership going”.<sup>88</sup>

46. As the UK transitions to a digital and green economy, the challenge of upskilling and reskilling the workforce becomes ever more crucial in creating opportunities to increase productivity and accelerate innovation. Make UK recommended that the Government provide additional support for digital upskilling by providing access to a “lifelong digital skills account for every employee, in order for employees to update and refresh their digital skills throughout their careers”.<sup>89</sup> Mr Phipson, representing Make UK, noted that apprenticeship starts have fallen in each year since the introduction of the levy<sup>90</sup> but that businesses were “crying out” for highly-skilled people.<sup>91</sup> Mr Ross, representing TechUK, argued that the Apprenticeship Levy should be used to ensure that people could take more short modular courses throughout their working lives.<sup>92</sup>

47. A goal of the recently announced UK Science and Technology Framework is to build a skilled workforce for tomorrow’s industries. By 2030, it is envisaged that the Framework will have delivered a number of outcomes,<sup>93</sup> including the introduction of the Lifelong Loan Entitlement (LLE), to promote “a culture of upskilling and retraining”.

48. By providing individuals with a loan entitlement to the equivalent of four years of post-18 education to use over their lifetime, it would aim to offer more opportunities for adults to upskill and retrain later in their working life, to encourage career and wage progression and help address employer demands for higher level technical skills.<sup>94</sup> The Open University suggested to us that the Lifelong Loan entitlement had the potential to be transformative if it is easily accessible, flexible and accompanied by comprehensive information and guidance.<sup>95</sup>

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87 Oral evidence taken on 7 February 2023, HC 1120, [Q28](#)

88 Q28

89 Make UK (ULM0076)

90 Q2: In 2016–17 (pre-Levy) there were around 75,000 apprenticeships a year in the vocational skills sector. In 2018–19 (post-Levy) there were 59,000 starts. In 2021, post-pandemic and continuing with the Levy, there were 39,000 starts in the apprentice system.

91 Tech UK (ULM0068)

92 Q87

93 2030 outcomes listed in the UK Science and Technology Framework, published on 6 March 2023: created an agile and responsive skills system, which delivers the skills needed to support a world-class workforce in STEM sectors and drive economic growth; recruited and retained high-quality FE and school teachers in STEM-related subjects; expanded opportunities for participation in STEM and ensured that a more diverse range of people enter the science and technology workforce; established competitive advantage in attracting international talent to the UK. The UK’s offer will be attractive to the world’s best talent across all career stages, with easy access through our ‘high-skilled visa system’ (Global Talent, Start Up/Innovator, High Potential Individual, Scale Up and Graduate); given people the opportunity to train, retrain and upskill throughout their lives to respond to changing needs. We will create proactive career advice programmes which establish links between STEM training or education at 16 and well-paid jobs. This includes revolutionary initiatives like the Lifelong Loan Entitlement, especially important given 80% of the 2030 workforce is already in work

94 House of Commons Library Research Briefing, [The Lifelong Learning \(Higher Education Fee Limits\) Bill 2022–23](#), 24 February 2023

95 Open University (ULM0063)

49. UCL and the British Academy, in a joint submission, argued that while a focus on skills training as a solution for the fast-changing requirements of the labour market was necessary and welcome, vulnerable groups should not be locked out of reskilling, and access to continuing professional development (CPD) should not amplify existing inequalities (as reskilling may be more open to those who have higher education qualifications or who are in professions with a high level of CPD as the norm). As well as equipping workers with digital skills, UCL and the British Academy believed that vulnerable groups should also be given the opportunity to develop their understanding of how AI technologies work, as a means of empowering them to have input into technology implementation.<sup>96</sup>

50. **It has yet to be seen what effect the Science and Technology Framework recently announced by the Government will have on digital skills development. We call on the Government to bring forward a new data poverty and digital skills strategy that will, amongst other things, set out how workers will be supported in the development of their digital skills.**

51. **We note with concern that there is a lack of investment in workplace training and reskilling. We therefore ask the Department to consult with business on the reasons for such lack of investment and consider what incentives would increase investment in workplace training.**

52. **We agree that the proposed Lifelong Loan Entitlement has the potential to be “transformative” in encouraging retraining and upskilling and ask the Government to conduct a review of the scheme one year after its commencement and to report its findings to this Committee.**

### **The use of AI and technology for workplace surveillance**

53. AI can track punctuality; analyse anonymous customer ratings to assess, reward and discipline workers; monitor the words typed by an employee; record websites visited and the number of e-mails sent; and monitor the number of steps taken in a warehouse and the number of bathroom breaks.<sup>97</sup> We have also heard evidence that suggests that AI is sometimes used to set performance targets<sup>98</sup> through the use of algorithms. The extent of that practice is difficult to determine, but it is widely reported within the gig economy, call centres and warehouse work. Mr Pakes, representing the Prospect Union, challenged us to consider not just how AI digital technology is transforming the products and services that the UK delivers, but how that technology is being used to manage workers. He acknowledged that the acceleration of digital technology during the pandemic had enabled people to continue working, but he argued that there was little “scrutiny of software or products that go into elements of surveillance and micromanagement”.<sup>99</sup>

54. Mr Pakes, referring to survey work and wider polling carried out by Prospect Union, also told us that one in five British workers are now subject to some form of surveillance software.<sup>100</sup> Laurence Turner, representing the GMB Union, accepted that there is some value in having a record of what is happening in occupations where workers are at risk of

96 UCL and The British Academy (ULM0019)

97 Employment Lawyers Association (ULM0088); see also Community Trade Union (ULM0040)

98 UCL and The British Academy (ULM0019)

99 Q66

100 Q85

assault or of difficult encounters with members of the public. But he noted that systems for this kind of surveillance, including CCTV, are usually implemented in negotiation with the union.<sup>101</sup>

55. We heard concerns that technological deployments designed to increase productivity (e.g. wristbands that track the progress of orders or deliveries) can have a detrimental impact on workers' physical and mental wellbeing. Workers have cited the stress they have experienced when being subject to AI-driven 'real time' performance assessment and monitoring.<sup>102</sup>

56. We note concerns about technologies, for example, Live Facial Recognition technology<sup>103</sup> which may be used to track individuals. We note that the Government intends to give the Information Commissioner oversight for biometrics in the Data Protection and Digital Information (No. 2) Bill.

57. Referring to a report based on a randomised sample of GMB members, Mr Turner told us that of the 1,500 responses it received, 32% of members reported that "surveillance at work was having a negative impact on their mental health and sense of wellbeing while they were at work". Furthermore, when the results were broken down for those workers who knew that "they were subject to algorithmic working or processes in a workplace, the levels of negative mental health were higher"—at close to 50%.<sup>104</sup>

58. A number of witnesses<sup>105</sup> stressed the point that, if implemented well (and transparently) in the workplace, based on negotiation and feedback between workers and managers, AI-based surveillance could lead to better acceptance and outcomes. Mr Pakes cited examples of employees who had been disciplined because a productivity scoring tool had provided information to managers on their e-mail usage and the websites they had visited. But he advised that the problem is not with the technology: "it is the management practice and how technology is applied that we need to fix".<sup>106</sup> Mr Turner suggested that it is for employers, trade unions and trusted third-sector organisations to make the development of AI and algorithmic processes in the workplace explicable and understood.<sup>107</sup>

59. The Institute for the Future of Work (IFOW), an independent research and development institute, warned that technology is often assumed to *de facto* improve productivity, and remove "dirty, dull and dangerous" work. Anna Thomas, Co-Founder and director of the Institute, acknowledged that automation has the potential to create good jobs and have positive impacts on conditions and quality work, but "at the moment we are not seeing that happening".<sup>108</sup> She added that:

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101 Q130

102 TUC (ULM0064); See also responses to Q91 to Q111 on Amazon's use of productivity monitoring devices

103 Facial recognition technology (FRT) relies on the use of people's personal data and biometric data. Data protection law therefore applies to any organisation using it. Live facial recognition (LFR) is a type of FRT that often involves the automatic collection of biometric data. This means it has greater potential to be used in a privacy-intrusive way. ([Information Commissioner's Opinion](#), 18 June 2021)

104 Q130

105 See for example: Q125, Q127, 129, Ufi VocTech Trust (ULM0037), Equality and Human Rights Commission (ULM0051), Chartered Management Institute (ULM0025)

106 Q77

107 Q131

108 Q123



It is worth remembering that good work and wellbeing is associated with higher levels of engagement, motivation, innovation and productivity. Work is ongoing, but we think that, if investment, design, procurement and deployment of the AI systems has these desired outcomes in mind, the outcomes for everybody across the board are likely to be better.<sup>109</sup>

60. The evidence we took from Brian Palmer, representing Amazon, on the deployment of systems to monitor the productivity of the workforce and health and safety in the workplace, raised concerns about the use of that productivity data in decisions on individual staff performance. He acknowledged that if an Amazon employee has three productivity flags on the system, they can be fired,<sup>110</sup> although Amazon has since written to the Committee to say that Mr Palmer’s answer wasn’t fully correct.<sup>111</sup> While the algorithms from the system do not make the decision, it was clear that they do help identify issues with performance.<sup>112</sup> Mr Turner, in response to the evidence we took from Amazon, and making reference to the experience reported by warehouse workers among the GMB membership, said that “we have seen a short-term focus on productivity targets—the so-called pick rate—that has then contributed to the long-term recruitment, retention and worker dissatisfaction problems in that company, which are really coming home to bite now in a very tight labour market”.<sup>113</sup>

61. Even though Amazon itself said that “unhappy, stressed or overworked workers are not a recipe for a productive workplace”,<sup>114</sup> there is evidence to suggest that its surveillance practices (for whatever intention they are deployed) are leading to distrust, micromanagement and, in some cases, disciplinary action against its workers. Since we heard evidence from Amazon, we received further written evidence from Foxglove Legal<sup>115</sup> and the Bureau of Investigative Journalism<sup>116</sup> which challenged claims that had been made about the use and purpose of AI and tech at Amazon. They both raised concerns that such technology, whether it is handheld scanners, or a video monitoring device, *is* being used to set performance targets and monitor performance. We sent a further letter to Amazon on 24 March<sup>117</sup> expressing our dissatisfaction with the discrepancies in Amazon’s evidence and reiterated our concern that its use of surveillance technology to monitor the performance of its workers would no doubt put undue stress on its workforce.

62. These issues are not just associated with Amazon. In our work on the future of Royal Mail, it became clear that postal digital assistants (PDAs) were being used to track postal workers and that the data collected by this technology was then being used to not only discipline individual workers, but to create anxiety in the workplace by comparing postal workers speeds on workplace notice boards. In our report on Royal Mail we decided to refer the use of this technology to the Information Commissioner for investigation.<sup>118</sup>

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109 Q134 [Ms Thomas]

110 Q106

111 Amazon (ULM0111)

112 Q108

113 Q134 [Mr Turner]

114 Q99

115 Foxglove Legal, a non-profit company (ULM0110)

116 Bureau of Investigation Journalism ([ULM0118](#))

117 [Letter from the Chair to Amazon on AI and technology in the workplace](#), 24 March 2023

118 [Business, Energy and Industrial Strategy Committee, Royal Mail](#), HC 1045, 17 March 2023

### The use of algorithms

63. Tania Bowers, Global Public Policy Director, Association of Professional Staffing Companies,<sup>119</sup> told us that automation has been an element of the recruitment and hiring industry for decades and is supporting a “faster, more effective hiring process”.<sup>120</sup> It is used in compliance and vetting checks, candidate sourcing, registration and filtering processes, which includes chatbots to talk candidates through the application process and, to a lesser extent, in the interview process.<sup>121</sup>

64. The Association told us in its written evidence that currently, it is often simpler algorithms, rather than genuine AI, that are used in recruitment screening processes, and there is human oversight of the process. It also noted the limitations of the use of AI, such as its ability to fully anonymise CVs or give context behind the reasons for declining an applicant on the basis of their CV. However, the Association described the far-reaching capabilities of AI in widening the potential candidate pool as it is able to search, collate and cross-reference information on individuals publicly available on the internet. While acknowledging that this is exciting in candidate-scarce sectors, it does bring about privacy issues which, it says, “require legislative thought”.<sup>122</sup>

65. In its written evidence, Lewis Silkin LLP (a law firm) said that from an employment law perspective, a key risk arising from the use of algorithms and AI decision-making for employers and employees lies in lack of transparency. The firm warns that:

the data used to train and test AI systems, as well as the way they are designed and used, might lead to outputs which lead to unfair or irrational decision-making or discrimination against certain protected groups.

66. The firm also says that:

On the one hand, it may be harder for employees to bring a claim in the employment tribunal to challenge the basis on which an employment-related decision is reached if that decision relied on AI systems, but on the other hand, many employers buy AI systems from third-party specialists in good faith and are unlikely to understand how underlying algorithms in AI systems purchased from third-parties work because of lack of transparency and specialist knowledge of the underlying algorithms and code.<sup>123</sup>

67. Carly Kind, Director of the Ada Lovelace Institute,<sup>124</sup> raised concerns that UK law does not adequately cover the discrimination and inequality risk when AI is used in recruitment.<sup>125</sup> She said that:

because the way AI works uses existing datasets to build predictions about the future, it tends to optimise homogeneity. It optimises the status quo. It

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119 The Association of Professional Staffing Companies is an international trade body in the recruitment sector.

120 See Tania Bowers, unnumbered question before Q117

121 Ibid.

122 Association of Professional Staffing Companies (Global Ltd) (ULM0006)

123 Lewis Silkin ([ULM0072](#))

124 The Ada Lovelace Institute was established by the Nuffield Foundation in 2018 with a “mission to ensure that data and AI work for people and society”.

125 Q118

is not very good at optimising for difference or diversity, for example. There is a real risk that, if we integrate it into recruitment processes, it preferences candidates who have previously been successful.<sup>126</sup>

68. Citing research by the Centre for Data Ethics and Innovation,<sup>127</sup> the Equality and Human Rights Commission told us that the use of algorithms for targeted job adverts has been proven to show a bias, for example where young women have not seen STEM-related job adverts and Asian men are more likely to receive job adverts for taxi driver opportunities.<sup>128</sup>

### *Existing law and regulation*

69. Employees may be able to challenge AI or algorithm-based employment decisions under UK employment law if they are potentially discriminatory or unfair and lead to a dismissal. But any algorithm-based employment decision will have to comply with a wide range of laws, such as those on direct discrimination, indirect discrimination, and the duty to make reasonable adjustments.<sup>129</sup> Lewis Silkin LLP notes that while many employers will have acquired AI systems from third parties, the discrimination claims arising from the application of such technology will, in the vast majority of cases, be brought against the employer.<sup>130</sup>

70. The Equality and Human Rights Commission considers that the current legal framework provided by the Equality Act 2010<sup>131</sup> provides sufficient protection against potential discrimination where that discrimination can be identified. But the Commission does have concerns about the transparency of how AI is used in the workplace. Individuals may not be aware, or be able to identify, whether they are being discriminated against.<sup>132</sup>

71. The shift to working from home has opened up a new area of potential abuse that requires attention. Global Counsel<sup>133</sup> told us that while there are some benefits associated with digital monitoring, including boosting productivity and generating more “objective” data on individual performance, there are also concerns about the opportunity for abuse, given possible flaws in the technologies themselves and their potential to worsen existing power imbalances between employers and employees.<sup>134</sup>

72. While the General Data Protection Regulation (GDPR) gives individuals the right to challenge fully-automated decisions, we were told that regulatory intervention in response to increased digital monitoring and automated-decision making has so far been limited.<sup>135</sup> In its Written Ministerial Statement on 29 March 2023 on the Artificial Intelligence Regulation White Paper,<sup>136</sup> the Government noted the importance of aligning the Article

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126 Q119

127 The Centre is a government-sponsored expert body advising on the trustworthy use of data and AI.

128 Equality and Human Rights Commission (ULM0051)

129 Employment Lawyers Association (ULM088)

130 Lewis Silkin LLP (ULM0072)

131 [Equality Act 2010](#)

132 Equality and Human Rights Commission (ULM0051)

133 Global Counsel was established in 2010 to help its clients (companies, investors, government agencies and civil society organisations) anticipate and prepare for regulatory and political change.

134 Global Counsel (ULM0024)

135 Ibid.

136 Written Ministerial Statement, tabled 29 March 2023 ([HCWS686](#))

22 reforms in the Data Protection and Digital Information (No.2) Bill<sup>137</sup> with the UK's wider approach to AI regulation. The Government said that “the reforms in the Data Protection and Digital Information Bill cast Article 22 as a right to specific safeguards, rather than as a general prohibition on solely automated decision-making and also clarify that a ‘solely’ automated decision is one that is taken without any meaningful human involvement”. We did not take evidence on the new Bill, but we bring to the Government's attention the evidence we heard from Ms Kind, representing the Ada Lovelace Institute, in respect of the original Bill which was withdrawn in March 2023:

There are really important provisions in the current Data Protection Act that relate very clearly to AI—article 22, for example, which is around automated decision-making. Recruitment by algorithm would fall within that definition. The Data Protection and Digital Information Bill on the table at the moment changes that provision slightly. It does not eradicate the meaningful benefits that are there, but it could be stronger. I would encourage looking across data protection legislation to understand how it fits with AI and how it is going to create a protective environment, albeit one that makes data available for use, particularly in serving public benefit and social value.<sup>138</sup>

73. We note from our work on the Post Office - Horizon Scandal,<sup>139</sup> which is currently suspended due to the ongoing statutory inquiry,<sup>140</sup> that the criminal law—as it related to the victims of this scandal—assumed that computer-based evidence was correct unless a defendant could prove otherwise. It was impossible for a sub-postmaster to be able to prove this and so the law placed an unacceptable burden on defendants. In a Westminster Hall debate on the legal status of automatic computer-based decisions in 2021, the then Under Parliamentary Secretary of State, Matt Warman MP, noted that the Government was considering whether to ask the Law Commission to look at this issue.<sup>141</sup>

**74. We ask the Government for an update on its thinking in relation to the use of computer evidence in criminal and/or civil proceedings and to prioritise this area of work at the Law Commission if it has not already done so.**

### *What is needed*

75. The pace at which the workplace is changing, and in particular the increase in hybrid/remote working, and use of AI surveillance, has strengthened the need for clear regulatory rules. Mr Pakes, representing the Prospect Union, argued that the “laws we have are not fit for the way in which digital technology is transforming the work relationship and how people are managed”.<sup>142</sup>

76. The Government describes its current approach to AI governance and regulation as being “pro-innovation”. It says that it does not want to hold organisations back from using

137 The Data Protection and Digital Information (No.2) Bill was introduced on 8 March 2023 and had its second reading on 17 April. Much of the Bill is the same as the Data Protection and Digital Information Bill which was introduced in the Commons on 18 July 2022. That Bill was withdrawn on 8 March 2023.

138 Q135

139 Business, Energy and Industrial Strategy Committee, [Post Office and Horizon - Compensation: interim report](#), HC 1129, 17 February 2022

140 [Post Office Horizon IT inquiry 2020](#), led by Sir Wyn Williams. See also [Post Office Horizon IT Inquiry](#)

141 HC Deb, 10 March 2021, [Automatic Computer-based Decisions: Legal Status - Hansard - UK Parliament](#)

142 Q85

AI, and it is therefore proposing a framework underpinned by five principles<sup>143</sup> which would initially be on a non-statutory footing and would be implemented by existing regulators.<sup>144</sup> Its approach thus far could be said to be quite light-touch compared with the US, China and the EU, for example, which are developing or passing specific laws to address perceived AI risks.<sup>145</sup>

77. Although we took evidence before the publication of the most recent Government proposals on the governance and regulation of AI, Ms Kind, representing the Ada Lovelace Institute, referring to an earlier policy paper published in July 2022<sup>146</sup> (which sought the views of business, civil society and academia ahead of the White Paper), warned us that:

it [devolving implementation to the regulators] is a challenging proposal, given that we have more than 100 regulators, some of which have overlapping domains and some of whose domains leave big gaps. Some of those big gaps will be felt first and foremost by workers, in fact. Part of the problem there is that the principles articulated included fairness, and that enabled regulators to each develop their own interpretation of fairness and apply it in their own particular context. Whereas context is important, as are sectoral definitions and interpretations, there needs to be an overarching framework. There needs to be consistency, and much more capacity and guidance provided to regulators for implementing any ultimate regulatory framework.<sup>147</sup>

78. The Director of Labour Market Enforcement<sup>148</sup> wrote to us with concerns that “the three enforcement bodies are already stretched with regards resources and have limited expertise to assist with regulation in the burgeoning area of AI”. She added that “out of the three enforcement bodies, HMRC NMW<sup>149</sup> have the biggest access to data and analysis, but they are not resourced to provide analysis for others”. She also warns that AI “can service to obscure, as far as the worker is concerned, who is their employer and to whom they go to enforce different aspects of their rights”. In terms of online recruitment she is concerned that “AI can make it harder for workers to detect bogus jobs and fraud as it can front the appearance of being interactive with a genuine recruiter”.<sup>150</sup>

79. We note that the House of Commons Science and Technology Committee is undertaking an inquiry into the governance of artificial intelligence.<sup>151</sup> The Committee is still taking evidence and expects to report later in the year.

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143 The five principles are safety, appropriate transparency and explainability, fairness, accountability and governance, and contestability and redress

144 [A pro-innovation approach to AI regulation white paper](#), 29 March 2023

145 BBC News, [UK rules out new AI regulator](#), 29 March 2023

146 [Establishing a pro-innovation approach to regulating AI](#), 20 July 2022

147 Q135

148 The Office of the Director of Labour Market Enforcement (ODLME) is sponsored by the Department for Business and Trade and the Home Office. The Director of Labour Market Enforcement was created by the Immigration Act 2016 as part of the government’s reforms to strengthen efforts to tackle non-compliance in the labour market.

149 The three enforcement bodies are the National Minimum Wage Team within His Majesty’s Revenue and Customs, the Gangmasters and Labour Abuse Authority and the Employment Agency Standards Inspectorate

150 Officer of the Director of Labour Market Enforcement (ULM0121)

151 [Science and Technology Committee inquiry into the governance of artificial intelligence](#)

80. A number of submissions to our inquiry<sup>152</sup> supported the recommendations made by the All-Party Parliamentary Group on the Future of Work in its report, *New Frontier: Artificial Intelligence at Work*,<sup>153</sup> in particular the implementation of an ‘Accountability for Algorithms Act’ to prevent bias and discrimination and to enable workers to seek justice should issues related to AI arise.

81. **Policy responsibility within Government for the governance of artificial technology has passed to the Department for Science, Innovation and Technology. We note that the Science and Technology Committee is in the midst of an inquiry into the governance of artificial intelligence. We therefore draw to the attention of that Committee the evidence which we have described in this Report.**

82. *We question, however, whether existing regulators have the expertise to perform the functions proposed in the recent White Paper on regulation of AI. If regulators will need to recruit additional staff with such expertise, the Government should consider carefully whether they can do so from existing budgets without compromising other important regulatory functions.*

83. *We ask each of the regulators referred to by the Government in its recent White Paper to write to this Committee setting out what capacity, expertise and established policy it has in respect of the application of AI in the workplace and to set out what additional resources are required to deliver this new area of responsibility. We ask those regulators to write to this Committee no later than three months following publication of this report.*

## Overall conclusion

84. **The use of technology and automation in the workplace has enormous potential for improving economic productivity, increasing wages and creating new goods and services for domestic use and export. As we live and work for longer, the use of AI and automation can support how individuals and society adjust to new ways of working. Re-training and upskilling the workforce of the future, in order to make the best use of the potential which AI and automation offer, is essential to economic growth and addressing skills shortages.**

85. **However, there is a significant risk from the lack of attention on the unwelcome or unintended consequences of the use of technology and automation in the workplace, whether that is in the warehouse or in a worker’s home. Surveillance in the workplace may have value if it prevents malpractice and helps to improve productivity in a way which is agreed through consultation with the workforce and is applied within agreed parameters. But it is likely to be destructive of worker morale if it is imposed in a heavy-handed way. We ask the Government to consult on an enforceable code of practice on the use of surveillance technology in the workplace.**

86. *We recommend that a taskforce of relevant enforcement bodies be established, alongside the Centre for Data Ethics and Innovation and the Trades Union Congress, to assess the implications of technology in the workplace, to consider whether enforcement*

152 See for example: Institute for the Future of Work (ULM0082), Centre for Care, University of Sheffield (ULM033)

153 All-Party Parliamentary Group on the Future of Work: [The New Frontier: Artificial Intelligence at Work](#), November 2021.

*of labour laws is effective, and to make recommendations on whether further legislation is required. We recommend that the taskforce be asked to produce an initial report by autumn 2024.*

## 4 Workers' rights and protections

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### Government Initiatives

87. The starting point for this chapter is the Taylor Review, which was commissioned from Matthew Taylor<sup>154</sup> in 2016 to look at how employment law needed to adapt to keep pace with modern business practices. The review was driven by the rise in atypical forms of working, particularly in the 'gig economy'. Data from the Office of National Statistics' Labour Force Survey at the time had indicated that there was a substantial rise in the number of workers working on zero-hours contracts, peaking at 907,000 in the period of October to December 2016. A 2016 report from the TUC suggested that there were as many as 3.2 million insecure workers who lacked access to basic rights and decent levels of pay.<sup>155</sup>

88. Mr Taylor's Review of Modern Working Practices<sup>156</sup> was published in July 2017. It concluded that the labour market was changing, that new forms of work were raising questions about the existing legislation and that there was a need to "organise our national framework around an explicit commitment to good work for all." The Review broadly centred around three themes:

- i) tackling exploitative employment practices;
- ii) increasing clarity in the law and helping people enforce their rights; and
- iii) aligning the incentives driving labour market change with broader national objectives.

89. In December 2018, the Government published the Good Work Plan,<sup>157</sup> outlining how it intended to implement the recommendations of the Taylor Review. The Government stated that it was accepting 51 out of the 53 recommendations made in the Report and described its proposals as "the largest upgrade to workers' rights in a generation".<sup>158</sup> It contained a wide range of recommendations on issues such as agency workers, employment status, the enforcement of employment rights, maternity discrimination and zero-hours contracts.

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154 Then Chief Executive of the Royal Society of Arts

155 House of Commons Library, [Insecure work: The Taylor Review and the Good Work Plan](#), 28 February 2020

156 Good Work, [The Taylor Review of Modern Working Practices](#), July 2017

157 [Good Work Plan](#), CM 9755, December 2018

158 [New protections for millions of vulnerable workers](#), Press release, 16 July 2019



**Box 1: Good Work Plan**

When the Government published its Good Work Plan, it was committed to enhancing workers' rights as the UK left the EU. Commitments included:

- i) The right for all workers to request a more stable contract
- ii) Extending the time required to break a period of continuous service to make it easier for employees to access their rights
- iii) Banning the use of pay-between-assignment contracts
- iv) Reducing the thresholds of support for information and consultation rights
- v) Banning employers from making deductions from staff tips
- vi) Improving the clarity of the employment status tests and defining employment status to make it fit for purpose
- vii) Extending state enforcement, on behalf of vulnerable workers, to underpayment of holiday pay
- viii) Increasing state enforcement protections for agency workers where they have pay withheld or unclear deductions made by an umbrella company
- ix) Increasing the maximum level of penalty that Employment Tribunals can impose in instances of aggravated breach to £20,000
- x) Creating an obligation on Employment Tribunals to consider the use of sanctions where employers have lost a previous case on broadly comparable facts
- xi) Bringing forward proposals [in early 2019] for a new single labour market enforcement agency

Source: [Good Work Plan - command paper version \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

90. In the December 2019 Queen's Speech, an Employment Bill was announced.<sup>159</sup> The Government stated that the Bill would have a variety of purposes, including giving effect to many Good Work Plan recommendations. It said that the Bill would include measures such as establishing a single enforcement body, giving workers a right to request a contract with more predictable hours and banning deductions from staff tips. But no such bill was introduced by the Government in either the 2019–21 Session or the 2021–22 Session.

91. On 13 December 2022 we asked the then Secretary of State for Business, Energy and Industrial Strategy, the Rt Hon. Grant Shapps MP, whether an Employment Bill was planned. The Secretary of State replied "We have had five separate Bills, which the Department has helped sponsor through Back Benchers. I do not think we have an Employment Bill on the cards per se".<sup>160</sup>

159 Prime Minister's Office, [The Queen's speech](#), 19 December 2019

160 [Q145](#)

## Private Members' bills

92. The Government has supported a number of private Members' bills on employment rights. These include the:

- Employment Relations (Flexible Working) Bill;<sup>161</sup>
- Protection from Redundancy (Pregnancy and Family Leave) Bill;<sup>162</sup>
- Employment (Allocation of Tips) Bill;<sup>163</sup>
- Neonatal Care (Leave and Pay) Bill;<sup>164</sup>
- Workers (Predictable Terms and Conditions) Bill;<sup>165</sup>
- Carer's Leave Bill<sup>166</sup>

The Bills relating to flexible working and protection from redundancy address concerns raised during evidence to our inquiry, and we describe below the issues raised.

### *Employment Relations (Flexible Working) Bill*

93. The Employment Relations (Flexible Working) Bill,<sup>167</sup> introduced by Yasmin Qureshi MP, aims to give employees greater access to flexibility over where, when and how they work. The Government held a consultation on *Making flexible working the default*; it published its response on 5 December 2022; and it is supporting the Bill.<sup>168</sup>

94. The Bill gives an employee two opportunities in a year to request flexible working. An employer is required to give a response to the request within two months (rather than the current three). It removes the requirement for employees to explain how their application will impact the business, and it requires employers to consult the employee if they are going to reject it. There will also be a day one right to request flexible working.

95. Joeli Brearley, representing Pregnant then Screwed,<sup>169</sup> told us that she had three concerns with the Bill. The first was:

A right to request is a right to decline. We know that half of employees who ask for flexible working have that request rejected—that was research done by the TUC in 2021—so all you are doing is to make the same thing happen faster. Rather than it happening at 26 weeks, it will happen on the first day of employment.

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161 [Employment Relations \(Flexible Working\) Bill](#)

162 [Protection from Redundancy \(Pregnancy and Family Leave\) Bill](#)

163 [Employment \(Allocation of Tips\) Bill](#)

164 [Neonatal Care \(Leave and Pay\) Bill](#)

165 [Workers \(Predictable Terms and Conditions\) Bill](#)

166 [Carer's Leave Bill](#)

167 [Employment Relations \(Flexible Working\) Bill](#)

168 [Consultation on Making flexible working the default: Government response, 5 December 2022](#)

169 Pregnant Then Screwed is a charity dedicated to ending the 'motherhood penalty', supporting tens of thousands of women each year, campaigning for change.

The second was:

The right to request has very little impact on flexible working. It was implemented in 2003, but in 2013, 74% of people were not working flexibly, and in 2020, 70% of people were not working flexibly—we have seen a 4% difference in a decade.

The third was:

A day one [right to request] is also a waste of everyone’s time. What will happen is that you start a job, and then you have to request the type of flexible working that you need. If that request is then rejected, for many women in particular with caring responsibilities that means that they have to leave the job. An employer has spent all that time trying to recruit—they found someone, they waited for them to start in the role and then they find out that they are not the right fit for them—but they have to start all over again.<sup>170</sup>

Pregnant then Screwed therefore proposed that the right to request flexible working should start not from the first day of employment but from job offer. Ms Brearley explained:

That makes sense for everyone. It makes sense for the employee, because they can see whether the job works for them before accepting; it makes sense for the employer, because they are not wasting their time waiting for that person before starting the recruitment process again.<sup>171</sup>

96. Kate Dearden, representing Community Union, argued that the Government should have gone even further by placing a duty on employers to advertise flexible options. She said that “people need to know the options available before applying for or starting a job”.<sup>172</sup> She clarified:

Flexible working is a critical part of the toolkit for building inclusive workplaces, with corresponding benefits to businesses in productivity. When a lot of people think about flexible working, it is not just about working from home but about changes to hours, job sharing, flexi-time and how we make sure that we help predominantly women and those with caring responsibilities.<sup>173</sup>

This was also something that Joeli Brearley raised:

For a long time, we have been campaigning alongside the TUC, the Fawcett Society, Gingerbread and the Fatherhood Institute for an advertising duty on employers, so that they have to stipulate in job adverts what type of flexible working is available.<sup>174</sup>

In addition, she highlighted that the legislation did not extend to all workers: “it extends only to employees, not to workers such as those on zero-hours contracts, who are

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170 Q203

171 Q203

172 Q241

173 Q241

174 Q204

freelance or who have other types of working conditions.”<sup>175</sup> Community Trade Union recommended a wider campaign by the Government to raise awareness on who is entitled to flexible working and to tell people that “flexible working can benefit all kinds of workers in different ways, shapes and forms.”<sup>176</sup> Professor Ewing, representing the Institute of Employment Rights, questioned whether people who have full-time caring responsibilities and who want to participate in employment should, instead of just having a right to request flexible working, have a duty on the employer to accommodate the interests, needs or requests of the employee.<sup>177</sup> Lizzie Penny, Co-Founder of Hoxby<sup>178</sup> and a campaigner for ‘workstyle’, an autonomous form of working where people have the freedom to choose where and when they work, would go further still. She told us that while she is excited by the conversation about flexible working, and the progress being made, she is disappointed that flexible working “is still flexing around an industrial-age system”.<sup>179</sup> She advocates autonomy of work to make the labour market more accessible to excluded groups<sup>180</sup> and to improve motivation, job satisfaction and wellbeing among the workforce.

97. The Minister for Business and Trade, Kevin Hollinrake MP, believed that the “number one way” to get people back to work was by making the workplace a more attractive place to be, and that the best way of doing that was by offering flexible working.<sup>181</sup> He explained the Government approach as being:

It is about a conversation. That is what it is about. It is not about imposing a huge burden on employers. We think it is right that this is a right to request, not a right to insist. [ ... ] we want to want to make sure the message goes out to employers, to businesses and public sector organisations, that this is the right thing to offer. We want to make sure, clearly, that employees themselves are aware of the right they have to request this. That will engender those conversations.<sup>182</sup>

### ***Protection from Redundancy (Pregnancy and Family Leave) Bill***

98. Under Regulation 10 of the Maternity and Paternity Leave Regulations 1999, a woman on maternity leave whose job is being made redundant “is entitled to be offered (before the end of her employment under her existing contract) alternative employment” with her employer or an associated employer, in any suitable vacancy available that offers work appropriate for her and terms not substantially worse than her previous job.<sup>183</sup> The Protection from Redundancy (Pregnancy and Family Leave) Bill introduced by Dan Jarvis MP extends this protection for mothers from the moment she discloses her pregnancy until up to six months after returning from maternity leave.

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175 Q204

176 Q241

177 Q242

178 Hoxby is a social enterprise which supports people to work autonomously. Hoxby has delivered projects working in a ‘workstyle’ way.

179 Q199

180 Q197 and Q233. Excluded groups included older workers, carers, people with chronic illness, physical disabilities or mental health challenges, people who are neurodivergent, and parents.

181 Q273

182 Q298 & Q299

183 House of Commons Library, Protection from Redundancy (Pregnancy and Family Leave) Bill 2022–23: Progress of the Bill, [CBP 9609](#), 26 January 2023

99. However, in Ms Brearley's view the Bill merely extended an existing law which was not working for pregnant women:

If you look at the report by the Equality and Human Rights Commission, they found that one in 20 women are made redundant when they are pregnant, when they are on maternity leave or when they return. Breaking that data down, they found that 1% are made redundant when they are pregnant, 3% are made redundant when they are on maternity leave, and 2% are made redundant when they return. You are more likely to be made redundant when these protections exist than when they don't, so we are extending protections that are not working. That is what this Bill will do.<sup>184</sup>

100. The Equality and Human Rights Commission report was commissioned by BEIS in 2016 to investigate the prevalence and nature of pregnancy discrimination and disadvantage in the workplace.<sup>185</sup> The Equality Act 2010 prohibits pregnancy and maternity discrimination. The report covered the views and experiences of employers and mothers on a range of issues related to managing pregnancy, maternity leave and mothers returning to work. It found:

- The majority of employers reported that it was in their interests to support pregnant women and those on maternity leave and they agreed that statutory rights relating to pregnancy and maternity are reasonable and easy to implement.
- Around one in nine mothers (11%) reported that they were either dismissed; made compulsorily redundant, where others in their workplace were not; or treated so poorly they felt they had to leave their job; if scaled up to the general population this could mean as many as 54,000 mothers a year.
- One in five mothers said they had experienced harassment or negative comments related to pregnancy or flexible working from their employer and /or colleagues; if scaled up to the general population this could mean as many as 100,000 mothers a year.
- 10% of mothers said their employer discouraged them from attending antenatal appointments; if scaled up to the general population this could mean up to 53,000 mothers a year.

101. In 2016, the House of Commons Women and Equalities Committee published a report titled *Pregnancy and maternity discrimination*.<sup>186</sup> It found that:

- Currently, the burden of enforcement rests with the individual experiencing discrimination, but the number of women taking enforcement action is low. It concluded that the Government should take urgent action to remove barriers to justice and should seek ways of reducing the burden on women and making it easier for them to take action. It should also set out how it will monitor whether outcomes are improving for women; (Paragraphs 171–173)

184 Q204

185 Equality and Human Rights Commission, [Pregnancy and maternity discrimination research findings | Equality and Human Rights Commission \(equalityhumanrights.com\)](https://www.equalityhumanrights.com/research-and-policy/pregnancy-and-maternity-discrimination-research-findings), 2016

186 Women and Equalities Committee, First Report of Session 2016–17, *Pregnancy and maternity discrimination*, [HC 90](#), 31 August 2016

- The Government should increase protection from redundancy so that new and expectant mothers can be made redundant only in specified circumstances (Paragraph 70); and
- The Government should review the three-month time limit for bringing a tribunal claim in maternity and pregnancy discrimination cases and should substantially reduce tribunal fees. (Paragraphs 143 and 146)

102. The Women’s Budget Group<sup>187</sup> told us that discrimination against pregnant women had been heightened in the context of the pandemic.<sup>188</sup> In a survey of 20,000 women, 11% of pregnant women said they “had been made redundant or expected to be made redundant”. Of these, 53% believed that their pregnancy was a factor in their redundancy (a figure that rose to 67% of BAME pregnant women).<sup>189</sup>

103. **There is evidence to suggest that we cannot be complacent about the effectiveness of existing law in protecting women who are pregnant from redundancy, or who are on maternity leave, or who return to work after pregnancy. We welcome the Protection from Redundancy (Pregnancy and Family Leave) Bill as a small step, but the Government may need to return with stronger protective measures if evidence of discrimination persists. To collect this evidence we recommend that the Government commissions research similar to that conducted by the Equality and Human Rights Commission for BEIS in 2016.**

## Outstanding issues

### *Childcare and shared parental leave*

104. The Confederation of British Industry (CBI) called for an expansion of free childcare to tackle workforce shortages: “Studies suggest inadequate access to childcare prevents about 1.7 million women from taking on more hours, equating to more than £28 billion in lost economic output each year and exacerbating cost of living challenges.”<sup>190</sup> Coram, a charity which supports children, young people and families, has found that the average cost for a full-time childcare place for a child under two is now almost £15,000 per year, and £19,000 in London.<sup>191</sup> Research conducted by Pregnant then Screwed in March 2023 with 24,000 parents found that three quarters of mothers who use the childcare system say that it does not make financial sense for them to work. One in four parents who use formal childcare say that the cost is more than 75% of their take home pay.<sup>192</sup> This means that many mothers (and some fathers) decide that it does not make financial sense for them to work and they fall out of the labour market. On top of this, many women reduce

187 Women’s Budget Group is an independent, not-for-profit organisation that monitors the impact of government policies on men and women

188 Women’s Budget Group (ULM0012)

189 Pregnant Then Screwed (2020) The true scale of the crisis facing working mums (<https://bit.ly/2M3qPW5>)

190 The Guardian, [Sunak should expand free childcare to tackle workforce shortages, say CBI, 9 February 2023](#)

191 Coram Family and Childcare, [Childcare Survey 2023](#)

192 Pregnant Then Screwed, [New Pregnant Then Screwed data shows three-quarters of mothers who pay for childcare say that it does not make financial sense for them to work](#)

the number of hours that they work so that they are spending less on childcare. The Centre for Progressive Policy<sup>193</sup> estimated in 2021 that there were 1.7 million women who were prevented from taking on more hours at work due to childcare costs and availability.<sup>194</sup>

105. Recognising the impact of the high cost of childcare on participation in the labour market, the Chancellor announced measures in the 2023 Spring Budget, set out in Box 2 below:

**Box 2: The Spring Budget**

Free childcare will be available for many working families with children aged nine months or older in England from September 2025. This is an extension of the 30-hours a week of free childcare currently available to many working families with three and four year olds. This extension will be rolled out in stages:

–15 hours a week of free childcare for children aged two from April 2024

–15 hours a week of free childcare for children aged nine months up to two years from September 2024

–30 hours a week of free childcare for all of these children from September 2025

Eligibility will be same as for the current offer for free childcare for three and four year olds. This extension is expected to cost £4.1 billion by 2027/28.

- The hourly amount paid to providers of free childcare will be increased in England from 2023/24, paid from September 2023.
- Staff-to-child ratios will change from 1:4 to 1:5 for two year olds in England.
- A ‘wraparound’ childcare scheme will be introduced for primary school-aged children, aimed at providing care for all children from 8am to 6pm in England. Funding is being provided to local authorities for a ‘pathfinder’ scheme starting in September 2024, with the potential for a national roll out in 2024/25 and 2025/26
  - Universal Credit childcare support will be paid upfront when parents move into work or increase their working hours. Currently parents need to claim this support in arrears.
- The cap on Universal Credit childcare support will be increased.

Source: House of Commons Library, Spring Budget 2023: A summary, [CBP 9748](#), 15 March 2023

106. These announcements came after we had finished taking evidence, and we have not been able to gather views on what impact they will have on the labour market. We note that the House of Commons Education Committee is currently running an inquiry on Support for childcare and the early years<sup>195</sup> and that it took evidence on 21 March on the reactions to the Spring Budget announcements. The main concerns outlined in that meeting were: the eligibility criteria, the term-time only payments, exclusion of parents training or studying, the complexity (particularly for self-employed parents), the lack of current provision, and diminishing workforce, funding and timescale.<sup>196</sup>

193 The Centre for Progressive Policy is an economics think tank that champions inclusive growth

194 Centre for Progressive Policy, [Women in the labour market: Boosting mothers’ employment and earnings through accessible childcare](#), 14 October 2021

195 Education Committee, [Support for childcare and the early years inquiry: Terms of reference](#), 15 December 2022

196 Oral evidence taken before the Education Committee on 21 March 2023 [HC 969](#), Q124–126 [Joeli Brearley]

### Shared parental leave

107. The 2019 Conservative manifesto also committed the Government to “look at ways to make it easier for fathers to take paternity leave”.<sup>197</sup> However, no policy proposals have been forthcoming, and a BEIS evaluation of the Shared Parental Leave scheme, first promised in March 2017 and under way by April 2018, appears to be still ongoing. The latest HMRC data, provided to Maternity Action in response to a Freedom of Information request, indicated that in 2021/22 just 8,632 (2.1%) of the 404,000 new mothers who started on statutory paid maternity leave used the Shared Parental Leave scheme to transfer some of that paid leave to the child’s father.<sup>198</sup>

108. *We invite the Government to confirm whether any evaluation of the Shared Parental Leave scheme is still active, and to set out what plans it has to increase take-up.*

109. *We note that many parents are disincentivised at work from having children, at a time when the country needs more young people to work and pay taxes to cover the costs of our ageing population. We therefore ask the Government to consult on what more can be done to create the conditions to incentivise parents to have children whilst offering suitable protections at work so that time out of work does not impact their career and pay opportunities in the future.*

### Employment status

110. A person’s employment status is what defines the rights and employment protections they are entitled to at work including pay, leave and working conditions, and therefore dictates the responsibilities that an employer owes to that worker.

111. The Taylor Review found that the employment status framework and the rights of individuals under each status were difficult to understand. This created difficulties for both individuals and employers, but the outcome was likely to be more detrimental to individuals who could be missing out on key rights, such as holiday pay. Confusion around employment status became more pronounced for people working in atypical ways. The review recommended that the Government should replace the minimalistic approach to legislation with a clearer outline of the tests for employment status, setting out the key principles in primary legislation, and using secondary legislation and guidance to provide more detail.<sup>199</sup>

112. The Government has decided not to legislate on employment status but to issue non-statutory guidance instead.<sup>200</sup> This guidance, published on 26 July 2022, came in response to a consultation on employment status.<sup>201</sup> Professor Ewing, Professor of Public Law at King’s College London and representing the Institute of Employment Rights, said he thought the guidance was “too simplistic, unhelpful and potentially misleading in certain

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197 [Our Plan: Conservative Manifesto 2019](#)

198 Maternity Action (ULM0009)

199 Good Work, [The Taylor Review of Modern Working Practices](#), July 2017

200 [New guidance brings clarity on employment status for workers and businesses](#), Press release, 26 July 2022

201 [Employment status consultation: Government response, July 2022](#)



crucial respects”.<sup>202</sup> From others, we heard that while the guidance was a step in the right direction, it was “pretty heavy going” and “tricky to follow”.<sup>203</sup> The Employment Lawyers Association said they would welcome a further explanation of the status question, as:

There are three tiers of status within UK employment law, but there are some fifteen classifications that then fit under sub-headings. There is no specific tool that clients can use, whether they be workers who do not understand their rights, or employers trying to establish that they are paying people correctly or giving them the correct contract.<sup>204</sup>

113. Margaret Beels, Director of Labour Market Enforcement, was concerned that it created “gaps in which unscrupulous businesses can operate.”<sup>205</sup> Alexandra Hall-Chen, Adviser for Sustainability, Skills, and Employment at the Institute of Directors said:

We welcome the publication of the guidance. We would say that it is a step in the right direction. Again, we would want to see more clarity. [ ... ] There are areas where employee rights will need to evolve, particularly to reflect changing working practices, such as flexible working, and we would welcome changes along those lines.<sup>206</sup>

114. Hannah Reed, Co-ordinator of Constitutional Affairs at Unite the Union, warned that the risk with guidance is that it does not have any statutory status and could simply be ignored in the courts. Unite’s view was that legislation would provide useful statutory underpinning. It believes that the starting point should be that workers qualify for rights, and it should be for the employer to demonstrate that a person has not met that threshold for employment status.<sup>207</sup>

### ***Insecure work and zero hours contracts***

115. The Taylor Review acknowledged that flexibility had been a key factor behind successes in the labour market and that it had increased participation, worker satisfaction and helped individuals to work in a way that suited them. The Good Work Plan observed that most employers used flexibility responsibly, benefiting both their businesses and the individuals. However, a minority of employers abused the system, transferring too much risk to the individual, jeopardising their financial security and personal wellbeing. The Taylor Review described this as ‘one-sided flexibility’, giving examples of employers cancelling shifts at short notice or sending staff home when customer demand was low. The review uncovered evidence of some individuals remaining on insecure, atypical contracts for long periods of time, when their working patterns were sometimes the same as permanent employees who had fixed, regular hours. As a result the Good Work Plan advocated bringing forward legislation to introduce a right for all workers to request a more predictable and stable contract:

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202 Q243

203 Q183

204 [Q145](#)

205 Q183

206 Q139 & Q146

207 Q147

Greater certainty around the number of hours a person receives, or fixed days on which they will be asked to work, empowers workers and gives them greater control over their finances and their own lives.<sup>208</sup>

116. The Joseph Rowntree Foundation told us that prior to the pandemic, there were at least 2.4 million workers who had insecure contracts.<sup>209</sup> TUC Labour Force Survey data from 2021 indicated that 3.7 million people were in insecure work.<sup>210</sup> Lower-paid workers were disproportionately more likely to have a less secure type of contract and 57% of zero hours contract workers were in the bottom fifth of workers in terms of pay. The TUC analysis found that BME workers (around 14.6%) were more likely than white workers (11.1%) to be in insecure work.<sup>211</sup>

117. The Joseph Rowntree Foundation highlighted that the impact of insecure work was particularly damaging to those living on low incomes: workers in receipt of Universal Credit found the interaction between payments and fluctuating earnings difficult to manage, and the lack of certainty of earnings made it difficult for people to secure a mortgage, budget and plan ahead.<sup>212</sup>

118. A survey by the charity Focus on Labour Exploitation (Flex) found that 33% of workers on low pay and in insecure work had to rely on loans or other financial help from family and friends to get by, 20% could not afford to pay their rent or bills on time, and 18% relied on Government benefits.<sup>213</sup> In addition to financial uncertainty, insecure work and zero hours contracts gave workers no entitlement to pensions, or maternity/paternity or sick leave beyond the statutory minima, and workers were often reluctant to turn down work for fear of reducing their future chances. Many did not raise issues concerning their rights for fear of not being offered further work.<sup>214</sup>

119. While the Joseph Rowntree Foundation recognised that access to flexibility was needed to balance life with caring responsibilities and health needs, it believed that policy solutions were required to ensure more, good-quality flexible job opportunities were available for workers on low pay. It would like to see introduced:

- The right to a secure contract that reflects working hours after 26 weeks—as default, unless the worker requests to continue with their more flexible arrangement. The Foundation believes that this would maintain mutual flexibility of zero and short-hours contracts where they genuinely work for both parties;
- The right to four weeks' notice of working schedules—which would enable people to arrange childcare and plan transport to work and reduce the financial pressure caused by last-minute work. Some exemptions to this might be required in some sectors, e.g. hospitality, retail and social care; and

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208 Good Work Plan, [CM 9755](#), December 2018

209 Joseph Rowntree Foundation (ULM0014)

210 Insecure work is categorised in the TUC research as including (1) agency, casual, seasonal and other workers, but not those on fixed – term contracts, (2) workers whose primary job is a zero-hours contract, (3) self-employed workers who are paid less than the National Living Wage (£9.50).

211 TUC (ULM0064) See also TUC, [Insecure work - Why employment rights need an overhaul](#), 11 July 2022

212 Joseph Rowntree Foundation (ULM0014)

213 Focus on Labour Exploitation (FLEX) (ULM0030)

214 Centre for Care, University of Sheffield (ULM0033)

- The right to compensation for cancelled shifts—acknowledging that loss of work can cost workers money if they have already organised childcare or transport. The goal here would be to incentivise employers to avoid late-notice cancellations.<sup>215</sup>

120. The Recruitment and Employment Confederation (a professional body for the recruitment industry) pointed out that the Working Time Directive did not include provisions on how to convert the statutory holiday entitlement into days or hours for workers who worked irregular hours. It argued that with flexible forms of working on the rise, this needed to be addressed.<sup>216</sup>

121. The Minister, Kevin Hollinrake MP, told us:

All this stuff has burdens on business. The number one thing we want to do is make sure that people get access to jobs. The more you put burdens on businesses, the fewer jobs there will be. Zero-hours contracts, which is what this relates to, affect just over 3% of the UK workforce. Yes, we want to make sure employers are considerate and do not take advantage of their staff, clearly, but we also want to make sure that people get access to jobs. Lots of people like working on zero-hours contracts because it suits their own lifestyle. Clearly, you are not compelled to go to work. There are benefits on both sides to doing that.<sup>217</sup>

**122. We conclude that the outdated legal construction of work—namely full or part-time work—is preventing many people who wish to be economically active from being so. For many workers who do work more flexibly, or on a freelance basis, they are not afforded the rights and protections that full or part-time workers receive. We call on the Government to reconsider the need for an Employment Bill in the upcoming King’s Speech so that legislation can be brought forward to, among other things, create new, more flexible constructions of work that include appropriate rights and protections for workers.**

**123. We also agree with the Joseph Rowntree Foundation that policy solutions are required to ensure more, good-quality flexible job opportunities are available for workers on low pay. We note the Government’s support for the Workers (Predictable Terms and Conditions) Bill, but we recommend that the Government extend the provisions of that private Members’ bill so that there is a:**

- i) default right to a secure contract after 26 weeks of work;***
- ii) right to four weeks’ notice of working schedules; and***
- iii) right to compensation for cancelled shifts***

215 Joseph Rowntree Foundation (ULM0014)

216 Recruitment and Employment Confederation (ULM0062)

217 Q283

### *Umbrella companies*

124. Umbrella companies currently fall outside the regulatory framework for agency workers' rights that are enforced by the Employment Agency Standards Inspectorate. The Government issued a call for evidence, which closed in February 2022, on the role that umbrella companies play in the labour market and how they should be regulated.<sup>218</sup> The Government said that while it recognised that umbrella companies played a role by facilitating the engagement of temporary workers and that they supported a more flexible and resilient labour market, the umbrella company model had presented tax and regulatory challenges, and concerns had been expressed about non-compliance with employment law. Disguised remuneration schemes facilitated by umbrella companies were also used as a means of tax avoidance, which was of concern to HMRC. The TUC told us that:

the use of umbrella companies has led to significant problems for workers. Workers face misleading and unfair deductions from pay. An agency worker using an umbrella company will often not receive the pay rate advertised by the agency. Umbrella companies deduct their operating costs from an agency worker's pay. Other deductions can appear on a worker's payslip such as 'apprenticeship levy'. In some cases, workers are not paid at all and when they try to resolve the problem, find themselves being passed between agency, umbrella and the organisation they are carrying out the work for. We have also heard examples of umbrella companies going bankrupt and failing to pay their workers.<sup>219</sup>

125. The Director of Labour Market Enforcement, Margaret Beels, told us that the evidence received from this call for evidence supported the argument that state enforcement was needed for dealing with non-compliant behaviour by umbrella companies. This required primary legislation to widen the definition of "recruitment business".<sup>220</sup> The Government originally committed to state enforcement as part of its plans to set up a Single Enforcement Body. The Employment Agency Standards Inspectorate's remit already extends to over 20,000 recruitment businesses. Ms Beels told us that extending the Agency's remit to one thousand extra umbrella businesses, although requiring some additional resources, would aid compliance, transparency and understanding of the umbrella firm sector.<sup>221</sup>

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218 [Call for Evidence: umbrella company market](#), 30 November 2021

219 TUC (ULM0064)

220 Office of the Director of Labour Market Enforcement (ULM0122). The revised note from the Director of Labour Market Enforcement revised the figure for recruitment business within the Employment Agency Standards Inspectorate's remit to over 40,000

221 *Ibid.*

**Box 3: What is an Umbrella Company?**

Recruitment agencies find workers for assignments, but the workers are normally employed by the agency not the end user. Umbrella companies are generally intermediaries between workers and recruitment agencies and act as the employer of the worker. They provide workers with a number of benefits including:

- in most cases a contract for employment,
- a pay passport when moving between assignments from different recruitment agencies,
- a stand-alone consistent employment relationship, which is helpful for workers in relation to applications for loans and mortgages.

For recruitment companies they offer some flexibility and economies of scale by getting rid of, or scaling back, administrative back-room functions such as payroll. However, umbrella companies have downsides. They:

- are a significant source of disguised remuneration, such as “loans”
- are subject to allegations of skimming wages, because fees are paid to the umbrella company by the end user and the umbrella company is not obliged to pass on all the payments made in respect of the workers to the workers
- commonly do not offer holiday pay
- have been accused of abuse of NI and pension contributions
- have in some cases moved workers, without their knowledge, to work for a succession of “mini umbrella” companies to derive tax benefits which don’t reach the worker. Workers later have issues on exercising their labour market rights in the UK because the “mini umbrella” company that previously employed them was liquidated after they had been moved to the next “mini umbrella” company
- can create confusion for the worker as to where they should go with any issue relating to their work
- have been accused of giving cash for access to preferred supplier lists or incentivising consultants

The recruitment sector, as well as the compliant umbrella firm sector, is calling for regulation to:

- create a level playing field rather than a race to the lowest common denominator, as poor actors in this sector competing for business reduce margins and, if margins are reduced, look for ways (not all lawful) of reducing costs;
- provide the compliant umbrella sector with legitimacy, so that businesses have confidence that using or running such an organisation is acceptable; and
- create stability and consistency in the market.

Source: Office of the Director of Labour Market Enforcement

126. We asked the Minister whether there would be any regulation of umbrella companies and he told us:

You will hear the outcome in terms of the evidence base we have so far. We will be making our response to that clear very shortly afterwards. I am

very aware of the problem. I have dealt with a number of cases on behalf of colleagues in the House, where some of their constituents have suffered detriment because of some of the practices of umbrella companies. That is the kind of detriment we just do not want to see. Clearly, on that basis, we are keen to make sure we have more control over what some of these organisations are doing.<sup>222</sup>

**127. *The actions of unscrupulous umbrella companies are depriving workers of rights and in some cases remuneration, and they are damaging the reputation of umbrella companies as a whole. There is widespread agreement that the Government should act to provide statutory protection from such practices. In response to this Report, the Government should set out its plans for doing so, or should explain what obstacles are preventing it from doing so.***

### **Night work**

128. During the pandemic 7 million people (20% of the workforce and over 50% of those people were key workers) worked at least some of the time at night.<sup>223</sup> Research shows working at night disrupts circadian rhythms and contributes to several serious health conditions including heart disease, diabetes, and mental health conditions as well as exacerbating existing health inequalities.<sup>224</sup> Sarah Douglas, representing Liminal Space, a consultancy which runs a programme called Night Club to help mitigate the rising health and economic crisis associated with long-term night-shift work and sleep disruption, informed us that:

Lack of sleep costs £50 billion per annum in attrition rates, accident rates and low productivity. There is a rising health and social crisis too: night workers are six times more likely to get divorced than those in the average population, and to be working in low-income roles.<sup>225</sup>

Liminal Space had heard from business that absence and attrition rates were highest with night workers in their first six months to a year. They were therefore campaigning for better induction and better best practice information for both workers and businesses on how to identify and help those workers who are struggling the most with health and wellbeing support, particularly in that first phase of work.<sup>226</sup>

129. When we questioned the Minister and Mike Warren, Director of Labour Markets at the Department for Business and Trade, they seemed unaware of the damage to health that night work caused. The Minister referred to it as “fresh” to him and Mr Warren explained that “it is not an area we are doing active policy work on at the moment. As your inquiry has found, the labour market does not stay still. There are always new issues emerging”.<sup>227</sup>

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222 Q301

223 Liminal Space (ULM0113) and Q195 [Sarah Douglas]

224 Liminal Space (ULM0113)

225 Q194

226 Q198 and A Manifesto for Night shift workers produced by Liminal Space & Co-op and seed funded by the Wellcome Trust.

227 Q294 and Q295

130. *We believe that the Government should take more of a lead in providing protection for workers from any damaging effects from night-time working. As a first step, we recommend that the Government should commission an investigation into the health and safety implications of night-time working.*

### **“Right to disconnect” in home working**

131. In the UK, the number of people doing at least some work from home rose to almost half the number of people in employment at the height of the pandemic. This had divergent impacts on working time: around one in three of those switching to remote working in 2020 reported a reduction in total working hours, but a similar proportion said they had been working longer days.<sup>228</sup> The Chartered Institute of Personnel and Development (CIPD) research into work during the pandemic acknowledged that “the loss of boundaries—in time and place—could lead to longer working hours”.<sup>229</sup>

132. In April 2021, Prospect Trade Union commissioned polling that asked a nationally representative sample of workers about experiences and views of work during and after the pandemic. It found that 35% of those who had started working remotely during the pandemic said that their mental health had got worse over the past year. Of these, 42% linked the problem to an “inability to switch off from work”.<sup>230</sup> Prospect wants to see a statutory “Right to Disconnect”. The right to disconnect refers to a worker’s right to be able to disengage from work and refrain from engaging in work-related electronic communications, such as emails or other messages, during non-work hours. Prospect says that this would not mean imposing a top-down, one-size-fits-all set of rules but would require all employers to consult with employees and employee representatives with the aim of agreeing a set of rules that works for their enterprise and their workforce. Prospect highlighted the case studies of Canada and Ireland:

- the Canadian government has brought employers, unions and others together on a Right to Disconnect Advisory Committee to co-develop proposals on a way forward; The Irish government has set out guidance on a Right to Disconnect which doesn’t seek to enshrine a single restrictive model but asks employers to “proactively engage” workers and their representatives in discussions about what would work best for their business or organisation.<sup>231</sup>

133. Professor Ewing, representing the Institute of Employment Rights, said in evidence to us “Why should I be expected to be on call to my employer when it is a period for which I am not being paid? It just seems to me a no-brainer.”<sup>232</sup> Hannah Reed, representing the union Unite said:

The concern is that employers increasingly send emails after normal working hours, and there is an expectation that people will respond. In any law, it should be a basic understanding that, if an individual does not respond outside of their working hours, they cannot suffer detriment. They cannot be subject to not being promoted or being disciplined.<sup>233</sup>

228 Office for National Statistics, [Coronavirus and homeworking in the UK](#): April 2020

229 Chartered Institute of Personnel and Development, [Flexible working: Lessons from the Pandemic](#), April 2021

230 Prospect Trade Union (ULM0052)

231 Ibid.

232 Q267

233 Q170

134. However, Jennifer Sole, representing the Employment Lawyers Federation, questioned how legislation would work alongside the Working Time Regulations, which set the maximum working hours in a week, and health and safety legislation, which requires risk assessments to be undertaken.<sup>234</sup> She also cited the examples of some EU countries, the Philippines and Argentina, which had introduced legislation which was not necessarily working in practice.<sup>235</sup> Alexandra Hall-Chen, representing the Institute of Directors, recognised that there were challenges, including burnout, with remote working; but she believed that a legal right to disconnect could be very prescriptive with regard to the nature of the working environment. She said that “needs differ, and arrangements are probably best determined at the company level through dialogue between employers and employees.”<sup>236</sup>

**135. We are not wholly persuaded that there is currently a need for immediate action to establish a statutory “right to disconnect”. But the Government should ensure that mechanisms and processes are in place to detect any significant threat to home workers from unreasonable expectations by employers of availability for work. The Government should also track “right to disconnect” initiatives in Canada and Ireland and elsewhere, to assess their value and effectiveness.**

## Employment rights enforcement

136. The role of Director of Labour Market Enforcement was created under the Immigration Act 2016, which required the postholder to set strategic priorities for the three enforcement bodies within their remit: the Employment Agency Standards Inspectorate (EASI), the Gangmasters and Labour Abuse Authority (GLAA) and the National Minimum Wage Team within His Majesty’s Revenue and Customs (HMRC NMW). Between them these three bodies cover a wide spectrum of labour market non-compliance ranging from infringements of the National Minimum Wage to serious criminality and modern slavery. The remit does not extend to the Health and Safety Executive. The Immigration Act 2016 set out the requirement for the Director to assess the scale and nature of non-compliance in the labour market.

137. Margaret Beels, the Director of Labour Market Enforcement, told us that one of the main obstacles in labour rights enforcement was that workers did not know what their rights were.<sup>237</sup> She was particularly concerned about exploitation in the care sector and among migrant agricultural workers as a result.<sup>238</sup> She told us that “the Government has a strong agenda about growth. In my view growth can only be achieved with a workforce being looked after properly.”<sup>239</sup>

138. In March 2022 we took evidence on the mass redundancies at P&O Ferries. During that session, the Chief Executive Officer of P&O Ferries, Peter Hebblethwaite said, in

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234 Q169

235 Q169

236 Q171

237 Q172

238 Q187

239 [The Guardian, They haven't the foggiest who we are: the watchdog fighting to protect Britain's exploited workers](#), 11 February 2023



response to questions about the company choosing not to consult the trade unions<sup>240</sup> before it sacked 786 workers: “There is absolutely no doubt that we were required to consult with the unions. We chose not to do so”<sup>241</sup> and “we did not believe that there was any other way to do this. We are compensating people in full.”<sup>242</sup> And when pressed on whether he would change anything about the redundancy process, he explained that “the business was not viable. This is the only way for us to save this business, and we have moved to a model that is internationally recognised and widely used across the globe and by our competitors. I would make this decision again, I’m afraid”.<sup>243</sup>

139. In response, a number of commitments<sup>244</sup> were made by the then Secretary of State for Transport, Rt. Hon. Grant Shapps MP, including:

- HMRC to dedicate significant resource to check that all UK ferry operators are compliant with the national minimum wage;
- Maritime and Coastguard Agency to review its enforcement policies; and
- Action to prevent employers who have not made reasonable efforts to reach agreement through consultation, from using fire and rehire tactics. (The Government announced a new statutory code on fire and rehire).<sup>245</sup>

140. However, it is not clear that Mr Hebblethwaite or P&O Ferries has suffered any consequence whatsoever for knowingly breaking employment law. This sends the wrong message to employers and will no doubt leave many employees concerned about their rights at work.

141. *We ask the Government to update the Committee on the status of each of the commitments made by the then Secretary for Transport, Rt Hon. Grant Shapps MP:*

- *HMRC to dedicate significant resource to check that all UK ferry operators are compliant with the national minimum wage;*
- *Maritime and Coastguard Agency to review its enforcement policies; and*
- *Action to prevent employers who have not made reasonable efforts to reach agreement through consultation, from using fire and rehire tactics.*

### **Single enforcement body and awareness of enforcement bodies**

142. The concept of a single enforcement body for employment rights was put forward by the Government as part of its Good Work Plan. In 2019 the Government consulted on the case for it to tackle the deeply fragmented enforcement landscape which:

- makes it difficult for both workers and employers to know where to go for help

240 Under [section 188 of the Trade Union and Labour Relations \(Consolidation\) Act 1992](#), where an employer proposes to dismiss as redundant 20 or more employees at one establishment within 90 days or fewer, they must consult with employee representatives before the redundancies

241 Oral evidence taken on 24 March 2022, HC (2021–22) 1231, [Q124](#)

242 Oral evidence taken on 24 March 2022, HC (2021–22) 1231, [Q194](#)

243 Oral evidence taken on 24 March 2022, HC (2021–22) 1231, [Q163](#)

244 HC Deb 30 March 2022 [col 840](#)

245 [Draft Code of Practice on dismissal and re-engagement](#), 24 January 2023

- limits the visibility of the work of the bodies
- makes it harder to have a single clear intelligence picture across the labour market.<sup>246</sup>

The consultation concluded that the majority of respondents were supportive of the creation of a single enforcement body and believed that it would be more effective than the current system.

143. The Government therefore confirmed its commitment to create such a body. It announced:

The new body will not just bring together three existing bodies into a single, recognisable organisation, it will deliver a significantly expanded remit. As a result, more vulnerable workers across the country will receive money that is owed to them.<sup>247</sup>

144. Margaret Beels, Director of Labour Market Enforcement, confirmed the need for a more visible body. She said that workers rarely approached her office directly, as “they probably haven’t the foggiest who we are”.<sup>248</sup> She explained that the Government’s consultation had also highlighted the need for a single body to cover regulations around umbrella companies, to enforce holiday pay and to give more support to workers in terms of enforcing statutory sick pay and employment tribunal awards.<sup>249</sup> Additionally joining up the three regulatory bodies would enable the sharing of intelligence and resources as well as enforcing transparency in supply chains.<sup>250</sup>

145. The Federation of Small Businesses supported the creation of a single enforcement body:

The current enforcement system, including HMRC enforcement of the National Minimum Wage and National Living Wage, needs reform. A more effective compliance and enforcement system would support workers and ensure a level playing field for employers.<sup>251</sup>

The Employment Lawyers Association stressed that, if the single enforcement body was to be created, it would need to be sufficiently well publicised to ensure that individuals were aware as to where they should complain as it would only be effective if it was equipped to investigate and deal with non-compliance. Additionally for the body to be effective, workers should be informed of the existing statutory protections for whistle-blowers.<sup>252</sup>

146. It is unclear what is happening with the proposed single enforcement body. On 13 December 2022, the Secretary of State told us that, with two years left in the current Parliament, the Government was now “more interested in ensuring that the bodies that

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246 [Establishing a new single enforcement body for employment rights: Government response](#), June 2021

247 [Ibid.](#)

248 [The Guardian, They haven’t the foggiest who we are’: the watchdog fighting to protect Britain’s exploited workers](#), 11 February 2023

249 Q175

250 [The Guardian, They haven’t the foggiest who we are’: the watchdog fighting to protect Britain’s exploited workers](#), 11 February 2023

251 [Federation of Small Businesses \(ULM0038\)](#)

252 [Employment Lawyers Association \(ULM0088\)](#)

are already in place are operating effectively”.<sup>253</sup> However, when we spoke to the Minister (Kevin Hollinrake MP) on 21 February 2023, he said: “No, we have not abandoned it. We are still looking at it. Like I said before, money is hard to come by. We have to make sure that any intervention is money well spent and we have to make sure it is effective.”<sup>254</sup>

147. *We conclude that enforcement of labour market rules is wholly inadequate—**not because enforcers or regulators are not performing, but because they are under-resourced and not given the priority they deserve for legislative reform.***

148. *We believe that the Government should proceed with the establishment of a single enforcement body, bringing together the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and the National Minimum Wage Team. We believe that a single organisation would provide clarity for those most in need and would offer benefits in sharing of information.*

### **Number of labour inspectors**

149. Hannah Reed, representing Unite, said that there was a need for “a very substantial investment in enforcement in this country”.<sup>255</sup> She noted that there had been a 50% cutback in budgets for the Health and Safety Executive and the Equality and Human Rights Commission in recent years, and she believed that there needed to be substantial investment in those resources for those agencies to ensure that vulnerable workers could have their rights enforced at work.<sup>256</sup> Margaret Beels, the Director of Labour Market Enforcement, describes her role as a bit like a “lightning conductor” for those who feel exploited at work. When asked whether she felt there were enough resources for labour rights enforcement, she said:

We have got about a quarter of the International Labour Organisation’s recommendations in terms of inspectors, and by that yardstick you can say: no, there isn’t. It is hard not to say more resources would result in more things being done.<sup>257</sup>

The TUC explained that to hit the ILO benchmark of one inspector per 10,000 workers, the UK would need 3,287 inspectors. There are currently 1,490. Another 1,797 labour market inspectors would need to be recruited to meet the benchmark.<sup>258</sup> Unchecked UK, a charity which makes the case for what it describes as “common sense regulations” said that with the existing level of resourcing, “a UK employer can on average expect an inspection by the HMRC National Minimum Wage team just once every 500 years”.<sup>259</sup>

150. The Minister, Kevin Hollinrake MP, told us:

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253 Q148

254 Q277

255 Q153

256 Q144

257 The Guardian, [They haven’t the foggiest who we are’: the watchdog fighting to protect Britain’s exploited workers](#), 11 February 2023

258 TUC ([ULM0064](#))

259 Unchecked UK ([ULM0034](#))

If you look at the resources available, we are spending £35.1 million, which is a 121% increase compared to 2010. We have doubled the HMRC national minimum wage compliance budget to nearly £28 million, from £13 million in 2015.<sup>260</sup>

151. *We call on the Government to commit to a long-term financial plan with the new single enforcement body (or existing bodies if it declines the opportunity to create a single enforcement body) to ensure that it is resourced to at least the minimum level of what is deemed appropriate by the International Labour Organisation.*

152. *We ask the Government to confirm to the Committee the current number of inspectors employed in the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and the National Minimum Wage Team within His Majesty's Revenue and Customs.*

### **Employment tribunals**

153. Jennifer Sole, representing the Employment Lawyers Association (ELA), told us that the Association was “extremely concerned” with the backlog of cases within the employment tribunal system. She had anecdotal evidence that some listings were taking place two years after dismissals. She explained that “the pandemic has made it worse, but it was breaking anyway.”<sup>261</sup> The Director of Labour Market Enforcement highlighted that many workers, particularly those on short-term visas, did not pursue justice on their own account because of the disproportionate time and effort required.<sup>262</sup> The ELA agreed that the cost and complexity of the process dissuaded individuals from pursuing Employment Tribunal proceedings and argued that “whilst the Tribunal system should always be there to deal with difficult cases, it would be preferable for most non-compliance issues to be tackled through education and employers being incentivised to comply through the threat of regulatory action”.<sup>263</sup>

154. Ms Sole observed that the Government had proposed extending the time limit for applicants to bring claims from three months to six months but that it had seemed to have disappeared off the Government’s agenda. She suggested that, although there was some debate around this, she believed that it could assist with the delays and the backlog, because people would have greater scope to settle within a conciliation period pre-litigation.<sup>264</sup> Joeli Brearley, representing Pregnant then Screwed, also raised the backlog and the need for an extension of the three month time limit for employment tribunal claims. She has noted that “women are forced to use a dysfunctional tribunal system [ ... ] and so they give up,” and argued “if the government were serious about giving women greater access to justice, they would have increased the time limit to raise a tribunal claim and invested in the tribunal system so it can better provide adequate and timely justice for claimants.”<sup>265</sup>

155. The Employment Lawyers Association was also concerned by the seeming difficulty of enforcing Employment Tribunal awards. They highlighted research carried out by the Government in 2013 which found that 35% of claimants received no money at all and only

260 Q280

261 Q151

262 Office of the Director of Labour Market Enforcement (ULM0080)

263 Employment Lawyers Association (ULM0088)

264 Q151 and Q152

265 The Guardian, [Bill to extend maternity protections passes in House of Commons](#), 3 February 2023

49% were paid in full. ELA's experience was that large and established private employers usually paid awards promptly. That meant that judgments against small employers were more likely than not to go unpaid, which included the majority of claims for the National Minimum Wage, holiday pay and unlawful deduction from wages.<sup>266</sup>

156. The Minister (Kevin Hollinrake MP) has since written explaining that enforcement had now improved and that more recent data, from the Survey of Employment Tribunal Applications in 2018, found that 72% of claimants awarded a monetary payment said it had been paid.<sup>267</sup> The Minister also told us that “£2.8 million had been put into employment tribunals to try to clear that backlog”.<sup>268</sup>

***157. While employment tribunals are backlogged, and awards are not being paid, workers are being prevented from exercising their rights effectively. We commend the Government for providing resources specifically to help clear the backlog. In the meantime, we ask the Ministry of Justice to set out an action plan on clearing the backlog and on its plans for resourcing enforcement, to be published within the next six months. The Government should also justify why it has not so far taken action to extend the time limit for submitting certain types of employment tribunal claims from three months to six months.***

## Retained EU Law (Revocation and Reform) Bill

158. The Retained EU Law (Revocation and Reform) Bill would make major changes to the body of retained EU law in UK domestic law. “Retained EU law” is a concept created by the European Union (Withdrawal) Act 2018, which took a ‘snapshot’ of EU law as it applied to the UK at the end of the Brexit transition period on 31 December 2020, and provided for it to continue to apply in domestic law. As introduced, the Bill would automatically revoke, or ‘sunset’, most retained EU law at the end of 2023 unless steps were taken to preserve it in some form in domestic legislation. This would not apply to retained EU law that was already part of domestic primary legislation.<sup>269</sup>

159. The Employment Lawyers Association told us that it had concerns with the Bill. Jennifer Sole, speaking on behalf of the Association, said that “as employment lawyers, we have concerns about the Retained EU Law Bill and the effect it is going to have, turning off many employment laws in this country on 1 January 2024.”<sup>270</sup> Hannah Reed, representing Unite Union, asked that the Government “exempt employment rights completely from the retained EU law Bill” and added that the Bill “represents a major threat to UK workers’ rights. There is need for action now to ensure that there will not be an erosion of workers’ rights. Nobody voted in the referendum against employment rights”.<sup>271</sup>

***160. If the Retained EU Law (Revocation and Reform) Bill receives Royal Assent, a substantial body of regulations contained within EU retained law and covering employment standards and rights will cease to apply in the UK unless specifically***

266 Employment Lawyers Association (ULM0088)

267 [Letter](#) from Kevin Hollinrake MP, Parliamentary Under Secretary of State, Department for Business and Trade, relating to Employment Tribunal Enforcement, 8 March 2023

268 Q285

269 House of Lords Library, [Retained EU Law \(Revocation and Reform\) Bill HL Bill 89 of 2022–23](#), 27 January 2023

270 Q138

271 Q142

*preserved in some form. Great care will need to be taken in reviewing these regulations and determining how they should each be treated, to ensure that there is clarity and consistency in UK labour law.*

161. Schedule 4 to the Retained EU Law (Revocation and Reform) Bill sets out a process for a committee in each House to consider proposals to deal with secondary retained EU legislation through the negative procedure, when laid under certain provisions of the Bill.<sup>272</sup>

*We recommend that the Bill should be amended to ensure that within a given timeframe a committee also examines any regulations which are part of retained EU law and which govern UK law relating to work, including workplace standards and employment rights, which the Government (a) intends should expire at the ‘sunset’ date set in the legislation or (b) proposes to incorporate into domestic law under the affirmative procedure.*

162. *To facilitate this scrutiny the Bill should ensure that the Government must present to the committee a notice of any provision which it intends should expire, together with a memorandum of its reasons and an impact assessment in time to allow consideration before sunset. Where the Government intends to incorporate a provision into UK domestic law under the affirmative procedure it should present a draft of the proposed instrument to the committee, together with a memorandum of its reasons for any decision to adapt or amend the regulations and/or for any decision by the Government not to preserve any element of them. In each case that committee should:*

- *provide the Government with an opportunity to give such further explanations of its proposal as the committee may require, except where the committee does not consider it reasonably practicable to do so within the statutory timeframe;*
- *report on the notice or draft instrument and accompanying papers, drawing to the attention of the House any observations or concerns arising from its consideration of such documents; and*
- *have the power to recommend any notice or draft instrument for debate on the floor of the House: if rejecting this recommendation, the Government should be required to make a statement explaining its reasons.*

*The Government must ensure that the flow of notices and proposed instruments to any relevant committee is controlled and consistent, so that the committee has a reasonable opportunity for effective examination of each proposal within the statutory timeframe.*

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272 An instrument under the negative procedure becomes law when signed by the Minister and remains law unless a motion to reject it is agreed by either House within a set period (<https://www.parliament.uk/site-information/glossary/negative-procedure/>). The process requires the Government to provide the committees with a draft of the instrument and a memorandum of its reasons for considering the negative procedure to be appropriate. Each of the committees has 10 sitting days within which it may, after considering the instrument and the Government’s reasons, recommend that the instrument should instead be laid under the affirmative procedure, under which the instrument will only become law if formally approved by Parliament. The Government is not bound to accept such a recommendation, but if it does not it must make a statement explaining its reasons

## 5 The impact of an ageing population on the labour market

### Levels of economic inactivity among the over 50s

163. The UK, like many other developed countries, has an ageing population as life expectancy increases and its birth rate declines. Working for longer is viewed as an inevitable consequence of there being an increasing number of people of pensionable age,<sup>273</sup> which puts pressure on funding the state retirement pension<sup>274</sup> and on people who are economically active. In recent years, a higher than expected number of people over the age of 50 have left the workforce. In October to December 2022, there were 3.5 million economically inactive people aged 50 to 64 years, an increase of 318,000 people upon the figure immediately before the pandemic (December 2019 to February 2020).<sup>275</sup> The exodus of over-50s from the labour market and the high number of unfilled vacancies since the pandemic led the Chancellor of the Exchequer, in his speech on 27 January 2023 on the Government's vision for prosperity, to make a plea: "To those who retired early after the pandemic or haven't found the right role after furlough, Britain needs you".<sup>276</sup>

### Reasons why so many over 50s have left the workforce:

#### Early retirement

164. Early retirement means retiring at any time before the state retirement age, currently 66 years. Tony Wilson, Director of the Institute of Employment Studies,<sup>277</sup> told us that "there are 1.1 million people who say they have retired in their 50s and 60s".<sup>278</sup> The House of Lords Economic Affairs Committee, in a recent report *Where have all the workers gone?*, concluded that "the decision to retire earlier has been the key driver of the change in trend in inactivity since 2020".<sup>279</sup>

273 The number of people aged 85 years and over was estimated to be 1.7 million in 2020 (2.5% of the UK population) and this is projected to almost double to 3.1 million by 2045 (4.3% of the UK population). By mid-2045, the number of people of pensionable age is predicted to grow to 15.2 million, an increase of 28% on the level in 2020. Source: Office for National Statistics, [National population projections: 2020-based interim](#), 12 January 2022

274 In order to keep roughly constant the proportion of adult life spent in retirement, the state pension age has been gradually increased from 65 (60 for women) to 66 with another rise to 67 between 2026 and 2028. Current legislation provides for the state pension age to increase again to 68 between 2044 and 2046. The Government accepted a more accelerated timetable recommended by the 2017 Cridland Review whereby the SPA would rise to 68 between 2037 and 2039. This was subject to further review as part of the second periodic review of the SPA. Following the conclusion of that review, legislative changes were not proposed, and the Government's recently announced position is that the current legislative position is appropriate, but there will be a review within the first two years of the next Parliament. Source: House of Commons Library, [State Pension age review](#), 6 April 2023

275 Office for National Statistics (ULM0116)

276 [Chancellor Jeremy Hunt's speech at Bloomberg](#), 27 January 2023

277 The Institute for Employment Studies describes itself as a leading independent centre for research and evidence-based consultancy on employment and human resource management topics to help improve policy and practice.

278 Q270

279 House of Lords Economic Affairs Committee, *Where have all the workers gone?*, [HL Paper 115](#), 20 December 2022

165. Mr Wilson went on to explain that for those taking retirement over 65, “the proportion has stayed the same, but the number has grown because it is a larger population”.<sup>280</sup> Neil Carberry, Chief Executive, Recruitment and Employment Confederation, pointed out the stark fact that “the baby boom generation is a big one. Gradually, over the next 20 years, they will retire”.<sup>281</sup> In some sectors, for example manufacturing, where the average age of the workforce is 52 years, the early retirement of the workforce is already creating a labour and skills shortage.<sup>282</sup>

166. It is uncertain at the moment whether the current trend to retire early is a one-off, given the relative financial security the baby boomer generation has compared to other generations. Mr Wilson told us:

We have also seen different trends in why people have retired. A lot of people who retired during the pandemic retired in relative financial comfort compared with what we have seen in previous decades. In survey evidence, they say they are living off private pensions and savings and they can afford unexpected costs. They do not need to come back, and all the evidence suggests that they probably will not come back.<sup>283</sup>

167. This evidence confirmed the House of Lords Economic Affairs Committee’s conclusion in its report *Where have all the workers gone?* that for many people taking early retirement, it was probably a lifestyle choice, rather than a reluctant departure from the labour market, and that the majority were therefore unlikely to wish to return to work. The Lords Committee therefore suggested that it is unrealistic to base policy solutions on persuading or facilitating these people to re-enter the labour force: rather, the Government should look at measures to encourage future cohorts of older workers to remain in the workforce.<sup>284</sup>

### Long term sickness

168. Mr Wilson cautioned us not to conflate over-50s who have left the labour market with over-50s who have early-retired.<sup>285</sup> In making this point, he was drawing a distinction between those who were aged over 50 and who had chosen to retire early, and those who had left the labour market because they had a long-term health condition or for other reasons such as caring responsibilities. He went on to warn that some of those who left the workplace because of short-term ill health are now “stuck out of work”. In the poll<sup>286</sup> which we commissioned of people aged over 45 who have left the workforce, leaving work for physical health or disability was the second most common reason given (by 17% of respondents—after work-life balance at 18%) by people for having left work, or for thinking about retiring early.

169. Between April and June 2019 and the same period in 2022, the number of people aged 50 to 64 years who were economically inactive because of long-term sickness rose by

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280 Q270

281 Q53

282 Q2

283 Q270

284 House of Lords Economic Affairs Committee, *Where have all the workers gone?*, [HL Paper 115](#), 20 December 2022

285 Q274

286 For poll results, see Appendix . See also Q34 [Mike Keoghan, Deputy National Statistician]



183,000 to 1.3 million (55% of inactive working-age adults because of long-term sickness).<sup>287</sup> While health conditions are undoubtedly a reason for economic inactivity among the 50-plus age group, the Institute for Fiscal Studies is careful to point out that the rise in the number of people who are inactive due to ill health does not necessarily imply that they have left the labour force *as a result of* ill health.

170. An Office for National Statistics study of people out of the labour force because of long-term sickness found that “most people who became long-term sick in 2021 and 2022 were already out of the workforce”. Of those who were economically inactive for another reason in the quarter before reporting long-term sickness, the most common reason was looking after the family or home (22%). A further 18% were retired.<sup>288</sup>

### Pensions

171. We heard that for people who have chosen early retirement, financial security is a key factor in their decision. Some people in their 50s will be able to draw on occupational defined benefit pension schemes, many of which are now closed to younger staff members.<sup>289</sup> Additionally, changes to pension rules in 2015<sup>290</sup> have allowed those aged over 55 to withdraw their nest egg early, which has given them more choice over when to exit the labour market.

172. One of the measures announced by the Government in its Spring Budget 2023 to encourage people over 50 to remain in the workforce was pension tax reform. By abolishing the lifetime allowance and increasing the annual tax-free allowance by 50%,<sup>291</sup> the Government hopes to persuade more experienced workers, particularly senior doctors, to remain in work for longer. There was evidence to suggest that a significant number of NHS doctors were leaving, or were reluctant to take on extra shifts, to avoid paying a tax charge on their pension.<sup>292</sup>

### Coronavirus Job retention scheme

173. Mr Wilson argued that the “passive and untargeted” nature of the Coronavirus Job Retention Scheme (furlough)<sup>293</sup> was one of the reasons why workforce participation has been slow to bounce back in the UK, compared with other developed economies. He noted that “apart from some South American countries, us, the US, Latvia and Switzerland are the only countries that have seen workforce participation fall”. He saw the furlough scheme as a contributory factor in explaining why some people drifted into inactivity during that period and became detached from work.<sup>294</sup>

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287 Office for National Statistics (ULM0116)

288 Office for National Statistics, [Half a million more people are out of the labour force because of long-term sickness](#), 10 November 2022

289 Q276 [Mr Wilson]

290 See House of Commons Library, [Pension freedoms: transfers from defined benefit pension schemes](#), 19 May 2020

291 HC Deb 15 March 2023, [col 845](#)

292 Oral evidence taken before the Treasury Committee on 21 March 2023, [HC 1217](#) Q46 [Tony Wilson] and Q52 [Torsten Bell]

293 The scheme provided grants to employers so that they could retain and continue to pay their staff during the covid-19 pandemic lockdowns. It was applied between 1 March 2020 and 30 September 2021. See [House of Commons Library, Coronavirus Job Retention Scheme: Statistics](#), 23 December 2021

294 Q278

## Redundancy

174. Redundancy payments during the pandemic enabled some people to retire earlier than planned. Mr Wilson explained:

we had one million redundancies in 2020–21. Normally we would have about 400,000 or 500,000 a year. That affected older people more than other ages. People moved to economic inactivity and then redundancy.<sup>295</sup>

175. The Centre for Ageing Better,<sup>296</sup> in its written evidence, reported that older workers were more likely to be made redundant during the pandemic, and once redundant, are less likely to be re-employed than younger workers. It said that “workers younger than 50 were almost twice as likely as those aged 50 or over to find a new job within six months”.<sup>297</sup>

## Caring responsibilities

176. Mr Wilson told us that:

there are about 500,000 people between 50 and 65 who are out of the labour force primarily because they are looking after family or the home. That may be because they are looking after their own children or grandchildren.<sup>298</sup>

The poll which we commissioned also showed that a significant percentage of the respondents (8% and fifth highest reason) cited caring for their children or grandchildren as a reason for having left paid employment, or for considering doing so.

177. Reforms designed to offer more support in meeting the cost of childcare may help some older workers, especially women, to remain in (or re-join) the workforce if there is less need for them to look after grandchildren. 15% of women responding to our poll of people aged 45 or above listed caring for children or grandchildren as a barrier to returning to employment, compared with only 5% of men. At the same time, women may have paid lower pension contributions due to time out of the labour market in order to look after their own children, and that would have long-term financial consequences. In our poll, more women than men reported that they think their long-term retirement income will not be sufficient to cover all their needs. Women are, according to our poll of the over 45s, more likely than men to be caring for grandchildren or another family member as they approach retirement age, thus further impacting their future financial security.

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295 Ibid.

296 The Centre for Ageing Better is a charitable foundation, partly funded by the National Lottery Community Fund, and part of the Government’s What Works Network. The organisation’s focus is on people aged from 50 to 70, approaching later life. Its strategic areas are: combatting ageism, reducing inequality and improving financial security

297 Centre for Ageing Better (ULM0031)

298 Q286

### *Lack of re-training and skills*

178. Some older workers leave the labour market due to being unable to access skills and training to enable them to continue working.<sup>299</sup> The London Chamber of Commerce and Industry explained in its written submission that:

for many older workers, the pace of technology, lack of awareness about training opportunities and the lack of flexibility to enable them to train presents challenges. The requirement for functional skills and other entry requirements might serve as a hindrance to older workers entering or operating effectively in these sectors. This has the effect of exacerbating labour shortages. The consequence of the challenges related to providing older workers with the right skills is that older workers are unable to participate in the labour market as they could thereby reducing employment and labour productivity rates.<sup>300</sup>

179. Matthew Percival, Director for Skills and Inclusion, Confederation of British Industry, raised the concern that “adult reskilling is a really serious gap in our skills policy at the moment”. He said that our skills policy is far too heavily based upon giving people skills before they enter the labour market and hoping that they are still relevant by the time they retire.<sup>301</sup>

### *Recruitment*

180. Jane Gratton, Head of People Policy, British Chambers of Commerce, linked skills development to recruitment. She told us that a lack of digital skills could lead to difficulties in completing an online application form.<sup>302</sup> To help people over 50 get back into work, Lucy Standing, Co-Founder of Bravestarts, which provides career support for the over 50s, argued that “outdated recruitment practices”,<sup>303</sup> which discriminate against older workers, needed to be addressed. Mr Wilson said that “the people who are doing the interviewing” needed to think about the age diversity of their own recruitment panels and about language in job adverts;<sup>304</sup> and Ms Standing added that this was an area where “ageism is rife”.<sup>305</sup>

181. Ms Standing advised us that:

as far as recruitment practices are concerned, what we see currently is broken. It is not geared up for people to make changes. It assumes a level of expertise and insight that cannot be matched by people who simply have never had the opportunity to work in that sector. I liken a lot of this to dating. You do not marry someone without dating them. You cannot know what job you want to do if you have no experience of it. If organisations were

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299 Equality and Human Rights Commission (ULM0051)

300 London Chamber of Commerce and Industry (ULM0096)

301 Q10

302 Q16

303 Q269

304 Q282

305 Q287

to emphasise potential and attitude, they would see a sea change in people coming to them. So many people rule themselves out of opportunities because they see that people want five years' experience.<sup>306</sup>

182. Mr Balcon, representing the Construction Industry Training Board, accepted that the construction sector was not geared up particularly well for cross-sectoral transfers. But he said that the industry was searching for different ways for recruiting people and was receptive to the Government's initiatives for tackling labour shortages. He drew specific attention to skills hubs and boot camps, which already exist within the construction industry, that provide an opportunity for people to find out whether the industry is for them.<sup>307</sup>

183. The Centre for Ageing Better suggested that a simple message was needed from the Government: normalising the hiring of workers in their 60s, encouraging age-friendly recruitment and flexible working, and promoting the benefits of older workers.<sup>308</sup> We were pleased to hear the Minister being so clear in this respect: he told us that his message to any employer is “do not rule out the over-50s”.<sup>309</sup>

### Menopause

184. Mr Wilson, Director of the Institute of Employment Studies, acknowledged that menopause is a “significant driver of why women leave work in their 50s and why they might find it harder to return”. He added that there had been some good industry-led initiatives about being a menopause-friendly employer, but he said that more employers need to sign up to that to make the workplace more inclusive and supportive.<sup>310</sup>

185. The Recruitment and Employment Confederation points out that there are close to four million women aged 45–55 in work in the UK, meaning that there are few workplaces where the menopause is not being experienced by staff. The Confederation identified it as a key recruitment and retention issue and as a particularly important consideration during a time of chronic labour and skills shortages.<sup>311</sup>

186. Our colleagues on the Women and Equalities Committee have carried out a thorough inquiry on *Menopause and the Workplace*<sup>312</sup> over the last two years making many well researched and considered arguments on retaining menopausal women in the labour market. We are particularly interested in their recommendation to pilot menopause leave:

Menopause symptoms can have a significant and sometimes debilitating impact on women at work. The Government should work with a large public sector employer with a strong public profile to develop and pilot a specific ‘menopause leave’ policy and provide an evaluation of the scheme and proposals for further roll out, within 12 months of commencing the scheme.<sup>313</sup>

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306 Q284

307 Q285

308 Centre for Ageing Better (ULM0112)

309 Q274

310 Q286

311 Recruitment and Employment Confederation (ULM0054)

312 Women and Equalities Committee, [Menopause and the workplace](#), 28 July 2022

313 Ibid.

187. The Government rejected this recommendation saying it did not ‘believe’ it was ‘necessary’.<sup>314</sup> The Chair of the Women and Equalities Committee, Rt Hon. Caroline Nokes MP, has since written to the Government expressing disappointment at the rejection of what she saw as a policy which “would have had a positive impact and been low in cost to implement.”<sup>315</sup> We note that when the then BEIS Minister for Small Businesses, Consumers and Labour Markets, Paul Scully MP, gave evidence to the Women and Equalities Committee on Menopause and the Workplace, he welcomed the ASOS’ “life events” leave (which included leave for menopause) as a positive case study.<sup>316</sup>

188. At a recent Women and Equalities Committee meeting, menopause rights advocates supported the recommendation for a public sector menopause leave pilot. Carol Vorderman, Patron, Menopause Mandate, told the Committee:

It has to come from the top. It has to come from Government down. Everybody else is trying their best, but it has to come from there. I want them to say, “Right. We are going to have a pilot. We’re going to have this model of menopause policies for the workplace.” An awful lot of people who work in the public sector, if not the majority, are female. I want the Government to say, “This is what it is; we’ll try it out. This is what we’re going to do.” When it comes from the top, all employers will listen, and women will be helped, and their families will be helped.<sup>317</sup>

189. *We endorse and support the recommendation by the Women and Equalities Committee that the Government should develop and pilot a specific ‘menopause leave’ policy with a large public sector employer.*

## Helping people over 50 work for longer

190. The Secretary of State for Work and Pensions, the Rt Hon. Mel Stride MP, recently said that “four in ten 50 to 65 year olds who have left their jobs since the start of the pandemic would consider returning to work”.<sup>318</sup> In the poll commissioned by our Committee, a majority of respondents said that they would *like* to be in paid employment, and more than a third think it is likely that they will return to employment in the next three years. Just over half regret their decision to leave the workforce. This supports the figures that Lizzie Penny, Co-Founder of Hoxby, quoted. Using her data, she told us that 61% of people who have retired would like to keep on working in some capacity.<sup>319</sup> Ms Standing, Co-Founder of Bravestarts, told us that people “are very bad at future planning” and “get bored”. She has found that, after a period of time out of the workplace, a lot of people want to work and to find something where they are able to contribute meaningfully to society.<sup>320</sup>

191. We explored what it is that people over 50 are looking for in work and the barriers they face in re-entering the job market, or remaining in it.

314 Women and Equalities Committee, Fourth Special Report of Session 2022–23, Menopause and the workplace: Government Response to the Committee’s First Report of Session 2022–23, [HC 1060](#), 24 January 2023

315 [Letter](#) from Caroline Nokes MP to Maria Caulfield MP, Minister for Mental Health and Women’s Health Strategy, relating to Menopause and the workplace - Government response, 23 January 2023

316 Oral evidence taken before the Women and Equalities Committee on 16 March 2022, [HC 602](#) (Q 158 and Q169)

317 Oral evidence taken before Women and Equalities Committee on 22 March 2023, [HC 91](#), (Q201)

318 HC Deb, 16 March 2023, [col 1015](#); See also [Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic](#) - Office for National Statistics

319 Q197

320 Q271

### *Flexible working*

192. A common theme throughout this inquiry has been improving access to flexible working to increase participation in the workforce. The Centre for Ageing Better stressed that flexible working practices, such as compressed hours or remote working, are important to older workers because they can help balance work with other demands, such as health conditions and caring responsibilities. It argued that it is the “number one” factor that would enable more older workers to remain in work for longer, as health conditions and caring responsibilities are the two biggest reasons that older workers leave the labour market.<sup>321</sup>

193. In our poll, 24% of respondents cited lack of part-time jobs and 22% of respondents cited lack of jobs that offer flexible working as important barriers to returning to paid employment. In addition, 10% responded that the need to be in the office rather than being able to work from home was a factor. Taken together, these reasons were as significant as physical health and stress or mental health concerns as barriers to returning to work.

194. In response to the Chancellor’s recent comments that the over-50s “get off the golf course” and continue to contribute to the economy, Mr Wilson advised us that:

it is not massively helpful to characterise this as golf course and coffee shops. We should be talking to people about how we help them to achieve what they want. That is often to be back in decent work that is flexible, local and supportive. We need to think about how we can design policy, both how we support employers and also public policy.<sup>322</sup>

195. Tim Balcon, Chief Executive, Construction Industry Training Board, also highlighted flexibility as an incentive to retain the over 50s in work. He suggested the four-day week<sup>323</sup> as an example. Mr Wilson told us that “there are tons of things we can do” [to support flexibility]. He suggested that firms can be supported to have more flexibility around shift patterns and location and choice of work.<sup>324</sup> He referred to a study which the Institute of Employment Studies had undertaken with Timewise<sup>325</sup> on flexible working that showed that “even small reductions in [staff] turnover in industries with high turnover can have a positive return”.<sup>326</sup> The study also found a positive reduction in sickness absence when work was made more flexible.

196. While there is much agreement that being able to work part-time or flexibly would retain more older workers, the Centre for Ageing Better, in recent evidence to the House of Commons Work and Pensions Committee, said that “some employers offer that [flexible working] but some don’t, and it can be quite hard to work out who does and find those jobs”.<sup>327</sup>

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321 Centre for Ageing Better (ULM0112)

322 Q270

323 Q280

324 Q282

325 Timewise, [Fair Flexible Futures Programme \(Summary report - Reaching a positive financial return on investment in flexible working\)](#)

326 Q283

327 Oral evidence taken before the Work and Pensions Committee on 25 January 2023, [HC 600](#) (Q153)

197. The Minister, Kevin Hollinrake MP, agreed in evidence to us that “we need to make the workplace a more attractive place to be” to get people over 50 back into work. In his view, the “number one way” to do that is through flexible working. He drew our attention to the Government’s support for the private Members’ bill<sup>328</sup> which was passing through Parliament to make it a right to request flexible working from the first day in a job. While we welcome the Government’s support for the **Employment Relations (Flexible Working) Bill**, we reiterate what we have said earlier in this report that **a right to request flexible working is a right to decline. We urge more employers to specify, when advertising job vacancies, that a role may be suitable for flexible working: by doing so, they stand to benefit from a huge untapped pool of older workers.**

### *Employment support*

198. A consistent message we have heard in this inquiry is that employment support offered through jobcentres is not appropriate for the over 50s out of work. Mr Wilson told us that the people who contact him about employment support say “I have been out of work. I cannot go to Jobcentre Plus. I have contacted the National Careers Service and they have given me a telephone consultation”. He questioned the role of the National Careers Service as a suitable vehicle for this kind of employment support and advocated a more specialist focus in the form of a public employment service.<sup>329</sup>

199. Mr Wilson explained that Jobcentre Plus is not a public employment service as it “only really provides support to people who are claiming universal credit and the group called the searching for work conditionality group. About one in 10 of all over-50s are out of work and would meet those criteria.”<sup>330</sup> He emphasised that we need “much more open and accessible good-quality, independent and impartial employment-related support”.<sup>331</sup> While he did not define the structure of such a service, for example whether it is publicly funded, or light-touch, he referred to the Perspectives 50 Plus service in Germany, which he described as a “very successful programme” and which he said was largely built on the New Deal 50 Plus<sup>332</sup> model in the UK.<sup>333</sup>

200. During our visit to Japan in connection with this inquiry, we learned about silver human resource centres, which deliver support and advice to jobseekers over 60. They are job-matching centres, acting as brokers to develop their clients’ skills and experience and match them to what businesses need. The roles are usually part-time and flexible, enabling the worker to earn additional money to their pension (as the average age of the user is 74.1 years and retired), at times of the week that suit them. The centres offer various types of work from transportation and machinery operations to specialised, technical and office work. In a society which has been grappling with an ageing society for many years, the silver centres play an important role in enabling older people to plug labour shortages and continue contributing to the wider economy.

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328 [Employment Relations \(Flexible Working\) Bill](#), introduced by Yasmin Qureshi MP

329 Q279

330 Q290

331 Ibid.

332 New Deal 50 Plus was introduced in April 2000. It was designed to help long-term unemployed and economically inactive people over 50, who had been claiming specified benefits for six months or more, back into employment.

333 Q279

201. In our poll, we asked respondents where they thought employment support would be most accessible. The majority (31%) said it would be best offered online. Responses were fairly evenly spread among government-owned buildings (such as town halls), large supermarkets, pop-ups in high street shops and GP practices or health centres.

**202. We observe that jobcentres are not currently mandated or resourced to provide the most appropriate employment help and support services to many workers, not least to the over-50s seeking to return to the workforce.**

*203. We recommend that the Government conducts a review into the future reform of jobcentres and to assess whether a public employment service offers better solutions in alternative settings (as well as online) that will improve the accessibility and quality of employment advice for people over 50.*

*204. It is clear that to succeed in retaining or re-integrating people aged over 50 in the workforce, there needs to be a better understanding of what that age cohort wants from work. We recommend that the Government considers a dedicated resource, similar to the silver human resource centres in Japan, as part of a national jobs service to support older people to find relevant opportunities. This could, for example, be administered out of jobcentres.*

**205. We note that pensions reform may be a requirement and draw this, and our broader observations and recommendations, to the attention of the Work and Pensions Committee, which has responsibility for scrutiny of the Department for Work and Pensions.**

### *Mid-Life MOTs*

206. In its Spring Budget,<sup>334</sup> the Government announced that it will expand and improve the mid-life MOT tool to support people planning for later life. As first advocated by John Cridland, in his independent review of state pension age in 2017,<sup>335</sup> the proposal to implement a national mid-life MOT programme was considered to be a useful trigger to encourage people to take stock and make realistic and better-informed choices about work, health and retirement. The review recommended that it should be facilitated by employers, and by the Government using online support and through the National Careers Service.<sup>336</sup> The Chancellor announced that the mid-life MOT will be expanded through Jobcentre Plus to reach more 50-plus universal credit claimants<sup>337</sup> and also through improving the digital mid-life MOT tool. The Government also said that it will work with employers and pension providers to encourage signposting to the mid-life MOT and related support.<sup>338</sup>

207. Improved financial advice for mid-lifers is welcome news, but it should not be a tick-box exercise. We asked witnesses for their opinions on the mid-life MOT and, while all welcomed it as a sensible idea, they all highlighted the challenges it presents around effectiveness and quality of support.<sup>339</sup> Mr Wilson identified uptake as the biggest

334 [Spring Budget 2023](#), 15 March 2023 (para 4.155)

335 [State Pension age independent review: final report](#), 23 March 2017

336 Centre for Ageing Better, [Developing the mid-life MOT](#), September 2018

337 HC Deb, 15 March 2023, [col 844](#)

338 HC Deb, 16 March 2023, [col 1015](#)

339 Q293



challenge, and Lucy Standing, Co-Founder, Bravestarts, said that there needed to be consideration about whether the value of the mid-life MOT was “proven” and what its impact was. She asked: “What is it going to lead to?”<sup>340</sup>

208. Mr Wilson identified other challenges. He suggested that it would be “better delivered as a workplace intervention” but did caution that, if delivered through firms, where retention is becoming a bigger priority than recruitment, they might not want to give people the opportunity to reflect on the fact that they do not really like the job they are in and would like to do something else. He suggested that “there might be an understandable reluctance for firms to open their doors to those sorts of conversations at a large scale”.<sup>341</sup>

**209. We welcome the expansion of the mid-life MOT. We agree that it is important that people in their 40s and 50s should get a reality check on their finances and health to help them make better-informed decisions about their next steps in work and prepare for retirement. We ask the Government to consider a similar scheme for people starting work, not least to highlight the importance of pension auto-enrolment.**

### *Skills and re-training*

210. In his Spring 2023 Budget Statement, the Chancellor said that “older people are the most skilled and experienced people we have. No country can thrive if it turns its back on such a wealth of talent and ability.”<sup>342</sup> To help people over 50 who want to return to work, he announced a new kind of apprenticeship, to be called “returnerships”, which will operate alongside skills boot camps and sector-based work academies.

211. In our poll, the need to re-train for something new was a significant, but not the most prevalent, factor in preventing people out of work from returning to paid employment (15% of respondents). Tim Balcon, Chief Executive, Construction Industry Training Board, acknowledged that “sometimes the skills system becomes impenetrable for people who have been out of the training and education system for a long time”. He also warned that further education “tends to work on an educational basis and it is mainly focused on younger people”.<sup>343</sup> He was able to provide good examples of workplace training (and a talent retention scheme) within the construction industry, with programmes benefiting from levy funding. However, he was keen to emphasise that “people do not want training; they want a job. The training is a means to an end. It is about making that supply chain between people and jobs a little bit shorter and closer together”.<sup>344</sup> Ms Standing, Co-Founder of Bravestarts, agreed:

Training is not the issue... I can get training courses coming out of my ears ... Access to training is not the problem. It is very difficult to commit to training when you do not know what the outcome is going to look like. We have to address the motivation point. What is it I want to do next? That comes from careers guidance, careers support or careers counselling.<sup>345</sup>

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340 Ibid.

341 Ibid.

342 HC Deb, 15 March 2023, [col 844](#)

343 Q279

344 Ibid.

345 Q289

212. Ms Standing added that people looking to return to work, or older workers seeking a change of career, can be reluctant to take on the burden of re-training, whether that is for financial reasons,<sup>346</sup> time commitment, or lack of confidence.<sup>347</sup> For people who have been away from education for a long time, as suggested by Jane Gratton, Head of People Policy, British Chambers of Commerce, it can be “quite daunting”.<sup>348</sup> Ms Standing recommended career-changer schemes, akin to graduate schemes, as a potential solution. She saw these as a preferable option for people seeking skills development within a new career with people of their “own cohort”.<sup>349</sup>

213. *If returnerships are to attract older workers and to be effective in bringing them back into the workforce, they will need to offer a decent package of training. They will need to value and recognise the skills that older workers already bring to their new workplace, while seeking to provide practical reskilling. To be effective:*

- a) *There should be transparency on whether there will be a job at the end, and what that job will be;*
- b) *Organisations should be incentivised in some way, or they may question what is in it for them. Paying less National Insurance, for example on a worker they hire through such a scheme could be one such incentive;*
- c) *They should offer flexible working options: people in their 50s value part-time and flexible working patterns and are more likely to take up a returnership and a job at the end of it if flexible working is available in the role;*
- d) *The training needs to be sector-based, rather than jobs-based, featuring opportunities to shadow and learn about different roles. This would give people on the scheme the chance to learn about different roles within a sector and not narrow their choice to a specific job at the outset;*
- e) *It should include regular careers support and counselling;*
- f) *Schemes should be cohort-based, enabling people to train with their own peer group; and*
- g) *The scheme, once it is up and running, should showcase examples of people who have joined the programme and successfully re-trained and entered a new role.*

214. *We recommend that Government departments, and the wider public sector, lead from the front on the returnership initiative. Offering returnerships in the Civil Service, in the NHS and in education, for example, will give the private sector confidence that it is a successful model worth the financial investment.*

215. *We consider that such a process could be valuable for workers of all ages and that a review is conducted one year following implementation of returnerships to evaluate their benefit more widely.*

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346 Phoenix Insights, [Phoenix Insights response: Lifelong Learning Entitlement \(LLE\) consultation](#), 6 May 2022. See also Q289

347 Q289

348 Q16

349 Q289

# Conclusions and recommendations

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## Labour market statistics

1. *Ministerial responsibility for labour market policy is fragmented across Whitehall departments. We therefore call on the Government to consider the following:*
  - a) *establish a Ministry of Labour*
  - b) *appoint a new Minister of State for Labour in the Cabinet Office with the authority to convene and coordinate labour market policy across Whitehall*
  - c) *establish a Cabinet Committee on Labour, chaired by a Business and Trade Minister, which convenes each relevant Minister from each relevant Department on labour market policy. (Paragraph 20)*

## AI & Tech

2. We note that dedicated support is needed to help business owners and leaders understand what technologies are available, how they might be best used within their businesses and how to integrate those technologies and train workers to use them. (Paragraph 27)
3. Artificial intelligence and automation are already established in many workplaces, and they have many benefits in improving productivity and consistency of output. They are here to stay. We therefore welcome the general recognition that they should not be resisted or perceived solely as a threat to jobs. But we do conclude that implementation of new technologies in the workplace should be done in partnership with workers and, where relevant, their trade unions. (Paragraph 38)
4. *We call on the Government to introduce, whether by statute in the Data Protection and Digital Information (No. 2) Bill, or by other means, a requirement*
  - a) *on businesses to conduct impact assessments to understand the scope and consequences of the use of new technologies in the work place; and*
  - b) *for workers to have the right to consultation and notification where the application of technology in the workplace will result in the surveillance of a worker, or result in a significant change to their work. That notification should explain in plain English what the technology is, when it is being implemented, how it will be operated, and what the impact will be on the worker. We encourage employers to involve workers in the design and implementation of new workplace technologies from the start of that process. (Paragraph 39)*
5. It has yet to be seen what effect the Science and Technology Framework recently announced by the Government will have on digital skills development. *We call on the Government to bring forward a new data poverty and digital skills strategy that will, amongst other things, set out how workers will be supported in the development of their digital skills. (Paragraph 50)*

6. *We note with concern that there is a lack of investment in workplace training and reskilling. We therefore ask the Department to consult with business on the reasons for such lack of investment and consider what incentives would increase investment in workplace training. (Paragraph 51)*
7. *We agree that the proposed Lifelong Loan Entitlement has the potential to be “transformative” in encouraging retraining and upskilling and ask the Government to conduct a review of the scheme one year after its commencement and to report its findings to this Committee. (Paragraph 52)*
8. *We ask the Government for an update on its thinking in relation to the use of computer evidence in criminal and/or civil proceedings and to prioritise this area of work at the Law Commission if it has not already done so. (Paragraph 74)*
9. Policy responsibility within Government for the governance of artificial technology has passed to the Department for Science, Innovation and Technology. We note that the Science and Technology Committee is in the midst of an inquiry into the governance of artificial intelligence. We therefore draw to the attention of that Committee the evidence which we have described in this Report. (Paragraph 81)
10. *We question, however, whether existing regulators have the expertise to perform the functions proposed in the recent White Paper on regulation of AI. If regulators will need to recruit additional staff with such expertise, the Government should consider carefully whether they can do so from existing budgets without compromising other important regulatory functions. (Paragraph 82)*
11. *We ask each of the regulators referred to by the Government in its recent White Paper to write to this Committee setting out what capacity, expertise and established policy it has in respect of the application of AI in the workplace and to set out what additional resources are required to deliver this new area of responsibility. We ask those regulators to write to this Committee no later than three months following publication of this report. (Paragraph 83)*
12. The use of technology and automation in the workplace has enormous potential for improving economic productivity, increasing wages and creating new goods and services for domestic use and export. As we live and work for longer, the use of AI and automation can support how individuals and society adjust to new ways of working. Re-training and upskilling the workforce of the future, in order to make the best use of the potential which AI and automation offer, is essential to economic growth and addressing skills shortages. (Paragraph 84)
13. However, there is a significant risk from the lack of attention on the unwelcome or unintended consequences of the use of technology and automation in the workplace, whether that is in the warehouse or in a worker’s home. Surveillance in the workplace may have value if it prevents malpractice and helps to improve productivity in a way which is agreed through consultation with the workforce and is applied within agreed parameters. But it is likely to be destructive of worker morale if it is imposed in a heavy-handed way. *We ask the Government to consult on an enforceable code of practice on the use of surveillance technology in the workplace. (Paragraph 85)*

14. *We recommend that a taskforce of relevant enforcement bodies be established, alongside the Centre for Data Ethics and Innovation and the Trades Union Congress, to assess the implications of technology in the workplace, to consider whether enforcement of labour laws is effective, and to make recommendations on whether further legislation is required. We recommend that the taskforce be asked to produce an initial report by autumn 2024. (Paragraph 86)*

### Workers' rights and protections

15. *There is evidence to suggest that we cannot be complacent about the effectiveness of existing law in protecting women who are pregnant from redundancy, or who are on maternity leave, or who return to work after pregnancy. We welcome the Protection from Redundancy (Pregnancy and Family Leave) Bill as a small step, but the Government may need to return with stronger protective measures if evidence of discrimination persists. To collect this evidence we recommend that the Government commissions research similar to that conducted by the Equality and Human Rights Commission for BEIS in 2016. (Paragraph 103)*
16. *We invite the Government to confirm whether any evaluation of the Shared Parental Leave scheme is still active, and to set out what plans it has to increase take-up. (Paragraph 108)*
17. *We note that many parents are disincentivised at work from having children, at a time when the country needs more young people to work and pay taxes to cover the costs of our ageing population. We therefore ask the Government to consult on what more can be done to create the conditions to incentivise parents to have children whilst offering suitable protections at work so that time out of work does not impact their career and pay opportunities in the future. (Paragraph 109)*
18. *We conclude that the outdated legal construction of work—namely full or part-time work—is preventing many people who wish to be economically active from being so. For many workers who do work more flexibly, or on a freelance basis, they are not afforded the rights and protections that full or part-time workers receive. We call on the Government to reconsider the need for an Employment Bill in the upcoming King's Speech so that legislation can be brought forward to, among other things, create new, more flexible constructions of work that include appropriate rights and protections for workers. (Paragraph 122)*
19. *We also agree with the Joseph Rowntree Foundation that policy solutions are required to ensure more, good-quality flexible job opportunities are available for workers on low pay. We note the Government's support for the Workers (Predictable Terms and Conditions) Bill, but we recommend that the Government extend the provisions of that private Members' bill so that there is a:*
- i) default right to a secure contract after 26 weeks of work;*
  - ii) right to four weeks' notice of working schedules; and*
  - iii) right to compensation for cancelled shifts (Paragraph 123)*

20. *The actions of unscrupulous umbrella companies are depriving workers of rights and in some cases remuneration, and they are damaging the reputation of umbrella companies as a whole. There is widespread agreement that the Government should act to provide statutory protection from such practices. In response to this Report, the Government should set out its plans for doing so, or should explain what obstacles are preventing it from doing so. (Paragraph 127)*
21. *We believe that the Government should take more of a lead in providing protection for workers from any damaging effects from night-time working. As a first step, we recommend that the Government should commission an investigation into the health and safety implications of night-time working. (Paragraph 130)*
22. *We are not wholly persuaded that there is currently a need for immediate action to establish a statutory “right to disconnect”. But the Government should ensure that mechanisms and processes are in place to detect any significant threat to home workers from unreasonable expectations by employers of availability for work. The Government should also track “right to disconnect” initiatives in Canada and Ireland and elsewhere, to assess their value and effectiveness. (Paragraph 135)*
23. *We ask the Government to update the Committee on the status of each of the commitments made by the then Secretary for Transport, Rt Hon. Grant Shapps MP:*
- *HMRC to dedicate significant resource to check that all UK ferry operators are compliant with the national minimum wage;*
  - *Maritime and Coastguard Agency to review its enforcement policies; and*
  - *Action to prevent employers who have not made reasonable efforts to reach agreement through consultation, from using fire and rehire tactics. (Paragraph 141)*
24. *We conclude that enforcement of labour market rules is wholly inadequate—not because enforcers or regulators are not performing, but because they are under-resourced and not given the priority they deserve for legislative reform. (Paragraph 147)*
25. *We believe that the Government should proceed with the establishment of a single enforcement body, bringing together the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and the National Minimum Wage Team. We believe that a single organisation would provide clarity for those most in need and would offer benefits in sharing of information. (Paragraph 148)*
26. *We call on the Government to commit to a long-term financial plan with the new single enforcement body (or existing bodies if it declines the opportunity to create a single enforcement body) to ensure that it is resourced to at least the minimum level of what is deemed appropriate by the International Labour Organisation. (Paragraph 151)*
27. *We ask the Government to confirm to the Committee the current number of inspectors employed in the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and the National Minimum Wage Team within His Majesty’s Revenue and Customs. (Paragraph 152)*

28. *While employment tribunals are backlogged, and awards are not being paid, workers are being prevented from exercising their rights effectively. We commend the Government for providing resources specifically to help clear the backlog. In the meantime, we ask the Ministry of Justice to set out an action plan on clearing the backlog and on its plans for resourcing enforcement, to be published within the next six months. The Government should also justify why it has not so far taken action to extend the time limit for submitting certain types of employment tribunal claims from three months to six months. (Paragraph 157)*
29. *If the Retained EU Law (Revocation and Reform) Bill receives Royal Assent, a substantial body of regulations contained within EU retained law and covering employment standards and rights will cease to apply in the UK unless specifically preserved in some form. Great care will need to be taken in reviewing these regulations and determining how they should each be treated, to ensure that there is clarity and consistency in UK labour law. (Paragraph 160)*
30. *We recommend that the Bill should be amended to ensure that within a given timeframe a committee also examines any regulations which are part of retained EU law and which govern UK law relating to work, including workplace standards and employment rights, which the Government (a) intends should expire at the ‘sunset’ date set in the legislation or (b) proposes to incorporate into domestic law under the affirmative procedure. (Paragraph 161)*
31. *To facilitate this scrutiny the Bill should ensure that the Government must present to the committee a notice of any provision which it intends should expire, together with a memorandum of its reasons and an impact assessment in time to allow consideration before sunset. Where the Government intends to incorporate a provision into UK domestic law under the affirmative procedure it should present a draft of the proposed instrument to the committee, together with a memorandum of its reasons for any decision to adapt or amend the regulations and/or for any decision by the Government not to preserve any element of them. In each case that committee should:*
- *provide the Government with an opportunity to give such further explanations of its proposal as the committee may require, except where the committee does not consider it reasonably practicable to do so within the statutory timeframe;*
  - *report on the notice or draft instrument and accompanying papers, drawing to the attention of the House any observations or concerns arising from its consideration of such documents; and*
  - *have the power to recommend any notice or draft instrument for debate on the floor of the House: if rejecting this recommendation, the Government should be required to make a statement explaining its reasons.*

*The Government must ensure that the flow of notices and proposed instruments to any relevant committee is controlled and consistent, so that the committee has a reasonable opportunity for effective examination of each proposal within the statutory timeframe. (Paragraph 162)*

## The impact of an ageing population on the labour market

32. *We endorse and support the recommendation by the Women and Equalities Committee that the Government should develop and pilot a specific ‘menopause leave’ policy with a large public sector employer. (Paragraph 189)*
33. We welcome the Government’s support for the Employment Relations (Flexible Working) Bill, we reiterate what we have said earlier in this report that a right to request flexible working is a right to decline. We urge more employers to specify, when advertising job vacancies, that a role may be suitable for flexible working: by doing so, they stand to benefit from a huge untapped pool of older workers. (Paragraph 197)
34. We observe that jobcentres are not currently mandated or resourced to provide the most appropriate employment help and support services to many workers, not least to the over-50s seeking to return to the workforce. (Paragraph 202)
35. *We recommend that the Government conducts a review into the future reform of jobcentres and to assess whether a public employment service offers better solutions in alternative settings (as well as online) that will improve the accessibility and quality of employment advice for people over 50. (Paragraph 203)*
36. *It is clear that to succeed in retaining or re-integrating people aged over 50 in the workforce, there needs to be a better understanding of what that age cohort wants from work. We recommend that the Government considers a dedicated resource, similar to the silver human resource centres in Japan, as part of a national jobs service to support older people to find relevant opportunities. This could, for example, be administered out of jobcentres. (Paragraph 204)*
37. We note that pensions reform may be a requirement and draw this, and our broader observations and recommendations, to the attention of the Work and Pensions Committee, which has responsibility for scrutiny of the Department for Work and Pensions. (Paragraph 205)
38. We welcome the expansion of the mid-life MOT. We agree that it is important that people in their 40s and 50s should get a reality check on their finances and health to help them make better-informed decisions about their next steps in work and prepare for retirement. *We ask the Government to consider a similar scheme for people starting work, not least to highlight the importance of pension auto-enrolment. (Paragraph 209)*
39. *If returnerships are to attract older workers and to be effective in bringing them back into the workforce, they will need to offer a decent package of training. They will need to value and recognise the skills that older workers already bring to their new workplace, while seeking to provide practical reskilling. To be effective:*
  - a) *There should be transparency on whether there will be a job at the end, and what that job will be;*
  - b) *Organisations should be incentivised in some way, or they may question what is in it for them. Paying less National Insurance, for example on a worker they hire through such a scheme could be one such incentive;*



- c) *They should offer flexible working options: people in their 50s value part-time and flexible working patterns and are more likely to take up a returnership and a job at the end of it if flexible working is available in the role;*
  - d) *The training needs to be sector-based, rather than jobs-based, featuring opportunities to shadow and learn about different roles. This would give people on the scheme the chance to learn about different roles within a sector and not narrow their choice to a specific job at the outset;*
  - e) *It should include regular careers support and counselling;*
  - f) *Schemes should be cohort-based, enabling people to train with their own peer group; and*
  - g) *The scheme, once it is up and running, should showcase examples of people who have joined the programme and successfully re-trained and entered a new role. (Paragraph 213)*
40. *We recommend that Government departments, and the wider public sector, lead from the front on the returnership initiative. Offering returnerships in the Civil Service, in the NHS and in education, for example, will give the private sector confidence that it is a successful model worth the financial investment. (Paragraph 214)*
41. *We consider that such a process could be valuable for workers of all ages and that a review is conducted one year following implementation of returnerships to evaluate their benefit more widely. (Paragraph 215)*

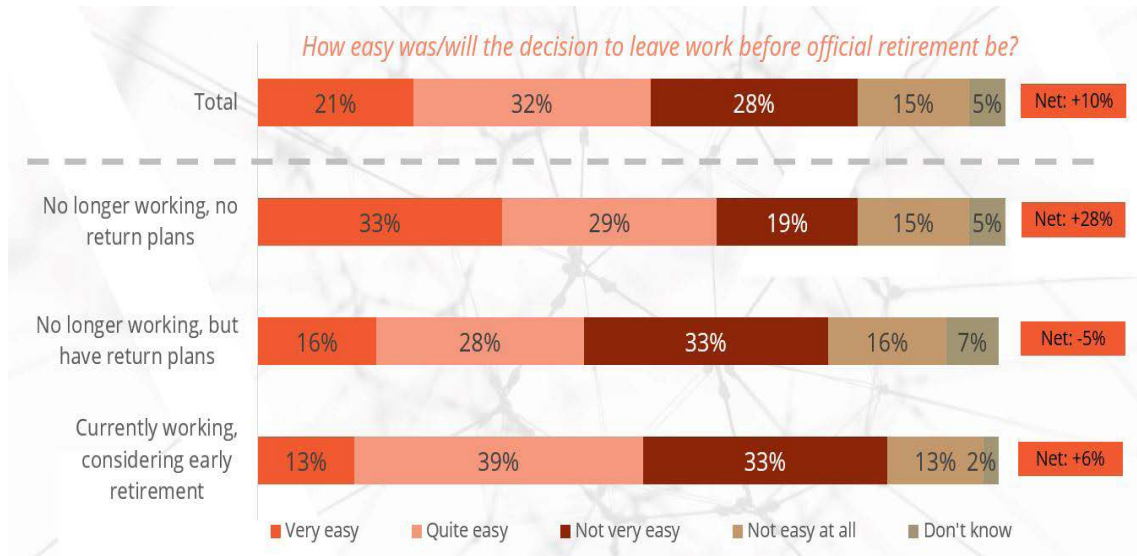
# Appendix: Older workers poll findings

## OBJECTIVES AND METHODOLOGY

- Deltapoll was commissioned by the Business, Energy & Industrial Strategy Committee to investigate issues around the early departure from the workforce of large numbers of relatively older workers.
- An online survey of 1,031 adults aged 45–60 years was conducted on 6–12th March 2023.
- The sample was equally split between three strands of people:
  - 356 interviews with people no longer working with no plans to return.
  - 347 interviews with people no longer working but DO have return-to-work plans.
  - 328 interviews with people are currently working but seriously considering early retirement.



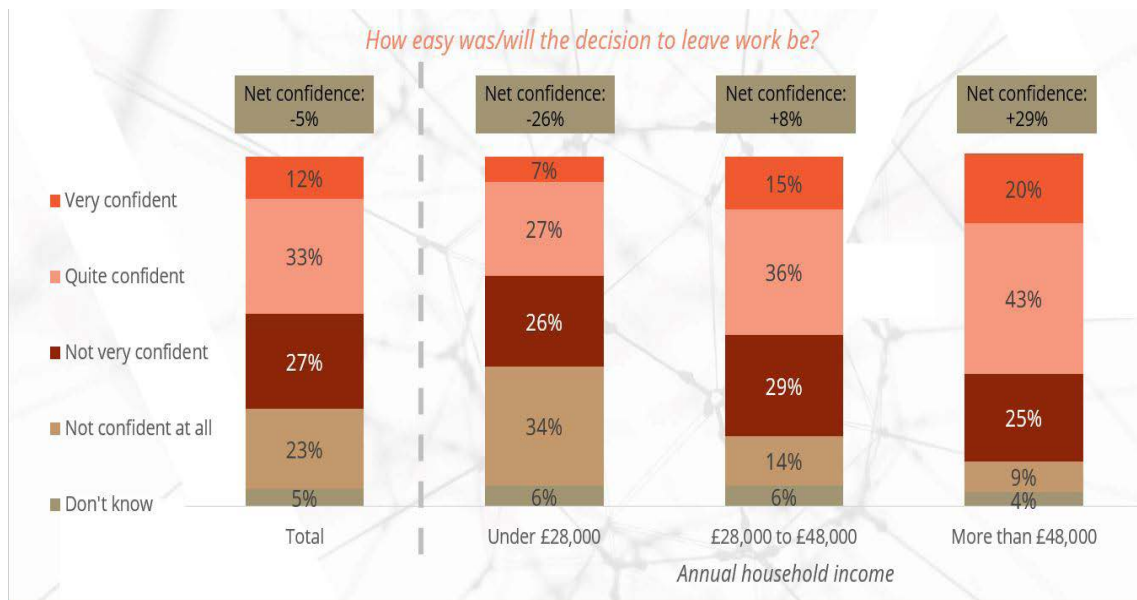
Overall, leaving the workforce is not an easy decision to make for many and there are many people in or considering retirement who are not set in it.



Thinking about the decision to leave paid employment before your official retirement date, as far as you are concerned how easy a decision was it/will it be for you to make?

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

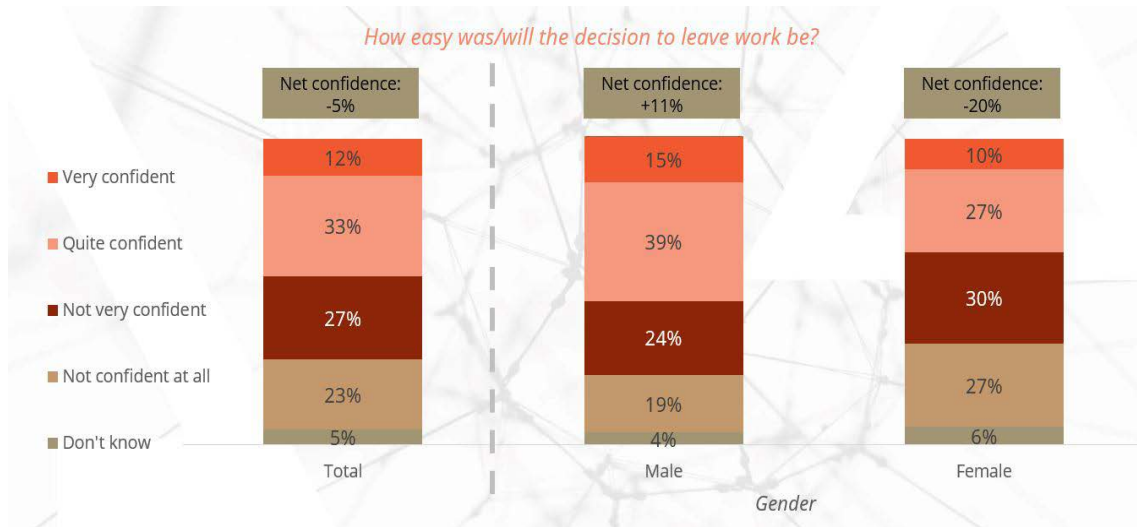
Indeed, overall fewer than half (45%) are confident that they have enough money to last them through to the end of their life.



How confident are you, if at all, that you have/will have enough income to last you through the rest of your life if you never worked another day of paid employment?

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

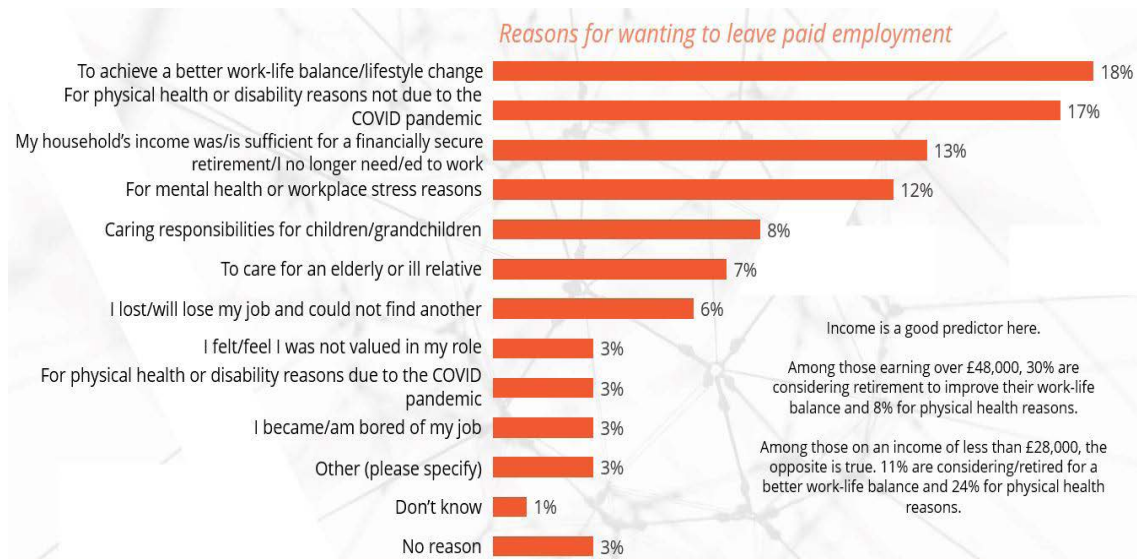
**Confidence in a sufficient income is particularly low among female respondents.**



*How confident are you, if at all, that you have/will have enough income to last you through the rest of your life if you never worked another day of paid employment?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

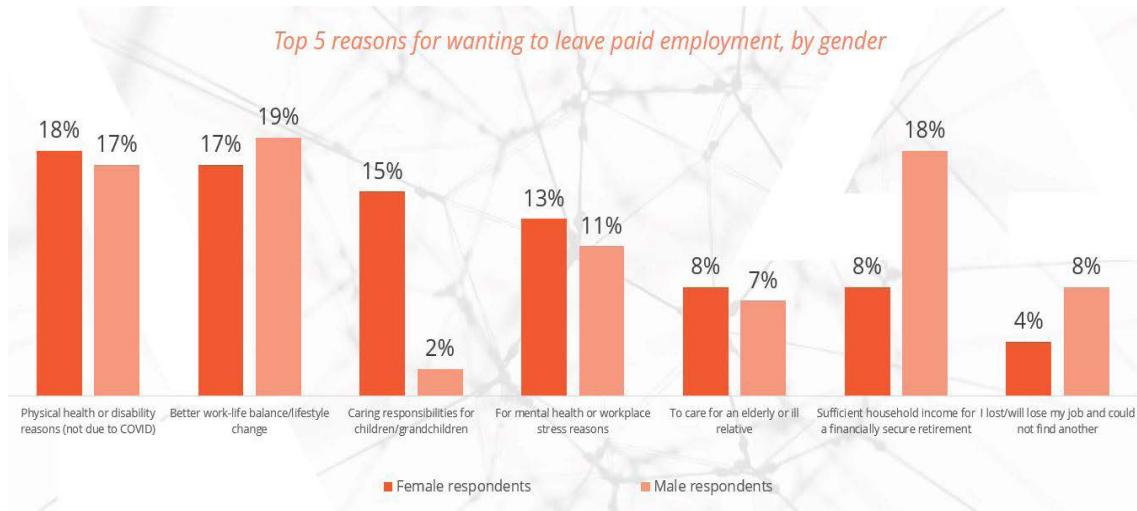
**Some are looking for a lifestyle change, others make the decision for physical health reasons.**



*You have told us that you're either not working in paid employment at the moment or thinking about leaving paid employment early/retiring. Which one of the following best describes why you decided to stop working or are considering doing so?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

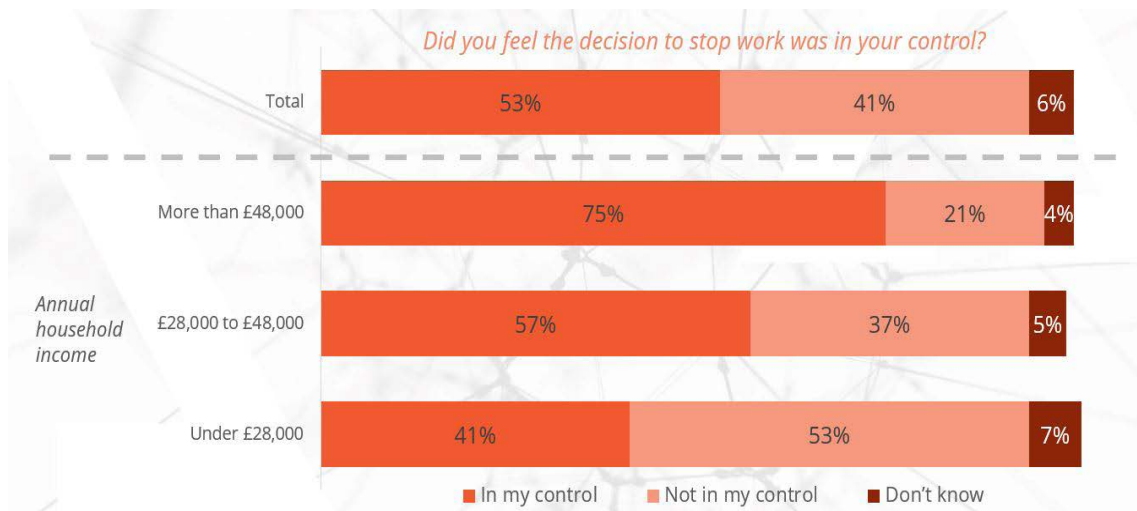
**Among female respondents, caring responsibilities are cited far more often as a reason for leaving paid employment than is the case among male respondents**



*You have told us that you're either not working in paid employment at the moment or thinking about leaving paid employment early/retiring. Which one of the following best describes why you decided to stop working or are considering doing so?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

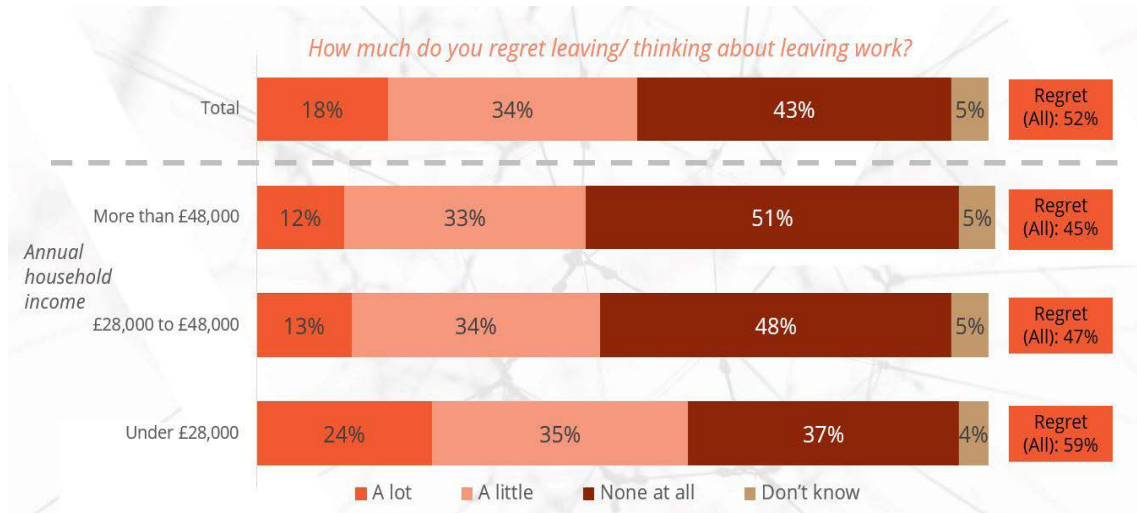
**Just over half feel the decision was in their control, and income is very much the deciding factor.**



*Do you consider you current situation not to work/considering not to work anymore to be one that was/is in your control, or not in your control?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

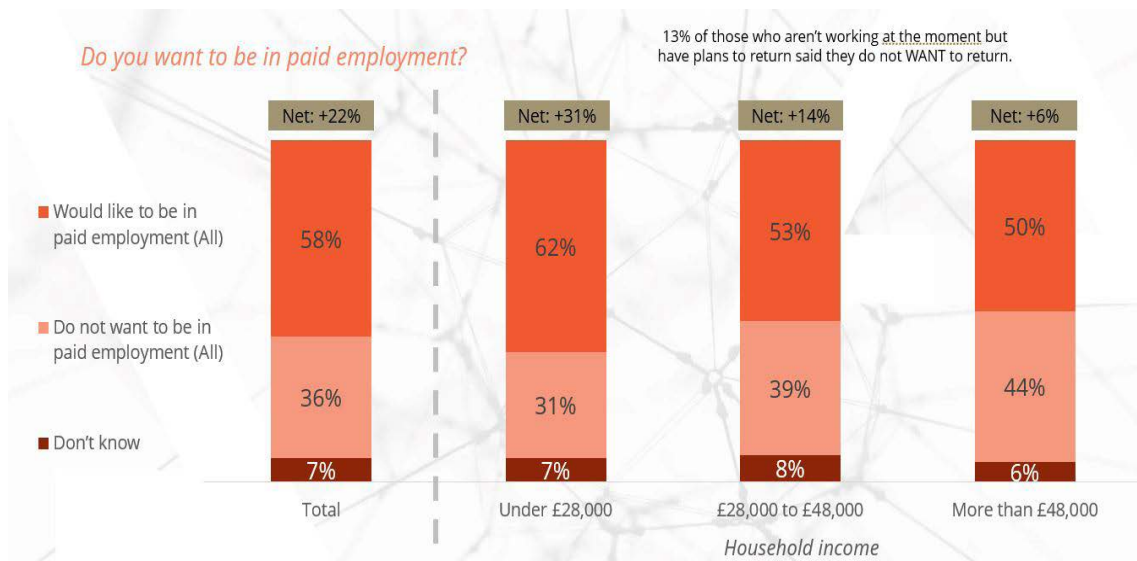
**Retirement regret is prevalent...**



*How much regret, if any, do you have in no longer working or thinking about not working?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

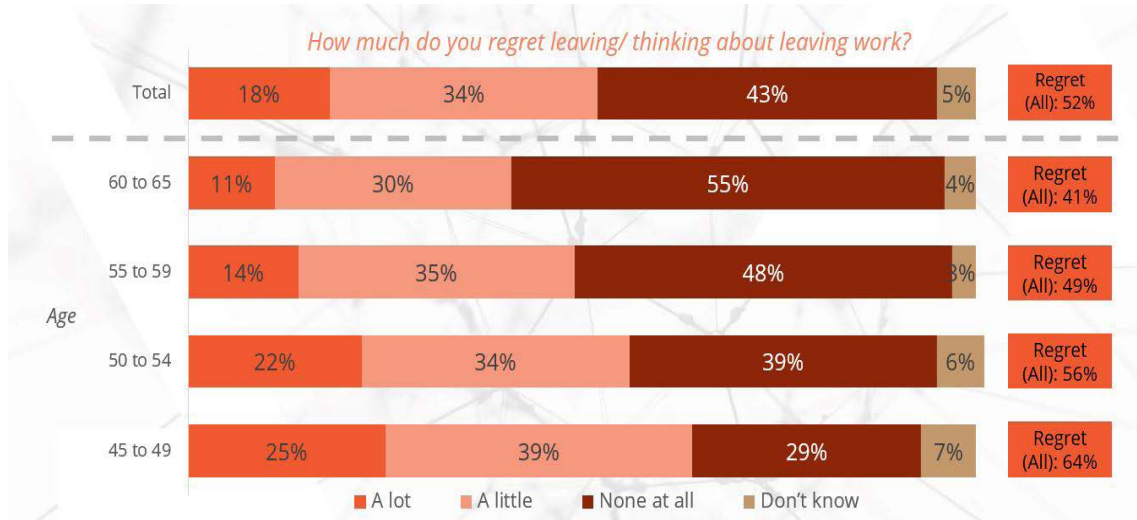
**....and a desire to work lingers.**



*Putting other factors aside, how much, if at all, would you like to return to/stay in paid employment?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

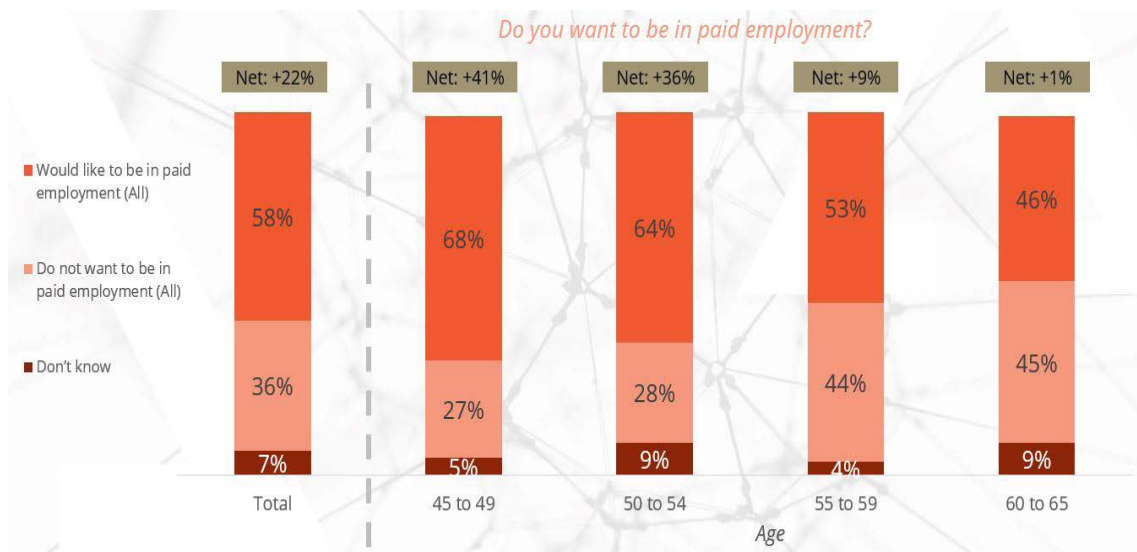
**Regret also decreases among older retirees...**



*How much regret, if any, do you have in no longer working or thinking about not working?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

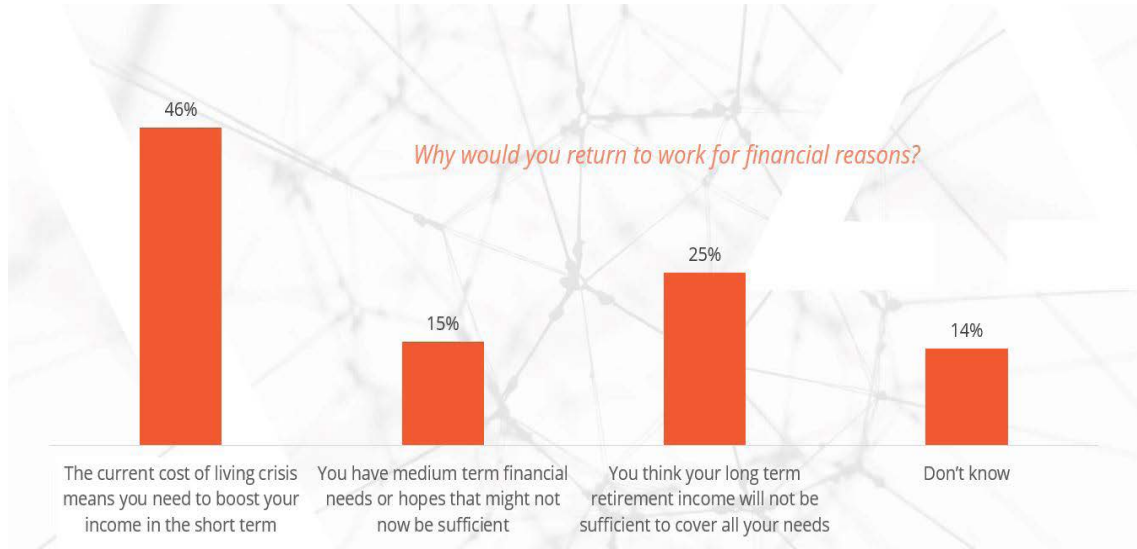
**... as does, unsurprisingly, desire to work.**



*Putting other factors aside, how much, if at all, would you like to return to/stay in paid employment?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

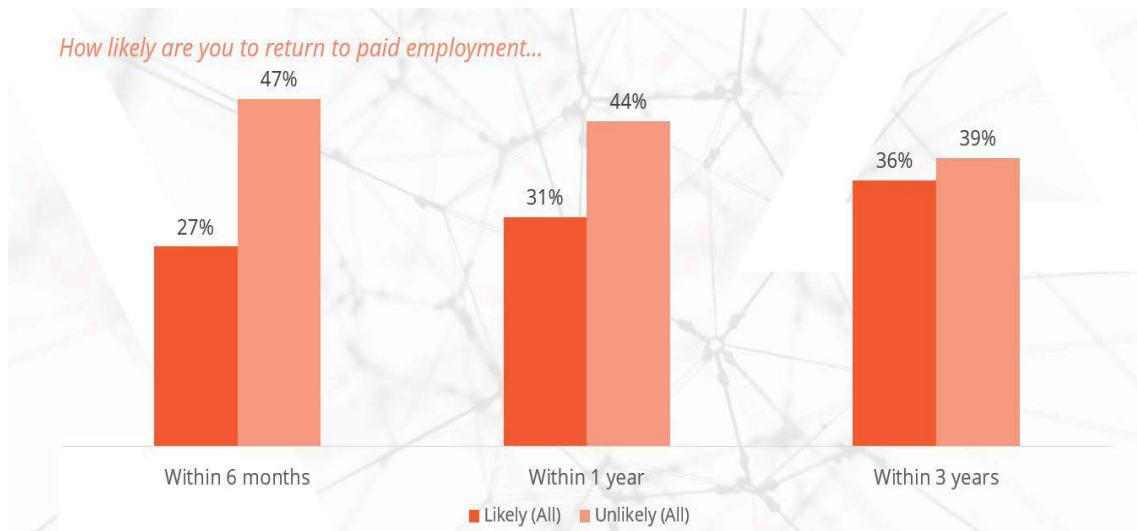
**The current cost of living crisis is forcing a re-think.**



*If you had to return to or stay in work for financial reasons, would this be more likely to be because...*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

**Around a third are likely to return at varying points over the next three years.**

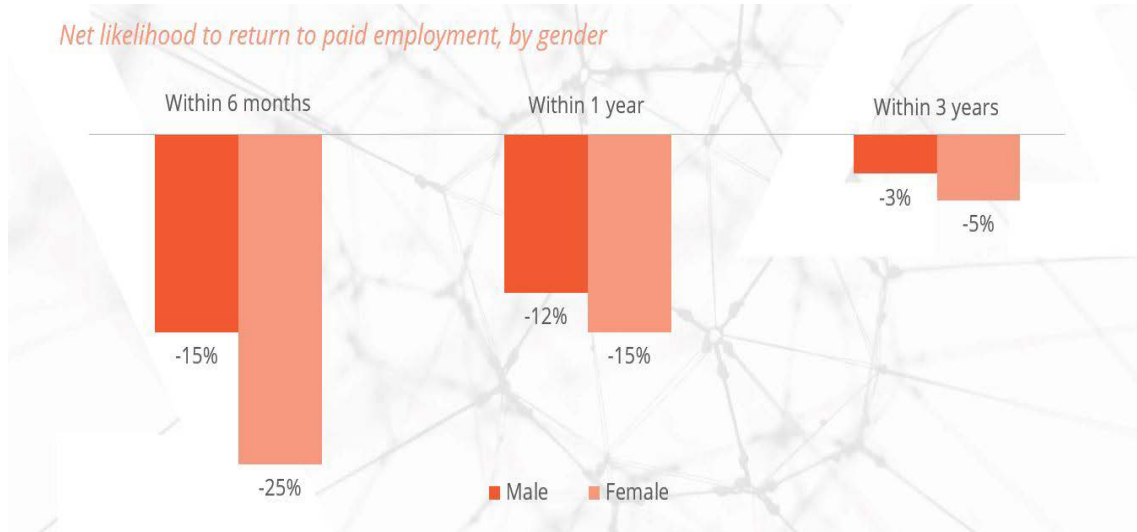


*And how likely or unlikely do you think it is that you will actually return to paid employment...*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65



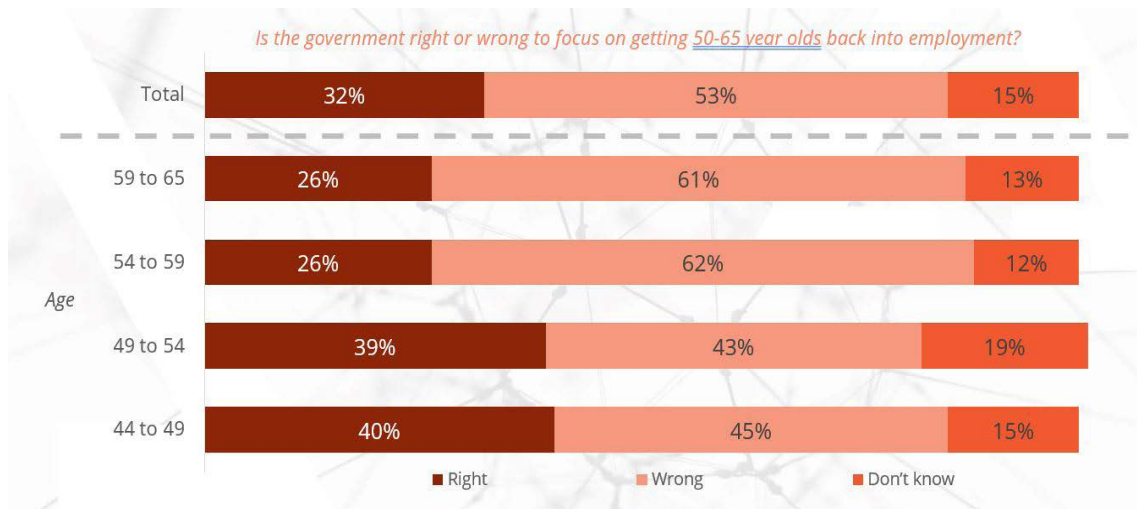
Fewer female respondents are likely to return to paid employment across all time periods, again indicating the impact that unpaid caring responsibilities have on women in the workplace.



*And how likely or unlikely do you think it is that you will actually return to paid employment...*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

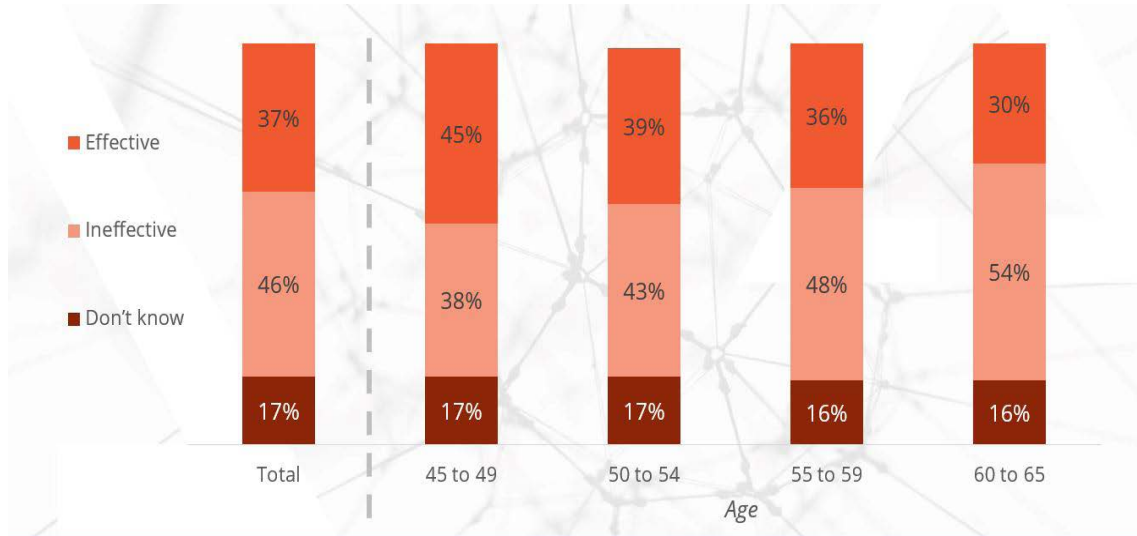
**This group largely do not see themselves as particularly worthy of government interventions or focus.**



*As you may know, the government is keen for people aged 50–65 who have retired early to return to paid employment. Do you think it is right to try and focus on getting people like you back into paid employment, or should it be focusing more on other types of people not currently in work?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

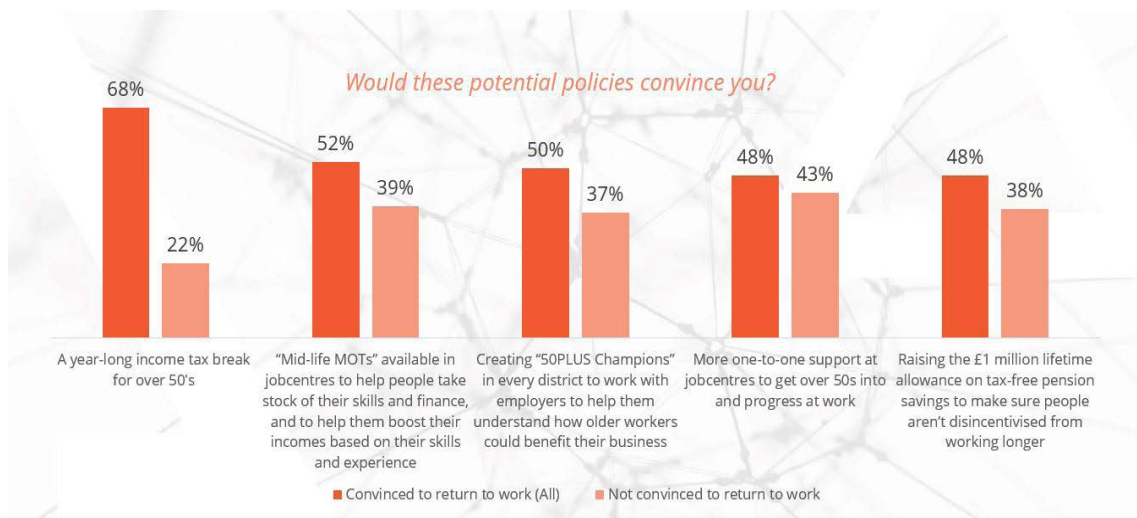
**Would policy levers be effective? Maybe...**



*Generally speaking do you think that government policies to encourage people like you to return to paid employment would be effective or would be ineffective?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

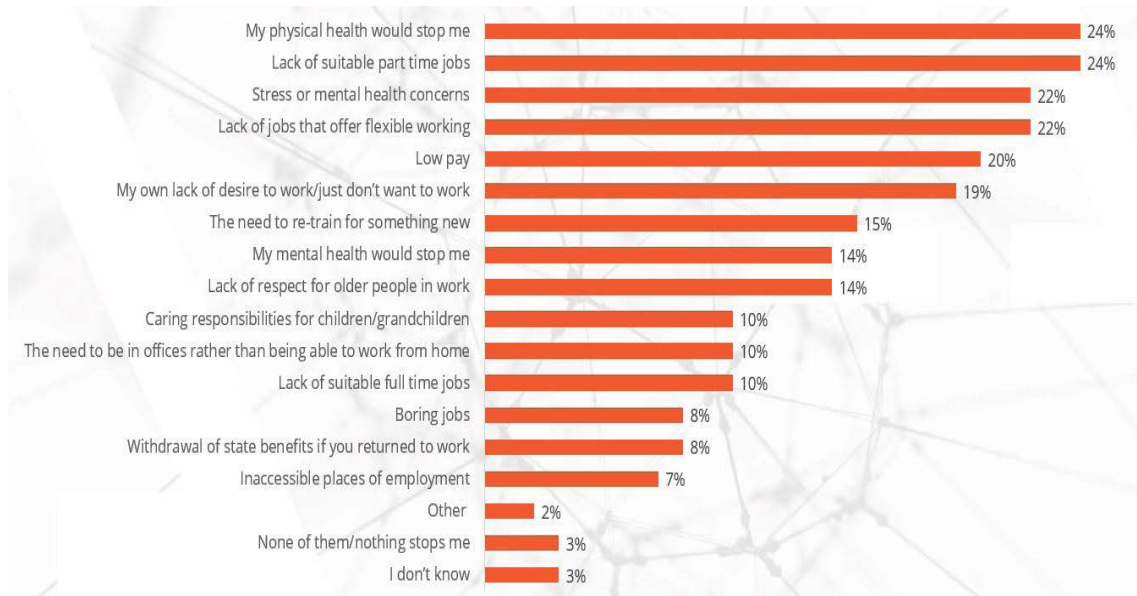
**A tax-break would be welcomed though, and most possible policy ideas are thought to have merit.**



*Here are some policies that a future government might decide to implement in order to help people like you return to work. For each one, would you say it would definitely convince you to return to paid employment, would probably convince you to, would possibly convince you to, or would it not convince you at all?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

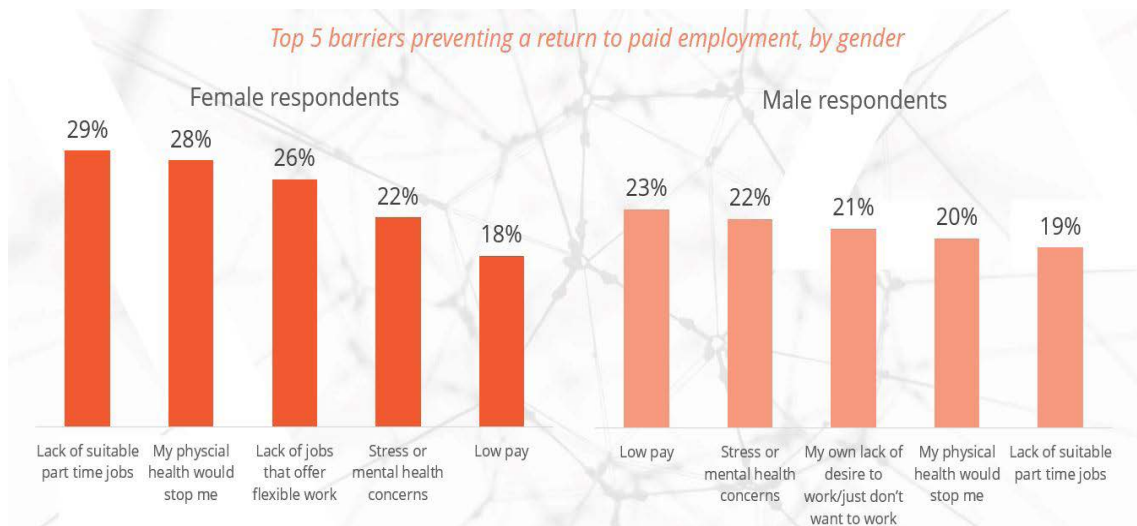
**What is it stopping people then? Health concerns, mental and physical, are barriers for many. Lack of suitable jobs and flexible hours also present challenges.**



*Putting aside whether you are currently thinking about returning to work or not, which two or three of the following are the most important barriers that might prevent you from returning to paid employment?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

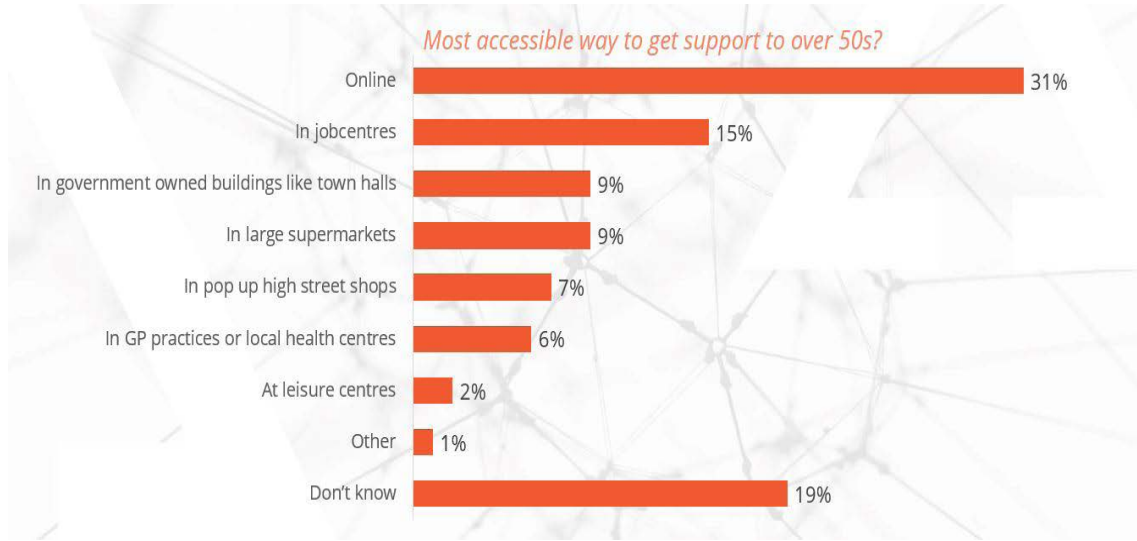
**Once again, female respondents' caring responsibilities seem to be a barrier to them returning to the workforce. Lack of suitable part time jobs or flexible work opportunities are cited as a barrier by women far more often than they are by male respondents.**



*Putting aside whether you are currently thinking about returning to work or not, which two or three of the following are the most important barriers that might prevent you from returning to paid employment?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

In terms of getting support out there, nearly a third think online is the way to go, but a wide range of methods have similar levels of support, so a mixed approach may be most effective.



*On balance, which one of the following do you think is the most accessible way of getting help and support to over-50s who might want to return to the workforce?*

Source: Deltapoll · Fieldwork: 6th – 12th March 2023 · Sample: 1,031 GB adults aged 45 to 65

# Formal Minutes

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**Tuesday 18 April 2023**

**Members present:**

Darren Jones, in the Chair

Jane Hunt

Mark Jenkinson

Ian Lavery

Andy McDonald

Mark Pawsey

Draft Report (*Post-pandemic economic growth: UK labour markets*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 215 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Tenth Report of the Committee to the House.

*Ordered*, That data from the Workforce Leavers Poll conducted by Deltapoll on behalf of the Committee be appended to the Report.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

**Adjournment**

[Adjourned till Tuesday 25 April at 9:45am]

## Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 19 July 2022

**Jane Gratton**, Head of People Policy, British Chambers of Commerce; **Stephen Phipson CBE**, Chief Executive Officer, MakeUK; **Ms Claire Tunley**, Chief Executive, Financial Services Skills Commission; **Matthew Percival**, Director for Skills and Inclusion, Confederation of British Industry (CBI)

[Q1–28](#)

**David Fry**, Director, Office of Manpower Economics, Department for Business, Energy & Industrial Strategy; **Frances O'Grady**, General Secretary, Trade Union Congress (TUC); **Neil Carberry**, Chief Executive, Recruitment and Employment Confederation; **Mike Keoghan**, Deputy National Statistician, Office for National Statistics

[Q29–64](#)

### Tuesday 15 November 2022

**Andrew Pakes**, Deputy General Secretary and Research Director, Prospect Union; **Brian Palmer**, Head of Public Policy Europe, Amazon; **Charlotte Holloway**, Government Relations Director, Zoom; **Neil Ross**, Associate Director for Policy, techUK

[Q65–116](#)

**Laurence Turner**, Head of Research and Policy, GMB; **Anna Thomas**, Co-Founder and Director, Institute for the Future of Work; **Tania Bowers**, Global Public Policy Director, Association of Professional Staffing Companies (APSCO); **Carly Kind**, Director, Ada Lovelace Institute

[Q117–136](#)

### Tuesday 29 November 2022

**Jennifer Sole**, Co-Chair of the ELA Working Party, Employment Lawyers Association (ELA); **Ms Alexandra Hall-Chen**, Advisor for Sustainability, Skills, and Employment, Institute of Directors; **Hannah Reed**, Co-ordinator of Constitutional Affairs, Unite Union

[Q137–171](#)

**Margaret Beels**, Director of Labour Market Enforcement, BEIS

[Q172–193](#)

### Tuesday 10 January 2023

**Joeli Brearley**, Founder and CEO, Pregnant Then Screwed; **Sarah Douglas**, Director, Liminal Space; **Lizzie Penny**, Co-Founder and Joint CEO, Workstyle Revolution

[Q194–236](#)

**Professor Keith Ewing**, President, Institute of Employment Rights; **Kate Dearden**, Head of Research, Policy and External Relations, Community Trade Union; **Philippa Childs**, Head of Bectu Sector, Prospect Union

[Q237–268](#)

### Tuesday 21 February 2023

**Tony Wilson**, Director, Institute for Employment Studies; **Lucy Standing**, Co-Founder, Bravestarts; **Tim Balcon**, Chief Executive, Construction Industry Training Board

[Q269–298](#)

**Kevin Hollinrake MP**, Parliamentary Under-Secretary of State, Department for Business and Trade; **Mike Warren**, Director, Department for Business and Trade

[Q299–338](#)

## Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

ULM numbers are generated by the evidence processing system and so may not be complete.

- 1 (ISC)2 ([ULM0047](#))
- 2 55/Redefined ([ULM0004](#))
- 3 ABPI (The Association of the British Pharmaceutical Industry) ([ULM0060](#))
- 4 ADS Group ([ULM0095](#))
- 5 ALP ([ULM0010](#))
- 6 Actuate UK ([ULM0050](#))
- 7 Ada Lovelace Institute ([ULM0107](#))
- 8 Amazon ([ULM0111](#))
- 9 Amazon ([ULM0119](#))
- 10 Amazon ([ULM0120](#))
- 11 Amazon ([ULM0086](#))
- 12 Association of Colleges ([ULM0029](#))
- 13 Association of Professional Staffing Companies (Global) Ltd (APSCo) ([ULM0006](#))
- 14 Authors' Licensing and Collection Society ([ULM0098](#))
- 15 Barwick, Mr Steve (Future Social Care Coalition Secretariat, DevoConnect); and Morris, Ms Gill (Future Social Care Coalition Secretariat, DevoConnect) ([ULM0062](#))
- 16 Bright Horizons Family Solutions ([ULM0059](#))
- 17 British Retail Consortium ([ULM0056](#))
- 18 Bureau of Investigative Journalism ([ULM0118](#))
- 19 CIPD ([ULM0077](#))
- 20 Cao, Dr Xuebing (Senior Lecturer in Human Resource Management, Keele University) ([ULM0041](#))
- 21 Carnegie UK Trust ([ULM0109](#))
- 22 Centre for Ageing Better ([ULM0112](#))
- 23 Centre for Ageing Better ([ULM0031](#))
- 24 Centre for Care, University of Sheffield ([ULM0033](#))
- 25 Chartered Management Institute ([ULM0025](#))
- 26 City & Guilds ([ULM0104](#))
- 27 Communication Workers Union ([ULM0046](#))
- 28 Community Trade Union ([ULM0040](#))
- 29 Confederation of Business Industry (CBI) ([ULM0085](#))
- 30 Confederation of Forest Industries - Confor ([ULM0092](#))
- 31 Construction Industry Training Board ([ULM0026](#))
- 32 Construction Leadership Council ([ULM0094](#))

- 33 Dagilyte, Dr Egle (Associate Professor in European Law and Society, Anglia Ruskin University); Drydakis, Professor Nick (Director of the Centre for Pluralist Economics, Anglia Ruskin University); Gillin, Dr Nicola (Research Fellow, Anglia Ruskin University); Greenfields, Professor Margaret (Professor of Social Policy, Anglia Ruskin University); Noble, Dr Andrew (Senior Lecturer in Employment Law, Anglia Ruskin University); Paraskevopoulou, Dr Anna (Senior Lecturer in Human Resource Management and Leadership, Anglia Ruskin University); and Smith, Dr David (Associate Professor in Social Policy, Anglia Ruskin University) ([ULM0083](#))
- 34 Deliveroo ([ULM0081](#))
- 35 Department for Business, Energy & Industrial Strategy ([ULM0093](#))
- 36 E.ON UK ([ULM0066](#))
- 37 EDF ([ULM0022](#))
- 38 Employment Lawyers Association ([ULM0088](#))
- 39 Equality and Human Rights Commission ([ULM0051](#))
- 40 Ewing, Kate (PhD Candidate, Pompeu Fabra University, Barcelona) ([ULM0016](#))
- 41 Federation of Small Businesses ([ULM0038](#))
- 42 Financial Services Skills Commission ([ULM0101](#))
- 43 Focus on Labour Exploitation (FLEX) ([ULM0030](#))
- 44 Food and Drink Federation (FDF) ([ULM0090](#))
- 45 Foxglove Legal ([ULM0110](#))
- 46 Free Trade Europa ([ULM0102](#))
- 47 Freelance Movement ([ULM0105](#))
- 48 Global Counsel ([ULM0024](#))
- 49 Green Alliance ([ULM0013](#))
- 50 Harris, Rebecca Seeley (Employment Status, IR35 and Off-payroll Expert, Re Legal Consulting Ltd) ([ULM0075](#))
- 51 Heart of London Business Alliance ([ULM0103](#))
- 52 ICAS ([ULM0027](#))
- 53 IPSE (The Association of Independent Professionals and the Self-Employed) ([ULM0069](#))
- 54 Institute of Employment Rights (IER) ([ULM0048](#))
- 55 Institute for the Future of Work ([ULM0082](#))
- 56 Joint Industry Board for the Electrical Contracting Industry ([ULM0039](#))
- 57 Joseph Rowntree Foundation ([ULM0014](#))
- 58 Lewis Silkin LLP ([ULM0072](#))
- 59 Liminal Space ([ULM0113](#))
- 60 London Chamber of Commerce and Industry ([ULM0096](#))
- 61 London Councils ([ULM0071](#))
- 62 Low Incomes Tax Reform Group ([ULM0043](#))
- 63 Make UK ([ULM0076](#))
- 64 Maternity Action ([ULM0009](#))



- 65 NCFE ([ULM0032](#))
- 66 NHBF – National Hair and Beauty Federation ([ULM0058](#))
- 67 National Association of Schoolmasters Union of Women Teachers (NASUWT) ([ULM0036](#))
- 68 National Farmers Union Scotland ([ULM0005](#))
- 69 National Farmers' Union (NFU) ([ULM0089](#))
- 70 Newcastle University ([ULM0011](#))
- 71 Office for National Statistics ([ULM0116](#))
- 72 Office for National Statistics ([ULM0097](#))
- 73 Office of the Director of Labour Market Enforcement ([ULM0080](#))
- 74 Organise ([ULM0108](#))
- 75 Ornamental Horticulture Roundtable Group Education & Employment Sub-Committee ([ULM0018](#))
- 76 Phillips, John (business & technical consultant, jph) ([ULM0001](#))
- 77 Prospect Trade Union ([ULM0052](#))
- 78 PwC ([ULM0045](#))
- 79 ReWAGE (University of Warwick) ([ULM0106](#))
- 80 Recruitment and Employment Confederation ([ULM0054](#))
- 81 SAFERjobs Community Interest Company ([ULM0070](#))
- 82 Simmons, Mr Richard (Visiting Research Fellow, University of Hertfordshire); and Culkin, Professor Nigel (Professor, University of Hertfordshire) ([ULM0015](#))
- 83 SIPHER Consortium ([ULM0065](#))
- 84 Seetec ([ULM0023](#))
- 85 Shaw Trust ([ULM0008](#))
- 86 techUK ([ULM0068](#))
- 87 The Careers & Enterprise Company ([ULM0042](#))
- 88 The Edge Foundation ([ULM0017](#))
- 89 The HR Dept ([ULM0028](#))
- 90 The Ivors Academy ([ULM0079](#))
- 91 The Office of the Director of Labour Market Enforcement ([ULM0117](#), [ULM0121](#), [ULM0122](#))
- 92 The Open University ([ULM0063](#))
- 93 The Royal Society of Edinburgh ([ULM0099](#))
- 94 The Work Foundation ([ULM0078](#))
- 95 TUC ([ULM0064](#))
- 96 UK Warehousing Association ([ULM0100](#))
- 97 UKHospitality ([ULM0067](#))
- 98 UNISON ([ULM0003](#))
- 99 Uber ([ULM0087](#))

- 100 Ufi VocTech Trust ([ULM0037](#))
- 101 Unchecked UK ([ULM0034](#))
- 102 University College London; and The British Academy ([ULM0019](#))
- 103 University of York ([ULM0007](#))
- 104 Upwork.com ([ULM0091](#))
- 105 Usdaw ([ULM0057](#))
- 106 Vaillant Group UK Ltd ([ULM0049](#))
- 107 WMG, The University of Warwick ([ULM0073](#))
- 108 WMG, The University of Warwick ([ULM0074](#))
- 109 Weldon-Johns, Dr Michelle (Senior Lecturer, Abertay University) ([ULM0020](#))
- 110 Welsh Government ([ULM0061](#))
- 111 West Sussex Growers Association ([ULM0053](#))
- 112 Willment, Dr Nina (Research Associate, XR Stories / University of York) ([ULM0002](#))
- 113 Women's Budget Group ([ULM0012](#))
- 114 Workstyle Revolution ([ULM0115](#))
- 115 Workstyle Revolution ([ULM0114](#))
- 116 Workstyle Revolution ([ULM0084](#))
- 117 Youth Employment UK ([ULM0021](#))
- 118 Zoom ([ULM0055](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

### Session 2022–23

Number	Title	Reference
1st	Pre-appointment hearing with the Government's preferred candidate for Chair of the Competition and Markets Authority	HC 523
2nd	Draft Legislative Reform (Provision of Information etc. relating to disabilities) Order 2022	HC 522
3rd	Energy pricing and the future of the Energy Market	HC 236
4th	Post-pandemic economic growth: state aid and post-Brexit competition policy	HC 759
5th	The semiconductor industry in the UK	HC 291
6th	The semiconductor industry in the UK: Government response	HC 1115
7th	Royal Mail	HC 1045
8th	Memorandum of Understanding on scrutiny of the Investment Security Unit	HC 1235
9th	UK plc	HC 1120
1st Special	Decarbonising heat in homes: Government Response to the Committee's Seventh Report of 2021–22	HC 208
2nd Special	Energy pricing and the future of the energy market: Responses to the Committee's Third Report of Session 2022–23	HC 761
3rd Special	Post pandemic economic growth: State aid and post-Brexit competition policy: Responses to the Committee's Fourth Report of Session 2022–23	HC 1078

### Session 2021–22

Number	Title	Reference
1st	Post-pandemic economic growth: Industrial policy in the UK	HC 385
2nd	Climate Assembly UK: where are we now?	HC 546
3rd	Post-pandemic economic growth: Levelling up	HC 566
4th	Liberty Steel and the future of the UK steel Industry	HC 821
5th	Pre-legislative scrutiny: draft Downstream Oil Resilience Bill	HC 820
6th	Pre-appointment hearing of the Government's preferred candidate for Chair of the Financial Reporting Council	HC 1079
7th	Decarbonising heat in homes	HC 1038

Number	Title	Reference
8th	Post Office and Horizon - Compensation: interim report	HC 1129
9th	Revised (Draft) National Policy Statement for Energy	HC 1151
10th	Draft Legislative Reform (Renewal of National Radio Multiplex Licences) Order 2022	HC 1199
1st Special	Decarbonising heat in homes: Government Response to the Committee's Seventh Report of 2021–22	HC 208
2nd Special	Net Zero and UN Climate Summits: Scrutiny of Preparations for COP26—interim report: Government Response to the Committee's Third Report of Session 2019–21	HC 120
3rd Special	Uyghur forced labour in Xinjiang and UK value chains: Government Response to the Committee's Fifth Report of Session 2019–21	HC 241
4th Special	Mineworkers' Pension Scheme: Government Response to the Committee's Sixth Report of Session 2019–21	HC 386
5th Special	Climate Assembly UK: where are we now?: Government Response to the Committee's Second Report	HC 680
6th Special	Post-pandemic economic growth: Industrial policy in the UK: Government Response to the Committee's First Report	HC 71
7th Special	Post-pandemic economic growth: Levelling up: Government Response to the Committee's Third Report	HC 924
8th Special	Liberty Steel and the Future of the UK Steel Industry: Government Response to the Committee's Fourth Report	HC 1123
9th Special	Pre-legislative scrutiny: draft Downstream Oil Resilience Bill. Government Response to the Committee's Fifth Report	HC 1177
10th Special	Post Office and Horizon – Compensation: interim report. Government Response to the Committee's Eighth Report	HC 1267

### Session 2019–21

Number	Title	Reference
1st	My BEIS inquiry: proposals from the public	HC 612
2nd	The impact of Coronavirus on businesses and workers: interim pre-Budget report	HC 1264
3rd	Net Zero and UN Climate Summits: Scrutiny of Preparations for COP26 – interim report	HC 1265
4th	Pre-appointment hearing with the Government's preferred candidate for the Chair of the Regulatory Policy Committee	HC 1271
5th	Uyghur forced labour in Xinjiang and UK value chains	HC 1272
6th	Mineworkers' Pension Scheme	HC 1346
1st Special	Automation and the future of work: Government Response to the Committee's Twenty-third Report of Session 2017–19	HC 240
2nd Special	Future of the Post Office Network: Government Response to the Committee's First Report of Session 2019	HC 382

<b>Number</b>	<b>Title</b>	<b>Reference</b>
3rd Special	Safety of Electrical Goods in the UK: follow-up: Government Response to the Committee's second report of Session 2019	HC 494
4th Special	COP26: Principles and priorities—a POST survey of expert views	HC 1000