



Department for
Business, Energy
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP
Secretary of State
Department for Business,
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1 Victoria Street
London
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Rt Hon Stephen Timms MP and Darren Jones MP,
Chairs Work and Pensions Committee and Business,
Energy and Industrial Strategy Committee,
House of Commons
London, SW1A 0AA

21 May 2021

Dear Darren and Stephen,

Thank you for your letter of 14 May about the Employment Bill.

The Government has been unequivocal in its commitment to protect and enhance workers' rights as build back better from the pandemic, and the Employment Bill will be a central part of our efforts. Through this critical legislation, we will ensure a high skilled, high productivity, high wage economy that delivers on our ambition to make the UK the best place in the world to work and grow a business.

I want the Employment Bill to position this country to address the challenges highlighted by this unprecedented crisis, and to seize the opportunities that the post-COVID landscape will present to work differently.

We therefore intend to bring forward all our measures to protect and enhance workers' rights as part of the Employment Bill, which will be introduced when the time is right, not while the pandemic is ongoing and continuing to affect the economy and the labour market in sometimes unpredictable ways. It would be wrong to infer that the Government is not committed to protecting workers' rights in the here and now. On the contrary, as you will be well aware, we have been and remain committed to taking wide-ranging action to support businesses and protect jobs.

Over the past year this Government has provided an unprecedented package of support to workers. The furlough scheme was a first of its kind intervention in UK political history, delivered at scale, devised in rapid time, that protected millions of British families during the pandemic.

In April this year, around 2 million of the UK's lowest-paid workers benefited from increases to the National Living Wage and National Minimum Wage. The rate rises include a 2.2% increase in the National Living Wage to £8.91, the equivalent of more than £345 extra per year for someone working full-time.

Those are just two of the most visible steps we have taken. The Government has also taken the following action which has supported workers through the pandemic:

- Enabled workers to carry over more annual leave;
- Protected the earnings of furloughed workers who take Maternity Pay and other forms of Parental or Adoption Pay;
- Brought into force 'Jack's Law', a world-first, which gives statutory leave for parents who suffer the devastating loss of a child;
- Introduced Key Information Documents to ensure that temporary work-seekers have all the facts on what they will be paid upfront;

- Increased the reference period employers use to calculate holiday pay, to improve seasonal workers' wages;
- Extended eligibility for the minimum wage to thousands of seafarers; and
- Published our review into how employers can support victims of domestic abuse in the workplace.

We have also brought forward secondary legislation to protect and enhance workers' rights, including:

- Closing a loophole which sees agency workers employed on lower rates than permanent workers;
- Quadrupling the maximum fine for employers who treat their workers badly; and
- Giving all workers the right to receive a statement of their rights from day one.

We will continue to review options for further secondary legislation. Earlier this year, for example, we consulted on extending the ban on exclusivity clauses to contracts where the guaranteed income was below the Lower Earnings Limit to help ensure vulnerable workers can boost their weekly income with additional work if they want to do so. We are currently considering the responses and will publish the Government Response in due course.

With regards to court judgments, the employment tribunal system allows careful, expert consideration of employment disputes which are often complex or may not be clear cut. Case law from employment tribunals allow our laws to evolve and develop to reflect changing working practices, and targeted state enforcement protects the most vulnerable workers. The recent Supreme Court judgments on Uber and care workers in 'sleep-in' shifts were both clear and upheld employment law as it stands. The Government is considering options to further clarify the law and provide greater clarity for individuals and businesses where there has been fast moving case law and will continue to engage key stakeholders on this issue on how best to achieve this.

Finally, I would like to assure the Committees that BEIS and DWP work closely together on areas of mutual interest such as employment and labour market policy both at Ministerial level and at official level.

I am also copying this letter to the Leader of the House of Commons.

Yours sincerely,



RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy and Industrial Strategy



Work and Pensions Committee

Business, Energy and Industrial Strategy Committee

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From the Chairs

Rt Hon Kwasi Kwarteng MP
Secretary of State
Department for Business, Energy & Industrial Strategy
1 Victoria Street
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14 May 2021

Dear Kwasi,

Employment Bill

The impact of coronavirus has been felt acutely by people in precarious and low paid work. That makes it all the more important to clarify the law on employment status, to protect people's rights at work.

We were, therefore, surprised to see no mention of the Employment Bill in the Queen's Speech this week.

The Queen's Speech in December 2019 announced that the Government would introduce an Employment Bill. The explanatory notes to the Queen's Speech said that one of the purposes of the Bill was to "build on existing employment law with measures that protect those in low-paid work and the gig economy". The Bill was, however, never published.

The Work and Pensions Committee, in its June 2020 report on [DWP's response to the coronavirus outbreak](#), recommended that the Government should "*bring forward the Employment Bill for parliamentary scrutiny as soon as possible, to increase the legal protection available to people in low-paid work and the gig economy.*"

In response, DWP told us that:

At the Queen's Speech, Government committed to bring forward an Employment Bill and the Department for Business, Energy & Industrial Strategy will bring forward detailed proposals on legislation in due course. The Minister for Employment is due to meet the lead Minister for the Bill in September.

You will also be aware of the Business, Energy and Industrial Strategy Committee's long-standing interest in the Employment Bill, and the Committee's intention to launch an inquiry into it as one strand of its broader Post-Pandemic Economic Growth inquiry.

Please could you let us know the following:

1. Why was there no mention of the Employment Bill in the recent Queen's Speech?
2. Does the Government still plan to legislate in this area? If so, when do you expect to bring forward proposals?
3. What discussions have taken place between Ministers in BEIS and DWP about the Bill?
4. What plans do you have to amend employment law through secondary legislation in this session?
5. How does the Government intend to keep pace with fast-moving employment-related court judgements, in the absence of the Employment Bill?
6. Will any of the measures initially mooted to be implemented through the Employment Bill be contained in any of the other bills announced in the Queen's Speech?

We would be grateful for a reply by 21 May.

Yours sincerely,



Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee



Darren Jones MP
Chair, Business, Energy and Industrial
Strategy Committee