

## Government Response to Taylor Review into Good Work

United Kingdom

08.02.2018

"Millions to benefit from enhanced rights" states the government's press release announcing their response to Matthew Taylor's Review into Good Work (click [here](#) to read our previous law-now on the Review). At this stage, firm plans are not available as the four detailed consultation documents accompanying the announcement yesterday contain a wide range of options for change.

For employers who have been waiting for the Taylor Review response to ascertain whether it will be necessary to change the legal status of parts of their workforce, or their hiring models, there is nothing contained in yesterday's announcements that will prompt immediate action. It would appear that the three tier system of legal status (employee, worker, self-employed) will remain, subject to possible changes around the legal tests applied.

We have set out below an overview of the changes and plan to provide a more detailed review in due course.

**Workers' rights** - The government has said it will seek to protect workers' rights by:

- taking further action to ensure unpaid interns are not doing the job of a worker;
- introducing a new naming scheme for employers who fail to pay employment tribunal awards;
- quadrupling employment tribunal fines for employers showing malice, spite or gross oversight to £20,000 and considering increasing penalties for employers who have previously lost similar cases.

**Fair pay** - The government say that it will ensure workers are paid fairly by:

- providing all 1.2 million agency workers with a clear breakdown of who pays them and any costs or charges deducted from their wages;
- asking the Low Pay Commission to consider the impact of higher minimum wage rates for workers on zero-hour contracts;
- considering repealing laws allowing agencies to employ workers on cheaper rates.

**Transparency** - The government say that it will increase transparency in the business environment by:

- defining 'working time' for flexible workers who find jobs through apps or online so they know when they should be being paid;
- launching a task force with business to promote awareness and take-up of the right to request flexible working introduced in 2014;
- making sure new and expectant mothers know their workplace rights and raise awareness amongst employers of their obligations;
- launching a new campaign to encourage more working parents to share childcare through Shared Parental Leave - a right introduced in 2015.

**Consultations** have been launched to cover:

- Enforcement of employment rights recommendations;
- Agency workers recommendations;
- Measures to increase transparency in the UK labour market;
- Employment status.

The final point - employment status - is what most businesses will be concerned about. Although it seems clear that the three tier status system will remain, the consultation document asks a variety of questions aimed at improving the current system. For example, whether the main principles of mutuality, personal service and control should be codified into primary legislation, whether these three tests are still relevant today, and if there might be a better way of looking at employment status?

Under consideration is a test based on objective criteria such as the length of the engagement, as is the position in Germany. Alternatively, should clarity be achieved by non-legislative changes? At this stage, it is not possible to determine what approach will be taken, and this is a debate that will rumble on for some time. The status consultation closes on 1st June 2018.

Click [here](#) to read the government press release.

### KEY CONTACTS



**Alison Woods**

Partner, Aberdeen

Co-Head of Employment

+44 1224 267 176

[alison.woods@cms-cmno.com](mailto:alison.woods@cms-cmno.com)



**Melanie Lane**

Partner, London

+44 20 7067 3653

[melanie.lane@cms-cmno.com](mailto:melanie.lane@cms-cmno.com)

