



day 2, which would guard against this unintended consequence whilst still improving conditions for employees.

3. Too short a reference period for employees on zero hours contracts taking a guaranteed regular hours contract

The Government's proposal for a reference period of just 12 weeks (the timeframe which would determine an employee's regular hours of work once they are moved onto a guaranteed regular hours contract) is too short a period for employers in seasonal industries.

This reference period needs to reflect the reality of seasonal and fluctuating demand. Employers tell us they will be disincentivised in hiring for periods lasting twelve weeks or longer, or will not hire, for fear of having to provide guaranteed work in quieter periods, when the demand for products or services is simply not there. We are therefore proposing a minimum reference period of 26 weeks.

4. Changes to Trade Union recognition and industrial action thresholds

The removal of turnout and qualified majority thresholds, as well as the union recognition threshold being lowered to 2%, threatens to create more incidents of industrial action while not being truly representative of the workforce. Business' view is that the current settlement with trade unions represents a good balance between the right of workers to take industrial action and employers being able to provide efficient and consistent operations. There are already rising demands and workloads on ACAS too, which will be exacerbated by these changes.

5. Amending contractual terms across a workforce without giving rise to claims of unfair dismissal

Businesses have concerns that the provisions in the Bill on so called 'fire and rehire' would not allow them to vary employment contract terms such as change of office location, job descriptions and duties, or training, without the threat of unfair dismissal.

The Government has recently tabled amendments to the Bill that have set out a list of contractual terms that would be 'restricted' i.e. if amended in a contract without agreement, would make automatic unfair dismissal protections apply. But the Bill also gives the Secretary of State the power to extend these through secondary legislation and give 'enhanced protections' to changes not on the specified list. Businesses are therefore pleased to see progress in this area but remain concerned that they could be limited in the future in making reasonable changes in response to societal or technological changes.

How businesses feel about these proposed changes

1,200 businesses across the British Chambers of Commerce UK network were surveyed in January and February this year, on their reaction to the changes in employment policy and increases to Employer National Insurance Contributions:

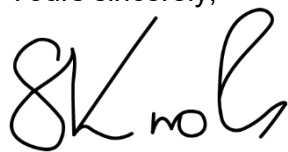
- 33% of businesses said that the proposed changes to statutory sick pay would lead to changes in their recruitment plans, whilst 25% said that proposed changes to zero hours contracts would do the same.
- When businesses were asked if they felt that Government was consulting properly on new policies and assessing their impact, 81% and 79% disagreed with those statements respectively.
- On Government policy more generally, 69% of businesses felt this was one of the most significant barriers to growth, with market conditions/customer demand the second most cited, at 39%.

If these changes to employment law go ahead as planned over the next few years, taken with the recent increases to Employer National Insurance Contributions and continued skills shortages, there could be a chilling effect on business appetite to hire and invest. These policies will negatively impact the Government's Growth and Opportunity for All Missions and how people are feeling about the economy, with all the political consequences that entails.

On behalf of businesses who are based in your constituency and employ your constituents, I urge you to speak with the relevant Ministers in the Department for Business and Trade and the Ministry for Housing, Communities and Local Government to raise these concerns. Together, we can shape a Bill that works for both employers and employees and support economic growth for the long-term.

I look forward to discussing this with you when we next speak, or I would be happy to arrange a meeting or call to discuss further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'SK Knowles'.

Scott Knowles DL
CHIEF EXECUTIVE