

## Agency workers to enjoy rights after 12 weeks

Agency staff will enjoy the same employment rights as permanent staff under new proposals agreed on Tuesday 20th May 2008 between the Government and Unions. Legislation will be introduced this autumn, depending on a similar EU directive being passed before then. The move has been warmly welcomed by unions but described as "disastrous" by a business group.

The Government announced that under the new agreement, agency staff will be entitled to equal treatment on pay, overtime arrangements and holiday entitlement after 12 weeks in a given job. The deal will not cover pensions or sick pay, and temporary staff will have to work the same length of time as full-time workers to get paid maternity leave.

John Hutton, Secretary of State for Business, said: "The agreement achieves our twin objectives of flexibility for British employers and fairness for workers. It will give people a fair deal at work without putting their jobs at risk or cutting off a valuable route into employment."

Equal treatment will be defined to mean at least the basic working and employment conditions that would apply if agency workers had been recruited directly by an employer.

### Unions Delighted, But not Business

Unions have been campaigning for this measure for years. Unite joint leader Tony Woodley said: "This is a landmark deal for 1.4 million agency workers currently working in the UK. The Government has listened, acted and paved the way to equal treatment in the workplace."

TUC general secretary Brendan Barber was in agreement, saying: "The agreement now opens the door to the much stronger legal protection that agency workers deserve, as our Commission on Vulnerable Employment so graphically highlighted."

But groups including the British Chambers of Commerce, Institute of Directors and Engineering Employers Federation warned it would hit the UK's flexible labour market.

Tina Sommer, the [Federation of Small Businesses](#) said: "This is a disastrous deal for small businesses, which rely on the flexibility provided by agency workers. Part of the reason for the UK's relative economic success in the past decade has been the flexibility of its workforce. This deal could put all that at risk at the worst possible time. After month-on-month increases in unemployment and with economic growth at its lowest point since the last recession, this is the last thing small businesses need."

The CBI described today's agreement as the "least worst option", whilst the Engineering Employers Federation commented that "This is a bad day for business and represents yet another brick in the wall of labour market rigidity in the UK."

### EU Legislation

The Government is hopeful that resolving the issue will mean UK workers will continue to be able to opt-out of the European working time directive, which is equally vital to the future of the British economy.

The Government will discuss with other European governments how to reach an agreement on a new EU agency workers directive that will enable the deal to be brought into legal effect in the UK. Members of the European Union are currently debating legislation on the issue and a number of key issues remain undecided. The UK government will only be able to implement legislation when Brussels passes a directive.

### Contractors Need to Be Excluded

Our own [survey results](#) released in April this year showed that nearly 100% of contractors didn't want employment rights and were happy with the current conditions, with 91% saying they earn more as contractors. "Professional contractors are clearly not vulnerable and don't want this," says Dave Chaplin, CEO of leading contractor website ContractorCalculator. "The Government needs to ensure that any new legislation doesn't unintentionally include this group, who are a key part of the flexible Labour Force," Chaplin adds.

The [Professional Contractors Group](#) (PCG), which represents the UK's freelancers, reassured its members that the agreement today will not have any immediate impact on them.

"The deal announced today represents the Government's new negotiating position on the Agency Workers Directive – no more, no

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John Hutton - Secretary of State for Business

“ This is a disastrous deal for small businesses. ”

Tina Sommer - Federation of Small Businesses

less," commented PCG's managing director John Brazier. "As with all other aspects of the Directive, it is not at all clear that freelancers are in scope: the precise scope of the measure will not be decided until the Government comes to implement it in the UK."

PCG's long-standing position is that it does not object to protection being extended to the genuinely vulnerable, but that any such measure must be very carefully defined, to avoid creating unintended consequences for freelance professionals, who are not vulnerable.

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Dave Chaplin is a former IT contractor in the City of London, and is founder and CEO of ContractorCalculator, and author of the Contractors' Handbook.

Started in 1999, ContractorCalculator (this site) is the leading independent website for the UK contracting industry - most of whom are highly skilled knowledge workers. [Read Full Profile...](#)

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