

Government could control the agency workers directive threat to contracting

The Government seems close to resolving the issues raised by the [Agency Workers Directive](#).

Two-Pronged Strategy

A two-pronged strategy is being pursued.

Brown Working Hard in Brussels Whilst...

On the one hand, prime minister Gordon Brown is involved in intensive negotiations in Brussels to limit UK exposure to the proposed law. It is possible that a solution will be arrived at with an effective 'opt-out' for the UK. According to industry sources, Brown also raised the topic with French President Nicolas Sarkozy during his recent visit to the UK--France will take over the presidency of the Council of Europe in June and will be responsible for managing this issue on the agenda.

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On the other hand, a further development has emerged regarding the proposal, which also came out of No. 10, to create a joint commission with the London-based [Confederation of British Industry](#) which has strongly opposed the directive--and the London-based [Trade Union Congress](#) which has been lobbying hard in its support. This proposal is part of a far-reaching legal strategy pursued by the Government, as ContractorCalculator has learned.

It turns out that the text of the Agency Workers Directive now permits a national government to delegate the administration in this area to an agency or organ. It appears that under the terms of the directive, the joint commission could play this role. The commission could thus, at least in theory, create a policy for the UK contracting industry which would not savage it in the manner that the terms of the directive propose--by obliging all contractors to have employment rights, the law would cost UK contractors 250,000 jobs according to a CBI study, and would significantly raise the cost of contracting to businesses.

Commission Could Protect Contracting

The joint commission could, again in theory, at least mitigate some of the worst aspects of the legislation--for example, the call for contractors to be given employment rights after the first six days of any contract. The CBI would like to see this period lengthened to that of at least one year. Then perhaps an exemption for high-technology workers could be negotiated.

For now, the CBI will not comment on these developments, and the Trade Union Confederation has not changed its hard-line stance in support of the aspects of this legislation most threatening to contractors. Neither organisation made a commitment to taking part in the joint commission, although the CBI has agreed to do so if there is assurance that its voice will be heard--there is a fear on the part of business that the commission will be in control of organised labour.

Clearly, the two organisations are still not close to agreement on the proposal.

The London-based [Recruitment and Employment Organisation](#) is supporting the Government's efforts. Says Tom Hadley, the REC's director of External Relations: "Ultimately, the aim must be to ensure that any Directive includes sufficient flexibility to be workable in the UK. Within this context, the REC remains optimistic that any political compromise will not have a negative impact on the UK agency workers' market."

"It is in nobody's interests to jeopardise the opportunities that agency work provides for workers and the vital resource that it affords to employers," Hadley adds.

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