

Employment Legislation: Holding back recovery?

Can employers drive a sustainable recovery and create new jobs over the next few years? The British Chambers of Commerce's first regulation and tax timeline estimates that new requirements will have a net cost to business of £25.6bn between April 2010 and April 2014, with no less than eight major changes in 2011 alone. The planned increase in National Insurance Contributions constitutes a huge proportion of the total cost. The figures are taken from the Government's own impact assessments, which are designed to evaluate the risks, costs and benefits of regulatory proposals. **Will the next Parliament add to these burdens - or free businesses to promote growth?**

Technical Notes

The timeline shows the employment legislative landscape for the forthcoming four years, from April of 2010. April is chosen because it is the first of two annual common commencement dates.

The cumulative total is the sum of the listed regulations' net one-off costs and net annual recurring costs from the date of their inception up until April 2014.

Figures are counted between 1 April 2010 and 1 April 2014. Where only half a year needs to be counted, i.e. from October 2013 to April 2014, the cost is divided by two and added to the total.

All figures, apart from the National Minimum Wage figures and NIC increases, are derived from Government Impact Assessments (IAs), which accompany the regulations.

All government departments are required to complete IAs that evaluate the risks, costs and benefits of any new regulatory proposal that has an impact on business.

The figures represent the costs to businesses, net of benefits accruing to businesses from the regulatory changes. Where a range of costs or benefits is given, the mid-point of the range is taken.

The cost to the employer of NIC increases in 2011 is taken from the 2009 Pre-Budget Report.

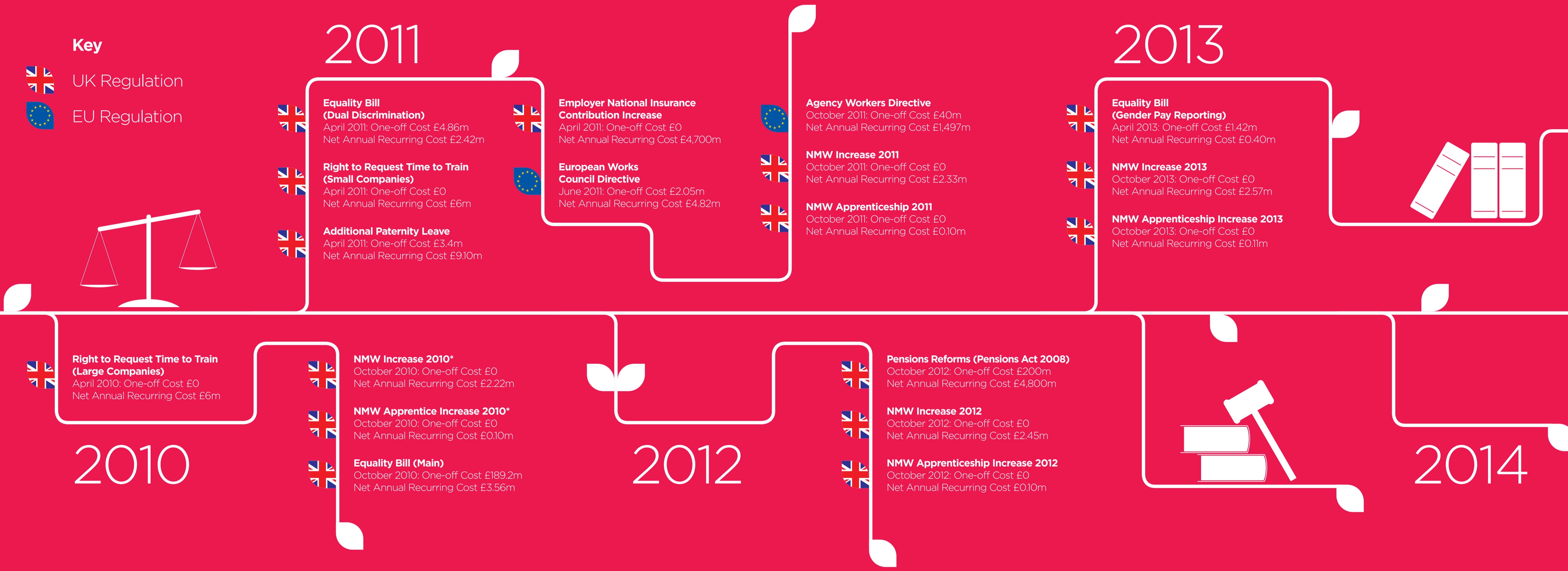
The 'potential regulations' section figures are not included in the final total. As the title suggests, the implementation of these regulations are not yet definite.

* NMW wage increases are calculated on the basis of the average increase of each of the different rates over their entire history. The number of employees receiving these increases is taken from the Government's NMW IA methodology. The BCC estimate is very conservative. For example, the 2008 NMW increase IA estimated a maximum cost to business of £62 million.

* For increases in the NMW Apprenticeship rates, the annual increase is assumed to be the same as the 16-17 year-old rate increase for the NMW.

Key

-  UK Regulation
-  EU Regulation



Possible Regulations

 UK Regulation	 EU Regulation	 EU Regulation
Request Time Off For Civic Duty	Parental Leave Directive	Pregnant Workers Directive
One-off Cost: £0	One-off Cost: £0	One-off Cost: £0
Net Annual Recurring Cost: £18m	Net Annual Recurring Cost: £9.55m	Net Annual Recurring Cost: £2.45m

Cumulative Cost to Business 2010-2014:

£25.6bn