

UK Government to free business from red tape

In a speech in mid March to the [Federation of Small Businesses](#) in Liverpool, [Mark Prisk](#) ([Minister of State](#) for [Business and Enterprise](#)) revealed [Business Secretary Vince Cable's](#) (who was recalled to a meeting at [10 Downing Street](#)) plans for a range of measures to be included in the Growth Review that will allow businesses to grow, including:

- a public audit of almost 22,000 statutory instruments that are currently on the statute book; and
- a moratorium to exempt businesses with fewer than ten employees and genuine start-ups from new domestic regulation for three years.

[Philip Henson](#), Partner, and head of employment law @ Bargate Murray solicitors says:

In my view it is rather unhelpful to be so vague about the proposals, and why set ten employees as the fixed upper limit? Is there a risk that expanding businesses will actually restrain themselves from expanding or recruiting more staff so they can reap the perceived benefit of the exemptions; or perhaps increase in size by taking self-employed consultants, not employees? What if companies sought to divide their staff into another associated company, so each was left with less than 10 employees? Is the government able to give such exemptions in any event? Is it regulations that are preventing economic growth, or access to capital and affordable business premises. Perhaps helping start-up companies pay increasingly high business rates my help instead.

Such proposals could create a two tier business platform in the future. Say a new employment law came onto the statute books this year prohibiting organisations from discriminating against people who were 6 foot tall or above, would the company with less than 10 employees have an absolute exemption from any claims if they dismiss an employee solely based on his height? What if such a law or regulation derived from European Legislation, but was brought into effect by UK regulations. Will companies with less than 10 employees be told that they will not be exempt from such regulations. If so how will this be communicated – will new legislation be colour coded? I doubt it.

Other measures, identified as part of the growth review into regulation include:

- Repealing the regulations extending the right to request flexible working to parents of 17 year olds for all businesses, which was due to be introduced on 6 April 2011;
- Not extending the right to request time off to train for firms with less than 250 people;
- Introducing more transparency into [the Government's](#) One-in, One-out rule by publishing the opinions of the Regulatory Policy Committee where they do not believe the evidence supports a new regulation; and
- Lightening the audit requirements of smaller firms by matching the minimum required by [EU directives](#), freeing small companies from unnecessary audit fees.

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