



Department
for Business
Innovation & Skills

MODERN WORKPLACES

Right to Request Flexible
Working Impact Assessment:
Revised Equivalent Annual Net
Cost to Business

MARCH 2014

Contents

1. Introduction
2. Revised Equivalent Annual Net Cost to Business Calculation – March 2014

Introduction

The policies assessed in this Impact Assessment (IA) are within the scope of 'One-in, Two-Out', and are costed as an 'in' measure for these purposes. Since the original publication of this IA in November 2012, the Better Regulation Executive has updated the inflation assumptions that are used to discount the costs and benefits of all policies. As a result, the Equivalent Annual Net Cost to Business (EANCB) of the policies assessed in this IA has fallen to £10.31m (down from £11.79m). The remaining analysis is unchanged.

We have updated the IA to include the revised EANCB figure which is set out in document: Summary: Interventions and Options - March 2014 under 'Net cost to business per year'.

The Modern Workplace Consultation – Government Response on Flexible Working – November 2012 can be found at <https://www.gov.uk/government/consultations/consultation-on-modern-workplaces>

Title: Extending the Right to Request Flexible Working to All IA No: BIS0281 Lead department or agency: BIS Other departments or agencies:	Impact Assessment (IA)		
	Date: March 2014		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
	Contact for enquiries: Kim Wager/Kate Millward		

Summary: Intervention and Options	RPC Opinion: AMBER
------------------------------------------	---------------------------

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as One-Out?
£116.66m	-£104.47m	£10.31m	Yes	IN

What is the problem under consideration? Why is government intervention necessary?

The diversity of working arrangements in the labour market has been growing, with benefits to employers, employees and wider society. While much of this has been determined directly between employer and employee, the introductions of the Right to Request Flexible Working for parents of young children (in 2003), for carers (in 2007) and for parents of older children (in 2009) played important parts in this cultural change. The Government has committed to extending these Rights to all. This will stimulate the employer-employee dialogue that reveals opportunities for changing working practices, increase take up, remove the current two-tier system and the stigma of working flexibly and thereby extend the benefits more widely.

What are the policy objectives and the intended effects?

- To facilitate the employee-employer information exchange that can increase the availability and take-up of flexible working, helping employees to better reconcile their work and non-work lives, and employers to secure the business benefits of flexible working.
- To provide all employees with the same access to flexible working, eliminating the perception that flexible working is only for parents/carers and the associated stigma, whilst ensuring businesses have the flexibility to refuse requests on business grounds.
- To improve the functioning of the labour market by facilitating a diverse pattern of working arrangements.

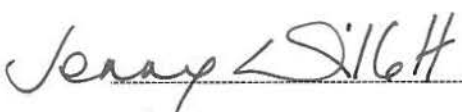
What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

- Do nothing.
- Non-regulatory approach: Non-statutory code of practice with supporting publicity campaign.
- Regulatory extension to the right to request flexible working (preferred option).

The regulatory extension is the preferred option because it will: increase take-up and availability of flexible working (by securing serious consideration of potential changes in working arrangements that can benefit both employer and employee); and remove the existing two-tier system and thereby help to eliminate perceptions that flexible working is for parents/carers only and the associated stigma. In so doing, it will achieve the objectives outlined above, unlike the 'do nothing' and non-regulatory approaches, which will not have the same impact.

Will the policy be reviewed? It will/will not be reviewed. If applicable, set review date: 04/2019						
Does implementation go beyond minimum EU requirements?			Yes			
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister:  Date: 10th March 2014

© Crown copyright 2014

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This publication available from www.gov.uk/bis

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.

BIS/14/656