

Final stage impact assessment

Title: Strengthening workers' rights to trade union access, recognition and representation

Type of measure: Primary Legislation

Department or agency: Department for Business and Trade

IA number: DBT-036-24-CMRR

RPC reference number: ...

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1. Summary of proposal

1. As part of a broader set of Trade Union legislation reforms, 'Voice at work', there is a commitment from government to:

- Simplify the trade union recognition process.
- Strengthen trade unions' right of entry to workplaces.
- Establish new rights and protections for trade union representatives and strengthen protections against the blacklisting of union members.
- Introduce a duty on employers to ensure new workers are informed of their right to join a trade union.
- Limit the right of employers to place a detriment short of dismissal on workers taking industrial action and extend the right of workers on official industrial action through protection from dismissal.
- Consult on the removal of the requirement for unions to hold a ballot every 10 years on whether to continue with a political fund.

2. The intention is to improve worker representation and industrial relations by giving trade unions more opportunities to organise, represent and negotiate on behalf of workers.

2. Strategic case for proposed regulation

What is the problem under consideration?

3. Some aspects of the labour market are working well, with high employment, and low rates of unemployment and working age inactivity when compared to the past 50 years. However, other aspects are working less well (see the [evidence section](#) below the Regulatory Scorecard section). The distribution of the income gained from economic output has become more unequal, with real wages stagnating and large variations in regional wages. Although the National Minimum Wage has reduced the number of jobs with low hourly pay, the number of jobs with low weekly earnings remains much higher. The rise in flexible contracts has increased precarity in the labour market, and employers have reduced investment in improving workers' skills in recent years.
4. These issues are likely to have been exacerbated by the decline in the unionised worker voice in recent decades, where membership of a trade union is substantially lower than in the 1970s and 1980s, and the collective bargaining coverage of the workforce has also declined over the last 20 years. This has reduced the ability of workers to utilise collective worker power to negotiate better terms and conditions, access to training and secure work. The Employment Rights Bill aims to reduce the barriers for workers to organise a collective voice through union representation through a package of legislative reforms affecting trade unions.
5. There is evidence that some employers put pressure on trade union activists and representatives to limit their activity. This includes blacklisting individuals to prevent them from getting work in their chosen occupation because they have been active in raising health and safety concerns¹, or in defending terms and conditions agreed in current collective agreements. This undermines effective worker representation, and potentially leads to unfair and unsafe practices in the workplace.
6. Current legislation does not provide protection where a detriment short of dismissal is imposed on workers to penalise, prevent or deter the taking of industrial action. Generally, employees will be regarded as unfairly dismissed when taking protected strike action in the 12 weeks from the first day of action; or when the employer has not taken reasonable steps to resolve the dispute. These possibilities may be used to intimidate workers from supporting industrial action in a ballot or when taking action.
7. Some unions run political funds with a proportion of members contributing to the fund (through additional subscription amounts), though they have the choice to opt-out. However, despite members having the option to opt-out, unions with political funds are required to carry out a ballot of members every 10 years on whether they wish the union to continue the political fund, taking on additional administration and cost.

Why is government intervention necessary?

8. The government believes strong collective bargaining rights and institutions are key to tackling problems of insecurity, inequality, discrimination, enforcement and low pay. When workers are empowered to act as a collective, they can secure better pay and conditions. The government therefore wants to improve the ability of workers to choose whether to join unions and organise themselves collectively, and for unions to have access to workers in the workplace to help those interested to do so. The government also wants to help unions to represent their members' interests in the workplace, provide independent worker voice to employers and enable unions to fully represent their members in collective disputes. To do this, government is reducing

¹ [Dave Smith, Blacklisting Support Group - Opening Statement \(17/11/20\) - IER](#)

legislative barriers to union organisation and recognition and improving protections for workplace representatives and union members. The existing legislative barriers to union workplace access and recognition make it more difficult for workers to organise collectively and effectively contribute their collective voice to the organisation. This produces a market failure in the imbalance of power between employer and worker when the worker's voice is weak or absent.

What are the potential risks of non-intervention?

9. The risk of the government not intervening is that workers' collective voice remains weak, and the imbalance of power between employers and workers continues. This would likely lead to a continued management focus on shareholders contributing to poorer workplace conditions, lower standards of living and societal inequality. Only a minority of workers would be covered by collective bargaining, and union representatives will face barriers to effectively representing the workers to management (either collectively or individually).

3. SMART objectives for intervention

10. The policy options meet the government's growth objective by reducing barriers to effective collective worker voice. These policy options aim to help ensure the benefits of growth are fairly shared across the economy. They do this by improving workers' access to trade unions in the workplace to make it easier for those interested to join unions and organise themselves collectively, reducing the legislative barriers to union recognition in the workplace, and better enabling union representatives to represent members in the workplace. Along with other trade union reforms, the measures will help to rebalance the power of employers and workers and improve the bargaining position of workers and their trade unions, ultimately helping to improve the terms and conditions of workers.

11. The intended outcomes of the options are:

- Unions have greater access to workplaces, to assist individual union members and to facilitate workers interested in joining unions and organising collectively to do so, with the eventual aim of securing a collective bargaining agreement with the employer.
- Improved worker representation and industrial relations by giving trade unions and workplace representatives the freedom to organise, represent and negotiate on behalf of their workers.
- Increased cooperation between employers and unionised workers, leading to beneficial outcomes for the economy.

4. Description of proposed intervention options and explanation of the logical change process whereby this achieves SMART objectives

12. The preferred policy options are to:

- Make it easier for unions to obtain statutory trade union recognition by simplifying the process of union recognition and the law around statutory recognition thresholds by:
 - Removing the requirement at the application stage for the union to demonstrate likely majority support for trade union recognition.
 - Removing the 40% support threshold at the recognition ballot stage.
 - The government is also consulting on other reforms (see Section 5 below).

- Ensure that union members and workers can access a union at work through a regulated and responsible route. The Employment Rights Bill sets out the route and requirements for unions and employers for voluntary access agreements and adjudication via the Central Arbitration Committee (CAC). It also includes powers by which ministers can set the underlying details of where access can be requested. The details of this will be set out later in secondary legislation. The government is consulting on the specifics of the route to and enforcement of access agreements.
- Protect a wider range of people from blacklisting due to trade union membership or activity by extending the blacklisting protections through:
 - Widening powers to make regulations in relation to protections against blacklisting, such as lists created by predictive technologies, and people using intermediaries for blacklisting. Regulations will be introduced in secondary legislation.
- Introduce a duty for employers to:
 - Inform new employees of their right to join a trade union.
 - Regularly inform all employees of their right to join a trade union. This will be achieved by adding a new requirement into the Trade Union and Labour Relations (consolidation) Act 1992 (the 1992 Act), with the detail on how employers could meet this new requirement set in due course (potentially in a Code of Practice).
- Ensure union workplace representatives can effectively represent their members by:
 - Strengthening the right to reasonable paid facility time for union representatives to carry out their duties.
 - Requiring employers to provide union representatives access to facilities.
 - Requiring employers to allow trade union equality representatives in the workplace paid facility time for specific equality duties and related training.
- Place limits on employers' ability to penalise workers for participating in industrial action by:
 - Introducing protection to workers from the employer imposing detriment short of dismissal due to the worker participating in industrial action. What would count as prescribed detriment will be set out in more detail by the government at a later stage.
 - Extending the protection of employees from dismissal due to participating in industrial action by removing the time limit on protection, currently set at 12 weeks of industrial action.
 - Consulting on removing the requirement for trade unions with a political fund to hold a Political Fund Resolution ballot every 10 years, to confirm members want the political fund to continue. The consultation will seek views on whether there should be a requirement for unions with political funds to inform their members once every 10 years of their right to opt-out of contributing to the political fund.

13. The preferred options meet the government's objective of improving the living standards of working people by reducing barriers to collective worker voice. They do this by improving workers' access to trade unions, reducing the legislative barriers to union recognition in the workplace, and better enabling union representatives to represent members in the workplace. Along with other trade union reforms, these measures will help to rebalance the power of employers and workers and improve the bargaining position of workers and their trade unions, ultimately helping to improve the terms and conditions of workers.

14. The intended outcomes of the options are:

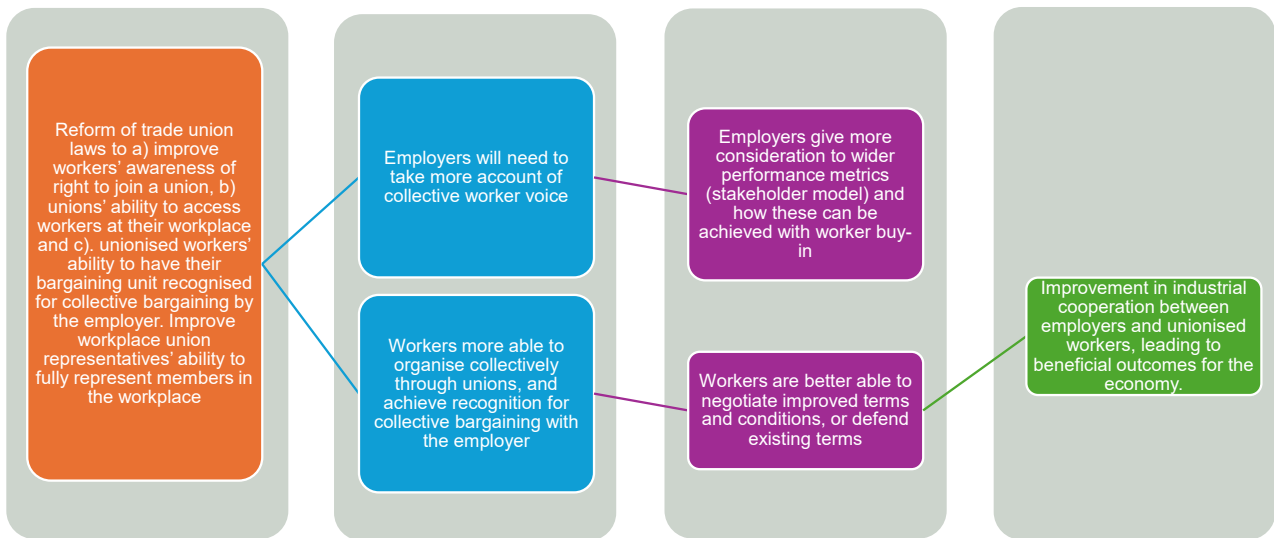
- Unions have greater access to workplaces, to assist individual union members and to enable unions to help interested workers to join unions and organise collectively in the workplace, with the eventual aim of securing a collective bargaining agreement with the employer.
- Improved worker representation and industrial relations by giving trade unions and workplace representatives the freedom to organise, represent and negotiate on behalf of their workers.
- Increased cooperation between employers and unionised workers, leading to beneficial outcomes for the economy.

15. Achieving these objectives can be expected to contribute to the government’s objective of growth and improved living standards for workers.

16. The objectives are measurable, as if achieved union membership and collective bargaining coverage will improve, and wages and worker wellbeing will improve.

17. The logic model for the introduction of these regulations is set out below:

Logic model of strengthening workers’ rights to trade rights to union access, recognition, and representation



5. Summary of policy options being consulted on

18. These regulations have been prepared to enable swift delivery of a government manifesto commitment. However, some elements of the policy are being consulted on to ensure that stakeholder views are fully considered in the development of the final policy proposals.
19. The government is consulting from 21st October to 2nd December on the following of potential trade union reforms:
 - a. The proposal to extend the Code of Practice on access and unfair practices during recognition and derecognition ballots to cover the entire recognition process from when the CAC accepts the union's application for statutory recognition.
 - b. Whether unions should provide employers with a copy of their application for statutory recognition at the same time they submit it to the CAC.
 - c. Methods to stop employers from mass recruitment into a proposed bargaining unit to undermine a union recognition claim, such as by requiring the employer to provide the number of workers in the bargaining unit to the CAC within 10 days of receiving a copy of the application, after which the number could not increase.
 - d. Reforms to the process of making a claim of unfair practice in statutory recognition processes regarding the current requirement for the CAC to establish that the unfair practice had an effect on voting levels or the intent to vote.
 - e. The proposal to introduce a 20-day window for employers and unions to agree a voluntary access agreement. If no agreement is reached within 20 days, whether the CAC should adjudicate and set out access terms by order, and whether the CAC should be able to delay adjudication for 10 days if both parties agree to the delay. To introduce an enforcement mechanism managed by the CAC, including a potential financial penalty element.
 - f. That unions with political funds should not have to conduct a Political Fund Resolution ballot every 10 years to ask members if they wished the political fund to continue.
 - g. Whether unions with political funds should inform members of their right to opt-out of the political fund every 10 years.
20. Further consultation will be required on some aspects of this policy. This will follow once the Employment Rights Bill has been passed. These include possible changes to the current requirement that union members must comprise of at least 10% of workers in the bargaining unit before the union can apply for statutory recognition and the circumstances that the CAC must take as reasonable when determining whether union officials should have access to a workplace. For these, impact assessments will be produced separately, as the detail of the consultation is developed.
21. There are some proposals that have to apply to all employers to have the desired policy impact. These include the duty of employers to inform workers of their right to join a trade union, and the proposed reforms around facility time, facilities and blacklisting. Currently, union recognition law in the Trade Union and Labour Relations (Consolidation) Act 1992 only applies to employers with 21 or more workers, and there are no plans to change this. The retention of this requirement means micro and most small employers will not be affected by the proposed changes to recognition. The details of the reforms on union right to access will be set out in secondary legislation following a consultation and the impact of these proposals will be considered in a separate impact assessment. The Management and Wellbeing Practices Survey shows that larger workplaces are much more likely to have union members present than micro or small employers, so it is likely that micro employers in particular are less likely to be impacted by changes to the right of access.

6. Regulatory scorecard for preferred option

Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare		Directional rating
<p>Description of overall expected impact</p> <p>Workers will have more awareness of their right to join a trade union, and, where there is interest, unions will be able to access the workplace to provide representation and recruit members. The legislative barriers to union recognition by employers will be reduced. Workplace representatives will have strengthened rights on facility time/facilities – which may enable better representation for workers collectively and individually. Statutory rights for equality representatives will help improve workplace equal opportunities and fair treatment. Stronger protections for union members against blacklisting and detriment for taking industrial action will also aid unions and workplace representatives to better represent workers collectively.</p> <p>There are costs to employers from familiarisation of the new requirements, carrying out the employer duty to inform workers of their right to join a union, administrative costs related to the right to access workplaces, changes to statutory recognition requirements and strengthened rights to paid facility time and facilities. However, there are also potential benefits to employers from stronger collective worker voice in the workplace.</p>		<p>Positive</p> <p>Based on all impacts (incl. non-monetised)</p>
<p>Monetised impacts</p> <p>Total £ NPSV -22.9 million</p> <p>Familiarisation cost to employers, trade unions and trade union representatives is estimated at £17.5 million across all proposed policies covered.</p> <p>Transition costs to employers from amending written statement templates is estimated at £5.8 million</p>		<p>Negative</p> <p>Based on likely £NPSV</p>
<p>Non-monetised impacts</p> <p>Workers interested in collective organisation will be supported by unions being able to access their workplaces, with some being able to achieve statutory recognition with employers. Workplace representatives will benefit from strengthened rights to facility time/facilities, which is likely to benefit the workers who are being represented, and also improve the representatives' work-life balance. Workers in groups with</p>		<p>Positive</p>

	<p>protected characteristics are likely to benefit from statutory rights to equality representatives.</p> <p>There are costs to employers from administration related to notifications for access, and to increased paid facility time. Where recognition does occur, employers will have to adapt to negotiating with worker representatives and allowing paid facility time. However, there are potential benefits to employers from a unionised collective worker voice subject to how employers engage with union representatives.</p>	
Any significant or adverse distributional impacts?	<p>There are potential distributional benefits with workers being better able to negotiate improved terms and conditions – which may benefit lower wage households.</p> <p>The impact of the proposals are likely to be varied across different industries and different regions, for example some policies may benefit areas with low unionisation and collective bargaining, while others may benefit areas where unions are more active. Unionisation and collective bargaining are proportionally higher in northern English regions, Scotland and Wales, and in the public administration, education, health and social work, transport and storage and utilities industries.</p> <p>Union members are more likely to be women, aged 35 or older, have a disability, and be of black or white ethnicity.</p>	Uncertain

(2) Expected impacts on businesses

Description of overall business impact	<p>There will be a familiarisation costs to employers.</p> <p>Additional transition costs will result from the employer duty to remind workers of their right to join unions.</p> <p>There will be costs arising from the unions' right to access workplaces, as employers will need to respond to notifications for access, and potentially agree access plans or go to arbitration. There may be some costs arising from facilitating access (though these are expected to be minimal).</p> <p>The reforms to statutory union recognition procedures do not place additional requirements on employers, but potentially make recognition more likely. Employers will face some costs in adapting their management processes to incorporate collective bargaining and the right of workplace representatives to paid facility time.</p> <p>Strengthened rights for workplace representatives regarding facility time and facilities (and statutory rights for equality representatives) will likely incur a cost for employers, primarily some working time taken as paid facility time.</p> <p>There may be a cost to employers from increased protection against detriment for workers taking industrial action.</p> <p>Research indicates that there are potential benefits to employers from unionisation and effective worker</p>	Uncertain
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	<p>representatives, such as worker retention, increased training, better workplace equal opportunities policies, better resolution of individual workplace issues and possibly on product innovation and wellbeing. However, this will partly be determined by whether employers and worker representatives have good workplace relationships.</p> <p>Unions with political funds would benefit from reduced balloting costs if they are no longer required to carry out Political Fund Resolution ballots every 10 years.</p>	
Monetised impacts	<p>Business NPV (if available) £-21.9 million Approx net financial cost to business EANDCB £2.5 million</p> <p>Please indicate if pass through to households has been deducted from these figures -No</p>	<p>Negative</p> <p>Based on likely business £NPV</p>
Non-monetised impacts	<p>These have been explained above.</p>	<p>Uncertain</p>
Any significant or adverse distributional impacts?	<p>There are possible regional and industry distributional impacts. This is based on certain industries and regions/countries having high union membership and collective bargaining coverage. These industries and regions are more likely to be impacted by some of the proposed reforms due to high union membership, such as on recognition and facility time. Other reforms, such as on unions' access to workplaces, may be more likely to affect workplaces where unions are not recognised, so may be more likely in other industries and regions.</p> <p>We do not expect the proposed reforms to disproportionately affect micro or small businesses. Only a small proportion of micro or small employers have workers who are union members. It is likely that unions will focus on accessing workplaces where there is the potential for recognition (the statutory recognition procedures exclude employers with 20 or less workers) and where there is interest in worker voice. We expect the proportion of employers that have union members increases substantially in relation to employer size, so primarily these reforms will affect larger employers.</p>	<p>Uncertain</p>

(3) Expected impacts on households

Description of overall	<p>The policy is expected to make it easier for workers interested in collective worker voice in the workplace to join unions and get help from unions to collectively organise themselves in the workplace. Workplace representatives will be better able to represent their members in the workplace, and equality</p>	<p>Positive</p>
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<p>household impact</p>	<p>representatives will be able to advocate for equality measures more effectively. This is likely to improve collective worker voice in the workplace, which should lead to benefits including improved terms and conditions.</p> <p>Protections for union members against blacklisting and detriment for taking industrial action will potentially strengthen workers' rights, as union representatives will be able to fully represent their members' interests with less risk of negative consequences.</p>	
<p>Monetised impacts</p>	<p>No impacts have been monetised</p>	<p>Neutral</p> <p>Based on likely household £NPV</p>
<p>Non-monetised impacts</p>	<p>As discussed above</p>	<p>Positive</p>
<p>Any significant or adverse distributional impacts?</p>	<p>As previously described, union membership and collective bargaining is higher in some industries and countries/regions and these are potentially more likely to be impacted.</p> <p>There is the potential that workers in less unionised industries and regions may utilise the opportunities to organise collectively.</p> <p>There could be a benefit from increased collective worker voice being able to negotiate better terms and conditions, including among the low paid.</p> <p>In unionised workplaces, there is the potential that equality representatives could have more impact in improving workplace conditions for workers with protected characteristics</p>	<p>Uncertain</p>

Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
<p>Business environment:</p> <p>Does the measure impact on the ease of doing business in the UK?</p>	<p>The proposed reforms are primarily aimed at facilitating increased collective worker voice through unions and enabling stronger representation in the workplace. The extent of the impact in terms of increased unionisation will mainly be determined by workers' interest in collective organisation and representation through unions.</p> <p>There are potential benefits as well as costs to employers from increased independent collective worker voice, as indicated by various research and reports referenced in this impact assessment. These partly depend on whether the employer and unionised workers have a cooperative workplace relationship. There are not likely to be any substantial negative impacts on the business environment.</p>	Neutral
<p>International Considerations :</p> <p>Does the measure support international trade and investment?</p>	<p>The proposed policy does not impact international trade as it is compliant with international obligations and does not have any implications for trade partners or foreign businesses operating in the UK.</p> <p>Furthermore, the preferred option will not introduce requirements on foreign-owned companies that go above and beyond those which are UK-owned.</p>	Neutral
<p>Natural capital and Decarbonisation:</p> <p>Does the measure support commitments to improve the environment and decarbonise?</p>	<p>We expect that there is no or negligible impact on the environment, natural capital, and decarbonisation as a result of these proposed reforms. The regulation does not directly relate to environmental or decarbonisation goals</p>	Neutral

7. Monitoring and evaluation of preferred option

22. There will be a policy implementation review five years after the policies have been commenced, in line with standard practice.
23. The impacts will be monitored using existing and new administrative and survey data:
- a. Union membership can be monitored through the annual trade union membership statistics publication, and the trade union annual returns to the certification officer.
 - b. Unions' access to workplaces can be monitored by data collected via the CAC on workplace access agreements.
 - c. Statutory union recognition can be monitored through data collected by the CAC on applications and ballots.

- d. The proportion of workers covered by collective agreements is collected by the Annual Survey of Hours and Earnings.
- e. Survey data would be needed to obtain data on the number of union workplace representatives and the number of employers with recognised unions and union members among their workforce (such as the Management and Wellbeing Practices Survey).
- f. Information on employment tribunal receipts can give an indication of where the policies have led to workplace problems.

24. The success of the policy objectives is partly dependent on the extent to which workers are interested in collective organisation in the workplace and are motivated to join unions and organise. Similarly, it will also depend on how willing employers are to recognise that they could benefit by working cooperatively with the unionised worker voice (including workplace representatives). The state of the economy could be a factor in determining worker and employer behaviours. Broad economic indicators, in combination with the indicators on union membership and collective bargaining, could give an indication on the success of the policy. This could also be carried out at a broad industry and regional level. However, causal analysis would be necessary to identify if unionisation has had any overall impact on economic indicators, as there will be other important factors that might account for change.
25. Regular stakeholder engagement would be an effective method to understand whether there have been unintended consequences resulting from the policy.

8. Minimising administrative and compliance costs for preferred option

26. The primary administrative and compliance costs from the proposed reforms relate to the employer duty to inform workers of their right to join a union, union access to workplaces and strengthened facility time protections. The detail of these reforms will be set out in secondary legislation, following consultation. For the former, the aim will be to enable the employer to carry out the duty as part of normal activities – sending new workers a written statement of particulars and informing existing workers through regular communication routes. For the latter, the consultation is likely to consider how to ensure access is appropriate and reasonable to limit burden on employers.
27. Similarly, reform on strengthening the rights of union workplace representatives to facility time and facilities will remain based on the reasonableness criteria, such as taking account of facilities available in the workplace.

Summary: Analysis and evidence

Price base year:

2024

PV base year:

2024

This table may be reformatted provided the side-by-side comparison of options is retained	1. Business as usual	3. Preferred way forward
Net present social value (with brief description, including ranges, of individual costs and benefits)	...N/A	-£22.9 million
Public sector financial costs (with brief description, including ranges)	N/A	£0.5 million Cost to public sector employers.
Significant un-quantified benefits and costs (description, with scale where possible)		Administrative cost of administering the union right to access workplaces reform – including additional government resource for the CAC. Cost to employers of adjusting to higher paid facility time during work hours. Benefit to workers from access to unions in the workplace, and reduced legislative barriers to union recognition. Benefit to the workplace representatives of greater protection and strengthened right to paid facility time, which could improve work/life balance.

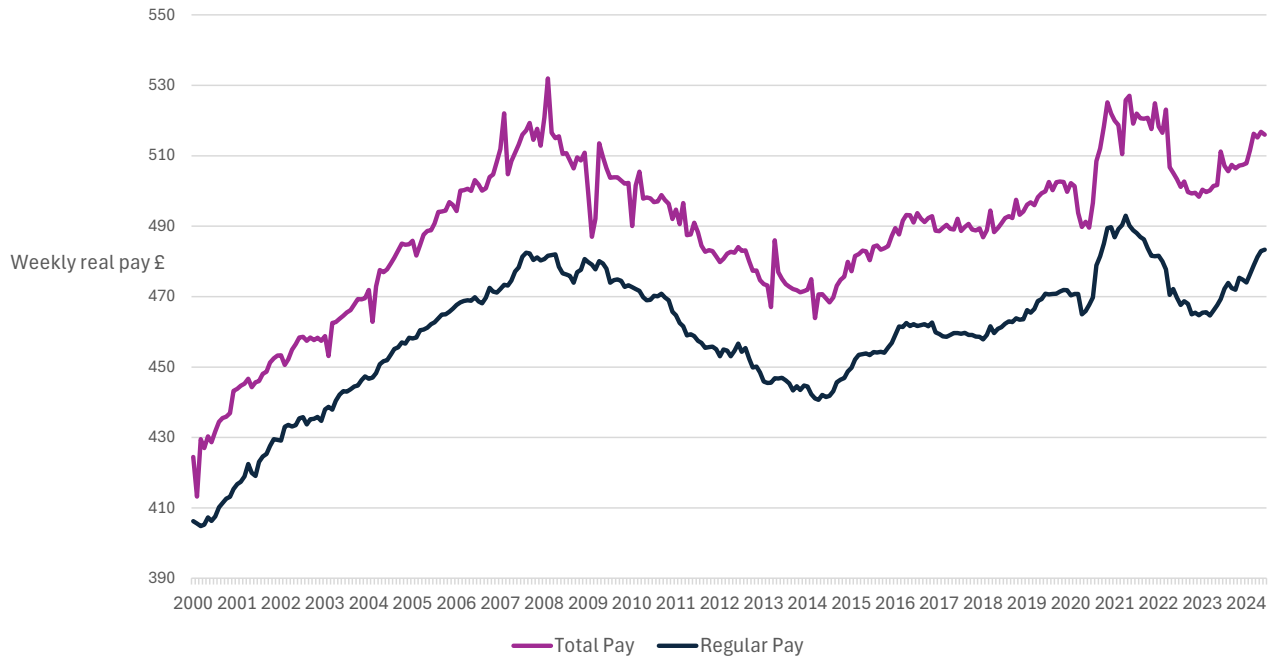
Key risks (and risk costs, and optimism bias, where relevant)	N/A	Many of the proposed reforms will facilitate change for workers and representatives but the benefits of the policies are dependent on workers making use of the opportunities and employers working more cooperatively with unionised worker voice.
Results of sensitivity analysis	N/A	N/A

Evidence base

28. As previously described, there are underlying labour market problems in the UK that contribute to societal inequality and low productivity and growth. Increased independent collective worker voice, and greater collective bargaining coverage could help to start reversing these problems.

29. Evidence from the ONS Average Weekly Earnings Survey suggests that real wages have stagnated – with real total and regular pay at similar levels to those in 2007 and 2008.

Figure 1: Real Average Weekly Earnings (Constant 2015 prices, seasonally adjusted, GB)

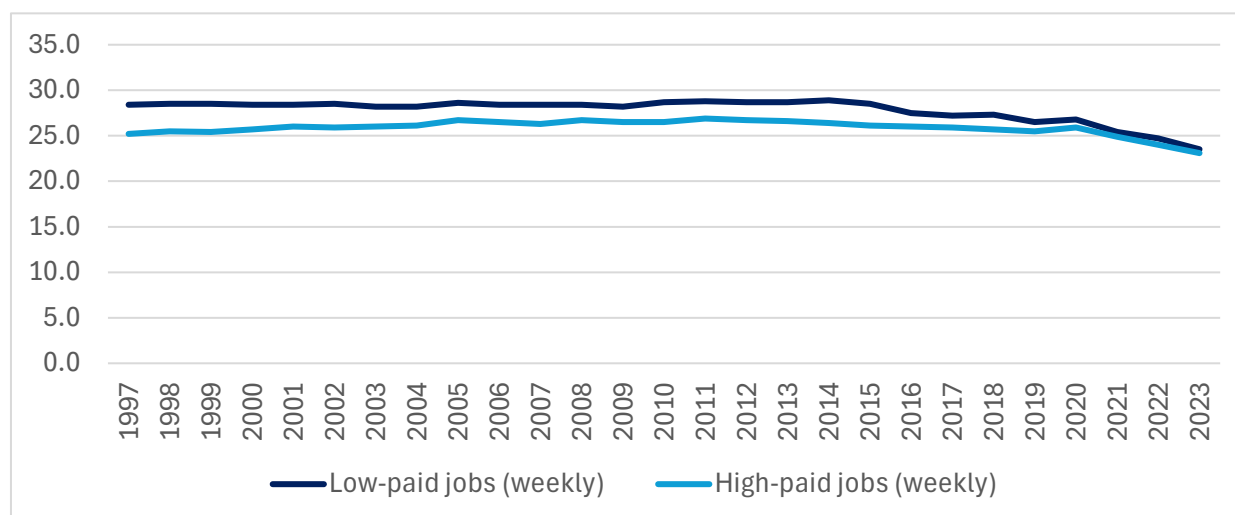


Source: ONS Monthly Labour Market Overview

30. Evidence from the ONS² also indicates that close to a quarter of full-time jobs have low weekly pay (less than two-thirds of the median for those on adult rates).

² [Low and high pay in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Figure 2: Percentage of UK full-time employee jobs with low and high weekly pay



Source: ONS

31. There are significant pay gaps between regions and sub-regions, reflecting different rates of productivity and prosperity. Regional median full-time weekly pay shows that there is a substantial gap between London and the rest, but also gaps between the South East and Scotland and the other regions and nations.

Table 1: Regional median full-time wages, 2023

Region or Nation	£
London	838.9
South East	704.3
Scotland	702.8
East	673.5
West Midlands	650.7
South West	650.6
North West	646.3
Wales	633.7
Yorkshire and the Humber	630.8
East Midlands	623.6
North East	608.4
UK	681.7

Source: ONS, Annual Survey of Hours and Earnings

32. The Employer Skills Survey indicates that investment in training per employee has been falling in real terms in England and the UK since 2011, while the same survey suggests that between 2017 and 2022 there were increases in the proportion of vacancies where there was a shortage of candidates with the available skills in the UK in each broad industry group. These skill shortage vacancies accounted for over a third of total UK vacancies in 2022³.

³ [Employer Skills Survey, Calendar year 2022 - Explore education statistics - GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)

Table 2: Investment in training per employee (2022 prices)

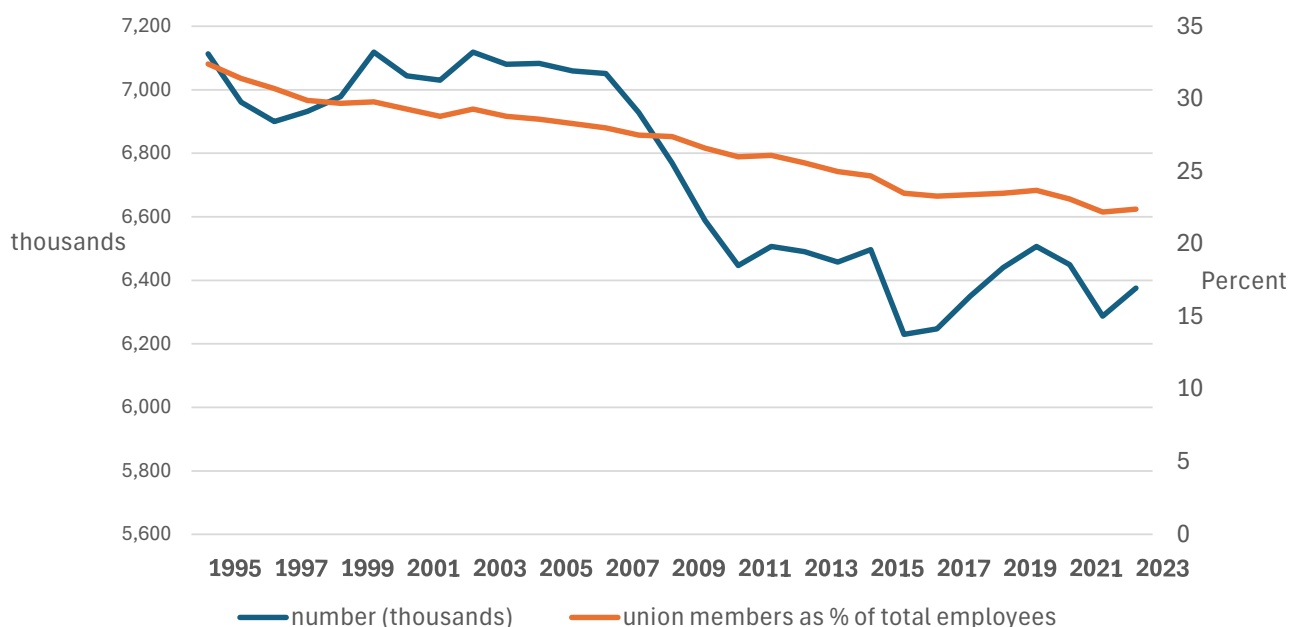
Country	2011	2013	2015	2017	2019	2022
England	£2,217	£2,058	£2,062	£2,019	£1,761	£1,788
United Kingdom	£2,191	£2,049	£2,033	£2,014	no data	£1,778

Source: DfE Employer Skills Survey

33. Around 13% of workers in the UK worked in jobs where the hours tended to vary or they were paid on a fixed hourly rate in 2023, while the number of workers on zero hours contracts has increased to consistently over 1 million since the second half of 2021⁴. This suggests that a significant number of workers face the risk of more precarious, less guaranteed regular work.

34. The number of UK employees who are trade union members has fallen from around 7.1 million in 1995 to close to 6.4 million in 2023, while union members as a percentage of total UK employees has fallen over the same period from 32.4% to 22.4%. There has also been a fall in the proportion of UK employee jobs that have their wages set with reference to a collective agreement from around 50% in 2005 to 39% in 2023.

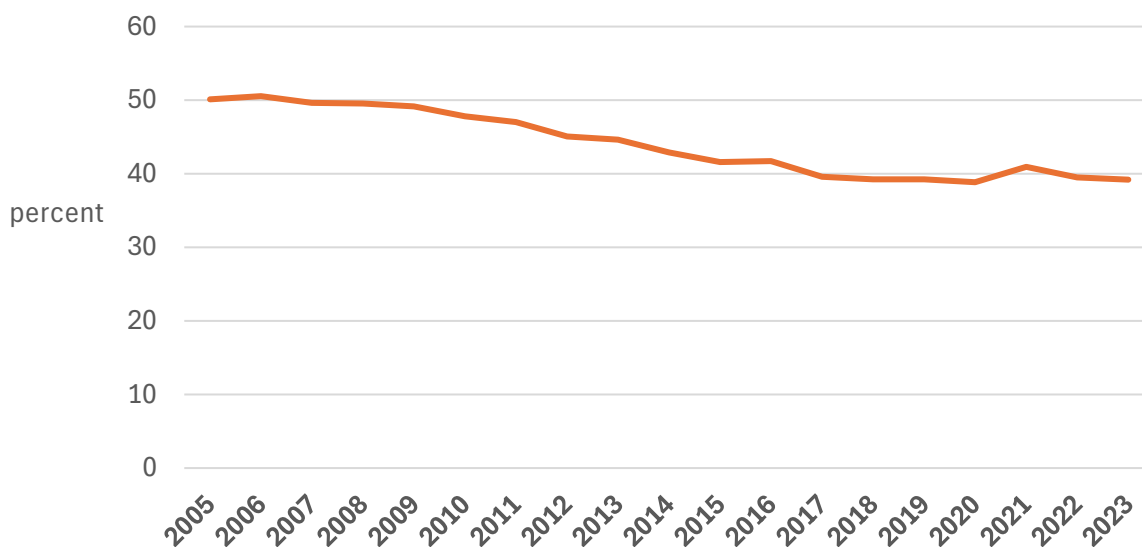
Figure 3: Trade union membership among UK employees, 1995 to 2023



Source: DBT Trade Union Membership statistics 2023

⁴ [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/employment-and-labour/people-in-work/zero-hours-contracts)

Figure 4: percentage of employee jobs that have pay determined by reference to a collective agreement, UK



Source: DBT analysis of Annual Survey of Hours and Earnings

35. Based on data from the Management and Wellbeing Practices Survey⁵, we estimate that among large employers 73% have recognised unions present, dropping to 62% of employers with between 250 and 499 workers, and 46% of employers with between 100 and 249 workers. We estimate that a substantial majority of micro and small employers do not have workers who are union members.

Table 3: Estimated percentage of employers with recognised unions and workers in unions

estimated employer size (number of workers)	% of employers with recognised unions	% of employers with union members
5 to 9	4%	6%
10 to 19	5%	8%
20 to 49	15%	19%
50 to 99	20%	27%
100 to 249	46%	47%
250 to 499	62%	73%
500 or more	73%	77%

36. There is evidence that higher union density is associated with lower inequality. Jaumotte and Buitron have found a causal relationship between falling union density and the rise in the top decile income shares in advanced economies⁶. In their International Monetary Fund Staff Discussion Paper, they argue that lower union density in advanced economies may have increased the capital income share and reduced workers' influence on corporate decisions⁷. The Bruegel Institute also found a negative correlation between both trade union density and

⁵ [Management and Wellbeing Practices Survey - NIESR](#)

⁶ Jaumotte, F., and C. Osorio Buitron (2020) 'Inequality: traditional drivers and the role of union power', *Oxford Economic Papers*, 72:1, 25–58, available at <https://doi.org/10.1093/oep/gpz024>

⁷ [Inequality and Labor Market Institutions](#); by Florence Jaumotte and Carolina Osorio Buitron; *International Monetary Fund Staff Discussion Note 15/14*; July 2015

collective bargaining coverage and the Gini coefficient of income inequality in 12 advanced economies including the UK⁸.

NPSV: monetised and non-monetised costs and benefits of each shortlist option (including administrative burden)

37. We assessed any monetised costs over a ten-year appraisal period and present our estimates in terms of net present value costs for this period for business (NPV), society (NPSV) and equivalent annualised net direct costs to business (EANDCB), and households (EANDCH). As per current regulatory guidance, EANDCB are presented in 2024 prices and use 2024 as the base year for the present value calculation. All other impacts are given in 2023 prices and use 2025 as the base year for the present value calculation.

38. We have attempted to monetise the costs and benefits where possible. For some policy proposals where the data is not available, we provide a qualitative assessment of impacts. Where the detail of the reforms will be considered at a later stage, a further impact assessment of the detailed proposals will take place at that stage.

Right to join a trade union

Familiarisation

39. Since informing an employee of their right to join a trade union affects all workers, we anticipate that all employers would engage in some degree of familiarisation with the changes to the legislation.

40. For the basic familiarisation by all employers, we estimate that an HR director or manager for small, medium and large employers, or an 'other manager or proprietor' for micro employers, would take an average of 10 minutes to familiarise themselves with the proposed changes (i.e. the definitions and headline changes to determine whether the proposed regulations would require any action). This is in line with the estimated familiarisation time for proposed reforms to the flexible working regulations, where the reforms were relatively small⁹. Employers will be required to inform new workers of their right to join a trade union, and, if relevant, provide information on unions recognised by the employer in the worker's written statement of particulars. They are already required by law to provide new workers with a written statement. They will also be required to inform their existing employees of the right to join a union, as part of some regular communication (more details to be set out in secondary legislation).

41. Hourly labour costs for these roles are estimated as the median hourly wage excluding overtime¹⁰ uprated by 21.0% to reflect non-wage labour costs as a percentage of wages¹¹. Employer numbers are taken from the Business Population Estimates¹².

42. We also expect that employment lawyers, employment law firms and HR bureaus and consultants would need to familiarise themselves with the legislation. This is primarily because many HR bureaus and employment law firms provide written statement templates. To note, this will involve some double counting as many of these organisations will be employers, some will

⁸ [Collective bargaining is associated with lower income inequality \(bruegel.org\)](https://bruegel.org)

⁹ This is in line with the estimate for familiarisation time for the proposals to reform Flexible Working Regulations – where small changes to the current regulations are proposed [Employment Relations \(Flexible Working\) Bill publications - Parliamentary Bills - UK Parliament](#)

¹⁰ Annual Survey of Hours and Earnings 2023

¹¹ Index of Labour Costs per Hour, UK - Office for National Statistics (ons.gov.uk) for Q4 2019 to Q3 2020 (the last 4 quarters available)

¹² <https://www.gov.uk/government/statistics/business-population-estimates-2023>

be individual professionals or businesses without employees. The method for estimating these numbers is set out in Annex A.

43. This provides the following estimates of basic familiarisation costs:

Table 4: Estimated employer familiarisation costs for employer duty to inform their workers of right to join a union

Employer Size	Number of employers	Hours taken to familiarise	Hourly labour cost, £	Estimated cost, £
Micro	1,206,773	0.17	20.17	4,057,000
Small	231,848	0.17	31.83	1,230,000
50-249 employees	41,273	0.17	31.83	219,000
250-499 employees	5,123	0.17	31.83	27,000
500+ employees	5,534	0.17	31.83	29,000
HR companies	2,410	0.17	31.83	13,000
Employment law firms/lawyers	13,827	0.17	33.02	76,000
Total				5,651,000

One-off transition costs

Amending written statement templates

44. The proposed changes to inform workers of their right to join a union and the names of unions recognised by the employer will mean some employers need to change their written statement of particulars template. Taking a conservative approach, we assume that all employers in Great Britain will change their relevant written statement templates. Amending templates will mean that future written statements will reflect the up-to-date position.

45. We expect employers will use a variety of methods to update their future contracts. These include using free online templates, outsourcing to HR consultancies or employment lawyers, and internal HR departments amending their own contracts. This will likely vary by employer size. This reflects the approach used in the Confidentiality Clauses consultation impact assessment¹³, where the proposals required employers to include specific information on the limitations of confidentiality clauses into written statements and settlement agreements.

46. The estimated total cost of amending written statement templates is £5.8 million, split between £5.6 million to the private sector and £0.2 million to the public sector. The method of estimation is explained in Annex B and the results broken down in Table 4 below.

Table 5: Estimated transition cost for employers updating written statement templates

Organisation Size	Number affected	Hours taken to update templates	Hourly labour cost nearest £	Estimated cost (nearest £000)
Small employers	108,969	1	32	3,468,000
50-249 employees	30,129	1	32	959,000
250-499 employees	5,123	2	32	326,000
500+ employees	5,534	2	32	352,000
HR companies	2,410	2	32	153,000
Employment law firms	7,827	2	33	517,000
Total				5,776,000

Ongoing impacts

47. Employers will be required to inform existing workers about their right to join a trade union. The details of this policy will be set out at a later date, potentially through a code of practice. The aim is to enable employers to do this through a regular communication method they have with their workers. The information required would be the same as that required for the written statements, therefore we expect this to have very low costs to employers.
48. The aim of the policy is to make workers aware of their right to join a trade union. This should increase awareness among workers and may lead to an increase in workers joining unions and participating in organised collective worker voice in their workplace. Evidence¹⁴ suggests that trade union membership and recognition can have benefits to workers through improved terms and conditions and can have benefits to employers from worker retention and better equality in the workforce (as well as potential improved performance).
49. We cannot quantify the impact of this policy proposal on increasing union membership and collective worker voice. However, in combination with other reforms on access and recognition we would expect some increase. The proposed reforms facilitate workers to join unions and organise collectively through unions if they choose to do so. It will be up to the workers to decide if unionised collective worker voice would be beneficial to them.

Trade Union Recognition

50. The government proposes to reform the statutory route to union recognition for a bargaining unit with an employer to reduce the barriers to unions getting recognition. It aims to do this by:
- a. Removing the requirement for unions to demonstrate to the CAC that the majority of workers in the bargaining unit are likely to support recognition.
 - b. Removing the requirement for unions to obtain at least 40% of the bargaining unit voting in favour of recognition in a recognition ballot.

¹⁴ [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](https://www.niesr.ac.uk/wp-content/uploads/2019/04/NIESR-added-value-of-trade-unions-literature-review-new-format-RS.docx)

- c. Consulting on the proposal to extend the Code of Practice on access and unfair practices to cover the whole period from when the CAC accepts the application for statutory recognition.
- d. Consulting on whether unions should provide employers with a copy of their application for statutory recognition when they submit it to the CAC.
- e. Consulting on methods to stop employers from mass recruitment into a bargaining unit to undermine union recognition claims.
- f. Consulting on reforms to the process of making a claim of unfair practice during a statutory recognition claim.
- g. Potentially consulting at a later date on reducing the requirement for a union to have at least 10% of the bargaining unit as members before applying to the CAC for recognition.

51. We will consider the potential change to the union membership requirement in a bargaining unit before a recognition application will be accepted by the CAC following consultation. Potential impacts of the other proposed elements of the reform of the statutory union recognition process are considered below.

Familiarisation Costs

Businesses:

52. A trade union can apply for statutory recognition from the CAC if an employer with 21 employees or more refuses to voluntarily recognise the union. Therefore, we have assumed that only employers with 21 or more employees who are union members are in scope (to reflect the available data we have to use the figures for employers with 20 or more workers in our estimates). This is a high estimate, as some employers with unionised workers will have recognised the relevant union or unions. However, these employers may still have bargaining units where a union is not recognised for collective bargaining. Employers without unionised workers will not need to familiarise themselves with the proposed changes, as at the point of commencement they would not be faced with a union recognition request.

53. For the basic familiarisation by all employers, we estimate that two HR managers/directors would take an average of 1 hour to familiarise themselves with the proposed changes. Hourly labour costs for these roles are estimated as the median hourly wage excluding overtime¹⁵ uprated by 21.0% to reflect non-wage labour costs as a percentage of wages¹⁶. We estimate the percentage of employers with 20 or more employees¹⁷ that have unionised workers in their workplace using data from the Management and Wellbeing Practices Survey (MWPS), and we use data from the 2011 Workplace Employment Relations Survey to estimate how many employers have recognised unions but also unionised workers in unrecognised unions¹⁸. and apply this percentage to the number of businesses with 20 or more employees from the Business Population Estimates 2023¹⁹.

¹⁵ Annual Survey of Hours and Earnings 2023

¹⁶ONS National Accounts 2023 – wages and salaries, and employers' social contributions

¹⁷ As explained above – although the assumption is that employers with 21 or more workers would be affected the available data requires us to use employers with 20 or more workers in our calculations

¹⁸ In MWPS, we have data on workplaces with union membership and workplaces with recognised unions, we assume the difference is the proportion with unionised workers only in unrecognised unions. We estimate employer numbers by taking data for single establishment organisations (overall and in the UK) to estimate employer figures for small and 50-99 worker employers, and for larger employers we include data for all categories of organisation (also including workplaces that are one of many in the UK in the same organisation) [Management and Wellbeing Practices Survey - NIESR](#)

¹⁹ <https://www.gov.uk/government/statistics/business-population-estimates-2023>

54. This provides the following estimates of basic familiarisation costs:

Number of employers (37,797) * Familiarisation time (1 hour) * Cost of familiarisation team (£63.66) = £2.4 million

Trade Unions:

55. We would expect trade unions to familiarise themselves with the proposed change. It is deregulatory for unions, as some of the legislative barriers to recognition would be removed. However, unions would need to familiarise themselves with the new procedures, which would involve potentially some additional requirements (such as informing the employer of a CAC application). Therefore, we estimate a similar familiarisation time of 1 hour. We expect that the union general secretary and a senior official would familiarise themselves with the changes, at an hourly labour cost of £39.40 each. There were 126 non-federated unions listed with the Certification Officer at 22nd August 2024.

56. This provides the following estimates of basic familiarisation costs for unions:

Number of unions (126) * Familiarisation time (1 hour) * Cost of familiarisation team (£78.80) = £9,900.

Ongoing impacts:

Cost of a higher number of recognition ballots

57. The available data does not enable us to fully quantify the potential monetary impact of the proposed policy changes to trade union recognition. However, we have utilised the data and information available to provide a qualitative assessment of their likely effects.

58. The proposed changes remove the requirement for unions to demonstrate, at application stage, to the CAC that they are likely to achieve a majority in a TU recognition ballot. This could result in more ballots taking place for union recognition as they would be able to go straight to this step. The cost of a ballot is split evenly between a union and the employer. However, the evidence provided for the 'majority likely' test helps trade unions to gauge how much support it has from non-trade union members. With this being removed, it is likely that trade unions would continue to assess whether they have the support needed when the ballot stage is reached in the statutory process. Unions would continue to need to have a good idea of support for union recognition in the bargaining unit as the turnout in the recognition ballots run by the CAC are generally high. Of 298 recognition ballots run by the CAC from 2000/01 to 2023/24 nearly 2/3rds had turnouts of at least 70% (with over 4 in 10 over 80%) so unions are likely to need 35% or even 40% of those balloted to vote in favour to win. The data for this period shows that 187 ballots were successful for the unions, with 111 being unsuccessful. Of the unsuccessful ballots, 26 (23%) had a majority of those voting in favour of recognition. Therefore, the removal of the 40% ballot threshold, and the indicative majority of the bargaining unit in favour would not in itself create many more recognised bargaining units through the statutory process. For the ballots data we have analysed, on average that is slightly over 1 a year. Recognition of a union for a particular bargaining unit is dependent on workers in the bargaining unit wanting the union to be recognised (if the statutory process is used, the proposed reforms will require that the majority of workers who are voting support the recognition of that particular union).

59. The proposed reforms could also change the number of bargaining units where unions are voluntarily recognised by employers. We do not have evidence to monetise these possible changes.
60. According to the CIPD's report "Collective Employee Voice"²⁰, their survey of over 1,000 employers suggested that the most common way in which an employee representative arrangement is established is by a voluntary agreement for union recognition (28% of businesses with arrangements in place). The survey suggested that fewer employers with employee representative arrangements had them established through statutory union recognition via the CAC (8%). However, it may be that voluntary recognition would still require evidence of union membership and support for recognition among the workers in the bargaining unit.
61. Based on the information above we estimate that there is likely to be a small increase in ballots resulting from the changes in the recognition process, and that the costs to employers and unions resulting from the changes would be small.
62. The government may choose to reduce the current requirement that a union must have at least 10% of the workers in a bargaining unit as members before it can apply for statutory recognition for that bargaining unit. Potential impacts will be considered if and when such a proposed reform is brought forward. However, an initial consideration based on union recognition ballots suggests it is unclear that this would have much effect on the number of applications for recognition. These data assume unions will need to expect that turnout will be high and they will need a reasonably substantial level (well over 10%) of support within the bargaining unit to have a chance of success. It is possible that high support, but very low levels of membership may exist in a proposed bargaining unit, but this is likely to be rare.

Additional ongoing impacts:

Moving to a collective bargaining arrangement

63. When a union is recognised in a workplace, the employer is required to engage with the union on key matters such as changes to employees' terms and conditions and health and safety concerns. Workers who become workplace union representatives will also be entitled to paid facility time to carry out union duties (for example representing workers' voice with managers). These obligations introduce additional costs to businesses as they involve increased administrative duties, legal compliance, and potential adjustments to workplace practices. In situations where employers are planning collective redundancies or transfers of undertakings, they will need to consult with worker representatives and/or workers affected, so having existing workplace worker representatives may reduce costs.
64. Based on the analysis above, we estimate that the likelihood of an increase in recognised unions directly resulting from the proposed changes to the statutory route to recognition to be low, and so the increased cost to business from negotiating with unions would be small.
65. There are potential benefits to the employer from having recognised union and workplace representatives. The CIPD's Collective Employee Voice report found that of those with employee representative arrangements, only 3% responded that there were no benefits to having employee representation in the workplace²¹. Benefits mentioned included keeping the workforce well informed, offering an independent channel to raise concerns with management,

²⁰ [Collective employee voice: Recommendations for working with employee representatives for mutual gain \(cipd.org\)](https://www.cipd.org)

²¹ [Collective employee voice: Recommendations for working with employee representatives for mutual gain \(cipd.org\)](https://www.cipd.org)

and more effective management of change or employee buy-in. The NIESR literature review²² on research into the impact of unions identified potential positive effects on labour retention, innovation, team working and functional flexibility, and workplace resolution of individual grievance and disciplinary issues.

66. There are likely benefits to workers from being part of a bargaining unit with a recognised union. The union is able to negotiate better terms and conditions for the workers, and the workplace representatives would have the right to reasonable paid time for union duties, helping to ensure stronger collective worker voice in the workplace, as well as individual representation in disciplinary and grievance cases.

Measures being consulted on:

67. The measures primarily relate to procedures when a claim is being or has been made, so it is unclear that the possible reforms in these areas would increase the number of statutory recognition claims. It is possible that they could make the probability of success in these claims higher. We do not have details of what happened in the ballots where those in the bargaining unit did not vote in favour of recognition, so cannot estimate what difference these possible changes would make. They would potentially make the process more transparent and reduce the likelihood of any unfair practice.

Rights for trade unions to access workplaces

68. There is a commitment from the government to provide a new framework, following consultation, to give unions greater access to workplaces. The details of the framework will be determined following a government consultation. We will consider the expected familiarisation costs in this impact assessment. There is currently no general legal right for union officials to enter workplaces, however, workers do have rights to become union members and participate in union activities. Once a union is recognised for a bargaining unit with an employer, there are rights for union workplace representatives²³. It is proposed that ministers will be given a power to set out, in secondary legislation, a process to enable unions to access workplaces for the purposes of recruitment and representation. This will involve unions providing a notification to employers requesting access to workplaces, and employers providing a response. The form and content of the notification and response will be prescribed. The process of access rights to workplaces will be regulated by the CAC. The Minister will also have the power to set out (in secondary legislation following a consultation) an indicative list of conditions of access likely to be deemed reasonable. Unions and employers should put in place an access agreement, with the CAC adjudicating where an agreement is not reached. The Bill includes a ministerial power to prescribe the circumstances that the CAC must take as reasonable when determining whether union officials can access a workplace. These will be set out later in secondary legislation. The potential criteria for these conditions include the size of employer and the number of members the union has at the workplace. We cannot estimate at this time the number of notifications for access this change may generate. The government is consulting on whether to have a 20-day window for employers and unions to make voluntary access agreements, after which, if no voluntary agreement has been reached, the CAC may be required to adjudicate and set out access terms. The government is also consulting on an enforcement mechanism for access agreements to be managed by the CAC.

²² [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](#)

²³ [Code of Practice on time off for trade union duties and activities including guidance on time off for union learning representatives | Acas](#)

Familiarisation costs

Businesses:

69. Union access to workplaces will facilitate unions to support workers interested in collective worker voice, by enabling them to access workplaces to recruit and help members collectively organise in the workplace. Unions will primarily want to gain access to workplaces where they have existing members who are not in recognised bargaining units, and where they have had some indications of interest from workers in organising collectively. We assume unions are able to access workplaces where they are recognised. As unions do not have unlimited resources, we expect that they will concentrate any requests for access in these areas. Given that union representation of the collective worker voice is stronger when the union is recognised, we would expect that where there are no current union members, but indications of interest in collective worker voice, unions would be most interested in access to employers with more than 20 workers. Workers in bigger workplaces, where there is likely to be more distance between senior managers and workers, are also more likely to be interested in unionisation. Therefore, we assume that all employers with existing union members among their workforce, and all employers with 21 or more workers without current unionised workers would familiarise themselves with the proposed changes.
70. For the basic familiarisation by employers, we estimate that a HR director or manager for small, medium and large employers or an 'other manager or proprietor' for micro employers would take an average of 1 hour to familiarise themselves with the proposed changes, i.e. the definitions and headline changes to determine whether the proposed regulations would require any action. This is in line with the estimated familiarisation time for the proposed reforms to flexible working regulations, where the reforms were relatively small²⁴. Although the proposed reform may involve some additional bureaucracy for affected employers and some requirements in allowing access, only a relatively small proportion of these employers will receive an access request each year, as unions will have limited resources to give to this additional activity.
71. Hourly labour costs for these roles are estimated as the median hourly wage excluding overtime²⁵ uprated by 21.0% to reflect non-wage labour costs as a percentage of wages²⁶. Employer numbers are taken from Business Population Estimates²⁷. We estimate the proportion of micro and small employers (with 10 to 19 workers) with workers who are union members for MWPS 2018 data (which suggests 6% of employers with 5 to 9 workers and 8% of employers with 10 to 19 workers have union members in their workforce).

²⁴ This is in line with the estimate for familiarisation time for the proposals to reform Flexible Working Regulations – where small changes to the current regulations are proposed [Employment Relations \(Flexible Working\) Bill publications - Parliamentary Bills - UK Parliament](#)

²⁵ Annual Survey of Hours and Earnings 2023

²⁶ Index of Labour Costs per Hour, UK - Office for National Statistics (ons.gov.uk) for Q4 2019 to Q3 2020
Costs and benefits to business calculations
(the last 4 quarters available)

²⁷ <https://www.gov.uk/government/collections/business-population-estimates>

72. This provides the following estimates of basic familiarisation costs:

Table 6: estimated employer familiarisation costs for proposed union access reforms

employer size	number of employers affected	unit labour cost(£)	estimated familiarisation cost £(nearest 000)
Micro	68018	20.2	1,372,000
10 to 19	12407	31.8	395,000
20 to 49	82,344	31.8	2,621,000
50 to 249	41,273	31.8	1,314,000
250 to 499	5,123	31.8	163,000
500 or more	5,534	31.8	176,000
Total			6,041,000

Trade Unions

73. We would expect trade unions to familiarise themselves with the proposed change. We expect that it would take unions 1 hour to familiarise themselves as they will need to learn what form access notifications would need to take, and what would be reasonable grounds for access. We expect that the union general secretary and a senior official would familiarise themselves with the changes, at an hourly labour cost of £39.40 each. There are 126 non-federated trade unions listed in Great Britain, though potentially some unions would be more likely to pursue the requests for access than others.

74. This provides the following estimates of basic familiarisation costs for unions:

Number of unions (126) * Familiarisation time (1 hours) * Cost of familiarisation team (£78.80) = £9,900 (to nearest £000)

Ongoing impacts

75. There will be some additional activity for some employers and unions from notifications of access to workplaces, and employer responses. It is difficult to know how many such access requests will be made, and how much access to workplaces union officials will get. Employers and unions would have to put in place an access agreement, which could be adjudicated by the CAC. There will be some administrative cost to unions and employers from this process. These changes will also require additional resource for the CAC. Where right to access is obtained, there is likely to be some cost to employers in terms of finding the union officials some space and potentially some access to facilities. There may be some cost from workers taking time to talk to the union, though this could happen in allowed breaks for instance. We will consider these potential impacts in more detail when the prescribed circumstances for access are at consultation and secondary legislation stage.

76. There are potential benefits to workers from having a unionised collective voice in the workplace. These are set out in the CIPD report and NIESR literature review already referenced in this document. This reform potentially makes it easier for workers to organise this collective voice and move to recognition of the union by the employer. Enabling access to workplaces for union officials will improve the unions' ability to represent members in workplaces, especially where they are not recognised, and help facilitate organisation in these workplaces and places where there is an interest but no current unionised voice. Workers who are interested in

organising collectively in the workplace will benefit from this reform. However, workers will not be placed under any obligation to engage with the reforms.

77. There are potential benefits to employers from having an effective unionised collective worker voice in their workplaces, as set out in the ongoing impacts section on reforms to statutory union recognition procedures, so these reforms could have benefits as well as costs to employers.

Enforcement

78. The government will set up an adjudication and enforcement process through the CAC. This is likely to impose some additional costs to the government as it will be a new responsibility for the CAC. The detail of these processes is being consulted on. As set out earlier, key aspects of the proposed reforms have not yet been set out, so it is not possible to estimate how many cases there will be.
79. The potential introduction of a 20-day window for voluntary access agreements to be agreed before the CAC may need to adjudicate may make the process more efficient, ensuring that access agreements cannot be indefinitely delayed.
80. The possibility of penalty fines being issued under the enforcement regime may raise revenue for the Government Consolidated Fund. It may also create a cost for employers and unions bringing and defending a claim of non-compliance with the access agreement.

Further consideration of impacts

81. The detail of this proposed reform will be set out following consultation, for which the specific impacts will be further assessed in more detail.

Strengthening protections for trade union facility time

82. This proposed policy will ensure that union workplace representatives will be able to take sufficient paid facility time with sufficient access to facilities to enable them to fulfil their union representative duties. Where an employee is a designated union equality representative in the workplace, they will be given statutory rights to paid time off for equality duties and for training related to these duties. Union duties involve:
1. Negotiations with the employer on collective terms and conditions (collective bargaining).
 2. Consultation and negotiation where an employer is involved in a TUPE process or is planning to carry out redundancies.
 3. Handling individual disciplinary and grievance matters on behalf of employees.
 4. Communicating with workplace members on these issues.
 5. Health and Safety representatives and learning representatives have specific duties related to workplace health and safety and workplace learning and training.

Familiarisation time

83. We expect that all employers with a recognised union²⁸ would familiarise themselves with this policy, as there will potentially be implications for the amount of working time union representatives would spend on paid facility time, and the facilities employers should make

²⁸ The Trade Union and Labour Relations (Consolidation) Act 1992 sets out that an employee who is a member of an independent union recognised by the employer can have paid time off for certain union duties.

available. In some cases, there will be a union equalities representative who will be entitled to some paid facility time for equalities duties, and some paid time for related training. Using the 2023 DBT Business Population Estimates, we estimated the numbers of employers in Great Britain. By applying data on workplaces with recognised unions and organisational structures, from the Management and Wellbeing Practices Survey, we estimated the proportion of employers that have recognised unions²⁹. We assume that these employers would need to be aware of the changes in relation to union representatives' ability to take the facility time needed, and provision of facilities, as well as the introduction of statutory rights for union equality representatives. Some employers with recognised unions will not have workplace representatives among their workers (especially smaller employers). Some employers will already meet the requirements for reasonable facility time and provision of facilities. We therefore estimate that on average it would take 1 hour of an HR manager or Director's time to familiarise themselves with the new requirements, at an hourly labour cost of £31.83.

Table 7: Estimated familiarisation time for employers with recognised unions

Size of employer (number of workers)	Number of employers	Estimated % with recognised unions	Employers with recognised unions	Familiarisation – unit labour cost £	Total familiarisation cost £ (nearest 000)
1 to 4	924,191	4%	39494	31.83	1,257,000
5 to 9	282,582	4%	12075	31.83	384,000
10 to 19	149,504	5%	7064	31.83	225,000
20 to 49	82,344	15%	12745	31.83	406,000
50 to 99	26,629	20%	5208	31.83	166,000
100 to 249	14,644	46%	6759	31.83	215,000
250 to 499	5,123	62%	3156	31.83	100,000
500 or more	5,534	73%	4021	31.83	128,000
Total	1,490,551		90522		2,881,000

84. There are 126 non-federated unions (unions representing workers in the workplace) registered with the Certification Officer (as at 22nd August 2024). We estimated that they would need to familiarise themselves with the proposed changes, and they would require 1 hour on average. We expect that the general secretary and a senior official would carry out the familiarisation at a combined hourly labour cost of £78.78. This would give a familiarisation cost to unions of £9,926.

85. Existing union representatives may need to familiarise themselves with the proposed changes as they will primarily be benefitting from the changes. Part of the awareness of the proposed changes may come from union training of representatives, and a union may have multiple representatives in a workplace, so familiarisation may primarily be carried out by the head representative in those workplaces. Therefore, we estimate the familiarisation time to be relatively low at 10 minutes on average. We estimate from the Management and Wellbeing Practices Survey that there are around 113,000 workplace union representatives in Great Britain. The median hourly labour cost based on the median wage for an employee, is £19.15.

²⁹ For estimated employers with 1 to 4 workers, we assumed the same percentage has recognised unions as those with 5 to 9 workers – this is likely to be a high estimate, as the smaller the employer the more likely that the senior executive/owner has a direct workplace relationship with the worker, and there is less capacity for collective worker voice.

The estimated familiarisation cost, which we assume may be a cost to employers, is $113,313 \times \frac{1}{6} \times 19.15 = \text{£}355,000$ to the nearest £thousand.

Transition costs

86. There may be some requirement for employers and unions to adapt their guidance and training to reflect the proposed change. We are not able to monetise these costs as we do not know how many employers have guidance for managers in relation to union representatives, or what precisely is covered in the union training of representatives. However, the cost is likely to be relatively low.

Ongoing impacts

87. There is likely to be some cost to employers from union representatives spending more paid time at work on facility time. The Acas Code of Practice on time off for trade union duties and activities³⁰ provides statutory guidance on paid time off for facility time but does not specify what a reasonable amount of time is. DBT analysis of WERS 2011 data suggests that the median hours spent on union representative duties was around 4 hours a week, with the median about 12% of the paid working week. A high proportion of union worker representatives reported that they were paid for facility time³¹. However, there is some evidence that union workplace representatives do not take all the time they need for union duties as paid facility time. The DTI publication Workplace Representatives: a review of their facilities and facility time³², from 2007, suggests that many union workplace representatives also carry out union duties in their own time, such that the value of this work (in terms of the wages they could have earned in the time) was estimated at £115 million a year, around 29% of the value of the paid facility time the report estimated.

88. The proposed change will give the union representative more say in what facility time during work hours is necessary to carry out their union duties. This may enable workplace representatives to undertake work on union duties that they are currently unable to do, providing a better service in representing workers with their employer. Potentially, union workplace representatives may also be able to undertake more of their union duties during their paid work hours and reduce the amount of unpaid work they are providing in the week potentially making their work life balance better. The estimates from the 2007 Report gives an indication of how much unpaid work on union duties was carried out. We do not have the current data that enables us to estimate how much unpaid time is spent by workplace representatives on union duties. Union membership and coverage of collective bargaining has fallen, and other factors such as pressure on work delivery may have risen. There is likely to be some cost to employers in additional paid facility time where workplace representatives require more time to sufficiently carry out their union duties.

89. While the proposed changes to facility time law may result in union workplace representatives being able to carry out more of their union duties during paid work hours, many workplace representatives will face work pressures. The 2007 DTI publication³³ reported that the pressure to deliver on outputs for the employer had intensified, making the taking of paid facility time during working hours more difficult (both from a line manager and worker perspective). The

³⁰ [Code of Practice on time off for trade union duties and activities including guidance on time off for union learning representatives | Acas](#)

³¹ DBT analysis of Workplace Employment Relations Survey 2011, worker representative questionnaire.

³² [DTI Workplace Representatives consultation document 2007 \(nationalarchives.gov.uk\)](#)

³³ [DTI Workplace Representatives consultation document 2007 \(nationalarchives.gov.uk\)](#)

Trade Union Act 2016³⁴ included reserved ministerial powers to potentially restrict paid facility time for workplace union representatives in the public sector. If the proposed changes do enable workplace union representatives to carry out more of their union duties as paid facility time during working hours, there is likely to be a benefit to the employer from the representatives having more rest time during the week (rather than doing unpaid work) in more productive work as an employee and as a union representative. We have not monetised the benefit to workplace representatives of having more leisure time.

90. However, it should be noted that the union duties carried out by the union representative are predominantly involved in representing workers to employers, and this is estimated to provide substantial benefits to employers. The 2007 DTI report on workplace representatives³⁵ estimated that they brought an identifiable range of benefits worth between £476 million and £1.1 billion a year, with “potentially significant other gains from increased productivity”. These identified benefits come from reduced dismissal rates, reduced voluntary exits by workers, better workplace resolution of individual disputes, benefits from increased worker training due to the input of Union Learning Representatives and better workplace health and safety, such as fewer workplace injuries. A literature review of existing quantitative analyses conducted by NIESR³⁶ in 2021 tends to confirm these benefits from having unions in the workplace, particularly from having effective representatives.
91. The proposed changes will also require employers to provide sufficient facilities to carry out their union duties. The specifics of what is meant by sufficient facilities will be set out in due course . This will take account of what facilities different sizes and types of employers and workplaces are reasonably able to provide. The DTI report on workplace representatives estimated there was an opportunity cost to employers of providing facilities to workplace representatives of between £4.9 million to 24.9 million a year³⁷. DBT analysis of WERS 2011 representatives survey suggested that most representatives reported being provided with some facilities. The percentage being provided with facilities was as follows:

Table 8: estimated percentage of union workplace representatives being provided with facilities

Facilities	% receiving facility
Phone	81%
Office specifically for representatives	28%
Office also used for other purposes	49%
Access to meeting rooms	83%
Photocopier	77%
Computer	72%
e-mail	70%
Space on employer’s intranet	39%

92. It is difficult to know whether this amounts to sufficient facilities for the union workplace representative to carry out their duties. The data suggests that for technology like phones and computers there is not a clear difference across different sizes of workplace. Smaller workplaces are much less likely to make office spaces available than larger workplaces. There is potentially some shortfall in reasonable provision of facilities, for example, some representatives in large workplaces were not receiving access to facilities. This is likely to have

³⁴ [Trade Union Act 2016 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

³⁵ [DTI Workplace Representatives consultation document 2007 \(nationalarchives.gov.uk\)](https://www.nationalarchives.gov.uk)

³⁶ [NIESR added value of trade unions literature review new format .docx \(niesr.ac.uk\)](https://www.niesr.ac.uk)

³⁷ [DTI Workplace Representatives consultation document 2007 \(nationalarchives.gov.uk\)](https://www.nationalarchives.gov.uk)

some annual opportunity cost to employers, though as noted above, by helping the representative become more effective there are potential benefits to the employer.

93. The proposed change also involves providing statutory rights to time off for union duties and related training for workplace union equality representatives. These would be employees in an organisation who volunteer to be their union equality representative in the workplace. The equality representatives will have a specific role of promoting equality in the workplace and resisting discrimination. The CIPD 2019 report *Building Inclusive Workplaces*³⁸ does identify that there is a business benefit from building an inclusive workplace culture that allows all people to thrive at work. However, it stresses that improving workplace equality should have wider aims than just business performance, as there are also likely societal benefits, such as increased health and wellbeing from better inclusivity. The NIESR literature review³⁹ on research into the impacts of the unions states that “small-scale surveys of trade union equality representatives and disability champions indicate that their impact on employers’ equality practices is greater when such issues are subject to negotiation; their impact also increases with the amount of time spent on the role”.
94. There are existing union workplace representatives who are equality representatives or who have equality responsibilities, therefore it is difficult to monetise what the potential impact of statutory rights would be. It may enable unions to appoint more workplace equality representatives. It may enable them to have a more substantive role with employers, which existing evidence suggests could help improve inclusivity and equality in unionised workplaces. There is likely to be some additional cost to employers of equality representatives taking paid facility time during working hours, though this is not likely to be significant for individual employers, and could open up benefits in business performance, or worker retention.

Enforcement

95. Enforcement of the proposed strengthening of union representatives’ facility time rights, and statutory rights for equality representatives would be through the employment tribunal. HM Courts and Tribunal Service (HMCTS) do not publish figures on the number of claims involving complaints of failure to allow time off for union activities or duties, so it is likely that the number of claims per year is relatively low. There is the potential that employment tribunal claims may increase, as the Bill places the burden of proof on the employer. We do not currently have access to the data on employment tribunal complaints for this jurisdiction so are unable to estimate the size of any increase or monetise the costs.

Increased protection for union members against blacklisting

96. The proposed reforms are aimed at extending the existing blacklisting protections to provide union members and activists with additional laws against being blacklisted. Blacklisting is preventing an individual from obtaining work or employment opportunities in their chosen profession or trade or treating them less favourably due to them being a union member or participating in industrial action.

³⁸ [building-inclusive-workplaces-report-sept-2019 \(cipd.org\)](https://www.cipd.org/insights/2019/09/building-inclusive-workplaces-report-sept-2019)

³⁹ [NIESR added value of trade unions literature review new format .docx \(niesr.ac.uk\)](https://www.niesr.ac.uk/research/literature-reviews/niesr-added-value-of-trade-unions-literature-review-new-format.docx)

97. The proposed changes involve giving the Secretary of State for Business and Trade additional powers to:

1. Outlaw the use and/or sale of lists containing details of trade union members or persons taking part in union activities (including those produced by predictive technologies) for blacklisting.
2. Hold people inducing intermediaries to blacklist union members or persons taking part in union activities to account.

Familiarisation

98. We expect trade unions to familiarise themselves with the proposed changes to blacklisting laws. We anticipate that union general secretaries, a senior officer and a legal advisor would familiarise themselves, with a familiarisation time of 1 hour (as they would already be aware of the existing law and how it could be strengthened).

99. There are 126 non-federated trade unions in Great Britain. The estimated hourly labour cost for a union general secretary and a senior official comes to £78.78. We estimate that unions obtain independent legal advice at an hourly rate of £318⁴⁰. Familiarisation cost to unions is therefore estimated at $(78.78+318) \times 1 \times 126 = £50,000$.

100. Employers should already know that blacklisting is against the law, so employers compliant with the law would not need to familiarise themselves with the proposed changes. The reforms are aimed at providing additional protections for union members and union representatives against employers who are acting illegally.

Ongoing impacts

101. It is difficult to know what the ongoing impacts are going to be. Blacklisting is inherently secretive, and so difficult to prove. The main driver for the Employment Relations Act 1999 (Blacklisting) Regulations 2010⁴¹ was the Information Commissioner's Office (ICO) investigation into the Consulting Association, primarily in relation to blacklisting in the construction industry. This led to several employment tribunal cases, an employer led compensation scheme for affected individuals, and various High Court claims leading to substantial payouts to individuals who were blacklisted⁴².

102. Evidence that blacklisting may have continued in the construction sector was suggested by a High Court case brought by a construction worker on the Crossrail project. The companies involved settled by agreeing to pay damages and legal costs, though without admitting liability⁴³.

103. Unions have expressed concerns that other areas that involve sub-contracted project work, such as rail infrastructure and offshore oil and gas, are also subject to blacklisting risk, as well as online platform work. It is not known precisely how many files the Consulting Association had, with the ICO seizing around 3,000 individual files on construction workers but leaving other files (which some estimates suggest could have been up to 60,000 individuals' files)⁴⁴.

⁴⁰ This takes the estimate of an hourly fee for independent legal advice from the trade union Act enactment impact assessment and updates to 2023 prices using CPIH.

⁴¹ [The Employment Relations Act 1999 \(Blacklists\) Regulations 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

⁴² [Trade unions: blacklisting \(parliament.uk\)](https://www.parliament.uk)

⁴³ [Unite member says he feels fully vindicated in Crossrail "blacklisting" case as open court statement delivered - IER](#)

⁴⁴ [Damning ICO misses the point on blacklisting | Construction News](#)

104. Given blacklisting cases emerging since the Consulting Association was wound up, the existence of other blacklists remains a possibility. Through unions gathering evidence, and potentially more proactive government enforcement, the proposed changes may lead to additional risk to those involved in blacklisting and make it more difficult for lead organisations to pressure sub-contractors into dismissing or not using workers without good legitimate reasons.
105. This potential additional protection for union members and union representatives may improve unions' ability to protect workers from employers trying to undercut agreed terms and conditions or providing inadequate health and safety protection⁴⁵. This would benefit workers, particularly in those industries more likely to be affected by blacklisting.
106. The potential improvement in uncovering and protecting against blacklisting would benefit those employers who comply with the law, particularly in the most affected industries, as those behaving illegally would be more likely to be held to account.

Enforcement

107. Individuals affected by blacklisting would be able to seek redress through the employment tribunal or the High Court. The proposed changes to the law would make it more likely that the case would be successful when there was an intermediary organisation between the blacklisting organisation and the worker.
108. Employment tribunal complaints about blacklisting are included in the jurisdiction 'Suffered discrimination in obtaining employment due to membership or non-membership of a trade union; or refused employment or suffered a detriment for a reason related to a blacklist'. Complaints in this jurisdiction have varied across recent years. Between 2019-20 and 2022-23 they varied between 19 and 26 cases a year. However, in 2017-18, there were 1,097 complaints. It is therefore difficult to know what impact the proposed changes would have on case numbers, as the biggest factor is likely to be evidence of blacklisting practices occurring, with case numbers remaining low unless evidence of a list is revealed.

Improve worker protections against detriment and dismissal when taking official industrial action

109. Currently, workers taking official strike action can claim unfair dismissal if they are dismissed for taking industrial action. They are essentially considered as unfairly dismissed if dismissed within the first 12 weeks of strike action. This strike action could be intermittent rather than continuous. They could also be considered as unfairly dismissed if dismissed after the first 12 weeks if the employer has not taken reasonable steps for the purposes of resolving the dispute. If some workers taking strike action are dismissed and others are not there could be other grounds for an unfair dismissal claim. The 12-week period is shorter than the current period for an industrial action mandate which was set at 6 months (26 weeks) in the Trade Union Act 2016. The proposed policy is to remove the time limit for the protection against unfair dismissal.
110. In a ruling in April 2024, the UK Supreme Court found that workers taking official strike action were not protected by UK law (section 146 of the 1992 Act) from detriment short of dismissal for taking industrial action. However, the UK Supreme Court found that this lack of protection was

⁴⁵ [Blacklisted.pdf \(uwe.ac.uk\)](#)

incompatible with Article 11 of the European Convention on Human Rights⁴⁶. Section 146 of the 1992 Act fails to provide any protection against sanctions short of dismissal, intended to deter or penalise trade union members from taking part in lawful strike action organised by their trade union. The judgment (press release) states “In the UK, domestic law does not provide any protection for a worker faced with a disciplinary sanction short of dismissal for taking part in a lawful strike. The right of an employer to impose any sanction it chooses, short of dismissal, for participation in lawful strike action nullifies the right to strike, as employees are unable to strike without exposing themselves to detrimental treatment. In that sense, section 146 both encourages and legitimises unfair and unreasonable conduct by employers”. The government proposes to amend Section 146 of the 1992 Act to prohibit the use of prescribed detriments against a worker for taking official industrial action and will consult on what detriments will be prescribed.

Familiarisation

111. We expect that employers who face an industrial action ballot, and trade unions, would familiarise themselves with these proposed changes. We anticipate that for unions, the general secretary and a senior officer, plus an independent legal advisor would take 30 minutes to familiarise themselves. Similarly, for employers facing an industrial action ballot we estimate that an HR manager or director and a legal advisor would take 30 minutes to familiarise themselves with the change on average. The change to the unfair dismissals protection to workers taking industrial action is relatively straightforward. On the reforms to severe detriment protections, a more thorough assessment of impacts will be considered for the consultation.

112. There are 126 non-federated trade unions, who would need to familiarise themselves with the change. For employers facing industrial action ballots, we use the estimate of the number of separate ballot questions reported in the union annual returns for 2022, of 2,925. Although Unite did not provide a return for 2022, this is still a high estimate, because:

3. Often separate strike/short of strike questions will be asked in ballots for the same dispute, and
4. The Trade Union Act 2016’s 6-month time limit for ballot mandates may mean in some cases unions had to carry out two ballots for the same dispute in the same year.
5. Following legislative reform, employers that do not usually face industrial action ballots would familiarise themselves with the law as it stands, so in reality, only employers facing ballots as the legislation is being changed and who perceive that they are more likely to face future ballots would separately familiarise themselves with the proposed change.

113. The estimated familiarisation cost for unions is £25,000 ($126 \times 1/2 \times (39.39 \times 2 + 318)$ ⁴⁷). The estimated familiarisation cost for employers is £95,000 ($2925 \times 1/2 \times (31.83+33.02)$ ⁴⁸).

Ongoing impacts

114. Quantitative data on the extent of dismissal of striking workers or the use of detriment short of dismissal applied to workers taking industrial action is not available, therefore it is difficult to monetise any impacts.

⁴⁶ <https://www.supremecourt.uk/cases/docs/uksc-2022-0080-press-summary.pdf>

⁴⁷ Estimated hourly labour cost for a general secretary or senior official is £39.39, based on Annual Survey of Hours and Earnings 2023, and National Accounts data on non-wage labour costs as % of wages, plus the estimate of independent legal hourly fees from 2016, uprated by CPIH.

⁴⁸ Estimated hourly labour cost of HR manager/director and corporate lawyer.

115. For workers there are likely to be some benefits. The strengthened protections against dismissal for taking industrial action are primarily likely to offer additional protection to certain workers. Given that workers will be largely working to their contract when taking action short of a strike, it is likely that employers would not look to dismiss workers unless it was strike action (unless only a few workers were taking long-term, disruptive action short of a strike). Workers with skills difficult to immediately replace are also unlikely to face dismissal for industrial action (unless only very few such workers are taking action). This is because it would be difficult to replace a large number of dismissed skilled workers and in most circumstances such action would have a significant negative effect on the employer's output when the dispute ends. Given that strikes are generally not continuous but involve blocks of strike action interspersed with periods of work, these periods of work would be negatively affected. Therefore, the right to dismiss workers for taking industrial action are likely to only be used when a very small proportion of the bargaining unit of skilled workers take action (and it might be possible to replace these workers) or if the workers taking action are relatively easily replaced (lower skilled or unskilled workers). However, the employer may face negative consequences of dismissing workers even in these circumstances as the workers would be familiar with the employers' systems and work required. Removing the time limit to protection from dismissal due to taking industrial action offers additional protection to these workers who might be more vulnerable to dismissal. Data from the ONS Labour Disputes Survey for 2022 and 2023⁴⁹ suggests that around one-third (744) of disputes involving strike action had strike action for more than three months. This suggests that some workers are likely to benefit from the increased protections from dismissal.
116. Workers taking industrial action are likely to benefit from protection from employers imposing detriment short of dismissal. This could be no reduction in access to overtime, or promotion opportunities, or bonuses, depending on which detriments are prescribed. It is also likely that workers in dispute will be less easy to intimidate from voting for industrial action as employers will be restricted in what they can threaten as a detriment.
117. The additional protections may limit employers' ability to use the threat of dismissal or prescribed detriment short of dismissal to force workers to not take industrial action or accept a deal they consider unsatisfactory⁵⁰. This could help workers in some disputes improve terms and conditions more than they would have been able to under the current law. This adjustment in the balance of power may encourage employers to engage in more cooperative industrial relations with unionised workers to reduce the risk of dispute, and industrial action.

Enforcement

118. Enforcement of the proposed changes would be through the employment tribunal. Data from the employment tribunal suggests there are very few cases (less than 10 a year between 2017/18 to 2021/22) including complaints of unfair dismissal in relation to a lock out, strike or other industrial action.
119. There is the possibility of more claims resulting from the proposed reforms. Protection from prescribed detriment short of dismissal for workers taking industrial action may lead to additional claims as it is a new right. Some claims in relation to detriment due to taking industrial action have been brought under other jurisdictions, such as protection against detriment for being a member of a trade union. Possible impacts will be considered in more detail for the consultation

⁴⁹ Labour Disputes Inquiry, UK: 2022 and 2023 - Office for National Statistics (ons.gov.uk)

⁵⁰ Supreme Court rules that failure to protect striking workers from detriment breaches human rights | Make UK

on what detriments should be prescribed. It is difficult to know whether the proposed changes to unfair dismissal protections will impact the number of claims as employers will know that any such dismissal would be unfair once the time limit is removed.

Consulting on removing the requirement for a political fund resolution ballot every 10 years.

Familiarisation

120. The proposed reform of trade union political fund resolution ballots will primarily concern trade unions with political funds and their members. Guidance about political fund ballots published by the Certification Officer⁵¹ show that the ballot involves asking all union members whether they support having a political fund (a fund to support expenditure on political objects). The specifics of what the union decides to spend the political funds on are not part of the ballot process, and the ballot paper does not need to refer to them. Unions with political funds do describe to members the purpose of the funds when ballots are taking place (for instance on their websites) but also have information available about political fund activity generally⁵². The specific political objects that individual union political funds spend on are agreed as part of the democratic decision-making processes of the relevant unions. 21 unions registered in Great Britain have political funds. Based on data from their 2022 returns (2020 for Unite), these unions have around 5.3 million members. No unions headquartered in Northern Ireland have a political fund.
121. Since the 10-year cycle of political fund resolution ballots was introduced in legislation in 1984, members in the relevant unions have voted to retain the political funds. Although members would lose the right to vote every 10 years on the retention of the political funds, they keep the right to opt-in or opt-out of contributing to the political fund. Members who contribute, pay an additional small amount, generally less than £10 a year⁵³. Given that the key decisions for members are whether to contribute to the political fund, and what the political fund is spent on (whether they are happy with it or want to change it) the 10-year ballot seems a marginal change to individual member's rights within the union. Turnout in political fund ballots is generally low. However, this proposed change will be consulted on, so alternative evidence may be presented. On the basis of our assessment, it seems unlikely that individual union members would familiarise themselves with this change.
122. We would expect trade unions with political funds to familiarise themselves with the proposed change. It is deregulatory for unions, as they would not have to carry out a ballot of all their members once every 10 years. However, we are also consulting on whether these unions should remind their members every 10 years that they have the right to opt-out of contributing to the political fund. Currently, under the Trade Union Act 2016, unions with political funds have to remind members that joined after the commencement of the political fund element of the 2016 Act of their right to opt out every year; they could do this by including a withdrawal form and information about their right to withdraw in a regular union communication. It would therefore be a minor change to the legal requirements and unlikely to be burdensome. As the proposed changes (subject to consultation) enable unions to stop conducting the 10-year ballots on existing funds and may require them to continue to inform members of their right to opt-out, but less frequently than now, we estimate a low familiarisation time of 10 minutes. We expect that the union general secretary and a senior official would familiarise themselves with the changes, at an hourly labour cost of £39.39 each. This would produce a familiarisation cost of:

⁵¹ [Political Fund Review Ballots - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

⁵² [Political affiliations and support | How we work | UNISON National](#), [Unite Politics \(unitetheunion.org\)](https://www.unitetheunion.org),

⁵³ DBT analysis of trade union annual returns data for 2022 (2020 for Unite).

21 x 39.39 x 2 x 1/6=£276.

Transition costs

123. Unions are likely to update their rule books to reflect the changes to regulatory requirements. It is likely to be part of a broad change to the rule books following the wider employment rights reforms. We anticipate this can be done as part of normal union activity, rather than imposing a specific additional cost.

Ongoing impacts

124. The 21 unions with political funds will see a benefit in reduced costs because they will not have to run the political fund resolution ballot for existing funds every 10 years. As the resolution ballots cover the whole membership, and are statutory postal ballots, the costs would usually run into the £100,000s for a single ballot. Based on data from union annual returns for two relatively large unions who made their resolution ballot costs available, we estimate that on average, at 2023 prices⁵⁴, the ballots cost £0.72 per member balloted. Applying this figure to the union membership for unions with political funds based on their 2022 annual returns (2020 for Unite) we get an estimate for total ballot costs over 10 years and divide by ten to get an annual average⁵⁵. This comes to £384,000 a year.

$$£0.72 \times 5,318,000 \times 0.1 = £384,000 \text{ (to nearest 000)}$$

125. There is the question of whether unions should have to continue to ballot their members in Northern Ireland. This would be relatively low cost, as unions with political funds have relatively few members (around 240,000) in Northern Ireland⁵⁶. However, as demonstrated previously, there may be other more effective approaches available if Northern Irish members want to change or remove the political fund from Northern Ireland.

126. As noted above, the consultation will consider whether the unions with political funds should continue to be required to inform all members of the right to opt-out of contributing to the political fund every 10 years. This is similar to the requirement in the 2016 Act to inform members who joined after the commencement of the political fund regulations of their right to opt-out of the political fund on an annual basis. This is therefore not likely to involve any cost to unions, as they are currently required to carry out this notification annually. Unions may have to change the means by which they distribute the information so that it covers all members, which could comprise of low-cost approaches such as providing information on a digital platform or updating existing documents.

127. Under the proposed reforms, members of unions with political funds will not be balloted once every 10 years about whether they want their union to retain their political fund. Members can instead choose to opt out of contributing and/or work to change how it operates through the union's usual democratic processes (including potentially advocating for closure). Therefore, removing the ballot is unlikely to reduce an individual's rights in relation to the political fund.

128. Evidence provided in the consultation will further inform the government's policy in this area.

⁵⁴ We take data from two annual returns for 2018, and uprate to 2023 prices (January 2018 to April 2023) using CPIH.

⁵⁵ There is a schedule for the resolution ballots over a 10 year period which would enable ballot expenditure to be more precisely distributed over 10 years, but we do not have ready access to this schedule.

⁵⁶ [Annual Report of the Certification Officer for Northern Ireland 2022-2023.pdf \(nicertoffice.org.uk\)](https://www.nicertoffice.org.uk/Annual-Report-of-the-Certification-Officer-for-Northern-Ireland-2022-2023.pdf)

Summary of impacts

129. The monetised impacts are primarily familiarisation costs, as it is difficult to precisely estimate impacts where details of the policy have not been finalised and will be consulted on at a later date.

130. Estimated monetised costs and benefits for the various policies covered are as follows:

Table 9: estimated monetised costs and benefits

Policy impact	Business cost (£m)	Total cost (£m)
Employer duty to inform workers of right to join a union – employer familiarisation costs	5.60	5.65
Employer duty to inform workers of right to join a union – employer transition cost for amending templates	5.60	5.77
Union access to workplaces – union familiarisation costs	0.01	0.01
Union access to workplaces– employer familiarisation costs	5.9	6.04
Reform of statutory union recognition laws – employer familiarisation costs	2.26	2.4
Reform of statutory union recognition laws – union familiarisation costs	0.01	0.01
Improved rights for workplace representatives on facility time/facilities -employers familiarisation costs	2.8	2.9
Improved rights for workplace representatives on facility time/facilities -trade union familiarisation costs	0.01	0.01
Improved rights for workplace representatives on facility time/facilities -union workplace representatives' familiarisation costs	-	0.36
Improve protections for workers taking industrial action – employers' familiarisation costs	0.09	0.09
Improve protections for workers taking industrial action – trade unions' familiarisation costs	0.02	0.02

- i. The estimated NSPV at 2024 prices is -£22.9 million, with an EANDCB of £2.5 million.

131. There are a number of potential impacts that have not been monetised. There are two main elements to the proposed policies considered in this impact assessment. Firstly, improving worker awareness and access to union representation and reducing barriers to statutory union recognition, and secondly, improving protections for union members and representatives and supporting workplace representatives in performing their union duties.

132. On improving worker awareness and access to union representation and reducing barriers to statutory union recognition, there are likely to be administrative costs to unions and employers. Unions and employers will have to complete prescribed notifications for access and responses and reach an agreement on access arrangements. There will potentially be an arbitration process through the CAC. There may also be a cost in providing space for union officials to meet workers. On removing barriers to union recognition, we do not think there will be a substantial increase in numbers of applications to the CAC, as unions need to have a reasonably high support within the bargaining unit to be successful in the ballot. These policies combined are likely to lead to some increase in union membership and collective organising, and potentially an increase in recognition of bargaining units. This will be dependent on workers

choosing to join unions and organise in the workplace. This would cause additional organisational cost to employers as they would need to put in place a collective bargaining arrangement and allow workplace representatives paid time off for union duties.

133. The proposed policies for improving protections for union members and representatives and supporting workplace union representatives in carrying out their duties may lead to some increased paid facility time during work hours, which would mean some employers (with union representatives) would have a small reduction in paid time on the employer's work from representatives. These employers may also have to provide additional facilities to workplace representatives to enable them to perform their union duties more effectively. When there is official industrial action, employers will have reduced ability to apply a detriment short of dismissal on workers taking action, and/or to fairly dismiss them. This is likely to reduce employers' ability to influence voting in industrial action ballots through indicating potential detriments, or participation in action. Greater protection from dismissal for participating in official action will primarily benefit low skilled workers. Increased protection against blacklisting is primarily going to impact employers who may be breaking the law.
134. As discussed above, evidence suggests there are benefits to workers from union membership and representation⁵⁷. Union workplace representatives could benefit from being able to carry out more of their union duties during working hours, enabling them a better work-life balance. Statutory rights for equality representatives could help workers get more equal treatment in the workplace. The evidence also suggests that there are possible benefits to employers from collective unionised worker voice, and from effective union workplace representatives.

Costs and benefits to business calculations

135. The monetised costs to business are set out in the summary paragraphs just above this section. This produces an EANDCB of £2m and a Business Net Present Value of -£19 million at 2024 prices and 2024 present value.
136. The monetised costs are familiarisation costs and transition costs, while the only ongoing monetised benefit is for trade unions not having to carry out political fund resolution ballots.
137. Non-monetised costs for business will include costs related to union access to workplaces. There is an administrative process where unions will submit prescribed notifications of access to employers, who will need to provide a prescribed response. They can make a voluntary access agreement with an arbitration process through the CAC where agreement cannot be reached. The details of the requirements for submitting a notification for access will be set out following consultation. Where unions have access permissions the employer will need to allocate some space for the union officials, but it is expected that communication with workers will not impinge on working hours (but will happen during rest times). Overall, this cost is not likely to be too large. Unions will have limited resource to allocate to this work and are likely to prioritise workplaces where they have members, but these workers do not have their union recognised. Depending on the thresholds for access rights, unions may also apply for access at workplaces where they have evidence of interest among workers for organising collectively.
138. We also do not expect there to be a substantial change in the number of statutory union recognition cases going through the CAC. Unions will still generally need support of around 35% of the bargaining unit to have a good chance of winning the ballot. There is likely to be some cost to employers where statutory recognition does occur, as management practices will need to adapt to incorporate collective bargaining for the bargaining unit. Union workplace representatives for the unit will also be entitled to paid facility time.

⁵⁷ [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](#)

139. The proposed strengthening of provisions to entitlement for paid facility time and facilities may impose some costs on employers. Workplace union representatives carry out at least a proportion of their union duties unpaid and outside work hours. An illustrative estimate from data published in 2007 suggested that 29% of union duty activity by representatives was unpaid. However, representatives will continue to face pressure to deliver their work objectives so in practice it is unlikely that all this unpaid union duty work will transfer to paid facility time.
140. The proposed changes are aimed at facilitating higher union membership and unionised coverage of the Great British workforce. This will depend on whether workers are convinced of the benefits to them of unionised collective worker voice and are interested in organising in their workplace. Alongside this, the aim is to increase coverage of collective bargaining and sufficient paid facility time for representatives to carry out their role of representing worker voice to management. This can represent a potential opportunity as well as a cost to employers. The CIPD Collective Worker Voice report referred to previously suggests there are potential benefits to employer performance as well as employee welfare benefits where employers engage cooperatively with unionised worker voice. NIESR's literature review⁵⁸ on research into union impacts indicate that benefits for employers are more likely to be realised where there is employer goodwill or where employers and unions have 'mutual gains' relationships.
141. While there are potential benefits to employers from increased unionised worker voice, there are potential downsides. According to the NIESR literature review⁵⁹ of research on the impact of unions, more recent research does not suggest any negative impacts on productivity in unionised employers. It also suggests recent research is unclear on the impact of unionisation on employment growth and does not suggest a negative link between unionisation and labour turnover. However, it does state that a key factor identified in research is "the nature of the relationship between any union and the employer". Where there is a negative relationship there is more likely to be negative impacts than where there is a cooperative relationship. The research also points out that there are more likely to be collective disputes in unionised workplaces, but generally (apart from in 2022 to 2024) industrial action has been low in recent decades compared to the 1980s and before, and generally accounts for a very low proportion of unionised workers.
142. Unions with political funds will benefit from administrative savings if they no longer have to carry out Political Fund Resolution ballots every 10 years.

Impact on small and micro businesses

143. Generally, as the figures above show, micro businesses and small businesses are much less likely to have union members in their workforce and have recognised unions. They are therefore less likely to be affected by the proposed changes considered in this impact assessment. Statutory union recognition procedures are restricted to employers with 21 or more workers. Therefore, impacts of the proposed reform of these procedures and strengthening of facility time protections will be concentrated in employers of this size. As union recognition and membership correlates with employer size, larger employers are more likely to be affected. Unions are also expected to focus their notifications for access on employers with 21 or more workers or employers with workers who are union members. This will similarly mean larger employers will be more impacted.
144. Where micro, small and medium sized employers do have recognised unions, consideration will be given to what facilities they can reasonably be expected to provide to workplace representatives, taking into account the workplace facilities they have available. Although having a workplace representative entitled to paid facility time may impact a smaller employer more, as they may have less overall labour resource, it is likely that in general, sufficient resources for

⁵⁸ [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](#)

⁵⁹ [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](#)

union duties will be proportionate to the number of workers being represented. As set out in our monetised estimates for revising workplace templates, the employer duty to inform workers of the right to join a union is not expected to disproportionately affect small to medium enterprises (SMEs).

145. Potential benefits to employers from unionised collective worker voice and workplace representatives are more likely to be realised by employers who work cooperatively with unions. Unionised collective worker voice will increase worker bargaining power, so there are also potential costs, which are more likely to be negative overall to the employer where the relationship between employer and union representatives is not constructive. These potential benefits or costs are less likely to be available to or affect small and micro employers. Lower union membership rates in these businesses are likely to be due to the closer workplace relationship between senior management and workers, so it may be more difficult for workers to perceive of the benefits of collective unionised worker voice. It is possible that the employer may be able to obtain the benefits to the business from worker voice through that closer direct relationship.
146. However, broadly, the policies on access, employer duty, facility time and protections for union members and activists need to cover all employers as having an independent voice and representation can benefit workers across all size of employers.
147. Some unions with political funds may be small or micro businesses and would benefit by a small amount if the government goes ahead with the proposed ending of the requirement to carry out Political Fund Resolution ballots every 10 years.

Costs and benefits to households' calculations

148. We have not been able to monetise household benefits. The impacts are dependent on a number of factors for which we do not have available or reliable data. We do not know to what extent workers will choose to become unionised, or to what extent workplace representatives will be able to increase the amount of time they spend on union duties. There is a lack of data to monetise how this would impact workers more generally.
149. These proposed policies essentially aim at improving workers' awareness of the right to join a union, access to union representation in the workplace and potentially making it easier to gain statutory recognition for collective bargaining. These offer potential benefits to workers as the evidence suggests that unionised collective worker voice benefits the workers covered, especially when the workers are part of a recognised bargaining unit and have workplace representatives. It is unclear to what extent the proposed reforms will result in increased union membership, representation and collective bargaining coverage; this will primarily depend on the workers' interest in organising collectively. As set out above, the data suggests that changing the rules on statutory union recognition is unlikely to result in significant change. The impact of the proposed changes will primarily be determined by the policies that facilitate worker awareness of unions, and union access to workplaces for recruitment and organisation. Where workers perceive that joining a union and organising collectively is in their interest, there will be an increase in unionised worker voice. The more widespread this is, the bigger the impact.
150. The proposed strengthening of rights to sufficient paid facility time and facilities for union workplace representatives, and statutory rights for equality representatives may also benefit workers covered.

151. The NIESR literature review⁶⁰ of research indicates that unions involved in collective bargaining have historically helped in limiting wage inequality and reduced pay dispersion, by encouraging objective pay setting criteria and raising the pay of the lowest paid in bargaining units. They have also generally improved terms and conditions, with unionised workers more likely to have job security provisions. There is some evidence that union learning representatives can have a positive effect on worker access to training especially where representatives are present in the workplace. There is some benefit to workers (and employers) from union representative involvement in disciplinary and grievance procedures in helping them being resolved in the workplace. Union presence and recognition increases the likelihood of an employer having equal opportunities policies in place. Where equalities representatives have more time on equalities work, and more influence through negotiation, they have more impact. Having a union representative in the workplace can help with worker retention.
152. The improved protections of workers taking industrial action from unfair dismissal or detriment short of dismissal will benefit workers in dispute with their employer. They will feel more able to support taking industrial action in ballots and be more prepared to take industrial action as a last resort. This should help workers in disputes utilise their bargaining power to reach acceptable settlements.
153. Higher proportions of workers with union membership and covered by collective agreements are located in certain regions and countries, for example, the north of England, Scotland and Wales, in industries such as public administration, education, health and social care, transport and storage. However, as the key objectives of the proposed policy are about facilitating unionisation and increased collective bargaining coverage, it is unclear how impacts will be distributed across regions and countries, and industries.
154. While there is a cost to workers of joining a union, and a cost in time of being involved in organising the workplace collectively through the union, this would be a choice for the workers. They will not be placed under an obligation to join a union, or to participate in union organising.
155. There is research evidence that reduced unionised collective worker voice from the 1980s onwards has had a negative impact on worker power in the UK, and this has contributed to the underlying problems in the labour market, and the equitable distribution of national income across the economy. For instance, the International Monetary Fund Working Paper 12/8⁶¹, highlighted that reduced bargaining power for workers results a drop in real wages relative to what they would otherwise have been, and an increase in the return to capital. Where a rise in inequality is combined with financial liberalisation, the Paper found that investors direct a much greater part of their additional income to financial rather than 'real' investments, slowing capital accumulation. At the same time, workers borrow more heavily to maintain their consumption. By increasing bargaining power of workers, the risks to growth from income equality and household debt can be reduced.

Business environment

156. The proposed reforms primarily are aimed at facilitating increased unionisation of the labour force in Great Britain and enabling stronger representation in the workplace. The extent of the impact in terms of increased unionisation will mainly be determined by workers' interest in collective organisation and representation through unions.
157. There are potential benefits as well as costs to employers from increased unionisation, as indicated by various research and reports referenced in this impact assessment. There are not

⁶⁰ [NIESR added value of trade unions literature review new format RS.docx \(niesr.ac.uk\)](#)

⁶¹ [Income Inequality and Current Account Imbalances in: IMF Working Papers Volume 2012 Issue 008 \(2012\)](#)

likely to be any substantial negative impacts to the business environment. Primarily, the policies facilitate workers to join unions and organise, and from there get recognised by the employer. All of these steps will depend on worker interest in doing so. As set out in the **costs and benefits to business** section, there is the potential for unionised worker voice to be positive for employers. It is more likely to be negative where employers and unionised workers do not have a good workplace relationship. Other policies will primarily affect already unionised employers.

Trade implications

158. The proposed policy does not impact international trade as it is compliant with international obligations and does not have any implications for trade partners or foreign businesses operating in the UK.
159. Furthermore, the preferred option will not introduce requirements on foreign-owned companies that go above and beyond those which are UK-owned.

Environment: Natural capital impact and decarbonisation

160. We expect that there is no or negligible impact on the environment, natural capital, and decarbonisation as a result of these proposed reforms. The regulation does not directly relate to environmental or decarbonisation goals.

Other wider impacts

161. Some of the policies will benefit union members, such as strengthening facility time rights and strengthening protections against blacklisting and against detriment due to taking industrial action. Union members are more likely to be disabled, older (aged 35 or older), women, of Black or White ethnicity than employees overall⁶².
162. As noted above, increased union membership and recognition, plus statutory rights for equality representatives could have positive equality impacts by increasing the establishment of equal opportunity policies by employers as well as improved workplace action to support groups with protected characteristics.
163. As much of the public sector has high collective bargaining coverage (and relatively high union membership density) the main impact on the public sector may be on paid facility time and access to facilities. The proposed policies, combined with the repeal of the Trade Union Act 2016, represent a turn-around from a pressure to reduce paid facility time.
164. Union access to workplaces and reducing barriers to recognition are likely to mainly affect employers with union members whose bargaining units are not recognised. It is unclear whether this particular group of employers is differently distributed across regions and countries in Great Britain or across industries.

Risks and assumptions

165. We have assumed that reducing the legal barriers to statutory union recognition will have a small impact on the amount of statutory recognition cases. This is because the CAC ballot data shows that the proportion of the bargaining unit voting for recognition tends to need to be close to 40% to enable success due to high ballot turnouts.

⁶² [Trade union statistics 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/trade-union-statistics-2023)

166. The details of the rights of unions to access workplaces have not yet been set out, so it is difficult to know precisely how the unions will use this right. We have assumed that unions are likely to focus on building union membership and representation where they have members but not recognition. We assume that unions would unlikely be interested in speculative notifications for access where they had no indications from workers of an interest in unionisation.

Annex A

1. In the section covering the employers' duty to inform workers of their right to join a union, we estimate basic familiarisation costs for HR consultants and employment lawyers and law firms. This annex explains how we have estimated the number of these businesses that will be affected.
2. Employment bureaus and HR consultancies (SIC 78.3) provide payroll for some employers, and some will provide written statement templates (both free and for clients). There were 2,410 employment bureaus/HR consultancies in operation according to the latest Annual Business Survey for 2022. We assume an HR director or manager would familiarise themselves for these businesses, at an hourly cost of £31.83.
3. We expect there to also be costs to employment lawyers as they familiarise themselves with changes to legislation, especially as some employment law firms provide free written statement templates. To estimate the number of employment lawyers, we have searched the Law Society database of organisations that specialise in employment law in England and Wales, and employment law firms from the Law Society of Scotland, of which there are around a combined 7,800. We recognise that there is unlikely to be just one employment law specialist per firm, and therefore we also include in this estimation the number of members of the Employment Lawyers Association, of which there are around 6,000. As such, we estimate there to be an approximate total of 13,800 employment law firms and lawyers specialising in employment law in the UK. This is a conservative approach as there will be some overlap between the count of law firms and the count of employment lawyers.

Annex B – Estimating written statement costs

1. The section on the employers' duty to inform workers of their right to join a trade union shows our estimated cost for employers amending written statement templates. The methodology is explained below.

Micro businesses and those without internal HR resource

2. Evidence from Startups⁶³, the independent small business advice platform, suggests that micro businesses will either use free templates or have an outsourced HR or legal advisor. Micro employers are not likely in most cases to have substantial staff turnover as most micro employers have four or fewer workers so would not generally expect to deal with new workers on a regular basis. Therefore, it seems likely that most micro businesses would use the available up-to-date templates as and when a new worker joins.
3. This evidence also suggests that many small employers and some medium sized employers may not have enough workers to warrant an internal HR resource (though it will depend on the specific HR needs of the organisation) and may get better value for money from external support. If they do use an HR consultancy or Employment Law advisor, we assume that the advisor businesses will bear the costs of having up-to-date templates. The cost of updating the free templates, primarily provided by similar organisations, will be borne by the providers. It should be noted that Acas provides free written statement templates⁶⁴ so micro employers would not need to go to commercial organisations to access free templates if they did not want to.

⁶³ <https://startups.co.uk/people/management/small-business-hr-outsourcing/>

⁶⁴ [Templates for written statements | Acas](#)

4. We therefore assume that there will be no additional cost to micro business of amending contracts for future workers. The estimated costs to HR consultancies and employment lawyers are costed below.

Smaller and medium businesses with internal HR resource

5. For businesses that have a dedicated internal HR resource and therefore will not use free templates, we assumed for a small and 50-249 worker employers 1 hour of an HR manager's time is needed to amend the templates. This is extended to 2 hours of time for larger employers, HR consultancies and employment law firms. This is the same time as estimated in the Confidentiality Clauses Impact Assessment. We believe this is consistent with the 10 minutes estimate for changing an existing written statement being carried out on average over more than one document (templates/handbooks).
6. The estimate of whether an employer has its own HR resource is based on DBT's analysis of the Survey of Employment Tribunal Applications 2018⁶⁵ (SETA). The business size categories for SETA do not have a perfect match for our definition of "small employer" and do not match the business category sizes in the Business Population Estimates (BPE) 2022. Therefore, we have applied the SETA percentage from the closest matching size category (25-49 employees) to the BPE definition of small employers (10-49 employees). We believe this is a conservative approximation as companies with more employees are more likely to have a dedicated HR department. On this basis, for small employers we assume that 47% have dedicated HR resource, while the percentage for 50-249 worker employers is 73%.
7. We conservatively assumed that all employers with 250 workers or more have their own HR department. This is closely in line with SETA 2018, which found that 98% of those going through a single employment tribunal claim said they had their own HR.

HR companies and employment law businesses

8. In the UK we estimate that there are 7,827 employment law firms in GB⁶⁶ and 2,410 HR consultancies⁶⁷. We assumed that the micro companies not using free templates, and small, medium, and large businesses without an internal HR department will utilise these services to amend their employment contracts. Also, these firms provide many of the free templates.
9. The costs of updating templates for these employers will be borne by the employment law firms and HR consultancies. We assume that similar to larger employers, these firms would need on average 2 hours to amend their templates (as they may have to update a wider range of templates, similar to a larger employer). The costs would be based on hourly labour cost of an HR manager or director for HR consultancies and a legal professional for employment law firms.

⁶⁵ Survey of Employment Tribunal Applications (2018). Available from:

<https://www.gov.uk/government/publications/survey-of-employment-tribunal-applications-2018> Table 2.6

⁶⁶ This was calculated using information from the Law Society of organisations with employment law specialism in England and Wales, and information of employment law specialists from the Law Society of Scotland.

⁶⁷ This was estimated using data from the Annual Business Survey (2022) Available from:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusiness/economyannualbusinesssurveysectionsas>