

Title: Written statements: Extending the right to a written statement to workers and making such a statement a day one right.	Regulatory Impact Assessment (RIA)	
	Date: June 2024	
	Type of measure: secondary legislation	
Lead department or agency: Department for the Economy	Stage: Initial	
	Source of intervention: Domestic NI	
Other departments or agencies: N/A	Contact details: goodjobsconsultation@economy-ni.gov.uk	

Summary Intervention and Options

What is the problem under consideration? Why is government intervention necessary? (7 lines maximum) Currently an employer must provide their employees with a written statement of employment rights (a “statement of initial employment particulars”) within two months of their first day of employment. The statement must cover the basic terms of employment as set out in legislation, such as rates of pay, working hours and holiday entitlements. There is no legal requirement for an employer to provide workers who are not employees with such a statement. This means that ‘non-employee’ workers – many of whom work in atypical types of employment - may have less clarity about their rights than employees. The two month timescale for providing a statement may also disproportionately affect those in short term or casual employment who may not remain in post for long enough to receive a statement. In GB, changes to legislation became into force in 2018 to address these.	
What are the policy objectives and the intended effects? (7 lines maximum) The proposed extension of the right to a written statement to non-employee workers, and making this a “day 1” right, would provide greater clarity and transparency to all workers as soon as they start a job. It would remove a disparity between the information provided to employees and ‘non-employee’ workers. It would also provide greater clarity of rights for those in short term of casual employment. It would also provide certainty on the details and expectations of a job if, at a later date, there was a dispute and a case taken to an employment tribunal.	
What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) (10 lines maximum) The consultation considers the following proposals: <ol style="list-style-type: none"> Whether the right to a written statement should be extended to ‘non-employee’ workers and be made a day one right; and Whether information on a written statement should be expanded. 	
Will the policy be reviewed? It will be reviewed	If applicable, set review date: Month/Year

Cost of Preferred (or more likely) Option		
Total outlay cost for business £m	Total net cost to business per year £m	Annual cost for implementation by Regulator £m

Does Implementation go beyond minimum EU requirements?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Is this measure likely to impact on trade and investment?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Are any of these organisations in scope?	Micro Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Small Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Medium Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Large Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

The final RIA supporting legislation must be attached to the Explanatory Memorandum and published with it.

Approved by: Date:

Summary: Analysis and Evidence

Policy Option 1

Description: Legislate to extend the right to receive a written statement to non-employee workers and make it a day one right for both non-employee workers and employees.

ECONOMIC ASSESSMENT (Option 1)

Costs (£m)	Total Transitional (Policy)		Average Annual (recurring)	Total Cost Year 1
Low	£2,421,304		tbc	£2,421,304
High	£2,757,947		tbc	£2,757,947
Best Estimate	N/A		N/A	N/A
Description and scale of key monetised costs by 'main affected groups' Maximum 5 lines Familiarisation costs accrue to all businesses. Businesses face implementation costs associated with employees. Employers that have templates for written statements for new employees have to amend them to include the new prescribed information as their terms and conditions change. Non-employee workers (where they will need to receive a new written statement when they move jobs or when they first enter the labour market).				
Other key non-monetised costs by 'main affected groups' Maximum 5 lines The burden associated with making the requirements for a written statement a 'day 1' right is not monetisable. Currently, employees must be provided with a written statement after 2 months –as such similar costs will be incurred in the production of the written statement but simply brought forward ¹ . This, therefore, should not have a significant impact on businesses.				
Benefits (£m)	Total Transitional (Policy)		Average Annual (recurring)	Total Benefit
	(constant price)	Years	(excl. transitional) (constant price)	(Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	N/A		N/A	N/A
Description and scale of key monetised benefits by 'main affected groups' Maximum 5 lines No monetised benefits have been identified at this stage.				
Other key non-monetised benefits by 'main affected groups' Maximum 5 lines Workers will benefit from improved clarity on their position. Employing businesses will also benefit from more certainty on the details and expectations of a job if, at a later date, there was a dispute and a case taken to an employment tribunal.				
Key Assumptions, Sensitivities, Risks Maximum 5 lines There are a number of uncertainties associated with the analysis. The key assumptions relate to the number of 'non-employee' workers in the labour market, the number of businesses that use non-employee workers, the cost associated with creating a written statement, and the burden associated with making this a 'day 1' requirement. There is therefore some uncertainty as to the likely impacts on businesses.				

BUSINESS ASSESSMENT (Option)

Direct Impact on business (Equivalent Annual) £m			
Costs:	Benefits:	Net:	

Cross Border Issues (Option)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)
Maximum 3 lines In April 2022, legislation came into force in GB, which extended the right to receive a written statement to all workers and made such a right a day one right. In the Republic of Ireland, workers have a right to a written statement of core particulars within 5 days, with other aspects to be provided within 2 months. There isn't a distinction between employee and 'non employee' workers in the Republic of Ireland.

¹ In a comparable GB impact assessment (see later) it was anticipated this burden was negligible because 81% of businesses already (voluntarily) provide a written statement on or before a worker's first day.

Evidence Base

There is discretion for departments and organisations as to how to set out the evidence base. It is however desirable that the following points are covered:

Background

Providing decent working conditions requires employers to offer terms and conditions which meet all statutory requirements and make job offers which attract workers and retain them. It is equally important that both employers and workers fully understand the terms and conditions of that employment. At the start of any employment relationship, workers need to be informed as to what they are entitled to when they perform their duties. To be able to assert an employment right linked to decent working conditions, a worker needs to be aware of their employment rights and the extent to which these rights are being met/fulfilled. Considering modern business practices, and the increase in atypical working arrangements, there is a growing imperative to ensure that workers are clearly informed of their entitlements and provided with clarity on the terms and conditions of employment.

At present, only workers that are classed as ‘employees’ are entitled to receive a written statement of particulars upon taking up new employment. Workers that are not employees do not currently have this entitlement. While there are no reliable figures setting out which proportion of the Northern Ireland workforce are employee and ‘non employee’ workers, it is reasonable to assume that those that are classed as ‘non employee’ workers are more likely to be in atypical forms of employment – such as zero hours contracts, temporary contracts, agency workers, part time working or “gig economy” type employment. These types of workers are often seen as more vulnerable and by extending the right to a written statement to this group, it would provide them with a greater understanding on their working relationship, including information on the date continuous employment started, holiday entitlement, and a job description.

This impact assessment will look at measures relating to written statements introduced in Great Britain: As such, this impact assessment is, in large part, drawn from the detailed impact assessments undertaken by the UK Government for the introduction of these same measures in Great Britain². The costs and benefits below reflect assumptions made in that assessment if similar provisions to those in GB were introduced in Northern Ireland.

What is the difference between a ‘worker’ and an ‘employee’?

There are currently three main employment statuses in the United Kingdom: employee, “worker” and self-employed. These employment statuses are for employment law purposes and are relevant to the employment rights to which an individual is entitled. Employment status for tax purposes is different and it is possible for an individual to be one employment status for employment law purposes and another for tax purposes.

An employee is someone who works under an employment contract. All employees are also workers, but an employee has additional employment rights and responsibilities that don’t apply to workers who are not employees. Typically, non-employee workers are not entitled to:

- A written statement of employment particulars;
- Minimum notice periods if their employment will be ending;
- Protection against unfair dismissal;
- The right to request flexible working;
- Time off for emergencies; and
- Statutory Redundancy Pay.

² [Extending the right to a written statement to non-employee workers: impact assessment \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

The self-employed generally receive no employment rights as they are in business for themselves and providing a service to a client.

What is a “written statement”?

Employers are legally obliged to provide their employees with a written statement of employment particulars (see Articles 33 to 39B of the Employment Rights (Northern Ireland) Order 1996). This statement (called a “statement of initial employment particulars”) must be in writing and must set out all the basic terms of employment that are listed in the legislation.

An employer must give employees a “written statement of employment particulars” provided that they work for the employer for at least 1 month. This isn’t an employment contract but will include the main conditions of employment. The written statement must be provided within 2 months of the start of employment, although it can be made up of more than one document (where the employer gives employees different sections of their statement at different times).

If the employer does provide the written statement in different documents, one of these documents must set out a minimum set of particulars in a single document. This is known as the principal statement. The principal statement must contain all of the information listed below as a minimum.

- The **legal name of the employer company**.
- The **legal name of the employee**.
- The **date the current employment began**.
- Any earlier date upon which **employment with a previous employer** began which is treated as 'continuous' with the current employment.
- The **employee's pay**, or how it is calculated, and the intervals at which it will be paid – e.g. weekly or monthly.
- The **employee's hours of work** (including any terms and conditions relating to normal working hours).
- Entitlement to **holidays** - including public holidays - and holiday pay. The information must be accurate enough to allow precise calculation of accrued entitlement.
- The **job title** or a brief description of the work.
- The **address** of the employee's place of work. If they will be working in more than one place then you should indicate this along with the employer's address.

In addition to the information in the principal statement, a written statement must also contain the information outlined below.

- The **period of employment** (if the employment is not intended to be permanent, the period for which it is expected to continue, or if it is a fixed-term contract, the date when it is to end).
- Notice periods
- Collective agreements
- Pensions
- The name of job title of the person the employee should apply to in order to resolve a grievance and how they should make this application
- The name or job title of the person the employee should apply to if they are dissatisfied with any disciplinary decision or decision to dismiss them, and how this application should be made.

In addition to the information outlined above, a written statement must include further information. This information can either be included in the written statement itself or referred to in another document that the employee can access easily such as a staff/company handbook. These are:

- Terms and conditions relating to sickness or injury including any sick pay provisions.
- Disciplinary and grievance procedures;

- Appeals procedure under the disciplinary and grievance procedures.

There are a number of templates for written statements online, including those produced by NIBusinessInfo³ and the Labour Relations Agency⁴ and published on their websites. The requirement for a written statement does not currently extend to 'non-employee' workers.

Position in GB

In December 2018, the UK Government announced its intention to extend the right to receive a written statement to workers and to make it a day one right. It also committed to extending the list of particulars that must be included in the statement. This formed part of its "Good Work Plan"⁵ which set out its vision for the GB labour market and how it intended to implement the recommendations arising from the Taylor Review of Modern Working Practices⁶.

In July 2017, the Taylor Review of Modern Working Practices was published. The review considered the implications of new forms of work on worker rights and responsibilities, as well as on employer freedoms and obligations. It set out 7 principles to address the challenges facing the UK labour market at that time. Amongst the recommendations and findings within the Taylor Review was that a greater focus should be made on providing greater clarity of rights. One recommendation was that the right to a written statement should be extended wider than just to employees. The aim being to improve the clarity, certainty and understanding of all working people. As employment law is devolved to Northern Ireland, the Taylor Review primarily applied to GB, with the exception of those matters which are not devolved and considered on a UK wide basis. However, the similarities between the GB and Northern Ireland frameworks mean that many of the findings of the Taylor Review could also be relevant in a Northern Ireland context.

Legislation came into operation in GB in April 2020 which extended the right to written statement to all workers and made receipt of a written statement a "day 1" right.

In GB, the information that employers are required to provide as mandatory content in a written statement from day one has also been expanded.

The additional information now included covers both new information, and information which employers are already required to provide but can provide elsewhere (in a staff handbook, for example).

The additional information is as follows:

- How long a job is expected to last, or the end date of a fixed-term contract
- How much notice an employer and worker are required to give to terminate the agreement
- Whether a worker is eligible for sick leave and pay
- Other types of paid leave e.g. maternity leave and paternity leave – whether the worker is eligible and where to find more details on the employer's policy
- The duration and conditions of any probationary period
 - All remuneration (not just pay) - contributions in cash or kind e.g. vouchers and lunch
- Which specific days and times workers are required to work

What is the problem under consideration?

- The two-month timeframe for the principal statement means employees and workers begin employment without proper clarity and information on key terms and conditions.
- The exclusion of workers from the entitlement to receive a written statement means they may not be fully informed of their workplace entitlements.

³ [nibusinessinfo - written statement of particulars form](#)

⁴ [Preparing a Written Statement of Main Terms and Conditions of Employment | Labour Relations Agency - Official \(lra.org.uk\)](#)

⁵ [GOV.UK - Good work plan](#)

⁶ [GOV.UK - Good work - Taylor review](#)

- The current requirements of a written statement do not cover all key terms and conditions of employment and as such there may be a lack of clarity about these key entitlements, particularly for those on atypical types of contracts.

Rationale for intervention

It's vital that people know the work that they are signing up for when they enter an employment relationship. They need to be able to make an informed decision about whether the terms and conditions on offer are right for them.

A lack of transparency / uncertainty around expectations and rights means that 'workers' have imperfect information. This can be a contributing factor to an imbalance of power in employment relationships whereby 'workers' can be provided with information to support their position in an organisation. The written statement can provide a point for reference for expectations about the job role, rights to paid holiday and how long a job is expected to last.

In addition to the imperfect information problem, the lack of a written statement for 'workers' is also an equity issue, in that 'workers' are disadvantaged relative to non-worker employees by not having clarity around their employment relationship.

Policy Objective

The proposed extension of the right to a written statement to non-employee workers, and making this a 'day 1' right, will provide greater clarity and transparency to all workers as soon as they start a job. It would also bring consistency to the system and remove an anomaly whereby non-employee workers do not have the same right to information about their employment that employees do.

Further, it will provide certainty on the details and expectations of a job, which could prove useful at a later date if there was a dispute and a case taken to an industrial tribunal.

Options Considered

The Department is seeking views on two options:

Option 0	Do nothing
Option 1	Legislate to extend the right to a written statement to non-employee workers; make it a 'day 1' right for both non-employee workers and employees and legislate to update the contents of a principal written statement to include information that is useful for both employees and non-employee workers

Option 0: Do nothing

This option would mean it would remain the case that there is no statutory basis for workers have a written statement. This would not address the growing imperative to ensure that workers are clearly informed of their entitlements and provided with clarity on the terms and conditions of employment and is therefore discounted.

Preferred Option

The Department's preferred option is option 1. By making the requirements a legal obligation, this would mean that all workers would benefit from

In order to mitigate the impact on employers, the Department would, in taking forward the preferred option, seek to provide advice and support to employers through enhanced LRA and NIBusinessInfo guidance.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

Familiarisation costs

These familiarisation costs will cover Option 1. We have no evidence to estimate the proportion of businesses that use non-employee workers. However, our estimate for familiarisation costs assumes that all employing businesses will familiarise themselves with the changes, which is highly likely given that the option involves a change of the rights of both employees and non-employee workers.

We acknowledge that the familiarisation burden may be higher for those businesses using only non-employee workers as the requirement to produce a written statement will be entirely new. However, overall, we believe that 30 minutes is a substantial amount of time to read and understand any new requirements.

Given that the right to statement of written particulars has been in place for employees for many years, we think it is reasonable to assume that familiarisation will not be overly burdensome in terms of the time it will take. It is also likely that the time it takes for businesses to familiarise themselves with any of the options will only increase in small increments with each option, as such; we have not adjusted the time taken for familiarisation across the options. In practice, the amount of time spent by employers familiarising themselves with the changes will vary. However, we consider 30 minutes to be sufficient time for an employer to read and consider all the new requirements.

The type of employee that would conduct the task of familiarisation will also vary depending on the size of the business. For small employers, they are less likely to have dedicated HR staff, so it would be the general manager that would familiarise themselves, whereas, for a larger employer, it could be a payroll or HR manager that conducts this task.

These assumptions on employer familiarisation behaviour and time taken will be tested during consultation, both by testing the reasonableness of our assumptions and by seeking the view of employers about what they expect they will do to familiarise themselves with the change.

Familiarisation costs are calculated as the opportunity cost of the time it takes a business to read about and understand the change.

Some employers might also choose to seek external legal advice during familiarisation; we will seek more information on the likely external guidance that might be sought by businesses to understand and implement the new requirements during the consultation.

Calculation

ASHE data for 2023 gives the average hourly pay of a Manager/Director/Senior Official' as £24.98 (which is uplifted by 17.95% for non-labour costs which equals £30.49. According to data from BPE there were around 39205 private sector employers with one or more employees in Northern Ireland

The one-off familiarisation cost to private sector businesses is calculated as:

Total number of private sector employers with 1 employee or more	0.5 hours of Manager/Director/Senior Official' time (uplifted by 17.95% for non-wage labour costs)	Total cost
39205	£15.25	£597,680

This gives us a total estimated cost of familiarisation for private sector employing businesses of £597,680.

Implementation costs

Option 1 Part 1: Legislate to extend the right to a written statement to non-employee workers and make it a 'day 1' right for both non-employee workers and employees

In order to estimate the cost associated with this requirement we need two key data points – an estimate of the number of non-employee workers and an estimate of the cost of producing a written statement.

We also need to understand the number of new non-employee workers entering the labour market to estimate the number of additional written statements that would need to be produced annually as new non-employee workers join the workforce.

How many additional written statements will be required – current number of non-employee workers?

The number of people in NI with 'worker' employment status is currently unknown. Determining an individual's employment status for rights is not straightforward. The current approach is based on principles and gives flexibility to the courts, with many elements not defined in legislation. This is further complicated by the fact that employment status is decided not just in how a person is described in their contract or terms and conditions, but also by the reality of the employment relationship.

Given that there is limited research on this we will apply the same assumption used in the GB impact assessment of 5% proportion⁷, giving us an estimate of 23,150 non-employee workers in 2024. (There were 463,000 people in employment here, excluding the self employed). We use this as a lower bound estimate at this stage.

GB impact assessment considered that based on evidence they considered that 21% of all employees on a zero-hour contract are non-employee workers and that it is reasonable to apply this proportion to all atypical workers (defined in this instance as anyone that is not a full-time, permanent employee, and not self-employed).

The GB impact assessment estimated that 70.5% of the total workforce (excluding the self-employed) are full-time, permanent employees. To the remaining 29.5% (or 136,585 people) we apply the assumption of 21% to get an estimate of 28,683 non-employee workers.

The impact of the proposal at this stage is therefore based on the following range for the number of non-employee workers:

Current worker population	
Lower estimate	Upper estimate
23,150	28,683

What is the cost of a written statement?

The method for estimating the likely cost of producing a written statement is based on standard cost model methodology where we estimate the time it would take to complete the templates for written statements that are widely available online.

We can then multiply this time estimate by the equivalent cost of the staff that would undertake this task. As with the familiarisation cost calculation, the type of employee that would conduct the task of producing the written statement will vary depending on the size of the business. For small employers, we assume it would be the general manager that would do this, whereas, for a larger employer, it would be a HR manager that conducts this task.

⁷The GB impact assessment relied on a Department for Trade and Industry research into this question. Despite exhaustive attempts there at producing a more up to date figure, DTI's 1999 research remained the only research available that looks specifically at the number of 'non-employee' workers in the UK economy. As such, we use the 5% here too.

We think that the equivalent of two hours of a person’s time would be sufficient to collect the necessary information and place it in a template for a written statement. This reflects the assumption in the similar GB assessment. This takes into account that there are a number of templates for written statements of particulars available online, including templates provided by NIBusinessinfo and by LRA.

Cost of completing the written statement template	
Manager/Director/Senior Official’ @ £30.49	x 2 = £60.98

Turnover of non-employee workers – new written statements to be produced annually

In order to estimate the ongoing annual costs associated with the requirement, we need an estimate of the number of non-employee workers starting new jobs each year.

Whilst ONS provides some data on job-to-job flows and inflows to the labour market from the unemployed and inactive, we have no basis on which to estimate the proportion of these people that will have ‘worker’ status. This is further complicated by the fact that we suspect that people with ‘worker’ status will move jobs more frequently because the status is associated with more casual forms of employment.

As such, at this stage we are unable to provide an estimate of this ongoing cost. However, we don’t believe that the scale of this cost will necessarily be substantial given that, once a written statement is created for a job, only minor amendments will be required for each new person entering the role. These amendments may already be taken into considering in the cost of amending written statements, below.

We will use the consultation to gather more evidence from business about this.

What is the impact of making the requirement a “day 1’ right”?

Implementation will involve additional costs related to making the requirement a ‘day 1’ right.

The current requirements are that a full written statement for employees must be provided within 2 months of the start of employment. As discussed above, non-employee workers may be engaged for less than 2 months at a time, so are unlikely to benefit from the extension if the 2 month compliance period is retained. The consultation is seeking views on whether we make the requirement a ‘day 1’ right for non-employee workers. If this is the case, it is likely that we will also need to make it a ‘day 1’ right for employees.

It is likely that a ‘day 1’ right is more burdensome than the current requirement. However, assigning a monetary value to this burden is difficult without an understanding of the mechanism through which this will impact on businesses. We anticipate that the burden will be associated with the resource cost of creating a written statement more quickly, or the cost of delayed employment, or both.

This is information that we will seek to gather through the consultation. At this stage we do not have any evidence on which to estimate the impact of this change.

Therefore, at this time, the total initial costs of legislating to extend the right to a written statement to non-employee workers and make it a ‘day 1’ right for both non-employee workers and employees can be summarised as:

Cost	Lower Bound	Upper bound
Familiarisation cost	£597,680	£597,680
Implementation cost	23,150 x £60.98 = £1,411,687	28,586 x £60.98 = £1,743,174

Option 1 Part 2 – Legislate to update the contents of a principal written statement to include expanded information.

Introduction

The additional costs here relate to reworking the written statements of current employees to ensure that they include the following additional information:

- How long a temporary job is expected to last;
- The end date of a fixed-term contract;
- Notice periods; and
- Sick pay and procedures.

In reality, given the nature of employees, as opposed to 'non-employee workers', it is likely that the first two pieces of information will not be relevant in many cases. Also this is information that employers already have to make available to employees, although not necessarily in the principal statement of rights. As such, we think the additional burden for employers of copying this information into current written statements for employees will not be overly burdensome and can be done in 10 minutes per employee.

As with familiarisation costs, we assume that the person completing this task varies by business size but that it will generally be a general manager or payroll or HR manager that conducts this task.

The GB initial impact assessment highlighted that there will also be a cost associated with amending written statements. This will form part of the ongoing costs for businesses in complying with the requirements. The GB impact assessment assumed that 56% of businesses had made changes to a written statement over the previous 3 years⁸.

In the absence of other alternative evidence for the purposes of this assessment we will also assume that 56% of employee have their written statements amended every three years.

There are a total of 463,000 working people (employees and non-employee workers) in the NI. As above, we are estimating that this stage, that there are between 23,150 and 28,586 'workers'. To get an estimate of employees, we subtract this range from the total figure of 463,000. Our range for estimating the number of employees is therefore:

Current employee population	
Lower estimate	Upper estimate
434,414	439,850

It is estimated therefore that there will be approximately between 243,271 and 246,316⁹ amended statements produced every three years. This equates to 81,090 and 82,105 amended statements per year.

In the GB impact assessment, following consultation, it was determined that the time taken to amend a written statement would be 10 minutes.

Using the estimates above of the number of statements amended per year, the cost of amending statements for employees would be as follows:

⁸ This figure is derived from an ORC International study on Employment Law Admin Burdens Survey [National Archives website - employment law admin burdens survey 2008](#). While dated, in the absence of any alternative reliable evidence it is also relied on here.

⁹Based on 56% of the lower and upper current employee position.

Person completing template	Cost of 10 minutes time (including 17.95% uplift for non-wage labour costs)	Cost - using lower bound number of employees	Cost - using upper bound number of employees
Manager/Director/Senior Official'	£5.08	£ 81,090 x 5.08 £411,937	 82,105 x 5.08 £417,093

Whilst the range presented above appears relatively tight, this is because the input figures for number of employees are driven by the range we use for number of workers.

Total cost of Option 1 in year one.

Cost	Lower bound	Upper Bound
Familiarisation	£597,680	£597,680
Implementation cost (Part 1)	£1,411,687	£1,743,174
Implementation cost (Part 2)	£411,937	£417,093
Total	£2,421,304	£2,757,947

Benefits

At this stage, we have not identified any quantifiable benefits to business or workers resulting from the proposals. However, whilst not quantifiable, there is a benefit to both parties linked to having improved clarity and certainty about the rights of individuals.

Benefit to the individual

The benefit to non-employee workers from increased transparency is that this gives them a basis for expectations about their working conditions. The written statement will allow non-employee workers to challenge working conditions that they consider to be counter to this. Lack of transparency increases the potential for undeclared work or abuse of employee rights.

The measure will also address the current two-tier system of rights in relation to the receipt of a written statement, whereby employees must currently receive a written statement but there is no such requirement for non-employee workers.

Benefit to the employer

Having clear employment protection legislation prevents good employers being undercut by the bad. Where employment rights are clearly outlined in legislation and appropriately enforced, there should be no opportunity to businesses to gain a competitive advantage by denying their workforce their full rights.

It is also likely that an improved and transparent statement about the employment relationship and rights of a worker could reduce disputes between workers and employers because the parties will now have a document to which they can refer in answering any questions that arise.

We will seek to gather further evidence around the extent of these benefits during the consultation.

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

As this is a consultation stage impact assessment, we have sought to monetise impacts as far as possible to inform consultees on the potential scale of impacts associated with the proposed changes. The level of detail provided is proportionate to the potential costs.

As with any consultation stage impact assessment, the impact estimates are indicative only and intended to provide a basis for further exploration of the likely real impact.

It should be noted however, that, while we have used our best available evidence at this stage, we recognise that the estimates are not fully robust at this time. Impacts are presented as ranges, which should serve to highlight the uncertainty associated with some of the assumptions used.

Testing of the assumptions and estimates will be carried out during the consultation period. As noted throughout this impact assessment, we intend to use the public consultation, as well as engagement with key stakeholders, including business representatives and trade unions to add to and to test our assumptions and our evidence base. This should aid us in producing a robust impact estimate at final stage (should the Department decide to take forward any of the options proposed).

The key uncertainties and assumptions associated with our methodology are summarised in the next section.

Risks and assumptions

As this is a consultation stage proposal, there are relatively few risks associated with the assessment of impacts. The greatest risk is that we are unable to fill some significant gaps in evidence over the course of the consultation which will make it difficult for us to inform judgements on the best course of action for the policy and to produce a robust impact assessment at final stage.

There are several uncertainties associated with the analysis, the key ones being:

- The number of non-employee workers in the labour market here;
- The number of businesses that use non-employee workers;
- The turnover of non-employee workers;
- The regularity of amendments to these written statements;

Small Firms Impact Test

At this stage there is no evidence to suggest that small and micro businesses will be disproportionately impacted by the proposals.

Currently, we do not have evidence to suggest that small and micro businesses are more likely to use non-employee workers. We will seek evidence on this during consultation. The lack of information currently available on the types of business that engage non-employee workers makes it difficult to develop a robust small firms impact test at this stage. We will seek further information on businesses likely to be affected by the proposals during the consultation.