



The Information & Consultation Regulations 2004

The Information & Consultation Regulations 2004 are based on a framework for implementing an EU Directive and have been agreed with the CBI and the TUC. From 6 April 2005, they gave employees the right to be consulted and informed about important decisions that affect their jobs. The Legislation reflects the view that informing and consulting employees about matters that may affect them will benefit both employees and employers. Information and consultation are seen as catalysts to the development of innovative workplace practices and they establish trust and facilitate cultural change.

But have you heard of them? Have you heard of any business adopting Information & Consultation procedures where none existed previously? Probably not is my guess. The introduction of the I&C Regs appears to have been a bit of a damp squid in Scotland at least. Why is that?

Well firstly, the legislation only covers businesses employing more than 150 people. Not many employees you might think but actually only a very small number of businesses in the UK employ more than 150 people. However, from April 2007 the legislation will apply to businesses employing at least 100 people and from April 2008 it will apply to those employing at least 50 people. So, the profile of the legislation is likely to be raised in coming years as its coverage extends.

Why does it matter?

Well, employees in a business subject to the I&C legislation are entitled to request that the employer informs and consult them on a range of business decisions which currently the employer can deal with wholly privately and may never have to share with its workers. Although on receipt of a request from its employees to inform and consult with them the employer can seek to agree exactly how this is done (ie on what issues they will inform the employees, how often etc) if agreement on such matters cannot be reached the employees can rely on the default arrangements within the legislation.

The default arrangements oblige the employer to provide the employees with

- a) information on the recent and probable development of the businesses activities and financial position
- b) information on employment opportunities and threats
- c) information on decisions likely to lead to substantial changes in employment including large scale redundancies but also matters like a change to shift systems or the introduction of a new time keeping system or new machinery or computer equipment.

Not only must the employer provide information on a, b and c above they are also required to consult about matters covered in b and c above. Consultation means an exchange of views and the establishment of dialogue. Where something might lead to substantial changes in employment (category c issues) the employer is obliged to consult with a view to reaching agreement with the employee representatives. This is a huge

and significant change to industrial relations in the UK. While the impact of the legislation has not really been felt yet - most large employers already have some sort of information and consultation mechanism - it will have a much greater and more noticeable impact once it applies to smaller employers who may not even have a staff committee. Matters that were once at the whim of the Managing Director will now be subject to discussion with the employees with a view to obtaining their agreement before the MD can make his or her changes. If business does not wake up to this soon it can be assured that its employees will. There are advantages for business to embrace the legislation and take proactive steps to put in place I&C arrangements in their workplaces as by taking the initiative, businesses can have greater control over what their I&C arrangements look and feel like. Those that do nothing in preparation for 2007 and 2008 are the ones who could end up stuck with the legislation's default provisions and be left asking why they didn't see this legislation coming!

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