It would be difficult at this stage to consider an 104 weeks for everyone - (although I would prefer it, but that is another point). Is it possible to have a different rule for small businesses employing less than say 100 people?

Prime Minister

Do you agree the Prior's proposals - which you agreed in principle earlier subject to consultation on the 18-21 year olds (see Flag B)? But Sir K. Joseph (Flag A) is still pressing for 104 weeks for the unfair dismissal limit.

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PRIME MINISTER

AMENDMENT BY ORDER OF THE EMPLOYMENT PROTECTION ACTS

I minuted you on 7 June about this and your Private Secretary replied on 11 June.

TL 4/7

I have now, as agreed, consulted the TUC, CBI and other organisations, mainly of smaller employers, on the two changes to the Employment Protection Acts which I intend to make by Order. The changes I proposed were to extend the qualifying period for complaints of unfair dismissal from 26 to 52 weeks, with the possibility also of a further extension to 104 weeks in the case of those aged under 18, and to reduce the notification and consultation period required on redundancies of under 100 people from 60 days to 30 days. I have also, as we agreed, informed Parliament of the consultations by answer to a Parliamentary Question.

The proposed changes were welcomed by employers' organisations, particularly those representing smaller businesses. While several of this latter group favoured an extension of the qualifying period for complaints of unfair dismissal to 104 weeks, other organisations, notably the CBI, supported the proposed period of 52 weeks. In the light of the views of the CBI and the strong objections which the proposals encountered from the TUC I am confirmed in my view that 52 weeks would be the appropriate length for the qualifying period.

The majority of replies made no comment on the suggestion of a qualifying period of 104 weeks for those aged under 18. However, while it was favoured by some organisations of smaller businesses, the CBI expressed the fear that the proposal would be seen as

discriminating against younger workers and it was opposed by, among others, the Engineering Employers Federation. Moreover, my Department has little evidence that such an extension would improve the employment prospects of young people. I do not propose therefore, to pursue the proposal for a longer qualifying period for the under-18s in the context of the two Orders, but will give it more detailed consideration in the main review of the Employment Protection legislation which is currently underway.

I intend therefore to proceed on the basis of an extension of the qualifying period for complaints of unfair dismissal to 52 weeks and a reduction in the notification and consultation period on redundancies of under 100 from 60 to 30 days. The Orders will be laid before Parliament within the next two weeks and should become operative on 1 October 1979.

I am copying this minute to the members of E(EA) Committee, the Chief Whip, the Solicitor General and Sir John Hunt.

J P
3 July 1979