

Durham Business Club urges small firms to prepare for new holiday regulations

Durham Business Club is urging small businesses with employees to get up to speed with new holiday entitlement regulations, which will be phased in over almost two years from October 1st.

The new rules increase the minimum holiday entitlement from 20 days a year to 24 days this October, and to 28 days from April 2009. There is also a so-called 'early implementation incentive' whereby employers will be exempt from the regulations if they already have this level of provision in place.

The regulations also give employers the option to 'buy back' extra holiday, with the agreement of staff, and to pay them more wages instead.

Durham Business Club has welcomed the gradual phasing in of the regulations – extended by a further six months in the final stages of the legislative process - which will give employers the chance to adapt gradually and to absorb transition costs over a period of time.

Christine Yule, the club's Development Director, said: "The new rules are good for employees and should be good for business as it's been shown that employees with a decent length of annual leave are generally more motivated and productive.

"The only worry we had was if the regulations were going to be introduced all at once which would have had a detrimental effect on businesses. Now small firms can prepare for the changes over the two years, which should mean that the cost impact is minimal."

She added: "However I would advise all businesses to gear up now for the changes and to find out all they can to make a seamless transition and how to communicate these changes to their staff."

For more information about the new holiday entitlement regulations, which includes ready-made templates for informing staff, log on to the Department of Trade and Industry (DTI) web site at www.dti.gov.uk/employment/holidays/index.html.