

**Measures to extend the ban on exclusivity clauses in  
contracts of employment**

Submission to the Department for Business, Energy and Industrial Strategy

**Chartered Institute for Personnel and Development (CIPD)**

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*Championing better  
work and working lives*

## **Background**

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 155,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

## Our response

### Questions on the ban extension

- 2. Do you think the ban of exclusivity clauses should be extended to other workers? Please expand on why.**
- **Yes (please specify who to)**
  - **No**
  - **I don't know**

**Yes** - there are other forms of atypical employment, such as short-hours contracts, where workers are effectively prevented from earning the lower earnings limit when no additional work is available. A ban on exclusivity clauses would allow people who value the benefits of earning the Lower Earning Limit (LEL) most highly - such as access to SSP - to accumulate micro-jobs that take them over the LEL while not earning the LEL in any single job. And while this might affect relatively few people, its incidence is likely to be higher in the current economic climate.

### Questions about individual workers

- 10. How helpful do you think extending the ban on exclusivity clauses would be for workers earning under the Lower Earnings limit? Please explain your answer.**
- **Very helpful**
  - **Helpful**
  - **Neither helpful or unhelpful**
  - **Unhelpful**
  - **Very unhelpful**
  - **I'm not sure**
  -

**Very helpful** – notwithstanding the points made above, a ban on exclusivity clauses would also allow workers to transfer from low-wage sectors where there is low demand, such as hospitality, to those where demand has remained high, such as food production.

- 11. Ensuring workers can take on additional work where desired could also create opportunities for reskilling as they would be able to take on additional work in a different sector to their current job. This could help workers make a smoother transition between different sectors and provide people with the tools they need to get better jobs.**

**How likely do you think workers are to use the ability to take on additional work to reskill and move between sectors? Please explain your answer.**

- **Very likely**
- **Likely**
- **Neither likely or unlikely**
- **Unlikely**
- **Very unlikely**
- **I'm not sure**

**Likely** - the reported fall in the stock of EU workers, a large proportion of whom are employed in low-wage sectors, could potentially make this a very likely scenario.

Nonetheless, some significant barriers remain, such as the historical challenges some of these sectors have faced in attracting UK applicants to roles, which in some cases, is due to a geographical mismatch.

## **Questions specifically for employers**

**12. Do you think extending the ban on exclusivity clauses to workers under the Lower Earnings Limit could benefit your business/organisation?**

**Please explain your answer.**

- **Yes**
- **No**
- **I don't know**

**No** - It is not applicable to our organisation because we do not employ people on atypical employment contracts with a limited number of guaranteed hours.