

UK Hospitality says the Government's move to cut red tape will be a significant boost for the sector

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Thousands of the UK's fastest-growing businesses will be released from reporting requirements and other regulations in the future, as part of plans aimed at boosting productivity and supercharging growth, Prime Minister Liz Truss announced.

Currently, small businesses are presumed to be exempt from certain regulations. However, many medium sized businesses – those with between 50 and 249 employees – still report that they are spending over 22 staff days per month on average dealing with regulation, and over half of all businesses consider regulation to be a burden to their operation [[source](#)].

The Prime Minister has announced plans to widen these exemptions to businesses with fewer than 500 employees for future and reviewed regulations, meaning an additional 40,000 businesses will be freed from future bureaucracy and the accompanying paperwork that is expensive and burdensome for all but the largest firms.

The exemption will be applied in a proportionate way to ensure workers' rights and other standards will be protected, while at the same time reducing the burden for growing businesses.

Regulatory exemptions are often granted for SMEs, which the EU defines at below 250 employees. However, we are free to take our own approach and exempt more businesses to those with under 500 employees. We will also be able to apply this to retained EU law currently under review, which we would not have been able to do without our exit from the EU.

The changed threshold will apply from Monday 3 October to all new regulations under development as well as those under current and future review, including retained EU laws. The government will also look at plans to consult in the future on potentially extending the threshold to businesses with 1,000 employees, once the impact on the current extension is known.

This is the first step in a package of reforms to ensure UK business regulation works for the UK economy. The reforms will harness the freedoms the UK has since leaving the EU to remove bureaucratic and burdensome regulations on businesses, while streamlining and making it easier for them to comply with existing rules, ultimately saving them valuable time and money.

In response to the Government's announcement that red tape will be cut for thousands of growing businesses in the future, UKHospitality CEO, Kate Nicholls, said:

"We are delighted the Government has listened to our calls to cut the burden of red tape on businesses. The Prime Minister's plans to exempt medium-sized (classified as those with between 50 and 500 employees), as well as small businesses from reporting requirements and future and reviewed legislation will be a significant boost for thousands of operators in our sector and others.

"By removing the burden of time consuming and expensive paperwork, businesses can concentrate their efforts on investment and growth instead. Of course, larger businesses are also affected by regulation and legislation and we would urge the Government to look at minimising the burden for these businesses as well, in order to really turbo charge growth. Applying the move retrospectively would also boost growth by reducing some of the existing strain on operators."