



Private equity soundbite

The general election – implications for employment law

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As Britain takes to the polls, what is the future looking like for employment law? Employment Counsel Michael Smith summarises the key implications.

The Conservatives have indicated their support for real terms increases in the National Minimum Wage, rising from its current level of £6.50 per hour to reach £8 per hour by the end of the decade. The Conservatives have also promised to prohibit the use of exclusivity clauses in zero-hours contracts. Employers with more than 250 employees will be required to publish the difference between the average pay of male and female employees.

There will also be restrictions on the ability to strike. Lawful strike action will only be able to take place where at least half of eligible workers have voted. In essential public services, industrial action will require the support of at least 40 percent of those entitled to vote, as well as a majority of those who actually turn out to vote. Restrictions on the ability of employers to hire agency workers to provide cover during strikes will also be lifted.

Of potentially far greater significance is the promise to hold a referendum on the UK's membership of the EU by the end of 2017. Any re-negotiation of the UK's terms of membership, and any withdrawal from the EU, has the potential for a huge upheaval in employment law.

Labour also promises to increase the National Minimum Wage to £8 per hour, by October 2019. Labour will additionally use government procurement to encourage the higher Living Wage (currently £7.85 per hour, £9.15 per hour in London). Publicly listed companies will be required to report whether they pay the Living Wage.

Zero-hours contracts will also be restricted. Those workers who work regular hours for more than 12 weeks will be entitled to a "regular" contract. Employers will also be prevented from undercutting the pay of permanent staff by using cheaper agency workers.

Labour has also promised to abolish the current Employment Tribunal fees system. It is not clear whether fees will be abolished completely or whether a new system will be put in place with (we assume) lower fees.

The Other Parties. While it is almost certain that either the Conservatives or Labour will be the largest party after the general election, the likelihood that neither will secure an overall majority and may need to form a coalition or looser alliance with smaller parties, makes the policies of those smaller parties significant. A summary of these is available via podcast at: <http://www.reedsmith.com/Employment-Labor-UK-Europe-Middle-East-Practices/>

Transaction highlights

Recent deals across our platform



Our London and Munich teams advised new client Naked Wines on its £70 million sale to Majestic Wine Plc (Majestic). Majestic and Naked Wines will continue to operate as separate brands, with Naked Wines founder and CEO Rowan Gormley as chief executive of the overall company. Partner James Cross commented: "This is another example of our expertise in the consumer/e-commerce space and in partnering with entrepreneurs seeking to take their businesses to the next stage, whether by sale or investment."



Our London team led on two recent acquisitions for long standing client CBPE Capital. The team advised on the acquisition of renewable energy group Anesco, and the acquisition of run-off (re)insurance specialist Compre, which has operations in Germany, Switzerland, the Nordics and the UK.



Our Munich team advised Target Partners on the sale of Cube Optics AG to Swiss-based HUBER+SUHNER. Cube Optics provides leading fibre optic components and transport network solutions for use in data and telecommunications.



Our London team advised Vitruvian Partners and its portfolio company JacTravel on the acquisition of TotalStay Group. TotalStay is a major accommodation provider in wholesale, retail and consumer markets. The new combined group will benefit from greater scale in the accommodation market and direct contractual relationships with over 14,000 independent and chain hotel partners in 800 cities globally.

Partner promotion

Congratulations to James Cross



We are delighted to announce that James Cross has been promoted to the partnership this year, making him one of the youngest partners in the firm. James co-founded the London Reed Smith private equity team in 2012 with Perry Yam, and has key expertise in mid-market buyouts, exits, bolt-on/buy and build acquisitions and management equity. He has also been recognised as a "Rising Star" in Super Lawyers UK 2014 for his private equity M&A work.

Upcoming London seminar

Introduction to Intellectual Property - 19 May 2015

Join lawyers from Reed Smith's intellectual property team as they provide an introduction to the key areas of intellectual property (IP) in the context of commercial contracts.

Topics to be covered include:

- Common misconceptions about IP
- When to think about IP rights
- IP in contracts – what to watch out for when drafting

This seminar is directed towards legal and business managers who deal with intellectual property issues.

For further information or to register, please email events@reedsmith.com

