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3 December 2018

Dear Sir William

**Council Number 2018/0064: Proposal for a Regulation of the European Parliament and of the Council establishing a European Labour Authority (ELA).**

I am writing to provide you with an update on the ELA file and inform you of the reasons why I believe it is right, exceptionally, to vote in favour of this file at EPSCO on 6 December, before the Committees have cleared the proposals from scrutiny.

The government supports the overall aim of the file to increase cooperation between national authorities and facilitate information dissemination. We believe that this could add value to Member States and are not concerned about potential 'competence creep'. We had concerns about the inclusion of social security coordination being within the scope of ELA. However, the Presidency has now removed social security coordination from the proposal, a compromise the UK can support. The government is content that the proposal will add value to work enforcing the rights of workers across the EU.

In October, the Dutch Ministry of Social and Employment Affairs organised a two-day conference, where social partners, policy officials, stakeholders, and representatives of the European Commission and Parliament came together to discuss the outstanding issues of the proposal and the practicalities establishing the ELA. This conference was beneficial to the policy discussions ahead of the final working group in November.

The ELA Regulation is supported by all Member States, but five Member States have expressed regret at the removal of social security coordination. I have decided to override the Committee to ensure that the Presidency does not feel the need to put forward a different compromise which would be worse for the UK, in order to gain support from this Minority group.

The three UK labour inspectorates Employment Agency Standards (EAS), Gangmasters Labour Abuse Authority (GLAA) and HMRC National Minimum Wage (NMW) enforcement team have been consulted on this proposal and have supported our negotiating strategy. If this Regulation is agreed, we will continue to coordinate with inspectors to ensure a smooth establishment of the authority and creation of the National Liaison Officer (NLO).

The EU Commission strongly encouraged the Austrian Presidency to reach General Approach on this file at December EPSCO, hence the short time frame for scrutiny to be lifted on this file. I understand and respect the role of the EU Scrutiny Committees and have not taken the decision to override the Committees lightly. However, as the UK has succeeded in negotiating a compromise that is supported by the majority of Member States and the file does not impact Member State competence or national legislation, I feel comfortable this was the correct decision in this exceptional scenario.

I am copying this letter to the Chair of the House of Lords European Scrutiny Committee, Lord Boswell, Les Saunders, DExEU, and to Callum Gray, Departmental Scrutiny Coordinator for BEIS.

Yours sincerely

A handwritten signature in blue ink that reads "Kelly Tolhurst". The signature is written in a cursive style with a horizontal line underlining the last part of the name.

**Kelly Tolhurst MP**  
Minister for Small Business, Consumers & Corporate Responsibility