

Human Resource News
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HR newsletter

VISION

VISION RISK MANAGEMENT LTD

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In this issue

Welcome to this months Vision Risk Management HR and H&S News Letter

30% Rise in
Employment
Tribunal Claims

page 1

Mock Tribunal at
the Tower

page 2

Drugs & Alcohol
in the Workplace

page 3

30% Rise in Employment Tribunal Claims

The Tribunals Service Annual Report showed the number of employment tribunal claims rose by one-third last year.

A total of 189,348 claims were received in the 2007 - 2008 period, compared with 143,474 in 2006 - 2007. The Service also saw an increase in net operating cost from £287M to £305M

The number of claims disposed of decreased from 107,412 to 86,237. An increase in multiple claims was cited as the reason for the fall in disposals. The report quotes: "These types of claim remain in the system much longer than other types of claims and subsequently contributed to a 73% increase in the number of outstanding cases from 138,200 in April 2007 to 239,300 in March 2008."

During the period of 2006 - 2007 there was a 155% increase in Equal Pay claims and it is thought that these have partly contributed to the rise in multiple claims.

Chris Bilas Managing Director of Vision Underwriting Limited commented, "The rise in Tribunal Claims is not unexpected and is linked to a greater awareness of our comprehensive employee protection legislation and the ever-increasing areas within which employees can bring claims. If we couple this with the economic downturn, which has left many firms contemplating significant redundancies over the next few years, it is likely to that this position could get a whole lot worse".

Chris Bilas went on to say "Even if firms employ the very best HR practice when dealing with their employees, the



fact remains that it is extremely easy for an employee to bring a claim against their employer. This relatively risk-free action by employees inevitably includes opportunistic claims, often based on multiple areas of dispute, tying up valuable management time and increasing legal costs. Unlike other types of civil disputes where the losing party pays, it is extremely rare to be able to recover any costs against an employment claimant so even if you win, you lose."

"With the rise in various forms of discrimination claims, Employment Tribunal claims appear to be taking longer to hear and this further increases the employers' legal and management time taken to defend many disputes."

"An employment claim a decade ago might have been considered a nuisance; now it has become a significant business risk that could threaten the very existence of some firms. Employers who do not possess

adequate HR resources to manage such risks and those with modest balance sheets may find themselves unable to fund the legal costs and potential awards of compensation posed by HR claims."

However, such threats to employers has led to the growth of various employer

support products including Vision Risk Management's employsure, an expert service which includes comprehensive legal protection insurance.

"An employment claim a decade ago might have been considered a nuisance; now it has become a significant business risk..."

For more information how employsure: can protect your organisation, please contact:

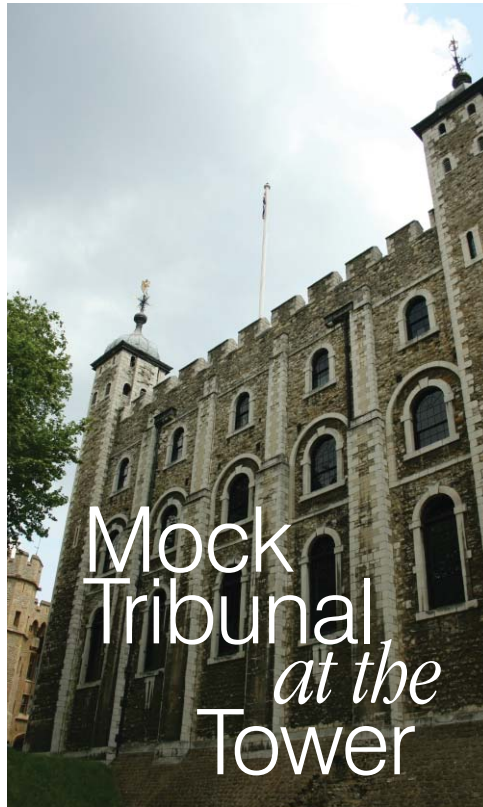
Kate Sonnet on **0845 625 0626** or visit our website **www.employsure.co.uk**

HR newsletter

ACAS Annual Report shows Record Number of Equal Pay Claims

Unfair Dismissal Claims have for the first time been overtaken by Equal pay claims passed to ACAS for conciliation. The report commented "The equal pay issue remains a source of both individual and collective conflict, and we expect much the same level of demand for our services throughout the coming year, and possibly for some time thereafter."

The Annual Report showed the number of equal pay claims received in 2007-08 had doubled to reach 58,513 - up from 27,497 the previous year. Unfair dismissal claims accounts for 43,231 claims lodged.



Vision Risk Management is inviting businesses to attend a Mock Tribunal which we are running on the 16th September 2008 at the Tower of London.

We are running this event in conjunction with Employment Law in Action who are one of our business partners, and we are also delighted that Barristers from Littleton Chambers have agreed to Chair the Tribunal Panel and represent both sides. This presents a great opportunity to see what may seem at the outset a straightforward case, unfold in a tribunal environment. The event also provides an excellent informal networking opportunity.

The invitation has been restricted to Senior Business Managers, Finance and HR Directors but there is no cost to attend this event. Due to the high demand and our restriction on delegate numbers anyone who wishes to attend this event should register contacting us on 0845 625 0626 or by email to katesonnet@visionunderwriting.co.uk. Upon receipt of your registration we will send you a confirmation by email.

Proceedings will begin at 9.30am prompt with a light lunch served at the end of the event.

More than 50% of UK companies are estimated to make job cuts

According to the KPMG quarterly National Business Confidence Survey, 53% of senior executives in the public and private sectors plan to reduce headcount, with almost an equal amount expecting to put a freeze on recruitment.

This finding follows research in March, when the same organisations were questioned for KPMG by Opinion Leader Research, that 29% of respondents were looking to cut jobs as a cost-saving measure.

Regional Chairman for KPMG in the North, Malcolm Edge commented, "The clouds that were on the horizon when we first conducted this survey back in early spring are now right over head, with businesses feeling the impact of this so-called 'perfect storm' of rising inflation, tightening credit conditions and

plummeting consumer confidence. With six out of 10 businesses looking to cut costs, staff redundancies may seem like the obvious, albeit painful, solution.

The widespread redundancy programmes we have already seen in the financial services and house-building sectors may therefore just be a small sign of things to come."

Malcolm Edge continued to say: "It is particularly interesting to note that eighty percent of the organisations who took part in our survey were based outside London, signifying that the credit crunch may finally have hit home across the UK regions. There

were certainly arguments in some quarters at the beginning of the year that it was primarily the City of London that had been caught in the eye of the storm, and that the

rest of the British economy may escape relatively unscathed. However, there's now no denying that we're all in this together, possibly for the long haul."

The report also cited that rising inflation is still the greatest concern for most employers, with three-quarters of respondents believing it will spark

increases in costs, 70% believing it will affect profit margins and a further two-thirds expecting it to prompt higher wage demands.

"...there's now no denying that we're all in this together, possibly for the long haul."

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Landmark ruling paves the way for claims by able-bodied people under the Disability Discrimination Act (DDA)

On the 17th July 2008 the European Court of Justice ruled in favour of legal secretary Sharon Coleman who is suing her employers Attridge Law by claiming she had to resign after asking for time off to care for her 4 year old disabled son who has serious respiratory problems.

Sharron Coleman had won the right in an employment appeal decision for an unfair treatment claim against her employers under the Disability Discrimination Act to proceed to the European Court of Justice earlier this year. She claimed she had been unlawfully discriminated against by her employers stating her firm failed to grant flexible working, despite other employees with non-disabled children having no obstacles. She claims managers called her 'lazy' when she requested time off to care for him. She accepted voluntary redundancy, but later brought a claim for constructive dismissal and disability discrimination. An advocate-general agreed that Coleman suffered "discrimination by association".

The court may have effectively opened the gates to thousands of able bodied employees who may claim "discrimination by association" under the Disability Discrimination Act. Additionally, this decision could also lead to many fresh appeals for flexible working by employees who could be affected.



Drugs & Alcohol in the Workplace

Few firms have drug testing policies but two thirds of those surveyed by a national law firm want legislation to clarify when they can dismiss staff for intoxication. Of 133 firms employing between 500 and 2,000 staff, 95pc told law firm Blake Laphorn Linnell that they did not test employees for drug use. But Gill Leach, the employment law specialist who conducted the survey, said 64pc called for a clarification of what they can and cannot do.

Ms Leach said employment tribunal interpretation of rules designed to prevent disability discrimination and unfair dismissal, as well as the Human Rights Act, meant that having a drug testing policy as a way of discouraging staff from working while under the influence was a legal minefield. "The employees can just say no (to being tested) and there's nothing the employer can do other than to take disciplinary action. But then they could open themselves up to claims of unfair dismissal and possibly liability under the Disability Discrimination Act," said Ms Leach.

She gave the example of a young engineer

who was using drugs started to act aggressively towards his colleagues. He was diagnosed as having a form of psychosis that was possibly caused by, and certainly aggravated by, his use of illegal drugs. His colleagues refused to work with him and his employer tried to dismiss him, but he could seek redress in an employment tribunal under the Disability Discrimination Act.

Ms Leach said there is no ceiling on the amount of award that an employer might have to pay for a breach of the DDA. It has been estimated that drug use costs British business £800m a year. An independent, privately funded inquiry into drug testing, which reported recently, has said between 500,000 and 2m young people use ecstasy every weekend, with cannabis and cocaine use also common.

Drug testing is routine in safety critical industries, such as railways and airlines. Existing employees: customers can find an article on Drug and Alcohol abuse in the workplace is included under the *HR in Practice* section in the members area of our website.

"The employees can just say no (to being tested) and there's nothing the employer can do other than to take disciplinary action."

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About Vision Risk Management

Vision Risk Management Limited is a leading UK provider of assured, managed HR and H&S assistance who deliver diverse HR and H&S support solutions to a diverse customer base. For further information on how Vision Risk Management Limited can help and assist your business please contact us on 0845 625 0626 or email enquiries@visionriskmanagement.com

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