

# Headline

news from **Head  Office**

May 2009

## Swine Flu and a pandemic outbreak

**Recent press coverage about Swine Flu is unavoidable and we at Head Office are already receiving calls from concerned clients about what to do. The following article aims to provide a few general sources of information as well as answer some of the common questions.**



### **What is 'Swine Flu' and how does it differ from 'pandemic flu'?**

Swine Flu is a respiratory disease and influenza type A. It originally infected pigs but has spread to humans and is constantly changing. It is thought to be spread by coughing and sneezing.

Pandemic flu is the term used when a new influenza virus, which people have no immunity to, spreads. Therefore the human form of Swine Flu could develop into a pandemic if it continues to spread rapidly.

### **How should I prepare for a pandemic flu?**

There is a lot of guidance on the web and in the news about what to do but the main recommendations appear to be; prepare well and minimise the risks.

### **How do I prepare?**

Planning is the key as should an outbreak occur you will want to be calm and prepared for the main issues that may arise, as this will allow you to be prompt, efficient and provide confidence to your employees, clients and suppliers.

### **You may wish to consider some or all of the following:**

- Conduct a risk assessment of the potential effects of Swine Flu on your business and your employees. Pay particular attention to those members of staff who are high risk (e.g. pregnant employees and those with medical conditions) and seek medical advice if you are unsure
- Create a management plan to deal with the risks identified
- Create an emergency plan should the very worst happen, consider what are the minimum numbers needed to operate your business. Consider what you would do should you need to close your business or how you would recruit temporary staff to maintain your service
- Consider cross training key members of staff to ensure maintenance of key services, especially when they aren't familiar with the work asked of them
- Consider alternative working patterns, such as remote working
- Creating a communications plan on how to spread information quickly to all appropriate members of the business – ensure everyone's contact details are up to date
- Plan how to deal with press enquiries to ensure a clear, accurate and consistent message is disclosed

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## **Human Resources • Health and Safety**

**supporting your business piece by piece**

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# Introduction to

# Head Office

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Head Office provides an innovative and effective way to ensure that your business complies with the legislative requirements of both Human Resources and Health & Safety.

Keeping up with the ever changing legislations and pressures faced managing a team of staff is very expensive, particularly with the use of ad hoc employment lawyers and HR / health and safety consultants.

Head Office aims to reduce these expenditures through a monthly subscription which provides an insurance policy against the costs of an employee taking you to an employment tribunal and any award payouts. On a day to day basis, Head Office supports the business by providing updated guidance on new legislation and case law, a dedicated helpline staffed by HR legal experts and a contract / letter template builder. This can be used both as a support mechanism for an existing HR team or as part of an owner managed business where there is no dedicated HR resource.

Key benefits include:

- **A safety net with our exclusive insurance policy that covers the costs of getting to tribunal and any award up to £250,000**
- **Minimising the risk to your cashflow (the average costs of attending a tribunal now stands at £9,500)**
- **Budgetary certainty without the need for adhoc HR consultants / employment lawyers**
- **Improved procedures resulting in increased productivity**
- **Easy access to commercial and practical legal advice**
- **More time to focus on managing your business.**

As part of the offer Head Office will provide an initial review of your current position with the aim of recommending the most appropriate solution for your needs.

Call us now on **0845 217 8650** to speak to one of our expert advisers.

## In this issue...

- Swine flu – a handy guide
- Minimum Wage changes and how to account for tips
- Costs awarded against an employee for lying at Tribunal
- Age discrimination and redundancy – take care when using length of service as a redundancy criteria
- Don't score a recession own goal by skimping on health and safety
- First firm in the UK charged under Corporate Manslaughter Act
- Third of employers fail the stress test
- Rush to judgement – recession and the need to face up to the harsh realities
- Important dates to note for 2009

# Annual rates change to National Minimum Wage announced

**The Department for Business, Enterprise and Regulatory Reform has finally announced the new rates of the National Minimum Wage that are to apply from 1st October 2009.**

Workers aged 22 and over, the rate will rise from the current GBP 5.73 per hour to GBP 5.80;

Workers aged 18 to 21 it will rise from GBP 4.77 to GBP 4.83; and Workers aged 16 and 17 it will rise from GBP 3.53 to GBP 3.57.

Although the increases were heavily opposed by various trade organisations the Government believes that nearly a million workers will benefit from the increased rates.



## Exclusive Mayfair club loses to HMRC

**Commissioners for Her Majesty's Revenue and Customs v Annabel's (Berkeley Square Ltd) and others**

The Court of Appeal has decided that tips distributed through a 'tronc' system do not count towards the national minimum wage (NMW). This decision follows shortly after the Government announcement that said it would legislate to ensure that no tips will count towards NMW from 1 October 2009.

A tronc system is where any tips collected are given to a troncmaster who distributes the tips in line with certain entitlement rules in order to avoid National Insurance contributions in respect of gratuities. The club however used these tips to top up employee's basic pay, which otherwise would not have met the NMW.

The club was ordered to pay HMRC £7,636.56 in legal costs and were refused permission to appeal to the House of Lords.



# Costs award against lying employee



This case involved a Claimant raising allegations of direct race discrimination, constructive unfair dismissal and unlawful deduction of wages. Central to the direct race discrimination claim was the allegation that the Claimant had been called 'a black bitch' by her manager.

During the hearing, evidence was heard which led the Tribunal to decide that the Claimant was lying about the comments and as such rejected her claim. However, although the employer was successful in the discrimination part of the claim,

when they applied for an order in respect of the £20,000 costs spent defending the claim the Tribunal declined to make the order. They said that this was because the Claimant had a genuine belief in her claim, and had not acted unreasonably.

The employer appealed and argued that the general position regarding costs orders at Tribunal was "...where the paying party has in bringing the proceedings, or ...in conducting the proceedings, acted ...otherwise unreasonably, or the bringing or conducting of the

proceedings by the paying party has been misconceived." They therefore argued that as she was found to have lied how could she have been acting reasonably?

The Employment Appeals Tribunal decided that the original Tribunal should have concluded that the Claimant had acted unreasonably in bringing and conducting the proceedings having lied about the central allegations of her claim. It was therefore wrong in law to decline the claim for costs and they referred the matter back to the Tribunal for assessment, we await the results.

So the basic position remains the same, employers will only have costs awarded against an employee at tribunal if the employee has acted unreasonably. What amounts to acting unreasonably is difficult to assess e.g. is the employee lying about central facts of their case and not just something trivial or inconsequential. Therefore, for now, employees remain able to take employers to tribunals with little risk or investment on their part.

## Tribunal Claims Increase by 43%

**The somewhat belated Employment Tribunal and EAT Statistics for the period 1st April 2007 to 31st March 2008 have recently been released by the Employment Tribunals Service and they bring with them some startling revelations.**

There has been a continued influx of claims into the Employment Tribunals. Between 2007 and 2008 189,303 claims were accepted by the tribunal service in comparison to 132,577 claims accepted in the previous year.

In percentage terms this equates to a 43% increase from 06/07 and a 65% increase from 05/06 (where only 115,039 claims were accepted).



## Most common claims:

	Claim	No. Accepted 07/08	No. Accepted 06/07
1.	Equal Pay	62,706	44,013
2.	Working Time Directive	55,712	21,127
3.	Unfair Dismissal	40,941	44,491
4.	Sex Discrimination	26,907	28,153
5.	Breach of Contract	25,054	27,298

## Average compensation awards:

Claim	Median		Average		Maximum	
	06/07	07/08	06/07	07/08	06/07	07/08
Unfair Dismissal	£3,800	£4000	£7,974	£8,058	£250,470	£76,536
Sex	£6,724	£5,200	£10,052	£11,263	£64,862	£131,466
Race	£7,000	£8,120	£14,049	£14,566	£123,898	£368,991
Disability	£8,232	£8,363	£15,059	£19,523	£138,648	£227,208
Costs Awarded	£1,000	£1,000	£2,078.88	£2,095	£65,000	£17,775

It seems that employees are becoming more aware of their rights in respect of employment matters and more willing to enforce those rights through tribunal action if necessary.

Given the delay in publishing these statistics the landscape of tribunal claims is likely to look significantly different today from the way it did over a year ago. Given the current economic climate statistics for 2008/2009 are likely to confirm what many have predicted that there will be further sharp rise in unfair dismissal and redundancy related claims.

If you are facing a potential Tribunal and need advice contact our Legal Advisor, Damien Burns, on 0845 217 8650

Statistics:

Employment Tribunal and EAT Statistics (GB)

1 April 2007 to 31 March 2008

Employment Tribunal and EAT Statistics (GB)

1 April 2006 to 31 March 2007

<http://www.employmenttribunals.gov.uk/Publications/publications.htm>

## Human Resources

Your people are your most valuable – and most expensive – asset. Looking after them well is vital to maintaining productivity but it can be time consuming and confusing, with new rules and regulations appearing all the time.

Get it right and the benefits go straight to your bottom line – get it wrong and you could be facing expensive court battles and compensation claims that could sink a growing business.

Head Office Human Resources will take the hassle out of HR by providing access to your own HR adviser, legal assistance and cover in the event of a claim and an online resource covering:

- Recruitment
- Retention
- Managing behaviour and performance
- Discrimination
- Restructuring



# A Handy Guide to Swine Flu...

## How do I minimise the risks?

You should keep up to date with the current HSE recommendations as to how to minimise the risks of spreading Swine Flu. The main message is cleanliness and you should consider educating your workforce in basic hygiene. Display posters reminding people to use tissues for coughs and sneezes and to “Catch it, Bin it, Kill it” and also to wash their hands regularly.

You may also consider handing out antibacterial / antiseptic wipes or cleansers for individual workstations and communal area like toilets and kitchens. If you employ your own cleaners ensure they are trained to both clean these areas and also to protect their own health. The HSE’s current advice is to continue running any air conditioning system already provided for the workspace.

## What should I do if someone calls in sick with flu?

You should follow your usual sickness policies and procedures and should recommend that the employee contact their GP immediately for further advice. If they are signed off sick ensure they do not attend the place of work to minimise the possibility of further transmission of the virus. The employee may not have Swine Flu and only a qualified medical professional is able to diagnose it therefore be careful not to allow people to jump to conclusions and spread panic.

## What should I do if someone refuses to work because they are worried about catching Swine Flu but there haven’t been any cases close by?

Legally an employee may not refuse to attend work based on a fear of infection alone but employers should consider that an employee’s fear of contracting a virus may outweigh concerns over any potential disciplinary action. Any disciplinary action should follow a fair procedure. An employer should be consistent with the HSE guidance on the risks and this should be communicated to your employees. Failure to attend work based on fear alone would be considered unauthorised absence and may result in disciplinary action up to and including dismissal.

The potential penalty applied will vary on the individual circumstances present.

## How should I deal with absences when there are cases of Swine Flu in the area or even worse our business?

Once more, up to date HSE guidance and medical advice is paramount and you should ensure that all relevant information in respect of the outbreak and what is expected of employees should be clearly and promptly communicated to all members of staff. Should employees refuse to attend work against your instructions then again it may be a disciplinary offence, however, you should consider each case on its facts alongside your risk assessment. For example, a pregnant employee may be at greater risk than other members of staff and therefore the reasonableness of their actions may be judged differently.

If they are signed off sick then they will be entitled to sick pay as usual. Should you then choose to close the business in the short term you would need to provide the employees with the

same pay and benefits as they would otherwise be entitled to. If you allow concerned employees to remain at home they may not be entitled to any pay.

The overriding factor will be the health and safety of your employees and you should obtain expert H&S advice in this regard.

If you choose to temporarily close your business to limit the extent of any outbreak you should communicate the situation to your employees and let them know on what terms the closure is based upon. This may include:

- The reason for the closure
- Proposed length of closure and any proposed review timescales/methods
- What is expected of the employees – e.g. should they call in each morning for an update or will you call them
- That continuity of employment is preserved and they remain bound by their contractual obligations
- That if they feel ill they should call their GP for advice and contact the business to notify you of their sickness
- The situation regarding the payment of salary and other benefits

If a temporary reorganisation of the business is needed then ensure that people are substituted into appropriate work and that employees do not suffer a detriment because of it. Also consider the implications of the National Minimum Wage and the Working Time legislation if members of staff are to work additional hours to cover. If employees are to work at home then you should consider a risk assessment of their home to ensure suitability as you will remain liable for them while they are working.

## Should I provide face masks to employees?

Currently surgical face masks, like those used in the SARS outbreak in Asia, are not recommended in the workplace unless employees work in a high risk area. Up to date info can be found on <http://www.hse.gov.uk/news/2009/swineflu.htm>.

## An employee has asked for time off to care for a relative, who has flu, what shall I do?

Employees have the right from day one of their employment to take reasonable time off to care for their dependants (child, spouse, parent, etc). This time off is limited to the initial care during their illness and not the full duration of it, it must be reasonable. Employers do not need to pay for this time off. If the dependant has a confirmed case of Swine Flu then employers should consider the possibility that the employee may also be incubating the virus and you should obtain professional medical advice as

to whether they are fit to return to work. Additional leave may also be relevant should school closures cause caring issues for employees.

## Do I need any policies in place to deal with Swine Flu?

It is recommended that you have full and up to date policies in place to cover health and safety, sickness, holiday, dependency leave, flexible working, disciplinary and grievance, parental leave and home working.

## What could be the long term affects of Swine Flu?

There is a chance that the affects of Swine Flu may impact on your bottom line, especially if you suffer a depleted workforce or even closures. Reducing your workforce temporarily or permanently must be done correctly to avoid expensive claims at tribunal.

The following resources provide further information on the virus.

- **Department of Health**  
<http://tinyurl.com/8pmots> and  
<http://tinyurl.com/438svl>
- **Health and Safety Executive**  
<http://tinyurl.com/n5l24b> and  
<http://tinyurl.com/m359j8>
- **The Government**  
<http://tinyurl.com/dd5vva>
- **Business Link**  
<http://tinyurl.com/rdb87m>
- **The Cabinet Office has an in depth checklist of business at:**  
<http://tinyurl.com/d78mzb>

# Age discrimination does not prevent the use of length of service as a criteria for redundancy selection

## Rolls Royce plc v Unite the Union (COA)

**The Court of appeal held that considering length of service in a redundancy situation could be objectively and reasonably justified when part of a legitimate employment policy.**

The court found that criteria could be legitimate when used at its most basic as a reward for loyalty and also when used to promote “the overall desirability of achieving a stable workforce in the context of a fair process of redundancy selection”.

“However it does seem that in order for the criteria to be considered a proportionate means of achieving these aims it cannot be used in isolation. It should only be one of a “substantial number of criteria for measuring employee suitability for redundancy”.

It seems that a selection process relying solely upon length of service or in fact the idea of last in first out would likely not be a proportionate means of achieving a legitimate aim and in consequence could lead to both unfair dismissal and discrimination claims.



# Don't score a recession 'own goal'

**Employers who skimp on health and safety to save cash during the recession are making a big mistake which could backfire on them, says a veteran safety professional.**

The new Health and Safety (Offences) Act that came into force in January means offenders face harsher fines and a greater likelihood of imprisonment. It raises the maximum magistrate's Court fine for most breaches of regulations made under the Health and Safety at Work Act from £5,000 to £20,000 and makes it possible to jail people for more offences than before. The Act arrives just as firms search for savings to cope with the market downturn. But, said seasoned health and safety professional Dennis Draper, "Cutting back on risk management measures or safety training is short-sighted and could have serious long-term consequences".

Mr Draper a senior environmental health consultant with 36 years experience added "These bigger fines mean any safety cutback could become a major own-goal that ultimately costs much more than it saves."

The new legislation makes it easier, quicker and less expensive for enforcement bodies to secure heavy punishments without having to take their cases to Crown Court.

Department of Work and Pensions Minister Lord McKenzie said:

"It is generally accepted that fines for some health and safety offences were too low. Sentences can now be set at a level to deter businesses that do not take their health and safety management responsibilities seriously."

He added: "Jail sentences for particularly blameworthy offences can now be imposed, reflecting the severity of such crimes, whereas there were more limited options in the past." The new law follows hard on the heels of the Corporate Manslaughter Act which creates a serious new offence in cases where death is caused by a 'gross breach'



of an organisation's duty of care, and where the actions of the company's senior management played a 'substantial' part in that breach. This could mean fines amounting to 10% of company turnover and Court orders forcing firms to publicise what they have done wrong.

Said Dennis Draper: "Effective Health and Safety risk management doesn't need to be expensive if approached properly. However poor risk management or none at all, can be very expensive for the bank balance and the firm's reputation."

**Last year the HSE and local councils prosecuted 1,491 offences and issued 13,363 enforcement notices against firms for working unsafely.**



# Landmark charges brought under Corporate Manslaughter Act

Gloucestershire company Cotswold Geotechnical Holdings has become the first firm in the UK to be charged under the new corporate manslaughter laws following the death of a Cheltenham Geologist.

Mr Wright, a junior geologist, was taking soil samples inside a specially-dug pit when the sides collapsed and crushed him on 5th September 2008.

Peter Eaton, a director of the company has been charged with gross negligence manslaughter and with an offence contrary to Section 37, Health and Safety at Work Act 1974. Cotswold Geotechnical Holdings Ltd has also been charged with failing to discharge a duty contrary to Section 33, Health and Safety at Work Act 1974. Both he and the company also face health and safety charges.

The Corporate Manslaughter and Corporate Homicide Act 2007 came into effect a year ago and Kate Leonard, reviewing lawyer for the Crown Prosecution Service's Special Crime Division, explained how it works:

Under the Corporate Manslaughter and Corporate Homicide Act 2007 an organisation is guilty of corporate manslaughter if the way in which its activities are managed or organised



causes a death and amounts to a gross breach of a duty of care to the person who died.

A substantial part of the breach must have been in the way activities were organised by senior management. I have concluded that there is sufficient evidence for a realistic prospect of conviction for this offence.

So there has to be a 'gross breach' and a 'substantial part of the breach' must be the fault of senior management. It will be interesting to see how this is argued in court.

The prosecution is the first brought under the 2007 Corporate Manslaughter Act, which aimed to made it easier for firms to be brought

to justice over the death of their employees.

Previously, prosecutors were required to prove there was a 'controlling mind' at fault.

The maximum sentence for the firm is an unlimited fine. Mr Eaton could face life imprisonment.

Mr Eaton will appear before Stroud Magistrates' Court on June 17. He faces charges both as an individual and on behalf of the company.

**If you are at all worried about Health and Safety in your business call us today on 0845 217 8650**

## Health & Safety

**Keeping your people safe and well is not only good for employee relations but good for business too. Accidents and illness cost money in reduced productivity and wasted management time – you have better things to do.**

Head Office Health & Safety gives you access to all the policies and up to the minute advice. We'll give your business a Health & Safety audit from which we'll provide key policies and procedures to cover management,

employee responsibilities and emergency procedures. We'll also offer advice on risk assessment, training and maintenance.

All the help you need to deal with:

- Risk assessments
- Hazardous substances
- Fire hazards
- Electrical hazards
- Manual handling
- Display screen equipment
- First aid responsibilities
- Accident reporting

# Third of employers fail the stress test

**The urgent need for employers to help staff avoid stress has been highlighted by two alarming new national surveys.**

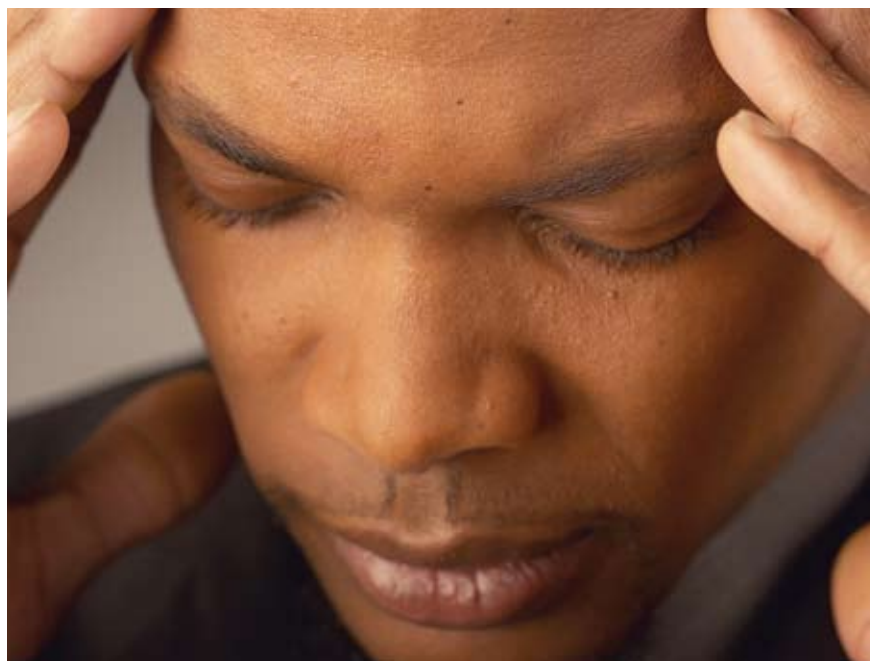
The Chartered Institute of Personnel and Development (CIPD), which represents human resource professionals, found that almost a third of employers – 32% had experienced a rise in stress related absence in the past year.

Previous research by the Institute found that workers suffering from stress or stress-related illness were off sick for an average of 21 days each.

Meanwhile according to the TUC, three out of five UK union safety representatives now say stress is a major concern in their workplace.

Their recent survey found this was the biggest health and safety issue in 10 of the 14 industry sectors examined.

The CIPD's report stated: "Stress is one of the most important reasons behind sickness at work and stress related absence is increasing. It is well recognised that stress reduces employee well-being, and that excessive or sustained work pressure can lead to stress. Occupational stress poses a risk to most businesses and compensation payments for stress related injuries are rising. It is important to meet the challenge by dealing with excessive and long term causes of stress".



The CIPD's recent research also found that three quarters of executives say stress adversely affects their health, happiness and home life as well as their work performance. They added "Stress may result from exposure to a wide range of work demands and, in turn, can contribute to an equally wide range of health outcomes."

Commenting on the TUC survey, the organisation's General Secretary, Brendan Barber said "Stress casts a gloomy shadow over far too many UK workplaces and as the current economic crisis creates more anxiety about job security, stress is likely to increase. Unions and employers must work together to combat this, as it can have a huge personal cost to workers and a damaging cost to businesses."

## Industry's mega loss

According to the Health & Safety Executive (HSE) self-reported work related stress, depression or anxiety accounts for an estimated 10.5 million reported lost working days per year in Britain.

The HSE advises that employers should assess the risks and potential causes of stress, pinpoint how their organisation is performing against the six key risk factors and decide upon improvement targets and action plans.

The six key risk factors are :

- The demands of a job
- A person's control over their work
- Support from managers and colleagues
- Relationships at work
- A person's role in the organisation
- How change is managed

**If you would like to discuss the effects of stress in the workplace please call Giles Taylor on 0845 217 8650**



# The Rush to Judgement

by Simon Wiltshire

We can relax now, as I write this the stock market is up 15% and expected to open higher today (7th May), the housing market contraction is easing... well sort of, and the economic prognosticators are telling us that there are some proverbial 'green shoots' out there.

Meanwhile on planet reality... things are rarely what they seem.

My hope for you, dear reader, is that all is going swimmingly. With luck you can look at the news and tell yourself, "Recession? What recession? Things have never been better". I have often joked in our office that my way of dealing with difficulties is to get a bucket of sand on which are written the words 'Insert Head' and follow the instructions on the tin.

We should not underestimate the human capacity to avoid facing up to harsh realities. Of course we all think we look at the realities we need to but research and anecdotal evidence don't support that view. It is more common for us to 'turn a blind eye' and our tactics for averting our eyes are subtle and powerful. In his book 'Good to Great', Jim Collins talks about "confronting the brutal facts" and in my work I have seen people find some quite amazing and sophisticated ways to avoid looking at facts which are 'brutal'. In common parlance the talk is of the 'elephant in the room', the big thing that everyone knows is there but no one dare mention. But this is not the whole story, the other, more dangerous, is the importance of looking rationally at data, asking painful questions and listening to answers which we may not want to hear. If you want some examples, think about the dot-com boom, remember that? There were some examples of new start-ups, with no assets other than a few computers and some kids with an idea, which had market capitalisations greater than General Motors! Which brings me to another example; the fact that no one



wanted to look at the auto industry in the States and ask the question. "Can we keep selling millions upon millions of cars and trucks to people with huge amounts of debt?." We can always see the follies of others more easily than we can see our own. Hindsight is always 20:20.

Our difficulty arises from the counter-intuitive fact that our brains tend not to deploy logic and reasoning to solve problems. Reasons for doing things most often come after a decision has been made, not before. I laugh when I hear the advice "if you can't decide what to do, fold a piece of paper in half and list all the positives on one side and the negatives on the other and hey presto." What I know is that if I don't want to do something, then the negative column will be bigger because I want the weight of my 'reasoning' to support that outcome.

Neuro-cognitive psychologists (who I feel sure dread being asked 'and what do you do for a living?') have distinguished between what they call System 1 and System 2 thinking. In brief, System 1 is a thinking shortcut which uses quick decision making, rules of thumb, and knee jerk reaction. System 2 requires you to really think

and I mean think hard and be aware of your biases, prejudices and emotions. This knowledge is fundamentally shifting our understanding of how human decision-making works and can provide a vital edge for senior leaders. So many times I hear people say they prefer to rely on their 'gut reactions', what is critical is for you to know when your gut can be a reliable guide and when it can get you into big trouble.

So the next time you are thinking about where your business is heading, look at how much of you is hoping it will turn out as you want and whether you are only looking at data which supports that view. Confronting the brutal facts is not easy... now, where did I put my bucket of sand?



Simon Wiltshire is a Director of Insight Human Resource Consulting Limited and PSI Behavioural Dynamics Limited.

He works with senior leaders and teams to help support business improvements.

You can contact him on 01633 222006 or e-mail [simon@insight-hrc.co.uk](mailto:simon@insight-hrc.co.uk)

# Seminar schedule

**Our hugely successful half day seminars are relaxed and extremely informative.**

Free of charge to attend, they cover the essentials of your responsibilities as a business owner or manager to your staff. Small and friendly, we ensure that we talk individually to everyone that attends and if there are any burning issues, find a practical and commercial solution.

If one of our legal advisers can't advise you there and then, we will arrange for you to see them at a later date. For dates and venues please drop an email to [seminars@askheadoffice.co.uk](mailto:seminars@askheadoffice.co.uk) or phone **0845 217 8650** to be put on our circulation list.

## Dates to note for 2009

### August 2009

- 1 **Compensation limits have changed for dismissals and other 'trigger events' occurring after the 1st February 2009.**

The phased amendments to the Working Time Regulations will be concluded on 31 July 2009 so from the 1st August 2009 doctors in training will be subject to a weekly working time limit of 48 hours. Previous reductions were 58 hours from 1st August 2004 and then 56 hours from 1st August 2007.

### October 2009

- 1 **Possible redundancy pay increases**

Following the Chancellor's budget of 2009 he proposed changes for the maximum week's pay when calculating the statutory redundancy payment to increase to £380. It is expected to take effect from 1st October however no legislation has been enacted to provide for this.

**Minimum wage rates to rise to:**

**Ages 22 and over, the rate will rise from the current GBP 5.73 per hour to GBP 5.80;**  
**Ages 18 to 21 it will rise from GBP 4.77 to GBP 4.83; and Ages 16 and 17 it will rise from GBP 3.53 to GBP 3.57.**

### Employers prevented from including tips in minimum wage

National Minimum Wage (NMW) legislation will be amended to prevent businesses using tips and gratuities count towards employee's pay for the purposes of the NMW.

### Changes to the Companies Act

Further changes to the Companies Act are to be implemented on the 1st October 2009 including, changes to approximately 200 official forms, new processes and rules on incorporation, new powers for the registrar, fines for failing to update Company's House about changes to Articles of Association, new responsibilities and obligations on directors to disclose addresses, as well as several more.

See [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) for more information.

- 12 **New measures under Safeguarding Vulnerable Groups Act**

A centralised vetting system for people working with children and vulnerable adults comes into force enabling certain employers to make checks online as to employee's suitability to work with vulnerable groups. Also updates will be given to employers under the scheme should an employee's status change. Fines up to £5,000 are possible if you knowingly employ individuals on the list or fail to make the relevant checks.

# Head Office

supporting your business piece by piece

Human Resources • Health and Safety

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