

Employment Act (Northern Ireland) 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 1: Repeal of statutory grievance procedures

17. Statutory procedures requiring certain steps to be taken to deal with disputes in the workplace came into operation in April 2005. Separate but similar procedures apply to disciplinary and dismissal matters raised by employers and grievances raised by employees. The steps consist of a general requirement for written notification of the issue, a subsequent meeting between employer and employee and, if appropriate, an appeal. Where the employer or the employee fails to use the minimum statutory procedures, Articles 17 and 18 of the Employment (Northern Ireland) Order 2003 (the 2003 Order) require a tribunal, other than in exceptional circumstances, to increase or decrease any award.
18. *Section 1* has the effect of removing the statutory grievance procedures from statute. This is primarily achieved through the repeal of Part 2 of Schedule 1 to the 2003 Order, which sets out the statutory grievance procedures. The Section also repeals Articles 19 and 20 of the 2003 Order, which prevent a grievance from being presented, respectively, to an industrial tribunal and the Fair Employment Tribunal where certain requirements of the statutory grievance procedures have not been completed. Finally, it gives effect to the consequential amendments in Schedule 1 which remove all other references to the statutory grievance process.
19. The Section does not impact upon the future operation of the statutory disciplinary and dismissal procedures, which are retained in Parts 1 and 3 of Schedule 1 to the 2003 Order. Articles 17 and 18 of the 2003 Order, referred to above, continue to have effect where disciplinary and dismissal procedures apply.

Section 2: Statutory dispute resolution procedures: effect on contracts of employment

20. *Section 2* repeals Article 16 of the 2003 Order, which implies in every contract of employment a duty to observe the statutory dispute resolution procedures subject to regulations made by the Department about the application of those procedures. Neither the Article nor the corresponding provision in Great Britain (section 30 of the Employment Act 2002, now repealed) was ever commenced

in full, and no regulations were made under this provision. The Department has no plans to utilise this provision.

Section 3: Statutory dispute resolution procedures: consequential adjustment of time limits

21. *Section 3* repeals Articles 21 and 22 of the 2003 Order. These Articles contain regulation-making powers which have enabled a link to be established between application of the statutory dispute resolution procedures and time limits on claims to an industrial tribunal and the Fair Employment Tribunal respectively. Regulations made under these Articles specify that, under the statutory disciplinary and dismissal arrangements, where an employee has reasonable grounds for believing a procedure is ongoing at the point where the normal time limit for applying to a tribunal expires, that time limit will be extended by three months. Under the statutory grievance arrangements, the provisions regarding time limits are more complex; however, in essence, they allow for extension of the time to present a claim by three months where a grievance is lodged with the employer in writing within a specified time.
22. The effect of the repeals contained in this section is to sever the connection between the remaining statutory procedures, relating to disciplinary and dismissal situations, and time limits for lodging tribunal claims. The intention of the repeal is to simplify time limits, removing confusion that was generated by the provisions for extending them, and to provide for consistency between time limits relating to grievance and disciplinary/dismissal situations.

Section 4: Non-compliance with statutory Codes of Practice

23. *Section 4* inserts into the Industrial Relations (Northern Ireland) Order 1992 (the Industrial Relations Order) a new Article 90AA. The Article applies to proceedings before an industrial tribunal relating to claims under provisions listed in the newly-inserted Schedule 4A of that Order and to proceedings before the Fair Employment Tribunal relating to claims under Article 38 of the Fair Employment and Treatment (Northern Ireland) Order 1998 (discrimination and harassment). The Article provides that where an employer or employee fails to comply with a provision of a relevant Code of Practice, the tribunal may, where it considers it just and equitable, increase or reduce any award by up to 50%.
24. These arrangements replace the statutory workplace grievance procedures with a more straightforward mechanism allowing a tribunal discretion as to whether and to what extent it is appropriate to penalise a party for unreasonable failure to adhere to good practice steps. Those steps will be set out in a revised Labour Relations Agency Code of Practice.
25. An award cannot be adjusted under inserted Article 90AA in respect of the new grievance arrangements if the statutory disciplinary and dismissal procedures apply. This precludes the possibility of separate adjustments being made under the now differing grievance and disciplinary/dismissal mechanisms.

26. An Article 90AA adjustment will be applied before any adjustment is made under Article 27 or 28 of the 2003 Order. Articles 27 and 28 relate, respectively, to industrial tribunal and Fair Employment Tribunal proceedings. They provide that adjustments to awards can be made by a tribunal where an employer has failed to provide an adequate written statement of employment particulars.
27. Finally, the inserted Article empowers the Department for Employment and Learning, with the approval of the Northern Ireland Assembly, to modify the list of jurisdictions in Schedule 4A to the Industrial Relations Order. Schedule 4A to that Order is set out as Schedule 2 to the Act.

Section 5: Determination of industrial tribunal proceedings without hearing

28. Article 9(3A) of the Industrial Tribunals (Northern Ireland) Order 1996 (the Industrial Tribunals Order) provides that industrial tribunals may be authorised to decide cases without any hearing.
29. *Section 5* inserts new paragraphs (3AA) and (3AB) into Article 9 of the Industrial Tribunals Order, specifying that the industrial tribunal procedure for determining matters without a hearing can only occur where all the parties to the proceedings consent in writing to the process or where the person (or persons) against whom the proceedings are brought has presented no response or does not contest the case.
30. The change is intended to support a process for settling simple disputes, without the need for tribunal hearings, on the basis of documentation submitted to a tribunal.
31. The section ensures that tribunals may continue to exercise their powers to issue default judgements without a hearing, and that the consent of parties is not required in these circumstances.

Section 6: Restriction of publicity

32. Article 13 of the Industrial Tribunals Order provides that regulations may enable an industrial tribunal to make a restricted reporting order where proceedings involve allegations of sexual misconduct. Article 13 also allows provision to be made preventing the identification of an individual affected by or making an allegation concerning a sexual offence.
33. *Section 6* extends the scope of Article 13 of the Industrial Tribunals Order. It extends the potential scope of regulations so that they may provide for the making of a restricted reporting order in cases where the disclosure of certain information would be likely to put an individual or property at risk or, alternatively, where the tribunal considers that the interests of justice require such an order to be made.
34. The intent of the provision is to facilitate individuals who are deterred from going to tribunal because they foresee adverse consequences arising from public disclosure of certain sensitive information, such as information

concerning their sexual orientation. The measure is not solely intended to benefit claimants; it applies to all parties, and individuals other than the parties, who may be adversely affected by the disclosure of such information.

Section 7: Enforcement of sums payable

35. *Section 7* amends Article 17(1) of the Industrial Tribunals Order, removing the requirement to seek a county court order for enforcement purposes. The amendment ensures that awards made by an industrial tribunal are enforceable by individuals in the same way as a county court order.

Section 8: Conciliation before bringing of proceedings

36. *Section 8* amends Article 20 of the Industrial Tribunals Order. Article 20 specifies the circumstances in which the Labour Relations Agency (LRA) is obliged, or has the power, to offer conciliation.
37. Article 20(3) of the Industrial Tribunals Order applies to conciliation in situations where a person could bring tribunal proceedings, but has not yet done so. It provides that where conciliation is requested, the LRA conciliation officer has a duty to attempt to facilitate the parties in reaching a conciliated settlement to the dispute (where both parties have made the request), or (if only one party has made the request) to do so where there is a reasonable prospect of success.
38. Paragraph (2) of the section amends Article 20(3) of the Industrial Tribunals Order to replace this obligation with a discretionary power to conciliate in a pre-tribunal dispute without requiring the LRA officer to justify the reasons for his or her decision as to whether or not to offer conciliation. The intention of the amendment is to afford the Agency complete discretion as to how it will operate its pre-claim conciliation services.
39. Article 20(5) of the Industrial Tribunals Order provides that, where a person claims that an unfair dismissal complaint under Article 145 of the Employment Rights (Northern Ireland) Order 1996 (the 1996 Order) could be, but has not yet been, made, the LRA officer must act as if that claim had been made and, as provided for in Article 20(4) of the Industrial Tribunals Order, as part of the conciliation exercise, attempt to secure reinstatement or reengagement (or additional compensation in lieu of such) for the dismissed employee. Paragraph (3) of section 8 repeals that duty and substitutes a discretionary power to seek such reinstatement or reengagement in pre-tribunal disputes.

Section 9: Conciliation after bringing of proceedings

40. Article 20(2A) of the Industrial Tribunals Order requires that, where industrial tribunal rules provide for the postponement of hearings for a fixed period, to allow an opportunity for conciliation and settlement, the LRA's duty to offer conciliation continues during the fixed period but thereafter becomes a discretionary power. Article 21(2) further requires that any such rules must also provide for notification to the parties that conciliation services may be withdrawn after the fixed period has ended.

41. *Section 9* repeals the above provisions, with the effect that the LRA's duty to offer conciliation during tribunal proceedings is no longer time limited.

Section 10: Recovery of sums payable under compromises involving the Agency

42. *Section 10* concerns sums payable under conciliated settlements, reached with the assistance of the LRA, where there is agreement to avoid industrial tribunal proceedings or to bring such proceedings to an end. It inserts a new Article 21A into the Industrial Tribunals Order specifying that sums payable under such settlements are to be treated as though payable under a county court order, except where the terms of the conciliated settlement require the person to whom the sum is payable to do anything other than discontinue or not start proceedings. Where the settlement does require some other action, recovery of the sum requires a county court order.
43. The inserted Article also provides that the sum is not recoverable if the person by whom the sum is payable successfully applies to an industrial tribunal or county court for a declaration that it would not be recoverable under the general law of contract. No action may be taken to recover the sum while such an application is pending.
44. Provision is made whereby county court rules can specify a time period during which a sum is not recoverable. Finally, the inserted provision sets out regulation-making powers in relation to time limits for applying for a declaration and when such an application is to be treated as pending.

Section 11: Powers of Fair Employment Tribunal in relation to matters within jurisdiction of industrial tribunals

45. Under Article 85(2) of the Fair Employment and Treatment (Northern Ireland) Order 1998 (the Fair Employment and Treatment Order), the Fair Employment Tribunal may take on the powers and functions of an industrial tribunal in relation to certain jurisdictions. These jurisdictions relate to unlawful discrimination, unlawful harassment and unfair dismissal, as specified in Article 85(1).
46. However, there are certain cases which involve fair employment together with an industrial tribunal jurisdiction – such as unlawful deductions from wages or holiday pay – which, if they are not associated with jurisdictions already covered by Article 85(1), may not be heard by the Fair Employment Tribunal in this way. As a result, in cases involving fair employment and these industrial tribunal jurisdictions, issues arising from essentially the same set of facts must be the subject of separate industrial tribunal and Fair Employment Tribunal proceedings. Additional time, effort and money is expended on two tribunal processes where one should suffice.
47. *Section 11* amends Article 85 of the Fair Employment and Treatment Order so that, where the President or Vice-President of Industrial Tribunals and the Fair Employment Tribunal so directs, the Fair Employment Tribunal will be capable

of assuming the powers and functions of an industrial tribunal to deal with all aspects of the case which would normally fall to be heard by an industrial tribunal.

Section 12: Conciliation before bringing of proceedings

48. Article 88 of the Fair Employment and Treatment Order is drafted in similar terms to Article 20 of the Industrial Tribunals Order. It specifies the circumstances in which the LRA is obliged, or has the power, to offer conciliation. Paragraph (2) of Article 88 applies to conciliation in situations where a person could bring proceedings before the Fair Employment Tribunal, but has not yet done so. It provides that where conciliation is requested, the LRA conciliation officer has a duty to attempt to facilitate the parties in reaching a conciliated settlement to the dispute (where both parties have made the request), or (if only one party has made the request) to do so where there is a reasonable prospect of success.
49. *Section 12* makes amendments to Article 88 in respect of LRA conciliation in fair employment cases which are similar to those made in respect of other jurisdictions by section 8. It replaces the obligation to assist the parties described above with a discretionary power to conciliate in a pre-tribunal dispute without requiring the LRA officer to justify the reasons for his or her decision as to whether or not to offer conciliation. The intention of the amendment is to afford the Agency complete discretion as to how it will operate its pre-claim conciliation services.

Section 13: Conciliation after bringing of proceedings

50. *Section 13* repeals paragraph (1A) of Article 88 of the Fair Employment and Treatment Order. Paragraph (1A) requires that, where Fair Employment Tribunal rules provide for the postponement of hearings for a fixed period, to allow an opportunity for conciliation and settlement, the LRA's duty to offer conciliation continues during the fixed period but thereafter becomes a discretionary power. Paragraph (1A) further requires that any such rules must also provide for notification to the parties that conciliation services may be withdrawn after the fixed period has ended.
51. The provisions in this section correspond to those in section 9; their effect is that the LRA's duty to offer conciliation during Fair Employment Tribunal proceedings is no longer time limited.

Section 14: Recovery of sums payable under compromises involving the Agency

52. *Section 14*, which replicates section 10 in respect of fair employment cases, inserts a new Article 88A into the Fair Employment and Treatment Order. The inserted provision concerns sums payable under settlements conciliated with LRA assistance, under Article 88 of that Order, where there is agreement to avoid Fair Employment Tribunal proceedings or to bring such proceedings to

an end. It specifies that sums payable under such settlements are to be treated as though payable under an order of the Fair Employment Tribunal, except where the terms of the conciliated settlement require the person to whom the sum is payable to do anything other than discontinue or not start proceedings. Where the settlement does require some other action, recovery of the sum requires a county court order.

53. The inserted Article also provides that the sum is not recoverable if the person by whom the sum is payable successfully applies to the Fair Employment Tribunal or county court for a declaration that it would not be recoverable under the general law of contract. No action may be taken to recover the sum while such an application is pending.
54. Provision is made whereby county court rules can specify a time period during which a sum is not recoverable. Finally, the inserted provision sets out regulation-making powers in relation to time limits for applying for a declaration and when such an application is to be treated as pending.

Section 15: Time off for study or training

55. *Section 15* inserts, as a new Part 7A (Articles 95A to 95G) of the 1996 Order, the provisions set out in Part 1 of Schedule 3 to the Act. It also makes amendments, set out in Part 2 of Schedule 3, which are required to be made as a consequence of the insertion of the new Part 7A of the 1996 Order.
56. New Article 95A of the 1996 Order introduces a right for qualifying employees to make a statutory application to their employer in relation to study or training. The request must meet certain conditions in order to be valid; for example, it must be for study or training that is intended to improve an employee's effectiveness at work and the performance of the employer's business. Further validity conditions may be set out in regulations made by the Department.
57. Under paragraph (6) of the new Article, an employee must meet certain requirements as to duration of employment in order to qualify for the right, and paragraph (7) makes clear that the right does not apply to employees of compulsory school age, young people who already have a statutory right to paid time off for study or training and agency workers. To allow for flexible responses to changing circumstances, the Department is empowered to make regulations specifying other types of person to be excluded from the right. Article 95A finally provides, in paragraph (8), that the statutory arrangements do not affect other approaches to determining and delivering training needs (for example through annual appraisal systems).
58. New Article 95B allows a request to be for training of any kind (including in-house training or attendance at external events). It also specifies that more than one course of training or study may be included in a single request; thus, an employee who identifies a need for basic skills training in numeracy followed by a full job-related course at level 2 would be able to include both courses of training in their request. Paragraph (3) of new Article 95B provides that it is

not essential that the training lead to the award of a qualification of any sort. It will therefore be possible for an employee to request to undertake any study or training that the employee believes will make him or her more effective in a current or future role in the employer's business and improve the employer's business performance.

59. Article 95B(4) sets out the information which an employee must include in a request. The request must include details of the subject matter of the study or training, where and when it would take place, who would provide or supervise it and whether it would lead to a qualification. The request must also state how the training would make the employee more effective and improve the performance of the business. Paragraph (5) also includes a power for the Department to make regulations specifying the form of the application.
60. New Article 95C specifies that employers must deal with requests in accordance with regulations made by the Department. Paragraph (1) means that an employer has to deal with only one application from the employee in any 12 month period. However, in certain circumstances, an employer could be required to disregard an earlier application which has been submitted. These circumstances would be set out in regulations made under paragraph (3).
61. Paragraph (4) enables the Department to make regulations specifying how employers should deal with an application. An employer may refuse a request (or part of one) only where the employer thinks that granting it (or part of it) would be detrimental to the business for one or more of the following reasons: lack of benefit to the business in terms effectiveness or performance; burden of additional costs; negative effect on meeting customer demand, on quality or on performance; inability to re-organise work or recruit staff to accommodate the request; lack of work for the employee during the periods he or she proposes to work; and planned structural changes. The Department may make regulations to add reasons to this list. An employer could refuse part of a request for one of the reasons above. This could mean that an employee requesting to undertake two courses may have only one approved.
62. New Article 95D makes provision about regulations under Article 95C(4) specifying the manner in which an application is to be handled. Such regulations may include provision for the employee to be accompanied to relevant meetings, such meetings to be postponed where the companion is unavailable, rights to paid time off to act as a companion, rights to complain to an industrial tribunal and not be subjected to a detriment and unfair dismissal in relation to the previous requirements, and the circumstances in which an application is to be treated as withdrawn.
63. Where an employer agrees or agrees in part to a request, an employee is required under new Article 95E to inform his or her employer if he or she does not start or ceases to attend the agreed study or training. The employee also needs to tell the employer if he or she takes on study or training differing from that which was agreed. Regulations made by the Department under this Article may specify how an employee should inform the employer of any changes in the training.

64. New Article 95F makes provision for an employee to complain to an industrial tribunal where the employer has failed to comply with the duties concerning the consideration of a request (including procedural requirements) or where the employer's decision to refuse a request, or part of it, was based on incorrect facts. A tribunal complaint (unless the tribunal exercises its discretion to grant an extension) must be made within three months of either an employer notifying an employee, following an appeal, of the decision to refuse a request, or (in certain kinds of cases specified by the Department) from the point where the employer is alleged to have failed to comply with a duty. Paragraph (4) excludes employees from complaining to tribunals under Article 95F in relation to the right to be accompanied at meetings if regulations under Article 95D make provision about such complaints instead.
65. New Article 95G provides that an industrial tribunal, where it finds the applicant's complaint well-founded, must make a declaration to that effect and may require the employer to reconsider the request. It may also make an award of compensation. The limit on the number of weeks' pay which a tribunal may award as compensation will be specified by the Department in regulations.
66. New Article 70F of the 1996 Order, inserted by paragraph 4 of Part 2 of Schedule 3, ensures that an employee has a right not to be subjected to any detriment by his or her employer as a result of making, or proposing to make, an Article 95A application, exercising, or proposing to exercise, rights under Article 95C or submitting a complaint to an industrial tribunal under Article 95F, or alleging circumstances that would justify such a claim.
67. New Article 135D of the 1996 Order, inserted by paragraph 6 of Part 2 of Schedule 3, ensures that an employee will be able to claim unfair dismissal if the reason for the dismissal is that the employee made, or proposed to make, a request for time to train, exercised, or proposed to exercise, rights under Article 95C or submitted a claim to an industrial tribunal under Article 95F, or alleged circumstances that would justify such a claim.

Section 16: Repeals

68. *Section 16* repeals the provisions set out in Schedule 4. The repeals are consequential upon the earlier provisions of the Act.

Section 17: Commencement

69. *Section 17* specifies that the provisions contained in the Act shall come into operation in accordance with an order or orders made by the Department for Employment and Learning. Any order made by the Department in this regard may contain appropriate transitional or saving provisions.

Section 18: Short title

70. *Section 18* provides for the short title of the Employment Act (Northern Ireland) 2011.