

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

BACKGROUND AND SUMMARY

Part 11: Employment

Employment Tribunals

78. This Act includes provisions to address two issues that impact upon the operation of the Employment Tribunal system – the problems caused by late notice and multiple postponements of hearings, and the failure of a number of respondents to pay the awards Tribunals make against them.
79. Unnecessary or short notice postponements can increase the time Employment Tribunals take to reach a decision and lead to additional costs for those involved. To reduce the time and costs associated with postponements the Act will:
 - i. allow the Secretary of State, in secondary legislation, to place a limit on the number of successful applications for postponements a party can have in a case, other than in exceptional circumstances; and
 - ii. require the Secretary of State, in secondary legislation, to oblige Employment Tribunals to consider the use of cost orders where a successful late application for postponement is made at short notice before a hearing.
80. Currently only around half of claimants receive any form of payment of their Employment Tribunal award prior to enforcement. This improves for those who pursue their award, but the levels of those receiving no payment remain high.
81. To help address this problem, this Act will allow the imposition of a financial penalty on non-compliant respondents with the aim of encouraging compliance with Employment Tribunal rulings and the prompt payment of awards. The provisions will also cover non-payment of sums owed in settlement agreements reached following ACAS conciliation.