

*These notes refer to the Employment Act (Northern Ireland)
2016 (c.15) which received Royal Assent on 22nd April 2016*

Employment Act (Northern Ireland) 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Industrial Tribunals

Section 1: Conciliation before and after institution of proceedings

This section inserts new Articles 20A, 20B and 20C into the Industrial Tribunals (Northern Ireland) Order 1996 (“ITO 1996”).

Article 20A provides that, other than in certain circumstances (paragraph (7)), a prospective claimant must first have submitted the details of their claim to the LRA before they can lodge the claim at an industrial tribunal. The kinds of proceedings to which this requirement applies are set out in Article 20(1) of the ITO 1996, and are referred to as “relevant proceedings” (see the amendment made by paragraph 3(3) of Schedule 1 to the Act).

Under paragraph (3) of Article 20A, an LRA conciliation officer will be required to try to achieve a settlement to the dispute, within a prescribed period, so that industrial tribunal proceedings can be avoided. Paragraph (4) of Article 20A provides that if, during that time, the conciliation officer concludes that a settlement is not possible, or the period expires with no settlement having been reached, the officer must issue a certificate to the prospective claimant and a claimant will not be able to lodge a claim with an industrial tribunal without such a certificate (paragraph (8)). The conciliation officer will, however, be able to continue to try to achieve a settlement to the dispute after the prescribed period has expired.

Paragraph (9) of Article 20A provides that, where prospective claimants are no longer employed by the employer, the conciliation officer may attempt to promote either the reinstatement or re-engagement of the individual or, if the individual does not want to be reinstated or re-engaged, or this is not practicable, attempt to achieve an agreement between the parties on the level of compensation to be paid by the employer.

Paragraphs (11) and (12) of Article 20A give the Department the power to make any industrial tribunal procedure regulations which are necessary for the operation of the early conciliation process.

Article 20B places an additional duty on the LRA to promote settlement in certain cases in which the duty under Article 20A does not apply. Paragraph (3) of Article 20B requires an LRA conciliation officer to try to achieve a settlement in a dispute where a person contacts the LRA requesting the services of a conciliation officer in a matter that might otherwise result in industrial tribunal proceedings against them even though the prospective claimant has not contacted the LRA. Paragraph (2) of Article 20B requires the conciliation officer to try to achieve a settlement in a dispute where the prospective claimant contacts them, even where that person is exempted by virtue of Article 20A(7) from the requirement to provide information to the LRA.

Currently, Article 20(3) of the ITO 1996 provides a discretionary power for the LRA to provide pre-claim conciliation to parties in an employment dispute, which could be the subject of tribunal proceedings, where either party requests it and where the conciliator believes that there is a reasonable prospect of a settlement being reached.

Article 20C places a further duty on the LRA to seek to promote settlement in certain cases where proceedings have already been instituted. This ensures that even where cases have progressed to industrial tribunal, the LRA conciliation officer may continue to offer support to the parties to enable them to reach an agreed settlement.

Section 2: Extension of limitation periods to allow conciliation

This section gives effect to Schedule 2, which sets out how the relevant time limits for bringing a claim to an industrial tribunal will be extended where necessary to provide sufficient time for early conciliation to take place and to ensure that the claimant is not disadvantaged.

Section 3: Extended power to define “relevant proceedings” for conciliation purposes

This section amends Article 20 of the ITO 1996 to provide that orders made by the Department may add to or remove proceedings from the list in Article 20(1) of the ITO 1996.

Orders which add proceedings to the list may also amend the applicable time limit in any relevant statutory provision.

Where the order removes proceedings from the list, consequential changes can be made to any extension to the time limit which is provided in any relevant statutory provision.

Section 4: Power to require party to proceedings to pay deposit

This section amends Article 11 of the ITO 1996 to provide the Department with the power to prescribe by regulations requirements, in addition to those already in statute, which parties may be required to meet as a condition of continuing to participate in particular IT proceedings.

IT procedure regulations currently require a party to pay a deposit where their case is considered to have little reasonable prospect of success. These regulations are under review, and the enabling power will allow the Department to legislate in response to the relevant public consultation, once concluded.

Subsection (2) amends Article 25 of the ITO 1996 so that regulations which make use of the enabling power are to be subject to the draft affirmative Assembly procedure.

Fair Employment Tribunal

Section 5: Conciliation before and after complaint to Fair Employment Tribunal

This section inserts new Articles 88ZA and 88ZB into the Fair Employment and Treatment (Northern Ireland) Order 1998 (“FETO 1998”). Its provisions are comparable to those in section 1.

Article 88ZA provides that, other than in certain circumstances (paragraph (7)), a prospective claimant must first have submitted the details of their claim to the LRA before they can lodge the claim at the FET. Under paragraph (3) of Article 88ZA, an LRA conciliation officer will be required to try to achieve a settlement to the dispute, within a prescribed period, so that FET proceedings can be avoided. Paragraph (4) of Article 88ZA provides that, if during that time the conciliation officer concludes that a settlement is not possible, or the period expires with no settlement having been reached, the officer must issue a certificate to the prospective claimant and a claimant will not be able to lodge a claim with the FET without such a certificate (paragraph (8)). The conciliation officer will, however, be able to continue to try to achieve a settlement of the dispute after the prescribed period has expired.

Paragraphs (10) and (11) of Article 88ZA give the Department the power to make any FET procedure regulations which are necessary for the operation of the early conciliation process.

Article 88ZB places an additional duty on the LRA to promote settlement in certain cases in which the duty under Article 88ZA does not apply. Paragraph (3) of Article 88ZB requires an LRA conciliation officer to try to achieve a settlement in a dispute where a person contacts the LRA requesting the services of a conciliation officer in a matter that might otherwise result in FET proceedings against them even though the prospective claimant has not contacted the LRA. Paragraph (2) of Article 88ZB requires the conciliation officer to seek to promote a settlement in a dispute where the prospective claimant contacts the Agency, even where that person is exempted by virtue of Article 88ZA(7) from the requirement to provide information to the LRA.

Currently, Article 88(3) of the FETO 1998 provides a discretionary power for the LRA to provide pre-claim conciliation to parties in an employment dispute, which could be the subject of tribunal proceedings, where either party requests

it and where the conciliator believes that there is a reasonable prospect of a settlement being reached.

Article 88ZC places a further duty on the LRA to seek to promote settlement in certain cases where proceedings have already been instituted. This ensures that even where cases have progressed to the FET, the LRA conciliation officer may continue to offer support to the parties to enable them to reach an agreed settlement.

Section 6: Extension of time limit to allow conciliation

This section inserts Article 46B into the FETO 1998. This sets out how the relevant time limits for bringing a claim before the FET will be extended where necessary to provide sufficient time for early conciliation to take place and to ensure that the claimant is not disadvantaged.

Comparable provisions extending time limits in respect of industrial tribunal matters are contained within Schedule 2.

Section 7: Power to require party to proceedings to pay deposit

This section, which is comparable to section 4, amends Article 84B of the FETO 1998 to provide the Department with the power to prescribe by regulations other requirements in addition to those already in statute, which parties may be required to meet as a condition of continuing to participate in particular FET proceedings.

FET procedure regulations currently require a party to pay a deposit where their case is considered to have little reasonable prospect of success. These regulations are under review, and the enabling power will allow the Department to legislate in response to the relevant public consultation, once concluded.

Subsection (2) amends Article 104 of the FETO 1998 so that regulations which make use of the enabling power are to be subject to the draft affirmative Assembly procedure.

Assessment of Matters Relating to Tribunal Proceedings

Section 8: Assessment of matters relating to tribunal proceedings

Section 8 empowers the Department to make regulations which allow parties to be given an assessment concerning industrial tribunal or Fair Employment Tribunal proceedings which have been or could be instituted. The regulations may make provision about who will deliver the service, to whom it may be delivered and the matters which may be considered.

The objective is to enable those facing an employment dispute to receive a non-legally binding indication of where they stand in relation to the dispute, to assist them in arriving at a better informed decision about how to proceed.

Reviews

Section 9: Review of early conciliation

Section 9 places a requirement on the Department to review the operation of Articles 20 to 20C of the ITO 1996 and Articles 46B and 88ZA to 88ZC of the FETO 1998, as well as related legislative amendments. These provisions relate to the conciliation service, including the new early conciliation service, operated by the LRA. The review must be carried out at the end of one year and then again at the end of three years following the provision's commencement.

The Department is also required to consult with relevant stakeholders including employers and to lay the findings of the review in the form of a report to the Assembly. The report must include a synopsis of consultation responses, an assessment of the provisions' effectiveness, data concerning cases and related savings.

Section 10: Review of Section 8: assessment of matters relating to tribunal proceedings

Section 10 places a requirement on the Department to review the operation of provisions set out in section 8, which concern an assessment being given in relation to actual or prospective proceedings before an industrial tribunal or the Fair Employment Tribunal. The review must be carried out at the end of one year and then again at the end of three years following the commencement of those provisions.

The Department is also required to consult with relevant stakeholders including employers and to lay the findings of the review in the form of a report to the Assembly. The report must include a synopsis of consultation responses, an assessment of the provisions' effectiveness, data concerning cases and related savings.

Employment Judges

Section 11: Employment judges: industrial tribunals

Section 11 inserts paragraph (3) into Article 3 of the ITO 1996. This permits the Department to make regulations which provide that the members of the panel of chairmen of industrial tribunals as well as the President and the Vice-President of Industrial Tribunals and the Fair Employment Tribunal may be referred to as employment judges.

Section 12: Employment judges: Fair Employment Tribunal

Section 12 amends Article 82 of the FETO 1998, so that the existing power under Article 81 of that Order can be used by the Department to make regulations to provide that the members of the panel of chairmen of the FET may be referred to as employment judges.

Protected Disclosures

Section 13: Disclosures not protected unless believed to be made in the public interest

The effect of section 13 is to insert a specific public interest test into the ERO 1996. This ensures that, in order to benefit from protection, whistleblowing claims must, in the future, satisfy a public interest test and disclosures, which can be characterised as being of a personal rather than public interest, will not be protected.

For example, if a worker does not receive the correct amount of holiday pay (which may be a breach of the terms of his/her contract of employment), this is a matter of personal rather than wider interest.

The worker must also show that the belief that the disclosure was in the public interest was reasonable in the circumstances.

Section 14: Power to reduce compensation where disclosure not made in good faith

The effect of this section is to remove the requirement in Articles 67C, 67E, 67F, 67G and 67H of the ERO 1996 that a disclosure be made in good faith in order to be a protected disclosure and benefit from whistleblowing protections. In addition, the section amends the ERO 1996 to provide industrial tribunals with the power to reduce an award of compensation by up to 25%, where a protected disclosure has not been made in good faith.

“Good faith” is not defined in the ERO 1996, but the courts in Great Britain have held that where the predominant motive of the individual making the disclosure was not directed at remedying one of the wrongs listed in section 43B of the Employment Rights Act 1996, but was instead for some ulterior purpose, the disclosure is unlikely to have been made in good faith (see *Street -v- Derbyshire Unemployed Workers’ Centre* [2004] IRLR 687). Article 67B is the corresponding provision in the ERO 1996.

Currently, the requirement for a disclosure to be made in good faith can affect the success of the claim. If an industrial tribunal finds that a disclosure was not made in good faith and instead there was an ulterior motive which was the predominant reason for the disclosure, the claim will fail.

Section 14 alters the effect of the good faith test; the issue of good faith will now be considered by a tribunal in relation to remedy, rather than liability, so a claim will not fail as a result of an absence of good faith. An industrial tribunal will have the discretion to reduce a compensatory award by up to 25% in the event that it finds the disclosure has not been made in good faith.

Section 15: Protected disclosures: reporting requirements

This section introduces a power to enable the Department to make regulations requiring a person prescribed for the purposes of Article 67F of the ERO

1996 to produce an annual report on disclosures of information made to the person by workers. The purpose of the annual reporting requirement is to ensure more systematic processes across all prescribed persons in the way public interest disclosures are handled, thereby working towards a consistent standard of best practice for disclosures. It will also provide greater assurance to the whistleblower that action is being taken by the prescribed person, thereby increasing confidence in their role.

The content of the report is to be prescribed by regulations, which will also determine how the report is published and its timing. Reports may not include content that would reveal the identity of the individual who has made the disclosure or the employer or organisation to which the disclosure relates.

Section 16: Worker subjected to detriment by co-worker or agent of employer

The effect of this section is to introduce a vicarious liability provision so that where a worker is subjected to a detriment by a co-worker done on the ground that the worker made a protected disclosure, and this detriment is done in the course of the co-worker's employment with the employer, that detriment is a legal wrong and is actionable against both the employer and the co-worker.

The employer will only be liable for a detriment where it is done by a worker in the course of employment or by an agent of the employer with the employer's authority. In this context, the term "agent" refers to someone who is appointed by the employer to perform duties on their behalf (such as a contractor).

Employers are able to rely on the defence in new paragraph (1D) of Article 70B of the ERO 1996 if they have taken all reasonable steps to prevent the co-worker from subjecting the whistleblower to a detriment. If the defence applies the employer will not be liable for the actions of the co-worker.

Where a whistleblower is bullied or harassed by a co-worker but the employer can use the defence in paragraph (1D), the co-worker will still be liable and the worker could bring a claim against that co-worker.

Section 17: Extension of meaning of "worker"

This section amends Article 67K of the ERO 1996 in relation to protected disclosures. Article 67K extends the meaning of "worker" for Part VA of the ERO 1996. The effect of the amendment is that student nurses and student midwives who undertake work experience as part of a course of education or training approved by, or under arrangements with, the Nursing and Midwifery Council in accordance with article 15(6)(a) of the Nursing and Midwifery Order 2001 will fall within the extended definition of worker who may make a protected disclosure. A student nurse or student midwife who makes a protected disclosure concerning his/her work experience may bring a claim against the person providing that work experience, which will be determined by industrial tribunal.

In addition, section 17 introduces a power in Article 67K of the ERO 1996 to permit the Department to amend, by order, the definition of “worker” in that Article. The power can be used to increase the scope of protection. It can, however, only be used to remove categories of individuals where, in the opinion of the Department, no such individuals exist (i.e. the category has become obsolete).

Zero Hours Workers

Section 18: Zero hours workers

Section 18 inserts new Article 59A into the Employment Rights (Northern Ireland) Order 1996. The inserted Article empowers the Department to make appropriate provision to prevent abuses associated with the use of zero hours contracts, non-contractual zero hours arrangements or worker’s contracts of a kind to be specified in regulations. The Article includes a definition of “zero hours contract” and “non-contractual zero hours arrangement”. It also specifies when an employer is deemed to make work available and how references to work may be interpreted. Finally, the Article permits regulations (subject, by virtue of section 24, to the draft affirmative Assembly procedure) to amend or repeal any statutory provision.

Gender Pay and Disclosure of Information

Section 19: Gender pay gap information

Section 19 provides that employers must, in accordance with regulations made by the Office of the First Minister and deputy First Minister, publish information showing whether gender pay disparities exist between employees. The information is to be presented by reference to prescribed factors and will give details of the method used to calculate any statistics presented. Where gender pay differences are identified, an employer must publish an action plan to eliminate them and provide a copy to employees and any recognised trade union. The size of employer to which the requirements apply, indicated by the number of employees and workers in the organisation, is to be established by regulations.

The regulations must prescribe descriptions of employee and employer, how to calculate the number of employees that an employer has, a standardised method for calculating pay differentials, descriptions of information, a requirement for the information to include statistics broken down by ethnicity and disability, the time at which it is to be published and the form and manner of its publication.

Employers may not be required to publish information more frequently than annually or less frequently than every three years. Regulations are to establish that non-compliance will be punishable by a fine in respect of every employee; and are to provide for enforcement.

The first regulations must be made by 30 June 2017.

The Office of the First Minister and deputy First Minister is to publish a strategy, including an action plan on eliminating gender pay differences, within 18 months of Royal Assent.

Careers Guidance

Section 20: Careers guidance

The effect of section 20 is to amend section 1 of the Employment and Training Act (Northern Ireland) 1950 so that the Department is required to make arrangements for providing careers guidance for such persons as it considers appropriate. The guidance must be provided in an impartial manner and be in the best interests of the person receiving it.

The section also empowers the Department to make regulations which deal with the delivery of careers guidance. The regulations can, in particular, include a requirement for the guidance to be delivered or provided by a person holding qualifications which the Department determines are appropriate.

Apprenticeships

Section 21: Apprenticeships

The effect of section 21 is to introduce a power in section 1 of the Employment and Training Act (Northern Ireland) 1950 which enables the Department to make regulations requiring arrangements to be made for providing apprenticeships and traineeships. Traineeships will be the new professional and technical training offer for 16- to 24-year-olds, as articulated in the youth training strategy, 'Generating our Success'.

The regulations may specify the target groups to whom and the conditions under which apprenticeships and traineeships are to be made available. They may also provide for the component parts which together constitute an apprenticeship or traineeship.

Miscellaneous

Section 22: Indexation of amounts: timing and rounding

This section amends Article 33(2) and (3) of the Employment Relations (Northern Ireland) Order 1999 ("ERO 1999") by setting a time for orders made under that Article to come into operation and amending the calculation which is to be used to increase or decrease the relevant limits.

Article 33(2) of the ERO 1999 provides that, if the Retail Prices Index (RPI) for September of a year is higher or lower than the RPI for the previous September, the Department is required to make an order to increase or decrease the limits which apply to certain IT awards and other amounts payable under employment legislation.

The list of sums to be increased or decreased as a result of a change in the RPI is set out in Article 33(1) of the ERO 1999. The sums for the relevant payments and awards are revised by order annually under the ERO 1999. Section 22 amends Article 33(2) so that future changes to the relevant limits are to be made on 6th April each year rather than (as currently) as soon as practicable. All limits remain linked to the RPI.

Section 22 also changes the rounding calculation set out in Article 33(3) of the ERO 1999 so that all limits are rounded up or down to the nearest pound.

Additionally, a new paragraph (7) is added to Article 33 specifying that the Department may at any time make an order increasing or decreasing sums dealt with under Article 33. Such an order would need to be laid in draft before, and approved by, the Assembly before becoming operational. Provision is made that if such an order is made, it can obviate the need for the normal annual revision of limits in line with the RPI.

Section 23: Prohibition on disclosure of information held by the Labour Relations Agency

This section inserts Article 90B into the Industrial Relations (Northern Ireland) Order 1992. The new Article prohibits the LRA, or persons appointed by the LRA, from releasing information relating to a worker, employer of a worker, or a trade union, that they hold in the course of performing their functions.

Paragraph (2) of Article 90B specifies the circumstances in which the prohibition does not apply, for example if the disclosure is made for the purposes of a criminal investigation, or in a way that means that no-one to whom the information relates can be identified. Paragraph (4) of the Article makes a breach of the prohibition a criminal offence, punishable by a fine. By virtue of paragraph (5), any such proceedings, brought against the person who has breached the prohibition in Northern Ireland, can only be instituted by or with the consent of the Director of Public Prosecutions for Northern Ireland.

Section 24: Variation in procedures for certain orders and regulations

Section 24 amends Article 251 of the ERO 1996 so that the Department's powers to amend certain legislative provisions are made subject to the draft affirmative procedure before the Assembly. These include powers relating to the qualifying period for unfair dismissal and certain of the new public interest disclosure provisions inserted into the ERO 1996 by the Act.

Application of the draft affirmative procedure means that any rules under these powers must be laid in draft and cannot be made unless approved by the Assembly.

The section also contains technical amendments allowing for more efficient procedural handling of certain regulations containing provisions which are subject to different Assembly procedures.

Section 25: Statutory shared parental pay: correction of references

Section 25 corrects a small number of references in the Social Security Contributions and Benefits (Northern Ireland) Act 1992, dealing with statutory shared parental pay, which were introduced by the Work and Families Act (Northern Ireland) 2015.

Section 26: References to tribunal jurisdictions to which Articles 17 and 27 of the Employment (Northern Ireland) Order 2003 apply

Section 26 updates legislative references in Schedules 2 and 4 to the Employment (Northern Ireland) Order 2003 (“EO 2003”).

Schedule 2 to the EO 2003 lists the range of employment rights in respect of which, if minimum statutory disciplinary and dismissal procedures have not been followed in the workplace, an industrial tribunal may adjust an award.

Schedule 4 to that Order lists the jurisdictions in respect of which industrial tribunals are normally required to make or increase an award if an employer has provided an employee with an incomplete or inaccurate written statement of employment particulars.

Supplementary

Section 27: Repeals

Section 27 gives effect to the repeals of statutory provisions set out in Schedule 3.

Section 28: Interpretation

Section 28 provides that in this Act any reference, other than in section 19, to “the Department” means the Department for Employment and Learning.

Section 29: Commencement

This section provides that the Department may make commencement orders bringing the provisions of the Act into operation on one or more dates. This is except for those set out in section 28 (Interpretation), section 29 (Commencement) and section 30 (Short title) which come into operation on the day after the Act receives Royal Assent.