

21 December 2015

FAO CATHIE WHITE

Committee Clerk
Room 343
Parliament Buildings
Ballymiscaw
Stormont
BELFAST BT4 3XX

Dear Sirs

EMPLOYMENT BILL: CALL FOR EVIDENCE

Background to Engineering Employers Federation Northern Ireland (EEF NI)

EEF NI has been in operation for over 150 years and whilst the name says 'Engineering' we represent a wide range of industries not limited to engineering. We are an Employer's Federation and we operate on a not for profit basis.

We currently have over one hundred Member Companies across Northern Ireland including multinationals employing several thousand people+, medium sized enterprises and small businesses, some of which have fewer than 10 employees.

Our Membership spans many sectors including, by way of example, Aerospace; Food; Technology; Plastics; Engineering; Finance; Call Centres; Employment Agencies and Charities.

The EEF Membership entitles our Members to advice on all employment related matters and representation before the Tribunal. Therefore we have first-hand knowledge of the difficulties they face, in particular compared with employers in Great Britain where many aspects of employment regulation are significantly less burdensome on business and the economy than in Northern Ireland.

We make this Written Submission having canvassed the views of our Members.

Pre-Consultation and Consultation on Contents of Employment Bill in 2012 and 2013

The Consultation on the contents of an Employment Bill for Northern Ireland commenced over 3½ years ago. It was prompted by steps taken in Great Britain to make simpler and more flexible employment law to make it easier to hire and manage staff while protecting workers' basic rights.

EEF NI: The Employers' Organisation

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Whilst employment law is a devolved matter in Northern Ireland, it was this initiative that led to the Pre-Consultation in 2012 and thereafter the formal Consultation in 2013. The Consultation considered what an Employment Bill should look like in Northern Ireland. A wide range of measures were discussed divided into the 3 key themes of: early resolution of workplace disputes; efficient and effective employment tribunals; and better regulation measures. From our Members' perspective the main measures for employers being:

- Increasing the qualifying period required to bring an unfair dismissal claim from 1 year to 2 years;
- Introducing a maximum compensatory award for unfair dismissal capped at 1 year's salary;
- Reducing the collective consultation period in redundancies from 90 days to 45 days;
- Consideration of the introduction of some sort of Tribunal fee.

We provided a substantive Response to both the Pre-Consultation and Consultation process. In addition we met with Departmental Officials to explain the views of our Members. We do not propose to repeat the contents of our Responses in this document but can provide copies if requested.

Written Submission to the Committee

We are disappointed that despite this lengthy and substantial Consultation that none of the measures that would have made employment law simpler and more flexible in Northern Ireland are being taken forward. This is so despite indications that the Collective Consultation period would be reduced from 90 days to 45 days in line with Great Britain. After 3½ years this Bill will not take forward any of the most significant measures for employers. The apparent scant regard for the views of employers is, in our view, strong evidence that the political process has wholly failed in this respect.

One of our Member' has stated to us:

'We are extremely frustrated and deeply disappointed with the draft Employment Bill which has not taken into account the views of employers. We believe, if implemented in its current form, the Bill will have a serious impact on businesses in Northern Ireland.'

We put considerable time and effort into the consultation process, along with many other employers, and find it greatly concerning that the measures that would make it easier to hire and manage staff, whilst protecting workers' basic rights, are not now being taken forward. This will further add to the difficulties faced by employers, especially those in the local manufacturing sector which is already under significant pressure. It is crucial that companies are enabled to be more responsive to changing and challenging market demands, thus allowing them to be more competitive. The failure to implement measures that would have made employment law more flexible for employers will only add to the cost of doing business in Northern Ireland, especially when compared to other parts of the UK and Ireland who have much more progressive laws. Indeed, we believe this will make it more difficult to attract or retain jobs in Northern Ireland.'

The absence of the proposal to change the collective consultation periods for redundancy

from 90 to 45 days for consultations involving over 100 employees (in line with the approach taken in Great Britain) or indeed to 30 days (as per the Republic of Ireland) is particularly disappointing. We understand that the reason for this is insufficient political consensus. We would encourage our politicians to address this issue again as a matter of urgency to come to an agreement that will go some way to helping employers effectively manage their businesses and employees in a challenging market environment. ‘

We also echo our concerns raised in previous Calls for Evidence that the Committee has sought evidence by simply asking Stakeholders to respond to each of the Bill's clauses in turn. The Bill consists of 27 Clauses with 3 Schedules amounting to 27 pages. The period for replying is less than 2 weeks with only 7 complete work days to provide a response at a time when many Organisations are extremely busy in the lead up to Christmas. We very much doubt that this demonstrates a serious intention by the Committee to obtain relevant comment and/or meaningfully engage with its Stakeholders. Whilst we understand the time constraints placed on the Committee if the Bill is to be passed before the end of this session, our criticism is leveled at the Bill not being introduced earlier to allow full engagement. It would also be beneficial if the Committee as well as seeking comment on each clause, would set out key areas/themes asking for particular comment.

Employment Bill

In respect of the remaining parts of the Employment Bill we would comment generally as follows:

EEF NI has always been very supportive of the services provided by the Labour Relations Agency. However we are concerned that the additional burden that will be placed on the Agency in delivering the Early Conciliation Model will dilute its other valuable services. We would ask that the Committee seeks assurances that the Agency is sufficiently funded to ensure that it is equipped to deliver this service. We welcome any method that aims to resolve disputes as early and quickly as possible. We are therefore supportive of early conciliation process and believe that it is in all sides' interests to try and resolve a case as soon as possible.

changes proposed in respect of the whistleblowing legislation (that is to the Public Interest Disclosure Order) have been accepted by our Members as inevitable.

The change in title from Chairmen to Employment Judge again is uncontroversial to our Members and indeed we know of no objections to same.

The EEF will continue to gather our Members' views and ensure that they are properly represented to both the Department and the Committee.

Yours sincerely

pp. Lorraine Floodan .

Peter Bloch
Director