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December 2017

NEW HORIZONS

The key factors in switching systems



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WHERE'S THE REWARD?

Philip Hammond's first Autumn Budget (see page 5) passed with little fanfare or recrimination. It was a politically expedient exercise in terms of his own position, and he managed to avoid any major embarrassment in the aftermath once all the numbers had been crunched. (These days, the bar is so low that any budget avoiding the prefix 'omnishambles' is deemed a minor success.) However, while the chancellor might have permitted himself a sigh of relief after avoiding ridicule in the headlines, some of the post-budget analysis on the wider economic picture might well be the cause of sleepless nights in No 11 Downing Street – and beyond. According to the Institute of Fiscal Studies (IFS), average earnings are on course to be £1,400 a year lower in 2021 than forecast in 2016. That means no recovery in wages, and average earnings will be below the 2008 level once adjusted for inflation.

So while the Autumn Budget was a relatively quiet one for the pay and reward industry in terms of initiatives and regulation, the bleak outlook for wage growth should be of concern to all. If wages are to remain in the doldrums, then engaging, motivating and, indeed, rewarding the workforce will become increasingly challenging and require clear thought and innovation from both government and the industry. The rise in the National Living Wage won't detract from the fact that the whole of the UK is due a pay rise. I hope you enjoy the issue.

(PS: Following last month's column, my colleague Jo has demanded an apology for suggesting she's the tea girl. She is of course commercial director. But she does also make a passable cup of tea.)



Jerome Smail

“Some of the post-budget analysis might be the cause of sleepless nights in No 11”

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Helping employees diagnosed with cancer

Autumn Budget: National Living Wage to rise and government to consult on IR35

Chancellor Philip Hammond delivered his first Autumn Budget on 22nd November, laying out the government's plans for the nation's finances for the year ahead. There were no major surprises, but the key points included the following:

- The basic rate income tax threshold will rise to £11,850 in April next year.
- The higher rate threshold will rise to £46,350.
- From April the National Living Wage will rise 4.4% from £7.50 an hour to £7.83.
- The law will be clarified so that people charging electric vehicles at work will not be taxed for a benefit in kind.
- There will be a one percentage point increase in company car tax for diesel vehicles.
- Tax avoidance measures will be put in place to save £4.8bn by 2022-23.
- The government will consult in 2018 on extending the scope of tax relief currently available to employees and the self-employed for work-related training costs.
- To reduce the burden on employers, from April 2019 they will no longer be required to check receipts when reimbursing employees for subsistence using benchmark scale rates. The existing concessionary accommodation and subsistence overseas scale rates will be placed on a statutory basis, to provide greater certainty for businesses.
- HMRC will work with external stakeholders to improve the guidance on employee expenses, particularly on travel and subsistence and the process for claiming tax relief on non-reimbursed employment expenses.
- Following the recent changes to off-payroll working rules for the public sector, the government will open a consultation into the private sector and IR35.

The Budget document stated: "The government reformed the off-payroll working rules (known as IR35) for engagements in the public sector in April 2017.

"A possible next step would be to extend the reforms to the private sector, to ensure individuals who effectively work as employees are taxed as employees even if they choose to structure their work through a company. It is right that the government take account of the needs of businesses and individuals who would implement any change.

"Therefore the government will carefully consult on how to tackle non-compliance in the private sector, drawing on the experience of the public sector reforms, including through external research already commissioned by the government and due to be published in 2018."

"THE NATIONAL LIVING WAGE WILL RISE 4.4% FROM £7.50 AN HOUR TO £7.83"



Mike Cherry, national chairman of the Federation of Small Businesses (FSB), told *Reward Strategy*: "The government's sensible approach to IR35 is welcome.

"We told the treasury that it can't roll out the changes applied in the public sector to the private sector until there is clear evidence of its impact to date. We look forward to feeding in to a consultation on this issue and ensuring the rights of the genuinely self-employed are protected."

Commenting on the government's plans on expenses, Yvette Nunn, co-chair of the Association of Taxation Technicians (ATT) technical steering group, told *Reward Strategy*: "Having made a call for improvements, we are pleased to see HMRC respond to this in the Budget.

"We look forward to working with HMRC to ensure that employees have easy access to clear and appropriate official guidance in respect of tax deductible expenses in general, and that the claim process is as easy to use as possible."

Colin Ben-Nathan, chair of the employment taxes sub-committee for the Chartered Institute of Taxation (CIOT), said: "A simpler process for employees to claim tax relief for their expenses is something which we recommended when contributing to the government's call for evidence. Employees need easier access to guidance around what employment expenses they can claim tax relief on, and how. Better information is also needed for employees."

Jerome Smail

Parliamentary committees publish draft bill to end exploitation in the gig economy

The Work and Pensions and Business, Energy and Industrial Strategy Committees have published a joint report and draft bill to close the loopholes that allow companies to use bogus self-employment status as a route to cheap labour and tax avoidance, saying the law must not allow willingness to exploit workers to be a competitive advantage.

The MPs' draft bill seeks to clarify the definitions of employment status. The proposed legislation would put the onus on the company to prove self-employed status in a dispute, rather than on the worker to do so through the courts.

The draft bill also proposes that companies should be legally obliged to provide all workers and employees with a clear written statement of their employment status on their first day of work, laying out their rights and entitlements.

The committees, both Labour led, have supported a large number of the recommendations contained in the government-commissioned Matthew Taylor review into modern employment practices.

Commenting on the draft bill, Taylor said: "This excellent report shows that whatever concerns the government has about my recommendations, parliamentary support is no longer a reason not to pursue them."

Rt Hon Frank Field MP, chair of the Work and Pensions Committee, said: "The two committees are presenting the prime minister with an opportunity to fulfil the promise she made on the steps of Downing Street on her first day in office, with a draft bill that would end the mass exploitation of ordinary, hard-working people in the gig economy.

"The bill would put good business on a level playing field, not being undercut by bad business.

"It is time to close the loopholes that allow irresponsible companies to underpay workers, avoid taxes and free ride on our welfare system."

Rachel Reeves MP, chair of the Business, Energy and Industrial Strategy Committee, said: "Uber, Deliveroo and others like to bang the drum for the benefits of flexibility for their workforce but currently all the burden of this flexibility is picked up by taxpayers and workers. This must change.

"We say that companies should pay higher wages when they are asking people to work extra hours or work on zero-hours contracts.

"Recent cases demonstrate a need for greater clarity in the law to protect workers. Responsible businesses deserve a level playing field to compete, not a system which rewards unscrupulous businesses.

"We need new laws but also much tougher enforcement, to weed out those businesses seeking to exploit complex labour laws, and workers, for their competitive advantage."

The committees' report recommends enabling class actions by groups of workers to establish employment status, making it harder for companies to suggest rulings only apply to individuals. It also proposes "punitive fines" for those who



have previously been found to have broken employment law, and "naming and shaming" for non-accidental breaches by businesses and supply chains.

The committees have also called for higher fines for employers found to have paid below the National Minimum Wage and National Living Wage.

The draft bill proposes asking the Low Pay Commission to test the idea of offering premium pay, above the legal minimum wage, to workers who do not have guaranteed hours.

It also proposes to abolish the Swedish derogation – a loophole that allows agency workers placed with companies to be paid less than direct employees, as long as the agency agrees to continue paying them for at least four weeks at times when it is unable to find them work.

Jerome Smail

**"IT IS TIME TO
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Uber loses tribunal appeal in landmark case

Uber has failed to overturn a tribunal ruling that said it must treat its drivers as workers rather than self-employed contractors.

Backed by the GMB union, former Uber drivers James Farrar and Yaseen Aslam won the original Employment Tribunal case against the firm in October 2016, claiming Uber was acting illegally by not giving drivers basic worker rights, such as holiday pay and the minimum wage.

Uber appealed the decision, saying the company acted in the same way as traditional minicab firms. However, the Employment Appeal Tribunal has upheld the original decision.

Nigel Mackay, employment solicitor at law firm Leigh Day, which is representing the drivers, said: "We have always believed that the Employment Tribunal's decision from last October was entirely correct in saying that our GMB member clients were entitled to workers' right such as the minimum wage and holiday pay. We now hope that Uber will accept this decision, rather than pursuing appeals, so that we can swiftly return to the Employment Tribunal on behalf of our GMB member clients, for the tribunal to decide the compensation that they are entitled to."

Maria Ludkin, GMB legal director, said: "This landmark decision is a yet more vindication of GMB's campaign to ensure drivers are given the rights they are entitled to – and that the public, drivers and passengers are kept safe.

"GMB is delighted the EAT made the correct decision to uphold the original employment tribunal ruling. Uber must now face up to its responsibilities and give its workers the rights to which they are entitled. GMB urges the company not to waste everyone's time and money dragging their lost cause to the Supreme Court."

The case has wide-ranging implications for the so-called 'gig economy' business model, and legal experts are predicting a flood of similar cases.

Enrique Garcia, employment law consultant with the ELAS Group, said: "Uber has lost again and a second judgment has held the drivers to be workers. This ruling reinforces the finding of the Employment Tribunal that these drivers are entitled to paid holidays, rest breaks and the National Minimum Wage or National Living Wage. If Uber appeal further and the Court of Appeal or Supreme Court upholds the decision, we can expect to see a flood of similar claims from gig economy workers. Uber alone has approximately 50,000 drivers in the UK, so the potential fallout is huge."

Jerome Smail

"THE CASE HAS WIDE-RANGING IMPLICATIONS AND EXPERTS ARE PREDICTING A FLOOD OF SIMILAR CASES"



The gig economy strikes back in Deliveroo victory

Deliveroo riders have been ruled self-employed by labour law body the Central Arbitration Committee (CAC).

The Independent Workers Union of Great Britain (IWGB) brought the test case against the delivery company.

The CAC ruled the riders were self-employed because of their freedom to "substitute", allowing other riders to take their place on a job.

IWGB brought the case after it had asked Deliveroo to recognise it as a union representing drivers in Camden and Kentish Town and to start collective bargaining over workers' rights. The case was taken to the CAC after Deliveroo refused.

The company said its riders wanted to keep flexibility of being self-employed. However, the IWGB said the ruling showed that Deliveroo riders were not satisfied with their current terms and conditions and wanted workers' rights, including holiday pay and the minimum wage.

A decision by the CAC can be challenged in the High Court on a point of law.

IWGB general secretary, Dr Jason Moyer-Lee, said: "It seems that after a series of defeats, finally a so-called gig economy company has found a way to game the system.

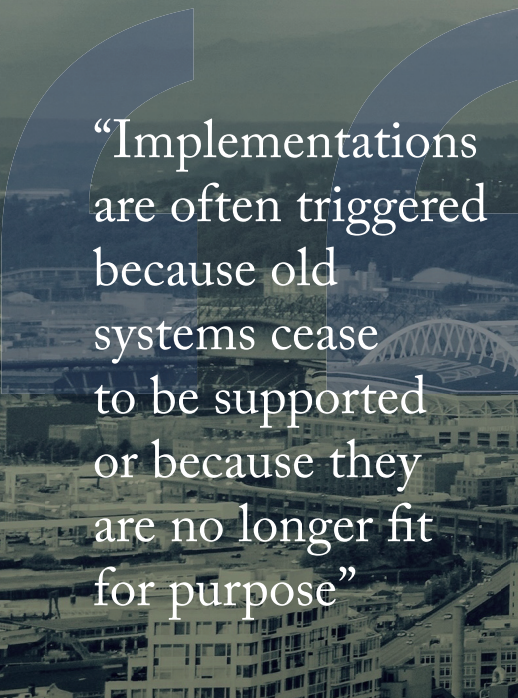
"On the basis of a new contract introduced by Deliveroo's army of lawyers just weeks before the tribunal hearing, the CAC decided that because a rider can have a mate do a delivery for them, Deliveroo's low-paid workers are not entitled to basic protections."

Dan Warne, managing director for Deliveroo in the UK and Ireland, said: "This is a victory for all riders who have continuously told us that flexibility is what they value most about working with Deliveroo. As we have consistently argued, our riders value the flexibility that self-employment provides. Riders enjoy being their own boss, having the freedom to choose when and where they work, and riding with other delivery companies at the same time."

Jerome Smail

NEW HORIZONS

Changing systems is not a project to be undertaken lightly. It involves embracing change and ensuring that you know what you want to achieve. Dawn Lewis asks the experts for advice



“Implementations are often triggered because old systems cease to be supported or because they are no longer fit for purpose”



“Given the General Data Protection Regulation that is coming in, it is even more critical that employers check where the data will be stored and that the vendor has all of the relevant data security checks in place”

Over the past decade there have been two major innovations in HR and payroll systems: integration and self-service. Both of these have evolved in an effort to increase efficiency by reducing duplication and passing on everyday admin tasks to the employee. “It’s all about how systems are structured, how they are integrated, what the method of input and ownership is, and therefore how much it gives in terms of more meaningful and provoking output, such as reporting or profile analytics,” explains Richard George, payroll education and training director at the Learn Centre.

It is with these questions in mind that anyone undertaking a new system implementation should start.

Pre-procurement

Outlining the vision of what you want from your new system is the first step. “You need to be very clear about what you’re expecting to achieve, and the objectives and outcomes that you’re looking for,” says Sue Harris, product design director at MHR.

“Otherwise, how can you evaluate all of the different options available?”

Another important step is to get buy-in from all stakeholders in the business. Remember that this is not just an HR and payroll system; if you are using self-service, it will touch every person in the business and, if you choose cloud-based software, it will need an ongoing investment that needs to be budgeted for.

Finally, you should consider whether there is any cost of getting your data out of legacy systems. Implementations are often triggered because old systems cease to be supported or because they are no longer fit for purpose. However, the cost of extracting data from old systems is often overlooked when making a change.

Once everyone is onboard, the costs are accounted for and you are clear about your vision, the fun can really start.

The key decisions

Selecting a new system can seem like a minefield, but with the right planning and research, the process really doesn’t have to be complicated.

“Make sure you’re fully aware of what you’re searching for before you actually start searching, but also don’t be too stringent on those requirements because there is software now that might challenge your way of thinking,” says Helen Armstrong, managing director at Silver Cloud HR. “If it becomes too much of a tick-box exercise you might miss the next big thing. Keep an open mind, but obviously there are some non-negotiables that you need to keep in mind.”

There are two key elements to consider before starting your search: do you want to go for a cloud-based system? And do you want a fully integrated system or a ‘best of breed’ arrangement?

The latter gives you the option to choose the best software for payroll, the best for HR, the best for training and so on, and then link them together.

Most systems are hosted in the cloud, which allows them to be regularly upgraded and updated. On the downside, there’s an element of change management required, where someone needs to look at the updates and decide whether they want to implement them.

“It’s a constant change management process. A lot of companies don’t appreciate that when they move into the cloud, they’re still in this old mindset of walking away after it has been implemented,” says Armstrong.

Also, IT teams can be nervous about having such a large amount of personal data hosted off-site. Given the General Data Protection Regulation that is coming in, it is even more critical that employers check where the data will be stored and that the vendor has all of the relevant data security checks in place.

Finally, choosing between an integrated system or best of breed can be tricky. Armstrong, who runs an HR consultancy that specialises in procuring



and implementing new systems, explains that over the past two years most organisations have introduced an integrated system. However, she is starting to see a move towards having a separate payroll solution.

“With cloud-based systems it is a lot easier to integrate one system with another, which brings lots more options,” she says. “More companies are keeping an open mind and are looking at best of breed options.”

Procurement

Once you know what you’re looking for and you’ve carried out some initial research, you could attend a software show. This gives you the opportunity to meet a range of vendors all under one roof and to learn about the latest product innovations and offerings.

Having narrowed down your selection of vendors, you can start to contact them to ask for a formal demonstration. It is a good idea to provide them with specific scenarios ahead of time that relate to your business. This ensures you get more than just the pre-sales demo. At this point, it is also useful to put together a more formal tender document that details your requirements.

Harris explains that a potential supplier would want to know a lot about the structure of the business, including the following questions:

- How many employees?
- How many positions?
- Do you have seasonal workers?
- Do you have mostly zero-hours or salaried staff?
- Have you got multiple contracts?
- Do you do lots of acquisitions?
- Do you provide HR and payroll services to other organisations?
- Do you have lots of different terms and conditions?

“This helps us to understand how simplistic or complex it’s going to be within that organisation,” says Harris. By giving the vendor as much detail as possible it will be easier to narrow down

what type of functionality is required. Other key information to divulge includes: indicating whether you want the implementation done in phases; whether there are any compelling dates, such as the expiring of legacy systems; and what level of service is required.

As well as giving information, employers should investigate their potential supplier. Ask for references and to speak to a couple of their current clients, and carry out due diligence to establish its assets and liabilities, and evaluate its commercial potential.

It is also critical to negotiate on price, particularly if you're selecting a cloud-based solution as there will be an ongoing cost. Remember that you are making a significant long-term investment, not just in the software but also in the service you'll receive.

"With an annual model where you pay year-on-year – typically known as software as a service – you need to be clear about the service you're getting," says Armstrong. "When you're selecting a system you can get caught up looking at the system, but actually the company that you're working with is just as important as you will need to have a decent relationship."

Implementation

Writing an implementation and resource plan can help to ensure that the roll-out of your new system runs to schedule. Most suppliers will have a template of these processes for you to adapt. The most important things to remember are to be realistic about your timescales and open to learning new processes and ways of working.

As Harris says, "What we want [new clients] to do is to take the opportunity to revise their processes and get them as efficient as possible, and free-up resources to spend on more value-added tasks. You have to be open to change. What you've just paid for is to take the advice of people who do this every day." The implementation phase is where

“Employers should investigate their potential supplier. Ask for references and to speak to a couple of their current clients, and carry out due diligence to establish its assets and liabilities, and evaluate its commercial potential”

the project team really come into play, as communication between different departments and the vendor will be critical to its success.

For large organisations, there should be monthly project meetings involving all senior stakeholders – essentially the strategic level overseeing and driving through the change across the business. There should also be weekly meetings with operational staff – those involved with the project day-to-day – to ensure all is running to plan.

Another critical area surrounds the testing of the system. "While you're going through testing, there should be one point of contact in the project team who is collating all of the testing information to give to the supplier or consultants who are working on it," says Harris.

Finally, there's the training. This should be done as and when required, with plenty of time allocated to getting it right. There's also an argument for taking a 'train the trainer' approach, because organisations will have to train others to use the system at some point.

Going it alone?

For some organisations time is of the essence; they don't have the resources to dedicate to undertaking the process or they simply want external guidance. This is where HR consultancies can help to procure and implement systems.

Armstrong explains that a consultancy can project-manage the implementation and will have a lot of knowledge about the market so they can quickly identify who might be the best fit. They also have extensive experience of running a project and how best to do so, a skillset that some reward professionals may not have.

"Although there is a cost for the consultancy to help select a vendor, we go through contract signing all the time. So if there's an area that we think we can negotiate on or if we think that, by benchmarking against our other vendors, a cost is a bit unreasonable, we can probably save our money back by looking at contracting and helping to work out where to negotiate," says Armstrong.

Evaluation

Having embedded your system you need to evaluate whether you have achieved your goals. This should happen on an ongoing basis to ensure that you're continuing to get a return on your investment, you're making the most of any system updates and that you are still achieving your vision. ■

Dawn Lewis, reward specialist

CASE STUDY: SCOT JCB

Scot JCB is an engineering business that supplies and repairs construction and agricultural machinery. The company introduced a new integrated HR and payroll system after it decided that its separate payroll system and paper HR processes were no longer fit for purpose.

"We are a growing business and we felt that we couldn't really cope with continuing to do things on paper," explains Richard Barker, finance director at Scot JCB. "I was also concerned that, although spreadsheets could be flexible and do lots of fancy things, they weren't particularly secure and were also prone to human error."

To find their new software provider, Barker and his team started by attending the Chartered Institute of Personnel and Development's HR software show. "The show was really good, not just to see the suppliers, but also to crystallise our thinking about what was in the market, as we were embarking on this project not knowing what software packages could do for us," says Barker.

After visiting the show and doing some more research they narrowed it down to three providers. "We got them all to come in and do a presentation to us and tell us in more depth about their systems," says Barker. "In the end, they probably all would have done the job for us, but we felt that Cascade were the best fit for our company and our culture."

A project manager was appointed by Cascade who worked with the organisation to ascertain exactly which modules they wanted and how they wanted to use the system. A training and implementation plan was then constructed that ran over a period of six months.

The team at Scot JCB spent a couple of days training with Cascade every month as they worked their way through each module and began to embed each one. "There was quite a lot to take in and, as with all software packages, there's a certain amount of flexibility to tailor it to how you want to operate, so there were quite a lot of decisions we had to make," said Barker.

As a result of the new system the organisation has made a lot of efficiencies in its processes as everything is now held electronically. Employees are now also able to self-serve, which has again cut down on the administration for the HR team. Scot JCB is also starting to benefit from the financial data that the system is now able to provide, such as overtime patterns and budgeting reports.

REVIEWING REWARD

Given that the value of wages has been falling in real terms, one would have expected to find many employers reporting pressure from their staff to increase pay, but that's not the case. Charles Cotton of the CIPD investigates



Charles Cotton

“Just because staff aren't asking for more money doesn't mean we should assume that all is OK, and that our policies and practices are working”

The official figures released last month found that while average weekly earnings increased by 2.2% over the past 12 months, inflation climbed by 2.8%. However, just one in eight of the 2,000 UK organisations surveyed by CIPD/Adecco Group via the quarterly Labour Market Outlook report say that they are facing significant pressure to raise wages for all roles, while just an additional one in eight say they're facing significant pressure to raise pay for certain roles.

Where there is pressure, it is moderate, with around one in five saying that they're facing some pressure to increase salaries for most people, while one in five report there is only some pressure to pay more for certain jobs.

Instead, the most common response among our respondents is that they are not being forced to increase wages, reported by just under a third of all those questioned. By sector, almost two in five firms in the private sector report being under no pressure, while a similar portion report the same in the third sector. Within the private sector, more than two in five retailers state that they face no pressure.

By contrast, just one in nine public sector employers can say the same. Instead, they are more likely to report they are under significant (31%) or some pressure (28%) to increase wages for the majority of the workforce, which may reflect the recent debate to scrap the public sector pay cap for some roles.

A higher proportion of employers in the north of England say they aren't facing pressure to up wages (35%), compared with London (26%).

Our survey also suggests a significant majority of employers, apart for a few specific sectors, don't face significant difficulties in accessing the skills they need – only around one in eight of all current private sector vacancies are skill-shortage vacancies.

Only one in three of all employers with a vacancy report it to be from skills shortages, suggesting that pay pressure

is unlikely to come from a general lack of availability of skills in the labour market.

When we asked respondents why pay pressures are so mute, almost one in four said it was because employees recognise that their employer couldn't afford more. This is most common among employers with fewer than 250 staff (29%) than among organisations with more than 250 staff (14%). This explanation is also most typical among employers in the north of England (30%) compared with those based in London (14%).

Other common reasons given by our respondents is that they already pay above the market rate (21%) and that they offer an above-market package of financial and non-financial benefits (12%).

Employees have been able to maintain their living standards by accessing credit at historically low interest rates. But with loan charges looking to drift upwards, this option will close. If the value of Sterling remains subdued then the real value of pay will come under pressure.

Rather than being spectators, employers have the opportunity to help their staff deal by adopting an employee financial wellbeing strategy.

By looking at ways that the organisations, jobs and work is designed, HR and reward professionals can find ways to boost productivity that will help their organisations pay for wage increases.

While the level of pay is important to feelings of wellbeing, so too is how it is determined, and reward and HR professionals should look to ensure that pay determination is fair.

Wellbeing can also be improved by stretching the value of the reward package. This can involve offering benefits which employees would have to pay more for if they had to arrange themselves. Such perks can include healthcare benefits. The employer can also arrange for discounts on products and services which employees can pay for themselves, such as gym membership.

Costs can also be cut using salary sacrifice, which reduces the price that

employees pay when contributing to their workplace pension. Arranging financial education courses can also help stretch employees' pay packets by helping them make informed decisions, reduce the fear of shopping around and understand the jargon used by financial services firms.

We should be looking at how we can build a high-trust environment, where employees feel able to come to us with their financial problems before they become unmanageable. Creating such an environment should also encourage employees to share their views and perspectives which, if we manage it correctly, will be reflected in higher levels of staff engagement and performance.

Finally, just because staff aren't asking for more money doesn't mean we should assume that all is OK, and that our policies and practices are working. We need to question staff to see whether they think that our pay decisions are fair and if there are opportunities for improvement in how we reward and recognise their contributions. ■

Charles Cotton, performance and reward adviser, CIPD

KEY POINTS

- While the value of pay is falling, there has not been an increase in pressure to boost wages;
- It is predicted that real pay will remain subdued for the next few years;
- HR and reward professionals should think about the actions they can take to boost the financial wellbeing of their staff.

THE REWARDS 2017

On the evening of 2 November *Reward Strategy* was delighted to welcome guests to the highlight of the pay and reward calendar, The Rewards, at the Hilton London Bankside hotel...

Yes, the event may have a new name, as part of our rebrand from *Payroll World* to *Reward Strategy*, but as you'll see from the awards presented on the night, we recognised and celebrated the very best the pay and reward industry has to offer in the same spirit as years gone by.

We expected a night to remember, and that's exactly what we got.

In total we had 19 hotly contested categories. Comedian Tiff Stevenson kept the audience laughing while presenting the awards, joined on stage by *Reward Strategy's* editor, Jerome Smail.

Guests raised an impressive £1960 on the night for our chosen charity for the event, Help For Heroes.

Year of change

It's been an exciting year for all of us in the industry, not least at Shard Financial Media. We unveiled our new brand, *Reward Strategy*, at our spring event, where we also announced the transition to The Rewards. As usual, we were inundated with entries and the open categories were as hotly contested as ever. Huge thanks to our independent panel of expert judges, who had the tough task of choosing the winners.

We were also excited to announce the winner of our Reward 100 special award. The Reward 100 is our list of the most influential and dedicated professionals working in the industry, which we unveiled in May. Every listee was automatically nominated for the night's special recognition award, and on the



evening of The Rewards we revealed the winner chosen by our internal panel. Congratulations to all the winners – you fully deserve the accolade. But well done to all the finalists, who have shown a commitment to raising standards in an industry well renowned for its high level of achievement.

Thanks to everyone who joined *Reward Strategy* on the night, and I'd like to extend special thanks to our sponsors.

Payroll World has changed to *Reward Strategy*, and we're still dedicated to promoting the pay and reward profession, recognising achievement and excellence within it. Our brand will grow and develop over the coming months, as will the industry. We look forward to seeing you at The Rewards next year. ■

Luke Broadhurst, managing director, Reward Strategy

"CONGRATULATIONS TO ALL THE WINNERS ON THE NIGHT – YOU FULLY DESERVE THE ACCOLADE"



Reward 100 Award
Andrew Evans, CEO, Smart Pension



Technology Award
PayDashboard



International Payroll Award
BDO



Pensions Technology Award
Pensionsync



International Payments Provider Award
TransferMate Global Payments



Payroll and HR Software Product Award
Expenses by Selenity



"WE EXPECTED A NIGHT TO REMEMBER,
AND THAT'S EXACTLY WHAT WE GOT"

"WE LOOK FORWARD TO SEEING YOU ALL AT THE REWARDS NEXT YEAR"



Rising Star
Adam Morgan, Cintra HR & Payroll Services



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Sharon Tayfield, BDO



Public Sector Team Award
Lincolnshire Partnership NHS Foundation Trust


DUTY OF CARE

How should companies respond to employees diagnosed with cancer? Cheryl Brennan offers some pointers



Cheryl Brennan

“The emotional impact can be harder to manage than the diagnosis itself. To truly support staff, employers need to consider all elements when reviewing their strategies and policies”



Recent research from Canada Life highlighted that a cancer diagnosis would cause almost three out of four (72%) UK employees to struggle financially. Two out of five employees said they would be unable to meet essential payments including utility bills (72%), the weekly food shop (57%) and mortgage or rent payments (43%) if faced with a major reduction in their monthly income.

According to Macmillan one in three (or 750,000) of the two million people currently living with cancer in the UK are of working age. This figure is set to rise to 1.7 million by 2030.

With cancer rates rising and Macmillan highlighting that most employees (85%) diagnosed with cancer say their work is important to them, more employers and employees will be impacted by cancer in the coming years. So, what should companies do to support any employees diagnosed with cancer?

Responsible employers should have policies and practices in place to ensure that all employees diagnosed with cancer are treated fairly and appropriately.

But still it can be a challenging issue to handle.

Cancer is a very emotional subject – a topic many find difficult to discuss. Even if policies are in place, it can be hard for employers to apply them rigidly. For this reason, many continue to pay employees on a discretionary basis despite what their sick pay policy might say.

On a practical level, there are several things companies can do to ensure they support employees.

The obvious place for companies to start is to check the healthcare and protection benefits in place and the provision and support offered for cancer care. Are the benefits sufficient? Do they offer employees adequate support so employees can remain in the workplace throughout the treatment or return to work after a period, or do the benefits need an overhaul? It is important that companies have established strategies

and policies for managing employees with cancer in place and that they check regularly they are fit for purpose and provide the best support possible.

Taking a more holistic approach

One of the changes we've started to see in recent years in response to rising rates of cancer diagnoses is that employers are treating cancer in the workplace more holistically than before.

Whereas traditionally, they would assess their PMI plans to ensure they provided the best possible treatments for employees should cancer occur, now there is greater recognition that the impacts of cancer are more wide reaching. A diagnosis won't just affect people's health but their finances and family lives. Consequently, we've seen more employers looking at how to support individuals according to their individual needs on a discretionary basis.

These employers are realising that cancer affects all individuals differently and so they are more flexible about the support and benefits they provide, which is sensible.

They may, for example, offer staff private GP services to ensure cancer can be diagnosed quickly. This can give employees the best opportunity for early treatments which may also enable them to remain in work. Such services can be quite cost effective. Employers can offer private GP services for the diagnosis

stages, and then later treatments can be dovetailed into the NHS.

One thing I have learned from a close family member being diagnosed with cancer is that the emotional and financial impact can be harder to manage than the diagnosis itself. To truly support staff, employers will need to consider all these elements when reviewing their strategies and policies.

This may lead to them offering greater financial support, such as paying for care and support or providing access to alternative treatments.

It may mean offering greater flexibility in terms of working hours and schedules or changing the critical illness policy to ensure that it not only will pay out a lump sum but also offer a cancer triage service to provide counselling support and emotional care too.

On a practical level, it can make an enormous difference if line managers are trained and equipped to handle difficult and sensitive conversations with team members. They also should understand and be able to communicate the healthcare benefits their company offers to provide the right information and signpost employees to relevant support services and information about treatment and working options.

Often during this stressful time people don't know where to turn for support and having a solid support system in place can make a major difference. Equally, there may need to be support services such as counselling available for employees who may be emotionally impacted by their colleague's illness. There is a great deal to consider, and many aspects to cover.

With cancer rates continuing to rise and research highlighting the significant financial and emotional implications of cancer diagnoses, this is a timely reminder for companies large and small to check if their policies and support are as good as they could be. ■

Cheryl Brennan, director of corporate risk, Punter Southall Health & Protection

“Responsible employers should ensure all employees with cancer are treated fairly and appropriately”

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Cheryl Brennan, director of corporate risk, Punter Southall Health & Protection

WELL, WELL, WELL

Is your business making the most of its Employee Assistance Programme? Steven Jobburns examines the options



Steven Jobburns

“Obviously, the communication needs to be handled in an appropriate and sensitive way, especially when it comes to mental health services”

Looking after the health and wellbeing of employees is becoming a priority for many companies. Plenty of firms use Employee Assistance Programmes (EAPs) to support their employees with physical and mental health issues.

Such programmes are seen as highly valuable for companies but with many of the services not being used as widely as they could, are companies really making the most of them?

Strategy

According to the *Employee Wellness Research 2017* report published by the Reward and Employee Benefits Association (REBA) in association with Punter Southall Health and Protection, nearly half (45%) of firms have a clearly defined wellbeing strategy in place.

The research found that EAPs were considered the number-one wellbeing initiative offered by employers, with 71% of employers also stating they are the most effective benefit for their business.

Companies like the fact that EAPs provide confidential advice, support and counselling services on a range of personal or work-related issues, including mental health, which is a growing issue in workforces today.

A recent report suggested that up to two-thirds of British adults have experienced mental ill-health at some point in their lives.

However, in our experience, we know that many EAPs are often underutilised, especially those that come as 'added value benefits' with Group Risk and Medical Insurance policies. Why is this the case?

'Free' services

One of the key issues is that companies or HR departments simply don't know they have access to these 'free' services and as a result, they are more likely to promote and monitor employer-funded EAP solutions so they can highlight

“One of the key issues is that companies or HR departments simply don't know they have access to these 'free' services”

engagement and 'return on spend'. From an employee's point of view there can be a stigma associated with them. Some worry whether or not the services are truly confidential, and as research from the Work Foundation highlights, others perceive them as a counselling service primarily for people suffering with mental health issues.

How can companies change this and make better use of 'free' EAPs?

Many companies operate on tight budgets, so before considering purchasing a standalone EAP they really need to check what services are available as added value benefits within any of their existing Group Risk or Healthcare policies.

Case in point

During a recent client visit the subject of EAPs was discussed.

While the client knew they had an EAP plan in place via their Group Income Protection (GIP), they were promoting the EAP associated with their Health Cash Plan to employees instead, as they used this benefit the most.

Digging a little deeper, the client

mentioned they had paid for mental health counselling for an employee. When asked why they hadn't used their EAP's 'face to face' counselling service, they said they believed 'face to face' counselling would be an additional cost. What they didn't realise was that their GIP EAP included eight 'face to face' counselling sessions.

Ultimately, this company could have saved the cost of 'face to face' counselling by using their alternative EAP. This highlights the need for companies to understand what 'free' added value services are already available in their Group Risk, Medical and Wellbeing solutions.

Companies also need to get better at communicating the services available through their EAP with employees. They need to know where they can get help and support, and promoting the services available is a must.

Obviously, the communication needs to be handled in an appropriate and sensitive way, especially when it comes to mental health services. One way to tackle this is to seek advice from employee benefits consultants and insurers on how best to do this as they will have suggestions and can discuss what has worked well in other organisations.

The review or implementation stage of the programme is also another good time to engage with your benefit consultants to ensure proper consideration is given to added value services. There may also be other packaged solutions available at minimal additional, or the same, cost which are worth exploring.

Finally, it's important that companies don't become over-reliant on 'free' EAPs as they may change provider in the future. Having a contingency plan and options for providing a similar EAP should this happen are crucial to ensure continuity and that employees are not left without support. ■

Steven Jobburns, senior consultant, group risk, Punter Southall Health and Protection

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PAYING THE PENALTY

While compliance with auto-enrolment remains in the high nineties, there are a small minority of employers who fail to do the right thing for their staff. Darren Ryder of TPR assesses the state of play

Recently, The Pensions Regulator (TPR) reminded employers that it is not enough to just automatically enrol staff; they must also meet their duty to contribute into their staff's workplace pension every month. The warning follows the publication of TPR's most recent compliance and enforcement bulletin which showed that more employers have been ordered to pay missing pensions contributions. The bulletin highlights that TPR used its powers to issue Unpaid Contributions Notices to 753 employers between July and September this year, an increase from 653 in the previous quarter. These notices require an employer to ensure all backdated contributions are paid within 28 days.

Auto-enrolment has been hugely successful, with more than 8.7 million staff automatically enrolled by more than 850,000 employers. Clearly, 753 employers not paying contributions is a very small proportion of those that are compliant – less than 0.1% – but every employer failing to make payments into their staff's pension pot is one too many and TPR will take action.

Wilful non-compliance

TPR has also warned that employers who wilfully refuse to put staff into a pension could end up with a criminal record and will have to make backdated payments so staff receive the pensions they are entitled to.

A bus company and its managing director have admitted deliberately avoiding giving their staff workplace pensions. Stotts Tours (Oldham) and Alan Stott pleaded guilty to a total of 16 offences of wilfully failing to comply with the law on workplace pensions – the first such prosecution by TPR.

Stotts Tours (Oldham) should have put its staff into a workplace pension and begun paying pension contributions from June 2015. TPR found that 36 staff from Stotts Tours (Oldham) should have been

put into a pension scheme. It decided that the company's failure to comply with the law was deliberate and merited the criminal prosecution of both Stotts Tours (Oldham) and Alan Stott.

Both Stotts Tours (Oldham) and Mr Stott pleaded guilty to eight counts of wilful failure to comply with the auto-enrolment duty under section 3(2) of the Pensions Act 2008, contrary to section 45(1) of that act, when their case was heard at Brighton Magistrates' Court on 10 November. The case was adjourned for sentencing at the same court on 14 December. TPR is separately pursuing Stotts Tours (Oldham) for £14,400 in civil fines imposed for non-compliance.

Spot checks

TPR is continuing its spot checks on employers across the UK with pre-Christmas inspections of employers in Sussex, Surrey, Hampshire and Kent.

Inspection teams will visit more than 200 businesses from Southampton in the west to Ashford in the east in the weeks before Christmas to check that qualifying staff are being given the workplace pensions they are entitled to.

The spot checks are part of a nationwide enforcement campaign which began in London in April to ensure employers are meeting their auto-enrolment duties correctly.

This is the first time these checks have been done in these four counties. Short-notice inspections have previously been carried out in Greater Manchester, Sheffield, Birmingham, Scotland and South Wales.

Data to the end of August 2017 reveals that more than 14,800 employers in Hampshire have met their auto-enrolment duties, along with 11,600 employers in Surrey, 6,000 in West Sussex, 6,900 in East Sussex and 13,000 in Kent. As a result, more than 650,000 members of staff in those areas have been put into a workplace pension. ■

Darren Ryder, director of auto-enrolment, The Pensions Regulator



Darren Ryder

“The Pensions Regulator is continuing its spot checks on employers across the UK with pre-Christmas inspections”



Are your payroll and HR teams dealing with the GDPR?

Changes to data privacy laws are set to have a huge impact on payroll and HR teams.

Preparation should begin now if you wish to be compliant before the starting date of 25 May 2018 and avoid the massive fines for non-compliance.

GDPR will have a huge impact on all companies, regardless of size.

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LEARNING TO LOVE OPRA

Helen Hargreaves of the Chartered Institute of Payroll Professionals (CIPP) provides readers with a guide to Optional Remuneration Arrangements

Are you aware that if you offer employees a benefit in kind and they have a choice of a cash option, the tax and NICs rules have changed? This is the question we asked during October through our website quick poll. Anyone can respond to these polls, not just members of the CIPP. We received 579 responses in total and 55% said they were aware of the changes but the remainder, a staggering 261 people (45%), said they were unaware of the changes. Our polls are just a snapshot in time so not an accurate reflection, but these results do indicate that there is further work to do around raising awareness to ensure employers are being compliant with the change in legislation. If you are wondering what the changes I am talking about are, then please read on and share with others:

Optional Remuneration Arrangements (OpRA) came into effect from 6 April 2017, and essentially it's the government's way of trying to remove some of the previous tax and National Insurance contribution (NIC) breaks which came about if salary sacrifice was used to pay for Benefits in Kind (BiK). Although salary sacrifice is very much still with us, there are two types of 'arrangement' that come under OpRA. Type A arrangements is the first and are what employers have regarded as typical salary sacrifices, where an employee gives up cash earnings in exchange for a BiK. Type B arrangements are where an employee chooses a benefit rather than a cash allowance, such as a car or living accommodation. So for the purposes of the benefits code, a benefit is provided under an OpRA if it is provided under an arrangement of either type A or type B, so it isn't just salary sacrifice that is captured. The benefits code has been revalued and the employee is taxed on whichever value is the higher – the cash or the benefit. However, where an employee receives say a car allowance, but there was no option to receive a company car, the employee is taxed on

the car allowance – cash is cash; you process as you would have pre-April 2017.

There are four specific exemptions where the rules haven't changed – pensions, childcare, cycle to work and ultra-low emission vehicles; these are the politically astute exceptions so employees get to keep the tax and NIC breaks on those. Transitional provisions (also known as grandfathering) were brought in for arrangements in place before 6 April 2017; so the new rules for these arrangements will take effect from 6 April 2018 for all benefits except cars with CO2 emissions of 76 grams per kilometre and above, employer-provided living accommodation, and school fees. The old rules will continue to apply for these three types of benefit until 6 April 2021.

For further information on Optional Remuneration Arrangements, visit MY CIPP on our website where you will find a webcast on this subject.

There are also other topical webcasts – an easy way to update your team on aspects of payroll legislation.

All published information on our polls and surveys can be found in the CIPP's Policy News Journal, a benefit reserved exclusively for CIPP members.

Voluntarily payrolling company cars?

The CIPP's advisory service has been receiving calls about the change from voluntary to mandatory payrolling of car data from April 2018.

To clarify – for those of you who voluntarily payroll company cars as a Benefit in Kind (BiK), you will from April 2018 have to payroll your car data. It will be mandatory from this time to submit your car data information on your FPS (Full Payment Submission). This only applies to those who have chosen to voluntarily payroll company cars as a BiK; it does not apply to all employers who provide company cars – you can continue to process in the normal way via P11D and P46 (Car). ■

Helen Hargreaves, associate director, policy and membership, CIPP



Helen Hargreaves

“There is work to do around raising awareness to ensure employers are compliant with the change in legislation”

EMPLOYERS WATCH OUT

Ian Holloway looks at the latest efforts to address the gender pay gap and workplace inequality, and warns of increasing complexity



Ian Holloway

“The government may make recommendations and have ‘drives’, but all this really needs to be formulated by consultation and legislation to back it up”

On 26 October 2017, the Office for National Statistics (ONS) published its annual survey of hours and earnings (ASHE) gender pay gap tables. These are calculated based on a snapshot of earnings in April each year. The complicated UK-wide statistics showed the following gender pay gap trends for 2017, where a positive figure represents women being paid less than men:

- Overall gap increased from 18.2% in 2016 to 18.4%.
- Full-time gap decreased from 9.4% in 2016 to 9.1%.
- Part-time gap decreased from -6.1% in April 2016 to -5.1%.

Mind the gap

At first sight, the more the gaps move closer to zero (indicating no difference in men’s pay compared to women’s) you would have thought the overall gap would also decrease. However, this is not replicated due to the fact that there has been an increase in the proportion of employees working full-time versus part-time. So it’s complicated.

What is not complicated is the UK government’s 28 October 2017 response to the publication of these figures. Prime minister Theresa May announced a “new drive” to bring the overall pay gap to zero. Mrs May said: “The gender pay gap isn’t going to close on its own – we all need to be taking sustained action to make sure we address this.”

What action could this be? The Women’s Business Council will be advising the prime minister on a number of issues and making various recommendations which will have a direct impact on employers:

- Advertising all jobs as flexible from day one, unless there is a sound business reason that such flexibility should not exist in the role.
- Improving the workplace progression pipeline for women to ensure there is more female representation at management level.

- Improving and offering ‘return-to-work’ schemes (currently not used enough).
- Encouraging more companies to publish their gender pay gap information, including those with fewer than 250 employees (private and voluntary sectors in Great Britain and public sector in England).

Returning to complicated

The above is all very commendable and responsible and could help address pay and workplace inequalities, which should not exist at an organisation anyway.

As to whether it is practical and workable, well, that is another issue altogether. The government may make recommendations and have ‘drives’, but all this really needs to be formulated by consultation and legislation to back it up.

Further, we are talking about a complex and tangled employment legislation structure here that needs to be untangled and simplified so employers know where they really are. For example:

- Employment law is devolved to Northern Ireland, so what happens in Great Britain may or may not happen there. A real life demonstration of this is the fact that there is no gender pay gap legislation there (for private and voluntary sector employers).
- Public sector administration is devolved. Already we have the situation where gender pay gap legislation is different for public sector bodies in England compared to what happens in the devolved administrations.

And let’s not even attempt to discuss the fact that devolution has broken down in Northern Ireland at the moment!

Watching brief

The wholly admirable aim to reduce UK workplace gender inequality really does have all the signs of being a horrendously confusing situation for employers and we need to keep a careful watch on developments here. ■

Ian Holloway, head of legislation and compliance, Cintra HR & Payroll Services

POINTS TO REMEMBER

Norman Green talks us through some of the upcoming changes to payments to HMRC and P11Ds, taking into account the new rules on salary sacrifice

Recently I received an email from HMRC saying they will stop accepting payments by credit cards in the names of individuals from 13 January 2018. Company credit cards will still be accepted. The option of paying at a post office is being withdrawn from 15 December 2017. The end of January is the deadline for making payments due under self-assessment so some will see this as an attempt to get some money in 18 days earlier. That argument only stands, if it stands at all, for one year as the personal credit card option is being withdrawn permanently. Nevertheless, it will be a prompt for some of the 11 million in self-assessment to think about how they will pay. It is also worth informing those on your payrolls who are likely to be in self-assessment about the change.

P11Ds

At the time of writing, the P11D for the current tax year, 2017-18, is not available. However, the electronic submission details were published at the start of November 2017 and these do provide a clue as to what will be on the P11D and what needs to be reported for the 2017-18 tax year. The one significant change is to accommodate the new Optional Remuneration Arrangements, sometimes called OpRA. This is being legislated in the Finance Bill which passed its third reading in the House of Commons at the end of October and thus is now most likely to become law soon. The legislation is designed to remove any income tax or National Insurance contributions (NICs) advantages from schemes which provide employees with a choice between pay, a benefit or a cash equivalent. The significant change is to make the amount charged to tax, and where appropriate NICs, to be the higher of the cost to the employer and any amount sacrificed by the employee. Some schemes allowed a benefit worth thousands of pounds a year to be sacrificed for one pound, and the charge to tax was just that £1. From

this tax year, the charge to tax will always be the higher value. The change is being brought in with a transition period, with more time being given for arrangements that would be harder to change (such as accommodation). But the transition period has already started. Whenever a new arrangement is put in place, or has been put in place since 6 April 2017, the new rules apply and the higher value will be the charge to tax. Some benefits, where the employer wishes to promote the benefit (pensions savings, employer-supported childcare and cycle to work schemes) are excluded from the change.

The effect of this on the P11D is that the charge to tax that had to be reported, such as "Cash Equivalent" becomes "Cash Equivalent or Relevant Amount" and "Cost to you" becomes "Cost to you or Amount Foregone", depending on the particular benefit. The change applies to every section of the P11D except for section E: Mileage allowances and passenger payments.

Most employers' salary sacrifice schemes have the amount of the sacrifice equal to the cost of the benefit and so no change will be needed.

Full Payment Submissions

The other point to note from the electronic submission rules is that for those employers payrolling benefits, the details are now known for what has to be reported in each Full Payment Submission (FPS). In the case of a company car, the details only need to be reported once and then when the details change (or need to be corrected). It is important, therefore, that the car identifier field is correctly completed and unique. This will ensure changes are not misinterpreted as details of a second concurrent company car. Car registration will work in most cases as the car identifier but not where a treasured number is transferred. The detailed company car reporting becomes mandatory from the 2018-19 tax year. ■

Norman Green, payroll consultant



Norman Green

“Most employers’ salary sacrifice schemes have the amount of the sacrifice equal to the cost of the benefit and so no change will be needed”

SUSPENDING WITH CARE

The High Court recently found that an employer had been wrong to suspend an employee pending a disciplinary investigation. Sarah Peacock considers the care employers must take



Sarah Peacock

“As there was no reasonable cause for the suspension, the employer acted in breach of contract of the implied term of trust and confidence”

Many HR staff, when presented with an employee who has committed an alleged act of gross misconduct, will assume that the next step is to suspend the employee and then investigate further. (Long gone are the days when employers could suspend without pay – payroll professionals will be only too aware that employees suspended pending disciplinary action will continue to receive at least basic pay.) However, case law established several years ago that suspension must not be a "knee-jerk reaction" and requires careful consideration. This can be tricky when the employer feels pressure to suspend from a reputational point of view. In the case below, suspension was found to be a breach of contract, which in other cases could lead to a constructive unfair dismissal claim.

Agoreyo v London Borough of Lambeth

Ms Agoreyo was a teacher with 15 years' experience. She was recruited in the middle of term to replace a teacher of five- and six-year-olds. The class of 26 to 29 pupils included two children with very challenging behaviour including swearing, spitting, screaming and hitting. Previous teachers had struggled with their behaviour but it was argued they had managed the issue by calling another adult into the class to ask the misbehaving child to leave. Ms Agoreyo apparently did not use this method. However, within a day of starting she began to ask the headmistress for help in managing these two children. During the next three to four weeks, communication between them showed that the headmistress understood there was a problem and was putting measures in place to support Ms Agoreyo.

During this period, on three separate occasions Ms Agoreyo felt it necessary to remove one of the children from the classroom using force, allegedly including dragging them out and picking them up to take them outside. As a result, after

only five weeks at the school, she was verbally suspended by the executive head pending disciplinary investigations. Ms Agoreyo alleged she did not see a copy of the suspension letter until much later and she had already resigned on the day she was told of her suspension. The employer's letter referred to suspension as "a neutral action" for the investigation to be "conducted fairly".

Teachers are allowed to use reasonable force to prevent a pupil from committing an offence, causing damage or injury, or jeopardising good order and discipline at school. Ms Agoreyo alleged she had only used reasonable force.

By the time of her suspension, the headmistress had investigated at least two of these incidents, agreed that only reasonable force was used, and pledged additional support.

Without two years' service, Ms Agoreyo brought a claim for damages for breach of contract in the County Court. She lost, but the High Court upheld her appeal. It concluded that suspension was not a "neutral act", that alternatives to suspension had not been considered, and that no time had been allowed between implementing support measures (to help her deal with very difficult children) and suspending her. As there was no reasonable cause for the suspension, the employer acted in breach of contract of the implied term of trust and confidence.

The case is useful since it refers to some problems with the decision to suspend Ms Agoreyo. These were:

- It was taken soon after Ms Agoreyo had been promised support which was not yet fully in place;
- The reason for suspension was not to enable a "fair investigation" but allegedly to protect the children. However, with those support measures in place there would have been no risk to pupils;
- No attempt was made to ask for Ms Agoreyo's version of events before suspending her;
- No alternatives were considered;
- The allegations were not made by qualified teachers and the headmistress had already investigated two of them and had found no reason to take action.

When making the decision to suspend an employee, employers should ask:

- Has sufficient investigation been carried out before the decision is made?
- Could disciplinary investigations genuinely be prejudiced by the employee continuing to work (eg, interfering with documents or witnesses)?
- Is the employee a genuine risk to the safety of others or the business?
- If so, are there any alternatives to suspension, such as temporarily moving department or taking leave?

The reasons why suspension is considered necessary should be fully documented, and the decision kept under review throughout. ■

Sarah Peacock, partner, Blake Morgan

KEY POINTS:

- **Previous case law has long established that the suspension of employees must not be a "knee-jerk reaction", although it can be justified in particular circumstances;**
- **There are a number of factors to consider before making a decision to suspend someone, including whether there are alternatives to suspension;**
- **Without careful consideration of why suspension is necessary, employers can leave themselves open to claims of constructive unfair dismissal and breach of contract.**

Bureaux

CINTRA HR & PAYROLL SERVICES

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Email: sales@cintra.co.uk

Website: cintra.co.uk

Contact: Nham Lee

Target employee range: Up to 20,000

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Contact: Sales

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Website: wealden.net

Contact: George Williams

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Howard Way, Interchange Park,
Newport Pagnell MK16 9PY
Tel: 01908 787700
Email: sales@carval.co.uk
Website: carval.co.uk
Contact: Emma Clare
Target employee range: Unlimited

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Target employee range: Unlimited

Frontier Software PLC, a leading provider of integrated HR and Payroll solutions, offers total integration across all modules. The easy to use and versatile products meet the ever changing needs of Human Resource and payroll management to organisations in the UK and worldwide. chris21 is continually enhanced and updated to keep abreast of business and government legislative changes. Additional modules include Time & Attendance, Employee/ Manager self service, Learning and Development, Recruitment, expenses and health & safety. Frontier Software PLC is accredited to PAYE Recognition Scheme, ISO27001 and ISO9001:2000 and BACS approved.



Integrated payroll & HR solutions

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Website: intelligosoftware.co.uk
Contact: Fiona Cullinane
Target employee range: Unlimited

Intelligo is a leading provider of corporate Human Resource and Payroll Software and Services in the UK and Ireland with clients ranging in size from 300 to 20,000+ employees. Megapay, Intelligo's owned and developed flagship payroll system integrates seamlessly with MegaHR, a web-based enterprise level Human Resource solution. Built on a shared database this allows for accurate sharing of information such as job history, salary history, holiday leave, etc between Payroll and Personnel, ensuring key employee data is entered only once. Megapay and MegaHR are available to purchase as either an On Premises installed solution or on a Software as a Service (SaaS) basis. Additional modules include Employee/Line Manager Self Service, Training, Recruitment, Consultancy, plus much more.



SCC PYRAMIDHR

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Email: sales@pyramidhr.co.uk
Website: pyramidhr.co.uk

Since 1976 SCC PyramidHR, part of Specialist Computer Centres plc, Europe's largest independent IT business, has been providing Payroll & HR Services. Our PyramidHR application is a fully integrated, real time, single SQL database, modular system, that fellow HR and Payroll professionals will instantly recognise as a practical and functionally-rich HR & Payroll solution which addresses all aspects of employee management. An intuitive interface and ease of use, ensures that clients are quickly 'up to speed', whilst the depth and breadth of functionality delivers an effective and powerful solution.



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Enfield, Middlesex EN3 7XJ
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Email: sales@wealden.net
Website: wealden.net
Contact: George Williams
Target employee range: Unlimited

Wealden Computing Services is a leading provider of integrated HR, Payroll and Time and Attendance systems with a long pedigree of creating functionally rich systems to meet organisation and employee requirements now and into the future. Working closely in partnership with our customers Wealden is able to deliver configurable, flexible and reliable solutions that meet the complex requirements of a modern payroll. Delivered as stand alone or an integrated solution that can be in-house, managed or hosted and accessible 24/7. Powerful solutions tailored to meet our customer's needs ensuring they control critical information and business processes. Payroll: HR: Self-Service: Time and Attendance: Payroll Bureau Services: Hosted Services: Training: Consultancy.



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Website: cintra.co.uk
Contact: Nham Lee
Target employee range: Up to 20,000

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Target employee range: 50+

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INTELLIGO

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Target employee range: Unlimited

Intelligo's tailored payroll service, Intellipay, encompasses everything from a basic bureau service to a fully managed payroll solution where we become your payroll department. For a fixed monthly fee we process your payroll using our own renowned payroll software, Megapay. Our solution comprises:

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Manchester M15 6SE
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Website: p11dorganiser.co.uk
Contact: Graham Whitehouse
Target employee range: 100 to 100,000+

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Target employee range: Unlimited

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Website: intelligosoftware.co.uk
Contact: Fiona Cullinane
Target employee range: Unlimited

Intelligo's flagship payroll product Megapay, is the Number 1 payroll system choice for corporate organisations and the public sector. Megapay is used throughout every major industry from Manufacturing, Telecoms, Top 5 Accounting Firms, Government Departments, etc., with clients ranging from 500 to 20,000+ employees. As a Certified Workday Global Payroll Cloud Partner, Megapay is certified as interoperating with Workday HCM. In addition, Megapay also interfaces with leading T&A and Financial applications.



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Contact: Sales
Target employee range: 25 to unlimited

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Contact: Enquiries department
Target employee range: 1 to unlimited

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Target employee range: 1 to 50,000

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Email: michaels@thelearncentre.co.uk
Website: reward-strategy.com/events
Contact: Michael Short
Target employee range: All PAYE employers

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Target employee range: Unlimited

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TIME FOR ACTION

The Taylor Review laid out the framework for ‘good work’ in the gig economy, and now two parliamentary committees have followed up with a draft bill. Henry Tapper asks: when will the government act?



Henry Tapper

“Whether the committees’ draft bill will be allowed legislative time and government support remains to be seen”

The Taylor Review proposed reforms on employment status and workers’ rights. Two parliamentary committees have now published ‘A framework for modern employment’ which agrees there’s “an urgent and overwhelming case for increased clarity on employment status”. The committees have prepared a draft bill which aims to take forward the “best of Taylor”.

There should be simpler, clearer statutory definitions of employment status, and legislation should emphasise the importance of control and business supervision in sorting ‘workers’ from the genuinely self-employed. This moves away from a narrow focus on whether the individual can appoint a substitute to carry out the work on their behalf.

The draft bill sets out factors a tribunal may take into account in assessing whether an individual is self-employed: they can hire others at their own expense; they can determine the way in which services are carried out; they actively market their services; they can negotiate and set a price for their services.

The definition for a worker includes whether: the contract places an obligation on them to perform work personally; the other party to the contract retains the potential to control how they will work; they are integrated into the other party’s business; the other party provides tools or equipment; they are prohibited from working for others during the contract, and; the degree of financial risk undertaken by the individual.

Do these definitions really make the issue of employment status any clearer? To me, they don’t look a whole lot different to the factors tribunals use today. The committees agree:

- Tribunals should determine “workers by default”; it’s up to the business to establish self-employment.
- Businesses should provide a written statement to workers on their rights and entitlements within seven days of the start of their engagement.

- Businesses that benefit from a flexible workforce should either guarantee hours that reflect the periods worked each week or compensate workers for uncertainty – with a pay premium on the National Minimum Wage or the National Living Wage.
- The ‘Swedish derogation’ model should be abolished – this allows agency workers to opt out of equal pay with permanent employees and instead receive a minimum level of pay between assignments.
- Employment tribunals should consider higher, punitive fines where businesses have already lost a similar case.
- Stronger penalties for repeat or serious breaches with more “naming and shaming” for non-accidental breaches. The enforcement agencies should also take a more proactive role in identifying and deterring breaches.

What next?

Whether the committees’ draft bill will be allowed legislative time and government support remains to be seen.

Some changes, like the agency workers ‘Swedish derogation’ and the workplace consultation reforms, can be introduced through secondary legislation and could be introduced soon.

While the government has confirmed it is preparing to consult on whether or not to roll out the controversial IR35 tax avoidance reforms to the private sector, it has only made this limp comment in its budget statement on the Taylor review:

“The government will publish a discussion paper as part of the response to Matthew Taylor’s review... exploring the case and options for longer-term reform to make the employment status tests for both employment rights and tax clearer. The government... will work with stakeholders to ensure that any potential changes are considered carefully.” We may not have seen the end for Matthew Taylor’s ‘Good Work’, but we are far from seeing its implementation. ■

Henry Tapper, director, First Actuarial

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THE REWARDS 2017

All this year's winners revealed inside (page 16)

