

# UnionLine NEWS

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The Legal Services Newsletter for GMB and CWU Members and their Families



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## PI reforms will put 35,000 jobs at risk

**Four-fifths of people directly employed in personal injury claims face losing their jobs if government reform proposals come into law.**

A report commissioned by the campaign group Access to Justice concludes that 80% of 44,000 people involved in the sector that includes lawyers, insurers, claims management companies and medical reporting agencies will be put out of work if reforms go ahead.

The government consultation on raising the small claims limit to £5000 for all personal injury claims closed last month. Insurance companies say they will pass on any savings made which is estimated at £40 per motorist through cheaper premiums.

Access to Justice (A2J), says the findings are proof that the government's argument does not stand up. Martin Coyne, chairman of A2J, pointed out the government moved quickly to save 10,000 jobs at risk in the steel industry, in contrast to these reforms, which seemed

*"hell-bent on shutting down an entire industry'. In the impact assessment accompanying the consultation, the Ministry of Justice said those affected by the changes 'are assumed to find alternative activities of equal economic value."*

Firms involved in personal injury spend £1.85bn annually on suppliers, supporting 26,000 jobs. The north-west of England, where 9,000 jobs are at risk, would be the area likely to suffer the most, followed by the south-east (6,000 jobs) and the Humber (4,000 jobs). Not only lawyers but all the other jobs that are supported by this sector, estimated at roughly 77,000 jobs will be at risk with many in parts of the country where alternative jobs of similar value will be difficult to find.'

Matt Cordall Head of Legal Practice for UnionLine said; *"At UnionLine, we provide legal advice and assistance to over 1.5 million trade union members and their families who have legal problems. Our track record, experience and management information informs us that data being relied upon by the Ministry of Justice is in urgent need of investigation to ratify its credibility as it is so far from reality. It is no secret to the outside world that the insurance industry have been pushing this out of date data around for many years.*

*What the Government should focus on is reducing fraudulent claims and cold calling, but not at the expense of genuine honest hard working people or tens of thousands of jobs for the sole benefit of insurance companies."*

The government is expected to respond to the consultation in April. Most changes proposed, including a cap on damages for soft-tissue injuries, would require primary legislation.

## New Trade Union Act guidance released

**The government has this week released new guidance on how the Trade Union Act 2016 will be applied to public service workers.**

Some of the provisions relating to public service workers include reserving Ministerial power to restrict facility time among trade union representatives; placing an additional 40% support threshold on industrial ballots within "important" public services; and restricting the use of check-off systems to deduct trade union subs from wages.

The government has also released the results of its consultation into how new restrictions on political funds will impact on trade unions financially, as well as a new impact assessment into the Act as a whole.

**You can find the new guidance at: <https://www.gov.uk/government/publications/important-public-services-regulations-2017-guidance-on-the-regulations>**



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## Unions seek work rights clarity from Theresa May

Workers need more clarity from the Prime Minister on her pledge to protect workers' rights after the UK leaves the European Union, the TUC has said.

The call came after Theresa May said the UK "cannot possibly" remain within the European single market. In her 17th January speech, the prime minister also announced parliament



would get a vote on the final deal agreed between the UK and the European Union. Addressing an audience including senior ministers and foreign ambassadors in central London, she said

***"a fairer Britain is a country that protects and enhances the rights people have at work. That is why, as we translate the body of European law into our domestic regulations, we will ensure that workers' rights are fully protected and maintained."***

She reiterated a previous commitment that "under my leadership, not only will the government protect the rights of workers set out in European legislation, we will build on them."

Responding to the speech, TUC general secretary Frances O'Grady said: "We are pleased the prime minister has committed to a parliamentary vote on the final deal. But before that vote, we will need to know exactly what the new framework she promised for workers' rights and jobs will be." She added: "Working people are worried they will end up paying the price of leaving the Single Market. There is real concern that it will be bad for jobs, bad for rights at work, and bad for the living standards of British people.

The commitment to protect workers' existing rights and to build on them is welcome.

The best way to do this is for the prime minister to agree that UK workers' rights will always be as good as, or better, than workers' rights in the rest of the EU."

## Employment tribunal fees falling short

The government is recouping just a fraction of the extra money it expected to generate from rogue bosses hauled before employment tribunals, new figures have revealed.

Business minister Margot James has admitted that just £17,704 has been paid in financial penalties since they were enabled in April 2014. Tribunals have levied 18 fines against employers for aggravated breach of employment law, of which 12 have been paid.

Before the penalties were conceived, an impact assessment prepared by the Department for Business, Innovation & Skills estimated that judges would impose sanctions in 25% of cases. This would leave employers paying £2.8m a year in extra penalties, money which would go straight to the Treasury.

The discretionary penalties, imposed for repeated breaches or where the action was malicious, were intended as a safeguard to ensure high standards were maintained in the workplace. The tribunal can impose a penalty ranging from a minimum of £100 to a maximum of £5,000.

However, a marked decline in claims since tribunal fees were introduced in 2013 may mean fewer examples of bad practice are being exposed. The tribunal fees introduced in 2013 have eradicated exactly the kind of tribunal claim that ministers had in mind when they came up with the idea: a relatively low-value claim (because the claimant is low-paid) against a rogue, exploitative employer.

The Law Society has called for an urgent review of employment tribunal fees.

The Government was scheduled to have completed this by the end of 2015, but justice minister Sir Oliver Heald admitted last week it is still not finished. He said: 'We are getting to the point at which we will soon be able to produce a report; it will not take much longer. I said that I would produce it as soon as possible in the New Year and I meant it.'



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***Are you holding your AGM or Branch meeting and would like someone from UnionLine to give members an update on legal services, then let us know on [john.colbert@unionline.co.uk](mailto:john.colbert@unionline.co.uk)***

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