

DID YOU KNOW?

As of 11th January, the devastating flooding caused by Storm Desmond, Eva and Frank this winter have displaced more than 3,000 families and resulted in an estimated £24 million in emergency payments, according to the Association of British Insurers. Industry experts are predicting that costs will reach an estimated £1.3 billion.



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Tougher Penalties for Health and Safety Offences Start This Month

The new sentencing penalties for health and safety offences introduced by the Sentencing Council came into force at the beginning of this month.

Register of People with Significant Control

Beginning in April, certain companies will need to start keeping a 'person with significant control' register.

Mandatory Gender Pay Reporting Coming Soon

In an effort to reduce the gender pay gap, the government is expected to introduce mandatory gender pay reporting within the next several months.

Tougher Penalties for Health and Safety Offences Start This Month

Beginning 1st February, new guidelines from the Sentencing Council will dramatically increase fines for corporate manslaughter, food safety and hygiene offences, and health and safety offences. This long-awaited guidance furthers the trend of imposing ever-higher fines and increasing corporate accountability. The guidance is also a response to what legal experts saw as an inconsistent approach to sentencing severity, which resulted in lax fines that had only negligible effects.

In order to assign proportionate fines that have a significant impact on businesses' finances and to deter them from making the same offence again, the Sentencing Council will use comprehensive criteria to mete out proportionate fines for the following offences:

- **Health and safety offences:** Based on an organisation's offence, its turnover and whether the fine is financially proportionate, fines will range from £50 to £10 million.
- **Corporate manslaughter:** Based on the seriousness of an organisation's offence, its turnover and whether the fine is financially proportionate, fines will range from £180,000 to £20 million.
- **Food and safety hygiene offences:** Based on an organisation's offence, its turnover and whether the fine is financially proportionate, fines will range from £100 to £3 million.

The new guidelines apply to any applicable sentence handed down on or after 1st February, regardless of when the offence was committed. To limit your risk, undertake a thorough risk management and health and safety review of your premises and policies. Solicit the input of your employees. By asking them to identify their health and safety concerns, you may find hazards that would not have been obvious.

As you uncover new risks, mitigate them by offering new or extra training, developing more rigorous risk management strategies, and reviewing health and safety policies and procedures to ensure compliance. The stakes are now higher for non-compliance.



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Register of People with Significant Control

Starting 6th April 2016, companies will need to start keeping a 'person with significant control' (PSC) register, one of the notable changes introduced by the Small Business, Enterprise and Employment Act 2015. The intent of the register is to identify and publish the names of those who hold significant control in businesses as a way to increase UK corporate accountability and transparency. An individual with significant control is defined as the following:

- A person who owns or controls at least 25 per cent of a UK company's shares or voting rights
- A person who possesses the ability to exercise significant influence or control over the company and/or its board

Also, businesses will be required to include the following information in their registers:

- If they do not have any people with significant control or relevant legal entities to register
- If they have reason to believe there are PSCs, but have not been able to identify them or to confirm their details
- If they have issued a formal request for information and the addressee has not complied within the set timescale
- If they have placed restrictions on the business interest held by a person or entity that has not complied with a formal request for information
- If they do not possess information that can be placed on the register and cannot make any other note as to the progress of their investigation

Starting 30th June 2016, businesses will need to submit their PSC registers to Companies House as part of their annual confirmation statements, which replace annual returns. But, this guidance is still subject to change—the government intends to publish finalised guidance in the coming weeks. For more information, click [here](#).

Mandatory Gender Pay Reporting Coming Soon

The Equal Pay Act 1970 made it illegal to pay men and women different pay for equal or similar work. However, a gender pay gap has existed since the act came into force more than 40 years ago. While the government has made progress to close the gap, a nearly 20 per cent difference still exists between the salaries of men and women. Yet, that gap may soon begin to diminish as the government is expected to introduce legislation which would require employers to publish mandatory gender pay gap reports.

This legislation would be an extension of the Equality Act 2010 and would require businesses with at least 250 employees to publish their employees' salaries. These mandatory reports are reflective of a broader national trend in which businesses are held more accountable through an increased visibility of their daily operations—lest they want to incite public ire.

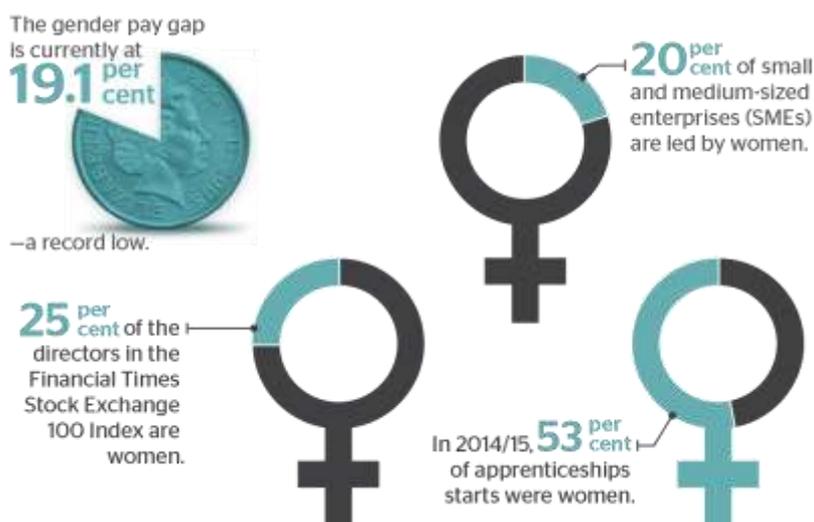
While the government has yet to officially announce when these new laws will come into force, employment law experts predict that it will be sometime in March or April 2016. For that reason, here are three enquiries that your business may want to consider making in to its pay practices:

- Identify roles or positions within your company in which men and women are doing equal work.
- Identify any existing pay gaps between men and women doing equal work.
- Examine relevant variables such as part-time status, location and seniority.

If, during your enquiries, your business identifies any gender pay irregularities, you should immediately correct the error.

If you would like to read the government's official press release about 'eradicating gender pay inequality', you can do so [here](#).

Snapshot of Working Women



SOURCE: GOV.UK and PARLIAMENT.UK

PROFILE