



THE BROADSHEET FROM BIRKETT LONG

AUGUST 2011

The ability to retire employees aged 65 or over automatically no longer exists. From 6 April 2011 employers have been unable to dismiss someone just because they have reached the default retirement age.







Top Image: The future of Workplace Pensions

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WILL YOU STILL NEED ME, WILL YOU STILL FEED ME?

RETIREMENT RIGHTS

Employers can no longer dismiss employees based on 'retirement age' unless notification of retirement has already been given to the employee in question. From 6 April 2011 dismissals for retirement are age discriminatory and unfair unless such notification has been provided.

However, this does not mean that employers cannot retire employees, only that they will have to justify it. Case law to date (and under the old provisions) has shown that the following may be valid ground(s) for dismissing an employee:

- a. Workforce planning and facilitating the recruitment and retention of younger employees (known as the "dead man's shoes argument" whereby compulsory retirement of older workers provides a clear and defined career path for more junior workers);
- Avoiding adverse impact on pension and benefits (i.e. the increased cost of extending such benefits to older workers);
- Having an age-balanced workforce and sharing job opportunities amongst the generations;
- d. Ensuring a high quality of

service or ensuring competence; and/or

e. Contributing to a pleasant workforce and protecting the dignity of older employees by not requiring them to undergo performance management procedures.

The last two criteria are the most 'tainted' by implications of discrimination and may be dropped over time. While we wait for case law to catch up, useful guidance can be found in ACAS's publication "Working without the Default Retirement Age"; available free from their website at www.acas.org.uk.

As the door closes on the default retirement age a new one opens in a concept many are calling the "Employer Justified Retirement Age" (EJRA). Put simply, an employer can apply a blanket EJRA if it is able to establish that this is a proportionate means of achieving a legitimate aim.

Although this is possible, the greatest challenge that any employer will face is to demonstrate that a blanket EJRA would be 'proportionate'. For example, if an employee is

performing why should they be dismissed based on their age alone? It's a compelling argument that dismissed employees would (and perhaps should) now bring and it is easy to see potential traps for employers that belligerently pursue a rigid policy of retiring employees when they reach a particular age.

Unsurprisingly (and in direct response to these issues) we have seen a spate of employers removing any reference to a retirement age from their contract of employment, instead choosing to justify a 'retirement' (dismissal) on a case-by-case basis. Whilst this 'safe option' has its benefits, it means that employers no longer have the softer option of dismissing employees through retirement and must use performance management processes. Instead of 'retiring off' older workers who no longer meet the demands of the job, they will have to be dismissed in much the same way as any other under-performing employee.

Ultimately the choice is whether an employer wants to

retain a retirement age and, if so, whether it can be objectively justified. On the presumption that most employers will want to 'play it safe' (i.e. remove a compulsory retirement age or retirement policy) perhaps the first step will be to ensure that performance management procedures are up to task; regrettably, many we see are not

Looking forward, performance management processes will invariably be tested as older employees work their way towards retirement. In 'retiring' employees, will the harsh reality of performance management be tested to breaking point? Well, that's a topic for another day...

If you are an employer or an employee and are worried about the recent changes to the law concerning retirement then please contact Martin Hopkins on 01245 453818 or email martin.hopkins@birkettlong.co.uk.

Written by Michael Harman and Martin Hopkins.



Workplace pensions



Background

The 2003-2005 Pension Commission reviewed the UK pension system and concluded

- i. up to 12 million people were not saving enough to provide for their retirement,
- ii. the State Pension could not meet the financial commitment of an increasing and ageing population, and
- iii.taking no action would lead to an unaffordable burden on future generations of taxpayers.

As well as recommending a review of the State Pension system - to provide a fairer and more generous approach to State Retirement Income - the Pension Commission highlighted the following action points:

- 1. a system of automatic enrolment into a pension scheme to encourage people to save for their retirement;
- 2. a minimum contribution from employers to a pension scheme for their employees;
- 3. the introduction of a simple, low cost pension scheme aimed at low to moderately paid employees who do not have the opportunity to become a member of an employer sponsored pension scheme.

Changes

New rules based on these findings will now require all employers to provide "workplace

pensions" for their "eligible" employees. This is compulsory and the Pensions Regulator has power to impose significant fines on employers which do not comply. The new employer duties will be introduced in stages over four years, commencing on 1 October 2012. Each employer will be allocated a date when the rules will first apply to them and this will be known as their 'staging date' employers with the largest numbers of workers will have the earliest staging dates. Employers will need

- 1. Examine any existing employer sponsored pension scheme to determine if it is a "qualifying" arrangement, as certain requirements must be met and the scheme must be suitable for automatic enrolment.
- 2. Assess their workforce and provide employees with certain information, which will be identified by this assessment. In particular, they should find out whether they are likely to have an automatic enrolment duty, as this will necessitate preparation.

One of the schemes whereby employers can fulfil their duties under the workplace reforms is the new National Employment Savings Trust ("NEST"). This is a simple and low cost pension scheme designed to give its members an easy way of building up a fund for retirement.

- 3. Automatically enrol "eligible employees" into a pension scheme - these include those:
 - Aged between 22 and state pension age
 - Working, or ordinarily working, in the UK
 - Earning above a certain amount.
- 4. Make contributions on their workers' behalf - these are based on "qualifying earnings". Individuals who earn a minimum qualifying salary of £7,336 per annum will have their pension contributions based on "banded" earnings between £5,715 and £38,185. Qualifying earnings include a worker's salary, wages, overtime, bonuses and commission, as well as statutory sick, maternity, paternity or adoption pay. In 2012 the legal minimum will start at 2 per cent of a worker's qualifying earnings; of this, the employer must pay at least 1 per cent. The minimum contribution level will rise gradually to 8
- per cent in 2017, of which the employer will need to pay at least 3 per cent. The balance of the contribution is paid by the employee with Income Tax Relief being available.
- 5. Register with The Pensions Regulator and give details of the qualifying scheme and the number of people automatically enrolled.
- 6. Provide workers with certain information about the changes and how they will affect them.
- 7. Tell all eligible jobholders that they have been automatically enrolled and they have the right to opt out if they want.

For more information and advice on setting up a NEST scheme contact Mike Cracknell or another member of our Financial Services Team on 01206 217614 or financial@birkettlong.co.uk

OUR CHARITY OF THE YEAR: CHRISTOPHER JOHN HOLMES' **GRASSROOTS FUND**



We are delighted to confirm that Birkett Long's staff has chosen the **Christopher Holmes Grassroots** Fund as their chosen charity for the year. Staff will be raising money for the fund throughout the year with dress down days, cake sales, raffles and Run4Fun, amongst other things! Chris was an extraordinary man, highly respected within his profession as an exceptional lawyer having worked as a solicitor for Birkett Long for 48 years, latterly holding the position of Senior Partner.

Chris was also admired for his tireless work supporting local charities. He decided before he died that he wanted to set up a fund for the benefit of charities in Essex and that he would appoint the Essex Community Foundation (www.essexcommunityfoundation. org.uk) to administer the fund. Chris was a trustee of the ECF prior to his death and was committed to its aim, which is to build an endowment fund to support the Essex community. The aim of the endowment fund is that its income will be used to support smaller charities while the total fund will continue to grow. Starting this year, the fund will distribute grants to causes which Chris supported during his life.

We will all enjoy raising money for such a worthwhile cause in memory of a man who meant so much to so many of us.

SHIRLEY TARBIN Sep 1951 to Feb 2011

Shirley joined Birkett Long and worked for the firm for nearly twenty eight years. She was secretary to Susan Masters and then Chris Holmes of Personnel. But those cold facts do not deal with so much more that Shirley did at various times - partnership

secretary, running the administration team, managing the office buildings and looking after us all. She would send her brother Ian in to get the decorating done and her husband John in to sort out the electrics. If the attic needed clearing, Shirley was there. If the Christmas lunch needed arranging or some of us pushed to stand up on the stage in suitable costumes, Shirley gave us our

She lived a full life outside the firm too. It was no surprise to learn from John that Shirley was the first head girl at Ramsey School. She gave long service as a Guide Leader and to St Andrew's Church. She was born and bred in Halstead, lived all her life there and contributed to the town in so many ways.

But, most of all, Shirley knew and cared for us all at the firm. Her favourite words were to tell us all to "get a grip" but, if anyone needed support or encouragement, she was always a rock and always had time to give. We will miss her for her contribution but, most of all, as a warm and compassionate colleague and friend.

Home news

NEW PARTNERS AND ASSOCIATES

We have significantly strengthened our partnership with five new partner promotions and three associate promotions - including promoting two non-solicitor staff members to the role of partner for the first time. Recent changes in the rules governing the legal profession have meant that non-solicitor staff members, who contribute a great deal to a firm, can be recognised at a senior level and rewarded with a partnership. David Cant, Director of Business Development and Marketing, and Louise Pisano, Director of Finance, both become partners together with solcitiors, Liz Jones, Amanda Smallcombe and

Craig Bloomfield, IT and Business Operations Manager, Vicky Raynes, part of the Personal Tax Trusts and Probate (PTTP) team and the Rural Business Team, and Nicola Ward, From left to right: Liz Jones, David Cant, Amanda Smallcombe, Nicola Ward, head of the Financial Services Team, all become associates.



Vicky Raynes, Louise Pisano, Craig Bloomfield and Kevin Sullivan.

EXPANSION INTO SOUTH ESSEX

We are delighted to confirm that on 3 October this year we will be opening a new office in South Essex. We see this as a vital step in our aim of bringing Birkett Long's services to the whole of Essex, not just the Mid and North parts of the county which we have served from our Colchester and Chelmsford offices. We are finalising negotiations in respect of premises and will release news of this new location as soon as possible. We can confirm that the office is ideally situated for clients in the Basildon, Southend and A13/A127/M25

The office will initially be staffed by solicitors specialising in commercial aspects of law, including employment, commercial and corporate finance, commercial property and commercial litigation. In addition we will be developing our private client offering from day one and intend to grow those services quickly in much the same way as we have done in Chelmsford. While we have not previously had a physical presence in the south of the county, we do represent a number of commercial and private clients in this area already and look forward to welcoming them to the office. We also look forward to playing a more active role in a part of the county which is set to experience massive change through developments including the London Gateway Port, Thames Gateway, Southend airport and Basildon regeneration.

In the spotlight

PHILIP GEORGE



A year on from handing over the management reins and becoming a consultant to the firm, Philip George - seen above at Colchester Cricket Ground - talks about his career and the future.

What did you enjoy most and least about being a lawyer? There was very little I didn't enjoy! I can't remember a day when I woke up and didn't want to go to work. The variety and intellectual challenge was stimulating and finding solutions to benefit clients rewarding.

What was the most exciting or challenging case that you handled during your career?

We represented a service provider to the NHS in a highly complex Private Finance Initiative contract, where there was political pressure from the highest levels (Downing Street) to make the contract happen. I caught the train into London at 9.00am on a Monday and arrived back at 3.00pm on the Wednesday, only having had 2 hours' sleep - and it wasn't due to all night parties!

If you hadn't become a lawyer, what career would you have chosen?

As a teenager my ambition was to become a professional cricketer and although I played for the Essex 2nd

XI and played at the Oval in the same side as Graham Gooch, I never quite achieved his fame! I read Classics at Cambridge and probably would have taught that subject had I not gone into the law

How did you feel on leaving your role as Managing Partner at Birkett Long?

The firm was 'borrowed property' in which I was proud to play a part. Everyone ought to know when to move on and make way for the next generation. I have complete confidence in my successor (Adrian Livesley) and can now do many other things that I enjoy. I still go into the office frequently, so I can keep in touch with friends and colleagues.

What do you see as your legacy for the firm?

Everyone leaves a print on the place where they work, but I'm particularly pleased at the success of the Chelmsford office, which I worked on with Chris Holmes and which opened under my watch. Quality and client care have become key differentiators for us, and I was able to champion this alongside Shirley Tarbin.

What do you consider the most relevant issues for the legal profession over the next 5 years? I am sure most challenges will relate to pricing, skills and products. All legal practices are under economic pressure and need to become fitter, slimmer and better; those that don't are dying or being absorbed by other

It seems that you are now busier than ever! Can you summarise your activities and tell us a little about the organisations you're involved with?

I'm non-executive Chairman of Kent Blaxill & Co Ltd and at CA Blackwell (Contracts) Ltd. I'm also a non-executive Vice Chairman of Essex Cares and act as a consultant to Healthcare Homes and Curo Solutions, a firm of quantity surveyors. My consultancy at Birkett Long involves me in management projects and mentoring other lawyers. I'm also Chairman of the Premier Cricket League in Essex and Chairman of the Mercury Theatre in Colchester.

With so much going on, you've not taken the 'easy retirement' route! How did you decide where and how to use your energies and talents?

Legal and management skills tend to be transferable to other businesses but I feel very privileged to be in a position where I could choose what I wanted to do; the organisations in which I'm involved are ones where I believe I can make a difference and where my interests lie.

With such a hectic schedule, how do you like to take time out?

I enjoy music and the theatre, and continue to be a cricket umpire. Last September my sister, Cath, and I walked Hadrian's Wall and this Spring my wife, Lorraine, and I walked a small part of the Cornish Coastal Path. Lorraine is a dance school proprietor so her schedule is as hectic as mine! Our eldest son, Tom, is a lawyer with DLA Piper in Dubai, Sam is training to be a teacher and our youngest, Robert, is reading geography and management at Loughborough.

Philip George - 01206 217300 philip.george@birkettlong.co.uk

Home is where the hay barn is!

A couple has recently lost the right to continue to live in a £500,000 luxury home, that was disguised as a hay barn.

Having applied in 2001 for planning permission to build a hay barn in a Green Belt zone, they promptly built what appeared to be a hay barn but on the inside was in fact a luxury 3-bedroom home, complete with

In 2006 they then applied to have a certificate of lawfulness to allow them to use the building as their home, on the basis that under planning law any enforcement action had to be taken within 4 years of the use of the building changing.

Unsurprisingly, the Supreme Court was unimpressed and ruled that the provisions they looked to rely on did not apply, and that even if they did, he would not have been allowed to profit from his own wrong.

Calum Irvine calum.irvine@birkettlong.co.uk



There have been recent and far reaching changes to immigration law and the points based system which allows migrants different routes into the United Kingdom to

The UK Border Agency has introduced an annual limit from 6 April 2011 until 5 April 2012 of 20,700 for skilled workers. These are now known as restricted certificates of sponsorship and an employer who has a sponsor licence to sponsor migrants will need to go through the monthly allocation process in order to be able to issue the certificate of sponsorship (after meeting all of the necessary requirements). The limit does not apply to intra company transfers for multinational organisations wishing to transfer existing staff to the United Kingdom, nor does it apply to unrestricted certificates of sponsorship where the foreign national employee is earning £150,000 per year or more.

The UK Border Agency has also shaken up the requirements for entrepreneurs and investors; this means that people who want to come to the UK under Tier 1 investor or entrepreneur categories are able to settle in this country in either three years or two years, depending on the amount of investment, or for entrepreneurs, the number of jobs created. Under the Tier 1

entrepreneur category, the Government also allows high potential businesses to come to the UK with an investment of £50,000 in funding from a reputable organisation, with the standard investment remaining at £200,000.

Ashlee Campbell ashlee.campbell@birkettlong.co.uk

Solar panel lease agreements

The sun shines on the righteous or perhaps that should read 'on the well advised'!

Many clients are seeking our advice on 'standard' leases from companies interested in placing solar panels on the roof of their house. The offer is attractive; the house owner gets free electricity and can export surplus power to their electricity provider, resulting in lower bills and a potential increase in property value. The installer provides the equipment at his expense and, in return, keeps the income from the Government Feed-in-Tariffs (FiT) and retains ownership of the equipment.

There are good and bad operators in this arena and some very one-sided leases circulating. Because the equipment is going on your roof, a lease is needed to rent the space to the solar panel company and to regulate the ongoing relationship between you and it. The company will want the arrangements to stay in place for 25 years to ensure maximum pay-back on their installation costs and to ensure it can claim the full amount of FiT income. That is fine, but the lease needs to cover such important aspects as maintenance and repair of the roof, repair of the equipment, perhaps upgrading the equipment, damage, insurance, not allowing trees to block sunlight to the panels and rights of access.

A properly negotiated lease will cover all these issues - and many others - fairly, but householders should be wary when presented with what are described as 'non-negotiable standard documents'.

As we have said, there are some excellent solar panel companies offering a very good service to consumers - be they residential home owners or businesses with large roof spaces that could take solar panel installations; indeed, we act for some of them. However, there are others who are less scrupulous and who seem to be approaching the elderly, in particular, with their offers. Being able to distinguish between them is essential, as is ending up with a lease that is fair to both parties, as the relationship will continue for many years. Obtaining proper and timely advice is vital.

David Rayner david.rayner@birkettlong.co.uk

Behind every good law firm...

THERE'S A GREAT IT TEAM!



The IT infrastructure at Birkett Long may be hidden from view but it is an essential part of the firm's life, as our IT team explains:

"As a team, we work to constantly improve and maintain the technology we have in place. A virtualised server farm runs on the latest hardware and our security solutions dealt with software platforms to deliver the most efficient experience to each user. A 21st century fibre optic network connects the offices, so nothing appears very far away.

"It is important that easily no matter where they are. Most of our solicitors have a smartphone which gives access to emails and latest technology from Citrix, we deliver a complete Windows

desktop and applications to any user, on any internet connected PC, anywhere in the world. Remote connectivity is as easy as working from the office!

"Every business has to filter out spam email. During the past year, over 1.25 million emails. Almost 38% of these were detected as unauthorised and stopped before entering out internal mail servers. Any that did slip through were

subjected to three more security people can be contacted checks before being delivered to the user. Filtering out unwanted emails gives staff more time to deal with clients' matters.

"Our environmental policy means appointments. Using the that since virtualising our servers and decommissioning previous equipment, we have a potential 60% saving on electricity with further savings on equipment cooling. Our desktop computers are replaced every four years and recycled or disposed of according to WEEE regulations. As to the future, we are looking to replace PCs with thin clients to give up to 10 years' life span, each with a potential 90% power saving!"

> Our IT and Business Operations Team: Lee Osborne. Sarah Curtis. Craig Bloomfield, Trudy Hooper.

8 September 2011 Run4Fun - a 2.5 mile fun run around Castle Park, Colchester. run4fun@birkettlong.co.uk www.birkettlong.co.uk/run4fun

1 October 2011

The Tallis Scholars Directed by Peter Phillips:

Birkett Long LLP Concert Supporting the Chelmsford Cathedral Choral Foundation. Birkett Long recently agreed a partnership with our neighbours, the Chelmsford Cathedral Choral Foundation, and will be sponsoring their forthcoming concert in October. The Tallis Scholars are the leading exponents of Renaissance sacred music throughout the world and will be performing in a concert at Chelmsford Cathedral titled "Magnificat". Tickets are priced £16, £20 and £25, and will be available from the Civic Theatre box office from 29 July, on 01245 606505.

ESSEX CARES



The business interview

Lizzie is learning about horticulture at Red House, a social enterprise near Tiptree. which also offers training in catering, animal care, administration and creative design

When and how did your business

Essex Cares was set up by Essex County Council in 2009 and was the first Local Authority Trading Company to offer social care services in the country.

Where is your business based?

We deliver support to adults right across Essex. This could involve installing grab rails to help them get in and out of the house, helping them get back on their feet after a spell in hospital, or supporting someone with a learning disability to improve their job prospects and independence.

What does Essex Cares provide and to whom?

From more than 50 locations across provide day to day employment the county we provide support to over 115,000 people each year. Our Home Support Services are delivered directly to our service users in their own homes. These

Dav centres offer a place for people to

from themed fancy dress days to games,

singing and dancing - keeping mind and

get together and enjoy themselves -

body active and ensuring that people

leave with a smile.



services include reablement to

accident or change of

support someone get back on their

circumstances, sensory services for

impairments, domiciliary care as

well as other types of home help

services, such as the provision of

aids to daily living and Telecare.

Our community support services

include supported access to local

community venues, amenities and

facilities. We also run day centres

and resource centres which offer a

place for people who need a little

activities that keep the mind and

with a learning disability to learn

real business environment.

new skills and build confidence in a

body active. Our social enterprises

friends and to get involved in

bit of care and support to meet new

healthcare equipment, adaptations,

people with sight or hearing

feet and regain lost skills after an

Treetops is a café in Colchester which provides catering training to adults with a learning disability so that they may be able to achieve more independence in the future.

What makes your business stand out from your competitors?

Essex Cares puts customers at the heart of everything we do. our philosophy isn't just about offering high quality care for people, it's about enabling them to retain or regain as much of their independence as possible, ensuring that they live fulfilled and enjoyable lives.

How do you see your business developing in the future?

Our services are becoming more and more accessible directly to service users and their families and carers, which is a trend that we are developing even further. We are currently running a pilot scheme working in partnership with two local GP practices to offer a one-stop-shop service for the whole range of care and support that we provide. Through our new scheme. HomeSafe, we can arrange, coordinate and deliver a whole range of services through a single point of contact in a fast and hassle-free way. All HomeSafe's services are designed to support independence but by offering such a wide range of services through a single point of access we hope that it will make life easier for many people who may require one or more type of support.

How would you sum up Essex and practical support helping adults Cares' ethos in one sentence?

We make a difference to people's lives by promoting, supporting and delivering independence.

How has Birkett Long helped your business?

We have found the varied expertise of the lawyers at Birkett Long very useful to our business and would thoroughly recommend them to others.



Essex Cares Ltd 01245 434925 www.essexcares.org

LIFF IN THE INTERNATIONAL TEAM



Although Birkett Long is based in Essex and is proud of its roots in the county, we act for clients locally, nationally and internationally. For that reason we have an international team, made up of lawyers experienced in working on cross border matters, with language skills, or with experience of working in other jurisdictions. The international dimension of our work has increased significantly in recent years.

Here is a flavour of the work undertaken in one day by one of our lawyers:

- A conference call with an English client and its Spanish lawyer in Madrid to discuss the client's joint venture with a Spanish company.
- Liaison with the Swiss head office of an Essex-based client regarding advice required from an Egyptian lawyer in relation to a contract being negotiated there.
- Reviewing a sub-contract with an English supplier on behalf of our Middle Eastern client, in connection with a project in Saudi Arabia.
- Email from a French client about a change of director at an English subsidiary.
- Work on the terms of a joint venture between a Colchester client and a Singapore business.

If we can assist you with your international legal requirements, please contact Anya Radford at anya.radford@birkettlong.co.uk

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Whilst every care and attention has been taken to ensure the accuracy of the contents of this magazine, this information is intended for general guidance only. Reference should be made to the appropriate adviser on any specific matters.

Your home may be repossessed if you do not keep up repayments on your mortgage

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If only... I'd adopted a shareholders' agreement

agreement!

Long was advising. In this case

So how could they have avoided getting into so much trouble?