

Your Logo goes here

This newsletter can be designed using your firm's corporate colours and artwork.

Use this newsletter to send to your business clients

Equality Act starts to come into effect as planned

The Equality Act is now starting to come into effect as planned. The Act, which brings together nine separate pieces of legislation under one umbrella, was introduced by the previous Labour administration.

There was some speculation that the new coalition was not committed to the Act but the Government Equalities Office says it will go ahead. It means that, as of 1st October, there are several changes affecting businesses and employers relating to discrimination in its various forms.



For example, businesses should be aware that people who access goods, facilities and services are protected from discrimination relating to a "protected characteristic". These characteristics are:

- *disability*
- *gender reassignment*
- *pregnancy and maternity*
- *race – including ethnic or national origins, colour and nationality*
- *religion or belief*
- *sex and sexual orientation*



With the exception of pregnancy and maternity, people do not have to have one of these characteristics themselves to be protected from discrimination. The protection also applies if a person is unfairly treated because they are wrongly perceived to have a particular characteristic.

This might apply, for example, if a person is discriminated against because they are perceived to be gay when in fact they are not. The protection also extends to people who are treated unfairly because they associate with someone who has a protected characteristic.

The Act also introduces several changes relating to the workplace and employment law. For example, the Act develops the concept of indirect discrimination, which can occur when there is a rule or policy that applies to everybody but creates a disadvantage for employees with a particular protected characteristic.

As with goods and services, discrimination relating to perception or association is unacceptable. There are also changes relating to harassment and victimisation, and the Act also introduces the concept of harassment by a third party. This means that employers are potentially liable for harassment of their staff by people they don't employ.

The Home Secretary and Minister for Women and Equalities, Theresa May, said: "By making the law easier to understand, the Equality Act will help business treat staff fairly and meet the needs of a diverse customer base. A successful economy needs the full participation of all its citizens and we are committed to implementing the Act in the best way for business."



Not all the changes will be implemented at the same time and the Government is still considering its position on some of the equal pay measures outlined in the Act. Ministers are expected to offer more guidance over the coming months.

Businesses and employers may want to review their policies if they have not already done so to ensure they meet the requirements of the Act.

Please contact us if you would like more information about the Equality Act and how it might affect your business.

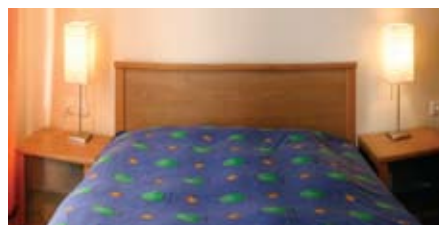
Hotel wins damages because IT system 'not fit for purpose'

A hotel operator has been awarded £110,000 damages after buying an IT system that turned out to be unsatisfactory and 'not fit for purpose'.

The hotel bought the software package from an IT systems provider as a way to manage reservations and billing.

It was an 'off the shelf' rather than a bespoke system but it had been recommended by the provider as being suitable for the hotel's needs.

However, problems began to emerge as soon as it was installed. It failed to accurately reflect room availability and had particular difficulties in dealing with group bookings. The provider made some adjustments but nothing that fully



corrected the problems. Six months after installation, the hotel told the provider that it was rejecting the system and claimed compensation for the financial loss caused by its failure to work properly.

The provider argued that it was an 'off the shelf' system and so it was up to customers to check it and ensure it met their needs before purchasing. However, the court held that those terms could not

apply in this case because the provider had recommended that the system was suitable for the hotel's needs.

Any contract terms that tried to restrict the provider's liability were therefore unreasonable.

The system had not been fit for the purpose for which it was sold and so was contrary to the Sale of Goods Act 1979.

The hotel was awarded damages of £110,000 to cover loss of profits and to pay for the additional staff time needed to deal with the problems the software system had caused.

Please contact us for more information about contract issues.

Your Logo
goes here

Our Services

Commercial Property
Leases Sales Purchases
Business Sales & Purchases
Employment
Employer and Employee
Shareholders Agreements
Partnership Issues
LLP Agreements
Land for Development
Land Sales & Purchases

Partners

John Smith
Jane Jones
Peter Brown
Susan White
Paul Black

Consultant

Simon Green

Contact details

Your Firm Solicitors

Your address
Your Street
Your County

T: 0123 456 7890
F: 0123 456 7891

www.your_firms_name.co.uk

name@your_firms_name.co.uk

This firm is regulated by the
Solicitors Regulation Authority

More than £62bn owed in overdue invoices

More than £62bn is now owed in overdue invoices in the UK, according to new research by NatWest and Royal Bank of Scotland.



This is unfortunate because some simple steps can often lead to early settlement.

The survey shows that 71% of SMEs in the UK have suffered because of late payments. Larger companies may have a higher value of invoices paid late but in terms of proportion of turnover, it is the smaller firms that are worst affected.

Approximately 1 in 5 businesses with an annual turnover of between £250,000 and £500,000 has suffered compared with just 1 in 15 larger companies. A total of 235,000 SMEs say that the time they have spent chasing debts has had an adverse effect on their business yet less than half have taken action to deal with the problem.

For example, a solicitor's letter will often be enough to secure payment because people realise you are serious and they don't want to run the risk of court action.

Firms should also be aware that they are entitled to levy statutory late payment fees and impose punitive interest charges. Taken together, this can earn more than enough to pay any legal fees involved and turn credit control into a profit making operation.

Please contact us for more information and advice on achieving prompt settlement of overdue invoices.

Watch out for boom in business start-ups

High unemployment figures could lead to a boom in the number of new companies being formed, according to the Federation of Small Businesses (FSB).

It says it's expecting a record 300,000 people to become their own boss this year and start their own business. Many people may take the plunge because they have lost their job and see little prospect of finding another.

Others may be helped by the fact that they have a substantial redundancy payment to get them started. They may have built up a set of key skills while working for other companies and now feel the time has come to set up on their own.

Setting up a new business can be very exciting and satisfying but it is not without risk. There are several potential pitfalls that could damage a new enterprise and prevent it succeeding.

It's important that before taking the plunge, budding entrepreneurs should seek legal

advice on a whole range of matters from leasehold agreements to business contracts and employment issues. There are also important questions about the structure of a new company.



We have helped numerous new businesses get off the ground and are happy to offer advice on such things as setting up as a sole trader, partnership or new company. We have numerous contacts who can provide added-value to the service we provide, including accountants, surveyors, valuers and financial advisers.

Please contact us if you would like more information about starting a new business or developing an existing company.

New 'one in, one out' curb on regulations

The Government has pressed ahead with its plan to reduce the burden on businesses by introducing the 'one in, one out' approach to regulation.

The new system, which came into effect on 1st September, means that when ministers want to introduce new regulations that impose costs on businesses, they will have to identify existing regulations with an equivalent value that can be removed.

The independent Regulatory Policy Committee will scrutinise proposals for new regulations before they are introduced.

The new approach will apply initially to UK legislation but ministers hope to widen its scope in due course. In the meantime, the Government says it will be taking a rigorous approach to tackle EU regulations and ensure that they don't put British

businesses at a disadvantage. There will also be an immediate review of all new regulations inherited from the previous Government which are now coming up to implementation.

There are 200 new regulations which, if fully implemented, would cost over £5bn before next April.

Please contact us if you would like more information .

Our newsletters are designed to highlight legal developments. They should not be taken as a comprehensive analysis of the law. Clients should always obtain professional advice before making decisions on legal matters.

Please contact us if you would like more information about the issues raised in this newsletter or if you need advice on any other legal matters.