



# Raworths Employment Newsletter January 2008

**HAPPY NEW YEAR !!!!!**

## **Some good news to start 2008!**

Following an intensive course and assessment by the Centre for Effective Dispute Resolution (CEDR), Deborah has successfully achieved the status of a CEDR accredited mediator. Therefore, workplace mediations are another service we offer within the Employment Unit. This gives employers the additional opportunity of addressing contentious or potentially lively issues between employees before they start to take up valuable management time. To find out more, please e-mail Deborah.

We are very pleased to announce that Ruth Williams has qualified as a solicitor and will remain with the Employment Unit and will work alongside Deborah and Sally.

## **Key Changes under the Companies Act 2006**

On 1 October 2007, a number of key changes came into force under the Companies Act 2006. These are:-

### **Duty to keep a copy of all directors' service contracts**

Under Section 228 the company must keep a copy of all the director's service contracts (or where the contracts are not in writing, memorandum of their terms) at the company's registered office or a place specified within the Regulations for a period of at least one year from the date of termination or expiry of the contract.

### **Right to Inspect**

Under Section 229, shareholders have a right on payment of a fee to request a copy of a director's service contract or, if it is not in writing, a memorandum of its terms. The copy must be provided within seven days of the company receiving the request.

### **New Duties**

Four of the seven directors' general duties have now come into force. The new general duties are:

- To promote the success of the company for the benefit of its members (Section 172(1)).
- To exercise reasonable care, skill and diligence (Section 174).
- To act within the powers conferred by a company's constitution (Section 171)
- To exercise independent judgement (Section 173).

Most competent directors have long had regard to these duties but now on action under the Companies Act 2006 can now be brought against a director who does not! It has been recommended that directors have adequate training on their new duties and are reminded of them by them being enshrined in job descriptions, board and committee terms of reference and in corporate policies.

The remaining three duties that do not come into force until 1 October 2008 are:

- To avoid conflicts of interest (Section 175)
- Not to accept benefits from third parties (Section 176) and
- To declare an interest in a proposed transaction or arrangement (Section 177)

## **Additional Paternity Leave and Pay will not be introduced in 2009**

In May 2007, the Government consulted on the introduction of additional paternity leave and pay enabling fathers to take up to 26 weeks' leave if the mother returns to work before the end of her maternity leave period. It is also planning to increase statutory maternity pay from 39 to 52 weeks.

It was originally planned that these changes would apply where a baby was born in April 2009 or later, however, HM Revenue & Customs has now announced that this date will no longer be met and that it is planning the implementation for those babies due in April 2010 or later, although no decision has yet been made.

## **Commission for Equality and Human Rights**

On 1 October 2007, the Commission for Equality and Human Rights came into existence replacing the Equal Opportunities Commission, Commission for Racial Equality and also the Disability Rights Commission. The CEHR will also assume responsibility for promoting equality in human rights and will combat unlawful discrimination on the grounds of sexual orientation, religion, belief or age.

## **Flexible Working: Extension of "Adopter" and "Foster Care" definitions**

The Flexible Working (Eligibility, Complaints and Remedies)(Amendment)(2) Regulations 2007 came into force on 1 October 2007 and will extend definitions of 'adopter' to those who are adopting a child (whether domestically or inter-country) where the child has not been placed with the adopter by a UK adoption agency. It also adds definitions of adoption agency and private foster carers (who foster children privately rather than having children placed with them by the fostering services).

For further information or enquiries, please e-mail us:

[deborah.boylan@raworths.co.uk](mailto:deborah.boylan@raworths.co.uk); [sally.archibald@raworths.co.uk](mailto:sally.archibald@raworths.co.uk);  
[ruth.williams@raworths.co.uk](mailto:ruth.williams@raworths.co.uk).

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