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## **New service stops SMEs falling foul of employment law** *Employment Law Extra launches online service*

With figures from the Tribunals Service showing soaring numbers of claims against employers, particularly for unfair dismissal and redundancy pay, SMEs are being thrown a lifeline by a new online employment law service.

Launching today (9 December), [Employment Law Extra](#) offers SMEs with up to 20 staff easily accessible, professional legal advice and, with prices starting from less than 30 pence per day, SME owners can protect their businesses for less than the cost of a Second Class stamp.

Employment Law Extra launches as SMEs grapple with the impact that recessionary pressures and soaring redundancy figures are having on businesses. Figures released by the Tribunals Service<sup>1</sup> showed significant rises in claims against employers for the period April 2008 to March 2009 compared with the 2007/08 figures, including:

- Unfair dismissal claims rose 29% from 40,941 to 52,711
- Redundancy pay claims rose 48% from 7,313 to 10,839
- Claims for failure to inform and consult over redundancy rose 154% from 4,480 to 11,371

Steve Manton, chief executive of Employment Law Extra, says: "Every business is feeling the heat, but our extensive research into the market and other providers showed that there is currently very little affordable employment law support for smaller SMEs with up to 20 employees.

"In these businesses owners rarely have the luxury of a dedicated HR function and they are also generally very time-poor, so tackling issues like redundancy becomes all the more risky. Another problem is that, with job opportunities dwindling fast, employees made redundant are now more likely to pursue a claim against their employer for fear that they may not be able to secure another job quickly. Seeking traditional legal advice can be costly if done on an ad-hoc basis, particularly if the horse has already bolted and they are facing a claim.

"These issues are not, however, limited to redundancy, although that's the issue keeping most business owners awake at night right now. Employment law is notoriously extensive and according to recent research<sup>2</sup>, it is the most costly bureaucratic burden faced by small businesses in the UK, losing them almost £2.4 billion per year. It's a full time job for HR professionals to keep abreast of all the current legislation, let alone business owners," says Manton.

Employment Law Extra provides expert, around-the-clock advice and protection on all employment law issues, from pre-employment to managing employment and termination. Believed to be the first employment law package to enable businesses to gain an instant quote, buy and access the service online, Employment Law Extra is aimed exclusively at businesses with up to 20 employees. Help and advice is delivered through the combination of an online employment law guide, complete with document templates to aid best practice, and a legal helpline. From the new year, SMEs will be able to purchase optional insurance cover, providing an extra layer of protection in the event of tribunal claims. Prices start at £99 plus VAT for a 12 month subscription – less than 30 pence per day over the course of a year.

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Manton says he wanted to create a service which provided professional, expert advice and protection, delivered in a straightforward, low-cost package purchased online, acknowledging that owner-managers often do their research out of normal business hours.

He says: "Like it or not, SMEs are subject to the same laws as large corporations and they must handle employment law issues correctly and sensibly to avoid landing themselves in hot water. Even where employers are successful in defending employment tribunals, they are costly in terms of distraction from running the business and can still impact finances and reputation. Losing a tribunal can be disastrous, so it's best just to get it right in the first place."

Further information can be found at [www.employmentlawextra.co.uk](http://www.employmentlawextra.co.uk).

## Ends

### Images:

Please visit [www.employmentlawextra.co.uk/ele/media.aspx](http://www.employmentlawextra.co.uk/ele/media.aspx)

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### Notes to editors:

1. Employment Tribunal and EAT Statistics GB: 1 April 2008 to 31 March 2009 (published 30 September, 2009).
2. Forum of Private Business quarterly *Referendum* Survey (published 3 July, 2009).

### About Employment Law Extra:

Launched in December 2009, Employment Law Extra is a fully-regulated online employment law advice and protection service for SMEs with up to 20 employees. Written in plain English and kept up-to-date by specialist employment lawyers, Employment Law Extra offers a downloadable library of over 170 regularly updated employment guides, documents and templates.

Employment Law Extra's *Smart 100* product combines a 24/7 advice manual covering the three areas of pre-employment, managing employment and termination, and a legal helpline. The *Smart 200* product, which offers SMEs the added protection of insurance to cover legal representation and awards costs in the event of having to defend a claim at a tribunal, will be launched in early 2010.

[www.employmentlawextra.co.uk](http://www.employmentlawextra.co.uk)