

PASSION FOR BUSINESS

South West

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Building your team? Issue contracts of employment to staff as soon as they join you – or risk a tribunal fine

In a recent case (*Stefanko v The Maritime Hotel Ltd*) the Employment Appeal Tribunal fined an employer who had failed to provide an employee with a contract, even though she had left their employment within six weeks of starting work. This case heralds an important change to the generally held view that an employer has two months' grace in which to provide its employees with a contract.

Most employers know that under the Employment Rights Act 1996 (Section 1) we have to provide employees with a Statement of Terms and Conditions of Employment (including all the required information) within two months' of the employee starting work. It is less well-known that tribunals will generally award up to four weeks' pay on top of any damages for any other claim brought, as a penalty to an employer who has failed to comply with this requirement.

In the *Stefanko* case, the first tribunal did not order a penalty payment against the employer because the employee had been employed for less than two months before she was dismissed. The Employment Appeal Tribunal overturned this decision, however, and fined the employer, stating that employees who have at least one month's service have all the rights required by the legislation.

In practical terms, therefore, if a new employee is dismissed after a month, without having received a contract, then an employer can expect to receive another bill for up to four weeks' pay if the employee is successful in an Employment Tribunal in a related claim.

The obvious moral of the story is to issue contracts of employment on or before day 1. It is surprising how many employers still have staff who do not have up-to-date or any contracts (often the senior and long-serving ones), and the lack of basic protection that this affords employers when things do not go to plan is worrying.

If reading this article is prompting you to audit and review your contracts of employment, give us a call to find out how you can be sure you are not exposed to a tribunal. We have a range of services designed for employers of all sizes, from start-ups and micro-employers through to SMEs and FTSE 100 companies with more complex needs including internationally based workforces.

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**Take action now -
audit and review your
contracts of employment,
then talk to us.**



Creating a high-performing team

I'm lucky enough to work with high-performing teams every day, both in my own office and in my clients' companies – all have common factors, the most important of which is the leader who sees what their team can become and is focused on achieving that.

That leader, with both their vision and the values they instil in their team, sets the direction the team will take, their goals, the measure of their success and their development.

Whether that person takes over an existing team and turns it around or builds a new team from scratch – which is much less common – their challenges are the same:

- talk to stakeholders and understand the existing culture
- spend time finding out what makes the business work and what holds it back
- identify what people – customers, employees, shareholders – value.

All this needs to be done before trying to change anything – if a leader makes changes immediately, they will not take everyone with them. Once this research is done, the team can progress with a vision of how to achieve the best performance allied to the company's core values and needs.

A great leader will focus on:

- getting the right people in the right roles
- creating the right environment – one of trust and cooperation
- challenging the team to exceed expectations and appreciating their skills
- developing them and making learning an everyday part of work.

Who are the right people? It is tempting to say that they are the people with the right experience for the job - they can tackle the role straight away. But do they have the right attitude and approach for the role? Skills and experience can be acquired, but the right behaviour and attitude, with a drive to succeed and achieve as part of a team, as well as an acceptance of the company's values, is much harder to add on.

The best teams have strong leaders, but they also trust each other, rely on each other's skills and experience, protect each other when something goes wrong, and work together to achieve their common goal. Like the Red Arrows, great teams work together to achieve the extraordinary.

Talk to Tim Ward
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 You've read what I think, now tell me what you think on LinkedIn

Business viewpoint

In my view, the key thing is to identify where you want to go; otherwise you will end up somewhere else. Communicate your vision and your plan, then build the right environment, encourage trust and cooperation among the team and don't be afraid to take a risk.

Oli Christie, CEO, Neon Play; an award winning Cirencester-based mobile games studio.

neonplay



A look at HCR Cheltenham in numbers

We were involved in the buying and selling of more than



Recognition of our own high performing team

Winning Law Firm of the Year for the second year running in the Gloucestershire and Wiltshire Law Society awards was fantastic news for the team, with its recognition of their commitment to their clients and service to their community.

The award is given to a firm which:

- demonstrates excellence in its legal services
- makes a significant contribution to the area
- represents 'law at its best'
- gives clients outstanding care and
- shows excellence in leadership and has a clear vision for the future.

It is an accolade of which we are very proud – I particularly value the balance between our commitment to outstanding legal services for our clients and our contribution to the local community; the latter includes all kinds of charity initiatives from the office and from individual colleagues as well as our support for the LEP and numerous schools and colleges.



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TALK TO US



If you would like to know more about our services or how we could support you, please call us for an informal, no-obligation chat on 01242 224 422.



of claims we handled last year were settled out of court

20% growth in turnover year on year



We wrote



in 2018 for clients wanting to safeguard their family's future

Last year, we advised on corporate deals worth



150

EMPLOYEES

in our Cheltenham office



Case study: Supporting Paragon's growth

Bringing together experts in banking, corporate deals and finance from our Cheltenham office meant that a £276m deal for Paragon Banking Group's went smoothly with our support – we have been their trusted advisor since 2015.

The deal, which saw Paragon acquiring development finance provider Titlestone Property Finance and its loan book, was challenging because it was complex, had to be done in a short time and involved several different firms.

Rachael Reeves who worked on the deal with head of office Rich Wilkey and partner Tim Littler, said: "We had six weeks - that included an auction process, the complication that Titlestone's owners were based in Luxembourg and a multitude of different law firms involved with the seller, management and incumbent finance providers. We also had to coordinate advice on competition law from barristers and from Scottish and Luxembourgish lawyers.

"Every deal involves extensive checks and a great deal of research – this was a major undertaking in this case, and our banking team, headed up by Harry Bengough absolutely came into their own. Experience in mortgage book sales and purchases from Tim Littler was invaluable - crucially, as far as Titlestone's customers - developers, landowners or homeowners - were concerned, it was business as usual."

Rich Wilkey added: "For Paragon, it was a significant deal in terms of their growth and development; they have been a client since 2015, when we acted for them on their £117m Five Arrows Leasing Group acquisition."

Richard Woodman, the group's CFO, said: "The UK development finance market represents an excellent long-term opportunity and Titlestone will enable us to accelerate our growth in this area. We appreciate the sophistication, expertise and professionalism of HCR, who worked seamlessly with our team to deliver this important transaction for the Group."

Our advice to businesses is tailored to each client's needs – we draw in specialist expertise from across the firm to create a team which can address not only their specific needs but also advise on wider issues to help clients avoid potential problems.

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