



EMPLOYMENT TRIBUNALS

Claimant: Miss J L Griffin

Respondent: Early Days (UK) Limited

HELD AT: Liverpool

ON: 5 May 2017

BEFORE: Employment Judge Franey
Mr A G Barker
Mrs A Ramsden

REPRESENTATION:

Claimant: Mr M Robinson, Solicitor

Respondent: Mr M Russell, Director

WRITTEN REASONS

Introduction

1. These are the written reasons for the judgment given orally with reasons at the conclusion of the hearing on 5 May 2017, and sent to the parties in writing on 12 May 2017. The respondent requested written reasons by email of 30 May 2017.
2. By a claim form presented on 25 November 2016 the claimant complained of indirect sex discrimination by the respondent when her request to return from maternity leave on a part-time basis was refused and her employment terminated. She also brought a complaint of breach of contract in relation to notice pay.
3. By its response form of 10 December 2016 the respondent resisted both complaints. It argued that there were good reasons why the request to return to work on a part-time basis could not be accommodated.
4. At a preliminary hearing before Employment Judge Shotter on 3 February 2017 the issues were identified and Case Management Orders made.

5. In relation to the indirect sex discrimination complaint, the only matter in dispute was whether the respondent could justify its provision, criterion or practice (“PCP”) of refusing part time work as a proportionate means of achieving a legitimate aim.

6. In relation to the notice pay complaint, the only issue was whether the respondent could show that the claimant had committed a fundamental breach of her contract of employment which deprived her of her entitlement to notice of termination.

Evidence

7. The parties had agreed a bundle of documents. Part A contained the claim form, response form and Case Management Order. Part B ran from pages B1-B85 and any reference to page numbers in these reasons is a reference to that bundle unless otherwise indicated.

8. The claimant gave evidence pursuant to a written witness statement. The respondent called its proprietor and director, Mr Russell. He had not prepared a separate witness statement but page B19 in the bundle was a note he had prepared which was treated as his witness statement.

Relevant Legal Principles

Indirect Sex Discrimination

9. Section 39(2) of the Equality Act 2010 renders unlawful any discrimination by an employer against an employee by dismissing her or by subjecting her to any other detriment. Section 19 defines indirect discrimination as follows:

“(1) A person (A) discriminates against another (B) if A applies to B a provision, criterion or practice which is discriminatory in relation to a relevant protected characteristic of B’s.

(2) For the purposes of subsection (1), a provision, criterion or practice is discriminatory in relation to a relevant protected characteristic of B’s if -

(a) A applies, or would apply, it to persons with whom B does not share the characteristic,

(b) it puts, or would put, persons with whom B shares the characteristic at a particular disadvantage when compared with persons with whom B does not share it,

(c) it puts, or would put, B at that disadvantage, and

(d) A cannot show it to be a proportionate means of achieving a legitimate aim.

(3) The relevant protected characteristics are -

... sex ...”

10. In this case it was common ground that all the ingredients of section 19 were met save for the question of justification under section 19(2)(d).

11. The EAT summarised the task of the Tribunal under that provision in **Dutton v The Governing Body of Woodslee Primary School UKEAT/0305/15** in August 2016 as follows (paragraph 9):

“As for how the ET is to approach its task, this has been considered in a number of cases, including Hardys & Hansons plc v Lax [2005] ICR 1565 CA, Allonby v Accrington & Rossendale College [2001] ICR 1189 CA and Homer v Chief Constable of West Yorkshire Police [2012] ICR 704 SC, from which we draw the following principles:

a. Once a finding of a PCP having a disparate and adverse impact on those sharing the relevant protected characteristic has been made, what is required is, at a minimum, a critical evaluation of whether the employer’s reasons demonstrated a real need to take the action in question.

b. If there was such a need, there must be consideration of the seriousness of the disparate impact of the PCP on those sharing the relevant protected characteristic, including the Claimant, and an evaluation of whether the former was sufficient to outweigh the latter (see, in particular, per Sedley LJ in Allonby).

c. In thus performing the required balancing exercise, the ET must assess not only the needs of the employer but also the discriminatory effect on those who share the relevant protected characteristic. Specifically, proportionality requires a balancing exercise with the importance of the legitimate aim being weighed against the discriminatory effect of the treatment. To be proportionate, a measure must be both an appropriate means of achieving the legitimate aim and reasonably necessary in order to do so (see Homer).

d. A caveat imported by the word “reasonably” allows that an employer is not required to prove that there was no other way of achieving its objectives (see Hardys). On the other hand, the test is something more than the range of reasonable responses.”

12. Further assistance is found in the Equality and Human Rights Commission Code of Practice on Employment (2011). Chapter 4 deals with indirect discrimination. Paragraph 4.26 says that it is up to the employer to produce evidence to support the assertion that the PCP is justified.

Breach of Contract

13. The Tribunal has jurisdiction over a claim for damages or some other sum in respect of a breach of contract which arises or is outstanding on termination of employment under the Employment Tribunals (England and Wales) Extension of Jurisdiction Order 1994. The burden lies on the employer to prove that the claimant had breached her contract of employment in a fundamental way which entitled it to accept that breach and terminate the contract without notice.

Relevant Findings of Fact

14. The purpose of this section of our reasons is to summarise the relevant facts so as to put our decision into context.

The Respondent

15. The respondent was first registered with Ofsted as a provider of Early Years Services in 2002 and operates two nurseries. This case concerned events at the Litherland nursery. The nursery can accommodate 42 children at any one time but has approximately 62 children on its roll (because some children attend only part-time).

16. It operates four rooms on the premises.

- The first is a room for babies where there is a room leader and three members of staff. Two of those members of staff are long-serving and in recent years have worked part-time 16 hours per week. The other two are full time.
- The room for children aged between 1 and 2 has a room leader and one or two members of staff. All are full time.
- The room for children between 3 and 4 has a room leader and three members of staff. All are full time.
- The room for pre-school children has a room leader and another one or two members of staff. All are full time.

17. As well as a few apprentices, there are three full-time people who between them perform the two roles of Officer in Charge ("OIC") and Deputy OIC, and they report to Mr Russell as the proprietor.

18. The nursery is periodically inspected by Ofsted. Achieving a good Ofsted rating is an important factor in Local Authority funding. Local Authority funding from Sefton Borough Council accounts for approximately 50% of the nursery turnover.

19. An Ofsted inspection in December 2012 (pages B52-B60) gave the nursery a "good" rating.

The Claimant

20. The claimant was employed in September 2014 on a full-time basis. Her contract of employment from March 2015 appeared at pages B2-B4. Her job description appeared at page B9.

21. The claimant was a key worker from the outset of her employment. Each child in the nursery is allocated a key worker who has to complete and record weekly observations on the child. About once a month the key worker is herself observed by a peer worker to make sure that she carries out the observations in the right way. The peer worker is observed approximately monthly by the OIC, and the OIC is observed about once a year by the registered owner. A child's key worker is the member of staff with whom the parent should discuss any issues affecting the child's wellbeing at home or at the nursery. The relationship between the child and the key worker is an important relationship.

22. In September 2015 the claimant notified the respondent that she was pregnant and would start her maternity leave in October 2015. Her son was born on 26 November 2015.

Ofsted Report February 2016

23. During her absence on maternity leave there was a further inspection by Ofsted on 4 February 2016. The report appeared at pages B64-B68. The assessment was downgraded from “good” to “requires improvement”. One of the key findings was that staff did not consistently track individual children’s progress. The inspection findings went on to say that the quality of teaching varied because some staff did not plan consistently for each child’s unique learning needs, and that children did not benefit from teaching that was consistently good.

24. The funding position was discussed at a meeting with Sefton Borough Council in June 2016. A subsequent letter of 15 June at pages B30-B33 recorded that nationally funding would only be offered to nurseries that were rather “good” or above. However, a period would be allowed for the nursery to seek to make progress towards achieving a “good” rating. Regaining such a rating from Ofsted was critical for the respondent.

Return to Work Discussions

25. On 24 May 2016 the claimant had a meeting with the OIC, Kate Harvey, about her return. She wanted to return 1.5 days a week rather than full-time. There was a discussion about her working two days a week but putting her son in nursery for half a day. Her plan was to get her son’s grandparents to look after him for the 1.5 days on which she would be working. Ms Harvey passed the details on to Mr Russell.

26. There were a number of exchanges of emails in the weeks that followed. The position was confirmed to the claimant in a letter of 27 May 2016 (page B21). In the letter Mr Russell said that he had had a lengthy discussion with the OIC and that it would not be possible to offer the claimant a part-time position.

27. The claimant sought to challenge this decision and asked for reasons for it. Reasons were given in a letter of 15 July 2016. The letter said:

“As you know you were employed on a full-time basis, we avoid employing staff on a part-time basis for the following reasons:

- (1) At present we have been downgraded by Ofsted to a “requires improvement” situation. Ofsted are clear that we need to employ full-time practitioners who will be key workers for individual children and to complete their progress reports and they have made it quite plain that we are not providing a childminding service but we are involved in the education and development of each child in our care. Ofsted wants me to avoid part-time employees in favour of full-time to provide consistency.**
- (2) When parents visit the nursery they specifically ask about the staff we employ and for the same reasons as Ofsted they prefer to see full-time nursery practitioners caring for their children because they like to have personal contact with their children’s key worker. In our experience, parents take the places available in our nursery for the reason that we employ full-time**

practitioners and in the present business climate we need all the customers we can get.

- (3) In the present business climate we need to keep our staff wages as low as possible and employing part-time child practitioners would increase the wage bill.

I hope the reasons above are clear and you will understand why we employed you on a full-time basis on the first place. Once again might I remind you that we will give you staff discount for your baby?"

28. There was further correspondence following this in which the claimant sought to appeal the decision and set out her reasons in a letter of 25 July 2017 at pages B42-B43. She had made reference to the Equality Act and the right to go to an Employment Tribunal. Her appeal was considered by Mr Russell in conjunction with Ms Harvey. By a letter of 29 July 2016 at page B44 he reiterated the decision that part-time staff could not be accommodated.

29. The claimant was due back at work on Monday 8 August 2016. She did not attend.

30. By a letter of 12 August 2016 Mr Russell wrote to her terminating her employment as follows:

"I was disappointed that you could not take up your full-time employment with Early Days on Monday 8 August. I have reviewed all your correspondence and mine and have come to the conclusion that you would not be capable of taking up your full-time employment in the future therefore I am terminating your employment and I wish you all the best for your future."

31. No payment in lieu of notice was made. A P45 was subsequently issued.

32. In his witness statement Mr Russell said that another consideration in the decision to refuse part-time work was the additional administrative burden of arranging cover for holidays for more members of staff than a single full-time member of staff.

Submissions

33. At the conclusion of the evidence each party made a brief oral submission.

34. For the claimant Mr Robinson went through each of the three main justifications. He submitted that Mr Russell had misinterpreted the Ofsted report which made no reference to part-time work as being a factor in consistency. He said there was no evidence that parents were significantly influenced by whether key workers were part-time or full-time, and he suggested that no analysis had been done of the additional cost of part-time work. There was no evidence that holiday cover had been a problem with the two part-time workers in the past. He submitted that the notice pay claim should also succeed because the respondent had simply terminated employment without suggesting that there had been any disciplinary misconduct in not attending work.

35. For the respondent Mr Russell emphasised the validity of the three reasons on which he had relied and sought to underline how important it was to the success

of the business for it to achieve consistency and return to a “good” Ofsted rating. He reiterated the reasons given in evidence and said that the course of action he took was simply the best option to achieve a “good” assessment from Ofsted. He conceded, however, that the claimant should probably have received one week’s notice pay.

Discussion and Conclusions – Indirect Sex Discrimination

36. The sole issue under section 19 was whether the respondent could justify the application of the PCP of not permitting part time work by showing that it was a proportionate means of achieving a legitimate aim.

37. The legitimate aim in this case was to return the nursery to a “good” Ofsted rating by the next inspection. That plainly was a legitimate aim and Mr Robinson did not suggest otherwise.

38. The only matter for us to determine, therefore, was whether the means adopted by the respondent to achieve that aim were proportionate. As the case law demonstrates, and as the Equality and Human Rights Commission Code of Practice makes clear, that is a balancing exercise for the Tribunal to undertake. The Tribunal must balance the impact on the claimant of the PCP against the needs of the employer, and in doing so it is required to undertake a critical evaluation of whether the employer’s reasons demonstrated a real need to take the action in question. It is not necessary for the PCP to be the only way of achieving the aim, but it is necessary for the employer to show that there was no less discriminatory way of achieving that same aim.

Impact on the Claimant

39. We considered the impact on the claimant. Because of her child care arrangements (relying in part on her son’s grandparents) two days’ part-time work each week was the maximum she could offer. The impact of denying her any part-time work was very significant: it meant that she lost her job at a time when she was potentially at a disadvantage on the labour market because of her caring responsibilities. That was a factor of considerable weight.

Respondent’s Reasons - General

40. We considered next the respondent’s reasons for applying the PCP. We recognised the difficulty of running a small business and the limited resources available to the respondent in this case. We also recognised the key importance of the Ofsted rating and the potentially extremely significant impact on Local Authority funding if the Ofsted rating did not improve by the time of the next inspection. However, even where an employer acts out of the best of intentions the task of the Tribunal is must scrutinise those reasons critically.

41. The letter of 15 July at page B38 highlighted three different reasons. One was added in the evidence to our hearing (holiday cover). We considered each of those reasons in turn.

Reason 1: Ofsted Report

42. The Ofsted report from February 2016 appeared at pages B64-B68. The letter which Mr Russell wrote on 15 July at page B38 was not accurate. It asserted that it was clear from the Ofsted report that:

“Ofsted are clear that we need to employ full-time practitioners who will be key workers for individual children...Ofsted wants me to avoid part-time employees in favour of full-time to provide consistency”.

43. There was no express reference in the text of the report to full-time or part-time work.

44. Nor was there any implied reference to a need for full time work only. Mr Russell suggested that this could be inferred from five different references to the need for consistency which appeared in the report. However, there was no hint in that report that there were particular problems in the baby room as opposed to any of the other three rooms even though it was only in the baby room that there were any part-time staff.

45. We concluded that the perception of a correlation between having part time staff and a lack of consistency was based on an assumption not supported by the Ofsted report. Consistency in tracking progress, in planning learning needs and in teaching could all be achieved with part-time workers if an employer had adequate systems and records so that part-time staff could check what others had done for a particular child. The assumption that employing part-time staff would frustrate this aim of consistency was unwarranted and unjustified. We rejected the respondent's contention that the Ofsted report provided any support, even implicitly, to restricting employees to full-time work.

Reason 2: Parental Preference

46. We considered whether this reason had been evidenced. The Code of Practice at paragraph 4.26 says it is for the respondent to produce evidence to support the assertion that he makes in arguing justification. The Tribunal had no evidence before it from parents. There was no record of any complaints or concerns raised by parents about the part-time staff so far. Many parents would have children at the nursery only on a part time basis in any event. We accepted that Mr Russell genuinely held the view that parents prefer full-time to part-time staff, but that is not a view for which the respondent produced any objective and cogent evidence.

47. In any event a parental preference for full time staff would not be sufficient in itself to justify a blanket refusal to entertain part-time work. The preference of the parent would only be one factor in the choice of the nursery; other factors may be at least equally as important such as the quality of staff, the location or the nature of the premises. Indeed, one might anticipate that if the systems in place to ensure continuity between part time key workers were shown to the parents, any preference for a full-time key worker might be reduced or removed.

Reason 3: Cost

48. There was an assumption that employing part-time workers rather than a single full-time worker would produce some extra cost, but the respondent had not conducted any analysis of the figures or produced any evidence as to the likely cost.

49. The fear of extra cost was itself based on another assumption, which was that part-time workers would only work 16 hours per week at most, so that three of them would be needed to cover a full-time role of 40 hours. However, the claimant herself wanted either 13½ or 18 hours per week based on a nine hour day and working either 1½ or two days per week, and there was no evidence of any efforts made by the respondent to explore the possibility of finding a part-time worker willing to do 22 hours per week so that 40 hours were covered between two people rather than three.

50. Employing two or more part time employees instead of one full time employee doubtless creates relatively minor additional administrative costs (e.g. payroll administration) but without any reliable attempt to quantify those matters the respondent had not proven this part of its justification defence.

Reason 4: Holiday Cover

51. In evidence Mr Russell voiced a concern about the ease with which holiday cover can be arranged for part-time workers. It is undoubtedly the case that having two or three part-time workers rather than one full-time worker would require more managerial and staff flexibility, but there was no evidence before us that this was explored at all. It was not mentioned in the reasons originally given. We concluded that some additional complexity in ensuring holiday cover is not in itself justification for refusing to entertain part-time work at all.

All Reasons Together

52. Having considered each of the four elements individually we also stepped back and looked at the cumulative effect. Even taken together we were satisfied that the respondent had not proven that the blanket ban on part-time work was a proportionate means of achieving its legitimate aim. The legitimate aim of improving the Ofsted rating could have been achieved by a combination of other measures which would have enabled part-time work to have been considered. They included looking for another part-time appointment on a 22 hours per week basis to complement the claimant's 18 hours per week; ensuring systems were in place to maintain consistency between part time workers; requiring the manager and the members of staff to show a bit more flexibility in terms of holiday cover; and absorbing any additional cost where the effect was to increase the part-time cohort from two to four members of staff out of a total staffing level of more than 15 people.

53. Accordingly the Tribunal was satisfied that the respondent had failed to prove that its PCP was justified and therefore the complaint of indirect sex discrimination succeeded.

Discussion and Conclusions – Notice Pay

54. This claim was effectively conceded by Mr Russell in submissions. The claimant did not turn up for work but the respondent did not seek to treat that as gross misconduct and pursue a disciplinary case against her.

55. In any event the reason the claimant did not come to work on 8 August was because she was unable to perform her contract because of a decision which we have found to be indirect sex discrimination. That was not gross misconduct. The claimant was entitled to one week's net pay by way of notice.

Remedy

56. After giving judgment with reasons on liability the Tribunal heard evidence from the claimant regarding remedy. We had regard to the relevant pages of the bundle that showed jobs for which the claimant had applied, and jobs supplied by the respondent for which it said the claimant should reasonably have applied, and we also had the benefit of further submissions on remedy from Mr Robinson and Mr Russell.

Notice Pay

57. The award in relation to notice pay of damages equivalent to a week's net pay was agreed at £240.00.

Indirect Sex Discrimination - Law

58. The starting point is section 124 of the Equality Act 2010:

“(1) This section applies if an employment tribunal finds that there has been a contravention of a provision referred to in section 120(1).

(2) The tribunal may—

(a) make a declaration as to the rights of the complainant and the respondent in relation to the matters to which the proceedings relate;

(b) order the respondent to pay compensation to the complainant;

(c) make an appropriate recommendation....

(6) The amount of compensation which may be awarded under subsection (2)(b) corresponds to the amount which could be awarded by a county court or the sheriff under section 119.”

59. The amount of compensation in cases of discrimination should be calculated in the same way as damages in tort: **Ministry of Defence -v- Cannock & Others [1994] ICR 918**. A Tribunal should determine what loss, financial and non-financial, has been caused by the discrimination in question. The EAT stated 'as best as money can do it, the applicant must be put into the position she [or he] would have been in but for the unlawful conduct'.

60. In relation to an award of compensation for injury to feelings, the onus is on the claimant to establish the nature and extent of the injury to feelings. The amount

of the award under this head should be made taking into account the degree of hurt, distress and humiliation caused to the complainant by the discrimination. In **Vento v Chief Constable of West Yorkshire Police [2003] IRLR 102** the Court of Appeal gave guidance in paragraphs 65-68 as to three bands within which such awards might fall.

61. Subsequently in **Da'bell v NSPCC [2010] IRLR** the EAT said that in line with inflation the **Vento** bands should be increased so that the lowest band extended to £6,000 and the middle band to £18,000. We took account of the effect of inflation in considering the right award.

62. In **Simmons v Castle [2012] EWCA Civ 1288** the Court of Appeal held that award in personal injury cases for pain and suffering or mental distress should be increased by 10%. There is conflicting authority at EAT level as to whether it is appropriate to take into account this judgment in discrimination complaints. **Beckford v London Borough of Southwark 2016 ICR D1** is the most recent authority and it supports the inclusion of a **Simmons v Castle** uplift. We took that into account in determining the correct award

63. Finally, interest on discrimination awards is governed by the Employment Tribunals (Interest on Awards in Discrimination Cases) Regulations 1996.

Mitigation of Loss

64. The first matter we had to resolve was whether the claimant had taken all reasonable steps to minimise her losses by searching for other work. A respondent alleging a claimant has failed to do so must prove it.

65. We found as a fact that the claimant had been too ill to look for work for a period of a month after her dismissal, and we accepted her evidence that she had been certified unfit for work by her General Practitioner in that period.

66. Thereafter she was looking for work, although the area within which she was available for work was limited by the fact she was unable to drive until February 2017 when she passed her driving test. We took account of the impact on the claimant of the symptoms she experienced (see paragraph 78 below). In addition, because of child care responsibilities she was limited to looking for work two days per week.

67. The claimant told us that she had been looking for work consistently since September 2016 and there was evidence of her claim for Jobseeker's Allowance in September in the bundle. She said she had sought work through internet search, providing her CVs and using contacts who work in nurseries but without success. She had looked for work as a nursery nurse but also in other areas such as retail.

68. Although the respondent produced a list of nursery vacancies in the bundle, which ran to several pages and contained a significant number of vacancies in the Liverpool area, a number of those vacancies were full-time vacancies and therefore not relevant. There were also vacancies which appeared to be outside the area within which the claimant could travel to work.

69. We accepted the claimant's evidence that she had applied for a lot of vacancies of this kind but had simply not heard back. Importantly we found that

there was no evidence of any specific vacancy for which the claimant failed to apply which she would have had a prospect of getting.

70. Putting those matters together we concluded that the respondent had failed to prove that the claimant had not taken reasonable steps to find any other work. There was no failure to mitigate.

Past Loss of Earnings

71. We therefore accepted that the claimant should succeed in her claim for loss of earnings for the date between the end of her employment in August, giving credit for the week's notice, and the present, and we awarded her that figure in the sum of £4,377.60.

Future Loss of Earnings

72. The claimant's prospects of finding employment improved once she passed her driving test. She is also looking for work outside the nursery sector.

73. We rejected her projection of it being until the end of 2017 before she would find work. In our judgment the best estimate of when she will find a job which replaces her income from her job with the respondent is a further three months from the Tribunal hearing in early August 2017, about 12 months after the dismissal.

74. Accordingly we awarded the claimant a further 13 weeks of future loss at £115.20 per week which makes a total of £1,497.60.

Financial Loss Award and Interest

75. Past and future loss together made a total award for loss of earnings of £5,875.20.

76. The Tribunal has to consider awarding interest on that figure. There was no reason to do otherwise. Interest for financial losses runs from the mid point date between the discriminatory act and today's hearing. For those purposes we took the discriminatory act as being the rejection of the appeal on 29 July 2016 when it was clear to the claimant that part-time work would not be permitted. The mid point date was approximately 140 days prior to our hearing. The interest rate now prescribed is 8% per annum so on a figure of £5,875.20 annual interest is £470.94, and for a period of 140 days that is a figure of £180.28.

Injury to Feelings

77. We accepted the claimant's evidence and found as a fact that she did see her GP after dismissal and was certified unfit for work for a month. However, we noted that the GP did not prescribe any medical treatment or medication for the claimant, simply recommending rest, and that she was well enough to seek work after a month. Mr Robinson did not seek any separate award for injury to health in those circumstances without any medical evidence.

78. Nevertheless the Tribunal accepted the claimant's account that when part time work was refused she had symptoms of anxiety, some chest palpitations and

other symptoms affecting her sleep. We also accepted that the loss of her job and the consequent financial pressures impacted upon her relationship with her partner. We concluded that this is a case which properly fell within the lowest **Vento** band as it was essentially a single act of discrimination, but one which has had quite significant consequences for the claimant, and consequences which to some extent continued to the present day.

79. Taking into account the effect of inflation since Vento was decided and taking account also of the 10% uplift pursuant to **Simmons v Castle**, the Tribunal unanimously decided that the appropriate award for injury to feelings was £6,000.

80. Under the interest provisions interest on an award for injury to feelings runs from the date of the discriminatory act (29 July 2016). Interest at 8% on £6,000 is £480 per annum and for a period of 280 days that is a figure of £368.22.

Fees

81. After delivery of judgment as to remedy Mr Robinson applied for reimbursement of the issue fee of £250. Mr Russell did not resist this. We ordered the respondent to reimburse that fee.

Employment Judge Franey

12 June 2017

REASONS SENT TO THE PARTIES ON

14 June 2017

FOR THE TRIBUNAL OFFICE