EXPLANATORY MEMORANDUM TO

The Labour Relations Agency Arbitration Scheme (Jurisdiction) Order (Northern Ireland) 2012

S.R. 2012 No.

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department for Employment and Learning ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 84A(1)(b) of the Industrial Relations (Northern Ireland) Order 1992 ("the 1992 Order") and is subject to the draft affirmative resolution procedure.

2. Purpose

2.1. The Labour Relations Agency Arbitration Scheme (Jurisdiction) Order (Northern Ireland) 2012 ("the Order") comes into operation concurrently with a revised Labour Relations Agency arbitration scheme. The Order stipulates the employment rights jurisdictions to which the new arbitration scheme may apply.

2.2. Article 1 cites the name of the Order and the date on which it shall come into operation.

2.3. Article 2 stipulates, by way of the Schedule to the Order, the range of jurisdictions to which the new arbitration scheme may apply.

3. Background

3.1. The Order forms part of a package of legislation that will establish a single and substantially expanded Labour Relations Agency (LRA) Arbitration Scheme that will provide a voluntary alternative to legal proceedings before an industrial tribunal or the Fair Employment Tribunal.

3.2. The effect of the Order will be to make arbitration available across all employment rights jurisdictions in which the LRA is currently empowered to offer conciliation.

4. Consultation

4.1. No formal consultation has been undertaken in respect of the Order as it contributes to a policy programme that has already been the subject of a full public consultation process.

5. Equality Impact

5.1. The Order has not been subject to a separate equality impact assessment as it serves to fulfil objectives that have already been subject to a full assessment as part of the Department's review of workplace dispute resolution systems.

That assessment identified modest benefits to those who do not have the time, resources or willingness to enter into a full legal process. Single parents (predominantly women), whose time and/or resources are limited by family commitments, may see alternative dispute resolution as a welcome alternative to a tribunal. The same is likely to be true of those suffering from a psychological disability or other health condition such as a stress-related illness or depression, who may find it difficult to cope with confrontational legal proceedings. Arbitration is a cheaper, less costly and less stressful option for those who wish to avail of it..

6. Regulatory Impact

6.1. The Order has not been subject to a separate regulatory impact assessment for the reason given above i.e. it serves to fulfil objectives that have already been subject to a full assessment. That assessment projected modest savings of approximately £60,000 across taxpayers, employees and employers as a result of increased work to resolve disputes following the lodgement of a claim with a tribunal.

7. Financial Implications

7.1. As above.

8. Section 24 of the Northern Ireland Act 1998

8.1. The provisions of the Order are not considered to be in breach of Section 24.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. The Order applies only to Northern Ireland.

11. Additional Information

11.1. Not applicable.