Dear Frank,

Non-Payment of Tribunal Awards

Thank you for your letter of 31 October in which you told me that the Business, Energy and Industrial Strategy Committee and the Work and Pensions Committee are looking at the implications of Matthew Taylor’s report into modern employment practices, in particular the difficulties that some successful tribunal claimants have in receiving their awards.

I share your concerns about claimants not being paid their award in a timely manner. My officials are working closely with colleagues at the Department for Business, Energy and Industrial Strategy (BEIS), looking at the report and its recommendations. The Government will respond to the report in due course.

In relation to your question about what information is available on unpaid tribunal awards, I can tell you that in 2013 research commissioned by the Department for Business, Innovation and Skills (as it then was) found that only 53% of successful claimants surveyed received full or part payment without enforcement action; 35% had not received any payment at all. To address this, in April 2016 BEIS introduced the employment tribunal award penalty scheme, whereby if the employer fails to pay, the claimant can apply to BEIS to fine the employer. The employer will be sent a warning notice giving them 28 days to pay. If they do not pay within that time they have to pay a fine.

In relation to the monitoring of unpaid tribunal awards, Her Majesty’s Courts and Tribunals Service’s (HMCTS) does not routinely collect this data. This was of course raised in Matthew Taylor’s review and I will be seeking advice on how my department can best introduce an effective method to collect this data in the future, as part of the planned HMCTS reforms.

The forthcoming enforcement reform project, which is also part of the wider HMCTS reform programme, will address how to improve the enforcement service. Indeed, some ways in which the process can be improved have already been identified, including simpler procedures and better provision of information. The project, which is due to begin early in 2018, aims to deliver an improved service not just to tribunal but also to civil and family enforcement users.

Yours ever

[Signature]

RT HON DAVID LIDINGTON CBE MP