



Q. ONE of my employees has complained of being harassed by a colleague in emails referring to him as "gay boy". What do I need to do?

A. TO AVOID being held vicariously liable for your employee's behaviour you should fully investigate the complaint and the circumstances surrounding it. As an employer you are liable whether or not the employee's actions are carried out with your knowledge or approval. The law on sexual orientation defines harassment as unwanted conduct by a person on the grounds of sexual orientation, which has the effect of violating another's dignity or creating a hostile, degrading, humiliating or offensive environment. Your investigation should aim to identify reasonable steps you can take to prevent employees carrying out acts of this kind.

I don't think the individual concerned is gay. So can his complaint be justified?

This is irrelevant as the law covers conduct on the grounds of sexual orientation whether it is actual or perceived. However, a recent case did clarify that homophobic banter cannot be harassment where the employee is known to be heterosexual.

Would sending emails constitute harassment in any case?

The Acas guidance (www.acas.org.uk) indicates harassment may consist of intentional bullying which is obvious or violent as well as subtle and insidious harassment. In addition, harassment need not be intentional. For example, harassment could include nicknames, teasing, name calling or other behaviour which, while not intended as malicious, is upsetting nevertheless.

What should I do to investigate?

Take a detailed statement from the complainant about the harassment. Include when and where it took place and their response, along with details of any reports made to managers, verbal or written. Your investigations could result in one of two courses of action. Firstly, you could find fault on both sides. For example, if the complainant has also been name calling or engaging in banter which might show the nicknames were not unwanted conduct. In this instance, you might consider encouraging them to raise a formal grievance. An independent manager reviewing the evidence to decide whether to uphold their grievance would be a safeguard to ensure your procedures are fair and compliant with the statutory grievance procedures. This manager might then legitimately decide the behaviour does not constitute harassment. If so, it is important to remember that unprofessional banter in the workplace can still be offensive more widely within the business and should be discouraged.

On the other hand, if harassment has occurred you must decide if the severity of the behaviour warrants disciplinary action against the harassing employee and/or training (managers and employees). It is good practice to ask what the complainant wants you to do to stop the harassment. If you only intend to provide a warning, you do not have to go through the statutory dispute procedures. However, if the evidence shows the harassment was so serious you are considering dismissal, you need to comply with the statutory disciplinary procedures. If you need more time to carry out further investigations it may be appropriate to suspend the harasser on full pay.

Whatever the outcome, it is advisable to have a policy on harassment to ensure employees know it is unacceptable and will lead to disciplinary sanctions.

IN NOVEMBER the monetary policy committee cut the interest rate from 4.5% to 3%.

The size of the cut and the expectation there will be more cuts to come, has focused people's minds on the income levels they do and will receive from their savings and investments.

Looking at fixed interest investments, Government stock offers safety and as a guide to their current yield the Treasury 4% 2016 is priced around £1.02.

For the foreseeable future a downward course of interest rates may support gilt prices.

At some stage these market themes will change.

The pre-Budget report highlighted the need for a massive issuance of new gilts.



Taking stock

Harvey Rawlings, of Charles Stanley Stockbrokers, talks interest rates

Britain will reach a trough in the cycle of interest rate cuts and the lower value of the pound will import inflationary pressures.

Corporate bonds offer less safety than gilts and, therefore, higher yields.

As a guide to current prices Tesco 5.5% 2019 is about £0.915, a gross income yield of about 6.5% and National Grid 6% 2017

is about £0.985, a gross income yield of about 6.1%.

In the equity market the distressed position that several of the banks are in – not to mention their shareholders and customers – and the terms of their Government-led recapitalisations, has meant they will not be paying cash dividends for some time.

However, there are companies

which have strong balance sheets, with reliable earnings, and at which dividends are both well covered and are at similar levels to those from investment grade corporate bonds.

An example of these are BP, Glaxosmithkline, Vodafone, Scottish & Southern and Unilever.

These companies will give investors diversified exposure to the international economy although this also introduces currency risk.

However, with a weak pound their overseas earnings are converted into sterling at a better rate.

● For professional stockbroking advice, contact Harvey Rawlings at Charles Stanley Stockbrokers on 01273 229885.

Mixed reaction to Chancellor's report

We need to stay focused on the future

BUSINESS reaction to the Chancellor's pre-Budget report has been mixed.

While the Federation of Small Businesses (FSB) welcomed the new £1 billion fund for small firms, others were concerned the report did not have a long-term focus.

The FSB said the temporary Small Business Finance Scheme, which will make £1 billion available in loans for small firms, closely resembled its own proposals for a £1 billion emergency fund.

It also welcomed plans to allow small firms to offset their losses up to £50,000 over the last three years.

Small businesses will also benefit from the ability to spread their tax payments out across the year on a timetable they can afford, which will bring welcome relief to those firms that desperately need to stabilise their cash flow.

But the FSB said cutting VAT to 15% would prove difficult and costly for some small and medium-sized businesses to implement and that it is concerned the Chancellor

by **SAMUEL UNDERWOOD**

has recouped any benefit of the VAT reduction to small businesses by tweaking fuel duty.

The FSB also criticised the increase in employers' national insurance contributions and urged that it is reviewed.

National policy chairman John Walker said: "This pre-Budget report is a sign of the importance of small businesses to the UK economy.

"The Government's Small Business Finance Scheme, which closely resembles the Small Business Survival Fund the FSB has been calling for, will provide a vital cash boost to businesses struggling with rising costs and a lack of credit.

"Many of these measures, such as giving businesses longer to pay bills and offsetting losses, will give small businesses a welcome breather from the taxman.

"It will also allow them to concentrate on sustaining their busi-

ness, supporting their staff and growing the economy in the long term."

But Richard Hopkins, managing partner of international accountancy firm Mazars, said the report was "more of a short-term fix than a long-term solution".

He said: "Small businesses are at the cutting edge of the UK economy but seem in recent years to have become the poor relation.

"I am pleased to see the increase in small company rates of corporation tax due in April has been postponed, and especially that losses made will in future be available for a three-year carry back.

"On the latter point it is disappointing to see the cap at £50,000 of losses."

He added: "At the moment the focus is still on resuscitation rather than cure, on trying to limit the damage rather than worrying too much about the nature of future growth."

samuel.underwood@theargus.co.uk

Two thirds are victims of crime

THE cost of crime for small businesses has soared.

According to a survey, small businesses lose an average of £13,500 to crime each year.

The Federation of Small Businesses also found that more than two thirds are victims of crime – a figure that has risen by 7% to 64% over the past two years.

The most frequent crime experienced by UK businesses in the survey of 8,700 of the FSB's members was vandalism, followed by vehicle damage, threatening behaviour, graffiti, shoplifting and burglary.

City homes do better

HOUSE prices in Brighton and Hove held their value better than the national average in October, according to the Land Registry.

It reported a 10% year-on-year drop in house prices in October.

But the latest figures for the city over the third quarter of the year showed a decline for the average property, now costing just under £221,000, at just under 5%.

It also showed that the median household income now stands at £29,950 a year with the average one-bedroom flat costing almost five and a half times that.

Engage Partnership Employment League

EACH month, the Engage Partnership Employment League will highlight those businesses which demonstrate their commitment to diversity by employing local marginalised people.

For more information on employing diverse people, contact claire.mitchell@engagesolutions.org.uk.

ONE job outcome per company other than those indicated ()

Engage organisation: Working Links

- Ashtons Parmancy, Autumn Lodge Nursing Home, Bond Street Stalls, Bookers Cash And Carry, Brantano, Brighton and Hove City Council, Brighton Building Services, Brighton Crossroads, CandC Cleaning Services, Compass Direct (Birmingham), Guitar Tuition Brighton, Hays Construction And Property (2), Hearts and Guns, Help The Aged, HMV, M4 Launderette, Marks and Spencer, Minibus Travel Services (2), Mitchells and Butlers,

- Mucky Pups and Moody Mares, Nursery Tyme Hove, Oak Tree Landscapes, Primecare (2), Reed Recruitment, Royal Mail, RSPCA, Rullion, Sainsbury's (2), Sat Link Services, Scolarest Brighton office, Tatty Bumpkin, Tea Vee Eye, Tesco Hove, The Body Clinic, Woolworths.

Engage organisation: Careers Development Group

- ISS Mediclean, Primark (2), Greenways Care Home, Bill's, Lapland UK (2), Nurserytyme, Black Lion, Shell Garage Preston Park, Donatello's, MRD Corp, Royal Mail, Somerfield Uckfield, Nubian World of Hair and Beauty, Tate Recruitment.

