



**Mediation Case Study**

**Feelgood and Hygiene Services Limited**



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#### General Instructions

The employer is Hygiene Services Limited. (HSL), a subsidiary of a multi-national oil and gas services company. The Company is represented by Jo Gray, the representative of the HR department. The employee is Frankie Feelgood, a senior manager with specialist knowledge of the waste disposal business. FF is represented by Jack Jackson, FF's Union representative

FF (aged 50) has worked for HSL for 12 years. FF's salary is £24,000 p.a. Over the years FF claims to have experienced difficulty with HSL in employment which, after the failure of repeated informal attempts to achieve a resolution, led to FF invoking the company's Grievance Procedure. The Grievance Panel has yet to meet. FF is currently on sick leave on full pay and has been for some time.

HSL have offered:

- early retirement to FF on grounds of ill-health with lump sum payment and pension based on actual service with a modest enhancement – being lump sum of £5,000 and pension of £8,500;

The offer made is unacceptable to FF for a number of reasons which have been stated to HSL:

- It requires FF to sign an application declaring FF unfit to continue in employment on grounds of work place stress. This will make it difficult for FF to get any other employment if FF decides to go back to work elsewhere;
- FF's prospects of achieving other employment will, generally, be impaired;
- The criteria for pensions differ from those for other retirement situations and there is a risk that the pension trustees will not grant to FF the enhanced pension required in the demand by the Union (which is based on 12 years' service with an enhancement);
- FF feels FF is entitled to additional compensation for the suffering caused by the ill health, which is the result, it is claimed, of the way in which HSL mis-handled FF's employment.

Negotiations have continued over a prolonged period at the end of which the parties are far apart. FF, supported by the Union, has said that FF requires:

- HSL to pay a lump sum payment and pension - based on 20 years' service – meaning a lump sum of £10,000 and a pension of £14,400;
- payment of lump sums of £50,000 to compensate for the misery, anguish and loss suffered by FF and of £30,000 for breach of contract;
- Payment of £2,550 for time spent travelling, and also reimbursement of various travel costs (including interest) – all of which have been outstanding for 2 years.

There are certain major compliance issues which FF has raised which HSL are concerned about.

The parties have reached the end of the line. The next available route will be for FF to pursue the Grievance Procedure and perhaps raise a court action. HSL know this and, as a last endeavour to find a solution, have agreed to pay the costs of a mediation.