



EMPLOYMENT TRIBUNALS

Claimant: Mr A Hussain

Respondent: Englobe Regeneration UK Ltd

Heard: via CVP in the North East Region

On: 3 January 2024 and, in chambers, on 2 February 2024

Before: Employment Judge Ayre, sitting alone

Representation

Claimant: Miss C Brooke-Ward, counsel

Respondent: Ms G Nicholls, counsel

JUDGMENT

The claim for unlawful deduction from wages is not well founded. It fails and is dismissed.

REASONS

Background

1. The claimant was employed by the respondent from 3 September 2018 until 16 June 2023. On 27 September 2023 the claimant issued a claim in the Employment Tribunal following a period of early conciliation that started on 11 September 2023 and ended on 21 September 2023. The respondent defends the claim.
2. The claim is about deductions that the respondent made from the claimant's wages in relation to the costs of a training course that the respondent enrolled the claimant

on. The claimant says that he was enrolled on the course in January 2019 and the expectation was that the course would be completed within approximately a year. The claimant says he was not able to complete the course because he was not given time to do so due to a lack of staffing, high workload and mismanagement.

3. On 7 December 2023 Employment Judge Cox identified the issues that fell to be determined at today's hearing and ordered the parties to prepare witness statements by 21 December 2023

The hearing

4. There was an agreed bundle of documents running to 142 pages. The Tribunal heard evidence from the claimant and, on behalf of the respondent, from:
 1. Alex Sweeney, Operations Manager;
 2. Teresa Lennon, HR Business Partner; and
 3. Julia Roberts, UK Managing Director.
5. The hearing was listed for 3 hours and, in light of the number of witnesses, it was not possible to conclude the case on the day. By agreement, and as both parties were legally represented, counsel sent in written submissions, and the case was listed for a further hearing, in chambers, for the Tribunal to make its decision.

The issues

6. The issues for determination by the Tribunal were the following:
 1. Was the deduction made by the respondent from the claimant's wages authorised by a term of his contract or by some other agreement?
 2. Was the deduction from the claimant's wages a fair reflection of the cost of the training course?
 3. Was the deduction subject to an implied condition that the respondent would take reasonable steps to ensure that the claimant had time to complete the course within a year or some other reasonable timeframe?
 4. If so, was that condition fulfilled?
7. Miss Brooke-Ward accepted that the sum of £3,445 was a fair reflection of the costs of the training course and indicated that the claimant was not seeking to argue that it was a penalty clause. She did not raise any issues in relation to the National Minimum Wage or suggest that the claimant had not been paid the National Minimum Wage during the last two months of his employment.

Findings of fact

8. The respondent is a specialist remediation and brownfield enabling works contractor, which cleans up and prepares used and contaminated land for redevelopment and operates soil treatment facilities. The claimant began working for the respondent on 3 September 2018 as a Soil Treatment Facilities (“STF”) Operator based at the respondent’s Skelton Grange site in Leeds. In May 2021 the claimant was promoted to STF Manager, in charge of the soil treatment facility in Skelton Grange.
9. The claimant was employed on a contract of employment dated 13 July 2018 and which he signed on 21 July 2018. That contract contained the following clause:

“5 Deductions from Pay

By signing these Terms and Conditions of Employment you consent to a deduction from any sum otherwise payable to you, the value of any claim the Employer may have against you including but not limited to:

- *Where you leave the Employer the balance of any training assistance given under a study loan agreement;*

Any amount deducted under this clause is a genuine attempt by the Employer to assess its loss and is not intended to act as a penalty....

If, on the termination of your employment, your final payment of wages is not sufficient to meet your debt due to the Employer, you agree that you will repay the outstanding balance to the Employer within one calendar month of the date of termination of your employment, such payment to be made as agreed with the Employer.”

10. The claimant was not issued with a new contract of employment when he was promoted in May 2021, but was merely sent an email confirming his promotion, and there was no change to the Deductions from Pay clause in his original contract.
11. At the start of the claimant’s employment with the respondent there was a discussion between the claimant and his then line manager, Andrew Clee, about the claimant completing a Waste Management Training and Advisory Board (“WAMITAB”) training course. The course is an industry recognised qualification and completing it would benefit both the claimant and the respondent. It was agreed that the respondent would pay for the claimant to do the course, at a cost of £3,445.
12. The respondent’s normal practice is that where it pays for training for employees that costs more than a certain amount, the employee is asked to sign an agreement to repay some or all of the training fees if they leave their employment with the respondent within a certain period of time. The claimant’s training course fell into this category and he was therefore asked (and agreed) to sign an agreement to repay the fees.
13. On 21 November 2018 a letter was sent to the claimant about the WAMITAB training. The letter stated that:

“Further to our discussion, I am pleased to confirm our agreement that you will undertake WAMITAB training from January 2019 to December 2019 (or longer if required). The Company will pay for this at a cost of £3,445.

We have agreed that due to the extent of the investment Biogenie is taking in your investment, should you resign and leave Biogenie during or within 2 years of completing your professional qualifications you will be required to reimburse Biogenie for the costs incurred as follows:

- 100% of fees incurred if employee leaves during course of study or within 12 months of completing course*
- 50% of fees incurred if employee leaves between 12 and 24 months of completing course....”*

- 14. The claimant signed the letter on 22 November 2018 to confirm that “I accept the terms of the letter given to me and I authorise any relevant deductions to be made from my salary.”*
- 15. In February 2019 the claimant registered for the WAMITAB course with the external provider of the course. In accordance with the respondent’s normal practice, he was not allocated any dedicated time off to attend the course. It was however expected that if he needed time off for his studies he would ask for it, and it would be granted. The claimant was expected to manage his own working time such that he had time to complete the WAMITAB course. The course is a common qualification in the industry, and employees are normally able to complete the course within two years of starting it.*
- 16. The claimant was provided with access to the course provider’s systems to enable him to complete the course at times of his choosing. The respondent did not have access to those systems and relied upon the claimant to progress with the course and to keep it updated on his progress.*
- 17. The claimant’s first annual performance appraisal took place on 15 February 2019. The notes of that appraisal record, in the section dealing with training activities to be pursued in the upcoming year “complete WAMITAB”. There was no suggestion in that appraisal of the claimant not having sufficient time to do so.*
- 18. The subsequent annual appraisal took place on 17 March 2020 and records excellent performance by the claimant. Mr Sweeney wrote a comment in the section headed ‘Objectives for the upcoming year’ “Complete WAMITAB certification – to be given time to allocate – resource?” Mr Sweeney’s evidence, which I accept, is that by this comment he meant that the claimant should let him know when he needed time to do the course, and Mr Sweeney would arrange cover for him. In his comments, the claimant wrote “I am very grateful to Alex for all his support and positive comments. He has helped me throughout this difficult transition phase and proved to be an excellent manager...”*

19. In 2021 the claimant's annual appraisal took place in March, and the claimant was scored as *"Exceeds expectations, could take on more responsibilities as agreed"*. In the section dealing with training, he was given the target of completing WAMITAB. There is no mention of any concerns by the claimant about workload or lack of time to complete WAMITAB. On the contrary, the claimant, in his comments, thanked Alex Sweeney for *"the excellent management and support you provide to me on a daily basis"* and *"for giving me the independence and trust to run the site in an efficient and effective manner."*
20. The last of the claimant's annual appraisals took place in August 2022. The claimant was rated as an 'Exceptional Contributor' and there is no mention of the WAMITAB course in the appraisal. The claimant was praised in his appraisals for his organisational and administrative skills.
21. Mr Sweeney, who became the claimant's line manager in October 2019, gave evidence to the Tribunal that he repeatedly asked the claimant to let him know when he needed time off to complete his training, and that at no point was the claimant ever refused time off to study. The Tribunal accepts Mr Sweeney's evidence on that issue. He was a credible witness whose oral evidence was supported by documents in the bundle, and in particular by the appraisals and resignation letter in which the claimant repeatedly thanked Mr Sweeney for his support.
22. The evidence also included an email sent by Mr Sweeney to the claimant on 12 January 2021 with a proposal for cover one day a week to allow the claimant to complete his training. The claimant did not reply to that email. On 25 November 2022, in response to an email sent to him by the claimant the previous day asking if he could take one day off a week to complete his training, Mr Sweeney sent an email to the claimant asking him how much more he had to do to complete his WAMITAB course, and how long this may take. He also told the claimant in that email that the respondent may be able to provide cover whilst the claimant completed the course. The claimant did not respond to that email either.
23. In April 2021 the claimant was offered a promotion to the role of STF Manager. Chris King, Operations Director, wrote to the claimant setting out the details of the role. The claimant replied to Mr King in an email in which he asked for a number of things. He wrote:
- "....I would like to accept the role as discussed and detailed below on the provision of a couple of details:*
- 3. You are able to schedule adequate time for me to complete my WAMITAB and undertake other management courses...."*
24. Mr King replied to the claimant: *"....All of those provisions look sensible and certainly fair so I'd be happy to agree and outline a programme which takes those into account"*.
25. In March 2023 the claimant asked Mr Sweeney to contact the course provider to find

out how much of the course fees he would have to pay back if he were to leave the respondent's employment without completing the course. Mr Sweeney sent an email to the course provider on 17 March 2023 asking this question and received a reply a few days later. The reply made clear that if the claimant left the respondent, the respondent would have a credit of £641.43 to transfer to a new learner. It also stated that the claimant's registration had expired, so that if the claimant wished to continue with the course there would be a re-registration fee of £350 plus VAT to pay.

26. The respondent paid the re-registration fee to enable the claimant to continue with the WAMITAB course. The claimant completed the course during his notice period and received his qualification on 15 June 2023, the day before his employment terminated.

27. On 4 May 2023 the claimant resigned from his employment, with notice. In his resignation letter he wrote:

"Please accept this letter as my formal resignation from the position of STF Manager at Englobe UK. My last day will be 16th June 2023 which I trust fulfils my notice period requirement as per my contract of employment.

It is with great sadness that I leave Englobe and would like to take this opportunity to express my thanks and gratitude for the experience and professional opportunities I have had whilst working here. I have learnt a lot and grown both personally and professionally over the past 4 years.

I would also like to take this opportunity to thank you personally for your unwavering support and professionalism throughout my tenure. I can say without a doubt that you are a huge asset to the company and a valued member of the operational team.

I hope that we can work together to ensure that my departure goes smoothly. I am willing to assist in any way possible so that all my responsibilities are properly handed over.

I wish you and the company much success and hope to keep in touch...."

28. In an email sending the letter of resignation to Mr Sweeney and to Teresa Lennon in HR, the claimant asked for clarification of "your intentions with regards to outstanding holidays and any fees owed at the earliest opportunity....". He also wrote: "I thank you for your tireless support and efforts during my time at Englobe."

29. Ms Lennon replied to the claimant informing him that he would be paid for 14 days' accrued holiday, and that the holiday pay would be offset against the training cost of £3,345 split over the claimant's May and June salary payments, such that the claimant would be paid approximately £760 net in May and £730 net in June.

30. Mr Sweeney and Mr Lennon met with the claimant on 12 May 2023. During that meeting the claimant raised concerns about the repayment of the training fees and said that he had not had enough time to complete the training or had enough support.

He asked the respondent to waive the training fees on the ground that he had not had enough time to complete the training.

31. Other members of staff had been required to pay training fees, and the respondent saw no reason to treat the claimant differently from others. On average it takes a year to complete the WAMITAB training, and the claimant had had more than four years to complete it.

32. On 18 May 2023 Teresa Lennon wrote to the claimant to inform him of the decision. In the letter Ms Lennon wrote:

“...You stated you felt you did not have sufficient time to complete the course which you started in February 2019, due to being exceptionally busy at work and asked us if we would waive the full cost for you.

Having considered your reasons, we have decided that you are still required to pay the full cost of the training to us. Whilst you are required to repay the cost of the training, we are aware that your WAMITAB registration had expired and so we paid a re-registration fee to the training provider to enable you to continue with your course, giving you a further 2 years to complete it.

As you know, we entered into an Agreement dated 21 November 2018 in relation to the costs of the WAMITAB training course...”

33. The claimant was asked to sign the letter to accept the repayment terms but declined to do so. He did not respond to the letter.

34. On 24 May, having not heard back from the claimant, Ms Lennon wrote to the claimant confirming that 50% of the course fees would be deducted from the claimant's May salary and 50% from his June salary. The claimant did not reply to the email.

35. The claimant subsequently completed the course on 15 June 2023, the day before his employment ended on 16 June 2023. Prior to his resignation he had completed between 50% and 60% of the course, and he was able to complete the rest during his notice period, taking holiday to do so.

36. In May 2023 the sum of £1,722.50 was deducted from the claimant's pay, leaving him with net pay of £778.96 for that month. The same deduction was made from the claimant's June salary, leaving him with net pay of £712.72 for that month.

37. During the course of his employment with the respondent the claimant successfully completed not just the WAMITAB course, but also a leadership programme which was spread over six months. He also attended a number of other, shorter courses. Although the claimant was generally busy at work, there were periods of time when he was less busy, and there were other members of staff who could have provided cover if he had asked.

38. Much of the WAMITAB course was completed a long time before he resigned. In March 2022 the course provider wrote to the claimant asking how he was progressing, and the claimant replied *“I think I’m struggling to find the time to complete this even though there isn’t much left to do. I will prioritise this....hopefully we can blast through the remaining modules. I apologise hugely as this should have been done sooner....”*
39. In November 2023 the course provider sent an email to the claimant in which she wrote *“I was genuinely surprised by the amount of time that it took you to complete the qualification....”*

The Law

40. The relevant statutory provisions are contained within section 13 of the Employment Rights Act 1996 which provides as follows:

“13 Right not to suffer unauthorised deductions

(1) An employer shall not make a deduction from wages of a worker employed by him unless –

- (a) the deduction is required or authorised to be made by virtue of a statutory provision or a relevant provision of the worker’s contract, or*
- (b) the worker has previously signified in writing his agreement or consent to the making of the deduction.*

(2) In this section “relevant provision”, in relation to a worker’s contract, means a provision of the contract comprised –

- (a) in one or more written terms of the contract of which the employer has given the worker a copy on an occasion prior to the employer making the deduction in question, or*
- (b) in one or more terms of the contract (whether express or implied and, if express, whether oral or in writing) the existence and effect, or combined effect, of which in relation to the worker the employer has notified to the worker in writing on such an occasion.*

(3) Where the total amount of wages paid on any occasion by an employer to a worker employed by him is less than the total amount of the wages properly payable by him to the worker on that occasion (after deductions), the amount of the deficiency shall be treated for the purposes of this part as a deduction made by the employer from the worker’s wages on that occasion....”

41. Section 23 of the Employment Rights Act 1996 gives workers the right to make complaints of unlawful deduction from wages to the Employment Tribunal provided that such complaints are made within three months of the date of payment of the wages from which the deduction was made. Where there is a series of deductions the complaint must be made within three months of the last deduction in the series. Section 23(4) gives the Tribunal the power to extend time if it is satisfied that it was

not reasonably practicable for a complaint to be presented within three months, and the Tribunal considers that it was presented within such further period as was reasonable.

42. Even if a deduction from wages is authorised by a provision of a worker's contract, under common law any deduction must be a genuine pre-estimate of the loss suffered by the employer, or it will be void as a penalty clause (***Dunlop Pneumatic Tyre Co Ltd v New Garage and Motor Co Ltd [1915] AC 79*** and, more recently, ***Cavendish Square Holding BV v Makdessi and another case (Consumers' Association intervening) [2016] AC 1172***)

43. A clause can be implied into a contract of employment in a number of ways. An implied term cannot however override an express term and will not be implied merely because the term itself is reasonable. The Tribunal can only imply a term into a contract of employment if it considers that it would have been the intention of the parties to include it in the agreement at the time the parties entered into the contract. Terms can be implied if:

1. The term is so obvious that the parties must have intended that it be included;
2. It is custom and practice for the term to be included;
3. The manner in which the contract is performed by the parties demonstrates an intention to include the term; and/or
4. The term is necessary to give the contract business efficacy, i.e. to make it work.

44. If it is necessary to imply a term into a contract in order to make the contract workable, the Tribunal may imply such a term. The test is whether the term is necessary to make the contract work. In ***Ali v Petroleum C of Trinidad and Tobago [2017] ICR 531*** the Privy Council implied a term into a contract which provided for an obligation on an employee to repay a study loan if he left the business within five years of completing the studies. The Privy council held that it was necessary to imply a term into the contract that the employer would not prevent the employee from completing 5 years' service.

Submissions

45. I have summarised briefly below the written submissions of each party. The fact that a point raised in submissions is not mentioned below does not mean that it has not been considered.

Claimant's submissions

46. The only claim brought by the claimant is for unlawful deduction from wages. The claimant does not dispute that the contract allowed for deductions to be made from

his salary, however, he submits that there was an implied term in the contract that the claimant be permitted a reasonable period of time to complete the course during working hours. In the alternative he argues that there was an express term agreed to provide time for the course when he was offered a promotion.

47. In the claimant's submission, the Tribunal has the power to decide whether or not terms should be implied into the contract of employment. The claimant relies on ***Weatherill v Cathay Pacific Airways Ltd [2017] IRLR 609*** in which the EAT held that questions of contractual interpretation may be relevant to claims for unlawful deduction from wages and that, when determining disputes as to the amount of wages properly payable on any occasion, the Tribunal may determine disputes as to the proper interpretation of the contract or the existence of an implied term.
48. The claimant submits that a term should be implied into the claimant's contract that the claimant would be given a reasonable period of time to complete the course. This term would, the claimant says, give the contract business efficacy and both parties would likely have agreed to the inclusion of such a clause had it been suggested at the time.
49. In the claimant's submission, the evidence before the Tribunal suggests that the claimant had asked for support and resources to complete the course but not been provided with either. The claimant was too busy to complete the course, and his failure to do so was not due to a lack of organisational skills as he had been highly rated in his for his administrative and organisational skills. The respondent did not, the claimant submits, give the claimant reasonable time to complete the course.
50. The claimant further submits that when he was offered promotion in April 2021 his acceptance of the offer was conditional upon him being scheduled adequate time to complete his WAMITAB and undertake other management courses. He claims to be entitled not only to recover the course fees that were deducted from his wages, but also two weeks' holiday pay and interest.

Respondent

51. The respondent submits that the deductions made from the claimant's wages were authorised both by the claimant's contract of employment and by the letter signed by the claimant on 22 November 2018. The deductions that were made were a fair reflection of the cost of the training course and did not amount to a penalty clause.
52. The respondent further submits that it took reasonable steps to ensure that the claimant had time to complete the course. The claimant completed the course in June 2023, some four years and four months after he was registered for it. The respondent could not, it submits, have forced the claimant to take certain days off to study, rather it was for the claimant to tell it when he needed time off.

53. When accepting the promotion the claimant had, in the respondent's submissions, clearly expressed an ability to take on other management courses provided he had time to complete the WAMITAB. The claimant had agreed in his appraisals to complete the course and it was incumbent on him to indicate when he needed resources to cover him. Mr Sweeney had provided the claimant with support and the offer of cover. It was not unusual within the respondent's business for employees to complete the WAMITAB course whilst working and other members of staff had done so. It was the claimant who failed to prioritise completing his studies.

Conclusions

54. I have reached the following conclusions having considered carefully the evidence before me, the relevant legal principles, and the written submissions of both parties.

55. There was some conflict of evidence between the parties, both as to the amount and degree of support offered to the claimant to enable him to take time off, and as to the extent to which the claimant asked for support during the course of his employment. On balance I prefer the respondent's evidence on this issue. There was some documentary evidence before me of discussion between the parties about the claimant being given time and resource to complete the course. The record of the claimant's appraisal in March 2020 records a discussion about the claimant being given time to complete it, and the email exchange in April 2021 shortly prior to the claimant's promotion indicates that it was raised then. The comments in the appraisal in March 2020 are in the handwriting of the claimant's line manager, not in the 'Employee comments' section – which suggests that there was a willingness to discuss the issue and to offer support. The email sent by the Operations Director to the claimant on 29 April 2021 indicates that the respondent agreed the claimant should be provided with time to complete the course

56. Moreover, in January 2021 Mr Sweeney sent an email to the claimant and a colleague suggesting one day a week cover from another employee and asking the claimant and his colleague to arrange the cover between themselves, and to let him know if there were any concerns. The claimant did not reply to this email or raise any concerns at the time. In November 2020 when the claimant emailed Mr Sweeney to ask for one day a week to work on his course Mr Sweeney replied asking how much more he had to study and indicating that an employee called Tom may be able to come back and cover whilst the claimant completed the course.

57. This evidence supports the oral testimony of Alex Sweeney that whenever the claimant raised the issue of time off, Mr Sweeney would ask him what days he wanted time off so that cover could be arranged, but the claimant did not reply.

58. Mr Sweeney's evidence is further corroborated by the extremely positive comments made by the claimant about Mr Sweeney's management and support, both during the course of his employment (in the claimant's comments on his appraisals) and in his resignation letter.

59. The claimant was clearly a capable and highly performing employee. He was capable of completing more than half of the WAMITAB course before resigning, which suggested that he did have some opportunity to study. Whilst I accept that there were times when the claimant was busy at work, there were also times when he was less busy. He had offers of support from his line manager, for whose management style and support he was full of praise. He did not raise any complaints or grievances about lack of time to complete the course at any time prior to May 2023, after he had resigned. It is clear from the communication at the time of the claimant's resignation that the claimant was aware that he may be required to repay the training costs.
60. It was in both parties' interest that the claimant complete the course, and, contrary to the claimant's allegation (as set out in his claim form), there was no 'deliberate attempt' to prevent him completing it or using the course as leverage for him to stay with the company. The respondent took steps to enable him to complete the course, by offering him support and cover. Moreover the respondent did not hesitate to pay the re-registration fee for the claimant (without which he would not have been able to complete the course in June 2023) and did not seek to recover this sum from him.
61. The claimant completed the course the day before his employment with the respondent came to an end and has therefore had the benefit of it. He has taken the benefit of the qualification with him on departure, such that the only ones to benefit from the qualification are the claimant and any potential future employers.
62. I turn now to the specific issues that fell to be determined in this case. The first of those issues is whether the deductions from the claimant's wages were authorised by a term of the claimant's contract or by some other written agreement. I am satisfied that they were. The deductions were authorised both by clause 5 of the claimant's contract of employment and by the training letter in November 2018. Both of those documents were provided to the claimant in writing, well in advance of the deductions, and both were signed by him.
63. The second issue for determination was whether the deduction from the claimant's wages was a fair reflection of the cost of the training course. Miss Brooke-Ward accepted that it was, and there was no evidence before me to suggest that the amount of the deduction was such as to amount to a penalty clause. The amount deducted was in fact less than the respondent paid for the claimant to undertake the course, as there was no deduction in respect of the re-registration fee.
64. The key issue in this case is whether the deduction clauses in the contract of employment and the November 2018 letter were subject to an implied term or condition that the respondent would take reasonable steps to ensure that the claimant had time to complete the course within a year or some other reasonable time frame.
65. I accept the claimant's submissions that the Tribunal can imply terms into contracts when determining claims for unauthorised deductions from wages. In order however for a term to be implied through business efficacy, as Miss Brooke-Ward suggests,

the term must be necessary in order to make the contract work. It is not sufficient that the term is merely a reasonable one, it must be necessary. In this case, a term that the respondent would take reasonable steps to ensure that the claimant had time to complete the course within a year or some other reasonable time frame is not necessary for the performance of the contract. The claimant could have undertaken the course outside of his normal working hours and still benefited from it. He could have arranged his own working time such that he had time to study. There was nothing in the contractual terms between the parties which provided for the claimant to be given time off during working hours to study or for the respondent to organise that time off.

66. Even if such a term had been implied, it cannot be said on the evidence before me that the respondent breached that term. On the contrary, the respondent took steps to ensure that the claimant could fulfil the course within a reasonable time frame, by offering him support and cover, and by relying upon him to organise his time such that he was able to study. In light of the claimant's strong organisational skills and general high performance, this was not unreasonable on the part of the respondent.

67. For the above reasons, the claim for unlawful deductions from wages fails and is dismissed.

Employment Judge Ayre

Date: 4 February 2024

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