

STATES OF JERSEY



COMMITTEE OF INQUIRY: PAYMENTS ON PREMATURE CESSATION OF EMPLOYMENT CONTRACTS

**Lodged au Greffe on 11th January 2012
by Deputy R.G. Le Hérisier of St. Saviour**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to establish a Committee of Inquiry in accordance with Standing Order 146 to inquire into and report back within 6 months upon the contractual arrangements governing the employment of Chief Officers with particular reference to payments negotiated upon the premature cessation of employment contracts during 2011;
- (b) to agree that the Committee should comprise one person, and to request the States Employment Board, following a selection process undertaken by the Appointments Commission, to recommend to the States for approval a suitably qualified and experienced independent individual;
- (c) to request the Board to bring forward terms of reference for the review for approval.

DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR

REPORT

Introduction

The issue of Golden Handshakes has angered members of the public for several reasons. First, it is done in secret on the grounds that contracts are secret. Second, the suggested sums of money, if true, make it very difficult to convince the Public and groups like Unions that the States is serious about cuts.

Instead, they see an organisation which appears to be selectively generous.

Third, we are incessantly told that the States must adopt business methods and approaches but, in these instances, we see people rewarded despite the abrupt termination of their contracts. We have no way of knowing whether this is a reward for “failure” because it is all handled in secret.

Why we must change

The secretive ways underlying key personnel policies have long been a source of contention. Shareholders know the terms on which their Chief Executives are appointed and, thankfully, are getting much more assertive about a system which seems so often to “reward failure”.

At least, these issues are now being openly discussed. We, by contrast, choose to keep them secret.

Although the suggested sums are enormous and very questionable in a time of austerity, this is not the most worrying feature.

What is of paramount concern is that Ministers are making these decisions in secret.

We have no way of knowing whether they accord with proper policy, or whether they boil down to bad personal chemistry between a Minister and a senior civil servant. Furthermore, if the figures are to be believed, the question arises of why and how a Minister has access to such discretionary funds and is not held publicly accountable for their expenditure.

Because of the secrecy surrounding the matter, we do not know if pressure is being applied to individuals, whether they have threatened the States with legal action, or whether the Handshakes are a way of avoiding actions for Constructive Dismissal. (In an answer to a question of mine in the States Sitting of 1/11/2011 – 12405(6575), it was stated that “there have been no cases where States employees have left the service and claimed constructive dismissal or have been compensated on the basis of constructive dismissal for the period 1st January 2010 to 25th October 2011”).

The way forward

The terms of reference for the review should be prepared by the States Employment Board for States’ approval. I propose that the terms of reference should include earlier relevant contracts which were terminated and which gave rise to payments to the departing employee.

I am proposing that the Inquiry should report back within 6 months of commencing work. All evidence should be in public unless that is directly forbidden by the terms of, for example, an Employment Contract.

Financial and manpower statement

I am proposing a budget of £20,000. Based on recent experience, £10,000 will be for administrative support; and £10,000 will be for sundries such the obtaining of relevant advice.