

2.4 Senator J.L. Perchard of the Chief Minister regarding severance packages for employees of the States of Jersey:

As Chairman of the States Employment Board what action, if any, will the Chief Minister be taking to limit the level of payment granted in a severance package to any employee of the States of Jersey who, for whatever reason, is leaving their position?

Senator T.A. Le Sueur (The Chief Minister):

Earlier this year the States Employment Board consulted upon and implemented revised policies for voluntary severance and compulsory redundancy that are significantly less generous than those that existed in the past. These policies strike the right balance between good employment practice and value for money. In addition, the States Employment Board has responded to the proposition P.59/2011 brought by Deputy Le Hérisser in which the States Employment Board will be approving the appointments of all senior posts with a salary in excess of £100,000. At that point, the States Employment Board will be in a position to stipulate any particular contractual conditions.

[10:00]

2.4.1 Senator J.L. Perchard:

That is encouraging to hear indeed and I know many members of the public will be encouraged by that. Therefore, the Chief Minister should have no problem in releasing but will he release to Members draft copies of the contract of employment that he is proposing to offer to the yet unappointed new Chief Executive Officer of the States of Jersey?

Senator T.A. Le Sueur:

I would have no difficulty in releasing the terms of reference of the appointment and, in terms of some of the contractual arrangements, those can be disclosed. Other matters of employment relations are traditionally and typically confidential and so it would not be necessarily a blanket release. I think it more appropriate that if people have concerns about those contracts, firstly, we need to ensure that there are robust procedures within the States Employment Board for those contracts and, secondly, the right for them to be reviewed in confidence by an appropriate body such as, perhaps, one of the scrutiny panels. But I do not think it would appropriate as a general principle for everyone's contract of employment to be publicly available.

Senator J.L. Perchard:

Yes. I fully appreciate that and I am sure Members will agree that it would not be appropriate for everyone's or anyone's contract of employment to be publicly available. The point about my question was there is not at the moment an employee filling this position. I will ask again: will the Chief Minister release to Members and the wider public draft copies of the proposed contract of employment that he is going to offer to the yet-unappointed Chief Executive Officer of the States of Jersey?

Senator T.A. Le Sueur:

I can certainly provide Members with a draft copy of the proposed contract; but the nature of contractual arrangements is that those may well change between the draft and the final situation, depending on negotiations entered into with the prospective employee.

2.4.2 Deputy T.M. Pitman of St. Helier:

I have tried to stray from my own question 18. The Minister for Treasury and Resources said in the media that details such as Senator Perchard is referring to would only be released in exceptional circumstances. Can the Chief Minister clarify that all recent sums are not in any way directly attributable to pension entitlements and, if not, will he take some firm action to confront growing public perception that these huge payments can only be what many call “hush money”?

Senator T.A. Le Sueur:

I can confirm, firstly, that this is not any question of hush money. This is a negotiated settlement and, in one case certainly, is in full accordance with the contractual obligations which the States entered into. As far as other matters raised by the Deputy are concerned, it does not relate to pension matters. This is purely in respect of a normal payment at the end of contractual arrangements. As far as the concerns of the Deputy and other Members, and indeed the general public, I fully appreciate there is concern and I have had the concerns myself, as did members of the States Employment Board. I would be happy for these particular instances to be looked at in confidence by an independent body such as the Comptroller and Auditor General or some other persons, but I do not believe it is a matter which should be aired in public and, in particular in these cases, there are clauses of confidentiality in the contracts which would give rise to a further claim against the States should those details be publicised unnecessarily.

2.4.3 Deputy M. Tadier of St. Brelade:

Does the Chief Minister agree that all contracts for public employees should be public as, after all, they are employed by the public?

Senator T.A. Le Sueur:

Basically, no.

2.4.4 The Deputy of St. John:

Will the Minister, when he puts in place his new arrangements for our new C.E.O. (Chief Executive Officer) when he comes along, make it known that any settlement that might be put in place for early retirement or early moving on and a golden handshake that ... as we have seen recently published in the *Evening Post* the golden handshake of 2 senior officers, but we were not given details that have now come out in our latest book which is on our desks this morning on page 44. There was also a pension entitlement for 6 years' work of £414,000 for one of the officers who has retired. Will he make sure that all that is known to Members, what is in that package when it comes to the House, or is he is going to send us this information, please, prior to employing anybody?

Senator T.A. Le Sueur:

I have already said in my original answer that there are now revised policies and that any contract over £100,000, assuming that the States accept the P.59 response, will be reviewed and the details will be published in accordance with the amendment lodged by Deputy Le Hérisier.

2.4.5 Senator S.C. Ferguson:

Will the terms and conditions review that the Chief Minister referred to also be affecting the existing contracts of employment of existing chief officers?

Senator T.A. Le Sueur:

Potentially, yes.

2.4.6 Deputy R.G. Le Hérissier of St. Saviour:

Would the Chief Minister not acknowledge that - in line with business practice and, for example, with some of the States-owned utilities - it is the practice to publish full details of salaries of senior staff? Would he not wish to be in the vanguard and follow that solid business practice?

Senator T.A. Le Sueur:

Yes. Indeed, in the States Annual Accounts we publish every year salary details of all staff of that nature. What I was asked earlier was full contractual details, which is considerably different from the base salary.

2.4.7 Deputy J.A. Martin of St. Helier:

This follows on from Senator Ferguson's question. We have had 2 alleged big golden handshakes for contracts that were drawn up at least over 5 years ago. Can the Minister please let us know - we do not need the names; we need the people who are waiting in the wings with these same similar or contracts; we could even say: "Let us start at £100,000" - if they walk away tomorrow, how many people would have a £100,000 golden handshake and will the Minister please supply the details? I do not want the names, just the amount. Also, will he endeavour to make sure that whoever drew up these contracts, if they are still around, is severely dealt with?

Senator T.A. Le Sueur:

Firstly, I should point out to Members and the public that these are alleged golden handshakes and I am not commenting on the accuracy of that statement. In terms of any other payments of a similar nature, I did make inquiries following these 2 incidents to see whether there were any other situations where similar payments or any such payments might be made in the future. I am advised that there are no other cases where any person is likely or liable to receive any contractual or other payments such as might be implied by the Deputy's question.

2.4.8 Deputy D.J.A. Wimberley of St. Mary:

The Chief Minister used the phrase: "negotiated settlement." I would like to know when that negotiation took place. Was it early or was it right at the end of the time of work? Secondly, what was that negotiation based on? Was it based on the original contract?

Senator T.A. Le Sueur:

I am straying into delicate territory here because a negotiated settlement is, by nature, confidential and, in disclosing any such details to the Deputy, I am in danger of breaching that confidentiality and exposing the States to liability. On that basis, I would prefer not to answer that question in public but I would be, as I said earlier, happy for this to be investigated confidentially.

Deputy M. Tadier:

Sir, a point of order. Could I ask for the States to go in camera so that the Chief Minister can tell us all in confidence and answer the question of the Deputy of St. Mary, please?

The Deputy Bailiff:

If I may suggest, Deputy, we will come to that at a later stage when we come to question 18, or thereabouts, will we not? I think that is a more convenient time to do it. Is there a final supplementary?

2.4.9 Senator J.L. Perchard:

Does the Chief Minister agree that the promise of high levels of severance package has created a perverse incentive for tired senior executives to willingly preside over failing departments, safe in the knowledge that their departure will be the subject of a purchase by the States of Jersey for hundreds of thousands of pounds?

Senator T.A. Le Sueur:

Simple answer: no.

The Deputy Bailiff:

Very well, we now come to question 6 which Deputy Vallois will ask of the Minister for Transport and Technical Services.