

**WRITTEN QUESTION TO THE CHAIR OF THE STATES EMPLOYMENT BOARD
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th JUNE 2020**

Question

Will the Chair explain –

- (a) what justification is used for entering into compromise agreements with ex-employees;
- (b) how many compromise agreements the States Employment Board has entered into with ex-employees in each of the last five years and the total amount of money expended on them; and
- (c) how much money was expended on legal advice regarding these agreements and whether such advice was obtained from the Law Officers' Department or from private legal practice?

Answer

- (a) Compromise agreements (in the most common usage of that term) are used when the Employer is seeking to settle claims or potential claims. Such agreements are actively considered where the terms are proportionate to (and do not exceed) any potential liability.

Similar agreements may also be entered into in cases of redundancy/severance, where the Employer wishes to be protected from any future claim that may arise.

- (b) Those entered into with ex-employees since 2016 where legal proceedings were in train are as follows:

Year	Number of ex-employees compromise agreements	Approx. Cost
2016/17	5	£13,000
2018	7	£113,000
2019	5	£50,000

Notes:

- It is only since 2018 that the information for compromise agreements has been held centrally, therefore 2016 and 2017 may not be a true reflection of numbers or costs.
- The 2016/2017 data is merged for confidentiality purposes.
- The 2020 data is not included due to being part year – further data can be provided at year-end if required.
- Compromise agreements are typically subject to confidentiality obligations.
- Financial data in the table is rounded to the nearest £1,000.

- The table above does not include data in relation to employees leaving by mutual consent where legal proceedings were not in train.
- (c) For such agreements to be legally enforceable pursuant to the Employment (Jersey) Law 2003, it is necessary for each individual to receive independent advice from a law firm, JACS or a trade union. The Employer will make a small monetary contribution (typically in the region of £500, depending on complexity) where an individual is advised by a law firm. This would equate to approximately £8,500 if applied to each of the cases in the table.

Since 2018, information for compromise agreements has been held centrally, with legal advice to the States Employment Board being provided from within the internal resources of the Law Officers' Department. Any such legal advice benefits from legal privilege, which is not waived. Whilst officers' time will also have a cost, it is not feasible to provide a breakdown of such costs in respect of these agreements in detail, albeit these costs will be part of agreed Government and Department expenditure.