

**Response to a Question Pursuant to Rule 14
of The Rules of Procedure of the States of Deliberation and their Committees**

Subject: Compromise Agreements

States' Member: Deputy M P Leadbeater

Date received: 30th March 2023

Date acknowledged: 31st March 2023

Date of reply: 24th April 2023

Questions

1. Please provide the number of States of Guernsey staff that left the organisation with a compromise agreement, between January 1st 2012 and December 31st 2022.
2. Please provide the total, cumulative financial cost of those compromise agreements.
3. Please provide a year-by-year breakdown of the number of agreements reached each year and the total, cumulative financial cost for each year between the dates specified in question 1.
4. Please also provide details of indirect payments such as enhanced pension contributions (paid immediately or over a period of time), retaining vehicles etc and the cost of gardening leave included in all compromise agreements over the period specified question 1 - cumulative over that period and broken-down year-by-year.

Response

In accordance with data protection principles, and employment law practice, any employee receiving a termination payment, set out in a Compromise Agreement may reasonably expect the existence of such an agreement, and details of it, to remain confidential. Hence the Committee will always take care when providing information relating to such agreements, especially where there might be a risk of identifying individuals. The Committee is grateful that the questions are sufficiently broad to enable the responses set out below.

The use of Compromise Agreements is enshrined in The Employment Protection (Guernsey) Law, 1998, as amended. In general, Compromise Agreements can be a useful tool to enable an employer and its employee to bring an employment relationship to an end. Whilst the States of Guernsey is a good and fair employer there are occasions where the best solution

for the employer and employee is to end the relationship and a Compromise Agreement remains an appropriate mechanism to achieve this.

Q1. Please provide the number of States of Guernsey staff that left the organisation with a compromise agreement, between January 1st 2012 and December 31st 2022.

The total number of persons exiting the organisation during that period with a compromise agreement was 165.

Q2. Please provide the total, cumulative financial cost of those compromise agreements.

The total cost of those compromise agreement packages was £5,095,916.

Q3. Please provide a year-by-year breakdown of the number of agreements reached each year and the total, cumulative financial cost for each year between the dates specified in question 1.

The annual breakdown is shown in the table below

Year	Employees	Total Cost (£)	Costs in 2022 prices ¹ (£)
2012	16	618,778	807,535
2013	13	482,812	617,161
2014	18	537,157	682,298
2015	14	325,218	408,859
2016	21	663,785	821,542
2017	19	430,158	519,630
2018	19	365,907	432,270
2019	9	364,745	420,619
2020	16	370,918	421,055
2021	6	582,014	631,756
2022	14	354,424	354,424
Total	165	5,095,916	6,117,150

Q4. Please also provide details of indirect payments such as enhanced pension contributions (paid immediately or over a period of time), retaining vehicles etc and the cost of gardening leave included in all compromise agreements over the period specified question 1 - cumulative over that period and broken-down year-by-year.

¹ Costs are adjusted to take into account the effects of inflation. This makes comparison across the years more meaningful. The costs are reflatd using RPIX, as the measure is typically used as a basis for pay agreements.

Since the pension rules were changed in 2015, “enhanced pension” payments as part of a Compromise Agreement are not possible. I am not aware of any retained vehicles or similar benefits being awarded. There are occasions where operational vehicles that are no longer suitable for operational duty are disposed of through a sealed bidding process, but these arrangements are managed between the employee and the relevant service area. ‘Gardening leave’ is not something that is widely used in the States of Guernsey and data relating to it is not available. Any absence that could be construed as Gardening Leave in the context of this question is normally time taken in lieu of working a notice period. There are occasions where some employees serve their notice period away from the organisation or in deployment to other roles, this may be done to protect the interests of the organisation.

Deputy Peter Ferbrache
President
Policy & Resources Committee