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To: Personnel Committee **Date:** 27 January 2010

Subject: **Compromise Agreement Protocol**

Classification: **Unrestricted**

SUMMARY: Personnel Committee is invited to consider and endorse a set of protocols to apply to the way the authority deals with Compromise Agreements.

1. BACKGROUND

A compromise agreement is a legally binding agreement made between an employer and employee (or ex-employee). Under a compromise agreement, an employee agrees not to pursue particular claims in relation to his or her employment or its termination, in consideration of, usually, a financial settlement provided by the employer.

A compromise agreement represents an alternative route for both an employer and employee to going through a formal staff procedure that is, or may be expected to be, particularly problematic. Examples of such procedures include the Kent County Council ('KCC') Disciplinary Procedure, the KCC Performance and Capability Procedure, the KCC Harassment Procedure or the KCC Redundancy and Redeployment Procedure.

Compromise Agreements can also be used by employers as a means of settling serious grievances. Examples would include unlawful discrimination, breach of contract or constructive dismissal claims. They can also be used to avoid the publicity and an uncertain outcome of an Employment Tribunal, County Court or High Court case.

Compromise agreements can only be authorised by the Director of Law & Governance and require involvement of the Director of Finance and the Director of Personnel & Development. It has become apparent that in order to ensure consistent best practice a set of protocols should be introduced to govern the management of all compromise agreements.

Draft protocols are attached which have been discussed by the Director of Law & Governance, the Director of Finance and the Director of Personnel & Development.

2. RECOMMENDATION

Members are invited to consider the compromise protocols and endorse their introduction.

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