

Freedom of Information Act 2000 (Section 50)

Decision Notice

Date: 24 May 2010

Public Authority: Cornwall Council

Address: County Hall Treyew Road

Truro

TR1 3AY

Summary

The complainant requested information from Cornwall Council ('the Council') in respect of the redundancy details awarded to the outgoing Chief Executive of the former Cornwall County Council. The complainant asked various questions regarding the circumstances, calculation, composition and eligibility of the recipient to qualify for the redundancy package. The Council provided information in respect of the redundancy option and some general information regarding the package but cited section 40(2) of the Act and refused to provide specific details of the component payments and structure of the redundancy payment. The Commissioner finds that the Council applied section 40(2) of the Act appropriately. The Commissioner found some procedural breaches in the way the Council handled the request but requires no steps to be taken.

The Commissioner's Role

1. The Commissioner's duty is to decide whether a request for information made to a public authority has been dealt with in accordance with the requirements of Part 1 of the Freedom of Information Act 2000 (the "Act"). This Notice sets out his decision.



Background

2. The disputed information was contained in a Compromise Agreement which contained a confidentiality clause. The Commissioner has recently ruled on a very similar case (reference FS50267298). In this case, the Commissioner drew attention to a recent report published by the Audit Commission on the issue of compromise agreements. To read the report please follow the link below:

http://www.auditcommission.gov.uk/localgov/nationalstudies/bymutualagreement/Pages/default copy.aspx

3. As with complaint reference FS50267298, the Commissioner has taken the Audit Commission's findings into account and notes the background to the report:

"Senior pay in the public sector has been a focus of media attention and public concern. This has included severance payments – compensation received by employees for early termination of their contracts. High profile cases of council chief executives receiving large pay-offs have raised questions about whether taxpayers' interests are being protected.

The Request

4. On 18 May 2009 the complainant wrote to the Council to request information regarding the redundancy of the outgoing Chief Executive of the former Cornwall County Council. The complainant's letter set out a number of requests, full details of which have been reproduced in the Annex to this Notice. Paragraphs 1.1 to 1.3 concerned the redundancy option (i.e. whether voluntary or compulsory), paragraphs 2.1 to 2.3 related to the redundancy package received by the former Chief Executive and paragraphs 3.1 to 3.3 concerned alternative local government employment. Paragraph 2.1 outlined the complainant's understanding of the details of the redundancy package and asked if the Council would:

"...confirm whether my understanding of this situation is correct and, if not, please confirm the actual component payments and structure of the final redundancy package..."

5. In paragraph 2.2 of his letter the complainant outlined his understanding of the redundancy formula and asked the council to:



"...confirm ...what aspects were governed by any national agreements and what aspects were decided at local discretionary level?"

6. On 19 June 2009 the Council provided a response to all requests submitted by the complainant, except those contained in paragraphs 2.1 and 2.2 of his letter of 18 May 2009. With regard to those requests, the Council informed the complainant that:

"The Council may not disclose the precise details of the severance benefits paid to [named individual] because they are covered by a legally binding confidentiality agreement."

- 7. It did however confirm that a statutory framework determined the individual's entitlement to severance benefits and the level at which those benefits were paid was determined locally in accordance with the Council's approved policy and procedures.
- 8. On 23 June 2009 the complainant wrote to the Council to express dissatisfaction with its response and the manner in which his request had been handled. The complainant's letter also included a number of rejoinders to the Council's letter of 19 June 2009.
- 9. The Council responded on 30 June 2009. It provided further information in respect of the complainant's rejoinders and confirmed that it considered information requested under paragraphs 2.1 and 2.2 to be:

"...personal data pursuant to section 40(2) of the 2000 Act. The information satisfies the first condition under section 40(2)(b) and section 40(3)(a)(i)."

- 10. The Council informed the complainant that it believed disclosure of this information would contravene the first data protection principle and that it was satisfied that none of the conditions in Schedule 2 applied.
- 11. The complainant expressed dissatisfaction with this response on 7 July 2009 and formally requested an internal review of the Council's decision to withhold information.
- 12. The Council communicated the outcome of its internal review on 4 August 2009. It upheld its decision to refuse to provide information in respect of the request contained in paragraph 2.1 (details of the redundancy package) of the complainant's letter of 18 May 2009, on the basis that section 40(2) of the Act applied. In terms of the request



contained in paragraph 2.2 (the redundancy formula) of the same letter, the Council provided what it considered to be a substantive response.

The Investigation

Scope of the case

13. On 17 August 2009 the complainant contacted the Commissioner to complain about the way his request for information had been handled. The complainant specifically asked the Commissioner to consider the following points:

"The validity of the section 40(2) exemption."

- 14. The complainant also raised concerns regarding the Council's handling of his request from a procedural perspective.
- 15. During the course of the Commissioner's investigation the following matters were resolved informally and therefore these are not addressed in this Notice:

The Council provided further information in respect of the request contained in paragraph 2.2 of the complainant's letter of 18 May 2009 and the complainant was satisfied with the level of disclosure.

- 16. The Commissioner's investigation is therefore solely concerned with paragraph 2.1 of the request, namely the actual component payments and structure of the final redundancy package.
- 17. The complainant also raised other issues that are not addressed in this Notice because they are not requirements of Part 1 of the Act.

Chronology

- 18. On 12 November 2009 the Commissioner contacted the Council to request further information to assist with his investigation and a copy of the disputed information. The Commissioner asked the Council to provide a full response by 10 December 2009.
- 19. Following reassurances made to the Council by the Commissioner regarding the security of the disputed information, the Council provided a full response on 4 January 2010.



- 20. On 11 March 2010 the complainant contacted the Commissioner to draw his attention to a press article entitled 'pay bonanza for council bosses' which included some discussion of the former Cornwall County Council's audited accounts and from which, the complainant had concluded certain figures related to its outgoing Chief Executive.
- 21. The Commissioner invited the Council to comment on the article. Specifically he asked the Council to clarify whether this information meant that certain information contained in the compromise agreement was in the public domain.
- 22. On 1 April 2010 the Council provided a substantive response and informed the Commissioner that it did not consider press speculation or the publication of audited accounts, which do not name officers or give an exact figure of the payment, to be sufficient grounds for changing its position.

Analysis

Exemptions

Section 40(2)

- 23. The full text of the relevant provisions of the Act referred to in this section is contained within the Legal Annex.
- 24. Section 40(2) provides an exemption for information which is the personal data of an individual other than the applicant and where one of the conditions listed in section 40(3) is satisfied.
- 25. One of the conditions listed in section 40(3)(a)(i), is where the disclosure of the information would contravene any of the principles of the Data Protection Act 1998 ('the DPA').

Is the information 'personal data'?

- 26. In order to rely on the exemption provided by section 40, the information being requested must constitute the personal data as defined by section 1 of the DPA. It defines personal data as:
 - "...data which relate to a living individual who can be identified
 - a) from those data, or



b) from those data and other information which is in the possession of, or is likely to come into the possession of, the data controller,

and includes any expression of opinion about the individual and any indication of the intention of the data controller or any other person in respect of the individual."

- 27. The Commissioner has viewed the withheld information and is satisfied that it relates to an identifiable living individual, in this case the outgoing Chief Executive of the former Cornwall County Council. The Commissioner accepts that an individual's financial settlement with their employer is the individual's personal data as defined by the DPA.
- 28. Having concluded that the information falls within the definition of 'personal data' the Commissioner has gone on to consider if disclosure of the information would breach the requirements of the first data protection principle which states:

"Personal data shall be processed fairly and lawfully..."

The term 'processing' has a wide definition and includes disclosure of the information under the Act to a third party.

Would disclosure of the information be fair?

- 29. In considering whether disclosure of the individual's personal data would contravene the first data protection principle the Commissioner will firstly consider whether disclosure of the information would be fair. In considering this, he will take into account the reasonable expectations of the data subject and balance this against the legitimate interests of the public in knowing the circumstances regarding the Chief Executive's redundancy package.
- 30. The Commissioner has taken the following factors into account when considering what is fair:
 - The terms of the compromise agreement between employer and employee.
 - The consequences of disclosure.
 - The Chief Executive's reasonable expectation of what would happen to their personal data.
 - Balancing private and public life.
 - The Chief Executive's position as a senior employee of the Council.



• Balancing the rights and freedoms of the data subject with legitimate interests in disclosure.

Compromise agreement

- 31. The Employment Rights Act 1996 established the opportunity for parties to reach a compromise agreement and has built safeguards into the process to ensure employees receive independent and accountable legal advice before entering in to such agreements.
- 32. The Commissioner considers that compromise agreements play an important role in employer/employee relationships. They avoid the time, expense and stress of litigation in an Employment Tribunal when an employer/employee relationship comes to an end. Such agreements provide the opportunity to conclude the relationship in private and allow both parties to make a fresh start if they choose. In this case, indications of the Council's intentions towards the Chief Executive's employment, details of the departure and any payment(s) made are included in the compromise agreement.
- 33. The Commissioner notes that section 12 of the compromise agreement contains a confidentiality clause which is binding on both parties. Although it does not specify an agreed position in the event of a request under the Act, the Commissioner considers that the clause could be read widely enough to cover disclosure of the withheld information.
- 34. The Commissioner also considers that the right to access official information and the right to reach an equitable compromise in private when an employer/employee relationship comes to an end are not mutually exclusive. However, where a compromise agreement has been reached between a Council and a senior employee of that Council, a balance has to be struck between the public authority's duty to be transparent and accountable about how and why it decided to spend public money in a particular way, and its duty to respect its employees' reasonable expectations of privacy.

Consequences of disclosure

35. In assessing the consequences of disclosure the Commissioner has considered what those consequences might be and has then looked at other related factors. The Commissioner has taken into account that the data subject's emotional wellbeing may be affected by disclosure even though the distress or damage caused may be difficult to quantify.



- 36. The fact that some information about the Chief Executive's departure may have been and may still remain in the public domain could be argued to give weight to the further disclosure of information. However the details and terms of the compromise agreement including the specifics of the redundancy payment were not made public. Furthermore, there is a significant difference between general details and media speculation about the redundancy package, which may or may not be correct, and specific details provided by the public authority.
- 37. The extent to which disclosure can be said to remain in the public domain is also likely to affect the Commissioner's decision on fairness. For example a local news story may only stay in the public's consciousness for a short period whereas if the information is disclosed under the Act then disclosure is without restriction and there must be an assumption that the information could become part of a permanent and easily searchable/accessible source which may increase the unfairness of disclosure.
- 38. The Commissioner considers that disclosure of the withheld information in this case would bring a risk of additional distress and intrusion. The original request was submitted several months after the Council's initial announcement of the departure of the outgoing Chief Executive. Disclosure could have had the effect of returning this matter to the public eye for example by reigniting press interest, and with it the associated risk of causing further distress to the data subject.

Reasonable expectations

- 39. A data subject's expectations are likely in part to be shaped by generally accepted principles of everyday interaction and social norms, for example, privacy. It is accepted that every individual has the right to some degree of privacy and this right is enshrined in Article 8 of the European Convention on Human Rights.
- 40. However, expectations are also shaped by a society where transparency and accountability with regard to the spending of public money form part of its culture. This was recognised by the Tribunal in the case of *The Corporate Officer of the House of Commons v Information Commissioner and Norman Baker MP* (EA/2006/0015 & 0016) where it was said that:
 - "...The existence of the FOIA [Freedom of Information Act] in itself modifies the expectations that individuals can reasonably maintain in relation to the disclosure of information by public authorities, especially



where the information relates to the performance of public duties or the expenditure of public money." (para. 43)

- 41. The Information Tribunal in *Rob Waugh v The Information Commissioner and Doncaster College (EA/2008/0038)* considered similar conditions to those in this case. In EA/2008/0038 the settlement agreement between the public authority and data subject included a confidentiality agreement which limited the information that would be made available to the public about the termination of his employment. The Tribunal upheld this, as giving rise to:
 - "...a reasonable expectation that no further information would be released."
- 42. The Commissioner has found no evidence in this case that the Chief Executive's expectations of privacy were not objectively reasonable. There is no evidence to suggest that the Chief Executive expected or agreed that details of the compromise agreement would be disclosed. There is also no evidence that either party involved believed details of the compromise agreement were due to be or might have been published at a future date. For these reasons the Commissioner holds that the Chief Executive's expectations of privacy were reasonable and weigh significantly in this case.

Private versus Public Life

- 43. The Tribunal in *The Corporate Officer of the House of Commons v Information Commissioner and Norman Baker MP* also commented on the distinction between a data subject's private and public life and commented that:
 - "...where data subjects carry out public functions, hold elective office or spend public funds they must have the expectation that their public actions will be subject to greater scrutiny than would be the case in respect of their private lives..." (para. 78) and further that "...the interests of data subjects namely MPs in these appeals, are not necessarily the first and paramount consideration where the personal data being processed relate to their public lives" (para. 79).
- 44. Therefore, if an applicant requested information relating to the public/professional life of the data subject rather than their private life then it is more likely that it will be fair to disclose this type of information. However even if the information does relate to an individual's professional life, this does not mean that it will automatically be disclosed. For example there may be little expectation



of privacy with regard to the data subject's work duties but there may still be an expectation that 'HR' information will not be disclosed.

45. In this case the Commissioner has considered whether information confirming the actual component payments and structure of the final redundancy package (as contained in the compromise agreement) might be deemed HR information (as for example details of pension contributions and tax codes). Information such as an individual's tax code would be required by an employer for payroll purposes but, while it arguably relates to an employee's professional life as well as to their private life, it does not actually relate to the professional role undertaken by that individual. The Commissioner believes that the information relevant to this case could be argued to fall into the category of HR information and his general view is that this type of information should remain private.

Seniority

46. The Commissioner's awareness guidance on section 40 'The Exemption for Personal Information' clarifies that public authorities should take into account the seniority of employees when personal information about staff is requested under the Act. The Commissioner takes the line that generally the more senior the role within the public authority the greater the weight will be in favour of disclosure. Although the guidance acknowledges that there are no hard and fast rules it states that:

"The more senior a person is, the less likely it is that disclosing information about their public duties will be unwarranted or unfair. Information about a senior official's public life should generally be disclosed unless it would put them at risk, or unless it also reveals details of the private lives of other people (e.g. the official's family)."

47. The Commissioner notes that the data subject was responsible for the spending of public money and the holder of a very senior position. However the circumstances of this case require that this should be weighed against the legitimate interests of that employee, who has reached a confidential settlement and therefore has a reasonable expectation that their personal data would not subsequently be disclosed.

Balancing the rights and freedoms of the data subject with legitimate interests



48. Notwithstanding the data subject's reasonable expectations or any damage or distress caused to them by disclosure, it may still be fair to disclose the requested information if there is a more compelling public interest in disclosure. This has been evident in cases for example involving MPs expenses (such as EA/2006/0015 & 0016) where on appeal the High Court stated:

"The expenditure of public money through the payment of MPs salaries and allowances is a matter of direct and reasonable interest to taxpayers."

49. It can certainly be argued in this case that there is a strong public interest in knowing the component payments and structure of the final redundancy package, as contained in the Compromise Agreement, and therefore how much public money was spent. However disclosing such details may deter parties in the future from entering into such agreements. As the Audit Commission's report stated (see paragraph 2), severance payments can also be in the public's interest:

"Reducing the number and size of severance payments may appear to be in the best interests of taxpayers, but quick, agreed departures can save public money. Dysfunctional relationships, or drawn-out legal disputes at the top of organisations, can have substantial negative effects on services. So, councils are permitted to agree payments on contract terminations as being in the 'efficiency of the service'."

- 50. The Commissioner considers that the legitimate interests of the public in knowing how much money is spent on settlements of this kind must be weighed against the individual's right to privacy. In the decision in *Rob Waugh v the Information Commissioner and Doncaster College* (EA/2008/0038), the Tribunal concluded that the legitimate interests of the public in accessing the requested information were not sufficient to outweigh the data subject's right to privacy, particularly given the substantial detriment that would result from disclosure in that case.
- 51. The Commissioner considers that, in this case, the legitimate interests of the public in knowing how much money was spent on the redundancy package do not outweigh the data subject's right to privacy.
- 52. The Commissioner considers that the data subject had a reasonable expectation of privacy in relation to details of the agreed redundancy package from the Council and that to release the requested information would be unfair and likely to cause distress to the data subject. In the circumstances of this case therefore, the Commissioner finds that disclosure would contravene the first data protection principle. He is



therefore satisfied that the public authority was correct to refuse disclosure under section 40(2).

Procedural Requirements

Section 17: Refusal of the request

- 53. Section 17(1) of the Act requires a public authority to provide an applicant with a refusal notice stating the basis upon which it has refused the information and within the time for complying with section 1(1) of the Act.
- 54. The Council's first substantive response to this request did not contain details of the exemption on which it was relying and was not issued within the required twenty working days. These omissions therefore represent breaches of section 17(1) of the Act.
- 55. Section 17(7)(a) of the Act requires that notification of the refusal of the request must contain particulars of the public authority's internal complaints procedure or state that it does not have one. Section 17(7)(b) requires a public authority to provide details of the applicant's rights under section 50 of the Act.
- 56. The Commissioner notes that the first substantive response from the Council did not contain details of either its internal complaints procedure or the complainant's section 50 rights. This therefore represents a breach of both sections 17(7)(a) and 17(7)(b) of the Act.

The Decision

- 57. The Commissioner's decision is that the public authority dealt with the following element of the request in accordance with the requirements of the Act:
 - The Council correctly withheld the disputed information under section 40(2) of the Act.
- 58. However, the Commissioner has also decided that the following elements of the request were not dealt with in accordance with the Act:
 - The Council breached 17(1),17(7)(a) and 17(7)(b) of the Act as outlined in paragraphs 54 and 56 above.



Steps Required

59. The Commissioner requires no steps to be taken.

Other matters

- 60. Although they do not form part of this Decision Notice the Commissioner wishes to highlight the following matters of concern:
- 61. Whilst there are no timescales specified in the Act for the communication of the internal review, the Section 45 Code of Practice recommends that the internal review should be considered promptly.
- 62. The Commissioner has also produced guidance in relation to this matter and considers 20 working days from the date of the request for a review to be a reasonable time in most cases. He does nevertheless recognise that there may be a smaller number of cases where it may be reasonable to take longer. However, the Commissioner expects the public authority as a matter of good practice to notify the applicant and explain why more time is needed. The Commissioner's view is that no case should exceed 40 working days.
- 63. The Commissioner notes that the complainant first expressed dissatisfaction with the Council's response to his request for information on 23 June 2009 yet although the Council issued a further substantive response on 30 June 2009, it did not actually communicate the outcome of its internal review until 4 August 2009.
- 64. The Commissioner notes that this is in excess of the timescale he considers reasonable in most cases.



Right of Appeal

65. Either party has the right to appeal against this Decision Notice to the First-tier Tribunal (Information Rights). Information about the appeals process may be obtained from:

> First-tier Tribunal (Information Rights) GRC & GRP Tribunals, PO Box 9300. Arnhem House, 31, Waterloo Way, LEICESTER, LE1 8DJ

Tel: 0845 600 0877 Fax: 0116 249 4253

Email: informationtribunal@tribunals.gsi.gov.uk.

Website: www.informationtribunal.gov.uk

If you wish to appeal against a decision notice, you can obtain information on how to appeal along with the relevant forms from the Information Tribunal website.

Any Notice of Appeal should be served on the Tribunal within 28 calendar days of the date on which this Decision Notice is served.

Dated the 24th day of May 2010

Signed	•••••	••••	••••	•••	••••	•••	•••	• • • •	•••	•••	•••	•••	•••	••	• • •	••	•
Anne Jo	nes																

Information Commissioner's Office **Wycliffe House Water Lane** Wilmslow Cheshire

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Assistant Commissioner



Legal Annex

Refusal of Request

Section 17(1) provides that -

"A public authority which, in relation to any request for information, is to any extent relying on a claim that any provision of Part II relating to the duty to confirm or deny is relevant to the request or on a claim that information is exempt information must, within the time for complying with section 1(1), give the applicant a notice which -

- (a) states that fact,
- (b) specifies the exemption in question, and
- (c) states (if that would not otherwise be apparent) why the exemption applies."

Section 17(7) provides that –

"A notice under section (1), (3) or (5) must -

- (a) contain particulars of any procedure provided by the public authority for dealing with complaints about the handling of requests for information or state that the authority does not provide such a procedure, and
- (b) contain particulars of the right conferred by section 50."

Personal information.

Section 40(1) provides that –

"Any information to which a request for information relates is exempt information if it constitutes personal data of which the applicant is the data subject."

Section 40(2) provides that -

"Any information to which a request for information relates is also exempt information if-

- (a) it constitutes personal data which do not fall within subsection (1), and
- (b) either the first or the second condition below is satisfied."

Section 40(3) provides that -

"The first condition is-



(a) in a case where the information falls within any of paragraphs (a) to (d) of the definition of "data" in section 1(1) of the Data Protection Act 1998, that the disclosure of the information to a member of the public otherwise than under this Act would contravene-

- (i) any of the data protection principles, or
- (ii) section 10 of that Act (right to prevent processing likely to cause damage or distress), and
- (b) in any other case, that the disclosure of the information to a member of the public otherwise than under this Act would contravene any of the data protection principles if the exemptions in section 33A(1) of the Data Protection Act 1998 (which relate to manual data held by public authorities) were disregarded."



Annex A Freedom of Information Act 2000 (section 50)

Original request

1. The Redundancy Option

- 1.1. I understand that a voluntary redundancy option was made available to [named individual] in the event that she decided not to apply for the corresponding role as CEO of the new Unitary Authority and that she accepted this option. I would be grateful if you could confirm whether my understanding of this situation is correct and if not please advise me of the actual circumstances that did apply in this case.
- 1.2. I believe that the Redundancy Panel for senior officers was bypassed in the process of determining both the eligibility for redundancy and also the composition of a redundancy package in relation to [named individual]. I would be grateful if you could confirm whether this is true and, if so, why she was not subject to the same eligibility criteria and Redundancy Panel scrutiny as every other applicable senior employee of the Council.
- 1.3. I believe that the terms of this voluntary redundancy option only inhibited her from applying for employment elsewhere for a period of 4 weeks and thereafter she was free to apply for any other appointment without any impact, reduction or forfeit in relation to the entitlement to her original redundancy package. I would be grateful if you could confirm whether my understanding of this situation is correct and, if not, please advise me of the actual circumstances that did apply in this case.

2. The Redundancy Package

2.1 Press speculation has previously indicated that the quantum of this redundancy package, including pension contributions, was in the region of £500,000. My understanding is that [named individual] took up her appointment as CEO of the pre-unitary Cornwall County Council in May 2006 at reported salary of £124,000, which had increased to £148,000 by the time she departed on November 7th 2008 after just over 30 months in that role. If this is correct, the cost of employing [named individual] for 30 months will have been circa £920,000 (including the rumoured redundancy payment) or approximately £30,667 per month during her tenure at County Hall. I would be grateful if you could confirm whether my understanding of this situation is correct and, if



not, please confirm the actual component payments and structure of the final redundancy package that was awarded to her.

- 2.2 I understand that certain aspects of the redundancy formula may have been predetermined by agreements made between the relevant public sector unions and central government and that other aspects, such as eligibility, employment restrictions timeframe, outstanding time to serve etc were discretionary at a local level. Could you please confirm to me what aspects were governed by any national agreements and what aspects were decided at a local discretionary level?
- 2.3 I understand that various councillors, including [named individual] and [name individual], requested details of her redundancy package last year and were met with refusal on the grounds that this was considered to be confidential personal information. I would be grateful if you could confirm whether this is true and if so, on what basis you believe that the Council is exempt from having to account to the taxpayer and their elected representatives for the eligibility criteria that has been applied in both granting and sustaining this redundancy package and also for the allocation of substantial public funds to an individual public employee.

3. Alternative Local Government Employment

- 3.1 I understand it was announced that [named individual] had already obtained the appointment as Interim CEO of the new Shropshire Unitary Authority at the time she left her employment with Cornwall County Council on November 7th 2008. I would be grateful if you could confirm whether this is true and, if so, whether you regard the initial 'interim' status of her new appointment as a technicality that absolves her of any breach in any potential restrictive timescales that might have invalidated her eligibility for the redundancy package.
- 3.2 I believe that her Shropshire appointment was at an annual salary that was commensurate with the one that she earning in Cornwall. I would be grateful if you could confirm whether this is true.
- 3.3 I understand that there is the possibility that [named individual] could convert her interim role at Shropshire to a permanent role from September this year. If this should occur would you consider that invalidates her ongoing eligibility to qualify for the redundancy package that she has been awarded and in these circumstances would you endeavour to secure partial or full repayment from her.