

Whistleblowers 'were given big payoffs to keep quiet'

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Public sector bodies may have handed whistleblowers generous payoffs to keep quiet in a series of "shocking" cover-ups, MPs warn in a report published today.

The Public Accounts Committee says it is deeply concerned that "gagging clauses" have been used to hide serious failures in organisations such as the NHS when people left their jobs.

Margaret Hodge, its chairman, said: "It is clear that confidentiality clauses may have been used in compromise agreements to cover failure, and this is simply outrageous.

"We heard evidence of shocking examples of using taxpayers' money to 'pay off' individuals who have flagged up concerns about patient or child safety. It is vital that people feel free to speak out to help prevent terrible tragedies or even deaths, and protecting the reputation of an organisation, such as the NHS, at the expense of public safety is unacceptable."

Cases raised during the committee's inquiry included £225,000 paid to Tony Halsall, the former chief executive of Morecambe Bay NHS trust, who stood down amid concerns over a string of baby deaths at his hospital. MPs also referred to Gary Walker, former chief of United Lincolnshire Hospitals Trust after he raised concerns about waiting list targets, and the £120,000 allegedly

offered to buy the silence of an NHS whistleblower in the case of the death of Baby P.

The committee says it is impossible to say how many gagging clauses have been deployed in severance payments.

Last year the National Audit Office disclosed that the Treasury had signed off more than 1,000 severance payments linked to compromise agreements for departing staff since March 2010. Its report found that more than £28.4 million was paid out, but the true figure was much higher and did not include local government, the police, the BBC or private contractors.

Mrs Hodge argued that a compromise agreement was not meant to prevent legitimate whistleblowing, but people who accepted compromise agreements had clearly felt gagged.

"The end result here is that public bodies reward failure just to avoid attracting unwelcome publicity," she said.

The Cabinet Office said it was drawing up new guidance on the use of special severance payments under compromise agreements in Whitehall.

The Department for Health said: "The Government has been clear that any attempt to "gag" someone in this way will not be tolerated. Staff must never be prevented from speaking about NHS failures and that is why we have changed the rules so that all non-contractual severance payments now need Treasury approval."

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