

# **STATES OF JERSEY**



## **STATES MEMBERS' REMUNERATION FOR 2009**

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**Lodged au Greffe on 19th February 2009  
by the Connétable of St. Peter**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

- (a) to agree that the £1,000 per annum interim increase in remuneration for States members for 2009 should be withdrawn with effect from 1st April 2009 and that no increase should then be paid for the remainder of 2009; and
- (b) to request the Privileges and Procedures Committee to notify the States' Members' Remuneration Review Body that it should cease work on formulating recommendations on the level of remuneration for elected members for future years until the last quarter of 2009.

**CONNÉTABLE OF ST. PETER**

## REPORT

Firstly, I acknowledge that in normal circumstances the work of the States Members' Remuneration Review Body is kept at arm's length from the members of the Assembly to avoid undue influence from the potential recipients of any awards made.

In recognising the 'normal arrangements' I apologise in advance to the Privileges and Procedures Committee for this intervention into normal procedures set up for the States Members' Remuneration Review Body.

I believe that there has never been a better time than now for the States Assembly to demonstrate leadership and example rather than wait for an outcome of the Review Body and simply conform to its report.

This new Assembly has heard much about the 'disconnect' between members of this Assembly and the residents of our Island; much was said in the recent Woolworths debate about 'sympathy and disgust' at the actions of the liquidator of the Woolworths assets. We have witnessed the high-profile loss of 83 jobs at Woolworths and further job losses at Pound World, Mercury Builders, Ronez and Jayen and it would be prudent to expect that a number of other employees engaged in smaller businesses may also have fallen victim to the decline in the economy.

In fact the recent report on P.9/2009 stated: *'There was a clear injustice being done to these workers, with consequent hardship. Many members expressed the sympathy and concern for the situation of the employees along with anger at the actions of the administrator. .... There appeared to be nothing that the States was prepared to do to meet the immediate need beyond such measures of support and assistance already in place to assist people to find other employment'*.

As said earlier, the motivation in bringing this Proposition is about this Assembly's 'connect' with the working man and woman, and showing leadership and example to other employers and employee groups in containing the inflationary forces in a positive attempt to stem the rising number of unemployed persons.

Should both employers and employees share the burden of absorbing inflationary pressures and reduce profits and increase productivity wherever possible, our Island's economy may see a shallower recession because we have kept a greater number of people at work and contributing to our community's well-being and economic fortune.

There is substantial evidence that the economic conditions are having an immediate and in all probability ongoing impact on Island employees and employers, as reference to the attached comments from the Citizens Advice Bureau will demonstrate.

I accept that there will be a number of members who will remonstrate with me that individual circumstance of some members will place them in relative hardship when compared to other members that enjoy better personal circumstances; and yes, that will be the case but, the one asset that we members have is a contract for at least the next 32 months, something that many of our constituents would give a high price for.

Many platitudes were expounded from all parts of the Assembly on the plight of the Woolworths redundant workers; perhaps now is the time for all members to demonstrate their 'connection' with the rest of the community.

I do not feel that we are in anything resembling normal circumstances and I am therefore bringing this Proposition before Members.

The effect of this Proposition would be to remove the interim payment of £1,000 for 2009 to members with effect from the second quarter, at a saving of £750 per member, and a potential saving of at least £39,750 for the remainder of 2009. There are no manpower implications.

**Comment received from the Citizens Advice Bureau Monday 16th February 2009**

In recent months the Jersey Citizens Advice Bureau has seen a significant increase in the demand for advice. In the quarter ended 31st December 2008 we dealt with a 5% increase in client contacts compared to the same period in the previous year. This trend has continued into 2009 with 1,446 contacts in the first 6 weeks. This is an average of 241 contacts per week compared with an average of 224 for the whole of 2008 and is an increase of 7%.

The increase in demand for advice on certain issues was far greater than the overall increase in demand. For example we have received 5 enquiries about bankruptcy, 11 enquiries on redundancy and 10 enquiries on dismissal in the first 6 weeks of 2009. The comparable figures in 2008 were bankruptcy 0, redundancy 4 and dismissal 6.

We have seen a number of sole traders who are struggling financially due to late or non payment by debtors, pressure from creditors, particularly banks, and uncertainty about new work. We have had employees who are concerned about their long term prospects and their ability to service debts if they experience any reduction in income.

Clients who use our debt advice service often have less than one month's earnings in savings to fall back on in the event of job loss.

We have seen clients who have pulled out of property purchases, in one case forfeiting a 5% deposit, due to the potential lender withdrawing mortgage offers. We have dealt with one client who is being forced by his lender to put up his family home for sale due to the lack of interest in a newly built residential property that he has on the market.

We have had 19 enquiries in the first 6 weeks of 2009 about the safety of deposit accounts in local banks. Clients have expressed concern that the States of Jersey has failed to put in place a Depositor Compensation Scheme which would safeguard the first £50,000 of savings in any one institution. We are aware that some local residents have moved funds to the Isle of Man in order to protect their savings.

The Bureau is responding to the challenges of the recession by increasing the number of appointments available for debt advice per week and the number of case work appointments, with effect from the 23rd February. We believe that access to accurate information and advice is essential as the recession in Jersey starts to take grip.