

STATES OF JERSEY



SALARIES OVER £100,000: PROCESS FOR REVIEW AND SCRUTINY

**Lodged au Greffe on 14th April 2011
by the States Employment Board**

STATES GREFFE

PROPOSITION

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

- (a) to approve the ‘Detailed process for approval of Senior Pay’ set out in the Appendix to the attached report by the States Employment Board setting out the mechanism to control and monitor senior salaries with the exception of all clinical locum appointments where the appointment was to cover annual leave, sickness and other absences of permanent staff;
- (b) to request the Board to provide the States with a bi-annual report on the posts and the relevant salaries approved under this process.

STATES EMPLOYMENT BOARD

REPORT

Introduction

As a result of the adoption of the amendment from Deputy I.J. Gorst of St. Clement to proposition P.30/2011, the States Assembly has agreed that 2 changes are required –

1. The need for a process for a review of the salaries and daily rates paid to senior staff and interims prior to recruitment where the pay is £100,000 or greater.
2. The need to keep States members informed of all senior appointments made where the remuneration is over £100,000 per annum.

The amended proposition requires the States Employment Board to lodge a new Proposition to address these needs.

The process will be used when all posts at Civil Service Grade 15 equivalent and above are to be replaced, or where there has been a significant change to an existing senior post that fits into this category.

This is to ensure that the States Employment Board have appropriate oversight of high salaries or contract rates prior to recruitment commencing.

Equally, if the job content of an existing post has changed significantly, resulting in the need for re-evaluation, any proposed change to pay (above £100,000 per annum) would also need to be reviewed by the States Employment Board prior to implementation.

This process excludes Medical Locum Posts.

Proposal

Under the Employment of States of Jersey Employees (Jersey) Law 2005, it is the States Employment Board which is responsible for determining policy relating to the employment of, and the terms and conditions of employment of, States' employees.

A detailed process for approval of Senior Pay is outlined at the attached Appendix.

The States Employment Board has given consideration to the feasibility of introducing a notification procedure as a part of this new process.

There are extended periods (up to 8 weeks) when the States does not sit, and there is an operational need to commence the replacement of senior people in a timely manner e.g. Senior Doctors. It is therefore proposed that political decision-making authority continues to be exercised by the States Employment Board.

Members will recall that 2 non-ministerial members were appointed to the States Employment Board in May 2010 to provide a suitable level of independent review.

The States Employment Board will produce a bi-annual report for States members that would outline the details of their work in this area.

This is proposed as a workable alternative instead of all such posts being presented to the States Assembly 15 days before any recruitment process being initiated.

Finally it should be noted that, had this process been in place at the point where the Hospital Manager was appointed, a significantly greater level of scrutiny would have been applied.

Financial and manpower implications

The following financial implications result from this proposition –

- The additional requirement for support from the States Employment Board could result in additional expenditure of £5,000 per annum.
- The use of an independent external body to conduct an annual review of senior pay and advise on individual pay benchmarks could result in additional expenditure of approximately £35,000 per annum.

The only manpower implication for the States arising from this proposition is to lengthen the recruitment process for senior posts.

Re-issue Note

This proposition has been re-issued as the original version was inadvertently issued without a financial and manpower statement.

Detailed process for approval of Senior Pay

- Following approval by the responsible Minister, the States Employment Board will review all pay proposals where the salary is likely to be £100,000 per annum or more or, where the product of the anticipated total contracted payment received by a short-term contract employee's daily rate x number of days contracted (less travel and subsistence) is equal to or greater than £100,000.
- The States Employment Board would be advised in these matters by a member of the Jersey Appointments Commission. Under the terms of reference set by the States of Jersey in the Employment of States of Jersey Employees (Jersey) Law 2005, it is the duty of the Jersey Appointments Commission to oversee the recruitment of Senior States Employees or States appointees.
- The States Employment Board will appoint a suitable independent Reward Consultancy, which would undertake and publish an annual review of senior pay. The Consultancy would also provide bespoke reports relating to individual posts as and when required.
- The States Employment Board will be supported by the States Director of Human Resources, who will provide a full job description, person specification and organisation chart. The salary of the previous job-holder should also be provided, along with any available benchmark data. They will also propose a salary band for the post and/or a daily rate.
- The States Employment Board will agree the salary band/daily rate, and where an alternative arrangement is required to engage the most suitable candidate, the States Employment Board will give final approval.
- The States Statistics Department would provide the Board with quarterly RPI and Property comparative data to enable an understanding of the different cost pressures in Jersey to be derived.