

STATES OF JERSEY



STATES MEMBERS' REMUNERATION

**Lodged au Greffe on 27th April 2021
by the Privileges and Procedures Committee
Earliest date for debate: 8th June 2021**

STATES GREFFE

PROPOSITION

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

- (a) to refer to their Acts of 25th November 2003, 22nd June 2005 and 12th June 2012, in which the States established the States Members' Remuneration Review Body and agreed its terms of reference, and to agree to rescind those Acts and disband that body;
- (b) that a new independent system for the setting of States Members' remuneration should be established, based on the following principles –
 - (i) the States should set the overall framework for the setting of States Members' remuneration, but should have no role in decisions about the level of remuneration;
 - (ii) propositions to alter the level of remuneration of States Members should not be permitted;
 - (iii) members' pay should be linked to an index;
 - (iv) the Privileges and Procedures Committee should commission an independent person or body during each Assembly term to review the system, including whether the index being used is appropriate, whether the level at which pay is indexed remains appropriate, and other matters such as payments for Members leaving the Assembly and different levels of pay for different roles.
 - (v) the independent reviewer should take into account the following principles in assessing States Members' remuneration –
 1. The level of remuneration should reflect the central importance of elected and accountable people's representatives in the democratic system and the responsibilities and workload associated with the roles they perform;
 2. The level of remuneration should be sufficient to ensure that Members of the States can enjoy a reasonable standard of living as a result of their position; and
 3. Remuneration should be set at a level to attract people from all walks of life to serve the Island effectively as a States Member, mindful of the financial constraints under which the States operates;
 - (vi) the independent reviewer should be under a duty to consult States Members in the course of their review; and should be under a duty to consult the Minister for Treasury and Resources on the economic and fiscal situation in Jersey and to take this into account in making decisions and recommendations on remuneration;

- (vii) Article 44 of the States of Jersey Law 2005, which requires all States Members to be paid the same amount, should be repealed, to permit the independent reviewer to consider the option of introducing different levels of pay for different roles in the States;
 - (viii) the independent reviewer's determinations should take effect automatically, without debate in the States; the independent reviewer may also make recommendations for the States to consider in respect of matters which require a States decision, such as a change to the law;
 - (ix) these new arrangements for setting States Members' remuneration should be statutory; and
 - (x) the first such review should take place in 2022 and should include establishing the index to which Members' pay should be linked.
- (c) to request the Privileges and Procedures Committee to bring forward the necessary legislative and Standing Order changes to give effect to this proposition.

PRIVILEGES AND PROCEDURES COMMITTEE

REPORT

Background

In July 2019, the Privileges and Procedures Committee (PPC) presented a report ([R.89/2019](#)) by the States Members' Remuneration Review Body (SMRRB) which set out a number of recommendations for States Members' remuneration beyond the 2022 election.

Although PPC welcomed certain aspects of the Review Body's report, it had a number of questions about the methodology used and also queried whether the arrangements for setting States Members' pay were in line with international best practice. As a result, the Committee commissioned Dr. Hannah White OBE to undertake an independent review into the Members' remuneration process.

In October 2020, we published Dr. White's Review as a report to the States: 'Independent Review of Jersey Members' Remuneration Process' ([R.121/2020](#)). In order to consider the findings and recommendations made by Dr White, we established a Sub-Committee which comprised the following members¹:

Deputy R. Labey (Chair)
Senator S.W. Pallett
The Constable of St. Ouen
Deputy J.A. Martin
The Deputy of Grouville
The Deputy of St. Martin
Deputy L.B.E. Ash

The Sub-Committee submitted its findings to PPC on 19th April 2021. In considering the Sub-Committee's conclusions, we have lodged this proposition which proposes significant changes to the current system of setting States Members' remuneration.

Future arrangements for setting States Members' remuneration

This proposition asks Members to approve a new system for setting Members' remuneration. The PPC considers that there should no longer be a standing body charged with overseeing States Members' remuneration. Instead, the Committee should commission an independent person or body to review the system during each Assembly term.

The independent reviewer should take into account the following principles in assessing States Members' remuneration:

- The level of remuneration should reflect the central importance of elected and accountable people's representatives in the democratic system and the responsibilities and workload associated with the roles they perform
- The level of remuneration should be sufficient to ensure that Members of the States can enjoy a reasonable standard of living as a result of their position; and

¹ Deputy Tadier volunteered to join the Sub-Committee but did not attend

- Remuneration should be set at a level to attract people from all walks of life to serve the Island effectively as a States Member, mindful of the financial constraints under which the States operates.

The independent reviewer should be duty bound to consult with States Members during the course of their review and consult with the Minister for Treasury and Resources on the economic and fiscal situation in Jersey. These consultation exercises should be taken into account in making decisions and recommendations on remuneration.

In line with Dr. White's recommendation: *The States should consider establishing a fixed link between members' salaries and an index or comparator* we believe that Members' pay should be linked to an index, and that the independent reviewer should consider whether the index being used is appropriate and whether the level at which pay is indexed remains appropriate.

Although we agree that the States should set the overall framework for the setting of States Members' pay, we do not consider that Members should get involved in decisions about pay levels. In Dr White's report, she makes reference to the fact that Jersey is the only jurisdiction in which Members can play a part in the process of setting their own pay if they choose to do so (by lodging a proposition seeking a debate) and she recommends that this option is removed.

Dr White also recommended that: *An early opportunity should be found for all States members to take a view on the SMRRB's recommendations relating to the introduction of differential pay.* The SMRRB recommended that a system of differential pay should be introduced after the 2022 election, with the Chief Minister paid an additional £15,000 per annum and Ministers and the President of the Scrutiny Liaison Committee paid an additional £7,500 per annum.

We believe that it would be preferable for the Assembly to reach a decision on the principle of differential pay as part of this debate, rather than as a separate, second debate. If the Assembly agrees that Article 44 of the States of Jersey Law should be repealed, it would be for the independent reviewer to decide whether to introduce differential pay and to what extent.

We do not believe that the arrangements put in place by the SMRRB for pay after 2022 should be revisited as part of this process. PPC should focus on getting the system right for a pay review in 2022, which would set in place index-linking (and any other new arrangements arising from the review).

If the proposition is approved, the PPC will bring forward the necessary legislative and Standing Order changes to ensure that these new arrangements for setting States Members' remuneration are made statutory.

Financial and manpower implications

The members of the SMRRB were not remunerated for their work but there were costs incurred as a result of SMRRB reviews, particularly for focus groups when the public were consulted about Members' remuneration. The proposed independent review, undertaken every four years, will incur a cost, likely to be under £20,000. Consequently, the new system is likely to be a little more expensive than the current system – perhaps £5,000 per annum compared to £3,000 per annum.