
STATES OF JERSEY



STATES MEMBERS REMUNERATION REVIEW BODY: RECOMMENDATIONS FOR 2011

**Presented to the States on 2nd July 2010
by the Privileges and Procedures Committee**

STATES GREFFE

**STATES MEMBERS REMUNERATION REVIEW BODY:
RECOMMENDATIONS FOR 2011**

The Privileges and Procedures Committee is pleased to present to the States the recommendations of the States Members Remuneration Review Body (SMRRB) for 2011. The terms of reference of the SMRRB require it to present its recommendations to PPC and the Committee is then obliged to present the recommendations to the States.

In accordance with the procedures agreed by the States when establishing the independent SMRRB, the recommendations of the Review Body in this report will be implemented by default after one month of the date of presentation to the States unless they are challenged by the lodging of a proposition by any member and a subsequent debate. PPC believes strongly that, having established an independent Review Body it would be inappropriate for the Committee, or indeed for other States members, to challenge the recommendations, as that would simply defeat the object of having an independent body to consider remuneration matters.

PPC would like to express its sincere gratitude to the members of the SMRRB for the work that they continue to do on an honorary basis on their task and for the very comprehensive way in which they have always approached it.

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Summary of conclusions and recommendations with regard to remuneration (including expenses)

- The Review Body recommends an increase of **£800 per annum** to apply from 1st January 2011, to take the annual remuneration of States members from **£40,382 to £41,182**,
- The Review body recommends that the expense allowance of **£3,650 per annum** remains unchanged.

Recommendations explained in detail

The Review Body was reconvened late in 2008 to consider a recommendation for the three year period 2009-2011 when it recommended an interim increase of **£1,000**, with no increase in the annual expense allowance, to be effective from 1st January 2009.

The Review Body published a discussion document in January 2009, and held two public meetings as part of its consultation process.

The States Employment Board announced a pay freeze effective 1st June 2009 on public sector salaries in April 2009 and, while the Review Body is not bound by such policy statements, it is obliged to take them into consideration together with representations from the public and from States members themselves.

Following the considerable public response to the discussion document and to some degree in consideration of the above policy statement, the Review Body recommended that the interim increase of **£1,000** should be final and the monthly expense allowance should remain unchanged throughout 2009.

At the same time the Review Body considered that the response both from States members themselves and from the wider public suggested that the pay freeze should apply to States members, notwithstanding the fact that the rate of increase in the remuneration of States members in recent years had failed to match that of broadly comparable groups in both the public and private sectors. Therefore the Review Body recommended no increase for 2010.

A year ago the Review Body did not consider it appropriate to make recommendations which would apply beyond the end of 2010 on the grounds that the economic circumstance were likely to be increasingly unpredictable as follows:-

“While our terms of reference would normally require us to make a recommendation for the three year 2009-2011 we decline to make any recommendation for 2011 at this stage, preferring to reconsider the matter in May 2010 with a view to making a recommendation in respect of 2011 on the basis of the evidence we have so far collected when taken together with a review of the circumstances prevailing at that time.”

The Review Body noted that the States members accepted its remuneration recommendations for 2009 and 2010 without debate.

Early this year it became clear that the States Employment Board was seeking to limit public sector increases to 2% in respect of 2011. At the same time public sector pay was to be considered on a calendar year basis rather than from 1st June to the following 31st May.

The Review Body had always made recommendations on a calendar year basis, so the timing of adjustments in public sector pay became synchronized with those of States members.

Subsequently, in determining what would be appropriate for States members for 2011, the review body considered the above 2% limit in the light of the evidence it had collected in response to its earlier discussion document and opinions voiced before and since by States members themselves, together with those of the wider public. It concluded that similar considerations applied to those which had influenced its recommendations for 2010.

While acknowledging that in general most employee groups may have fared better than States members in recent years, the Review Body considered that its terms of reference implied that it would be inappropriate to recommend a greater increase to States members than that which was negotiated with the public sector as well as what was reported in surveys and published statistics for both employees and self-employed persons in the private sector.

Pensions for States members

The Review Body remains committed in principle to its previous recommendation as set out in Part 2 of its 2009 recommendations (see R.62/2009) that a matched-contributions pension scheme for States members should be introduced for the reasons given in that report. However, it understands that, with the current States-wide moves to reduce spending and restrict growth, no budget will be available to fund the development or installation of such a scheme in 2011 and regretfully it recommends that the introduction of such a scheme should not be pursued for the time being.

The Review Body wishes to thank again all those who responded both to its discussion document and subsequently.

The Review Body also wishes to acknowledge the considered opinions expressed at a joint meeting with the Privileges and Procedures Committee (PPC).

The Review Body values its independence and it neither considers this to be compromised by presenting the PPC with its assessment of the present context within which it is considering its recommendations nor by receiving the views of its sponsoring body.

Again thanks are due in particular to the Greffier of the States, Michael de la Haye, for his help and that of his department in supporting the activities of the Review Body during the last two years.

It is the intention of the Review Body now to continue to keep under review the economic situation of the Island and the level of increase in remuneration packages in the private and public sectors during 2010, with the aim of presenting its recommendations for 2012 ahead of the States Assembly's 2011 summer recess.

SMRRB Terms of Reference

The terms of reference of the Review Body are as follows –

To make recommendations to the Privileges and Procedures Committee on any matters relating to the remuneration, allowances and benefits available to elected members of the States as it considers appropriate, following the holding of public hearings and the receipt of oral and written submissions from any persons, including members of the States, having taken account of any other matters that the Body considers to be relevant, and having taken particular account, but not being bound by, the following matters –

- (i) the principle that the level of remuneration available to elected members should be sufficient to ensure that no person should be precluded from serving as a member of the States by reason of insufficient income and that all elected members should be able to enjoy a reasonable standard of living, so that the broadest spectrum of persons are able to serve as members of the Assembly;
- (ii) the economic situation prevailing in Jersey at the time of determination and the budgetary restraints on the States of Jersey; and
- (iii) the States' inflation target, if any, for the period under review.

Membership of the SMRRB

Mr. Julian Rogers (Chairman)
Mr. Brian Bullock
Mr. Maurice Dubras
Advocate Christopher Lakeman (resigned 2nd November 2009)
Mr. John Mills CBE