

STATES MEMBERS INCOME SUPPORT AND EXPENSE ALLOWANCE: ANNUAL INCREASES

**Lodged au Greffe on 18th April 2000
by Deputy R.G. Le Hérissier of St. Saviour**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

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

- (1) to suspend Standing Order No. 44(1);
- (2) to agree, in principle, that the amounts of income support, allowable income and expenses allowances payable to States members should no longer be increased annually in accordance with the Retail Price Index figure, and that the amounts should, in future, be varied in accordance with the binding recommendations of an independent panel consisting of a Chairman and two other persons, not being members of the States, established for that purpose;
- (3) to charge the House Committee to investigate the appropriate constitution, method of appointment and terms of reference of the independent panel and report back to the States with detailed proposals, together with any amendments required to the Acts of the States dated 14th July 1998 and 8th December 1998 with regard to the provision of an expense allowance and a minimum income for elected members of the States.

DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR

Report

Most States members will recall that when the method of income support for States members was discussed, it was decided to set up an independent Commission which would report to the States on what was seen as the most suitable method. Such a report was produced, but in the event its findings were not accepted by the States.

The payment of support for States members remains an emotive issue, and it has been exacerbated by the system which was eventually adopted by the States. This links raises in the allowances to the increases in the cost of living. At the time this appeared to be a sensible method of ensuring that income support for members was broadly in line with the cost of living, and that members themselves would not be placed in the invidious position of having to decide, if they thought it necessary, on raises for themselves. When this was decided, it was not necessarily anticipated that there would be such a rapid increase in the cost of living, and that this would have an immediate impact on the allowances paid to members.

It has now become apparent that, if there is to be a concerted attempt to deal with the inflation issue on the Island, payments made to public servants and to States members will have to be carefully looked at to ensure that they are not fuelling inflation. Furthermore, payments to members are seen as symbolic of the States determination, or lack thereof, to tackle the inflation issue.

I would recommend that an independent Commission be reconstituted, and that it meet every two years to review the allowances paid to members in the light of developments in the Island's economy and developments in the nature of the jobs performed by members. This would have the effect of removing the automatic increases which are a consequence of the current system, and which are seen as helping to directly contribute to the inflation problem. Furthermore, it would enable a review to take place of changes in the role of members and for these changes, if necessary, to be reflected in the financial support. I would further suggest that while new arrangements are put in place, the increase granted in January 2000 be foregone.