

STATES OF JERSEY



STATES MEMBERS' REMUNERATION REVIEW BODY: AMENDED TERMS OF REFERENCE

**Lodged au Greffe on 31st May 2005
by the Privileges and Procedures Committee**

STATES GREFFE

PROPOSITION

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

to refer to their Act dated 13th May 2003 in which they agreed that an independent States Members' Remuneration Review Body comprising persons who were not members of the States should be established, to their Act dated 25th November 2003 in which they approved detailed terms of reference for the Body, and to their Act dated 22nd June 2004 in which they appointed the members of the Body, and –

to agree that the terms of reference of the Body should be amended to enable it to consider and make recommendations on any matter relating to the remuneration, allowances and benefits available to elected members of the States as it considers appropriate, provided that no such recommendations made by the Body on matters other than on the actual level of remuneration payable to all elected members shall be implemented until they have been debated and agreed by the States.

PRIVILEGES AND PROCEDURES COMMITTEE

REPORT

On 13th May 2003 the States adopted a proposition of Senator E.P. Vibert and agreed to establish an independent States Members Remuneration Review Body. On 25th November 2003 the States approved detailed terms of reference for the Body as follows –

to make recommendations to the Privileges and Procedures Committee on the appropriate level of remuneration to be paid to elected members of the States, 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.*

On 22nd June 2004 the States appointed Mr. Julian Rogers as Chairman of the Body and Mr. Philip Barber, Mr. Matthew Braid, Mr. Brian Bullock and Mr. Bob Gaiger as members. The Body completed its first report in October 2004 and it was presented to the States by the Privileges and Procedures Committee on 16th November 2004 (R.C.52/2004).

Having considered the Body's report and discussed the outcome of the first phase of the Body's work with its members it is clear that the members of the Body felt somewhat constrained by the terms of reference agreed by the States. The members felt that although they heard and considered evidence on a wide range of matters, they were effectively prevented from considering in detail any aspects of members' remuneration other than the actual monetary limit of the amount available to elected members. The Committee believes that this restriction is undesirable and unnecessary as it is difficult for the Body to consider the entire 'package' of remuneration of elected members if it cannot comment on matters such as pensions, severance payments and other benefits. The purpose of this proposition is therefore to enable the Body to consider any matters it considers relevant and, if appropriate, make recommendations when it reports as required to the Committee.

The Privileges and Procedures Committee and the Remuneration Review Body are fully aware that future arrangements for members' remuneration must comply with the provisions of Article 43 of the States of Jersey Law 2005 which was inserted in the Law following the adoption of an amendment of Senator Stuart Syvret and which is in the following terms –

“No scheme, agreement or other arrangement whatsoever for the remuneration of, or the payment of any allowance to, elected members out of the general revenue of the States shall provide for different elected members to receive different amounts of remuneration or allowance.”

As can be seen from the proposition, it is being proposed that recommendations on matters other than the actual level of remuneration should not be subject to the 'automatic approval' process that applies to the Body's recommendations on that matter (the States agreed that those recommendations would be implemented automatically one month after the presentation of the report to the States unless a proposition was lodged to challenge the proposed figure). If the Body makes recommendations on other matters, which may have financial implications, it will clearly be necessary for those to be considered in detail and debated before they could be implemented.

The Committee is extremely grateful to the members of the Body for the work they has undertaken so far and it is hopeful that the Body will have greater latitude to operate if this proposition is adopted.

Financial and manpower implications

There are no additional financial and manpower implications arising out of this amendment to the Body's terms of reference.