

STATES OF JERSEY



STATES MEMBERS' REMUNERATION: PROPOSED INCREASE 2014 (P.128/2013) – COMMENTS

**Presented to the States on 19th November 2013
by the Privileges and Procedures Committee**

STATES GREFFE

COMMENTS

For the following reasons, the Privileges and Procedures Committee cannot support this proposition.

1. The States should not be directly engaged in the setting of their own rates of remuneration.

This proposition, which the Committee regrets was not referred to it before lodging, risks prompting an extended, politically motivated and generally inappropriate discussion of an issue that the States had the foresight to refer to an external body some 9 years previously. States Members tend to have a range of financial circumstances and can therefore be expected to approach this proposition from very different personal perspectives.

In 2003 the Assembly agreed that it was totally inappropriate for States Members to be directly responsible for setting their own levels of pay and to keep discussing their remuneration on the floor of the Assembly, as had happened repeatedly up to that time. The independent States Members' Remuneration Review Body was thus established in 2004 and given specific terms of reference. PPC believes that the various members of the Review Body – who serve in an honorary capacity – have carried out their duties very professionally; and that the most recent report of the Review Body (R.125/2013 refers) provides further evidence of their high standard of work.

2. The Review Body has followed the terms of reference set by the States.

Members may recall that, in June 2012, the States reviewed and amended the terms of reference of the Review Body. They instructed the Review Body to make recommendations, having taken into account matters which it considered were relevant, and having had particular regard to (but not being bound by) the following –

- (i) *the principles that the level of remuneration available to elected members should be sufficient to ensure that no person is 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 and fiscal situation prevailing in Jersey, any budgetary restraints on the States of Jersey and the States' inflation target, if any, for the period under review.*

PPC is satisfied that the Review Body has fulfilled the brief it was given.

3. The PPC is not aware of any exceptional circumstances that would warrant setting aside the recommendations of the Review Body.

Given PPC's contention that the Review Body has followed precisely the terms of reference given to it by the States, the question then arises as to whether there are any exceptional economic, fiscal or other relevant circumstances that have become apparent since the terms of reference were set, and which should have had a material bearing on the Review Body's recommendations. The Committee sees no evidence of any exceptional circumstances that have become apparent.

The Committee has no comment to make on the increase in remuneration proposed for 2014. PPC nevertheless wishes to remind Members that they are not obliged to take the full amount of remuneration available to them. Any Member who wishes to receive less than the total needs only to notify the States Treasury of the reduced amount that they wish to receive.

In December 2012, a similar proposition to that of the Connétable of St. John was lodged “au Greffe” by the Connétable of St. Saviour in relation to the Review Body’s proposals for 2013 (P.127/2012 refers). When the proposition was due to be debated on 16th January 2013, the States voted by 31 votes to 16 against lifting Standing Order 106, thereby retaining the restriction which prevents members from debating a matter in which they have a financial interest. The proposition could not be debated and was accordingly withdrawn.

If, having taken account of these comments, members remain minded to lift Standing Order 106 and debate the proposition of the Connétable of St. John, the appended information concerning the rate of increase in Members’ remuneration since 2004 when the States Members’ Remuneration Review Body began its work may be of interest.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

The Committee apologises for the delay in presenting these comments to the States, which is due to an administrative error.

STATES MEMBERS' REMUNERATION - COMPARISONS

| | Members' Actual % increase | Members' total remuneration and expenses | Civil service % increase ¹ | Civil service % applied | RPI at 31st Dec | RPI applied | Average earnings ² | Average earnings applied |
|--------------|----------------------------|--|---------------------------------------|-------------------------|------------------|-------------|-------------------------------|--------------------------|
| 1st Jan 2004 | | 39,624 | | | | | | |
| 1st Jan 2005 | 1.5 | 40,218 | 2.5 | 40,614 | 5.3 | 41,724 | 3.3 | 40,932 |
| 1st Jan 2006 | 2.28 | 41,136 | 3.5 | 42,035 | 2.2 | 42,642 | 5.3 | 43,101 |
| 1st Jan 2007 | 2.28 | 42,072 | 2.75 | 43,191 | 3.7 | 44,220 | 3.3 | 44,524 |
| 1st Jan 2008 | 2.28 | 43,032 | 4.4 | 45,092 | 4.5 | 46,210 | 4.7 | 46,616 |
| 1st Jan 2009 | 2.32 | 44,032 | 3.2 | 46,535 | 3.3 | 47,734 | 4.3 | 48,621 |
| 1st Jan 2010 | 0 | 44,032 | 2 | 47,466 | 1.7 | 48,546 | 3 | 50,079 |
| 1st Jan 2011 | 1.82 | 44,832 | 2 | 48,415 | 2.3 | 49,663 | 1.1 | 50,630 |
| 1st Jan 2012 | 0.78 | 45,182 | 1 | 48,899 ³ | 5 | 52,146 | 2.5 | 51,896 |
| 1st Jan 2013 | 1.81 | 46,000 | 2 | 49,388 ⁴ | 2.8 ⁵ | 53,606 | 1.5 | 52,675 |

¹ Civil service pay was increased on 1st June annually until 1st January 2010. Percentage above (up to 2009) is as agreed the previous 1st June applied to members pay the following 1st January. From 2010 civil service increase from 1st January applied.

² Average earnings produced for June each year. Percentage above is figure from the previous June applied to members pay the following 1st January.

³ 2012 civil service 1% increase was non-consolidated and paid as a lump sum.

⁴ 2013 civil service is 1% consolidated and 1% non-consolidated. As 2012 increase was non-consolidated the starting point for the 2013 increase is the 2011 figure.

⁵ The December 2012 RPI figure is not yet known so the September 2012 RPI has been used.