

2025.01.21

**Deputy I. Gardiner of St. Helier North of the Minister for Treasury and Resources regarding changes in remuneration for senior officials within States Owned Entities (OQ.10/2025):**

Will the Minister detail any changes in remuneration for senior officials within States-owned entities that she approved in 2024; and further advise of any changes in remuneration for directors and office holders of States-established delivery entities and independent bodies, and advise if these changes adhered to the agreed framework for remuneration policies?"

**The Bailiff:**

Minister. You can move next door to the Chief Minister's ...

**Deputy M.E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):**

Thank you, Sir. Apparently the spare part is on the way to fix it. The memoranda of understanding with the wholly-owned States-owned entities requires Ministerial approval for, firstly, changes in the quantum or structure of remuneration of the executive board members and, secondly, for changes in the non-executive director remuneration. I can confirm that changes to the director remuneration for the wholly-owned States-owned entities have adhered to the S.O.E. (States-owned entities) remuneration framework, which includes increases in base salary being linked to inflation and the wider workforce increases within the relevant business. In the context of an oral question, time will not permit me to detail each of the approved changes but I am happy to provide these to the Deputy separately. I would also point out that the director remuneration is fully disclosed in each of the S.O.E's annual published report and accounts. I think there have been no changes as such, other than routine pay rises. The second part of the Deputy's question refers to States-established delivery entities and independent bodies. I do not have political responsibility or oversight for these organisations and I am not able to detail the changes in remuneration for office holders. I understand, however, that a remuneration framework for arm's-length bodies, which will apply outside the State-owned entities, is being developed and will be considered by the States Employment Board during 2025. This reflects a commitment made following the C. and A.G. report on oversight of arm's-length bodies published in 2024.

**3.13.1 Deputy I. Gardiner:**

Thank you, Minister, for confirmation. If the Members would look into the oversight of arm's-length bodies, the Comptroller and Auditor General report that was published last year, they can see the structure and actual remuneration from the chief executives of the bodies. If we can see at least 3 of them, the first one it is between about £400,000-plus, touching £500,000-plus, my question is: the C. and A.G. suggested that when we are establishing the framework we need to look into the appropriate local and international benchmarks, given Jersey's relative position to them in the marketplace, for example, lack of competition and other things ...

**The Bailiff:**

I am so sorry, you really do have to pose a question.

**Deputy I. Gardiner:**

Sorry, but my supplementary question ...

**The Bailiff:**

You have, effectively, had a 2-minute speech.

**Deputy I. Gardiner:**

No, sorry, apologies. The question is: what appropriate local international benchmark, given Jersey's relative position, was taken to establish the framework?

**Deputy M.E. Millar:**

I think the framework is not about benchmarking, although benchmarking, I think, forms part of it. The framework is more about the manner of increases. As I mentioned, the S.O.E. framework includes things like linking base salary to inflation and what else is happening in the workforce. You would not expect, or I certainly would not and have not agreed to, an increase, for example, if the workforce were getting 2 per cent and the chief executive was getting 8 per cent. I would be very unlikely to approve that. That has not happened; I would just emphasise that. But the framework, we are going to review the framework as part of our review of the M.o.U. (memorandum of understanding). We are going to review the framework to have the decisions made in a more consistent way. There is benchmarking for the State-owned entities, I cannot talk about the arm's-length bodies. There is something called Polymetrix, which they all look at and which does seem to benchmark global companies. That is one of the benchmarks that is taken into account in setting and reviewing salaries in State-owned entities.

**3.13.2 Deputy A.F. Curtis of St. Clement:**

The Minister said that she would not have time to detail all changes to salaries. But perhaps in the conversations she has had and the decisions she has made, were there any States-owned entities or individuals whose remuneration was significantly below the maximum that would have been permitted by the agreed frameworks followed? That could be individuals who are elected to take a pay freeze or a below-inflation pay rise that she felt that occurred. Can she recall any examples of organisations choosing to follow something lower than what would be the maximum agreed under the frameworks?

**Deputy M.E. Millar:**

Yes. I seem to have been talking about S.O.E. and executive pay for about the last 6 months because of the time periods in which they come forward, and that is something I want to look at. But, yes, I recently approved some pay rises which I think were ... no, they were in line with inflation and there had been a thought of upgrading them but the chair had refused to upgrade them beyond inflation. I do not think there would be any pay freezes. People are entitled to a pay rise when they are performing well.

**3.13.3 Deputy K.M. Wilson of St. Clement:**

Can the Minister just outline whether or not, as part of the review, she is going to include a review of bonus schemes for directors as well?

**Deputy M.E. Millar:**

If I could just clarify, this is not a review of bonus schemes. It is not a review of the remuneration in place at the moment. It is simply a review of the remuneration framework, which is how remuneration is structured. There are no changes, there have been no specific changes to any existing schemes; they are continuing as they are in place at the moment. We have to remember that it is very difficult to cut someone's pay when they are performing, as a matter of general employment law. I am simply looking at the remuneration framework and not the mechanisms that already exist in terms of how people are paid.

**3.13.4 Deputy K.M. Wilson:**

Would the Minister consider that the framework should include conditions around bonus payments?

**Deputy M.E. Millar:**

I think the framework probably does talk about bonus payments; they have structures. All bonus schemes are subject to I think generally a form of balanced score card, which is reviewed by the board. That then comes to me more than once during the year to look at performance against the score cards. Again, I am sure if you ask them I will challenge them on the score cards in their proposals. I have challenged more than once this year in terms of proposed pay rises. But where schemes are existing, new schemes will have to be considered carefully but those that are in place are continuing as they are.

**3.13.5 Deputy I. Gardiner:**

Does the Minister consider that the bonus schemes are appropriate and sufficiently targeted at business performance with a sufficient weighting of K.P.I. linked to the States objectives and value for money, in particular quality of service performance?

**Deputy M.E. Millar:**

Yes, I believe that is the case. They all have very detailed balanced score cards with clear targets. They are rated, most of them have an Audit and Remuneration Committee who look at those as the non-executive directors who considered executive director pay or the Remuneration Committee does that. They look closely at the bonus schemes and performance against whatever score cards and criteria that bonuses are awarded against.