

STATES OF JERSEY



STATES MEMBERS' REMUNERATION REVIEW BODY: REVISED TERMS OF REFERENCE

Lodged au Greffe on 27th April 2012
by the Privileges and Procedures Committee

STATES GREFFE

PROPOSITION

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

- (a) to approve the revised Terms of Reference of the States Members Remuneration Review Body as set out in the Appendix; and
- (b) to agree that, notwithstanding the proposed new 5 year term of office for the members as set out in paragraph 5 of the Terms of Reference, 2 members appointed in 2012 shall be appointed for a term of 2 years only to ensure that the membership is thereafter renewed on a rolling basis.

PRIVILEGES AND PROCEDURES COMMITTEE

REPORT

The States Members' Remuneration Review Body was first established in 2004 after 'in principle' agreement by the States in 2003 to establish an independent body to consider issues relating to members' remuneration. Before 2004 there had often been concerns expressed that it was inappropriate for States members to debate and agree their own remuneration and expenses, and the creation of the Review Body enabled these matters to be determined by an outside body for the first time. Although there have still been some debates on remuneration matters, the Assembly has not, to date, ever overturned any recommendations made by the SMRRB, which is an indication of how carefully the Review Body has undertaken its work.

The terms of office of the existing members have now expired, and it will be necessary for PPC to renew the membership so that the Review Body can be reconstituted and then start work on considering its recommendations for 2013 and beyond.

The purpose of this proposition is twofold.

Paragraph (a) asks the States to approve revised Terms of Reference for SMRRB. The way in which the SMRRB operates, its membership and its terms of reference have been approved and amended in various propositions since 2003, and the current members of SMRRB have recommended that it would be clearer to set out the Terms of Reference in a single document for ease of access.

The 2 principles that the SMRRB should have regard to before fixing remuneration levels, as set out in paragraphs 3(i) and 3(ii), are unchanged from the existing principles except for the addition of the word 'fiscal' in 3(ii).

Since the resignation from the SMRRB of the late Advocate Christopher Lakeman in November 2009, the Review Body has operated with only 4 members, but the terms of reference make it clear that the Review Body should have 5 members and this is set out in paragraph 4.

The present term of office of members is 3 years and it is recommended that this is extended to 5 years to give greater continuity. Paragraph 5 states that a member's term of office can be extended once in line with the normal Jersey Appointments Commission policy that a person should only serve on a body of this nature for a maximum of 10 years.

Paragraph 6 makes a change to the way in which the members are appointed to reflect the decision of the States of 2nd February 2010 (P.205/2009) which proposed a new method of appointment for a range of officeholders and bodies (unfortunately new legislation is required to implement many of these changes and that legislation has not yet received sufficient priority to be completed). Under the revised procedures agreed through P.205/2009, appointments would no longer be debated by the States but the relevant Minister or Committee would be required to present a report to the States at least 15 days before finalising any appointment, to inform members of proposed appointments and to allow members time to raise any concerns with the Minister or Committee concerned, as happens with property transactions. This new procedure is instituted for SMRRB appointments in paragraph 6.

With the introduction of a system of rolling renewal of the membership, the role of a permanent Chairman is abolished, with paragraph 7 stating that the Review Body is able to appoint one of its members as Chairman as it sees fit. The current members of SMRRB have made it clear that the Chairman has no particular role other than to chair meetings and, occasionally, to speak to the media and others about the work of the Review Body. It therefore seems more appropriate to allow the 5 members to decide amongst themselves who should fulfil this role at any particular time. This would allow the members, for example, to change the Chairman at the time of one of the rolling renewals of membership, when it may be more appropriate for one of the members who has not just been appointed to take on this position.

Paragraph 8 fixes a quorum of 3 for the Review Body.

The manner in which the SMRRB's recommendations are dealt with, as set out in paragraphs 9 to 11, is unchanged from the existing provisions.

The recommendations made by SMRRB fall into 2 categories. There are firstly the annual recommendations on the actual monetary level of remuneration and expenses for elected members. Although the Assembly, as an autonomous parliamentary body, must retain the right to debate these matters, it is important that debates are not required if no member wishes to debate the recommendations. There would be little point in having an independent remuneration body if its recommendations then had to be debated and agreed by the Assembly on every occasion. As a result, there has always been a default provision, namely that the recommendations on annual levels of remuneration and expenses are automatically applied unless any member seeks to challenge them within a month of their publication. This remains unchanged in paragraph 10. It is, however, open to the SMRRB to make recommendations on more general matters relating to remuneration such as, for example, whether or not there should be a pension scheme for members. With matters such as this, it is clearly essential that the change should be debated and agreed by the Assembly before it can be implemented, and this is made clear in paragraph 11.

Paragraph (b) of this proposition contains a transitional provision relating to the term of office of members. The outgoing members of SMRRB have made it clear that it would assist continuity if the term of office of all 5 members did not expire at one time as happens at present. It would theoretically be possible under the current provisions for the entire membership to change at one time, and this would clearly be unsatisfactory. It is therefore proposed that 2 members should be appointed in 2012 for a 2 year period only, so that, from 2014, there will a rolling membership with 2 or 3 members appointed for a full 5 year term every 2 or 3 years.

PPC would again like to place on record its thanks to the members of the outgoing SMRRB, Mr. Julian Rogers (Chairman), Mr. Brian Bullock, Mr. Maurice Dubras and Mr. John Mills, C.B.E., for the comprehensive and rigorous way they have undertaken their work on a purely honorary basis over the last 3 years.

Financial and manpower implications

As indicated above, the SMRRB members are not remunerated for the work they undertake, and administrative support is provided by the States Greffe. There are therefore no financial or manpower implications arising from this proposition.

States Members Remuneration Review Body

TERMS OF REFERENCE

1. The Review Body will make recommendations to the States, through the Privileges and Procedures Committee, on any matters relating to the remuneration and expenses of elected members as it considers appropriate.
2. The Review Body shall take any steps it considers necessary to gauge public opinion on the matters within its purview. Equally the Review Body shall seek the opinions of members of the States from time to time as it considers appropriate.
3. In forming its recommendations the Review Body will take account of any matters that it considers to be relevant and will have particular regard to, but not be bound by, the following matters –
 - (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.

Membership

4. The Review Body shall consist of 5 members, none of whom shall be a member of the States.
5. The members shall be appointed for a period of 5 years and shall be eligible for re-appointment for one additional 5 year term.
6. The members shall be appointed by the Privileges and Procedures Committee following requisite consultation with the Jersey Appointments Commission. Before making any appointments the Committee shall nevertheless be required to present a report to the States setting out the names of the proposed appointees and the appointments shall not be confirmed by the Committee until at least 15 days after the presentation of this report.
7. The Review Body shall appoint one of its members as Chairman.
8. The quorum of the Review Body is 3.

Recommendations

9. The Review Body shall report its recommendations to the Privileges and Procedures Committee which shall present them to the States forthwith.
10. The Review Body's recommendations on the actual level of remuneration and expenses payable to elected members shall be implemented automatically unless a proposition seeking a debate on the recommendations is lodged 'au Greffe' within one month of the date of presentation.
11. The Review Body may make recommendations on other matters within its terms of reference to the Privileges and Procedures Committee but any such recommendations shall not be implemented until they have been agreed by the States.