

STATES OF JERSEY

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STATES MEMBERS' REMUNERATION: INCREASES FOR 2004 – RESCINDMENT

Lodged au Greffe on 27th January 2004
by Deputy T.J. Le Main of St. Helier

STATES GREFFE

PROPOSITION

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

- (a) to agree to suspend Standing Order 44(1) to enable members to discuss a matter in which they have a direct pecuniary interest;
- (b) to refer to their Act dated 25th November 2003 in which they agreed a new remuneration scheme for elected members of the States, and to agree to rescind their decision that the amount of income support, namely £28,609, should be increased by a figure of 0.5% below the percentage rise in the Jersey Retail Price Index at the end of 2003 and that the expense allowance, namely £9,629, should be increased by the percentage rise in the Jersey Retail Price Index at the end of 2003;
- (c) to agree that the sums should remain at the 2003 levels for the year 2004, namely £28,609 for income support and £9,629 for the expenses allowance;
- (d) to request the Finance and Economics Committee to take the necessary action to withdraw the previously agreed increases.

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DEPUTY T.J. LE MAIN OF ST. HELIER

NOTE: As required by Standing Order 18C, the following States members also signed the proposition–

1. Deputy of Trinity.
2. Deputy of St. John.
3. Deputy P.N. Troy of St. Brelade.

The reason for moving this proposition is set out in the attached report.

REPORT

Following the decision of the States on 25th November 2003 in support of P.145/2003 relating to States members' remuneration, it was agreed by a majority that included in paragraph (d) –

- (1) Income support of up to £28,609 increased by a figure of 0.5% below the percentage rise in the Jersey Retail Price Index at the end of 2003.
- (2) An expense allowance of up to £9,629 increased by the percentage rise in the Jersey Retail Price Index at the end of 2003.

Now in view of the States agreeing the proposition P.145/2003 it now transpires, following the publication of the December 2003 RPI figure, that members will receive an increase of 3.5% on their income support and 4% increase on their expense allowance for 2004. My opinion is that during this time of restraint with large amounts of persons finding themselves unemployed etc., private sector businesses now trading during a very difficult time, many are laying off staff and much of the private sector has not paid any cost of living increases for the last 2 or 3 years. I have heard of one large employer who has substantially reduced all of their staff salaries for 2004.

The Finance and Economics Committee has set a target of 2.5% for the public sector pay award, something that I totally agree with, but with the continuing current downturn in tax receipts which is anticipated to continue until 2008, I believe that the members made an error in agreeing these increases on income supplement and expenses for 2004.

In the 25 years that I have been a member of this esteemed Assembly I have never seen the taxpayers and the public of this Island so angry at States members' attitudes to granting themselves increases and benefits that are far greater than in the real world of the private sector.

The President of the Finance and Economics Committee has stated publicly that very severe restraints right across the board will need to be implemented from salaries to all other charges and services etc. Therefore, the public expect members to behave exactly as they will be imposing upon all sectors. I believe that the States Assembly and its members must, in the interest of good Government, rescind these increases at this time of restraint for all.

There are no manpower implications and the financial implications are set out overleaf.

States members' figures for 2003 and estimates for 2004

	<i>Expense Allowance</i> 4.9%	<i>Minimum Income</i> <i>Support</i> 4.4%	<i>Expense +</i> <i>Minimum Income</i> <i>Support</i>
	£	£	£
2003	9,629	28,609	38,238
Total payments for 2003	507,222	935,154	<u>1,442,376</u>
Agreed % increase for 2004	4%	3.5%	
2004	10,014	29,610	39,624
Total payments for 2004	530,742	1,569,330	<u>2,100,072</u>
Increase	23,520	634,176	<u>657,696</u>

The 2004 figures are estimates based upon all States members receiving maximum payment.

If this proposition is accepted, the maximum payable for 2004, based on all 53 members claiming the maximum of £38,238 (frozen at 2003 levels but without means testing) would be £2,026,614 making a potential saving on the current 2004 projections shown above of £73,458.