

STATES OF JERSEY



Jersey

DRAFT STATES OF JERSEY (AMENDMENT – REMUNERATION OF ELECTED MEMBERS) (JERSEY) LAW 202-

**Lodged au Greffe on 3rd March 2022
by the Privileges and Procedures Committee
Earliest date for debate: 25th April 2022**

STATES GREFFE



Jersey

DRAFT STATES OF JERSEY (AMENDMENT – REMUNERATION OF ELECTED MEMBERS) (JERSEY) LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Chair of the Privileges and Procedures Committee has made the following statement –

In the view of the Chair of the Privileges and Procedures Committee, the provisions of the Draft States of Jersey (Amendment – Remuneration of Elected Members) (Jersey) Law 202- are compatible with the Convention Rights.

Signed: **Deputy C.S. Alves of St. Helier**
Chair, Privileges and Procedures Committee

Dated: 2nd March 2022

REPORT

On 10th June 2021, the States adopted a proposition ‘States Members’ Remuneration’ ([P.40/2021](#)) lodged by the Privileges and Procedures Committee which discontinued the previous arrangements for setting States Members’ pay, including the States Members’ Remuneration Review Body, and established the framework for a new system. This was based on the work of a PPC Sub-committee which had met earlier in the year to agree the new arrangements. More details on the work of the Sub-committee can be found in the report accompanying [P.40/2021](#). The Committee was invited to bring forward legislation which would form the basis for this new system, which is now provided for in this projet.

The Draft States of Jersey (Remuneration of Elected Members) Law 202- (the “draft Law”) amends the [States of Jersey Law 2005](#) to put the new arrangements for Members’ remuneration on a statutory footing for the first time.

Article 2 of the draft Law inserts a new Article 44A in the States of Jersey 2005 which sets out the process for setting Members’ remuneration. In summary:

- Within 15 months of an election, PPC must set up a panel to appoint an independent reviewer of Members’ remuneration and to direct that reviewer to carry out their work.
- The reviewer could be an individual, a group of people or a body corporate.
- The appointment panel is independent: it includes the Greffier of the States but excludes States Members and any States employee. Its recommendation must be presented to the States in a report and the States has 14 days’ notice before the appointment is made, so any questions or issues can be dealt with.
- The reviewer must provide their report within 12 months and must consult the Minister for Treasury and Resources and other States Members as part of their work.
- The reviewer’s report must specify Members’ remuneration and the date when any change takes effect, explaining the rationale for both. Pay increases may be backdated, although not from earlier than the previous election: a decrease in pay cannot be backdated. The report may also raise other matters, as the reviewer sees fit, and PPC may ask the reviewer to consider specific matters, although the reviewer’s determination of such matters will be entirely independent of PPC.
- The reviewer is enabled to index-link Members’ pay.
- The reviewer’s report must be presented to the States at the meeting after the report is completed.

Under *Article 1*, which amends Article 44 of the States of Jersey Law 2005, the amount of remuneration and allowances payable to a States Member is determined in accordance with the report of the independent reviewer. In other words, the recommendations of the reviewer take effect when their report is presented to the States, subject to any recommendations the reviewer makes about the timing of implementation. New Article 44A(A2) makes it clear that there is no other lawful way of amending States Members’ pay. Propositions on States Members’ remuneration would not be permitted because they would fall outside of this new statutory regime. However, it would remain possible for Members to bring propositions to alter the framework by which their remuneration is set.

Article 2 of the draft Law also inserts a new Article 44B into the States of Jersey Law 2005 to make transitional provisions, so that the existing arrangements for States Members' remuneration continue until the presentation of the first report by an independent reviewer.

The Committee wishes to thank all of the Members who engaged in the work of the sub-committee which has led to the development of this draft Law. It also wishes to put on record its thanks to those individuals who comprised the States Members' Remuneration Review Panel during the years of its existence.

Financial and manpower implications

The proposed independent review, undertaken every 4 years, will incur a cost, likely to be under £20,000. Consequently, the new system is likely to be around £10,000 more expensive over 4 years than the previous arrangements involving the States Members Remuneration Review Body. There are no other additional manpower or financial implications associated with this proposition.

Human Rights

No human rights notes are included in this proposition as the Law Officers have confirmed that the Draft States of Jersey (Amendment – Remuneration of Elected Members) (Jersey) Law 202- raises no issues of compliance with the European Convention on Human Rights.

EXPLANATORY NOTE

The States of Jersey (Amendment – Remuneration of Elected Members) (Jersey) Law 202-, if passed, will amend the States of Jersey Law 2005 (the “principal Law”) to provide for the production, by an external reviewer selected according to this Law, of a report fixing the appropriate amount of remuneration and allowances for States’ members. In particular –

Article 1 provides that the Law amends the principal Law.

Article 2 amends Article 44 (remuneration of elected members) of the principal Law by inserting 2 additional paragraphs, providing that the amount of remuneration and allowances payable to elected members is that determined by the report under (new) Article 44A, and that the amount of remuneration cannot be amended or altered other than as set out under that Article.

Article 3 inserts new Articles 44A and 44B into the principal Law. New Article 44A provides that –

- the Privileges and Procedures Committee of the States of Jersey (“PPC”) must establish a panel, consisting of the Greffier of the States plus between 2 and 4 other people who may not be States Members or States Employees, to appoint a person to carry out a review of the amount of remuneration and allowances payable to elected States Members and produce a report;
- the panel must not appoint the reviewer until at least 14 days after PPC present a report to the States giving notice of the panel’s proposed reviewer;
- once the appointment is made, PPC must direct the reviewer to carry out the review and, within 12 months, to produce the report to PPC;
- the reviewer, in producing the report, must consult elected members and the Minister for Treasury and Resources;
- the report must contain an assessment of the appropriate amount of remuneration, the date on which it should take effect (which may be retrospective in the case of an increase but not a decrease, and may not precede the date of the last election), an explanation of why the date and amount is appropriate, and any other matters PPC may direct;
- the report may contain provision for allowances for elected members, a formula for altering the amount of remuneration over time by reference to an index produced by the Statistics Unit of the States of Jersey, and any other matters relating to remuneration and allowance of elected members; and
- PPC must present the report to the States.

New Article 44B is a transitional provision, and provides that the current rate of remuneration and allowances payable to elected members continues to be payable until the date specified in the first remuneration review report to be the date any change in remuneration of elected members is to take effect. It further provides that the first remuneration review report process must take place within the 15 months beginning with the date of commencement of this Law.

Article 4 gives the name by which the Law may be cited and provides that the Law comes into force 7 days after it is registered.



Jersey

DRAFT STATES OF JERSEY (AMENDMENT – REMUNERATION OF ELECTED MEMBERS) (JERSEY) LAW 202-

Contents

Article

1	Article 44 (remuneration of elected members) of the States of Jersey Law 2005 amended	11
2	Articles 44A (remuneration review process) and 44B (transitional provisions relating to initial remuneration review process) of the States of Jersey Law 2005 inserted	11
3	Citation and commencement.....	13



Jersey

DRAFT STATES OF JERSEY (AMENDMENT – REMUNERATION OF ELECTED MEMBERS) (JERSEY) LAW 202-

A LAW to make provision about the remuneration of elected members of the States of Jersey.

<i>Adopted by the States</i>	<i>[date to be inserted]</i>
<i>Sanctioned by Order of Her Majesty in Council</i>	<i>[date to be inserted]</i>
<i>Registered by the Royal Court</i>	<i>[date to be inserted]</i>
<i>Coming into force</i>	<i>[date to be inserted]</i>

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

1 Article 44 (remuneration of elected members) of the [States of Jersey Law 2005](#) amended

- (1) At the beginning of Article 44 of the [States of Jersey Law 2005](#) there is inserted –
- “(A1) The amount of remuneration and allowances payable to elected members is the amount specified in, or determined in accordance with, the remuneration review report most recently presented to the States under Article 44A(8).
- (A2) The amount of remuneration and allowances payable to elected members cannot be determined otherwise than as set out under Article 44A and cannot be amended.”.
- (2) In paragraph (2), after “paragraph (1)” there is inserted “, but not in paragraphs (A1) and (A2),”.

2 Articles 44A (remuneration review process) and 44B (transitional provisions relating to initial remuneration review process) of the [States of Jersey Law 2005](#) inserted

After Article 44 of the [States of Jersey Law 2005](#) there is inserted –

“44A Remuneration review process

- (1) PPC must, within the period of 15 months beginning with the date of an ordinary election under Article 6 –
 - (a) establish a panel for the purpose of appointing a person (the “reviewer”) to carry out a review of the amount of remuneration and allowances payable to an elected member;
 - (b) direct the reviewer to carry out the review and provide a report (a “remuneration review report”) to PPC.
- (2) The panel must consist of –
 - (a) the Greffier of the States; and
 - (b) at least 2, but not more than 4, individuals appointed by PPC.
- (3) The following persons may not be appointed to the panel under paragraph (2)(b) –
 - (a) a member of the States;
 - (b) a States’ employee (as defined in the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#)).
- (4) The panel must not appoint the reviewer until at least 14 days after PPC have given notice to the States of the identity of the panel’s proposed reviewer.
- (5) When the panel has appointed the reviewer, PPC must give the direction in paragraph (1)(b), which direction must require the reviewer –
 - (a) before providing a remuneration review report, to consult –
 - (i) the Minister for Treasury and Resources, and
 - (ii) each other elected member;
 - (b) to provide a remuneration review report within the period of 12 months beginning with the day on which notice of the panel’s appointment is given under paragraph (4)(b).
- (6) A remuneration review report must –
 - (a) specify the amount of remuneration payable to elected members;
 - (b) specify the date on which sub-paragraph (a) is to take effect;
 - (c) explain why the amount specified, and the date specified, are appropriate;
 - (d) determine such other matters relating to remuneration and allowances of elected members as PPC may require.
- (7) A remuneration review may –
 - (a) provide for allowances to be payable to elected members;
 - (b) give a formula for altering, over time, the amount of remuneration by reference to an index produced by the Statistics Unit of the States of Jersey;
 - (c) determine other matters relating to remuneration and allowances of elected members.

- (8) PPC must present each remuneration review report to the States at the first meeting falling after the remuneration review report is completed.
- (9) The date specified under paragraph (6)(b) may be before the date that the remuneration review report is presented in the case of an increase in remuneration, but not in the case of a decrease, but may not be before the date of the last ordinary election.
- (10) Article 44(A1) applies to a remuneration review report regardless of whether the reviewer has complied with paragraph (5)(b).
- (11) In this Article –
 - “consult” means to provide information to a person and give a reasonable opportunity for that person to respond with their opinion;
 - “PPC” means the Privileges and Procedures Committee established by standing orders.

44B Transitional provisions relating to initial remuneration review process

- (1) Despite Article 44(A1) and (A2), the remuneration and allowances payable to elected members immediately before the commencement of this Law continues to be payable until the date specified under paragraph 44A(6)(b) in the first remuneration review report.
- (2) Article 44A(1) applies to the first remuneration review as if “the date of an ordinary election under Article 6” were to read “the date of commencement of the States of Jersey (Amendment – Remuneration of Elected Members) (Jersey) Law 202-.”.

3 Citation and commencement

This Law may be cited as the States of Jersey (Amendment – Remuneration of Elected Members) (Jersey) Law 202- and comes into force 7 days after it is registered.