

States Members Remuneration Beyond 2018

Consultation Document

States Members Remuneration Review Body

1. Summary

- 1.1 The States Members Remuneration Review Body (SMRRB) is tasked with advising the States on the remuneration that should be received by Senators, Connétables and Deputies in their capacity as members of the States of Jersey. Our membership and terms of reference can be found in annex 1 at the end of this document.
- 1.2 We are now seeking views on the remuneration of States members after the ordinary election due in 2018. It is intended that the arrangements in place at the time of the 2018 election will remain in place for the four-year life of the next States Assembly. Anyone deciding whether to stand for election or to seek re-election will therefore know where they stand financially in the event they are elected as a member.
- 1.3 The responses received will inform the work of the SMRRB in putting forward recommendations to the Privileges and Procedures Committee and the States Assembly in the early part of 2017.
- 1.4 May we take this opportunity to thank you in advance for your contribution.

2. Responses

- 2.1 The deadline for responses is **5 p.m. on Friday 11 November 2016**.
- 2.2 You are encouraged to submit your response by email to smrrb@gov.je

Alternatively, you may submit your response in writing to:

States Members Remuneration Review Body
c/o States Greffe
Morier House
St Helier
Jersey
JE1 1DD

2.3 We intend to publish all responses to this consultation. If you do not want your response to be published in part or in full, the relevant sections should be clearly marked as confidential. We will not accept anonymous submissions but we are prepared to anonymise a submission for publication by redacting personal data such as names and addresses, if requested to do so.

3. States members' remuneration – current arrangements

3.1 States members currently receive remuneration of £46,600 each year. This amount has not changed since 2014 (although previously £42,600 was specified as remuneration and £4,000 as expenses). The levels of remuneration paid to members since 2005 are set out in annex 2.

3.2 All States members currently receive the same remuneration regardless of their role. This is stipulated in Article 44 of the States of Jersey Law 2005.

3.3 States members are office-holders; they do not 'work' for the States and are not employees in law so employment law does not apply to them. For social security purposes members are classified as self-employed. However, with the agreement of the Social Security Department, members are entitled to receive reimbursement of a sum equivalent to an employer's element of self-employed social security contributions and this sum, together with a sum equivalent to an employee's share (which is deducted from their monthly remuneration) is paid directly to the Social Security Department on their behalf. On ceasing to hold office members are entitled to receive a payment of one month's salary

3.4 There is currently no dedicated pension scheme for members.

4. Basic presumptions

4.1 In preparing this consultation we have taken into account the current economic and political context and made the following presumptions:

- Our recommendations are intended to cover the whole period of the next States Assembly, from May 2018 to May 2022, and would only be adjusted during that term in the event of exceptional circumstances; the situation will be kept under review
- There will be no change in the structure or size of the States Assembly in the 2018-22 period
- The current low-inflation environment and pressure on public sector finances will continue.

5. Public survey

5.1 In July 2016 we commissioned Island Global Research to undertake a public survey of a representative sample of 563 islanders on States members' remuneration. We asked:

- Whether the current level of pay is too high, about right or too low?
- Whether equal pay for all States members should continue after 2018?
- Assuming that pay should vary between States members, which positions should attract higher pay?

We also asked for views on the relationship between pay for States members and the supply of candidates for election, the responsibilities associated with different roles and the average/median levels of earnings on the island. The report we received from Island Global Research is published in full online [here](#) as are the public comments received along with the survey results.

5.2 The main findings of the survey were as follows:

- 54% of household respondents thought that States members' pay was either 'too high' or 'far too high'. 46% considered it to be either 'about right', 'too low' or 'far too low'. The split between these two main camps was close to even, allowing for the survey's 4% margin of error
- More people thought that pay was 'about right' (38%) than chose any other option
- Asked whether after the next election States members should continue to receive equal pay, two out of three respondents indicated that pay should vary depending upon the level of responsibility
- Opinion was fairly evenly divided about three main options on how pay might be structured in a different way. 40% of respondents felt that only the Chief Minister should receive higher pay; 31% felt that all ministers and scrutiny panel chairmen should; and 29% said that higher pay should apply to all ministers
- Two thirds of respondents either 'strongly agreed' or 'agreed' with the statement that members should be paid about the same as the average person working full-time
- One third (33%) 'strongly agreed' or 'agreed' that it was an important principle that all members were paid equally. One half (49%) 'disagreed' or 'strongly disagreed'
- Two thirds (66%) 'strongly agreed' or 'agreed' with the statement that members' pay should be set to reflect the responsibility of different roles. Just under a fifth (18%) 'disagreed' or 'strongly disagreed'

- More than two fifths (45%) ‘strongly agreed’ or ‘agreed’ that members’ pay should be set to attract the highest calibre of candidates. A little under a third (29%) ‘disagreed’ or ‘strongly disagreed’
- Nearly four fifths of respondents felt that pay should be set so that no-one was put off from standing for election because they couldn’t afford to take on the role

6. Our proposals for 2018-2022

6.1 Our considered view is that, given the input from our previous consultation through discussion documents and research, together with our most recent independent survey, there is now a case for differentiating between the pay provided to certain States members, according to the significantly different level of responsibilities they hold. This is clearly supported by the results of the public survey we commissioned and is in accordance with normal practice in other jurisdictions (see our [analysis](#)) and in business.

6.2 In the first instance we suggest that pay differentiation should apply only to the Chief Minister, who undoubtedly has significant additional responsibilities when compared with other members. In our view, a supplement of 15% of salary (in other words £7,000 (after rounding) at the present level of salary) would be appropriate. This would apply from the election of the Chief Minister in 2018.

6.3 Given the small sum involved, this additional money could be found from within the States’ existing budgets.

Q1: Do you agree that the Chief Minister should receive a supplement above the salary for a States member?

Q2: Do you agree with our proposal that the supplement for the role of Chief Minister should initially be set at 15% of States members’ salary (which at the current salary level would be £7,000)?

Q3: Do you agree with our proposal that in principle differentiation should apply to ministers and chairmen of scrutiny panels once the economic climate has improved?

6.4 Not unsurprisingly at a time of budgetary constraint, the results of the public survey did not demonstrate support for a general increase in States members’ remuneration. Our view is that the existing salary should be held level during the 2018-22 period, which would represent a modest decrease in real terms.

Q4: Should States members’ salary (£46,600) be held level during the 2018-22 period?

7. Next Steps

9.1 At the end of the consultation period, we will review the responses received and prepare a report setting out our recommendations to be presented to the States through the Privileges and Procedures Committee in early 2017.

Annex 1 – Membership and Terms of reference

The terms of reference of the SMRRB are as follows –

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 –
 - a. 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;
 - b. 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 five members, none of whom shall be a member of the States.
5. The members shall be appointed for a period of five years and shall be eligible for re-appointment for one additional five 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 three.

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.

The current membership of the SMRRB is John Mills CBE (Chairman), Ian Black, Maurice Dubras, Louise Read and Gerald White. The Greffier of the States acts as the SMRRB's secretary.

Details of the SMRRB's past work can be found in annex 3.

Annex 2 – States members' remuneration since 1 January 2005

Year	Remuneration	Expense allowance	Total available
2005	£36,568	£3,650	£40,218
2006	£37,486	£3,650	£41,136
2007	£38,422	£3,650	£42,072
2008	£39,382	£3,650	£43,032
2009	£40,382	£3,650	£44,032
2010	£40,382	£3,650	£44,032
2011	£41,182	£3,650	£44,832
2012	£41,182	£4,000	£45,182
2013	£42,000	£4,000	£46,000
2014	£42,600	£4,000	£46,600
2014-2018	£46,600	-	£46,600

Annex 3 – Past work of the SMRRB

Since its establishment in 2004 the SMRRB has issued ten Reports. These can be accessed under ‘Reports’ on the States Assembly website www.statesassembly.gov.je or obtained from the States Assembly Information Centre in Morier House, Halkett Place, St Helier, Jersey, JE1 1DD (tel (01534) 441020, email StatesGrefe@gov.je).

The titles and reference numbers of the Reports are as follows –

- 1) States Members Remuneration Review Body - recommendations for 2005 ([R.C.52/2004](#))
- 2) States Members Remuneration Review Body - recommendations for 2006 – 2008 ([R.C.71/2005](#))
- 3) States Members’ Remuneration - recommendations for 2009 ([R.119/2008](#))
- 4) States Members’ Remuneration Review Body: recommendations for 2009-2011 – Part 1, level of remuneration and expenses ([R.61/2009](#))
- 5) States Members’ Remuneration Review Body: recommendations for 2009-2011 – Part 2, pensions, severance and differentiation ([R.62/2009](#))
- 6) States Members’ Remuneration Review Body: recommendations for 2011 ([R.93/2010](#))
- 7) States Members’ Remuneration Review Body: recommendations for 2012 ([R.105/2011](#))
- 8) States Members’ Remuneration Review Body: recommendations for 2013 ([R.132/2012](#))
- 9) States Members’ Remuneration Review Body: recommendations for 2014 ([R.125/2013](#)).
- 10) States Members’ Remuneration Review Body: recommendations for November 2014 to May 2018 ([R.122/2014](#))