

# **STATES MEMBERS REMUNERATION 2015 to 2018**

**Comments on Review Body Consultation by Mark Boleat, 5 July 2014**

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## **Introduction**

1. On 17 June 2014 the States Members Remuneration Review Body issued a consultation document *States Members Remuneration 2015 to 2018*. Comments were requested by 14 July. This paper is a personal response by Mark Boleat. He has significant relevant experience -

- Involvement in public policy in Jersey including preparing reports for the States on population policy, housing policy and consumer policy, and currently serving as Chairman of the Jersey Development Company and the Jersey Competition Regulatory Authority.
- Involvement in politics in London including as Chairman of the City of London Policy and Resources Committee and Vice Chair of London Councils (the central body for the 33 local authorities in London).

## **Summary**

2. Remuneration of States members should reflect time commitment and responsibility. The current basic fee is too high and the fees paid to ministers, in particular the Chief Minister, are too low. The recommended scale for London councillors (£13,095 - £81,839) and the scales for comparable jurisdictions (eg Guernsey £30,770 - £56,000) are good starting points. For the next States the basic remuneration should be unchanged at £46,400 with increases to £50,000 for Ministers and £60,000 for the Chief Minister. And with effect from 2018 the basic remuneration should be reduced to £30,000 and an additional band (perhaps £45,000) introduced for Assistant Ministers and Chairmen of Scrutiny Committees.

## **Approach**

3. The Review Body's consultation is silent on a key question - of whether the position of an ordinary States member should be regarded as full time. The current very high basic allowance of £46,400 implicitly assumes that it is. The consultation asks about comparable positions in Jersey but this is a meaningless question without knowing the time commitment. Herein lies one of the principal causes of the current dysfunctionality of the Island's governance system - a large number of States members with no responsibility for government and with an income that is excessive for their responsibilities. The people of Jersey have already voted for a reduced number of States members - although the States itself has decided otherwise. It may be true that the States sits for longer than many comparable jurisdictions, but this in turn is caused by arcane rules which allow members to speak for excessively long times and for debates which in other jurisdictions would be over in a few hours to run for days. There can be little justification for full time States members with no responsibility for government, and remuneration should reflect this.

## Differential pay

4. To any outside observer it is absurd that all members should be paid the same. This does not happen in any other jurisdiction nor for that matter in any other than a handful of other organisations. The Chief Minister has a more than full time position with huge responsibilities. Ministers similarly have fully time positions with lesser responsibilities. Ordinary members have very limited responsibilities and given the large numbers their role should be little more than 50% of a full time position, and remunerated accordingly.

5. The consultation paper helpfully gives details of the spread of remuneration in three comparable jurisdictions. The following table shows the details together with the number of members and the approximate total cost of the remuneration of members of the legislature -

<b>Jurisdiction</b>	<b>Remuneration</b>	<b>No of Members</b>	<b>Total cost</b>
Guernsey -	£30,770 - £56,000	45	£1.6m
Isle of Man -	£38,771 - £69,687	35	£1.5m
Gibraltar -	£31,921 - £119,167	18	£1.0m
Jersey -	£46,400	51	£2.4m

It should be noted that the figures are not exactly comparing like with like because of factors like allowances and pension contributions, but they are sufficient to give a clear indication of the position. Jersey has the largest number of members and the highest basic remuneration, as a result of which total remuneration is more than double the figure in Gibraltar and 50% more than in the Isle of Man and Guernsey. The Isle of Man structure is worth mentioning. In addition to the basic payment the Chief Minister has an uplift of 80%, ministers 50% and other positions 10%, 30%, 40% or 50%.

6. The comparable data does not look at local authorities in the UK. London Councils are another useful comparator. There are 32 London boroughs, each of which has a significantly larger population than Jersey and which provide broadly comparable services. London Councils, the representative body for London local authorities, has a permanent Independent Panel that makes recommendations on remuneration. It goes into a degree of analysis and detail well beyond what the Jersey body does and its analysis and conclusions seem very relevant to Jersey. The following extract from its report [\*The Remuneration of Councillors in London 2014\*](#) seems as applicable to Jersey as it does to London councils -

“The role of elected members: In our previous reports we reflected on the importance of the role of elected members. We repeat at Appendix B the job profile for councillors which we included in our 2010 report. In that report, we quoted the Government-appointed Councillors’ Commission. The Commission took the view (which we continue to share) that: ‘Allowances should be set at a level that enables people to undertake the role of councillor while not acting as an incentive to do so. Allowances are not shown by polls to be something which influences councillors to take on the role, though they are instrumental in making it possible for some people to do so. If it is important that there are no financial incentives to being a councillor, it is equally important that there should not be a financial disincentive.’ It is clearly desirable that service as a councillor is not confined to those with independent means. We do not repeat

the arguments for appropriate remuneration for councillors which we have set out in our previous reports. We believe them to be self-evident. But we do repeat our belief in the importance of local democracy and the role of councillors within it. Each London Borough is responsible for services crucial to its residents. Each is responsible for a revenue budget of between £1.3bn and £3.3bn.”

7. The Independent Panel calculates an appropriate basic allowance and then recommends additional payments in four bands (figures show total remuneration including the basic allowance) -

Basic allowance	£10,703
Band 1, eg Vice Chair of a Scrutiny Committee	£13,095 - £19,644
Band 2, eg Chair of a Scrutiny Committee	£26,189 - £39,284
Band 3, eg Cabinet member	£45,831 - £52,781
Band 4, Leader	£65,472
Band 5, Directly Elected Mayor	£81,830

8. It is worth noting here that all the London Boroughs have populations substantially above that of Jersey; the average number of councillors is currently a little higher than the comparable Jersey figure at 58.

### **The consultation process**

9. It is worth commenting briefly on the consultation process. The point has already been made that it would have been helpful to give an indication of the time commitment for States members - recognising that this does not lend itself to a precise answer. It is however material as to whether the position has to be full time or whether it should be capable of being done effectively with say a 50% time commitment. In this context it would have been helpful to have an indication of how many States members hold other positions.

10. The consultation seeks views of members of the public. It is difficult to imagine anything other than a number of responses of "they are all paid too much" based on limited knowledge. Generally however there will be little response. The subject does not lend itself to the consultation exercise that is being conducted. It would be preferable to run a number of focus groups, provided with the necessary information in the consultation and on the required time commitment. This is far more likely to produce a meaningful response than simply inviting the public to fill in a questionnaire.

### **Recommendations**

11. The starting point for this review is clearly wrong and now is the appropriate time to begin fixing it. However, the States must at the same time reform the way it operates, which must include reducing the time that the States sits and ideally a reduction in numbers. But it must also be acknowledged that people elected in the forthcoming elections are entitled to receive the remuneration fixed at the time they are elected. Ideally the States will take steps to reduce the hours it sits and the number of members but this is beyond the scope of this review. With the greatest of reluctance it has to be accepted that for the duration of the next States the basic allowance should not be reduced; but equally there is no justification for increasing it.

The review should recommend a significant reduction coming into effect in 2018; £30,000, uplifted for inflation, is the sort of amount that should be considered, on a par with the figure for Guernsey.

12. However, there can be no justification for continuing the current fixed scale for all States members. Given the current high basic remuneration increases can be justified only for members of the Council of Ministers. A suitable figure would be £50,000 and £60,000 for the Chief Minister. These figures should be reviewed in 2018 with the expectation of introducing an additional band at around £40,000 in 2014 money for Assistant Ministers and Chairmen of Scrutiny Committees. An alternative would be to adopt the Isle of Man approach of a basic allowance with percentage uplifts for ministers and committee chairmen. It is accepted that the law would have to be changed to allow this sort of change to happen. But that is a matter for the States. The Review Body should recommend what it believes to be correct, leaving the States to take a different view if it so wishes.