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Memorandum for Executive Council

SUBJECT

The Legislative Council (Remuneration and Allowances)(Amendment) Bill, 2018

Memorandum by Chief Secretary

ADVICE SOUGHT

1. Council is asked to advise whether the attached Legislative Council (Remuneration and Allowances) (Amendment) Bill, 2018, should be printed and published and presented as Government Business at a formal meeting of the Legislative Council.

BACKGROUND & CONSIDERATIONS

2. One of the recommendations of an Independent Body appointed in 2015 to review the remuneration, allowances and benefits of the Elected Members of Legislative Council, the Speaker and Deputy Speaker, was that the remuneration, allowances and benefits of the same be reviewed 6 months before the next General Election which was due to be held in mid 2017.

3. In October 2016, an Independent Body was appointed by HE the Governor to review the remuneration, allowances and benefits package for Members of the Legislative Council.

4. The report of the Independent Body was completed in March 2017 and was considered by Executive Council at the meeting held on 18th April 2017; Executive Council Memorandum number 27/2017 refers. The report recommended various changes to the remuneration, allowances and benefits of the Elected Members, Speaker and Deputy Speaker.

5. Whilst acknowledging the overall improvement in the package, Executive Council did not agree with some of the recommendations made by the Independent Body and wanted to meet with them to seek clarification on some of the rationale that had been applied in making their recommendations. This was not possible, as the report had been submitted and thus the Independent Body had carried out its remit.

6. The report was therefore presented as a Sessional Paper at the formal meeting of the Legislative Council that took place on 12th May 2017.

7. Discussions on the report of the Independent Body followed at an

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informal meeting of the Legislative Council where Elected Members decided to accept the reports in its entirety.

FINANCIAL IMPLICATIONS

8. The financial implications of accepting the recommendations amount to £74,543 per annum. Elected Members have agreed that additional funding should form part of the budget Appropriation for both the 2017/18 and 2018/19 financial years and provision for an increase was included in the respective Corporate Support budget submissions. As the new levels of remuneration have not been effective from 1 April 2018 and due to the recent need by Directorates to propose savings to arrive at a balanced budget for SHG, the total amount available for the 2018/19 financial year has been reduced by £22,695.

ECONOMIC IMPLICATIONS

9. There is an opportunity cost of agreeing to a larger remuneration package in that the revenue budget would not be spent elsewhere. However, spending on remuneration will have multiplier effects. Higher rates of pay will contribute to the economy when spent locally. Some pay will be recouped to the state through PAYE tax.

CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES

10. Not applicable.

PUBLIC / SOCIAL IMPACT

11. None arising from this paper.

ENVIRONMENTAL IMPACT

12. None arising from this paper.

PREVIOUS CONSULTATION / COMMITTEE INPUT

13. Executive Council has previously considered the report of the Independent Body in April 2017 and discussions have taken place with all Elected Members during 2017 who supported the proposed improvements to the remuneration package, that enactment of the attached Bill will enable. The matter was discussed at a recent informal meeting of Legislative Council where it was agreed that the Bill should proceed through the various channels ahead of a formal meeting of the Legislative Council, at which it could be presented as Government business.

PUBLIC REACTION

14. The Bill may stimulate mixed public reaction. There will be some people who will understand and appreciate that the package is commensurate with the level of responsibility assigned to Members of the Legislative and Executive Councils. Others might not be

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supportive of the improved remuneration package.

PUBLICITY

15. If agreed, the Bill will be published for public information.

16. The decision should be mentioned in the ExCo Report and associated broadcast.

SUPPORT TO STRATEGIC OBJECTIVES

17. Not applicable.

LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT GOALS

18. Not applicable.

OPEN /CLOSED AGENDA ITEM

19. Recommended for discussion in open session.

SO'B

Corporate Support
Corporate Services

28.08.2018

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