

Memorandum for Executive Council

SUBJECT

Report of the Independent Body on a Review of Remuneration and Allowances for the Elected Members of Legislative Council, the Speaker and Deputy Speaker

Memorandum by Chairman of the Social and Community Development Committee

ADVICE SOUGHT

1. **Executive Council is asked to consider the report of the Independent Body (Annex A) in advance of the Bill being printed and published and presented as Government business at the formal meeting of the Legislative Council to be held at the end of July 2021.**

BACKGROUND & CONSIDERATIONS

2. The Bill seeks to amend the Legislative Council (Remuneration and Allowances) Ordinance 2010 in line with the recommendations of an Independent Body duly set up under clause 72(2) of the St Helena, Ascension and Tristan da Cunha Constitution Order, 2009 “the Constitution”. The purpose of the Bill is to put in place a revised Schedule of remunerations and allowances for Elected Members and Speaker’s Office operating under a future Ministerial system of government.
3. This Bill will replace a previous amendment to the 2010 Ordinance that came into effect in 2018.
4. The Bill translates the recommendations in the final report of the Independent Body into legislation. **The Attorney General has confirmed neither the Governor nor any other party has the authority to change or add to the report of the Independent Body.**
5. A brief summary of the principal amendments made by the Independent Body are as follows:
 - i. Schedule 1: Remuneration of Members. This Schedule lists the revised salary levels for Legislators (i.e. Members who do not hold a ministerial office), Ministers, the Chief Minister, Speaker and Deputy Speaker. Details of the changes are reproduced in Annex B.
 - ii. Schedule 2: Members’ Allowance and Benefits. This Schedule lists the allowances and benefits. Details are reproduced in Annex C.

OPEN AGENDA

6. To reflect the increased Scrutiny Committee and constituent representation responsibilities for non-ministerial Elected Members, the salary uplift from the present Legislative Council rate of £14,000 pa is to £20,000 pa. A 42% increase.
7. The remuneration levels set by the Independent Body for the new roles of Ministers and Chief Minister are £35,000 and £50,000 pa respectively. These salaries are a 94% and a 177% increase over the present Executive Council Elected Member rate.
8. The Independent Body has indicated in its report the new Ministerial system of government needs to attract and retain the best people available to achieve the improvement in political responsibility for decision taking and accountability sought by the public. Realistically, this means salaries for our future political leaders need to bear some similarity to those of representative senior/management levels in the private and public sectors.
9. It is noted only limited changes are proposed to the allowances and benefits schedule. Clarification that weekday Home to Office journeys should not be eligible for travel allowance.
10. Two queries on the allowances changes recommended in the independent report were raised with the Independent Body - internet and airport taxi bookings. The Independent Body members were firm in their recommendation that internet provision had been factored into the increased remuneration sums presented in Schedule 1. They also advised they believed there was sufficient flexibility in the airport taxi arrangements to account for those situations where pre-booking of a taxi was not possible prior to departure.
11. **Legislative Council have the authority to pass a Bill that provides for levels of remuneration, allowances or benefits that are less than that recommended in the report of the independent body but they do not have the authority to pass a Bill that provides for allowances or benefits that exceed the levels recommended in the report.**
12. The financial implications expected for SHG have already been included in the budget for 2021/22.
13. There are no significant economic implications.

FINANCIAL IMPLICATIONS

ECONOMIC IMPLICATIONS

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CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES

14. The Bill is a Constitutional requirement in order to establish the payment of independently set salaries, allowances and benefits to Elected Members, Speaker and Deputy Speaker.

PUBLIC/SOCIAL IMPACT

15. A Bill of this nature where salaries and emoluments are presented publicly can be expected to receive some social comment. It is regarded as politically beneficial if this Council before the end of its term agrees the amendment for the new salary, benefits and allowances levels to come into effect at the start of the next Council following the General Election this year.

ENVIRONMENTAL IMPACT

16. N/A.

PREVIOUS CONSULTATION/ COMMITTEE INPUT

17. The Independent Body was set up by the Governor under Clause 72(2) of the Constitution in May 2021. The Independent Body held information gathering exercises and meeting with stakeholders across the island, including Councillors during May and June. The Independent Body reported to the Governor at the end of June and further clarification and reasoning for the Independent Body's recommendations were finalised in early July.

18. Comments and suggestions for SHG administration officials and Elected Members were passed back to the Independent Body in mid-July.

19. The completed report of the Independent Body, as required by the Constitution was passed to Legislative Council members and the Speaker for information and published this week.

PUBLIC REACTION

20. A Bill of this nature where salaries and emoluments are presented publicly can be expected to receive some critical and some supportive public comment.

PUBLICITY

21. If the Bill is approved it will be taken to formal Legislative Council, publicity will follow via a press release or covered in the media briefing.

SUPPORT TO STRATEGIC OBJECTIVES

22. The Bill is not linked to a specific 10 Year Plan Goal or Strategic Objective.

LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT PLAN GOALS

23. The Bill is not linked to a specific Goal of the SEDP.

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**IMPLEMENTATION
OF POLICY/
LEGISLATION**

24. Implementation of the Bill will be managed centrally by the SHG administration.

**OPEN/CLOSED
AGENDA ITEM**

25. This paper is recommended for the Open session.

AAG

Central Support
Service

16th July 2021

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