

INDEPENDENT PANEL

TO REVIEW THE EMOLUMENTS OF MEMBERS OF TYNWALD

Consultation paper
8th July 2019

Tynwald, its Members, and what they do

1. The High Court of Tynwald is the parliament of the Isle of Man. Tynwald is of Norse origin and over a thousand years old. It is the oldest parliament in the world with an unbroken existence.
2. Tynwald Court has two Branches, the House of Keys and the Legislative Council. The House of Keys has 24 Members, all directly elected by the people. The Legislative Council has 11 Members. Of these, eight are elected by the House of Keys while the other three (the President of Tynwald, the Lord Bishop and HM Attorney General for the Isle of Man) sit *ex officio*.
3. The Branches sit separately on a weekly basis in Douglas to consider primary legislation. They sit together as Tynwald Court monthly in Douglas, and annually at St John's, for other parliamentary purposes.
4. Most Members of Tynwald hold additional offices, or roles, which carry further responsibilities on top of attending sittings. Many of these come under one of two main types: executive roles and scrutiny roles. Executive roles include Chief Minister, Departmental Minister or Member, and membership of various public bodies such as the Manx Utilities Authority or Culture Vannin. Scrutiny roles include membership of parliamentary committees such as the Public Accounts Committee or a Select Committee on a particular topic.

Review of emoluments by independent Panel

5. The present arrangements for Tynwald Members' emoluments are described at Annex 1. The word "emoluments" is used because it is a broad term and includes all pay or salary, allowances, expenses and benefits – in other words, the entire financial package which is made available to a Tynwald Member.
6. In February 2018, Tynwald resolved that the Emoluments Committee should establish a review of the emoluments of Tynwald Members. In May 2019 an independent Panel was appointed to undertake the review. Its members are Ian Cochrane (chair), Jennifer Houghton and Sir Miles Walker.

7. The Panel has been asked produce a report with recommendations for a structure for salary and any related payments. It is required to take account of certain principles in formulating its recommendations. The Panel's full terms of reference are at Annex 2.

Consultation questions

8. The Panel would like to know your views on the following four questions.
 - (Q1) What level of salary and benefits would be sufficient to allow anyone to be able to serve in Tynwald and to attract a diverse collection of community members?
 - (Q2) How should Tynwald Members' enhanced executive and scrutiny roles be recognized?
 - (Q3) How should Members' basic pay be linked to Civil Service salary levels?
 - (Q4) What other comments would you like to make about Tynwald Members' emoluments?

How to respond

9. The Panel would welcome written submissions by 31st August 2019. Submissions may be made directly to the Panel using the contact details below, or through the Isle of Man Government's Consultation Hub.
10. If there is any part of your submission which you do not wish to see published, please make this clear.

Contact details for submissions by letter or email

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Secretary, Members Emoluments Review Panel
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Link to Government Consultation Hub for online submissions

<https://consult.gov.im/>

*Panel Secretary
8th July 2019*

Tynwald Members' emoluments:
present arrangements

Number of Members and office holders

- A1. All of the arrangements under review apply to 33 Members, namely the President of Tynwald, the eight elected Members of the Legislative Council and the 24 Members of the House of Keys. The annual sum for expenses is also payable to the Bishop.
- A2. At any one time there is always one President of Tynwald, one Speaker of the House of Keys and one Chief Minister. Primary legislation allows for a maximum of nine further Ministers but it is up to the Chief Minister how many to appoint; the current number is eight. Legislation allows for everyone else from the total group of 33 to be appointed a Member of a Department. As at 19th June 2019 there were four who did not hold any such membership.

Basic salary

- A3. The basic salary is defined in secondary legislation as “the amount payable from time to time in respect of the pay spine point that is mid way between the top spine point of the Higher Executive Officer Grade and the top spine point of the Executive Officer Grade of the Isle of Man Civil Service salary scale for those Grades”. This formula has been in place since 1997. It is calculated on the basis of the scales for civil servants appointed before 1 April 2016.
- A4. The basic salary is £43,479 per year (with effect from 1 April 2019).

Uplifts for different offices

- A5. Uplifts are payable for certain roles, as set out in the following table. In general, where a Member holds two or more of these offices, the uplifts are not cumulative. However, a 10% uplift can be added to a 30% uplift.

Chief Minister	80%
President of Tynwald	50%
Speaker of the House of Keys	60%
Minister	50%
Member of the Treasury	40%
Member of a Department other than the Treasury	30%
Chair of the Public Service Commission	10%
Chair of the Planning Committee	10%

Chair of the Isle of Man Post Office	10%
Chair of the Manx Utilities Authority	10%
Chair of the Isle of Man Office of Fair Trading	10%

- A6. Members also fulfil a large number of roles which do not carry uplifts. These include executive roles (such as membership of a Council of Ministers Subcommittee) and parliamentary scrutiny roles (such as membership of a Policy Review Committee).
- A7. In January 2011 Tynwald resolved to establish a new system of permanent committees which would undertake politically independent scrutiny of all areas of Government. The new system came into operation after the General Election of September 2011. At that time there were four such permanent scrutiny committees: the Public Accounts Committee, the Economic Policy Review Committee, the Environment and Infrastructure Policy Review Committee and the Social Affairs Policy Review Committee. In October 2017 a Committee on Constitutional and Legal Affairs and Justice was established which operates in a similar way.
- A8. In May 2011 Tynwald approved an “in principle” recommendation by the Emoluments Committee to make payments in relation to membership of the new scrutiny committees. However, this “in principle” approval has not been implemented. The secondary legislation which would have been necessary to give effect to it was rejected by Tynwald in July 2011.

Annual sum for expenses

- A9. The tax-free annual sum for expenses was defined 1998 as £3,906.63 per year, to be “increased cumulatively each year by the average percentage increase applied to the salaries of officers in the General Service Classes of the Civil Service”. Today it is £7,403.60 per year (with effect from 1 April 2019).
- A10. The purpose of the annual sum for expenses is not set out in primary or secondary legislation. It is paid on a monthly basis without the need to submit receipts. Although exempt from income tax, it is subject to National Insurance contributions.
- A11. The *Isle of Man Independent* dated 4 to 12 October 2018 included a survey of attitudes of Tynwald Members under the headline “End MHKs’ expenses system say MHKs”. Ten Members told the newspaper they thought the annual sum should be rolled into salary.

Travelling expenses

- A12. Tynwald Members are entitled to claim on-Island travel costs for official business excluding constituency business and also excluding journeys between home and the Legislative Buildings). In practice no such claims have been made since 2013.
- A13. Members can claim the actual costs of official off-Island travel and expenses on the same basis as civil servants. The costs of Members’ off-Island travel are reported on the Tynwald website in aggregate (since October 2009) and trip by trip (since October 2011).

Members' Resettlement Grant Scheme

- A14. If a Member under 60 years of age who has served at least two years is unsuccessful in seeking re-election to either the House of Keys or the Legislative Council, he or she will be paid the equivalent of six months' basic salary. If a person receives this grant but within six months is elected to either Branch, or begins to draw a pension provided under the Isle of Man Government Unified Scheme 2011, a proportion of the money must be repaid.

Pensions

- A15. From 1985 to 2016, Tynwald Members had their own self-standing pension scheme. Today they still have their own pension arrangements but these are now part of the Government Unified Scheme (GUS). As a result, the costs of Tynwald pensions are budgeted for and accounted for as part of the overall GUS figures.

Overall costs

- A16. At April 2019 pay rates, the maximum amount required for the basic salary, uplifts for offices and the annual sum for expenses is £2,257,397 assuming that every seat is filled for the whole year, the Chief Minister continues to appoint only eight Departmental Ministers and every Member of Tynwald is entitled to payment as at least a Member of a Department.
- A17. In December 2018 it was announced that with effect from April 2020 pay would be increased by 2.75%.

Further information

- A18. Further information about these arrangements, with links to the underlying secondary legislation, can be found on the Tynwald website at the following location:

<http://www.tynwald.org.im/memoff/remall/Pages/default.aspx>

Deputy Clerk of Tynwald
20th June 2019

Independent Panel
to review the emoluments of Members of Tynwald

Terms of reference

The Panel is commissioned by the Standing Committee of Tynwald on Emoluments (“the Emoluments Committee”) pursuant to a Tynwald resolution of February 2018.

The functions of the Panel are to examine and report on the emoluments of Members of the House of Keys and Legislative Council, including all pay and allowances, with recommendations for a structure for salary and any related payments.

The Panel must have regard to the following principles:

- the salary and benefits must be sufficient to allow anyone to be able to serve in Tynwald;
- the salary and benefits must be at a level to attract a diverse collection of community members;
- enhanced executive and scrutiny roles should be recognized;
- any change to the structure for pay and allowances must not result in an increase in overall costs of Members’ remuneration; and
- the recommendations of the review should maintain the principle of linking Members’ basic pay to Civil Service salary levels.

The Panel must give all Tynwald Members the opportunity to contribute to its review.

The report of the Panel must be in written form and must be submitted to the Emoluments Committee. The Panel should aim to report by 31st December 2019.

Copyright in the report will belong to Tynwald and further disclosure or publication will be at the discretion of the Emoluments Committee.

The Panel and its members may not make any public comment on the Panel’s work before the review has been published; but this does not preclude the Panel from consulting the public if it should choose to do so.

Panel Members may claim an allowance for meetings attended at the rates set out in the Attendance Allowance Order 2008.

The secretariat to the Panel will be provided by the Clerk of Tynwald.

Deputy Clerk of Tynwald
17th May 2019