



POLICY PROPOSALS: PUBLIC SECTOR PAYMENTS BILL

Consultation

21 November 2022



Consultation overview

Summary

The Payment of Members Expenses Act 1989 (the “1989 Act”) is the consolidated version of a number of pieces of legislation dating back to 1922.

It provides the framework for remunerating Members of Tynwald; non-Tynwald (and non-executive) members of Statutory Boards and departmental bodies, and members of tribunals. The 1989 Act also provides arrangements for the prescribing and payment of travelling allowances.

Background

Proposals to amend the 1989 Act first came about as part of the 2016-2021 Programme for Government. It was recognised at that time that the remuneration framework provided under the 1989 Act contains some fundamental issues that require modernisation to enable the legislation to operate effectively and fairly in the 21st century. Of particular concern were –

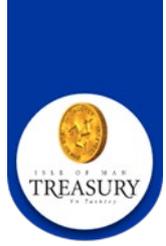
- The tax position of payments being made under the legislation.
- The limiting arrangement that does not enable a non-executive member of a Statutory Board to be remunerated for holding more than one Statutory Board membership.

However, shortly after the project commenced more fundamental problems with the framework became apparent. In particular, it was recognised that the remuneration arrangements applying to the different membership groups under the legislation had become inconsistent over time, which was inhibiting the effectiveness of the legislation in providing a fair and transparent means of remunerating these different members.

Consequently, it was agreed that a the scope of work required to modernise the 1989 Act would be better achieved by replacing the 1989 with a new piece of legislation to be known as the Public Sector Payments Bill.

In 2017 an internal consultation was undertaken on a number of proposals that would underpin the draft Public Sector Payments Bill. Responses to the consultation varied widely. Coinciding with this, it was announced that an independent review of Tynwald Members’ emoluments was to commence. Recognising that the draft Bill could not be progressed until the outcome of this review was concluded, work on the project was paused.

The finalisation of the independent review of Tynwald Members’ emoluments and the beginning of the new administration in 2021 provided an opportunity to restart work on this project.



Current position

During the last 12 months, the key underlying tensions within the 1989 Act have been looked at afresh.

This process began by revisiting the views received through the 2017 internal consultation, which have provided a helpful starting point. Following this, meetings and dialogue with various key officeholders and representative bodies have been undertaken. Feedback from these meetings have enabled the policy areas underpinning the proposed new legislation to be revisited.

Whilst it had been envisioned that a draft Bill would be prepared based upon this internal policy development work, the Treasury is conscious that the key stakeholders impacted by any changes to the existing remuneration framework have not had the opportunity to consider these matters.

For this reason, the Treasury wishes to seek views from interested parties on the key policy proposals to the new payments legislation (referred to as such herein).

Secondary issues

The policy development work undertaken during the last 12 months has highlighted shortcomings and inconsistencies with how the 1989 Act is operating, specifically where the mechanisms for determining and maintaining remuneration levels for different groups of members under the legislation differ.

Whilst the proposals in this consultation focus on this overarching framework for the new payments legislation, we recognise and acknowledge that there are issues with the levels of remuneration that are currently available as annual sums and attendance allowances under the 1989 Act.

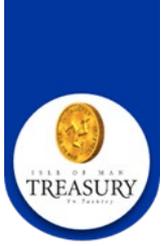
It is the Treasury's intention that these matters will be explored in detail with key stakeholders following the legislative passage of the proposed Bill and as part of an implementation phase of this project.

Consultation

This consultation consists of two parts as follows –

Part 1: Policy proposals -

- Overarching framework, proposals 1 to 5 comprising –
 - Proposal 1: tax position of annual payments and allowances
 - Proposal 2: consistency and transparency
 - Proposal 3: consultative committee
 - Proposal 4: travelling allowances
 - Proposal 5: arrangements concerning members of tribunals and departmental bodies
- Membership Groups – Remuneration Arrangements, proposals 6 to 10 comprising –



- Proposal 6: Members of Tynwald
- Proposal 7: Non-Tynwald Members of Statutory Boards
- Proposal 8: Members of Tribunals
- Proposal 9: Members of Departmental Bodies
- Proposal 10: Non-Executive Members/advisors to a Departmental Board

Responding to this consultation

Any comments or questions that are not otherwise submitted through the Isle of Man Government's Consultation Hub, should be submitted in writing to -

Policy & Legislation Office,
The Treasury
1 Floor, Government Office,
Bucks Road, Douglas
IM1 3PU

Or by email to: Treasuryconsultations@gov.im

The closing date for the receipt of comments is 31 December 2022.

Confidentiality

The information you send may be published in full or in a summary of responses.

When submitting your comments please indicate whether you are responding on behalf of an organisation (and if so which organisation) or on your own behalf.

Please let us know whether we can publish your comments in full (including your name or the name of the organisation you are representing), anonymously, or not at all (noting that if you select this option your response will only be part of a larger summary response document).

All information in responses, including personal information may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2015 and the Data Protection Act 2018). If you want your response to remain confidential, you should explain why confidentiality is necessary and your request will be agreed to only if it is appropriate in the circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding.

All responses submitted will be held within the Isle of Man Government's consultation hub and will be treated in accordance with the privacy policy.



Policy Proposals: Overarching framework

Proposal 1: Tax position of annual payments & allowances

The 1989 Act provides for the payment of annual sums and allowances to individuals appointed as members¹ of different government offices and bodies.

Whilst these sums are *income* for tax purposes, the 1989 Act exempts them from being subject to the payment of income tax in most instances².

The exemption is considered anomalous under income tax legislation and any justification for its continuation has not been identified. Accordingly, it is considered important that under the new payments legislation members receiving the payment correctly declare these sums as income and they should be subject to the payment of income tax.

The changes introduced in the new legislation will not apply to existing members but will apply to any appointments made after the legislation is introduced.

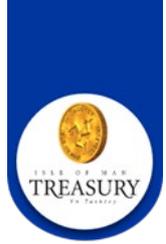
Proposal 1: All payments of annual amounts and allowances made under the new payments legislation will be subject to income tax.

Question 1

- a) Do you agree with proposal 1: **Yes/No/Unsure/No views**
- b) Please provide any comments you have in relation to this proposal:

¹ Sections 1, 2 and 4 of the 1989 Act refer.

² The exception to the exemption is where the payments are made to Members of Tynwald where income tax is payable on the sum received by a Member.



Proposal 2: Consistency and transparency

Under the 1989 Act, different approaches have been taken to setting and maintaining the payments available to different membership groups (as listed in table 1 below).

This has led to a situation where those members that have an oversight body have seen their payment arrangements modernise over time, whereas those less well represented membership groups' arrangements have fallen behind.

Connected to this, there have been increasing differences in the level of transparency of payments made under the legislation to different groups of members.

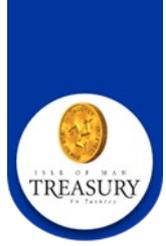
To provide greater fairness and consistency across all membership groups, it is proposed that the remuneration arrangements provided under the new payments legislation should be simplified and standardised across these groups. This will be supported by introduction of improved transparency arrangements concerning payments made under the legislation.

Table 1. Remuneration arrangements under the 1989 Act

Membership group (remuneration)	Basis of level of remuneration	Uplift mechanism	Transparency
Members of Tynwald (annual payment)	Civil service spine point	Automatic	Full: civil service spine points/pay levels are published.
Non-Tynwald members of statutory Boards (annual payment)	Set amounts prescribed in secondary legislation.	Automatic: the legislation provides that amounts payable increase annually in line with any civil service pay increases	Partial: to understand the rate payable to a member from time to time a person must apply any % uplifts in CS pay to a set amount that was previously prescribed.
Non-Tynwald members of tribunals and departmental bodies (allowances)	Set amounts prescribed in secondary legislation	None	None: whilst the amounts payable per hour/session are prescribed, there is no transparency as to the actual amounts paid in remuneration to maintain these bodies.

Proposal 2: There should be consistency across all groups of members paid under the new payments legislation as follows -

- (i) Where possible, levels of remuneration payable (whether determined by an annual sum or the payment of allowances) should be linked to a civil service spine point.
- (ii) When it is not possible to link a level of remuneration to a civil service spine point, the amount payable should nevertheless automatically increase in line with increases



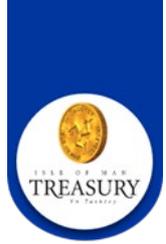
in civil service pay and the actual amounts payable (taking into account any increases applied) must be reported (publicly available).

- (iii) In relation to bodies whose members are paid allowances under the legislation; the total cost of payments made to each body shall be reported annually to Tynwald. This may be via an annual report to Tynwald on payments made under the legislation, or as a new element to the Government Accounts.

Question 2:

- a) Do you agree with proposal 2(i): **Yes/No/Unsure/No views**
- b) Do you agree with proposal 2(ii): **Yes/No/Unsure/No views**
- c) Do you agree with proposal 2(iii): **Yes/No/Unsure/No views**

- d) Please provide any comments you have in relation to these proposals:



Proposal 3: Consultative committee

Under the 1989 Act³, the Treasury is required to consult with a Committee of Tynwald (or other body as the Governor in Council may designate) before making any order that impacts the levels of remuneration payable to members under the legislation. For some time, the consultative body for this purpose has been the Emoluments Committee of Tynwald. Further to a vote of Tynwald in October 2022, this responsibility will be reassigned to the Tynwald Management Committee.

At the October 2022 sitting of Tynwald, the Emoluments Committee report (PP 2022/0109) stated, "While it is entirely appropriate for a Tynwald Committee to be consulted regarding annual payments to Tynwald Members it is less clear that payments to non-Tynwald members today need the involvement of a dedicated Committee in this way. We would suggest Treasury review the legislation with a view to removing this requirement."

The consultative provision under the 1989 Act ensures there is scrutiny of the levels of remuneration that the Treasury prescribes as payable to various memberships groups under the legislation.

There is however no single body with responsibility or oversight of all Statutory Boards, or tribunals or departmental bodies. For this reason, it is unclear how the consultative function could be reassigned in respect of these membership groups based upon the existing oversight structure.

Considering these circumstances, it is proposed that the new legislation includes a degree of flexibility in terms of a consultative provision relating to non-Tynwald members' levels of remuneration under the legislation. This will enable the appointment of a consultative body for one of these groups of members if a suitable body can be identified in the future. In the meantime, levels of remuneration prescribed under the payments legislation will require Tynwald approval, which facilitates an element of scrutiny.

Proposal 3: The value of a consultative body in the matter of determining the remuneration of members paid under the payments legislation will continue to be recognised in the new arrangements, which will -

- (i) Provide that the consultative body for all matters affecting Tynwald Members under the legislation shall be a Tynwald Management Committee.
- (ii) Provide that the Treasury may appoint a consultative body regarding remuneration arrangements affecting non-Tynwald members Statutory Boards, tribunals and/or departmental bodies.

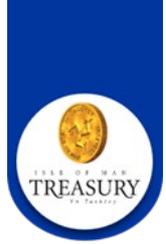
Question 3:

a) Do you agree with proposal 3(i): **Yes/No/Unsure/No views**

³ Section 6(3) to the 1989 Act refers.



- b) Do you agree with proposal 3(ii): **Yes/No/Unsure/No views**
- c) Please provide any comments you have in relation to these proposals:



Proposal 4: Travelling allowances

The 1989 Act identifies (directly or indirectly via secondary legislation) the members who may claim travelling allowances i.e. an allowance to compensate a member for costs incurred as a result of them being required to travel to undertake their duties as a member⁴.

It is proposed that the new payments legislation will continue to specify the members that may claim such amounts. It is not expected that the introduction of the new payments legislation will prompt any changes as to the availability of this allowance to any memberships.

In addition, under the 1989 Act, the Treasury is required to prescribe the rates of travelling allowances payable to claiming members⁵. In accordance with the Financial Regulations, these travelling allowance rates are also applicable to public servants⁶.

The requirement for Treasury to prescribe travelling allowance rates under the 1989 Act perhaps reflects a time when Members of Tynwald most commonly claimed these allowances. Since then, the circumstances in which a Member of Tynwald can claim such amounts has been narrowed considerably and claims for the allowance by these Members have dropped considerably.

Using the payments legislation as the framework to set travelling allowance rates could now be perceived as misleading because any changes in these rates primarily affect public servants.

The introduction of the new payments legislation provides an opportunity to relocate the arrangements for the setting of travel allowance rates to a more appropriate place.

It is considered reasonable to combine the arrangements for the setting of travelling allowances with the arrangements for the setting of subsistence allowances. Subsistence allowances are prescribed by Treasury via a Government Circular, which is subject to Tynwald approval.

Proposal 4: It is proposed that the new payments legislation will -

- (i) Continue to identify the members of bodies that may claim travelling allowances and any circumstances where such claims may be limited.
- (ii) Omit arrangements for the determining of levels of travelling allowances. Instead these arrangements will be combined with existing arrangements for the setting of subsistence allowances. The new travelling and subsistence allowances Government Circular will continue to be subject to Tynwald approval.

⁴ Section 5 of the Act refers, also see the [Payment of Members Expenses \(Travelling Allowances\) Order 2022](#)

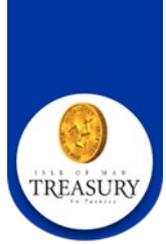
⁵ Section 6(2) of the Act refers

⁶ [FPN E.02](#), paragraph 3.6 refers



Question 4:

- a) Do you agree with proposal 4(i): **Yes/No/Unsure/No views**
- b) Do you agree with proposal 4(ii): **Yes/No/Unsure/No views**
- c) Please provide any comments you have in relation to these proposals:



Proposal 5: Arrangements concerning members of tribunals and departmental bodies

The 1989 Act provides arrangements for the remuneration of non-Tynwald members of tribunals and departmental bodies (such as committees and advisory bodies).

Specification of tribunals and departmental bodies

Under the 1989 Act either the Treasury or a responsible department (i.e. the department with line of sight for a tribunal or departmental body) is able to specify a tribunal or departmental body whose members may be paid under the legislation. This is done via a "specified bodies order".

In practice it has become commonplace for the Treasury to maintain the specified bodies order on behalf of all responsible departments and this has become onerous on resources in the Department.

It is proposed that under the new payments legislation this responsibility should be decentralised to responsible departments. This proposal, when coupled with the proposal to improve the transparency of payments made to these bodies under the legislation (see proposal 2(iii)), is intended to improve the accountability of responsible departments for these bodies.

Procedurally, amendments to the specified bodies orders under the 1989 Act are not subject to a Tynwald approval process but are instead laid before items⁷. We are unclear why an approval process does not exist where an amendment to the order would result in an increase in expenditure and would welcome any views on this matter as part of the consultation feedback process.

As this does seem anomalous, it is proposed that under the new legislation, the process to make a change to the specified bodies order that will result in an increase in expenditure (i.e. where a new body is added to the order) will require Tynwald approval. Where an amendment will not result in an increase in expenditure (for example where the name of a body is to be changed slightly or a body is to be removed from the order altogether), it will continue to be via the laid before Tynwald process.

Proposal 5(i): It is proposed that whilst the Treasury shall retain overarching responsibility for the *Specified Bodies Order* under the new payments legislation, responsible departments will be required to maintain and update the list of specified bodies as necessary. Where the addition of a body to the order will result in an increase in expenditure, this will be subject to Tynwald approval.

Question 5:

⁷ Section 7(5) (a) of the Act refers.



- a) Do you agree with proposal 5(i): **Yes/No/Unsure/No views**
b) Please provide any comments you have in relation to this proposal:

continued...

Prescribing of amounts to be paid

Under the 1989 Act, the Treasury must prescribe the amounts that are to be paid to members of tribunals and departmental bodies.

One of the key policy ideas explored in 2017, was that the responsibility vested in the Treasury to set the amounts to be paid to these members should be fully or partially decentralised. This proposal sought to address concerns raised in some quarters that the lack of flexibility in the rates of remuneration available under the Act was hindering recruitment to some bodies.

Full decentralisation would require each responsible department to determine rates of remuneration to be paid to members of each body with no Treasury guidance. Partial decentralisation would see the Treasury prescribing scales within which an appropriate level of payment could be determined by a responsible department and paid to members accordingly.

If a single body oversaw the appointment and remuneration of members of all tribunals or of members of all departmental bodies, we consider that these decentralisation proposals would be far more realistic and, even, desirable. They would enable the levels of remuneration payable to members to be pitched more fairly taking into account aspects of certain membership such as the level of technical specialism of the role, levels of responsibility and accountability and even, local market factors such as the availability of people who would be able to fulfil the role.

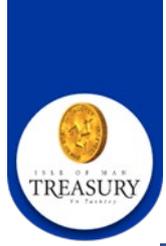
However, without such an underlying framework, it is reasonable to assume that full or partial decentralisation of these responsibilities would result in a complicated and potentially unfair system of remuneration for members of tribunals and departmental bodies where members undertaking similar roles on different bodies would be paid differently.

Given the current structure of oversight for these bodies, it is considered that the fairness in terms of equality of pay can only be maintained if there is consistency and transparency as to the amounts payable to members of tribunals and members of departmental bodies.

Proposal 5(ii): It is proposed that the Treasury will continue to prescribe the amounts that may be paid in allowances to members of tribunals and departmental bodies.

Question 5 (continued):

- c) Do you agree with proposal 5(ii): **Yes/No/Unsure/No views**



d) Please provide any comments you have in relation to this proposal:

Scrutiny of new departmental bodies

The payments legislation provides the vires to enable the payment of non-executive members of departmental bodies. It does not provide a mechanism to enable the constitution of a new body.

A departmental body for the purpose of the payments legislation is, broadly speaking, a body consisting of non-executive members that will undertake some functions of the responsible department.

The departmental bodies currently listed under the specified bodies fall into one of three categories. Firstly, we have statutory departmental bodies that have been constituted under a specific statutory provision: in these cases, Tynwald will have a chance to consider the membership, remit and responsibilities of the body as it considers its approval of the enabling legislative provision. For the purpose of comparison, all Statutory Boards and tribunals are formed in this manner.

We also have departmental bodies that are constituted through an enabling statutory provision; for example, a piece of legislation may enable a Department to establish a committee to deal with certain matters. Finally, there are non-statutory departmental bodies that will likely be formed as part of a ministerial delegation or direction.

Due to these differences in how these departmental bodies have been formed some have had their size and remit scrutinised by Tynwald prior to the remuneration arrangements for the non-executives being crystallised through the specified bodies order, whereas some have not.

We accept that this is a general matter of governance and control, which sits outside of the payments legislation, and it is accepted that where a new departmental body does not consist of non-executives that require remuneration, it is not a matter for this project.

However, ensuring that prior to a new departmental body being added to the specified bodies order, making provision for some debate on the size and cost of that body is important. This control will help to protect the integrity of the payments legislation in enabling the appropriate application of public funds.

Proposal 5(iii): It is proposed that prior to seeking to list a departmental body under the payments legislation the constitution of the body will have been subject to Tynwald consideration.

Question 5 (continued):



- e) Do you agree with proposal 5(iii): **Yes/No/Unsure/No views**
f) Please provide any comments you have in relation to this proposal:

Payment by session vs by hour

Under the 1989 Act, attendance allowances are to be prescribed on a “per session” basis, with a session amounting to a 4½-hour morning or afternoon session, or a slightly shorter evening session.

However, a number of allowance rates have been specified based on an hourly payment frequency (3 out of the 7 allowances rates listed).

We believe that it is unlikely that most meetings last exactly the length of time of a session and some will not last more than an hour. The concept of remunerating by session has created a system where a person attending a meeting that lasts 30 minutes receives the same amount as a person who attends a 4-hour meeting.

To address this, it is proposed that allowances payable under the new legislation should be paid by hour.

In a number of instances where hourly allowances are payable under the 1989 Act, the claiming member is entitled to be paid a ‘minimum’ amount per meeting: with the minimum amount exceeding the hourly rate. This minimum payment was presumably provided to ensure a degree of fairness where other members of the same body would be entitled to be paid a full sum for a session, regardless of how long the session lasted. In moving to an hourly allowance payment structure, the argument for having a minimum payment is offset and we no longer believe that this is necessary; instead all members should be remunerated based upon their actual attendance at a meeting.

Proposal 5(iv): It is proposed that allowances paid under the legislation will all be based on a per hour payment going forward, with ‘minimum payments’ being removed.

Question 5 (continued):

- g) Do you agree with proposal 5(iv): **Yes/No/Unsure/No views**
h) Please provide any comments you have in relation to this proposal:



Membership Groups - Remuneration Arrangements

Proposal 6: Members of Tynwald

It is proposed that the new payments legislation will implement recommendation 4 of the Standing Committee of Tynwald on Emoluments - First Report for the session 2022-23 (PP2022/0109⁸) which was approved by Tynwald in October 2022. Specifically, under the legislation, Tynwald may by resolution, reduce the pay of a suspended Member by up to 100%.

Proposal 6(i): The new payments legislation will enable Tynwald, by resolution, to reduce the pay of a suspended Member by up to 100%.

A Resettlement Grant Scheme for Members of Tynwald is currently made available under the Financial Provisions and Currency Act 2011. It is considered that the power for the making of this Scheme should be incorporated to the new payments legislation to ensure the payment arrangements for Members of Tynwald are all provided for in a single place.

Proposal 6(ii): It is proposed that the new payments legislation will include powers for the Treasury to provide a Resettlement Grant Scheme to Members of Tynwald.

Section 3 of the 1989 Act provides for the payment of 'expenses' to Members of Tynwald including the Lord Bishop. However, the sum paid out under this provision is a set amount that is not determined by actual expenses incurred by a member and so it does not amount to what is generally recognised as an expenses payment.

The application of section 3 of the Act has recently been narrowed considerably, with the sum now only remaining payable to the Lord Bishop.

It is proposed that the availability of this payment to the Lord Bishop should continue under the new payments legislation but it should be re-titled as an "annual payment in lieu of expenses". This amount will be treated as income for the purpose of income tax and taxed as such, which will regularise how it is treated for tax purposes alongside other payments made under the legislation. The amount payable under this provision will not be subject to an automatic uplift arrangement but will be subject to review from time to time.

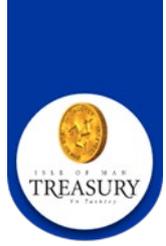
Proposal 6(iii): It is proposed that there shall continue to be a provision to enable the payment of a sum in lieu of expenses to the Lord Bishop, which will be subject to income tax.

Question 6:

⁸ [Standing Committee of Tynwald on Emoluments - First Report for the session 2022-23](#)



- a) Do you agree with proposal 6(i): **Yes/No/Unsure/No views**
- b) Do you agree with proposal 6(ii): **Yes/No/Unsure/No views**
- c) Do you agree with proposal 6(iii): **Yes/No/Unsure/No views**
- d) Please provide any comments you regarding the proposed arrangements for this membership group:



Proposal 7: Non-Tynwald Members of Statutory Boards

Under section 2 of the 1989 Act, a person who is appointed as a member of more than one Statutory Board may only be remunerated for one of the memberships.

We believe that this provision was intended to limit the remuneration payable to a Tynwald Member that was appointed to multiple memberships. However, it applies equally to non-Tynwald Members.

It may be considered that limiting the payments that can be made to non-Tynwald members in this manner is not justifiable and should no longer apply under the new legislation. On a small Island like ours where the number of people who may apply for these memberships is limited, it may be considered important that this additional barrier that may dissuade a person from apply for more than one position on a statutory board, be removed.

Proposal 7(i): It is proposed that a non-executive member of a Statutory Board shall be remunerated for any memberships they hold.

The 1989 Act does not currently deal with what happens to a non-Tynwald member of a Statutory Board's pay on suspension.

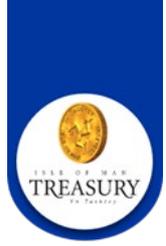
It is acknowledged that in some cases, localised arrangements for pay on suspension of a member may form part of the terms and conditions of appointment, whereas in other areas similar arrangements may not be in place.

It is proposed therefore that the payments legislation should include a backstop arrangement to deal with what happens to payments made under the legislation in the event a member is suspended. It is considered reasonable that these arrangements should be aligned to those applicable to civil servants within the civil service regulations going forward.

Proposal 7(ii): It is proposed that where an annual payment is made to a non-Tynwald member of a Statutory Board under the legislation and except in cases where provided for separately under terms of appointment of the member, the impact of suspension on pay will be consistent with the arrangements applicable to civil servants in these circumstances.

Question 7:

- a) Do you agree with proposal 7(i): **Yes/No/Unsure/No views**
- b) Do you agree with proposal 7(ii): **Yes/No/Unsure/No views**
- c) Please provide any comments you regarding the proposed arrangements for this membership group:



Proposal 8: Members of Tribunals

Most tribunal members paid under the 1989 Act are appointed by the Appointments Commission. Schedule 2 of the Tribunals Act 2006 lists the tribunals the Appointments Commission is responsible for overseeing (“Schedule 2 tribunals”).

Not all tribunals are Schedule 2 tribunals and in these cases, a responsible department oversees the appointment of members to these tribunals. For example, the Isle of Man Estate Agents Tribunal is overseen by the OFT.

Tribunals undertake a very particular function, which is akin to a judicial function; however, under the 1989 Act the arrangements for payment of members of tribunals are interlinked with arrangements for the payment of members of departmental bodies. The role of a tribunal is considered to be entirely different from the role of a departmental body.

This lack of distinction between the two types of bodies under the legislation has led to a situation where remuneration levels for members of the two types of bodies are intertwined. This has led to comparisons being drawn regarding the two types of memberships, with arguments being put forward that the chairperson of a departmental body should be remunerated at the same level as a chairperson of a tribunal for example.

For the purpose of clarity and to ensure the memberships of these bodies and their remuneration can be considered independently of the other, it is suggested that they should be split going forward.

Proposal 8(i): The difference between memberships in tribunals and departmental bodies is recognised and it is proposed that to preserve this distinction, they should be provided for separately under the new payments legislation.

It is considered that all tribunals have the same level of importance and we do not believe that the construction of the 2006 Tribunals Act was intended to suggest otherwise.

However, under the 1989 Act, a chairperson of a Schedule 2 tribunal is remunerated differently than a chairperson of a non-schedule 2 tribunal, with the chairperson of the former type of tribunal being able to claim an additional allowance for preparatory time and report writing. Having reviewed the background to the introduction of this additional allowance, we have been unable to identify any rationale to explain the difference in treatment of these chair people.

To regularise this, it is proposed that under the new legislation this allowance will be available to all chair people of tribunals.



Proposal 8(ii): It is proposed that any chairperson of a tribunal will be able to claim an allowance for preparatory time and report writing going forward.

Question 8:

- a) Do you agree with proposal 8(i): **Yes/No/Unsure/No views**
- b) Do you agree with proposal 8(ii): **Yes/No/Unsure/No views**
- c) Please provide any comments you regarding the proposed arrangements for this membership group:



Proposal 9: Members of departmental bodies

Under the 1989 legislation, members of departmental bodies may be remunerated via attendance allowances and/or travelling allowances.

In recent years, challenges have been made to Treasury regarding the adequacy of the remuneration arrangements available to members of these bodies.

Whilst some of these challenges have focussed on the level of attendance allowances available (which is a secondary matter), some have queried whether remuneration via an attendance allowance is sufficient, fair or cost effective. This is particularly the case when a departmental body functions with a consistency and regularity to it, akin to a Statutory Board.

It seems logical and reasonable for the members of departmental bodies that meet regularly to be paid via an annual payment instead of via attendance allowances. Remuneration via an attendance allowance is reasonable where the volume of work a body undertakes fluctuates considerably week by week.

It would be expected that if annual payments were to be made available to these bodies' members, the levels of remuneration would be benchmarked against sums payable to non-Tynwald members of Statutory Boards. It would also be expected that when adopting a payment by annual sum approach, the Terms and Conditions underpinning the appointment of a members would set out the impact of suspension on their remuneration.

Proposal 9: It is proposed that the new payments legislation will include a provision to pay members of a departmental body an annual payment in lieu of allowances where –

- it can be demonstrated that the body has a regular meeting schedule over the period of a year and that a move to an annual payment system will not increase costs to Government,
- adequate governance arrangements, terms, and conditions are in place to manage any performance issues including pay on suspension.

Question 9:

- a) Do you agree with proposal 9: **Yes/No/Unsure/No views**
- b) Please provide any comments you regarding the proposed arrangements for this membership group:



Proposal 10: Non-Executive Members/advisors to a Departmental Board

In accordance with the motion moved at the July 2022 sitting of Tynwald, there is support for the future inclusion of expert advisors to Departmental Boards and their sub-committees.

The new payments legislation provides an ideal framework to enable the payment of these members.

It is recognised that some of these advisory memberships may have a frequency to them, whereas some may be required to attend meetings on an infrequent basis. Due to this, it is proposed that the available payment structure for these members is aligned to that available to members of other departmental bodies.

Proposal 10: It is proposed that the new legislation should be designed to enable the remuneration of advisory members of Department Boards and sub-committees of the Board, on the same basis as is available to members of departmental bodies.

Question 10:

- a) Do you agree with proposal 10: **Yes/No/Unsure/No views**
- b) Please provide any comments you regarding the proposed arrangements for this membership group: