

Suggested Responses to Public Sector Payments Bill Consultation

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

Do you agree with proposal 1?

Yes.

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.

Do you agree with proposal 2(i)?

Yes

Do you agree with proposal 2(ii)?

Yes – The same should be applied to local authority member allowances to increase annually in line with inflation or the civil service pay increase.

Do you agree with proposal 2(iii)?

Yes – the Council undertakes a similar exercise to publish Member allowances annually, and for submission to the Department of Infrastructure.

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

Do you agree with proposal 3(i)?

No view.

Do you agree with proposal 3(ii)?

No view.

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.

Do you agree with proposal 4(i)?

Yes.

Do you agree with proposal 4(ii)?

Yes. The Payment of Members Expenses (Travelling Allowances) Orders apply not just to Tynwald Members and members on statutory boards etc., but all public servants. The Council applies these Orders as the basis of travelling allowances payments to staff members where they are using their own vehicle on a casual user basis. The proposal to tie in the arrangement with public servants' subsistence allowances is supported, and this should help make the annual review process more lean, transparent and holistic.

The current position is further complicated by the fact that there is also the Local Authority Members (Travelling Allowances) Order 2000, which is used for the payment of travelling allowances to local authority elected members. Local authorities have the option of using either this Order or the Payment of Members Expenses (Travelling Allowances) Order to determine the level of allowances payable to their officers. Whilst the allowances may in reality be very similar, they are not always identical, and the 2000 Order does not automatically get updated to be the same as applies for Tynwald Members. This adds to the confusion, and inequity, and implies inefficiencies in the review, approval and administration of the mileage allowances. Indeed there have been a number of changes during the last 22 years which have meant an increase in the fees, then a decrease, then some tweaking and upward adjustments. The Council would support the proposed Government Circulars governing public servants' travelling allowances, applied equally to all the local authorities' members and staff also, provided that the vires is in place to achieve this.

Alternatively, local authorities could be given more control over the allowances paid, and to facilitate this through the Local Government Amendment Bill.

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.

Do you agree with proposal 5(i)?

No views.

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.

Do you agree with proposal 5(ii)?

No view.

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.

Do you agree with proposal 5(iii)?

No view.

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.

Do you agree with proposal 5(iv)?

No view, this is not applicable to the Council. Local authority members are paid in line with the Local Government (Members' Attendance Allowances) Order 2013 which is based on an hourly rate. The Council would support local authorities having more control over the allowances paid, and to facilitate this through the Government Amendment Bill.

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

Do you agree with proposal 6(i)?

Yes

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.

Do you agree with proposal 6(ii)?

Yes

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.

Do you agree with proposal 6(iii)?

No view.

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

Do you agree with proposal 7(i)?

No view.

Proposal 7(ii): It is proposed 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.

Yes.

Proposal 8(i): The difference between the 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.

Do you agree with proposal 8(i)?

No view.

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

Do you agree with proposal 8(ii)?

Yes. The same should also apply to local authority members who need to prepare ahead of meetings.

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.

Do you agree with proposal 9?

Yes.

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.

Do you agree with proposal 10?

No view.

