

SAVE Programme Proposal from POSITIVE ACTION GROUP (PAG)



Reducing costs within the Legislature Introduction 1. The SAVE Programme challenges the public and Tynwald Members to identify opportunities, initiatives and projects to help meet a target of saving £25 million over the next 5 years.

2. This proposal is aimed at reducing the cost of the Legislature in two ways:

- a) Remuneration reduction for Members of the Legislative Council
- b) Combining the roles of President of Tynwald and Speaker of the House of Keys.

3. The total identified cost saving is estimated at £370,000.00 per annum.

4. The proposal is confined to the existing structure and roles within Tynwald, the Legislative Council and Keys.

It thus focusses on Tynwald Members responding to a reasoned argument. It takes no account of the changes proposed in the Lisvane Report, which will be debated in Tynwald soon.

Background information to Proposal

5. The Tynwald Companion states that "The Legislative Council is largely concerned with the consideration of draft primary legislation, Bills,". Each member of the Legislative Council is required to attend sittings of the Council, and of Tynwald Court, in the parliamentary year, October to July. The table of Sittings Dates 2016-17 reveals that Tynwald will convene 12 times and Council 23 times. The House of Keys is also scheduled to sit 23 times. The reality is far from that. At the time of writing, the Legislative Council, sitting alone as a body, so far this parliamentary year, has met only 13 out of a possible 19 times. The total time of those 13 sittings is 8.5 hours. Compare that with the 18 times the House of Keys has met so far. The total sitting time being 31 hours

PAG's SAVE Programme Proposal

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6. Analysis of the calendar years 2013 -2016 reveals that Legislative Council, sitting alone, met for the following number of hours:

2013 - 22 hours (21 sittings)

2014 - 21 hours (17 sittings)

2015 - 17 hours (15 sittings)

2016 - 27 hours (17 sittings)

7. This analysis illustrates that MLCs legislative workload is not full-time, even allowing for preparation time for sittings. Yet talk to any MLC and they will say they are extremely busy. It would appear that the major part of the work of an MLC is engaged in a governmental role and/or as a member of Select and Standing Committees of Tynwald. Yet the public persona of an MLC is portrayed as being largely concerned with evaluating draft primary legislation.

8. All Manx politicians, whether MHKs or MLCs are paid according to a set formula, [Members of Tynwald \(Annual Sums\) Order \(SD 2014/0079\)](#), based on civil service pay.

The structure comprises:

- a) Basic Salary - £40,417.00 per annum
- b) An additional sum payable to certain office holders of 10%, 30%, 40%, 50% 60% or 80%, according to responsibility.
- c) An annual sum for expenses - £6,855.00

In addition the employer has to make a Pension contribution (of between 15% and 43.8%) and National Insurance

9. MHKs, on the other hand, have enhanced legislative responsibility, a requirement to serve on Committees and be dedicated to working for their constituents. The parity in remuneration of

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MLCs and MHKs cannot be justified

10. Proposal for MLC remuneration

- a) An attendance fee for actual sittings of Legislative Council and Tynwald. The structure/rate could be based on that for the members of the Appointments Commission
- b) A basic salary for governmental/committee work. This could be based on the median additional sum i.e 45% of £40,417 = £18,188.00 (The existing basic salary of £40,417.00 would not be paid to MLCs)
- c) Annual sum for expenses - £6,855.00

11. Calculation of saving

- a) An example of MLC existing remuneration: £40,417.00 (basic) + £12,125.00 (30% enhancement) + £6,855.00 (expenses) = £59,397.00
- b) Using the suggested proposal (10.) above an approximation of the overall annual saving can be made: £18,188.00 + £7,000.00 (estimated attendance fees) + £6,855.00 (expenses) = £32,043.00
- c) Estimated annual saving per MLC - £27354.00 x 8 'elected' members = £218,883.00. With a concomitant reduction in employer pension and N I payment this figure could be £280,000.00

12. Additional estimated saving:

- a) The President of Tynwald presides over sittings of the Court and also presides 'ex officio' over the Legislative Council. The role only dates back to 1990. The Speaker is the principal officer of the House of Keys, and also the Deputy President of Tynwald.
- b) The roles of President and Speaker could be combined. An estimate of the resultant saving:

£40,417.00 (basic) + £20,209.00 (50% enhancement) + £6,855.00 (expenses) = £67,481.00

This saving will be greater with no employer pension and N I payments, making a total circa

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£90,000.00

Conclusion

13. Thus the combined estimated savings could amount annually of about £370,000.00.

14. If Tynwald Members are committed to the SAVE Programme this suggestion must receive wide careful consideration.