

2021.09.14

**10 Deputy S.M. Ahier of St. Helier of the Chair of the States Employment Board regarding pay negotiations with the Civil Service Unions (OQ.191/2021)**

Will the chair update the Assembly on the progress of pay negotiations with the civil service unions for the 2022 pay offer?

**Senator J.A.N. Le Fondré (Chair, States Employment Board):**

The S.E.B. (States Employment Board) considers the rate of inflation in September of each year before commencing pay negotiations. I believe that is due out on 22nd October roughly, and that is to ensure the affordability of any pay offer is considered before any pay negotiations commence.

**8.10.1 Deputy S.M. Ahier:**

Will the chair ensure that there is not a delay to such negotiations to avoid any pay dispute extending beyond the 2022 election?

**Senator J.A.N. Le Fondré:**

I will do my absolute best. We are anticipating negotiations commencing very shortly after the announcements on the cost of living and, with luck and a fair wind, we will attempt to conclude before Christmas. I would make the point that in terms of where we are at this stage, obviously in 2018 when we all first started, there were, I will say, between 2 and 3 years' backlog of pay and, as of now, there is no backlog whatsoever. So, hopefully, we have demonstrated that we have made progress in those areas and obviously we would like to keep that progress going forward.

**8.10.2 Deputy R.J. Ward:**

May I ask the chair of S.E.B., would he be considering imposing a pay offer as has been done in the past which can be damaging to relations if the outcomes are not gained within the timescale mentioned by the original question?

**Senator J.A.N. Le Fondré:**

We have always attempted to negotiate as much as we can. Indeed this year, with the exception of one pay group, all the pay was settled through negotiation. Even that particular pay group, 2 of the 3 unions accepted and one was very marginally rejected. So, it is always our intention if we can to avoid circumstances that the Deputy is alluding to.

**8.10.3 Deputy M. Tadier:**

I think the chair of S.E.B. referred in his answer to finding out what the rate of inflation was first. Does he agree as a principle that the starting point should always be to make sure that employees are at least given the rate of inflation as the baseline for pay negotiations?

**Senator J.A.N. Le Fondré:**

That does depend on the circumstances at the time and also depends on looking back at possibly the previous years. By way of example, on the table I have in front of me, over the last 5 years certain pay groups have already had above-inflation increases. Because one of the things we have been addressing, rather successfully, is that there have been times in different pay groups where someone doing a similar job is paid a different amount of money just because they are in one pay group compared to another. That has fundamentally been unfair and one of the objectives which we have now achieved is we have, broadly speaking, eliminated that differential. So what I am

trying to say, there are sometimes different circumstances that we will need to take into account and particularly also what is happening in the rest of the world. So, what I am saying, that is not disparaging what the Deputy is saying, it is just saying that sometimes it is more complicated than he suggests.

#### **8.10.4 Deputy M. Tadier:**

Given the fact that the public sector workforce has in many ways gone over and above in the various departments because of the pandemic or the extra pressures, not to mention working within this Government's bullying culture. Should they be given an additional pay increase above inflation to acknowledge that extra hard work they have been dealing with and doing?

#### **Senator J.A.N. Le Fondré:**

I am sure it will influence negotiations going forward, and bear in mind there is one pay group that has already agreed for 2022. I am sure that will influence things as we go through. I will just take issue with the comment around the Government's bullying culture. I would hope that the Deputy recognises we have tried to make great strides in addressing the culture of bullying. It does not mean we have arrived there yet but it is very clear we have made improvements in our time in the roles we presently hold. We are not there yet but we have made progress and I do not think we should call it the Government's bullying culture.

#### **8.10.5 Senator S.Y. Mézec:**

Does the Chief Minister recognise the evidence of the continued freeze in real terms earnings, as demonstrated in the most recent average earnings index that also points out the very wide disparity in the increase in average earnings between the private sector and the public sector? If he does recognise those, going back to the point Deputy Tadier made, would he accept that there is an opportunity now to help improve the standard of living for those public sector workers in these pay negotiations by approaching them positively with an aim to improve conditions?

#### **Senator J.A.N. Le Fondré:**

A great political soundbite but one has to be slightly careful when analysing the data. As I understand matters, and I am always happy to be corrected, the statistical Treasury report is based on average wage and therefore, and I am being very simplistic, it is potentially total payroll divided by the number of employees. It does not necessarily reflect the mix so if one has an increase at the lower end of pay grades and not as many in the higher end, that will affect the average that is reported. All public sector workers received at least the rate of inflation this year on top of inflation rises last year. In terms of the public sector versus private sector, since 2018 average increase in salary, bearing in mind what was said about averages, has seen the public sector rise by 2.7 per cent each year compared to the private sector of 2.3 per cent. The final bit one needs to take account of, that the private sector does not generally get, is about 40 per cent of the payroll of the workforce get increments that are not affected by inflation. It will be over and above any pay award, so it is a slightly more complicated picture than the Senator is suggesting.

#### **8.10.6 Senator S.Y. Mézec:**

I was trying to give the Chief Minister an opportunity to make a positive affirmation that the public sector pay negotiations would go more positively than in recent years where there has been strike action and disputes because of the lack of support for cost of living increases for our hardworking public servants. Perhaps I can give him a second opportunity to do that rather than dismiss it as a political soundbite when I am trying to ask him if we will attempt to end the real-terms earnings

freeze that has plagued this Island for the last 20 years by doing what we can in the public sector to end that.

**Senator J.A.N. Le Fondré:**

I hope I was not being dismissive at all. I was saying it was a more complicated picture than was being suggested and I also point, while we had disputes in 2019 those did resolve the pay negotiations for a number of previous years, and for 2020 and 2021 was a cost-of-living increase. I hope, and it is the intention going forward, the relationships that have improved over the last few years will continue to contribute constructively to those pay negotiations and that is where we go. The relations with the unions, certainly around COVID-19 and other issues, as I understand are very constructive and productive and hopefully that can continue.

[14:45]

**8.10.7 Deputy S.M. Ahier:**

Does the chair intend to have any face-to-face meetings with the civil service unions' representatives in regard to the 2022 pay round?

**Senator J.A.N. Le Fondré:**

That is a very easy question. Any pay negotiations are always conducted by officials and not by politicians so on that basis the answer is in the negative.