

STATES OF JERSEY



STATES EMPLOYMENT BOARD: LIVING WAGE 2017 (P.122/2017) – COMMENTS

**Presented to the States on 12th February 2018
by the Council of Ministers**

STATES GREFFE

COMMENTS

Ministers have consistently promoted policies that help people into work and to earn more in work, so they can have a better standard of living. We have also sought to extend protection and rights for workers where possible.

It is entirely consistent with this approach for the States of Jersey to seek accreditation for the Jersey Living Wage, as established by Caritas. For this reason, Ministers will be supporting the proposition.

Indeed, the public sector should lead the way as a good employer, which is why the Council of Ministers are proud that we already pay public sector employees at least the Jersey Living Wage of £9.75.

Ministers also agree that a person who works on premises which we own, and from which we provide services, doing so alongside, and often as colleagues of our own employees, should also be paid at least the Living Wage.

For these reasons, the Council of Ministers supports part (a) of the proposition and will seek accreditation.

In doing this, some practical issues may arise, for example, in relation to the definition of premises, or the practicalities for our contractors of paying workers on different premises different rates, or more specific issues such as the treatment of workers on temporary 'back to work' schemes. Ministers are confident that these issues can be sensibly considered and addressed, as they have been by other organisations elsewhere who have signed up for the Living Wage, as part of a process of seeking accreditation.

As to part (b), the Treasury and Resources Department has approached a number of States-owned bodies. They do already pay their employees at least the Jersey Living Wage, and we will ask them to consider in more depth their own position regarding contractors and accreditation. The Council of Ministers can therefore support part (b).

As to part (c), the procurement team will consider how best to incorporate into procurement procedures adoption of the Living Wage, while still ensuring that tendering delivers best value for the taxpayer in terms of cost and service.

Beyond this, the Chief Minister has outlined support for the Living Wage for any organisation who wishes to sign up, while also understanding that not all local businesses operate in areas where accreditation will be practical in the short term.

Financial and manpower implications

As employees are already paid the Living Wage or higher, there are no salary costs involved in adopting the proposition. However, estimates of additional contracts costs, if all workers employed by contractors and working on States of Jersey premises were paid at least the Living Wage immediately, are between £0.75 – £1.0 million. However, in practice, costs would arise as part of a process of accreditation, i.e. over time, and would vary depending on the difference between market wages and the living wage, and contractual terms. This is based on existing contractual terms. These costs are concentrated in cleaning staff and ground staff.