

2.3 Deputy G.P. Southern of the Chief Minister regarding a pay agreement with States manual workers:

This question is a bit out of date since once more we have read about things in the newspaper rather than in this House. Would the Chief Minister inform Members whether a 2-year pay agreement has yet been reached with the States' manual workers?

Senator F.H. Walker (The Chief Minister):

No, Sir, it has not. Although a new 2-year pay deal has been offered to States' manual workers no agreement has yet been reached.

2.3.1 Deputy G.P. Southern:

Is the Minister prepared to reveal the terms of the offer and, if not, will he confirm that the additional cost over the 2-year period may be of the order of £3 million to £5 million and that this sum is to come out of already pared-down departmental budgets?

Senator F.H. Walker:

Sir, yes I can confirm the offer that has been made and the reason it has been publicised in the way in which it has is that we needed to reach agreement with union representatives to ensure that they had informed their teams of shop stewards and so on before the figures were released into the public domain. They will be in the public domain as of today. I can inform the House that the offer for the year June 2006 to 2007, which of course is last June, is 2.75 per cent and the offer for the next year, which is June 2007 to 2008, is at cost of living. The additional cost will be the subject of a meeting of the Council of Ministers next week and the methods of how we deal with the additional cost will be agreed at that point but I am unable to say precisely today what that will be.

2.3.2 Deputy R.G. Le Hérisier of St. Saviour:

Would the Chief Minister outline to the House, as surely must have been discussed, what methods he is actively considering? Given that there is no buffer fund available to pay this, can we therefore assume it will inevitably come from departmental budgets?

Senator F.H. Walker:

It will come from departmental budgets or there will be a request to the House for other means of funding it but that is the constraint of the Finance Law at the moment. I should point out that the cost of living increase offered for the second year has been included in Council of Ministers forward forecasts and is being worked to. The only issue as such that we have to address is the additional cost, which is not substantial, of the 2.75 per cent offer in the year 2006 to 2007.

2.3.3 Deputy G.P. Southern:

May I ask for clarification on that last answer? The Chief Minister says that the costs of the 2007 element have already been worked into budgets. How can that be when the budget was set at 2.5 per cent, full stop, by this House?

Senator F.H. Walker:

I did not say they had been worked into budgets; I said they had been worked into forecasts and are being dealt with by the Council of Ministers. The Deputy is pressing me for information this morning I cannot give him but, of course, the information will be put to States Members as soon as it is all available.

2.3.4 Deputy G.P. Southern:

Does the Chief Minister think it is fair that the size of the pay rise has been negotiated by the States Employment Board under his leadership but he has no responsibility for finding the money? Is this not a case of power without responsibility?

Senator F.H. Walker:

I have no comment to make on that question whatsoever, Sir.

2.3.5 Deputy G.P. Southern:

Perhaps a penultimate supplementary if I may, Sir? Will the Chief Minister take this opportunity to revisit his decision to do away with the contingency reserve?

Senator F.H. Walker:

It was not my decision. It was the decision of this House.

2.3.6 Deputy G.P. Southern:

Thank you, Sir. It is nice to know where responsibility lies when things go wrong. Could the Minister confirm that his offer for 2007 is the R.P.I. (Retail Price Index), not R.P.I.X. (Retail Price Index excluding mortgage interest payments) or any target figure for inflation?

Senator F.H. Walker:

Yes, Sir, I can.