

## **2.12 Deputy M. Tadier of the Minister for Treasury and Resources regarding negotiations with Unions and workers over the proposals for CSR stage 2:**

Will the Minister confirm that he will be entering into negotiations with the Unions and workers over the proposals for C.S.R. (Comprehensive Spending Review) stage 2, and if so, will he inform Members when negotiations will start and give a date by which he expects the agreement to be reached?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Meetings were held with staff representatives on 11th October to explain proposals contained in the major areas of phase 2 of the comprehensive spending review; in other words, the Terms and Conditions of Employment Review. A further meeting on the Terms and Conditions Review specifically was held on 15th October, and further meetings are planned with individual pay groups throughout November. Further discussions will continue and, depending on the subject matter, some of these meetings will be of a consultative nature, where others such as the Terms and Conditions Review will certainly involve negotiation. I expect consultations and negotiation as appropriate to be concluded by at the very latest June of next year in time for the lodging of the 2012 Business Plan.

### **2.12.1 Deputy M. Tadier:**

I am glad that the Minister made a differentiation between what is going to be consultative and what will be purely explanatory. Will the Minister explain in a worst case scenario what will happen if the negotiations are not fruitful in that the Unions and the workers do not accept the proposed cuts?

### **Senator P.F.C. Ozouf:**

Ultimately, if the Council of Minister is not able, through the good offices of our staff, to negotiate reductions of £12 million in terms of terms and conditions and some of the other comprehensive spending reviews, inevitably that will mean that the budget that will be proposed in a year's time will have higher taxes.

### **2.12.2 Deputy T.M. Pitman:**

Does the Minister not agree with me that Jersey's Unions have a very commendable long history of moderate and commonsense approach to negotiations that should be applauded and, in fact, that they have been badly let down in recent Government approaches to negotiation, and will he ensure this does not happen in the future?

### **Senator P.F.C. Ozouf:**

I do not think that our staff has been badly treated. I welcome the fact that there are good and forthright Union groups that make representations very strongly. But I have said, and I will say again, that I do think that our employee relations generally need to be modernised and to be characterised by a partnership approach as opposed to a them-and-us stand-off situation, which I am sure the Deputy and the other questioners are not suggesting, but which could be concluded by someone saying simply: "There is absolutely no way that we can make savings in what is the largest area of expenditure in the public finances."

### **2.12.3 Deputy T.M. Pitman:**

Could I just follow up? Is the Minister saying that he is entirely happy with the negotiations that took place with the teachers recently, because most people think they were absolutely disgraceful?

**Senator P.F.C. Ozouf:**

I am not familiar with the teachers' issue, but what I do regret is the fact that unfortunately in terms of the pay freeze the Council of Ministers was put in a position where because there was a Back-Bencher proposition - I am not criticising the Back-Bencher concerned - we were then put into a position of having effectively to almost impose the issues that were being well discussed and rehearsed in this Assembly before. What I am hopeful is that we will achieve this time a partnership, collaborative, negotiated situation in relation to deliver terms and conditions savings well in advance to any decisions in terms of budget that will be taken in the Business Plan next year.

**2.12.4 Deputy G.P. Southern:**

I am quite frankly amazed that the Minister could blame the pay freeze which was his idea, on Back-Bencher approaches. But nonetheless, does the Minister accept that a partnership approach was seriously damaged by his approach to the pay freeze last year and that he will have to make amends in many ways if he is to establish trust with the Unions that has been broken in 2009?

**Senator P.F.C. Ozouf:**

The Deputy is entitled to his opinion. My own relations in terms of people that I speak to in the public sector, it does not characterise and I do not recognise the situation that the Deputy paints.

[11:00]

What is clear is there are some difficult decisions in terms of public finances, and we need partnership with Union representatives and we need partnership with our staff in order to deliver savings where they can be achieved and where they are necessary. There has to be a realism in terms of what is achievable in terms of public sector pay, and that is a realism at all levels, particularly in some areas at very high levels of public sector pay groups too.

**2.12.5 Deputy M. Tadier:**

Given the Minister's desire to work towards a partnership scenario, will the Minister advise in that case whether he would be in favour of having a Union representation right at the outset when discussing C.S.R. cuts with the Council of Ministers?

**Senator P.F.C. Ozouf:**

I think that Union rights are very important, but ultimately you will revert to legal rights and law when negotiations and discussions and partnership approaches have failed. I would want to focus my attention on discussion and dialogue, but request staff and also request States Members to be realistic about what is possible to promise our public sector workers. If we are unsuccessful in delivering comprehensive spending review savings, then it will be our public sector workers in the proportion that they make up of the working economy that will bear the cost of higher taxes.