

2.2 Deputy G.P. Southern of St. Helier of the Chief Minister regarding proposals for changes to public sector employees' terms and conditions:

Following initial meetings with the representatives of public sector pay groups, will the Chief Minister inform Members what proposals for changes, if any, to terms and conditions as stated in the 2012 Annual Business Plan, have been tabled for negotiation by the States Employment Board and if none, is the Chief Minister preparing to impose a 2-year wage freeze to achieve the £14 million proposed savings instead?

Senator I.J. Gorst (The Chief Minister):

The 2012 and 2013 public sector negotiations are at an early and different stage with the various pay groups. Members will be familiar with the budget implications they agreed in September last year. The economic and financial context for the review has been explained to groups at these meetings, in particular the figure in the 2012 Business Plan agreed by the States does not provide for an increase in the public sector pay bill unless compensatory savings are made and is predicated on the achievement of the comprehensive spending review target.

2.2.1 Deputy G.P. Southern:

When did the Chief Minister abandon all pretence at negotiation or consultation with representatives and opt for the easy option of a 2-year pay freeze imposed on public sector workers?

Senator I.J. Gorst:

I have not abandoned negotiation as the Deputy suggests and I would also say that no options with regard to reaching agreement around controlling expenditure in this area and modernisation and transforming terms and conditions can be described as the easy option.

2.2.2 Deputy G.P. Southern:

Will the Minister state when he made his mind up to abandon negotiations and was it before he stood before this Assembly to elect himself as Chief Minister?

Senator I.J. Gorst:

I can simply reiterate that I have not, nor has the States Employment Board abandoned negotiations. It is a very difficult area; the States Employment Board has been asked to work within a budget approved by this Assembly and that is what we are endeavouring to do. Inevitably the difficulty arises around pay negotiations because to some extent if we are not careful they can be seen to be undertaken in the public domain and that cannot be right when the employer makes an offer it is an offer but we expect to continue with the normal course of negotiations and that is where we find ourselves today.

2.2.3 Deputy T.M. Pitman of St. Helier:

Can the Chief Minister confirm that he agrees that it is very bad judgment on his part to make this announcement in the same week we have had this confirmation of handouts of "jobs for the boys" for more than 500,000? Does he not think the timing at least could have been better?

Senator I.J. Gorst:

I am not sure how to answer that. I am absolutely aware that I, the States Employment Board and this Assembly face a myriad of challenges and decisions which are difficult and have to be made every day, week in, week out. Of course I would prefer not to find myself in the position I do, but it was right that the information regarding the termination of a contract was made public. It is right also that we, as a States Employment Board, make an offer to our employees and we continue to negotiate. The timing I admit is far from ideal but both decisions are right.

2.2.4 Deputy T.M. Pitman:

I agree with the Minister that the information did have to come out: indeed I was one of those who pushed for it and I applaud him for doing so. However, does the Minister not concur that the damage to the morale of our workers - our employees - is going to be huge when they see what appears to be one rule for one, those at the top, one rule for those struggling at the bottom and can he not take that into account when he is continuing his negotiations?

Senator I.J. Gorst:

I do not believe that there is one rule for one and one for another. I and the States Employment Board are absolutely committed to transforming the way we provide Government services and the way that we deal with our staff. The Deputy is right when he says that some actions of the past have affected morale of our organisation and the individuals in our organisation. I am committed to ensuring that that position is improved, that we transform the public service and that we become a values-based organisation. That does not mean to say that decisions are going to be easy and straightforward. But I am committed to that. I believe the majority of this Assembly are committed to that and that is the direction that I wish to work towards.

2.2.5 Deputy M. Tadier of St. Brelade:

The Chief Minister said that it is right that we make public sector workers a pay offer, and that it is right that we negotiate. Does the Chief Minister accept that if we are making them a pay offer, which is zero, that is the equivalent of not making them a pay offer because the *status quo* would be the same as a zero proposal. My question to the Chief Minister is how does one negotiate with public employees in a meaningful way if one starts off from a position where we are saying: "There is no money in the pot for any pay increases, now let us negotiate"?

Senator I.J. Gorst:

As I said right at the start to a question that a fellow Deputy put, these decisions are not easy, they are not straightforward: the States Employment Board is working to the budget that this Assembly has set them. Having said that, of course, there perhaps are other savings which could be made to terms and conditions, which would allow money to be transferred from one area to another around which negotiations can take place. Of course it would not be right for me in this Assembly to carry out public negotiations, they should be done together between staff side and union representatives and that, I hope, is what will continue to take place.

Deputy J.A. Martin of St. Helier:

My question has been asked.

2.2.6 Deputy M. Tadier:

The supplementary in that case is where is the contingency? If we are to take place in negotiations and if we are to, let us say, avoid strike action or other industrial action and a fixed sum or a fixed percentage increase is agreed, where is the contingency in the Business Plan for those negotiations to be honoured?

Senator I.J. Gorst:

As the Deputy knows there are contingencies in Business Plans approved by this Assembly and that is a change from the way that we used to operate. But it would not be right for me at this point to say how those contingencies should be used.

2.2.7 Deputy R.G. Le Hérissier of St. Saviour:

In order to moderate the impact of the current situation, did the S.E.B. (States Employment Board) consider whether there could be a small increase in the lower levels of the public service but that zero would be maintained in the upper reaches of the public service?

Senator I.J. Gorst:

I fear this is getting perilously close to showing S.E.B.'s hand in its negotiating position and I do not wish to go there. S.E.B. has made an offer and it is now for, as I have said, employer and employee representatives to sit round the table and to continue the process which we have followed for many years.

2.2.8 Deputy G.P. Southern:

In effect, has the Minister abandoned all pretence of modernisation of the workforce for the next 2 years since he has put nothing in the pot to negotiate on.

Senator I.J. Gorst:

I am not sure if that is the third time that the question has been asked but I shall endeavour to answer it in a different way. I have not abandoned negotiations. With modernisation it is not always the right way to dictate from above. If we are to see the modernisation that we desire, and the transformation of our public sector, we need to engage and negotiate. In actual fact, some of the areas where modernisation can take place can be best decided and the best knowledge can come from the ground up. Therefore, it needs to be decided and negotiated round the table because I have no doubt that some of the better ideas for modernisation will in fact come from the employees themselves.