

2017.06.20

3.14 The Deputy of St. Ouen of the Chief Minister regarding the steps that he would take to promote the adoption of the Jersey Living Wage: [1(361)]

What practical steps, if any, will the Chief Minister be taking to promote the adoption of the Jersey Living Wage by all Jersey employers, following his recent address to the conference on 13th June 2017 entitled *The Eradication of Poverty in Jersey*?

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

I fully support Caritas who are promoting a voluntary living wage of £9.75 per hour for Jersey and I will take the matter further to the States Employment Board as I want to ensure that all public sector employees are paid at least the Caritas living wage. As I said at the conference, I also want to consider how to recognise employers who play their part in developing opportunities for everyone in our community, whether that be through paying the voluntary living wage, appropriate use of zero-hours contracts or engaging in initiatives like Back to Work. This work will need to be progressed in partnership with local employers in addition to organisations such as Caritas.

3.14.1 The Deputy of St. Ouen:

A supplementary, please? Has the Minister any proposals to address awarding the living wage to employees working under States contracts or under commission services? Will it be a term of those contracts that the States have influence over that employees should be engaged on the living wage?

Senator I.J. Gorst:

The Deputy will know that that is not currently the case. I did not say in my speech looking back - not quite sure how it was left out because I had written it in some moments before leaving to deliver that speech but that sometimes is the way with speeches - that I wanted also to engage with the Treasury Department and Procurement to consider how we might be able to do that as well. I know from the work that Caritas is undertaking that they are encouraging employers when they are providing contracts to others, to provide 2 prices: one price which is the straightforward price, and the second price whereby they will be paying their employees the voluntary living wage. I want to work with Procurement and with Caritas to understand and see if we would be able to follow a similar process.

3.14.2 Deputy A.D. Lewis:

I am delighted to hear what the Chief Minister has just said. At the lecture he said: "I want to raise income for the poorest." He was then followed by the former Dean of Jersey who said: "When others are telling us what cannot be done, others such as Caritas are getting on with what can be done." I thought it was a very useful and interesting thing to say. I mention it again because what will the Chief Minister do to try and encourage the Minister for Social Security, and of course the Employment Forum, to take a slightly different view, an "it can be done" view which is to get median average earnings increased significantly over the next 5 years, not the next 10 years, which is currently the strategy? What can he do to persuade the Minister for Social Security that that should be an objective?

Senator I.J. Gorst:

It is quite a long time since I was the Minister for Social Security. No doubt some Members in this Assembly wish I had stayed there but we will find out about that this afternoon. But when I was there, I worked together with Deputy Southern and we agreed - he lodged a proposition in this Assembly; I gave it my support - to follow the timeline trajectory that Deputy Lewis has just spoken

about. From a personal perspective, I now feel that that, with the passage of time, is taking too long. I know that the current Minister for Social Security has written this time to the Employment Forum asking them to give much more serious consideration to increasing the minimum wage at a different or faster rate than is the current proposal that they are working to.

3.14.3 Deputy M. Tadier:

In the past, the Chief Minister was on record of saying that we already have the living wage in Jersey because the minimum wage plus income support equals the living wage. Does the Chief Minister stand by that assertion?

Senator I.J. Gorst:

The Deputy knows from the research that has been undertaken that that was the case. But what we are working towards, for example, which is why I gave the commitment that I did about States employees all going on to the Caritas living wage - there are only 2 of them in terms that currently are not - is encouraging employers to themselves pay the Caritas living wage so that we may not be so reliant, or some members of our community may not be so reliant, on the in-work benefit which is income support.

3.14.4 Deputy M. Tadier:

Of course, there are those who do not qualify for income support who presumably also should be entitled to have a living wage for themselves. But does the Chief Minister agree that one way we could encourage employers also in the private sector is through statutory legislation? Would that be something that the Chief Minister might show leadership on in this Assembly to make sure that both in the public and private sectors we get to a position where everybody can expect to be given a living wage and, if not, why not?

Senator I.J. Gorst:

The Deputy knows that the statutory position is the minimum wage and I have said what I have said about the correspondence that the Minister for Social Security has had with the Employment Forum. I look forward, therefore, to their recommendations in due course around the change in the minimum wage in the future. We know in the U.K. that the previous government changed the term "minimum wage" to "national living wage". The Caritas living wage is a different thing and they themselves would accept that we should be encouraging good practice and we should be encouraging employers, I think, with a lot of carrot to voluntarily deliver the living wage and not to make it a statutory obligation for all of the reasons that we know there are certain sectors in our economy that will find it difficult and that is why they should be encouraged to have a plan to work towards. They should not have the statutory requirement; that is, the minimum wage, the statutory requirement.

3.14.5 Deputy G.P. Southern:

I would be interested to know what "a lot of carrot" looks like but I will save that for another time. Could I move to a different part of his speech on that day when he appeared to me to say that employees should be given choice on zero-hours contracts? What exactly was he hinting at there and what did he mean?

Senator I.J. Gorst:

I have said in this Assembly on a number of occasions, and I stand by it, employers should use zero hours contracts appropriately, not inappropriately.

[11:15]

The Deputy will be aware that Matthew Taylor in the U.K. is about to publish a report and one of the proposals, as we understand it, in that report is giving employees, where they generally and largely have a set number of hours but they are on a zero hours contract, the opportunity to go to the employer and say: "Look, you can surely see this should be a contract with set hours for a set period of time." I look with interest to see what that report will say and how it suggests it should be delivered but I think that that proposal is one that we really should follow. So, 48 per cent of employees in the States who have a zero-hours contract, that is their secondary job. They also have a permanent contract as well, so we need to concentrate then on those 52 per cent as well once we know what this proposal from the U.K. looks like.

Deputy G.P. Southern:

A supplementary?

The Bailiff:

Excuse me, we have 25 minutes left, 3 more questions after this one. There will be no more supplementaries. Just 3 questioners yet to come and then a final supplementary on this question.

Deputy G.P. Southern:

Sir, if you do not mind, I believe that the Chair is making up the rules as he goes along and this is most unsatisfactory. Supplementaries should be allowed, sorry.

The Bailiff:

You are entitled to your belief; I am applying Standing Orders. We come to the Deputy of Grouville.

3.14.6 Deputy C.F. Labey of Grouville:

Could the legislation not be brought forward to introduce a living wage exempting certain sectors such as agriculture and tourism who supply accommodation? Could we not introduce it now?

Senator I.J. Gorst:

I still feel that the best approach currently is to work with employers on an encouragement basis rather than a statutory basis. As I understand it - and I may be wrong about this; there are other more knowledgeable people in this Assembly about this - we would be totally out of kilter with elsewhere if we were to legislate for a living wage and the effects. We would really want to consider how that would affect particularly those sectors that I know the Deputy is concerned about. I think let us see what the Employment Forum come forward with for the minimum wage in light of the Minister's suggestion to them and let us work with employers to either start to pay the Caritas living wage or develop a plan to pay the Caritas living wage.

3.14.7 Deputy S.Y. Mézec:

The position for the U.K. Government is that they want to see their minimum wage rise to £9 an hour by 2020. On the current trends of the rises in Jersey's minimum wage, we will not reach £9 an hour until 2025. Does the Chief Minister think that that is good enough and would he pledge to change it so that we at least match the U.K. with £9 an hour by 2020, bearing in mind that we have a higher cost of living in Jersey?

Senator I.J. Gorst:

I answered Deputy Lewis who asked the same question and I said I do not think it is good enough and it needs to be speeded up and that is the correspondence that the Minister is having with the Employment Forum.

3.14.8 Deputy A.D. Lewis:

The lecture that has been referred to earlier, the former Dean, Reverend Bob Key, also said: “The living wage is not an optimal aim, it is core business.” Does the Chief Minister agree with that?

Senator I.J. Gorst:

It is an interesting way of looking at the issue. I am mindful that there is a balance between jobs and job creation and the ability of employers to pay a standard of wage. Legislatively, we have always used the minimum wage and the Employment Forum to consider that balance. We, as I said, Deputy Southern had his proposition, which I supported, which started to tip that balance in one direction and saying: “No, come on, employers, you really need to think about increasing the minimum wage and this is the trajectory.” Now we have moved even further forward as others have increased their minimum wage and the Minister is saying: “Come on, again, you now need to have a plan to deliver increased minimum wages earlier than was the previous plan.” On top of that, what I am saying is that the States as a good employer should be paying the Caritas living wage and that is what we are moving towards. But I equally want to work with those employers that currently today can and probably should be paying the Caritas living wage, to encourage them to do that. I know that Caritas are doing that as well. But we really do need to be mindful that we do not reduce the number of jobs in some of the sectors where the current Caritas living wage might mean that there were fewer jobs but that does not let those sectors off the hook. It means we need to work with them on a plan which is appropriate.

3.14.9 The Deputy of St. Ouen:

The Minister has spoken about encouraging and engaging with departments, he has spoken about carrots, but will the Minister commit to bringing forward a co-ordinated strategy within a proposition to this Assembly with timescales for implementing a national minimum living wage?

Senator I.J. Gorst:

I am not sure whether the Deputy is asking me to bring forward legislation for the Caritas living wage. I have already answered that question. If he is looking for a timescale of when these proposals we will be working on and working with Caritas and what they are going to look like, then, yes, of course I can but I am not yet convinced that legislation is the right approach for the Caritas living wage.