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5 Deputy R.J. Ward of the Chairman of the States Employment Board regarding the imposition of public sector pay awards which had been rejected by union members: [OQ.157/2018]

Does the States Employment Board support the imposition of pay awards, which have been rejected by union members, given that the unions have indicated that public sector strikes could be triggered?

Senator T.A. Vallois (Chairman, States Employment Board):

The States Employment Board establishes the pay mandate, which is both affordable and sustainable. It then delegates to officers to negotiate while maintaining oversight of the negotiations. The Board remains keen to reach an agreement with its employees and ensure they can be paid an affordable pay award.

5.5.1 Deputy R.J. Ward:

Can I make it clear that we, as a States Assembly, have a duty and a responsibility to our public service workers to ensure that they are both valued and that they have a future in the service that they give to this Island? That the value of public services to this Island, although not a profit-making organisation, gives us the standard of living that attracts people that we want to attract to this Island, business, *et cetera*. So, subsequently to ignore negotiations and to impose pay offers, creating absolute chaos in the negotiation process, can only be destructive in the long term. Do you agree with that?

The Bailiff:

Through the Chair.

Senator T.A. Vallois:

The Deputy knows that I agree with him that we value the public service, of course we do. The States Employment Board are in a difficult position, this is an unsettling time. This is not going to be easy with regard to how we move forward with regard to modernisation of the public sector. But we have to have these discussions and this is why recognising these concerns that the unions have expressed, and I know they have been in touch with many Members about what has been happening. This is why the States Employment Board offered to meet with them directly, to listen to their direct concerns and to see whether we can look at our pay offers being restructured, so that we can provide a more acceptable offering to staff and the unions.

5.5.2 Deputy G.P. Southern:

Does the Minister not accept that the latest round of cuts - and I will describe them thus deliberately - is bound to affect this time around, after so much austerity, the quality of public services delivered on this Island?

Senator T.A. Vallois:

I assume the Deputy means with regards to the cuts within the current Medium Term Financial Plan and if that is the case then I can only speak as Minister for Education, but I am being asked as Chair of the States Employment Board with regard to across the piece. But I recognise in areas that there is a great deal of concern with how we can provide an appropriate public service in the right way, supporting our staff, not just in terms of pay awards, but the resources they need in order to do their jobs. When I talk about complexity of issues this is not just the pay awards, this is how we provide for our public, but also the public service in order to deliver that in the appropriate way. We

are doing this in an extremely pressurised atmosphere and it is extremely difficult. So, I recognise that some of the cuts that have been put in place previously, and are in the current financial plan, are going to become a situation for this Council of Ministers to properly debate and discuss how we transition into 2019 and then, of course, the financial plan for the new Council of Ministers from September next year.

5.5.3 Deputy K.F. Morel:

The public sector has had below R.P.I. (Retail Price Index) pay increases for the best part of a decade now. This is making Jersey less affordable for public sector workers on an ongoing basis. How long does the Chairman expect these below R.P.I. increases to continue?

Senator T.A. Vallois:

I think it is important for me to re-emphasise that this is not just about providing an R.P.I. pay award; this is about the modernisation of the public sector as well. It is difficult, because it is complex and there is potential conflict to confuse the 2 situations. There are some employees who will be receiving well above the R.P.I. rates that have been announced just this September and also last September, but there are others that do not, and that comes in terms of the issue of the equal pay for equal value work. So, I recognise that there have been below R.P.I. provisions, but this is a discussion that we have to have properly and in order to get a decision for the pay awards for 2018 and 2019 and recognise how we can resolve this situation, especially within the next financial plan, where we can have these proper discussions as a Council of Ministers, to ensure that we can resolve a lot of these conflicts that are going on, so that we can start from a position of a modernised public sector and support and value for our employees.

5.5.4 Deputy M.R. Le Hegarat of St. Helier:

Could the States Employment Board please explain what they will do in relation to health staff where there have been staff that have been given increases and others have not. So, there clearly is not equal pay for equal work, and what are the Board going to do in order that we do not lose valuable medical staff?

Senator T.A. Vallois:

I thank the Deputy for her question. With regard to the health staff, we are writing a letter to respond to the letters that they have sent out. I know a particular Member here has asked us to respond directly, but we are willing to meet with them directly as a States Employment Board to discuss these issues. I have also asked that the Minister for Health and Social Services is informed of the position that we are in, as a States Employment Board, dealing with these complex issues in terms of some staff who are under a different pay spine being different to those health staff who are under another pay spine. Like I said, this is a complex situation whereby we are looking at these equal pay for work of equal value. I do not like to continue having to repeat myself on that particular situation, but this is why it is so complex and this is why the States Employment Board want to meet directly with the unions, who have these concerns, so that we can find an appropriate way forward so the industrial action does not happen.

5.5.5 Deputy M.R. Higgins:

Does the Minister accept that it is an own goal on the part of the S.E.B. (States Employment Board) and the Council of Ministers because the pay rises given to some workers within the health sector are not given to others were kept secret - they were told to keep them secret - and it has caused animosity within the service? So does she not think it is an own goal that needs to be dealt with as a matter of urgency?

Senator T.A. Vallois:

I do not think it is very healthy to do things behind closed doors and in secret in any side, whether it is on the side of those who are negotiating from the States Employment Board perspective, or those negotiating from the point of the unions' perspective, and hence the reason why, to cut through all of this, the States Employment Board are meeting with the unions directly to listen to what they have to say directly to us, so that we can try to find a way forward with regard to these pay awards.

5.5.6 Deputy G.P. Southern:

Does the Minister not accept that when her officers say that there is no more money they mean there is no money given the overall plan of the Council of Ministers, for example, to put £50 million in the stabilisation fund and not spend it on public services?

Senator T.A. Vallois:

I do accept that we only have so much money in the pot and I do accept that we are constrained by the financial plan that was agreed by the States Assembly in the last Government. I recognise that there is an attempt to put the £50 million into the stabilisation fund, but that was always a recommendation from the Fiscal Policy Panel, in which time when you have those reserves to put them in for when and should a dip in the economy happen, so that you have the money to support the economy at that particular time. So, I accept that I have stated that we have £33.6 million here that we have as a budget that was put forward by our officers, £14.9 million of which is not funded yet, and we have to find those funds from somewhere. Of course, I am extremely concerned from my own point of view, as a Minister with a different hat on, with regard to how those funds will be found because of what the Deputy mentioned before with regard to cuts that have been made across the public sector.

5.5.7 Deputy R.J. Ward:

I recognise the difficult position that the Minister has inherited, certainly as Chairwoman of the S.E.B., a somewhat unenviable position, but may I recommend that you consider that the biggest issue here is the combination of workforce modernisation and the pay awards? Would you not consider separating the maintenance of public service workers' pay, and thus their standards of living, and separate that from the process of modernisation, which is then much more likely to work and much more likely to be co-operated with, and the savings that you are looking for can be worked through with the people who know about the jobs, rather than having them imposed from those who come here with a model from the U.K. (United Kingdom) that has failed there and will fail here.

Senator T.A. Vallois:

I recognise the issue of this, because it has created such complexity and confusion, and I am grateful to the Deputy recognising the difficult position we are in. We are in a difficult position, I am not going to make any bones about it, or I am not going to twist the truth about how difficult this situation is. If we need to have those discussions with the unions about how the separation of the modernisation and the pay awards look and what that means and how we can afford it in terms of particularly this year and next year, then I am open to having those discussions and hence the reason why we are willing to listen to what the unions have to say.