

**WRITTEN QUESTION TO THE CHAIRMAN OF THE STATES EMPLOYMENT BOARD  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON MONDAY 3rd DECEMBER 2018**

**Question**

Further to her message to States members on 21st November 2018, in which she stated that “there is no more money available” within the available budget in respect of public sector pay awards, will the Chairman advise –

- (a) whether anticipated tax revenues in the Draft 2019 Budget would provide sufficient budget for awards in the event that the Assembly agreed to revisit the cap on States expenditure set in the current Medium Term Financial Plan;
- (b) what measures, if any, she has under consideration to remove this cap and to re-open negotiations with States employees in order to avoid the imposition of a real-terms cut in pay; and
- (c) why talks in respect of Workforce Modernisation will start before any agreement has been found on pay awards and what assessment she has made of whether such a move could be seen as provocation in the current dispute in respect of those awards?

**Answer**

- (a) The draft Budget 2019 includes an updated revenue forecast, including tax, for 2018 to 2023 on page 86, showing the variation in forecast between draft Budget 2019 and the Budget 2018. However, it is important to consider expenditure forecasts alongside those revenue forecasts, as shown on page 92.

As outlined, the forecasts shows that we expect to broadly balance the books by 2019 – with a small surplus - but that a deficit of approximately £30 million is forecast from 2020 without further action.

Any increase in recurring expenditure, including pay, will therefore increase the deficit going forward on the budget projections. At the same time, overall expenditure levels, and how expenditure is allocated, is ultimately a matter for the Assembly.

- (b) With the deficit shown in the financial forecast we have, it would not be sensible to consider worsening this position. Implementation of a 2018/19 pay award has been made for some groups, and negotiations in respect of nurses, midwives, manual workers and energy recovery facility workers are ongoing. Formal dispute resolution procedures exist for all groups including mediation and arbitration.
- (c) All Workforce Modernisation proposals have now been withdrawn, except for the four small groups who accepted them earlier this year. Given that unions either rejected Workforce Modernisation proposals, or asked for them to be withdrawn, this is a significant development aimed at reducing tensions.

In the first three months of 2019, the States will engage with all key stakeholders to agree how to achieve revised terms and conditions which are fit for purpose and which address pay comparability issues across the public sector. This review will not bring Workforce Modernisation proposals back onto the table but will develop new, clear and understandable proposals.

