

**WRITTEN QUESTION TO CHAIR OF THE STATES EMPLOYMENT BOARD
BY DEPUTY M.R. SCOTT OF ST. BRELADE
QUESTION SUBMITTED ON MONDAY 23rd JANUARY 2023
ANSWER TO BE TABLED ON MONDAY 30th JANUARY 2023**

Question

"Will the Chair advise, when setting public sector wage increases –

- (a) what information and intelligence, if any, the States Employment Board gathers from the local private sector to inform its decision; and
- (b) whether such decisions take into account the effect any wage increases will have on the business operations of the local private sector and the possible impact on the cost of living?"

Answer

- (A) Intelligence was sought and shared from both private and arm's length bodies to inform pay negotiations. Information was sought from Finance Institutions, Companies with Manual Worker workforce, Engineering and Retail. Intelligence was also sought from Guernsey, the Isle of Man, and the United Kingdom. The economic advisers within government provided information and consulted with the Treasury and Exchequer in respect of economic forecasting. We regularly benchmark professional salaries against the UK and receive intelligence through public sector employers in the UK and pay bodies.
- (b) The SEB (States Employment Board) considered that there were several economic considerations at play that would influence the pay settlement. Some with conflicting conclusions:
 - Alleviating the impact of the recent cost of living issues
 - Long term affordability of housing
 - Other government help and policy
 - Labour market competitiveness
 - Impact of inflation

The Retail Prices Index (RPI) being the main measure of inflation in Jersey. The September RPI being 10.4%. This being the RPI historically used to inform pay review within the public service. The SEB took into consideration previous pay settlements with employer groups.

To reduce some of the inflationary pressure in the future, it was advisable to increase salaries below the current level of inflation. This would remove the risk of any demand-pull inflation and slightly dampen other pay demands across the economy and therefore mean other costs do not rise adding to inflationary pressure.