

**STATEMENT TO BE MADE BY PRESIDENT OF THE POLICY AND
RESOURCES COMMITTEE ON 5th JULY 2005**

Members will probably now have heard of the outcome of the recent arbitration on the States and Parish manual workers' pay awards for the two years, June 2004 to May 2005 and June 2005 to May 2006.

I set out the facts as follows –

Manual workers were offered 2.5% for the first year and 3.5% for the second year.

These offers were set against a Retail Price Index of 3.7% and 4.5% respectively.

All other pay groups, amounting to approximately 83% of the States workforce, had accepted the employer's offer.

The manual workers, however, claimed 4% and 5% for each of the two years respectively.

The outcome of the arbitration, which is binding on both parties, was that the manual workers were awarded 3% for the first year and 3.5% for the second year. Hence, over the two pay years in question they were awarded 0.5% over the employer's pay policy and what all other pay groups settled for in negotiation.

The employer is pleased that the Arbitration Panel has supported the employer's view that pay awards in the public sector should be below the Retail Price Index for the two years in question.

However, before proceeding to arbitration, manual worker representatives were clearly advised that in the event of their being awarded more than the employer's offer, the extra cost would need to be met by savings from the manual worker pay bill. They acknowledged this position.

The total cost of the additional award made to the manual workers is of the order of £145,000 per year. Departmental budgets will not be increased to reflect the additional award and the cost will have to be offset by savings.