



Corporate Services Panel

Budget 2019

Witness: J.C.S.A./Prospect Union

Wednesday, 14th November 2018

Panel:

Senator K.L. Moore (Chairman)

Deputy J.H. Perchard of St. Saviour (Vice-Chairman)

Deputy S.M. Ahier of St. Helier

Connétable K. Shenton-Stone of St. Martin

Witnesses:

Chairman, Jersey Civil Service Association/Prospect

Vice-Chairman, Jersey Civil Service Association /Prospect

President, Jersey Association of Head Teachers

Chairperson, National Association of Schoolmasters Union of Women Teachers

[11:02]

Senator K.L. Moore (Chairman):

Is everyone comfortable? We have been having some issues with the microphones so if you could all make sure that your microphone is aimed as closely towards you as it can be pleased. With 2 teachers I am sure you will all be speaking very clearly but if you could all just make sure that you are as heard as well as we can I would be very grateful. Thank you all very much for coming along to this Corporate Services hearing. It is part of our Budget review for obvious reasons. We have some members of the public here today and they, I think, are all familiar with the general terms of engagement. For yourselves, I am sure your phones are all switched to silent; I thank you for doing that and we will conduct the hearing. We have an hour tabled, so we will crack on as quickly as we can. As you know, this will be streamed live now and the transcript will be published at a later date

and the webcast will be available shortly after the hearing also. Could I just start by confirming that the witnesses have read and understand the statement in front of them? Thank you. So we will start with introductions so they are formally recorded. I am Senator Kristina Moore; I am the chairman of the Corporate Services Panel.

Deputy S.M. Ahier of St. Helier (Vice-Chairman):

Deputy Steve Ahier, vice-chair.

Scrutiny Officer:

Simon Spottiswoode, Scrutiny Officer.

Chairperson, N.A.S.U.W.T.:

Marina Mager, N.A.S.U.W.T. (National Association of Schoolmasters Union of Women Teachers), the teachers' union.

Vice-Chairman, J.C.S.A./Prospect:

Mick Robbins, Vice-Chair of J.C.S.A. (Jersey Civil Service Association)/Prospect.

Chairman, J.C.S.A./Prospect:

Terry Renouf, chair of J.C.S.A./Prospect.

President, Jersey Association of Head Teachers:

Simon Cooper, the president of the Jersey Association of Head Teachers.

Deputy J.H. Perchard of St. Saviour:

Jess Perchard, Corporate Services panel member.

Connétable K. Shenton-Stone of St. Martin:

Karen Shenton-Stone, Corporate Services panel member.

Senator K.L. Moore:

Thank you. Could you, just to give us some background, describe the unions' view with regard to pay and conditions over the last 10 years perhaps and just some overriding trends and responses would be helpful just to set the context.

Vice-Chairman, J.C.S.A./Prospect:

I can give you a document, which shows the records we have kept of pay rises versus R.P.I. (retail price index). So this goes back to 2000, but just taking from 2008, which is the 10 years that you

mentioned, it shows quite clearly that in 2008 we had a pay award in June of 3.2 per cent and R.P.I. was running at 5.6 per cent at that time. In 2009 there was no pay rise because the pay rise arrangements went to January of the following year and you can see then, following that, the R.P.I. is 2.8 per cent, the pay award was 2 per cent. 2011, 4.5 per cent, the pay award was 2 per cent. 2012, 3 per cent and we had a 1 per cent award, which was unconsolidated. 2013, R.P.I. was at 1.5 per cent with 1 per cent plus 1 per cent unconsolidated. 2014, 1.6 per cent and we had a 4 per cent rise. 2015 was 0.9 per cent with 1 per cent awarded. 2016, 1.5 per cent with 1 per cent awarded and a £500 unconsolidated lump sum. 2017, was 2 per cent R.P.I., we were awarded 2 per cent.

Chairperson, N.A.S.U.W.T.:

I think it might just be worth pointing out to you that what looks like a large number in 2014 of 4 per cent was a deal that was done with the unions to ensure that we would all engage in workforce modernisation. So we were awarded 4 per cent in exchange for undertaking the workforce modernisation project, which, after 4 years of very long and hard work, was subsequently completely dismissed by staff.

Senator K.L. Moore:

So what is the general view of the treatment of the unions and the relationship between the unions and the employer over this time period? Has it been a successful process or a difficult process?

Vice-Chairman, J.C.S.A./Prospect:

It has been wholly unsuccessful in several ways. Firstly, the agreed arrangements were that these pay talks should be completed and implemented by 1st January. That has not happened for years. The employer has repeatedly failed to engage in talks of any sort and eventually coming up with offers, which have been way below expectations. Staff, certainly from the J.C.S.A. side, have been getting more and more unhappy and frustrated, feeling devalued by this constant below cost of living. If it is a cost of living there is always something attached to it; there are always conditions attached to it, which is a classic example, the W.F.M. (workforce modernisation) involvement, which is what we were talking about.

Senator K.L. Moore:

You have presented us with a detailed paper, which we are really grateful for, and that will be published on our website later today so that the public can access it also. But my question there is: you have clearly done a lot of work and recently the Nursing Association printed a Tweet, which simply went through some general costs that a person can expect to see in their annual budgeting, such as rent and insurance costs, and that showed a discrepancy because what I am aiming at here is the difference in the comparisons that are sometimes made between Jersey pay versus U.K.

(United Kingdom) rates. But the Nursing Association very successfully showed the difference in the cost of living and how what might seem like a disparity if you compare the 2 jurisdictions and their pay grades, when you look at the cost of living the people can be considerably worse off here. Would you agree with the suggestions put forward by the Nursing Association and what analysis do you have that looks at other areas?

Chairperson, N.A.S.U.W.T.:

I can give you 2 examples of that, Senator Moore. We had 2 teachers due to take up posts in Jersey in secondary schools last September who within 2 weeks before the start of term told the department they had changed their mind, they were not coming, because they could not afford to live here. I regularly am contacted by teachers from the U.K. who are looking at jobs in Jersey, looks like a really attractive place to live and work and most of us are really happy to bring our children up here, but when they contact me I have a list of websites that I give them to look at, that indicate to them what the cost of living is and 9 times out of 10 they come back to me and say: "Dear God, we are not even considering applying for that job now." We have never had to advertise for primary teachers; Simon will back me on this, in the U.K. before. We are having to now. We cannot recruit, we cannot retain, it is purely down to the appalling cost of living here.

President, Jersey Association of Head Teachers:

Just to support Marina there, as a head teacher of a large primary school, I have advertised recently for teaching positions. I have been able to go to the U.K. to recruit, I have spoken extensively with prospective candidates, they of course have undertaken their due diligence around the cost of living in Jersey and they have said: "I am sorry, Mr. Cooper, it would be a real term's pay cut for me and my family to move to Jersey." These are experienced people with families and they are priced out of the market. So that of course has a real impact on how I can run a school and attract the best possible candidates to educate the future of Jersey.

Vice-Chairman, J.C.S.A./Prospect:

We have asked for a detailed analysis of the comparison between Jersey and the U.K. from the employer. In fairness, they provided us with a couple of drafts, but they were lines on the paper with no background information at all, so they did not have any substance to them. We have seen no evidence of the work done to suggest whether there is parity or otherwise, although Terry did a fabulous piece of work. Do you want to talk about that?

Chairman, J.C.S.A./Prospect:

Yes, I certainly can. We have been involved in working with Employee Relations over the finance target operating model rollout and as a result of that a whole new raft of jobs have been created within the new model and they were all evaluated. We asked for sight of the evaluations as they

were done in a method outside of what normally happens. All the evaluations are done with a panel of 50 per cent employee representatives, 50 per cent employer representatives. A unilateral decision was made without any consultation to do this externally so that flies completely in the face of the principles of pay evaluation. We asked for sight of those and were refused on numerous occasions. So I carried out my own investigation on some of the posts, went out to the recruitment agencies, and the figures they came back with were significantly higher than are being offered by the organisation, which begs the question, if we are not going to pay the going rate, how are we going to get the staff that are appropriate for the jobs that we are offering? If we are not, we are not going to get the service that we require.

Chairperson, N.A.S.U.W.T.:

I think it is worth you understanding that during recent pay negotiations, it is not something we take lightly, and I am a teacher, I am not a qualified pay negotiator, so I am very fortunate and I have huge resources in the U.K. and frequently fly a national negotiating official in and I had flown him in, in the morning, because we were about to have our first pay talk, I think it was August/September.

[11:15]

We had submitted our claim in January and I had a phone call from Employee Relations to tell me that they just announced to the media what the pay offer was going to be. We had not even had a meeting. We were having one that morning. Pointless. I mean that is utter contempt for your staff and a real lack of respect for big organisations, like the unions are. They may not be huge locally but they are big national organisations who invest their time and resources into Jersey. Why did we bother going to the meeting?

The Connétable of St. Martin:

Did they give you any reason for doing that?

Chairperson, N.A.S.U.W.T.:

They did. They thought the civil service were about to go mad in the press. They forget that we work very closely together as unions in Jersey; we do have a joint union forum. We meet frequently. We discuss issues that affect all of us, not just teachers, civil servants, manual workers, nurses; we are all in the same forum. That was the reason, because of course I was not happy, and the reason I was given was that: "We think the civil service are likely to make some kind of press announcement today so we want to beat them to it." So they let me fly a national official in and then basically phone us and say the deal has gone to the press.

President, Jersey Association of Head Teachers:

Equally, for the J.A.H.T. (Jersey Association of Head Teachers), we submitted our pay request in December 2017 and did not hear from the employer until August 2018. Then it was telling, there was no negotiation, it was: "This is what the pay offer is going to be." So an 8-month lag in communication between us submitting and receiving a formal response.

Senator K.L. Moore:

Is that a normal process?

Chairperson, N.A.S.U.W.T.:

Yes, and then the cynic in me would suggest that there is a time delay in order for the pay just to be offered on a backdated basis just before Christmas, which of course, for some particularly of our lowest workers, is a very enticing or perhaps palatable offer when they are getting 1 per cent or 2 per cent backdated over the year when they receive it just before Christmas, albeit it is significantly below the cost of living for that year. But perhaps that is a little cynical.

Chairperson, N.A.S.U.W.T.:

We know those papers have been signed. We know that has gone to payroll. They will not admit it to us but we know that happened last week. That pay will be imposed, we believe, at the end of this month.

Senator K.L. Moore:

Without any negotiation?

Chairperson, N.A.S.U.W.T.:

No negotiation whatsoever.

Senator K.L. Moore:

Or meetings. Have any groups met with the employer?

Chairman, J.C.S.A./Prospect:

I can give you the history of our background. Like the head teachers, we submitted a pay claim for 2018 at the end of 2017. Midway through March we were invited to a meeting with Employee Relations that they failed to attend. They were held up in another meeting. We subsequently met them after that and were advised no offer could be made until such time as the 2017 accounts had been signed off. Third meeting, 2017 accounts had been signed off: "We now cannot make an offer because there is no S.E.B. (States Employment Board)," which was around election time. Failed to understand the logic behind that. The S.E.B. is a legally constituted body that is responsible for the employment of all States employees, how can there not be an S.E.B.?

Senator K.L. Moore:

The chairman of the S.E.B. at that time was one of the Members who was not a candidate in the election and therefore was a backstop position for any decision making.

Chairman, J.C.S.A./Prospect:

The fourth meeting was where we were presented with a final offer. So there has been no negotiation, no supporting evidence, despite our request for it, as to why they deemed their requirement to be a staggered pay award. The argument that it benefits the lowest paid just does not hold water. The lowest paid States employee is probably a civil servant on grade 1 and they are going to get the lowest pay award anyway.

Deputy J.H. Perchard:

On 5th November this panel had a public hearing with the chair of the States Employment Board, chief executive, and it was stated, when we asked about pay disputes, that you were having a meeting with them that afternoon so they could not possibly elaborate on what the outcome might be before the meeting. But we were told that 5 or 6 options would be presented at that meeting.

Chairperson, N.A.S.U.W.T.:

No. No options were presented. That was obviously with the S.E.B. There were no options presented.

Vice-Chairman, J.C.S.A./Prospect:

No, it was not our meeting with the S.E.B., we met with the S.E.B. 2 weeks before that and 6th November was when the S.E.B. met to discuss the presentation we gave them. So we do not know what went on in that meeting yet exactly.

President, Jersey Association of Head Teachers:

We have not had the outcome. So we met at the back end of October with Senator Vallois and the rest of the S.E.B. and that was the first meeting that we had with S.E.B. in probably a 24-month period.

Vice-Chairman, J.C.S.A./Prospect:

What we have been told is we will get a response on 20th November when the S.E.B. go public with their response.

Senator K.L. Moore:

Were you given an explanation for the time lag?

Chairperson, N.A.S.U.W.T.:

No.

Vice-Chairman, J.C.S.A./Prospect:

Only that they are trying to resolve whatever issues it is they are looking at and they want to go public in the States on 20th November.

Chairperson, N.A.S.U.W.T.:

Well I think Senator Vallois is making a statement on that date, is she not? It is very interesting that they have isolated different groups out of what they would call pay negotiations and we would call impositions. They have exempted Energy from Waste, nurses and manual workers are not going to have pay imposed on them. That is my understanding. Those 3 groups will be exempted but the rest of the public sector workforce are likely, we believe, to have the pay offer imposed on them.

Deputy J.H. Perchard:

Do you know what the offer will be?

Chairperson, N.A.S.U.W.T.:

It is the offer that they put in the press. Nothing has changed.

President, Jersey Association of Head Teachers:

It was put in the press erroneously because, for example, for the J.A.H.T. the public perception is that we are receiving 6.1 per cent over 2 years. It is not 6.1 per cent over 2 years; it is 2 per cent and 2 per cent and the rest is non-consolidated. But the public opinion, the headline statement, is that it is 6.1 and that certainly did not come from the J.A.H.T.

Chairperson, N.A.S.U.W.T.:

That came from the employer.

Chairman, J.C.S.A./Prospect:

Similarly, the civil service has been promoted by the employer as 4.1 per cent, it is 2 per cent on the same basis, consolidated for each year, and it is 2 non-consolidated payments.

Deputy J.H. Perchard:

What were you hoping for?

Vice-Chairman, J.C.S.A./Prospect:

Our claim is for a cost of living rise. Cost of living for 2018, which was 3.1 per cent based on September 2017; that is the agreed figure that cost of living is going to be considered September in the year before the negotiating year in pay negotiations. Then we are now putting in a similar claim for 2019 based on 4.3 per cent. Now, the 4.1 per cent that has been stated publicly by the employer repeatedly is clearly not what we have been offered at all. We have been offered 1 per cent for 2018, 1 per cent for 2019, and the rest is unconsolidated. The unconsolidated part is a one-off payment, it is not part of people's pay increases, it is just a single lump sum. So it cannot be considered to be a 4.1 however you do the math; it is not 4.1 per cent. It is around 2 per cent.

Chairperson, N.A.S.U.W.T.:

It is really interesting, when you have to explain to people that, if you are going to apply for a mortgage or a loan, you cannot count an unconsolidated pay award, it does not contribute towards your pension, so effectively unconsolidated awards are another pay cut. But it seems to be the chosen tool that they use to think: "Oh well, if we give people a little lump sum that will keep them quiet just before Christmas", very clever, and then it arrives in January. I would like it on the record there is not a single public sector union on this Island that has ever agreed to a 2-year pay deal. Our pay claims from all of us were for 2018 and I have pointed this out to the S.E.B., not for 2019, but that is what they are about to impose on us, a 2-year pay deal.

Senator K.L. Moore:

What will the unions do if the pay deal is imposed, as you seem to expect, that it will be at the end of this month?

Vice-Chairman, J.C.S.A./Prospect:

We currently have a ballot running for industrial action up to and including strike action. When we get the results of that we will be able to decide how to proceed. But I think it is fair to say that in talks with all the other unions, not just those around the table here today, but everybody is of the opinion that, whether they impose it or not, our main aim is to maintain the standard of living of our members. Whatever else happens, we all have different arguments in terms of what we should be getting and what we should not be getting. The nurses have their own problems to resolve that are outside the R.P.I. argument, but we all agree that our members, whatever else should happen, our members' standard of living should be protected. The Budget that you are looking at relate to R.P.I. in numerous places. In some places on this occasion, unusually, they have gone a little bit below R.P.I., but it relates to R.P.I.; R.P.I. is a major factor in Island life and to say repeatedly to 6,000-plus staff: "Your standard of living is going to be reduced again this year" is no longer acceptable; absolutely no longer acceptable. So the fact that they impose this, as Sam has said, is very clever just before Christmas and may take the sting out of it for some, but it will not change the arguments. It will not change the mindset that we need to look after our members' standard of living.

Chairperson, N.A.S.U.W.T.:

Absolutely. You could not run a private business like this, could you? My husband is a local businessman. He could not run his business by thinking: "Well, I will not budget for this and I will not budget for that. Oh dear, the cost of living has gone up." We are running the States of Jersey ... well it is not being run.

President, Jersey Association of Head Teachers:

If I could just go back to your question, Senator Moore, you asked us what we think the course of action might be as a result of this. At the moment it is now in the public domain. It concluded last week, the Jersey Association of Head Teachers conducted an indicative ballot of our action up to and including strike action and we had a very, very high response and in terms of people saying, yes, they will take industrial action, including strike, was 94 per cent, and industrial action, up to but not including strike, was 98 per cent. We will of course go through due process to move this to the formal process in terms of forming a formal ballot, but that is what our members are telling then J.A.H.T. executive and national offices at the moment.

Deputy S.M. Ahier:

Sorry, just for clarification, when you said it was 98 per cent, was that of all members or was that of members who voted?

President, Jersey Association of Head Teachers:

Of the 83 per cent of members who voted. Of course I am not party, it is an anonymous ballot, indicative ballot, but the likelihood is that those members who did not vote perhaps they might be members of the J.A.H.T. but perhaps not necessarily working directly in schools at the moment. There are other departments that you can be a member of the J.A.H.T.

Senator K.L. Moore:

I just wanted to ask when the formal ballot response is expected?

Chairman, J.C.S.A./Prospect:

Our ballot closes this Friday and we are doing the count Monday morning. Because of the rules for industrial action ballots we have no indications as we would do with other less-formal ballots. But based on the indications we saw at the recent all-union meeting at the Radisson, we are expecting it to go strongly in favour of industrial action.

Deputy J.H. Perchard:

I was just wondering if any of you had heard back from the S.E.B. since the meeting on the 5th. Because in the public hearing I asked the Chief Minister: "Given the likelihood of industrial action taken by teachers and nurses, how quickly do you expect to see some of the changes you have just outlined happen?" I was told: "The meeting this afternoon is where the S.E.B. will determine where they will go forward." I was just wondering if you had heard back given that was the intention.

Vice-Chairman, J.C.S.A./Prospect:

All we have had is that we will be given a statement on the 20th.

Deputy J.H. Perchard:

Given a statement?

[11:30]

Vice-Chairman, J.C.S.A./Prospect:

A statement, yes. Senator Vallois apparently is going to make a statement on the 20th.

President, Jersey Association of Head Teachers:

I have not received a communication to that effect.

Chairperson, N.A.S.U.W.T.:

No, I have not either.

President, Jersey Association of Head Teachers:

We are in the dark for the last 9 days as to what the outcome of that meeting was.

Vice-Chairman, J.C.S.A./Prospect:

I think one of the problems is that they are talking to us all in individual groups at the moment rather than talking to us collectively, despite the fact that collectively we all have a problem with pay this year.

Chairman, J.C.S.A./Prospect:

And next year.

Vice-Chairman, J.C.S.A./Prospect:

And next year.

President, Jersey Association of Head Teachers:

And the last 10 years.

Vice-Chairman, J.C.S.A./Prospect:

I think it is fair to say that there has not been any communication; we are all waiting for formal communication as a result of the meeting S.E.B. had on the 5th and we have had none yet.

The Connétable of St. Martin:

This leads on to a question I have: what is your view of the communication between the States as employer and the staff?

Chairperson, N.A.S.U.W.T.:

Well, given the size of the communications department now, I do not quite know what all those people are doing to be honest. I think it has trebled in size and we never hear a word from them.

Chairman, J.C.S.A./Prospect:

I think from our perspective, all the discussions we have been in with the employer, we constantly request information and that is consistently withheld. It is not showing an openness and transparency and a willingness to work as a collective unit for the benefit of the Island. At the end of the day that is what we are all here to do. We are here for the benefit of the Island.

Senator K.L. Moore:

The chairman of the S.E.B., when talking to us at the recent hearing, suggested that one of the points that they were very clear and firm about was that they wanted to achieve both agreement on pay and the future of workforce modernisation simultaneously and that in the view of the S.E.B. these 2 issues had to be dealt with jointly, whereas the feeling was that the unions wanted to deal with pay first and exclusively and then move on to workforce modernisation.

Chairperson, N.A.S.U.W.T.:

Workforce modernisation has gone. That is dead in the water and Charlie Parker made that explicitly clear to us, did he not, at the meeting in the Town Hall? What they wanted to talk about is changing people's terms and conditions, which is not modernisation.

Senator K.L. Moore:

The term we heard was "equal pay for equal work" and so there is a sort of future of workforce modernisation, as we heard it, in that they want to achieve equal pay for equal work throughout the organisation.

Vice-Chairman, J.C.S.A./Prospect:

The way this has worked out is that my understanding is that in about 2011 nurses had a problem with equality, equity of what they were getting paid for the work they were doing compared with associated health staff that did a similar job but were getting paid much more. They received certain promises that obviously we were not party to from the employer for 2012, 2013 and 2014. Those promises did not happen but they related to equal pay for work of equal value. What did come along down the line was the W.F.M., the workforce modernisation process, which we all worked towards, we all agreed with the principle of equal pay for work of equal value. That is a given right the way through. W.F.M. had inherent problems, which I will not go into, but it fell apart badly. We were told at the beginning of 2018 by the chief executive officer that W.F.M. was dead in the water; he was withdrawing the offer and we would not hear about it again. This round of pay talks has had elements of workforce modernisation, exactly the same elements as was in W.F.M., in with some of the pay offers for some of the pay groups, not all pay groups, but for some. W.F.M. has also crept in with some of the target operating model changes. Now we have argued strongly that workforce modernisation, work towards equal pay for work of equal value, is a very laudable thing to be doing but it is not connected with pay and it is not connected with an operational change of administrative structures; it is something separate. If they want to talk about workforce modernisation, call it whatever you like because I think anything that says “workforce modernisation” is a poisoned chalice now, but equal pay for work of equal value, is something we can work towards and are happy to do. It is going to be tough but we can work towards it. But it is not connected to pay for this year and it cannot be used as a bludgeon to get the pay deal through. Neither is it connected with Charlie Parker’s intention of changing the departments. That is an administrative change. That is something that is very much a change of the administrative structure; it should not be dealing with what people are getting in terms and conditions.

Chairperson, N.A.S.U.W.T.:

It does not deal with the cost of living, does it?

Vice-Chairman, J.C.S.A./Prospect:

So they are 3 separate things and we have said they need to be separated completely. What we are hoping is that the statement on the 20th will separate those items. That is our hope as much as anything else. So, to answer your question, the terms and conditions, equal pay for work of equal value, it is really important to us that it is not linked with pay.

Chairperson, N.A.S.U.W.T.:

Legally it is something that the States as an organisation is going to have to comply with because we will have the relevant laws in place where they could risk finding themselves in an employment tribunal if they are seen to discriminate, which we all understand is why they are so desperate to get this through. But that, as my colleague says, is one thing. People’s pay increases and the cost of

living in Jersey are nothing to do with changing the organisation and modernising the organisation. What they are doing is they are punishing their workforce because they failed to adequately plan to meet new legislation, in my opinion.

Chairman, J.C.S.A./Prospect:

If I may, I would like to just comment back on the equal pay for work of equal value philosophy. We have always argued that there must not only be equity in pay within the organisation but there must be equity in pay in terms of the market that we are trying to attract people from. If we achieve equity in pay inside the organisation, and that falls short of the marketplace we are trying to attract staff from, we have failed hopelessly. If we want a public sector workforce going forward that is going to be full of people that are qualified, capable, enthusiastic and want to work for the benefit of the Island, we have to be a competitive employer, and that means we have to offer terms and conditions that are comparable or better than our competitors are offering.

Chairperson, N.A.S.U.W.T.:

Can I just say, I do not argue with the chief executive's decision to bring in all these very highly-paid experts from the U.K., he clearly feels that we do not have sufficient expertise locally. I am not in a position to sit and dispute that. What worries me is the lack of the sustainability plan because, fine, bring these people in, if they do what we need them to do all well and good. What happens when they go? Who have we trained locally to sit in those spots?

Senator K.L. Moore:

In fairness to the chief executive, he has expressed to us clearly at a quarterly hearing that the idea, the philosophy, is that there will be succession planning and that part of the programme is to bring on the talent that they can see already in existence within our public sector.

President, Jersey Association of Head Teachers:

May I just go back to points made here about blurring the lines of terms and conditions reviews and current pay awards? Teachers and school leaders are currently undertaking a terms and conditions review. The Education Review Board is underway. However, a number of these meetings have been cancelled, not by then teachers, not by the J.A.H.T., at some of the meetings we have had non-representation from the H.R. (Human Resources) Department, who are clearly key players in this, therefore bringing into question the validity, the importance, of these negotiations and these discussions. Additionally, there is no allocated or direct resource being given or being suggested indicated to our proposals, for example, if we were to review the salaries of head teachers or deputy head teachers. We have no indication of any capacity to meet those recommendations from the Education Review Board, and so we are absolutely clear that we are not being treated fairly by the

employer. We have no human resources attending some of the meetings, there is no associated resource behind this, so we absolutely have to separate that process from pay negotiations.

Chairperson, N.A.S.U.W.T.:

I think it is worth adding, the process that Simon is talking about, the chief executive has said it has to be concluded by 31st March next year. Well, as they keep cancelling meetings, it is clear they are only paying lip service to any education review because I do not think either Simon or I would ever believe you could review the education structure by March next year. They have also applied that to uniformed services; so that is prison officers, police, fire service, are undergoing a similar review with the same deadlines. When I have asked, I have been told categorically there is no resource, there is no money attached to these reviews. They do not have it.

Senator K.L. Moore:

That is quite surprising when you think about the resource that went into workforce modernisation. You refer to it in your helpful note, which showed spending of about £10 million on the previous process that failed. Is that correct?

Vice-Chairman, J.C.S.A./Prospect:

Where it has been spent - we did get some information - but some of it has been spent on implementation for a small number of States workers who accepted it. But a large portion of that was in the administrative application to get it to the point where they could present it to their staff.

Senator K.L. Moore:

We have heard a suggestion that, rather than the aim of previous programme, which was to have one pay spine for the whole organisation, that perhaps now the idea will be that there should be, as an interim position, 3 pay spines to help move towards a single pay spine eventually. But there is, I think, an understanding that there needs to be an interim point along the path.

Chairperson, N.A.S.U.W.T.:

Well, it is very interesting that teachers and uniformed services were completely exempt from workforce modernisation. I sat on the board for 4 years and I was happy to do so, quite a bit easier to do it when you are in a position where your own colleagues and members are not going to be affected, but I do not see how they are going to move towards this single pay spine. The doctors had a 3-year deal so there are differences all over the place.

Vice-Chairman, J.C.S.A./Prospect:

We have not had any formal notification of this at all but we are happy to work with the employer towards their aims really because it makes sense that there is equal pay for work of equal value.

President, Jersey Association of Head Teachers:

I do not think anybody would dispute that.

Chairperson, N.A.S.U.W.T.:

No, not ever.

The Connétable of St. Martin:

Your submission highlights that the States wage bill runs to approximately £380 million per year. A considerable proportion of the population will therefore be affected in some way by changes to the public sector pay. Do you have any views on that?

Vice-Chairman, J.C.S.A./Prospect:

Yes, I have significant views. The public sector pay bill is about half of the Budget for the States, around about, and when you consider that there is nothing in the M.T.F.P. (Medium Term Financial Plan) that allows for outside influences to impact on that ... there is no wriggle room in the M.T.F.P. to allow that half of the States Budget to move with the cost of living. It just does not exist. They put in a set amount of money, which was woefully inadequate, and if that is all that is put into 6,500 people's wages that will impact on the families of every one of those 6,500 people. It will impact on the children of those families, it will impact on the restaurants those families eat in or are no longer eating in, it will impact on every aspect of Island life. That multiplication effect is quite clear. If the States of Jersey fail to look after such a large portion of the Island's residents by maintaining their standard of living - I am no expert on finances - but it seems very clear to me they stand a chance of triggering an artificial recession within the Island.

[11:45]

Because it impacts. We have had this year on year, so instead of people eating out once a week they are eating out once a month; that is the result of the last 10 years' pay. That is a third of the working population of the Island or thereabouts. Now, when you continue doing that it impacts, not just on those people, but it impacts on the rest of the Island. It is fair also to say that the £30 million deficit we are talking about is an Island-wide problem and it is very clear to the unions that trying to recover that £30 million primarily through staff is simply not acceptable. It will not work because it is too great an imposition on the staff. It will not work because the staff will get fed up and drift off elsewhere so we will stop giving the provision for the public that we need to be giving. It simply does not work because it impacts backwards on every other member of the public.

Chairperson, N.A.S.U.W.T.:

Absolutely right. It is equally offensive to see it as a (*J.E.P.*) *Jersey Evening Post* headline announced by the Chief Minister to the Institute of Directors or the Chamber of Commerce, when his own workforce are not aware of the £30 million deficit that is going to be met by staff cuts. We are happy to work with them; they do not seem happy to work with us.

Senator K.L. Moore:

When questioned on that point, the answer we received was that a communication was sent out simultaneously and while that speech was being given that staff would have received it.

Chairperson, N.A.S.U.W.T.:

Did any of you get that? I did not get anything.

Vice-Chairman, J.C.S.A./Prospect:

The first I saw of it was in the paper when they reported it. That was the first I saw of it.

Senator K.L. Moore:

Can we just revert to the point that you made about the M.T.F.P. and the lack of wriggle room please, because there was a question in the Assembly at the last sitting to the Chief Minister on a related point? On further inspection of the Public Finances Law it does appear that there is an opportunity to return to the Assembly if it is deemed necessary by the Council of Ministers.

Vice-Chairman, J.C.S.A./Prospect:

Yes, in the notes I gave you, the submission we gave you, we mentioned Article 9, which appears to us - and we are just laymen looking at this it is fair to say - that there is the room to revisit the M.T.F.P. if there is an urgent need. Now we are not talking about emergency; that is under Article 20 of the Public Finances Law, but Article 9 of the Public Finances Law seems to allow for circumstances that were not considered 4 years ago to be considered. But it has to be taken to the States. Now you are absolutely right, Deputy Southern asked a question on 6th November in the States of the Chief Minister as to what attention the Chief Minister has paid to Article 9 to provide a possible solution to the impasse achieved with our public sector workers, and his answer frankly was shocking. Senator Le Fondré said: "I have not directly considered it but would say that my focus at the moment is on the deficit that is arising in 2020 and that is outside the period of the present M.T.F.P." Now this shows very clearly that there is no interest in the public sector, in the staff, at all from the highest level. It seems to us, looking at that, that there are things of much more importance than looking at pay for the staff. For all the reasons I have said, that does not just impact on the staff; that says a lot to the people of Jersey about how staff in the States of Jersey are being treated overall at the moment. That filters right down to the officers that are sitting opposite us and negotiating with us when we say: "Please give us information" and we get nothing. We say: "Why

are you doing this?" and they say: "Because that is the way we choose to do it" rather than: "We are sticking with the agreed processes." This attitude is filtering down all the way through. But of course unions are the other way up in terms of structure to the States of Jersey. The States of Jersey has the chief executive at the top and he decides what is happening and people do what he says. That is the way life is. Unions are the complete opposite way around. We have at the top our members and they tell us all the time what it is we should be doing and it comes down to we are the skivvies that do what our members are saying. This attitude has now resonated with the members; they understand that they are completely disrespected; that there is no interest in them whatsoever, they are completely expendable. That is the way people are thinking. It is because of that that really it is time for the States of Jersey employers to say we need to show respect by at least meeting the cost of living, by at least maintaining the standard of our workers in their standard of living. That is why we are now at a position where we are talking about strike ballots.

Deputy S.M. Ahier:

Yet it says in the Common Strategic Policy proposed by the Council of Ministers: "We will reduce income inequality and improve the standard of living and we will work towards a fair balance between wages and living costs enabling Islanders to achieve a decent standard of living." Do you think this is achievable?

Vice-Chairman, J.C.S.A./Prospect:

Yes. Nobody here is asking for an increase in wages. Nobody wants to suddenly be rich. All we are asking for is maintaining our standard of living. Now the Budget tries to maintain the standard of income or the level of income by maintaining cost of living in the main, and I have suggested that this is the first time I have seen below cost of living come through the Budget for many years. But, nevertheless, to the majority of us, it seems that the Budget is done annually to allow flexibility for previous decisions so that, if more money is needed, it can be obtained by adjusting taxes or whichever tax you want to call it, by income, impôts, whatever, stamp duties. But it is not doing that. It is certainly not looking after the main problem that the States of Jersey are facing at the moment, which is the problem of maintaining the service. Because if your staff start to drift away you, as the States of Jersey, will not maintain the service required. It is more than that. You talk about one document, the Common Strategic Policy, which is all signed up to by the politicians, talks about putting children first. Well this is not putting children first. If you are not going to pay your teachers that is not putting your children first. If you are not going to pay staff to look after children in care that is not looking after children first. If you are not going to pay your staff to maintain their standard of living that is not looking after their children. That is just the very first. I have put in the submission to you several others, but every document you look at that has a strategic requirement for the States to be meeting, fails if you do not pay your staff.

Chairperson, N.A.S.U.W.T.:

Absolutely.

Senator K.L. Moore:

In the document you have demonstrated the answers and the level of response that you have heard from the Executive to date, which shows that they seem concerned about future costs and budgets and therefore the general affordability of pay. Would you agree that reaching cost of living is not an affordable option for the States of Jersey?

Vice-Chairman, J.C.S.A./Prospect:

No, absolutely not, and I will explain.

Chairperson, N.A.S.U.W.T.:

Not when you can spend £3.5 on bringing in a change team or Team Jersey. We understand the argument perfectly about pay increases being recurring costs, of course we do. If you give somebody a pay increase you have to find that money next year and the year after and the year after that. What we question is why we do not seem to have had anybody willing to take the responsibility to say we will need to meet that recurring cost. It really frightens me that, as my colleague says, the Budget does not allow for the cost of living and it does not allow for the need for a recurring cost. Well I am a housewife, I know what my recurring costs are every year, why do they not have the ability to say: "Yes, pay will be a recurring cost." That is the argument we are being given now, is it not: "No, we cannot find the money because it will be a recurring cost and we cannot commit to that cost."

President, Jersey Association of Head Teachers:

I would suggest it is a recurring investment as opposed to a recurring cost. It is an investment in Jersey.

Deputy J.H. Perchard:

Just while we are talking about cost of living, in our public hearing the chief executive, on page 10, he gives a rather detailed response and I would like to just draw your attention to the part where the chief executive says: "You would not in the normal course of events just automatically say that you would enhance salaries by cost of living. If there was rampant inflation then that would impact on the available money to spend as you undoubtedly know." What is your response to that statement, it is about halfway through that large paragraph?

Vice-Chairman, J.C.S.A./Prospect:

I think it is clear that the M.T.F.P. did not cater for any form of inflation within the period it covers. With the benefit of hindsight it would have been a more appropriate way forward to say we are going to give 5 per cent per year for wages and what is not used could go back into the coffers. Rather like my colleague was saying, if you are running a household, you know that next year it is going to cost you more to do your shopping each week than it has cost you this year and it is pointless saying to your family: "You are not going to get a roast on Sunday because we cannot afford it next year." But that is what you are asking your staff to do; that is exactly what they are asking staff to do, is to say: "You are not going to get your chicken roast on Sunday." The M.T.F.P. really should have had something built into it; it did not have, so now we have to look at what options are there to put that right. We maintain that Article 9 of the Public Finances Law could be used. We maintain that it is not set in stone. We understand it is difficult. Just because it is difficult does not mean it cannot be done. It is not beyond the wit of man here to find more money. Now what we were talking about a second ago, there are pots of money all over the place, there is over £100 million in the Consolidated Fund and there should only be £20 million in that fund according to the F.P.P. (Fiscal Policy Panel). So, whichever way we look at it, there is money around. My paper to you suggests several other areas, one-off payments, but any one of those one-off little pots of money could be used to finance the next 2018 and 2019 so that 2020, when they look at the new Government Plan, which as we know is the new M.T.F.P., the new name for it, when they sort that out they can start with a fresh piece of paper and say: "Right, we know the mistakes we have made, it has cost us one of our little pots of money. We do not want to do that again. We will build in a cost of living envelope for the next 4 years." However long that Government Plan is going to last for. We are civil servants and we are teachers, we are not greedy people, we are not here to make a fortune. Most of us would be very happy if the employer were to say: "We are giving you cost of living over the next 4 years and we will talk about other aspects as well." Most of us that is all we want, is just for our standard of living to be maintained and the certainty of that would probably mean most people would bite your arm off for it. So we completely agree with this idea that we need to plan for the future, we completely understand that the M.T.F.P. is not ideal, it is not perfect, but it has to be fixable because, if it is not, there are problems ahead and that is not a threat; that is what our members are telling us: "If you do not pay me, I am off. I am going to go and get a job elsewhere."

Chairperson, N.A.S.U.W.T.:

I get very frustrated when people talk about teachers' holidays. Teachers do not have holidays. We are only contracted to work for 190 days a year and get pay for those 190 days, heads are the same, you work a few more days I think, it is abrogated over the year. The rest of it is unpaid leave.

[12:00]

We are asking people to come into a profession where they are going to do a 70-hour work week, because that is in our last work survey, which you probably took part in, that is what it averaged out at that teachers work, between 65 and 72 hours a week, and we are asking them to do this with working below the cost of living, while they are losing money every year. I have never had to have in Jersey before - and I have been in my role quite a considerable time - a benevolence officer for teachers. I have one now and that says a lot to me about Jersey that teachers might need to approach me and are approaching me for benevolence payments to help pay their mortgages. Outrageous way to treat your staff really.

Vice-Chairman, J.C.S.A./Prospect:

It is also fair to say that there are members who are of the opinion that this is an artificial situation, it is a politically-engineered situation, and it is politically engineered, as I put in my note, because politicians failed to ensure that staff were sufficiently catered for financially within the M.T.F.P. Politically engineered because promises made to some groups, like the nurses at S.E.B. level, have not materialised. Politically engineered because the previous S.E.B. sat on their hands and failed to consider the pay rounds in a timely manner before the elections, and we did warn them that would be a problem. We warned them back at Christmas that they needed to get themselves sorted. It is politically engineered because the current incumbents of S.E.B. seem to have inherited a shambles to try to resolve. I have some sympathy for them but they need to resolve it.

Senator K.L. Moore:

I am conscious that we have run slightly over time already. But we are very grateful for all of your comments. I think in the main we have covered all of the ground. Do you have any additional comments that you would like to make; any points?

Chairman, J.C.S.A./Prospect:

If I may, chair, a number of members have drawn my attention to an advert that has been put on the Channel Islands tenders board, which is causing a lot of concern. The opportunity ID is DN373490: "Provision of an external outplacement service and look to expressions of interest to provide an external outplacement services for displaced employees at tiers 3 and 4 in your operation. Tiers 5 and 6 will be dealt with by the back-to-work team." This sends a very strong message out to an already disgruntled workforce that the employer is intent upon slashing further jobs in the public sector and the resultant slashes to services provided.

Senator K.L. Moore:

Thank you. We will have a look at that. But I understand fully the point you are making there. Thank you. What are you hoping you will hear on 20th November when the chairman of S.E.B. makes her statement to the Assembly; what would you like to hear from the chair to bring things forward?

Vice-Chairman, J.C.S.A./Prospect:

We would like to hear that pay, target operating model and modernisation of the workforce are separated out from each other. We would also like to hear that staff will get paid cost of living rises for 2018 and 2019. That is what we would like to hear.

Chairperson, N.A.S.U.W.T.:

That is not what we are going to hear though.

Vice-Chairman, J.C.S.A./Prospect:

I do not think so.

President, Jersey Association of Head Teachers:

As Mick said, the States workforce would bite the hand off the employer if that was the situation and you would have a workforce that would want to be working for the States of Jersey rather than a very disgruntled workforce that we feel our members are saying that they are feeling.

Vice-Chairman, J.C.S.A./Prospect:

Just one last point if I may. It seems reasonable that if you are going to make huge organisational changes, the very first thing you need to do is to make your staff content. The easiest way of doing that is paying them a reasonable yearly increment or cost of living rise. That is so easy; it is just basic stuff.

Senator K.L. Moore:

The point being that then the staff would be fully engaged in achieving the best possible target operating model, which is what you wish to see I would imagine.

Chairperson, N.A.S.U.W.T.:

I sat on that workforce modernisation board for 4 years and they were 4 very long years because we met every week, at least for one full day, sometimes for 2 full days, and there was not anybody in that process who did not believe that they could make it achievable. When it fell apart was when they did the monetary calculations and that is when suddenly everything we had sat and worked on as a board and as working parties, everything changed overnight. Because then they tried to make the organisation fit the money, not the other way around. I do not mind going on record and saying I am absolutely stunned and horrified that head teachers are voting to take industrial action; I have never heard anything like it in my life. Teachers do not strike, they do not like to strike, heads never take action, and to hear some of the arguments I have heard during meetings, which are all valid, it makes me really worried for the future of this Island, for my children, for their children. You cannot

have a committed valuable public service when you treat people with contempt and that is how we are being treated.

Deputy J.H. Perchard:

Is there any arrangement that has been made for you to be consulted with after the 20th? How have things been left?

Vice-Chairman, J.C.S.A./Prospect:

We do not have any outstanding meetings booked.

Deputy J.H. Perchard:

So as far as you are concerned negotiations have ended?

Chairperson, N.A.S.U.W.T.:

They never started.

Deputy J.H. Perchard:

But communication, so you are certainly not expecting further communication after the 20th and after your count on Monday your members will decide on the appropriate action in response to your experiences?

Chairperson, N.A.S.U.W.T.:

I think it is fair to say that the current organisation has been very successful in one aspect. They have united public sector workers in a way that has never been seen anywhere because we are all, nurses included, manual workers; we are firmly committed to standing together on this. Any action that the civil service may take will have the full support of the teachers, the heads, the nurses. That is quite a damning success criteria for an organisation, is it not, really?

Chairman, J.C.S.A./Prospect:

If I may, the action we have been forced into, and it has been forced, has been taken with the greatest reluctance and the deepest regret. The public sector workforce is committed to providing the best public service it can to the people of this Island who mostly we have connections with, either by family, by friends, the vast majority of Islanders have connections with people working in the public sector. We want to provide a good service for them, not only for today, for tomorrow, for our children, and the day after when they have children. We want to see Jersey being at the level of public sector service that it deserves and it has currently. To put anything in place that would jeopardise that flies completely in the face of the loyalty of the staff towards the people they serve.

But unfortunately one gets to a position where one is backed into a wall, one has nowhere else to go.

Senator K.L. Moore:

We thank you all for your time today. I close the hearing.

[12:09]