

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.J. WARD OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 25th SEPTEMBER 2018**

Question

Will the Minister, as shareholder representative, advise –

- (a) what pay rises, if any, have been awarded to States-owned bodies for which the Minister is shareholder representative, such as Ports of Jersey and the States of Jersey Development Company, during the term of the current Medium Term Financial Plan; and
- (b) what pay offers, if any, have been made for 2018 and 2019 by such States-owned bodies?

Answer

The States owned companies were established because of the unique challenges each business faced in delivering their services. The States therefore assigned to each company, under their independent Boards, the responsibility for the direction, strategy and management of the business.

As such, the terms and conditions of employment for the staff of each company are a matter for the Board of Directors, its employees and their representatives in order to meet the needs and the best interests of the businesses taking account of the environment within which each one operates. The shareholder is not involved in the general pay decisions of the company, although the importance of Boards taking into account their ownership by the States and the wider Island economic interests, in their pay settlements, is regularly emphasised and acknowledged

The terms and conditions for staff in each of these companies is different as they reflect the needs of those individual businesses. These terms and conditions mean a simple annual pay increase percentage figure is misleading e.g :-

- Staff can have moved to personal contracts following incorporation, with changed terms and conditions, which may be reflected in pay increases in a particular year.
- Changes in terms and conditions could include additional benefits, changes in remuneration structures and allowances in a particular year.
- Increases may be consolidated or non-consolidated.
- Performance related pay, linked to business improvements and targets may distort particular year(s).
- Other benefits might be non-financial – e.g. linked to annual leave.

However, the general increases relating to each of the companies is set out in the attached table.

The information provided relates only to those 100% States owned companies and excludes Jersey Electricity and Jersey Water. Executive director remuneration is published in the Report and Accounts of each of the companies and these have previously been presented to the States.

Jersey Telecom	<p>2016 – 1% pay pot plus an additional £500 unconsolidated payment made in November 2016.</p> <p>2017 – 1.5% pay pot plus an additional £250 unconsolidated payment made in June 2018.</p> <p>2018 – 2.5% pay pot plus an additional 1% pay pot in October 2018 (subject to hitting EBITDA targets)</p> <p>2019 – 1.5% pay pot plus an additional 1% pay pot in October 2019 (subject to hitting EBITDA targets)</p>
Jersey Post	<p><u>Operational staff</u></p> <p>2016 – (1st January) 0.8% as part of 2015 pay deal.</p> <p>2016 – (1st May) 1.7% plus bonus (changes made to terms and conditions)</p> <p>2017 – (1st May) 2.47% plus bonus</p> <p><u>Managerial and Admin staff</u></p> <p>2016 – (1st January) 0.8% as part of 2015 pay deal.</p> <p>2016 – (1st May) 1.7% plus bonus</p> <p>2017 – (1st May) 2.2% plus bonus</p> <p>2018 – Pay negotiations ongoing</p>
SoJDC	<p>2016 – average basic salary increase of 1.8%</p> <p>2017 – average basic salary increase of 2.5%</p> <p>2018 – average basic salary increase of 1.5%</p> <p>2019 – not yet determined.</p>
Andium Homes	<p>All Andium staff are on personal contracts, so there are not “across the board” awards.</p> <p>2016 – no pay increase</p> <p>2017 – in January 2017 all staff were transferred to benchmarked market median contracts on new modernised terms and conditions, with a review date of July 2018, where market median was adjusted by 2%.</p> <p>2018 – increases are consistent and within the 2% policy set by the Board.</p> <p>2019 – has not yet been considered and will be based on market data and within Board policy.</p>
Ports of Jersey	<p>All awards have a performance related element.</p> <p>2016 – 1% consolidated on 1st January plus £500 non-consolidated lump sum to each employee (pro rata to part time and zero hours employees), based on the business reaching agreed targets.</p> <p>2017 – 1.14% on 1st January 2017, plus 1% non-consolidated lump sum based on 2017 profit and business improvement targets, paid in May 2018.</p> <p>2018 – 1% on 1st April 2018, with a 2% non-consolidated lump sum based on agreed profit and business improvement targets. This will be assessed at the end of the financial year. This pay award was part of the implementation of a total new set of terms and conditions for all Ports staff. All staff received a minimum of 1% but others received more, depending upon how the change of terms and conditions impacted on them.</p>