

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2009: VARIATION IN RESPECT OF PAY FREEZE – RESCINDMENT (P.143/2009) – AMENDMENT (P.143/2009 Amd.) – COMMENTS

**Presented to the States on 20th October 2009
by the Council of Ministers**

STATES GREFFE

COMMENTS

Deputy Maçon's amendment to P.143/2009 attempts to overturn the decision taken by the States to remove the ongoing funding for a 2% pay award effective for the pay year commencing June 2009, and to tell the SEB to negotiate only with employees whose pay falls into a specific range. It is noted that the Report suggests that this group should be those earning less than the average annual salary of £32,240 but the Proposition states the opposite, that all full time employees earning over £32,240 per annum and all part time employees earning over the relevant pro rata equivalent of this amount. It is assumed in these Comments that Deputy Maçon had intended to address the lower paid group of employees. His amendment should be rejected for the following reasons –

As the comparison table below clearly shows, States employees in the lower grades, those earning below the average annual salary of £32,240, are already earning more than their counterparts in the private sector. Whilst recognising that all of the manual worker grades and some of the Civil Service grades fall below the average annual salary of £32,240, many of these workers earn significantly more through receiving overtime and other allowances which takes their overall earnings beyond £32,240 per annum.

While it is accepted that those workers on lower incomes will feel the impact of a pay freeze more than higher earners, those working in lower paying jobs in the private sector would feel the pain even more. To award an increase to workers in the public sector at a time when a significant number of people in the private sector are facing pay freezes or even losing their jobs, does not seem equitable.

There would be a further effect of this amendment that would upset the established mechanisms for grading jobs in terms of the amount of responsibility and complexity inherent in the work and paying for jobs at different levels. In effect, increasing pay only at the lower grades will mean that people doing more complex or more responsible work will feel that they are not being fairly compensated in comparison to those doing less difficult or less responsible jobs and this will lead to significant future pay claims to restore the pay differences between grades.

It is important that the States set affordable cash limits that include provision for staff pay awards and then allow the industrial relations processes to deal with how that money is used to fund pay awards through the usual negotiating machinery.

At the latest meeting on October 9th 2009, when the States Employment Board met the Employee representative groups the Chief Minister encouraged the employee groups to continue negotiations and include the 2010 pay round and suggested that any agreement could be effective from as early as 1st January 2010, subject to overall 2010 cash limits.

<i>SoJ Civil Service Grade</i>	<i>SoJ Manual Worker Grade</i>	Total Pay Standard Working Week		
		Maximum of scale States of Jersey	Private Sector	£ Difference
	<i>1</i>			
	<i>2</i>	£21,658	£14,420	£7,238
<i>1</i>	<i>3</i>	£22,708	£18,301	£4,407
<i>2</i>	<i>4</i>			
<i>3</i>		£24,114	£22,000	£2,114
<i>4</i>	<i>5</i>	£25,603	£22,461	£3,142
<i>5</i>	<i>6</i>	£27,709	£23,997	£3,712
<i>6</i>	<i>7</i>	£29,462	£28,458	£1,004
<i>7</i>	<i>8</i>	£31,302	£32,085	-£783
<i>8</i>		£35,658	£35,857	-£199
<i>9</i>		£41,324	£38,000	£3,324
<i>10</i>		£45,535	£44,565	£970
<i>11</i>		£50,725	£48,906	£1,819
<i>12</i>		£55,752	£59,221	-£3,469
<i>13</i>		£63,880	£70,457	-£6,577
<i>14</i>		£72,236	£90,828	-£18,592
<i>15</i>		£79,794	£98,544	-£18,750

£32,240: all island average earnings figure (June 09)

NOTES

1. Average basic pay for Nurses (including Health Care Assistants) is approximately £36,500 (range £20,831 – £25,634 for Health Care Assistants and £28,107 – £55,250 for qualified nurses) and for Teachers is approximately £43,000 (range £30,712 – £45,316 plus supplementary allowances of between £2,197 and £13,178).
2. These figures do not include overtime, standby payments or other allowances.
3. Figures above exclude employer pension and Social Security contributions.
4. Figures derived from independent HBA report.