

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON MONDAY 26TH SEPTEMBER 2016**

Question

Will the Chief Minister advise Members of the following in relation to the pay provisions contained in the MTFP Addition:

- (a) How the figures for pay restraint efficiencies in the years 2016 to 2019 were determined and how these savings will be delivered;
- (b) What policy underpins the figures provided for pay awards in 2017 and the indicative pay provision figures for 2018 and 2019;
- (c) To what extent delivery of the MTFP Addition is dependent on continued wage restraint in relation to public sector workers; and
- (d) What analysis, if any, has been undertaken to assess the potential for wage restraint in the Department of Health and Social Services, given the potential impact developments in this area can have on maintaining and improving recruitment and retention?

Answer

- (a) Pay restraint for the MTFP2 period was determined after extensive deliberations of the Corporate Management Board, SEB and Council of Ministers advised by officers from the HR function. They form part of the overall savings plan for balancing the finances of the States of Jersey by 2019, whilst still investing in key strategic priorities such as Health, Education and Economic growth. The proposed savings (c£25million over the duration of the MTFP) are to be delivered by a mixture of pay restraint, headcount reduction, service redesign and close vacancy management. Experience to date says that all these aspects are contributing to the savings required. On the basis of the pay awards that have been agreed for 2015 and the employer's offer of 1% for 2016, almost £11 million of the planned £25 million planned pay restraint savings have already been delivered.
- (b) The Pay policy of the States of Jersey remains as it always has – to provide for the recruitment and retention of the key skills needed for the provision of effective public services which is affordable and sustainable for the islands tax payers. The Reward team in States Human resources maintains regular monitoring of the reward needs of all services and advises the SEB and departments as necessary. This includes analysis of local and UK markets to ensure that as an employer we maintain our reward outcomes. The importance of developing a fairer and more equitable remuneration structure through Workforce Modernisation is the basis of the pay provisions for 2017-2019.
- (c) All aspects of sustained control of public sector headcount and costs are critical to the delivery of a balanced budget – headcount costs – wages, pensions, social security etc. are the most significant cost factor in public services. Hence they are pivotal to the ability of the States of Jersey to balance its budget in this MTFP. The recent political and economic changes which may well emerge from

the “Brexit Process” demand prudence. The delivery of Workforce Modernisation within the pay provisions proposed in the MTFP Addition would deliver the required level of pay restraint.

- (d) The majority of the pay groups in Health and Social Services, including Nurses and Midwives, are included in the Workforce Modernisation review which has as its objective a fairer and more equitable remuneration structure. The HSSD HR team keep the HR reward team up to date with any issues they may be experiencing vis a vis recruitment and retention. Pay in itself is not the only issue which impacts on recruitment and retention in HSSD. Issues such as suitable accommodation, jobs for partners, quality of work and the development of the P82 and new hospital developments all play a part.