

2.10. Deputy G.P. Southern of the Chief Minister regarding public sector pay targets:

Would the Chief Minister inform Members whether the pay restraint policies currently in place for the public sector, 2.5 per cent for 2006 and 2007, will only serve to defer and not eliminate larger pay rises in the future and would he state whether he is confident that he can maintain the public sector pay target for 2008 and 2009 as currently proposed in the Annual Business Plan 2007?

Senator F.H. Walker (The Chief Minister):

The States have decided that public sector spending should be constrained as far as possible without reducing the high level of service and benefits which are delivered. This reflects the views of the public and businesses of Jersey. Staff costs account for over half the revenue expenditure of the States and I would point out to Members that a one per cent increase on the current pay bill amounts to £2.7 million per annum. It is too early to make judgments on 2008 and 2009. We have not yet agreed the 2006 pay settlements and we have not even started negotiations on 2007. The Business Plan provides a target for the overall wage bill and, as in the current year, it will be a question of balancing the legitimate expectations of our workforce against the need to constrain growth in States expenditure, the need to maintain services and to protect jobs. It will not be easy but this House will have the final say on the level of resources to be made available in 2008 and 2009. The States Employment Board will then do all it can to finalise pay settlements in line with the resources allocated.

2.10.1 Deputy G.P. Southern:

Will the Minister confirm that the total sum available for pay claims in 2006 and 2007 is fixed at 2.5 per cent and that it is not possible to move those figures at this stage by anybody - the Chief Minister, the Treasury Minister or anyone in this House - and thereby the supposed negotiation taking place over any wage rises is a complete farce because those sums are fixed? Furthermore, is he confident that, given he already faces 2 action ballots by 2 sectors of the public sector in 2006, he will not face confrontation and conflict in 2007?

Senator F.H. Walker:

I very much hope that we will not face confrontation in 2007 but I cannot, in current circumstances, make any statement of confidence that that will be the case. That will, of course, be in the hands of the workforce. But, Sir, could I make it clear to Members that the overall pay bill which the States are working to - which the Employment Board is working to - was agreed by this House in the Business Plan 2007.

2.10.2 Deputy G.P. Southern:

Is the Chief Minister prepared to reconsider his pencilled-in figures of 2.5 per cent for 2008 and 2009, especially in the context of in 2008 G.S.T. will come into play which will take £45 million out of the pockets of workers which, on average, is something like over £500 per worker? Is he prepared to reconsider his targets which are confrontational?

Senator F.H. Walker:

I am not prepared to even begin to negotiate in public which is, in effect, what the Deputy is asking me to do. So, I regret I cannot give him an answer to that question.

Deputy G.P. Southern:

If I may, the Business Plan for 2008 is not yet formed.

The Deputy Bailiff:

I think, Deputy, you have had enough for the moment. The Connétable of St. Helier.

2.10.3 Connétable A.S. Crowcroft of St. Helier:

Could the Chief Minister confirm that only upward revision of the current offer would impact severely on the ratepayers of St. Helier, who currently fund the second largest manual worker group?

Senator F.H. Walker:

Yes, Sir, I can confirm that would be the case.

2.10.4 Deputy G.P. Southern:

Is the Chief Minister fully prepared for not just one winter of discontent, but something like 4 winters of discontent in terms of his relationships with the workforce on this Island?

Senator F.H. Walker:

I believe our workforce is more responsible than that and I am not sure if the Deputy is not, by the tone of his question, almost seeking to encourage that sort of position. I sincerely hope not.

Deputy G.P. Southern:

I object to that innuendo, Sir.

Senator F.H. Walker:

I did say: "I am not sure by the tone of his question" [**Laughter**] and I went on to say that I very much hope he is not. Sir, the States workforce is, without question - and this has been proven by salaries in a number of years - one of the best rewarded, not just in terms of pay but in terms of conditions of service of any working group in Jersey, particularly at the lower end of the pay scales. I very much hope that we can reach negotiated, sensible agreements with all members of the States workforce. I very much hope they will recognise the position of the States in this matter and work with us to achieve a sensible and agreed conclusion but, of course, I have no way of knowing currently whether that will, indeed, be the case.