

STATES OF JERSEY



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

Lodged au Greffe on 14th October 2009
by Deputy J.M. Maçon of St. Saviour

STATES GREFFE

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PAGE 2, PARAGRAPH (b) –

After the words “for public sector pay groups” insert the words “for all full-time employees earning under £32,240 per annum and all part-time employees earning under the relevant *pro-rata* equivalent of this amount”.

DEPUTY J.M. MAÇON OF ST. SAVIOUR

REPORT

I do not feel that I could support the entire rescindment as the States as a body do need to make savings and reduce the cost of the public sector. However, people still have to live so I do not feel that a total pay freeze is the right thing to do either.

The Deputy of St. John cited from P.68/2009 correctly pointed out that "... in recent times Jersey has become a more expensive place to live and that staff, like all Islanders, have had to contend with the introduction of GST, increases in ITIS payments under 20 means 20 and general cost of living rises...".

Therefore, I am suggesting that those who earn £32,240 full-time equivalent (the average annual salary) should be allowed to enter pay negotiations for a maximum of a 2% increase in salary. For those who are part-time for the figures to be amended accordingly. The maximum cost of this amendment according to the advice from the appropriate officers would be £1,164,000 in 2009 and have a full year effect of £1,995,000 in 2010. These figures include the cost of the Employer's pension and social security contributions.

These figures are maximums as the negotiations could settle at perhaps 1%. I cannot predict the outcome of such negotiations.

The English Conservative Party have also accepted that a flat pay freeze is not appropriate and have made the pledge that would impose a one-year pay freeze for public servants earning more than £18,000. Whilst the Labour Government have advised bodies that review public-sector pay levels to freeze the pay of the country's most senior civil servants and curb pay rises of other top government workers, though allowing for a 0-1% increase more junior groups.

I have chosen £32,240 as it is the States of Jersey official average salary for full-time equivalent posts thus it was a figure that already existed. I believe that currently that even those on middle incomes are struggling with all the taxation measures that have been imposed and with the price rises that accompany a recession.

In Jersey's Fiscal Policy Panel Annual Report 2009 the authors comment that during times of a downturn or recession that money should be targeted to those on lower pay scales as it is proposed that these monies then circulate in the economy and a good multiplier effect. I am quite aware that I am stretching this argument but I believe that even those on the average wage in the current circumstances are struggling.

Financial and manpower implications

If the States were to give a 2% pay increase to all States staff earning £32,240 or less, it would cost £1,164,000 in 2009 and have a full year effect of £1,995,000 in 2010. These figures include the cost of the Employer's pension and social security contributions. There are no additional manpower implications.