

STATES OF JERSEY



VOTE OF NO CONFIDENCE: STATES EMPLOYMENT BOARD

Lodged au Greffe on 8th September 2009
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

that they have no confidence in the States Employment Board.

DEPUTY G.P. SOUTHERN OF ST. HELIER

Note: In accordance with Standing Order 22(a) this proposition has been signed by the following members –

1. Deputy D.J. De Sousa of St. Helier
2. Deputy M. Tadier of St. Brelade
3. Deputy M.R. Higgins of St. Helier

The reasons for bringing this proposition are set out in the report below.

REPORT

Part 2 of the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#) covers the role of the States Employment Board (SEB) thus –

“4 States Employment Board

- (1) The States Employment Board shall be established.
- (2) The States Employment Board shall be a body corporate with perpetual succession and may –
 - (a) sue and be sued in its corporate name; and
 - (b) so far as possible for a body corporate, exercise the rights, powers and privileges and incur the liabilities and obligations of a natural person of full age and capacity.

5 Membership of States Employment Board

- (1) The States Employment Board shall be constituted by –
 - (a) the Chief Minister or a member of the Council of Ministers who is nominated by the Chief Minister to be a member of the Board in his or her place; and
 - (b) not less than 2 other members of the Council of Ministers who are appointed in writing by the Council of Ministers to be members of the Board.
- (2) The Chief Minister or, if the Chief Minister nominates a person under paragraph (1) to be a member of the Board in his or her place, that person, shall be the Chairman of the States Employment Board.”.

The membership of SEB is currently –

Senator T.A. Le Sueur, Chairman
Senator P.F.C. Ozouf
Senator T.J. Le Main
Connétable M.K. Jackson of St. Brelade.

There is no doubt that the States Employment Board has seriously mishandled negotiations with the representatives of the public sector workforce over the 2009 pay award. I use the word “negotiations” extremely loosely because there were none. Instead we have witnessed the arbitrary and unilateral declaration of a pay freeze.

With the pay freeze, the SEB has insulted our dedicated public employees, who are already working hard to hold public services together in the face of funding cuts, and the threat of redundancies. The fact that public sector employees are meeting to discuss joint action for the first time in at least 30 years is indicative of how far the SEB has set back industrial relations and lost the respect of our workforce.

The establishment of a pay freeze runs counter to the Minister for Treasury and Resources’ attempts to support the economy through recession. Whilst pumping £44 million into the economy through stimulus initiatives, he has effectively taken

around £7 million out of circulation. That pay rise would have been better in States employees' pockets, to be spent in the local economy.

Having declared a pay freeze, the Chief Minister then managed to convince representatives of States employees that they were free to re-open negotiations over 2009 pay and public sector cuts, when nothing was further from the truth. In the words of the report (Jersey Evening Post of 12th August) "they won't budge over £4m cuts and the pay freeze".

Any negotiation was to be "within policy". That policy, decided not by the States, but imposed by the SEB and sanctioned by the Council of Ministers, was simple: there will be a pay freeze and service cuts. These were not negotiable; the Chief Minister was just playing with words and playing for time.

In the course of several attempts to convince public sector workers to acquiesce to the imposition of a wage-freeze, the SEB have resorted to a series of less than honest arguments. Early on, the States Chief officer tried to persuade representatives that the money saved from the pay award would go to fund apprenticeships and other stimulus measures. These are now covered by the Stabilisation Fund, as was always anticipated.

Later, the Chief Minister tried the line that savings would go to funding services at the Hospital. Both were, as we now know, untrue. The savings are not diverted to any worthwhile cause except the accountant's bottom line.

Earlier in the year, during the course of 3 debates, the Minister for Treasury and Resources presented zero pay awards as the norm on the basis of zero evidence. He informed the States on 14th July that: "the public sector needed to be setting an example" and that there were: "pay freezes across the private sector". Here we are, a little over a month later, and this is shown to have been misleading. The reality is shown by a 3.3% rise in earnings for the private sector, led by the finance sector with 3.5%. This compares with the public sector workforce falling behind with a mere 1% rise in earnings over the year. The public sector has already fallen behind when compared with the private sector, and yet we are to impose a further freeze.

What is worse in terms of recruitment and retention of vital workers in our hospitals and schools, the comparison with the U.K. revealed in the A.E.I. figures shows that whilst the Jersey private sector did 1.7% better than its U.K. equivalent, the public sector workers fell 2.7% behind workers in the U.K. Nurses and others are better off elsewhere. This at a time when an entire ward is closed down because of staff shortages, and there is a waiting list for cancer treatment.

The Chief Minister was equally slippery with the facts in debate over attempts made to amend the pay freeze policy in the States. He presented comparisons which purported to show not only that public sector workers were better off than their counterparts in the U.K., but also that they were better paid than those in the private sector in Jersey. The presentation of his figures was designed to mislead.

To start with, he failed to compare the cost of living in Jersey and the U.K. before comparing wages. The best data can be obtained from the Jersey Household Expenditure Survey (HES) 2004 – 5. This reveals that the cost of living in Jersey is a massive 46% higher than the U.K. This is the benchmark for any real comparison of wages, and yet it was not mentioned in the report to the States.

Figures presented by the Chief Minister suggested that public sector workers were far better off than their colleagues in the U.K. On average, Jersey States workers were 39% better paid. This does not make them 39% better off. To be better off, Jersey workers would have to be paid at least the benchmark figure of 46% more to match the cost of living here. They are in fact 7% worse off.

Similar remarks could be made about the figures presented for comparison of Jersey public and private sectors in order to justify a pay freeze. For example, public sector nurses are supposed to be 1% better off than their private sector colleagues. The data reveals that they are in fact 6% worse off.

The end result of all this is rapidly worsening industrial relations, with unions in dispute with SEB and several unions seeking to ballot their members over action. The representatives of public sector employees, who have for many years co-operated with the States as employer, to promote the good of the Island and to deliver public services that all can be proud of, have been forced into dispute by the confrontational actions of the SEB. In voting for this proposition, States members have the opportunity to call a halt to this confrontational stance on the part of the SEB, and to return in good faith to properly negotiate a way forward that will not cause bitterness for years to come.

Financial and manpower implications

There are no financial or manpower implications for the States arising from this proposition.