

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2009: VARIATION IN RESPECT OF PAY FREEZE – RESCINDMENT

**Lodged au Greffe on 9th September 2009
by Deputy S. Pitman of St. Helier**

STATES GREFFE

PROPOSITION

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

- (a) to refer to their Act dated 14th July 2009 in which they adopted a proposition of the Minister for Treasury and Resources and, having referred to their Act dated 22nd September 2008 in which they approved paragraph (b) of the Annual Business Plan 2009, agreed to vary that decision as it related to the provision for the 2% provision for the 2009 pay award and remove the £3,501,600 allocation in the 2009 Annual Business Plan set aside for this purpose with the amount removed from the agreed heads of expenditure of each States-funded body as set out in the proposition, and -

to rescind that decision;
- (b) to request the States Employment Board to restore the process of 'free collective bargaining' for public sector pay groups and re-open pay negotiations with the relevant public sector employees representatives with immediate effect.

DEPUTY S. PITMAN OF ST. HELIER

Note: In accordance with Standing Order 23(a) this proposition has been signed by the following members –

1. Deputy D.J. De Sousa of St. Helier
2. Deputy T.M. Pitman of St. Helier
3. Deputy M. Tadier of St. Brelade

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

REPORT

At its meeting of 23rd April 2009 the Council of Ministers recommended that the States Employment Board (which includes, in case Members should forget, both Chief Minister Senator Le Sueur, and Minister for Treasury and Resources Senator Ozouf) pursue a policy of zero per cent increase in the overall budget for public sector pay for the period 2009 – 2010. The reasoning behind this decision was the argument that given the economic downturn some private sector companies were facing the prospect of job losses and/or pay freezes.

It was thus argued by Ministers, who were proven to be quite happy to illegally remove the rights of the representatives of public pay sector groups to negotiate pay settlements; a decision that many of us within the Assembly felt could do nothing other than further damage employer/employee relations and staff morale which were already at a record low; that as a result, States employees who enjoyed a much 'larger measure' of job security could not expect a pay award this year.

This argument overlooked evidence from the U.K. and other countries that such measures at times of economic downturn only led to greater pay claims at a later date when situations improved. The decision also failed to adequately consider the significant negative impact that effectively removing money from workers' pockets during a downturn only added to, and even prolonged such problems.

A minority of us within the Assembly felt we had failed States workers in allowing this situation. Indeed, attempts were made by both the JDA's Deputy Geoff Southern and Deputy Phil Rondel to rectify this appalling decision.

If ever a public meeting demonstrated just how wrong the Council of Ministers was in bringing these measures, and the failure of Government as a whole to prevent them doing so, then the meeting held by States workers at Fort Regent on 7th September 2009 did just that. Here, the handful of States Members who took the trouble to turn up, heard from loyal, hardworking employees just how devastating an impact this decision was having on them and their families.

Again and again we heard the anger expressed that employees were having to suffer as a result of bad decisions made by the majority of their Government; employees and their families were now facing difficulties due to a pay freeze combined with a high cost of living that States policy had failed to control; employees' anger that while they were being told to cut their spending, those Ministers who wasted millions, such as in the case of the incinerator contract debacle, remained in position and totally unaccountable to those who had elected them. And whilst other alternatives of raising tax revenue, e.g. land development tax, which has been purported within a number of States' reports to be a viable option, or enforcing 1(1)k residents to pay their proportion of tax, are ignored.

The result of all this: it was quite clear by the end of the evening that, finally having had enough of being treated with such contempt, the different pay groups are ready to initiate industrial action together. The consequence of this can only be deeply damaging to both Jersey's present and to its long-term recovery from the present economic downturn.

It is time for this Government to acknowledge that it got this decision wrong and to rescind the pay freeze before we do even more damage to the Island. It is time to restore the funding that was already budgeted for to the pay award. It is time to treat our States employees with the respect and recognition they deserve in serving the people of this Island.

Financial and manpower implications

The full costs of rescinding this pay freeze are fully covered by the restoration of funds previously set aside for pay awards for this period. As such, I believe that there are no other financial or manpower implications relating to this proposition.