

2018.10.23

**1 Deputy M.R. Higgins of St. Helier of the Chief Minister regarding the role of Ministers in respect of pay negotiations for the public sector: [OQ.164/2018]**

Will the Chief Minister explain what role, if any, Ministers play in States pay negotiations and, in particular, whether they have agreed the strategy and approach adopted by the States Employment Board to negotiations; and is it his assessment that the policy of offering pay awards at, or below, the level of inflation has had any effect on confidence levels and on retention and recruitment in the public sector?

**Senator T.A. Vallois (Deputy Chief Minister - rapporteur):**

Ministers do not take part in direct pay negotiations other than the role of the Chief Minister to delegate to the Chair of the States Employment Board who, with the Board, has delegated the role of negotiation to officers. However, the approach to such negotiations has been presented and acknowledged by the Council of Ministers as of 5th September this year, which stated that the Council accordingly noted the position regarding the 2018/19 public sector pay award and acknowledged the need to address modernisation of pay and rewards through the rollout of the target operating model. Although there has been no overall assessment completed, we recognise the concerns expressed and also restate the fact that this is not just about providing pay awards at a level of inflation but one of much more complexity, which involves the issue of equal pay for equal value and restructuring the role of the public sector.

**5.1.1 Deputy M.R. Higgins:**

So, for the avoidance of doubt, the Council of Ministers are driving the policy and it is not the Chief Executive who has determined the policy, which the Council of Ministers have agreed to, is that correct?

**Senator T.A. Vallois:**

It is the States Employment Board that have set out the framework for the negotiations and it is the Council of Ministers who have acknowledged that framework that the States Employment Board have set out.

**5.1.2 Deputy G.P. Southern of St. Helier:**

Does the Chairman not accept that in negotiating the target operating model, the modernisation initiatives and the pay awards for the coming years, her approach has been one that is somewhat confused in mixing all those 3 elements together?

**Senator T.A. Vallois:**

I think, like I said in the answer at the beginning, this is quite a complex situation where we had the workforce modernisation in the last term; that was rejected by unions and so had to go to the drawing board to look at how we can ensure the change to the public sector and recognising equal pay for equal value; it is a much more complex issue than just stating that this is purely just on the pay award situation. We need to recognise that we have a lot of work to do and a lot of legacy issues to deal with, with regard to public sector pay and modernisation.

**5.1.3 Deputy G.P. Southern:**

Does the Chairman accept that the approach adopted by the Employment Board is one which does not engender confidence, given that we have 600 vacancies in the public sector and below-inflation pay awards on offer? Does she not consider that is likely and is driving down morale among our public sector?

**Senator T.A. Vallois:**

We recognise there are concerns among all staff, not just with regards to pay awards, but with the modernisation of the public sector, hence the reason why the States Employment Board have agreed to meet with the unions this Thursday to discuss where we are now with regards to that negotiating position and listen to what the unions have to say directly as a States Employment Board, rather than through the officers.

**5.1.4 Deputy R.J. Ward:**

Assistant Minister, is it not the case that the reality of the situation is that there have been below-inflation pay rises for a number of years, 8 to 10 years, which has constantly eroded the value of our public services, the value of our public service workers, and created an atmosphere of disillusionment and mistrust, which is one of the reasons workforce modernisation failed and one of the reasons why a target operating model has to be imposed upon this workforce and one of the reasons why we have 639 vacancies that are very difficult to fill?

**Senator T.A. Vallois:**

I do recognise there are legacy issues here and this is the reason why I think we have come to a point of difficulty in terms of how we move forward with regards to pay awards and modernisation. But we are looking at whether our pay offers can be restructured to make them more acceptable to staff and unions, hence the reason why the States Employment Board are willing to sit down and listen to what the unions have to say this coming Thursday.

**5.1.5 Deputy G.P. Southern:**

Is it not the case that, given that statements coming from various Members of the Council of Ministers and their officers that there is no more money, make the discussions with the unions rather redundant at this stage?

**Senator T.A. Vallois:**

It is true that we have to recognise that we have a budget. At the moment, with the current pay awards that have been put forward it is £33.6 million, £14.9 million of which is unfunded at this point in time, and we have to recognise that we have to be careful and astute with regards to how we apply that money and do it in a proper way. We need to have those discussions and understand that every year we are going to have these negotiations around pay. We need to start at a point where everyone is on the same level and understand each other so that the discussion that has to be taken and listened to on Thursday has to be one where - with us as a new States Employment Board who have picked up the framework that was agreed from the last States Employment Board - we have taken the decision that we should be sitting down and listening to the unions and understanding exactly directly from them what their issues are, so that we can take that forward and have this discussion and see whether we can find a more acceptable way of taking this forward.

**5.1.6 Deputy J.H. Perchard of St. Saviour:**

The Deputy Chief Minister mentioned the term "equal pay for equal value" a couple of times in her answer, so I was just wondering if she could clarify if there is a formal position on equal pay for equal value in the States and, if there is, if a policy exists.

**Senator T.A. Vallois:**

I understand that a lot of work has gone on around the equal pay for equal value, but this is something that we will look at in terms of the States Employment Board and ensure that there is a direct policy in place. The States Employment Board are restructuring themselves to ensure proper

governance and ensure that we work thoroughly going forward in terms of holding to account and quality assurance in terms of the codes of practice that are laid down with the public sector employees.

**5.1.7 Deputy M.R. Higgins:**

Does the Minister recognise that by adopting the policies of previous Council of Ministers and keeping wage rises very low, also conflating equal pay for equal work, which should be there anyway and you have not got a policy, and also by the excessive pay rises being given to the leadership of the executive body, are all seen as highly provocative to the members who are employed by the States? If there is a strike it will be as a direct result of the policies that they have adopted.

**Senator T.A. Vallois:**

Hence my answers to previous questions. This States Employment Board recognises that there have been issues and there are concerns around the direct discussions between our officers and the negotiation. That is why the States Employment Board have agreed to meet with the unions directly to listen to what they have to say so there can be no room for possible Chinese whispers, or anything that might be said behind closed doors. We can have that ability to listen to them directly. Adopting previous Council of Ministers' policies, unfortunately we were in a position where we have come into a new Government, a new States Employment Board, we only have one member on the States Employment Board who has ever served on there previously and we want to ensure that we get the right frameworks in place. Hence the reason why I have stated we are looking at whether our pay offers can be restructured to make them more acceptable to staff and unions to reduce this provocative nature in which the Deputy suggests.