

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

7. The Chief Minister made a statement about public sector pay

The Bailiff:

That concludes that question. I can tell Members that Deputy Southern has lodged a fifth amendment to the Budget statement, and that should be in Members' pigeon holes. There are no personal statements, to we come to K, Statements on Matters of Official Responsibility, and the Chief Minister will make a statement about public sector pay. Chief Minister?

7.1 Senator I.J. Gorst (The Chief Minister):

I would like to update Members on the 2012 to 2014 public sector pay award. As Members will be aware, the States Employment Board's final pay offer was implemented in December 2012. That offer was a 1 per cent lump sum in 2012, a 1 per cent consolidated pay award plus 1 per cent lump sum in 2013 and a consolidated pay award of 4 per cent from January 2014 in return for a modernisation agreement. Since that final offer was implemented, significant progress has been made on workforce modernisation and on the reform of the public sector.

[12:30]

For example, Lean working is now embedded in the first 2 departments to train their staff to use this management tool. At the Health and Social Services Department, this model has been used to reduce waiting times at the General Hospital's Accident and Emergency Department and to turn the Bon Santé restaurant from needing a subsidy to making a modest profit, and that has been achieved in just over 6 months. At the Social Security Department a number of projects are underway. We will soon see an online application form for the new Long-Term Care Scheme and the ability to receive e-payments. Pay progression for prison officers, staff in the Law Officers' Department and the Fire and Rescue service is now based on skills, knowledge and experience acquired rather than time served. A harmonised maternity policy has been introduced and another dozen amended policies are ready for launch before the end of the year. A new performance management system is being finalised which will be adapted for use in different areas. In view of this progress and in view of the hard work by employees, trade unions and management, I would like to inform Members that the States Employment Board agreed at its last meeting that the 4 per cent consolidated pay award should be paid to all staff from January 2014. This decision was based on the following factors: there has been significant engagement from all pay groups in the workforce modernisation programme, representatives and staff have worked together and made good progress towards all the criteria set by S.E.B. (States Employment Board) for the 4 per cent pay award. This award is the final part of a 3-year deal which led to significant Comprehensive Spending Review savings which will flow through into future years. There has been a positive change in approach from our trade unions. Representatives have been working in partnership with employee relations staff to redesign public sector terms and conditions and I would like to thank them for their co-operation and encourage them to continue this good work in 2014 and beyond. The States Employment Board believes paying the final part of a 3-year award in January is a visible demonstration of trust by the employer in its workforce. This will support the reform programme and reinforce the constructive approach to employee relations which has been developed in recent months. As a result, the States Employment Board agreed the following requirements would be met before the award goes into January pay. Following a recommendation from a joint trade union and employer

working party, the functions of the Manual Workers Joint Council will be fulfilled by a new collective bargaining and consultation framework for all recognised trade unions. This framework is now being developed and its structure will be completed before January. There will be an opportunity for a partnership between the teaching unions, the Education, Sport and Culture Department and employee relations. This partnership will work on teachers' terms and conditions and on the professional contribution teachers can make to the continuing development of a successful education system for Jersey. New contracts of employment for new staff will be in place from 1st January 2014 and a delivery timetable for the remaining aspects of workforce modernisation will be agreed with the unions for 2014 prior to the end of the year. To conclude, the 4 per cent pay award for 2014 is part of a package. States Employment Board members have acknowledged the progress made on reshaping how our public sector employees work together for the benefit of Islanders. States Employment Board members support the partnership working between our offices and trade union representatives from every pay group as we work towards achieving a modern, efficient and sustainable public sector.

The Bailiff:

There are 10 minutes for questions. Deputy Southern?

7.1.1 Deputy G.P. Southern:

One of the problems, it seems to me, over the past few years has been that the States Employment Board turns up with officers who have not got any power to alter what is on the table. In future, will Ministers on the States Employment Board guarantee that they will assure us that they will turn up with appropriate power to change any offer on the table and therefore negotiate genuinely? Because genuine negotiation has not happened.

Senator I.J. Gorst:

I disagree with that entirely; genuine negotiations have happened. Members will be aware, if they look through their written questions in recent history that detailed chronologies of meetings which have taken place with staff representatives number many tens of meetings. Politicians set the policy within a mandate agreed by this Assembly and then officers go away and work to the policy that has been agreed by the States Employment Board. When agreement cannot be reached, officers come back to the States Employment Board and we consider amendments to that policy. That is exactly how it should be and that is exactly how I envisage it continuing into the future.

7.1.2 Senator S.C. Ferguson:

Given that the 2 main leaders of reform are leaving the States employment, how will the reform programme continue and under whose leadership?

Senator I.J. Gorst:

I think I answered this question when the Senator asked it earlier this morning. As the Senator will be aware from the statement that I have just read out, when it comes to workforce modernisation, that is being led by the employee relations sector and they are making excellent progress. Yes, we say there is more to do, but we have agreed to this implementation of this final year of this 3-year award, because of the great progress that we have been undertaking. But be in no doubt, the redesign and reform of the public sector at large is already taking place right across departments, as I have just indicated with some

examples. If Members go out and visit departments like the Health and Social Services Department and the Social Security Department, they too, I think, will be impressed by the work that is being undertaken right across the department. Yes, of course, we will find replacements for those people who are leaving, but there are already people underneath them who are doing that work.

7.1.3 Senator S.C. Ferguson:

A supplementary? When can we expect the reform of the pensions scheme to come to the States?

Senator I.J. Gorst:

In due course.

The Bailiff:

Suitably concise. Deputy Tadier?

7.1.4 Deputy M. Tadier:

Can the Chief Minister confirm that the 4 per cent consolidated pay award is not dependent on and not conditional on modernisation?

Senator I.J. Gorst:

I have been quite clear in my statement that the States Employment Board acknowledges we have not got to where we might like to have been at this point, but we have made excellent progress. The co-operation and the partnership working which is already taking place has led the States Employment Board to agree to implement the final year of this 3-year deal. We are pleased that substantial savings from the pay element of States vending have been made. The 4 conditions that we did set down, and we mentioned those to employee representatives yesterday and they seem perfectly satisfied with them, are as I have just read out in the statement.

7.1.5 Deputy M. Tadier:

In order to ask a sensible supplementary, I simply wanted yes or no from the Chief Minister. So is the 4 per cent consolidated pay conditional? Then I would like to ask my supplementary on the basis of a yes or no.

Senator I.J. Gorst:

The Deputy knows that very few questions that are asked in this place can be answered with a straightforward yes or no. I have answered it fully and I have answered it completely, as he would wish.

7.1.6 Deputy M. Tadier:

I will ask it anyway. My understanding is that this is not conditional, which I think is a good thing, and why has it taken the Chief Minister and S.E.B. so long when I have been telling them several times in this Assembly that it is important that you decouple terms and conditions and modernisation from the current pay negotiations? Why did it take the Chief Minister so long in order to get that point across?

Senator I.J. Gorst:

I do not wish to be impolite in this Assembly, but I think the statement that I have just made proves the States Employment Board strategy has been correct and the comments made by the Deputy have proven to be incorrect.

7.1.7 The Deputy of St. Ouen:

I ask the Chief Minister: how confident is he in the States Employment Board that the conditions attached to the pay award that will be issued in January will be met and enable the States Employment Board to pay that 4 per cent increase?

Senator I.J. Gorst:

The States Employment Board is very confident. As I said, we met with employee representatives yesterday. Those 4 elements that we wished to see completed before the end of the year they seem to accept and did not question that good progress was being made and that they could be met. But let us be in no doubt, we are in a position now which is unprecedented in employee relations in this Island. Employee representatives and their members are working in a partnership way, which we know happens in other jurisdictions, because we believe that we should all have an interest in the future public service of this Island, and that is what partnership working will deliver. So the States Employment Board is extremely confident, they are grateful for the work that Employee Side have undertaken together with management, and we believe that we are in a very good place.

7.1.8 The Deputy of St. Ouen:

Could the Minister confirm whether the States Employment Board has achieved a modernisation agreement with all the public sector pay groups?

Senator I.J. Gorst:

All public sector pay groups are involved in this partnership working and engagement with regard to modernisation. That is not quite the same when it comes to the pay award, as the Deputy will know, but we have already made good progress; lots of the things that we asked to be undertaken and started have started, and the important thing is that we continue to work in a partnership way, rather than the confrontation that we have had historically.

7.1.9 Deputy G.C.L. Baudains:

Could the Chief Minister inform us whether final salary pensions that exist in the new contract he mentioned will be enforced from next year? With regard to the reform of pensions, could he give a timeframe for his statement in due course?

Senator I.J. Gorst:

A contract of employment would not go into the type of pension; it would simply have an overlay of the pension that might from time to time be in existence provided to States employees. The Deputy will know from all the documents that are in the public domain and the consultation that the Treasury and Resources Department and the Employee Relations Department have undertaken with Members that it is proposed to move to a career average pension scheme not a final salary one. I do not have the detailed timetable of when further announcements are going to be made in that regard.

7.1.10 Deputy G.P. Southern:

Could the Chief Minister take the opportunity to explain a little about the harmonised maternity policy that he says has been introduced?

Senator I.J. Gorst:

I would like to be able to do so but I do not have the details with me this morning.

Deputy G.P. Southern:

Will he bring them to the House shortly?

Senator I.J. Gorst:

So far as I am aware they have already been agreed. I see no need to bring them to the Assembly. If Members wish to have a copy of them, I will see if that can be arranged.