

2.2 Deputy G.P. Southern of St. Helier of the Chief Minister regarding the calculation of the sums involved in the 1% non-consolidated public sector employees pay award:

Will the Minister inform Members how the sums involved in the 1 per cent non-consolidated pay award recently imposed on public sector employees have been calculated and whether any additional terms and conditions have also been imposed?

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

The funds identified for the 1 per cent non-consolidated pay award that was recently implemented within the terms of the employer's final offer were calculated on basic rates of pay within the public sector pay bill as at 31st December 2011, given that the award was due on 1st January 2012. Members will recall that no funds were allocated in the 2012 Budget for public sector pay awards, hence the original offer of 0 per cent in 2012.

[9:45]

Accordingly, any monies provided by Treasury were outside the 2012 Budget and had to be prioritised to staff in post at the start of the year and in post on 4th December 2012, the date when the award was implemented. Within the employer's final offer, the intent is to remove the telephone rental allowance and reduce the mileage allowance from 62.7 pence per mile to 45 pence per mile in line with the U.K. (United Kingdom) public sector in 2013 on a date to be determined.

2.2.1 Deputy G.P. Southern:

The net effect then was to have this award set at a level which was below 1 per cent of normal wages and salaries, was it not?

Senator I.J. Gorst:

Inevitably, it might be a slightly smaller number than had it been applied also to those on bank and zero-hours contracts but that was not the initial intention. It was trying to find a methodology that works and the employer believes that that is what they have done.

2.2.2 Deputy G.P. Southern:

Is the Chief Minister aware of the continuing dispute over this particular award and that his imposition has not been agreed and any changes to terms and conditions need to be negotiated, not imposed?

Senator I.J. Gorst:

I do not wish to rehash old arguments but, as I have said, and as the Deputy knows, the pay deal for 2012, 2013 and 2014 has been very difficult and the employer believes that they have made a fair and final offer. I am also aware that some union groups are not satisfied with that but we must take into consideration all the factors. We have found extra money, as I said, at the last States sitting and we have gone as far as we believe we possibly can in the current economic circumstances.

2.2.3 Deputy M.R. Higgins of St. Helier:

There is a view among a number of States Members, myself included, that the States Employment Board have not acted in good faith in the negotiations that they have had with the public sector workers. Will the Chief Minister publish for us a document showing the dates of all the negotiations and what was put to the different parties so we can follow the progress because, quite simply, the imposition seems to have come after a period of intransigence on the part of the States Employment Board? Will he publish the document?

Senator I.J. Gorst:

I would refute that claim. As the Deputy knows, the employer was working to the mandate that was approved by this Assembly and one could be forgiven if Members were accusing the employer of going beyond that mandate because, in the end, that is what we had to do to try and reach what we believe is a fair and final settlement, so I do not accept the Deputy's premise. A number of meetings were held with employee representatives and I do not believe the Deputy is right.

2.2.4 Deputy T.M. Pitman:

I would just like to ask the Chief Minister if he thinks he should reconsider terms going as far as they could, given that we are later going to be discussing a potential spending of up to £14 million, possibly even more, on Plémont. Does he think he has really gone as far as he can?

Senator I.J. Gorst:

Yes, I do. Inevitably we, in this Assembly, have to prioritise. We have to ensure that our money is being used appropriately across any number of priorities, not only priorities of today but priorities of the future as well. I would just perhaps refute the Deputy's comment that he believes that Plémont is worth the amount that he said it was. Perhaps he might consider showing us the evidence of how he reaches that valuation.

The Deputy Bailiff:

Not at the moment, Chief Minister. We will no doubt come to that later on.

2.2.5 Deputy M. Tadier of St. Brelade:

Does the Chief Minister acknowledge that he has made the same mistake as the Council of Ministers did a couple of years ago by completely disregarding the principles of free and collective bargaining by seeking to impose a pay deal without the consent of public sector workers? Will he take the consequences that arise from that?

Senator I.J. Gorst:

I do not believe that I have made a mistake. Although we do not like to do this, if we look across the water, we see that pay deals with public sector workers are implemented without coming to agreement and that is a common course of action. It cannot be right that this Assembly sets an envelope for public sector pay. The employer works to implement a fair deal, tries to engage with employees' representatives and I hope that employee representatives will see that we have gone as far as we possibly can.

2.2.6 Deputy J.H. Young of St. Brelade:

Would the Chief Minister confirm that the pay deal which was not accepted did include a no redundancy agreement and would he tell us what is the position with the Council of Ministers on this question of redundancy in the imposition of the award?

Senator I.J. Gorst:

Yes, the Deputy is right and he does well to remind the Assembly that, as part of the deal, there is a no compulsory redundancy element and the Council of Ministers and the employer have been criticised by a number of individuals for believing that in times of austerity when private sector employers are having no choice but to make people compulsorily redundant, then that is what the States should be doing. But we have recognised the value of the jobs that our employees have got and we have tried, while ensuring that we do not make anybody compulsorily redundant, to offer a fair pay deal and it is inevitably a balance.

2.2.7 Deputy G.P. Southern:

I do not know where to start on this but I will try. Is the Chief Minister aware that any changes to terms and conditions must be negotiated and cannot be imposed? In particular, is he aware

that the change to the mileage allowances is based on the AA rates for doing 10,000 miles a year, which very few employees can manage in Jersey?

Senator I.J. Gorst:

We have a number of what can only be described as historic terms and conditions which I believe that the vast majority of Members in this Assembly would believe are outdated and need to be changed and, in a small way, that is what this pay offer does with regard to those 2 terms and conditions which I outlined in my opening answer but there are lots of other terms and conditions which need to be addressed and need to be made fit for purpose for today's world.

2.2.8 Deputy G.P. Southern:

The Chief Minister did not address the question of imposition and not negotiation. Is he saying that in future, he is going to impose further changes and not negotiate them?

Senator I.J. Gorst:

The Deputy is well aware that my staff are negotiating around the modernisation programme with employee representatives right across the States employee sector.