

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2009: VARIATION IN RESPECT OF PAY FREEZE – RESCINDMENT (P.143/2009) – COMMENTS

**Presented to the States on 20th October 2009
by the Council of Ministers**

STATES GREFFE

COMMENTS

The States Employment Board opposes part a) of this proposition because it seeks to overturn the decision of the States Assembly taken in July this year to remove the funding provision for a public sector pay award. That decision would cost £3.5 million in 2009 for the period June – December 2009.

The role of the States is to make financial provision through the annual budget for a public sector pay award. In September 2008 budgetary provision was made for a 2% increase in the annual pay bill.

In March 2009, the SEB decided to propose a pay freeze and in April 2009, took this proposal to the Council of Ministers who endorsed the decision to revisit the budget provision for a 2% increase in the pay bill as the world economic position was deteriorating and impacting on the local economy. This was a reflection of the concern about pressures on public finances.

In May 2009 the Deputy of St. John brought the pay negotiations into the States Chamber when he lodged proposition P.68/2009 which proposed that all States employees be awarded a pay increase of £400 p.a. This, and the amendment from Deputy Southern to award all States employees £1,250 per annum pay increase, were both rejected when debated in July.

The Treasury and Resources Minister lodged proposition P.78/2009 in late May proposing the withdrawal of the 2% previously agreed in the Annual Business Plan and Budget for 2009. When this was debated on 14th July it received overwhelming support and was adopted by 31 votes to 10. Based on the full year savings of removing the £6.2 million which was the provision in the cash limits for 2010, the Council of Ministers, when considering the many funding pressures on Departments especially Health and Social Services, has been able to meet many of the growth demands for 2010.

Nothing has changed since the decision on P.78/2009 was taken. The ongoing economic situation warrants tight control of public sector spending. This was the right decision three months ago and remains the right decision.

For these reasons P.143/2009 part (a) should be rejected.

Part (b) requests that the States Employment Board restore the process of free collective bargaining for public sector pay groups and to re-open pay negotiations with the relevant public sector employee representatives with immediate effect.

The States Employment Board maintains that it has not withdrawn from this process and at the latest meeting on October 9th 2009, when the States Employment Board met the Employee representative groups the Chief Minister encouraged the employee groups to continue negotiations and include the 2010 pay round and suggested that any agreement could be effective from as early as 1st January 2010, subject to overall 2010 cash limits.