

2.6 Deputy G.P. Southern of the Chief Minister regarding pay negotiations with public sector representatives:

I am looking forward to a straightforward answer to this one. Will the Chief Minister state whether he agreed to a request made at the meeting of 9th July 2012 by public sector representatives to respond within 48 hours with a new pay offer and, if so, was he able to do so and, if not, why not?

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

I believe the meeting the Deputy refers to was on 10th July between the employer and the trade union representatives. The meeting was led by the Acting Chief Executive and I was not present. There is no doubt the Deputy is aware the employer made the final offer to all pay groups on Thursday, 12th July which I understand met the timeline highlighted at that meeting.

2.6.1 Deputy G.P. Southern:

Will the Chief Minister accept my congratulations on meeting his own deadline? Could he say how many meetings have been held over the past 6 months with representatives of the public sector and what point there will be in further meetings since, he says, the offer that he has made is his final offer?

Senator I.J. Gorst:

I do not know the exact number, however, I know there have been a number. The meetings which I hope will take place and the partnership working, which I also hope will take place - and takes place between employers and trade union representatives elsewhere in the world - are with regard to moving forward into the future and with regard to modernisation and transformation of the public sector. Therefore, I hope that many more meetings will take place in that regard.

2.6.2 Deputy M. Tadier:

If the Chief Minister is sticking by this what I would call a derisory offer - but clearly that is a subjective word - of the 1 per cent increase; and will he ensure that he speaks to other Ministers, for example, the Minister for Housing and others who are responsible for setting fees and charges to make sure that, for example, the Minister for Housing does not raise rents by more than 1 per cent for the next 2 or 3 years so that the standard of living of people who are perhaps renting are not affected by this?

Senator I.J. Gorst:

Of course the Minister for Housing is a member of the States Employment Board so he is fully aware of the offer that the States Employment Board has made.

2.6.3 Deputy M. Tadier:

It is nice to have a concise answer because I can come back in quickly. The Chief Minister is, of course, loosely responsible for co-ordinating policy throughout the Council of Ministers.

[10:15]

Does he not agree with the principle that if we are saying: "We are living in austere times, we cannot afford to give a pay rise. We can only give a 1 per cent moderation in your wages" that it should be consistent policy throughout the States not to increase and add to inflationary pressures insofar as the States of Jersey can control that? Would the Chief Minister give an undertaking to speak to the Minister for Housing and say: "It is best not to put the rents up at all, perhaps by a maximum of 1 per cent, because we need to keep inflation low"?

Senator I.J. Gorst:

I am not sure that the Deputy is really expecting me to say that I do not support what the Minister for Housing is proposing in his White Paper. As the Deputy knows, that is with regard

to removing the hidden subsidy from the Housing rents component and that is, I believe, the right thing to do. There is no doubt that economic times are difficult and it is right that the employer seeks to restrain pay rises and it is right that, together with Treasury, we seek to ensure a balanced budget. But that means that there are some difficult decisions to be made and sometimes we do have to ask people to make more appropriate contributions towards some of the services that they receive.

2.6.4 Deputy G.P. Southern:

Since the Minister has taken £7 million out of the Annual Business Plan for 2012, can he state where the 1 per cent on consolidated offer for 2012 is coming from; which fund? Has he received the message through his officers that the public sector will not accept any unconsolidated award for 2012?

Senator I.J. Gorst:

The Deputy tries to suggest that I have the power to remove items from the Business Plan. It was this Assembly which removed the £7 million for potential pay deals from the Business Plan; not me and not the States Employment Board. The States Employment Board has been working with that in mind when it has been seeking to reach a pay deal. That was a decision of this Assembly and it is right that the States Employment Board tries to manage that to the best of its ability. The Treasurer assures me that a 1 per cent non-consolidated amount can be met within the spending envelope which the States has approved. Of course I am aware that some States employees would rather a larger rise than the one that we are being offered but this Assembly has set the envelope of the spend that the States Employment Board must negotiate within. We have recognised that times are difficult, and they are difficult for individuals, and that is why we have moved away from our opening position of no pay increase to a 1 per cent non-consolidated amount for this year.

2.6.5 Deputy G.P. Southern:

Will the Minister clarify who recommended that we reject the £7 million in 2012 and will he state, as requested, which fund this money is coming from now?

Senator I.J. Gorst:

I think I have already answered the latter part of that question. The Deputy uses the term “fund”. I am not sure that it is from a fund as such; it is simply, as I said, the Treasurer has assured us that it can be met within the current spending envelope for this year.