



20 March 2019

Dear States Member,

**Public Sector pay offer 2018-19**

You will have received a letter from the States Employment Board (SEB) dated 18 March 2019 explaining the employer’s view on the pay awards for 2018-19 and presenting information on the background to their offers. We write to provide the **facts** on this matter and also to provide our comments on the ‘information’ they have presented to you.

As you are aware, workers in the public sector are in dispute over their pay for the period 2018-19 and you will already have seen significant industrial action. It is very likely there will be more. The morale of the public sector workers is at an all-time low and if this continues, the consequences will be significant to our island.

There have been no negotiations on 2018-19 pay, just the imposition of significantly below inflation awards. Public workers have been told the only option is to have, in real terms, a further pay cut. The SEB have continually said there is no more money to pay the public sector workers. We ask that you carefully consider any opportunities that arise to address the ‘no more money’ argument

**2018 and 2019 pay offers**

In the SEB letter of 18 March they explain they have ‘*targeted higher pay rises at lower-paid employees*’. When we examine the **facts** behind this statement we see that this is untrue. If we look at the comparison between the manual worker’s and civil servants pay awards we see that ;

Grade 1, 2 and 3 Civil servants earn less than Grade 1 manual workers but have been given a significantly lower rise.

	Grade	Annual Salary 2019	
		lowest	top of grade
Civil Servant Grade	1	£18,985	£20,995
	2	£20,995	£21,550
	3	£21,550	£23,716
Manual Worker	1	£23,004	£24,244

2018/19 consolidated pay rise
Civil Servants
2%
Manual Workers
6.70%

There are approximately 115 civil servants Grade 1 to 3.



The letter also says that the SEB have '*made significant steps in narrowing the pay gap between civil servants and other groups*'. Despite numerous requests from our union to the officers representing the SEB, **no data has been presented** to support the statement that there is a gap. When the SEB presents information then, in order to have intelligent and informed debate, it must provide the supporting data.

The employer is responding to the dispute on 2018-19 pay but making offers for 2018-20. In the 18 March letter to you the SEB presented a table summarising the offers for this period. The SEB conveniently omitted the RPI for this period and we have amended their table to show this. The gap between the proposed award and the RPI is clear to see. Their table shows that most public sector pay groups are expected to accept a further real term pay cut.

**Basic pay increases 2018-20**

Pay grade	Min/Max	2017	2018	2019	2020*	Consolidated increase 2017-20		RPI 2017-20
Civil Servants	Min	£18,611	£18,797	£18,985	£19,820	£1,209	6.5%	10.5%
	Max	£89,835	£90,733	£91,640	£95,672	£5,837		
Nurses and Midwives**	Min	£24,610	£25,373	£26,134	£27,284	£2,674	10.9%	10.5%
	Max	£81,833	£84,370	£86,901	£90,725	£8,892		
Teachers	Min	£31,019	£31,639	£32,272	£33,692	£2,673	8.6%	10.5%
	Max	£51,017	£52,037	£53,078	£55,413	£4,396		
Fire and Rescue	Min	£31,112	£31,734	£32,369	£33,793	£2,681	8.6%	10.5%
	Max	£70,614	£72,026	£73,467	£76,700	£6,086		
Prison Service	Min	£32,480	£33,130	£33,793	£35,280	£2,800	8.6%	10.5%
	Max	£71,218	£72,642	£74,095	£77,355	£6,137		
Police	Min	£35,119	£35,821	£36,537	£38,145	£3,026	8.6%	10.5%
	Max	£102,039	£102,039	£102,039	***	***		

The table supplied implies that all civil servants will see a 6.5% increase between 2018-2020, but this is in **fact untrue**. In the States Assembly it was quoted that 60% of staff will be in pay protection as a result of Charlie Parker's Target Operating Model reorganisation. Those in pay protection will receive no increase in their salary in 2020. These civil servants will receive only a 2% rise between 2018-2020, so in reality a real term pay cut of 8.5%. There would then follow further real term pay cuts in 2021 and 2022 as their pay is frozen and potentially reducing in 2023.

## Pay comparisons

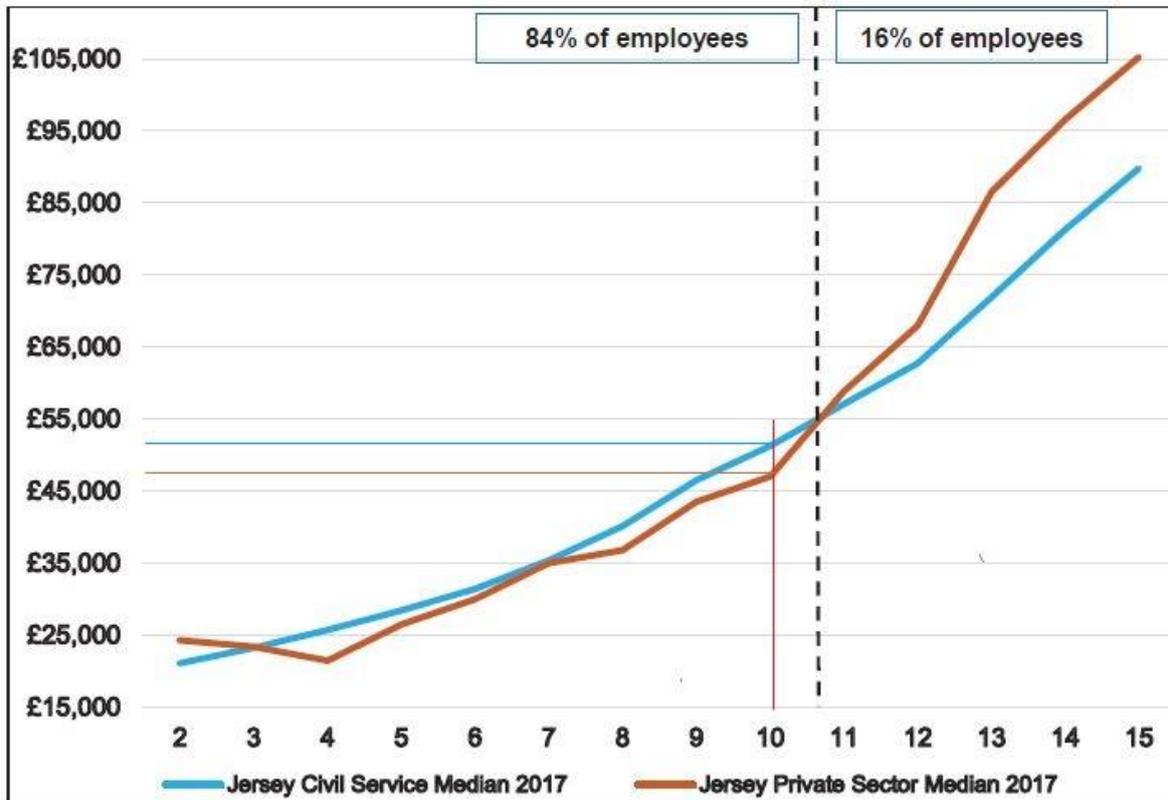
The SEB letter of 18 March set out their justification for real term pay cuts to civil servants. They explained that *'our analysis shows that public sector employees are, as a group, paid second only to employees in the financial services sector'*. They presented a graph showing the civil servants grades and median comparisons with the private sector. This would be useful information if the SEB had explained how they had produced the graph. Our union contacted the officers representing the SEB asking for an explanation of how the graph was constructed. Although the request was read, it was not acknowledged and there has been no response.

You, as a States member, deserve to be presented with information that clearly explains any conclusions reached. This is essential for intelligent and informed debate. Unfortunately the SEB has not allowed you this opportunity.

You will reach your own conclusions on the value of the 'analysis' by the employer. Our concerns include who undertook this analysis, what was their brief and how did they overcome the key challenge we identify below.

To explain this we have added some lines to the employer's graph to illustrate a major concern with the conclusions it presents.

### Comparison between Jersey civil service and private sector basic pay

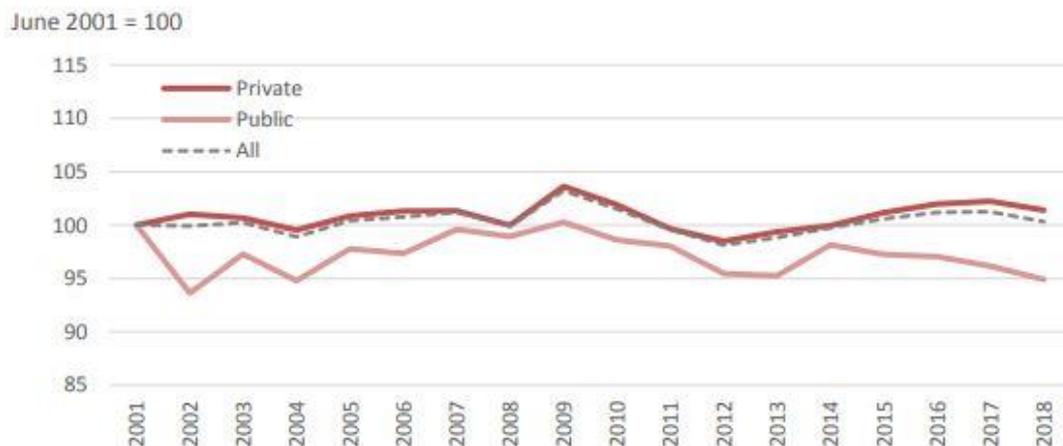


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If we take, for example, grade 10. The graph shows the median for employees in this grade around £53,000 whilst the median for employees in the private sector is around £48,000. The key question is how did the employer compare the civil service employees to the related private sector ones. At grade 10 we have employees, for example, who are Senior Specialist Biomedical Scientists in Pathology or Crime Scene Investigators in the Police - totally unique jobs in Jersey. To make this data meaningful would require a complex job comparison methodology to ensure a valid comparison is being made. The same principle applies across all of the grades presented. If such work has been commissioned, the SEB seem unwilling to share this with staff representatives or States Members. **Can you really accept the conclusions reached in the SEB letter with such major uncertainties about how they undertook the analysis.**

The pay comparisons we present to support our argument for a cost of living award for 2018-19 comes from data produced by the States Statistics Unit. These explain how far the public sector has fallen behind the private sector since 2001. Despite this, the SEB are asking the public sector workers to take further pay cuts.

Figure 8 – Index of Average Earnings in real terms for the public and private sectors from 2001 to 2018 (June 2001 = 100)



Although all-sector earnings have been essentially flat in real terms since 2001, private sector earnings have increased in real terms (by 1.4%) whereas public sector earnings have fallen (by 5.1%) over the 17-year period.

- Source: Index of Average Earning 2018 : States Statistics Unit

During the debate on Deputy Southern's proposition to seek approval to transfer further money from the Consolidation Fund into higher pay offers for 2019 you have the opportunity to recognise that public sector workers cannot continue to have real term pay cuts. Most pay groups are very angry and this has resulted in industrial action on a scale unknown in the history of the island. On the day of the debate, teachers will be on strike



and other public sector workers will be in the Royal Square over the lunch period. Please take this opportunity to talk with them and understand their despair.

We also urge that you analyse the SEB letter carefully and separate 'fact' from 'spin'. Intelligent and informed debate must be based on truth and not conclusions that cannot be backed up by facts.

Regards

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