

Comments on Public Sector Pay

As an elected Deputy for St Helier District 2, and as a Reform Jersey Deputy, I would like to make public the following comments on the Pay offer made to Public Sector workers.

I have concerns over a number of areas. They are the following:

1. The detail of the actual level of pay increase for states workers across departments.
2. Whether the issues suggested as addressed are valid.
3. The process of negotiation used with worker representatives to come to this pay offer.
4. The accuracy of the public and media communication regarding the pay offer.

To address each issue in turn.

The detail of the actual level of pay increase for states workers across departments.

A number of offers include and unconsolidated element.

2018		2019		2018 and 2019 Total
Consolidated %	Non-consolidated %	Consolidated %	Non-consolidated %	

Head Teachers, Deputy Head Teachers, Teachers and Lecturers				
2.0	1.1	2.0	1.0	6.1
Uniformed Services (Fire, Police and Prison officers)				
2.0	1.1	2.0	1.0	6.1
Civil Servants				
1.0	1.1	1.0	1.0	4.1

Therefore, pay at the end on the unconsolidated term reduces by that percentage. i.e. at the end of 2017 Teachers pay will not increase from a previous 3.1% level, but

from a 2% level as the unconsolidated component is lost. Same at the end of 2018. Therefore, to suggest an overall 6.1% increase over the 2 year period is inaccurate. This issue can be repeated for all pay groups mentioned above. Therefore, inaccurate information has been published to media and all public outlets.

2018		2019		2018 and 2019 Total
Consolidated %	Non-conso lidated %	Consolidated %	Non-consolidated %	
Ambulance Service, Family Support Workers, Residential Child Care Officers, Youth Service (the four groups that accepted the Workforce Modernisation offer)				
6.88 average	-	3.84 average	-	10.72 average
Manual and Energy from Waste workers				
4.6	-	3.3	-	7.9
Doctors				
3.0	-	4.0	0	7.0
Nurses and Midwives				
4.5 average	-	2.1 average	-	6.6 average

These areas of pay rise make no reference to any changes in terms and conditions.

How many elements of the rejected workforce modernisation programme have been incorporated into these pay offers? For example, the loss of shift payments for manual workers?

This could mean that ,even with the headline figure increase, workers could find themselves no better off, or possibly worse off, due to loss of other payments.

To what extent has a regrading of staff funded the pay increases? Could it be that a member of staff is downgraded, receives a pay increase on the lower grade that only

maintains previous pay, means lower pay, or leads to a smaller increase in real terms pay than headline figures suggest?

An average increase is given. It is not clear how this was calculated. For example, if only a few staff received higher pay increases it may skew the figure. Therefore, creating a picture of pay increases that is not reflective of the majority of workers. This lack of clarity is disappointing.

It must be noted that last reported RPI up to June 2018 was 4.5%. Only 3 groups will receive a rise at or above this rate.

Zero groups receive a rise near this for 2018. If inflation stays at this rate. It will mean real term pay cuts for all sectors again.

Whether the issues suggested as addressed are valid.

In the press release accompanying the offer this statement is made:

The States has taken a number of issues into account in structuring the pay offers, including:

- the need to address issues of equal pay for work of equal value between employee groups**
- the limited budget available to fund the pay offers**
- pay comparability with the local and UK market.**

These issues need to be discussed more widely before the assumption is made that they have been addressed.

For example, there is no clarity as to the criteria for defining work of equal value that has been made public. This links with the third point about the process of negotiation. How were decisions made over work of equal value across departments given the rejection of previous attempts during the failed workforce modernisation project?

There needs to be a clear identification of the budget available for pay. What monies have been put aside throughout the MTFP? Given previous pay freezes, non consolidated and well below RPI imposed pay offers, what happened to these monies?

Have monies been reallocated to pay for restructuring of the states department and recruitment of senior posts? If so, any limitation of available funds was part of a decision made by the leadership of the states and SEB. A political decision to limit funds.

Any comparison between UK pay levels and Jersey, with its high cost of living need to be carefully explained and justified. This is a red herring in the justification of low pay awards and the ongoing devaluing of public services.

The process of negotiation used with worker representatives to come to this pay offer.

There are serious concerns from union representatives about the process of presenting this offer to the public, often before union representatives. It appears that the public campaign by the communications department preceded any real process of negotiation. This is concerning for future workforce relations and sets a worrying precedence in dealing with recognised trade unions organisations.

Have discussions over two year pay awards taken place with all union representatives from all groups affected?

The accuracy of the public and media communication regarding the pay offer.

I have already detailed errors in calculating the overall levels of award for those with unconsolidated components. It must be noted that:

For several groups, the offers include a combination of consolidated (pensionable and added to base salary) and non-consolidated (non-pensionable cash payments that are not added to base salary).

This has significant, long term effects for pensions and real term salaries. The precedent of unconsolidated pay awards is dangerous for future pay levels. It is also a clouding of real figures. Particularly when published as it was by the communications unit. With a simple summing of awards at the end of the two years. This needs to be corrected and redistributed.

The following statement also needs clarification as to where the figures used came from, and why they are used?

Assistant Chief Minister, Connétable Christopher Taylor, said: “The pay offers, which were approved by the States Employment Board, represent a considerable increase in the States pay bill and are the most that we can afford.

“While we fully recognise the need to help employees with the rising cost of living, we also recognise our duty to islanders to contain the cost of the public sector. These pay offers are worth the equivalent of £700 from every taxpaying Jersey household and business.

“This further underlines why we need to modernise our public services, so we can cut inefficiency and waste and focus public spending on essential frontline services and the staff who run them. We need to reduce the cost of running government, or there could be financial pressure to increase taxes.”

How has the 700 per year figure been calculated?

If the change of terms and conditions means that staff are downgraded, shift payments are lost, or other payments are reduced, there may be no overall increase for many staff. If so, how is this a considerable increase in the states pay bill?

What further measures to reduce the costs are being suggested?

Are real term pay cuts now the norm? How does this fit with the need to recruit and retain public service workers?

How has outsourcing, restructuring and the employment of expensive consultants helped this process of saving?

At what point will the cost of our public services be seen as acceptable?

I will be looking for meaningful answers to all of the issues I have raised in this document.

I look forward to your reply.

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