

Chief Operating Office

People and Corporate Services
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21 August 2019

Dear colleague,

2018-20 Pay Review for Civil Servants

We are writing on behalf of the States Employment Board (SEB) to update you on the pay review covering the settlements for 2018, 2019 and 2020. This applies to everyone within the civil service pay group, except for those on the new Teaching Assistant's Framework.

Negotiations between representatives of SEB and the two civil service unions – Prospect and Unite – have been underway for a year. Both the trade unions and SEB have worked hard to seek to resolve this longstanding matter, including seeking support from the Jersey Advisory and Conciliation Service.

At the end of this letter is a summary of the many stages we have been through and the efforts we have made to reach agreement over the past year. It shows how negotiators for the SEB have structured and significantly revised offers in response to issues raised by trade union representatives.

Final revised offer

SEB made a revised final offer earlier this month, following the rejection by trade union representatives of civil service members of an earlier offer, and in the absence of any constructive suggestions from the trade unions on how we might move forward.

This offer includes:

- the offer already implemented for 2018 and 2019
- a substantially higher offer for 2020, of the September 2019 inflation rate plus 1.3%. While the actual inflation rate will not be known until October, the forecast is 3.1%, which would mean a consolidated pay increase of 4.4% on 1 January 2020
- we also offered to work together with the unions to identify potential new additional savings and efficiencies, which would then be split on a 50:50 basis to fund an additional increase in salaries from 1 January 2020.

Those civil servants who are not already at their grade maximums would also receive their automatic annual increment in 2020, further enhancing base pay.

As you can see from the summary below, we had also sought to improve annual leave entitlement. This would have meant adding six minutes to each working day for an average of 2.8 days additional annual leave for more than 3,000 civil servants. However, at the unions' request, we withdrew this from the offer.

The trade unions have decided to go back out to ballot their members on the revised offer. The unions have said that they will remain neutral, neither calling for acceptance nor rejection of the offer. However, the language of their communications to members, along with their insistence in continuing with planned industrial action, suggests that they are far from neutral in their approach.

Yet they know, as do we, that this final offer is the best that can be negotiated. It is also an opportunity to achieve the first negotiated agreement on a pay offer since 2011 between civil service unions and SEB.

Your views

Before we have further discussions with SEB, we want to understand what civil servants think, both about the revised offer and about the previous offer that was rejected by the trade unions. We understand the disappointment that the implemented offer for 2018 and 2019 is not being improved, which is why we have sought to offer significantly higher pay increases in 2020.

We have repeatedly asked the unions for the ballot information that led to their rejection of the last pay offer, to see whether this represents a majority of civil servants, or whether a minority of union members effectively voted to block a pay rise for more than 3,000 civil servants. They do not have to provide this information and have declined to give it to us.

Not every civil servant belongs to a union, and it is important, as the employer, that we listen to the wider views of civil service colleagues about the things that directly affect you. This will help inform our next steps. So, we are asking you directly.

We want to be open and transparent about the negotiations and the offer and urge you to read and consider the summary below.

If you wish to share your own view on this matter, SEB would welcome feedback from all civil servants whatever your view. You can do so openly, honestly and safely, by emailing EmploymentRelations@gov.ie

Yours faithfully,



Mark Grimley

Group Director People and Corporate Services



Connètable Richard Buchanan

Vice-Chair, States Employment Board

TIMELINE OF CIVIL SERVICE PAY NEGOTIATIONS FOR 2018, 2019 AND 2020

A two-year pay offer for 2018 and 2019

The pay review initially focused on the two years 2018 and 2019. A key element of SEB's approach was to work towards achieving equal pay for work of equal value across all pay groups. This is an important principle for all of us to ensure you feel that roles are fairly evaluated across the Government.

Manual Workers and Energy Recovery Facility Workers were the first to reach agreement with SEB before Christmas. Nurses and Midwives reached agreement in the spring. Both of these offers were higher than those for civil servants, because of the need to narrow the gap between people paid less than civil servants for doing work of the same value. This historical anomaly had built up over some years and all unions have supported the core principle that people should receive equal pay for equivalent work.

SEB's decision was to direct the available money in a constrained financial situation to those on lower grades, as the pressures of the cost of living are felt more keenly by these colleagues. This was the right and fair thing to do, even though it involved restricting the value of consolidated increases available to civil servants for 2018 and 2019 to 1% in each of those years.

This offer, together with the one-off lump sums totalling 2.1%, was implemented without agreement last November, in order to ensure that civil servants received a pay rise, backpay and the one-off lump sum before Christmas.

While it is not our preferred way of working, this is not the first time that pay offers have been implemented without agreement. Since 2011, in fact, we have not reached agreement with the civil service unions on pay.

A three-year pay offer, including 2020

In an effort to reach agreement with the civil service unions, SEB directed our negotiators to reopen talks based on a three-year deal, which would include pay increases effective from 1 January 2020.

SEB made a revised offer, as follows:

- the offer already implemented for 2018 and 2019
- a substantially higher offer for 2020, of the September 2019 inflation rate plus 1.3%. While the actual inflation rate will not be known until October, the forecast is 3.1%, which would mean a consolidated pay increase of 4.4% on 1 January 2020.

Those civil servants who are not already at their grade maximums would also receive their annual increment.

Following consultation with their members, the unions rejected this improved, above-inflation offer.

A revised pay offer for 2020

Further talks took place and SEB improved the offer by suggesting that officers, union officials and employees work together to identify potential new additional savings and efficiencies, which would then be split on a 50:50 basis to fund a further increase in salaries from 1 January 2020.

This approach was based on a similar arrangement agreed by teachers and their unions in July. Alongside this sharing arrangement, SEB offered to increase holiday entitlements for civil

servants and equalise the working week between civil servants and nurses and midwives at 37.5 hours.

This would have enabled 3,053 civil servants to benefit by an average of 2.8 days a year in exchange for working an additional six minutes a day.

The improved offer was, therefore:

- the offer already implemented for 2018 and 2019
- RPI + 1.3% consolidated pay offer for 2020
- plus a further consolidated pay increase funded by sharing new additional savings and efficiencies, with the work being done ahead of 1 January 2020
- additional paid holidays (average 2.8 days) in exchange for increasing the working week from 37 hours to 37.5 hours.

This further improvement was also rejected.

A final pay offer for 2020

In a further, final effort to reach agreement, SEB offered to carry out the work on identifying savings over the next few months. This was to see if we could identify a defined amount from efficiencies that could be achieved as part of a shared reward. This could then be put to union members in a new ballot ahead of the due date for payment on 1 January 2020. This is ambitious, but achievable, and would enable civil servants to know what they will be getting on top of the above-inflation offer before January.

This was tabled as a formal, final offer, emphasising that this reflected the precise arrangement that had already been successfully carried out with the teaching unions.

The final offer, therefore, is:

- the offer already implemented for 2018 and 2019
- RPI + 1.3% consolidated pay offer for 2020
- a further consolidated pay increase funded by sharing potential new additional savings and efficiencies, with the work being done ahead of 1 January 2020.

This is the best that can be achieved through negotiation.

SEB's position

SEB has carefully considered the position as it now stands and has concluded the following:

- Given the constraints of the financial plan covering 2018 and 2019, it was right and fair to distribute higher offers to groups paid less than civil servants for doing equivalent work.
- The pay rise for 2018 and 2019 was painful, so the effects of the lower increase should be addressed as far as possible by offering an above-inflation rise (RPI + 1.3%) from January 2020, which would be built into the new Government Plan.
- The increase in the working week from 37 to 37.5 hours, and the increase in holiday entitlements, were broadly cost neutral, but were designed to benefit civil servants, many of whom work more than their contracted hours in any event. However, at the request of trade union negotiators, this part of the offer was withdrawn.
- The approach to savings and efficiencies, already proven to work, will provide further benefit to civil servants. To address union concerns that these benefits may not be deliverable, SEB remains prepared to complete that work before Christmas.