



Policy & Resources
Committee

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Via e-mail

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Dear All

I am sorry that I was not able to meet you on Monday due to personal circumstances but officers have reported back on the main points that were raised.

First, I know that you have asked for written confirmation of the Employer's offer, which is as set out below:

2022 - An uplift of 5% plus a payment of £500 to be added to all pay scales. The £500 will be consolidated into basic pay and will therefore be permanent and pensionable. For the avoidance of doubt, any additional payments and allowances, etc. that are **not** calculated with reference to basic pay will be uplifted by 5%. This means, for example, that any bonuses or other contractual entitlements that are set at a flat rate will be increased by 5%. Please note as has been the case for many years, the recruitment and retention premia paid to eligible staff after three and six years' service will not be uplifted.

2023 - An uplift of RPIX as at 30th June 2022

2024 - An uplift of RPIX as at 30th June 2023 minus 1%. Should RPIX as of this date be less than 1%, the Employer will not seek to implement a pay cut and the award for that year would be zero.

Turning now to the question of pay parity, thank you for providing your thoughts on how this could potentially be approached. I note that the proposed purpose of achieving pay parity is "to ensure the Bailiwick can recruit and retain sufficient health and social care personnel to deliver essential services," and certainly the Committee is unanimously in favour of achieving those aims, but does not agree that pay parity is the only, or indeed the best, vehicle to ensure such an outcome. Consequently, while the Committee is very willing to consider a range of initiatives aimed at improving recruitment and retention, it is not prepared to make any commitment to achieving pay parity at this time. I realise that this will not be welcome news but I would reiterate the Committee's willingness to consider

other ways in which collaborative working with the Unions can potentially achieve improved recruitment and retention rates. I would add that any such initiatives would have to be considered outside the pay deal. I do see some potential in the area of the retention bonus and officers have been instructed to look at this for the Committee.

I understand you have also raised the question of why the June RPIX figure is being used as the basis of the calculation of future pay awards. As explained during the meeting, there are a number of reasons for this, including the fact that using the June date means that it is far more likely that pay awards can be implemented for all pay groups by the effective date of 1st January. It also means that both sides have greater certainty during negotiations, as the relevant figure is known well in advance of the commencement of pay talks. The Employer does not consider that use of the June figure disadvantages any pay group. Notwithstanding that, as you were advised verbally, the Committee is willing to discuss this but if any changes are agreed they will not be implemented before 2025, as all calculations and projections in respect of the current offer have been based on a June RPIX figure and indeed some groups have already accepted the deal.

Finally, you have asked about the move to RPIX as the default measure of inflation. The States switched to RPIX as the default in 2009/2010, largely because it was less volatile. Whilst changes have been made to address that volatility, it is worth noting that the Bank of England specifically manipulates interest rates to manage inflation and increasing interest rates should therefore bring inflation down. The application of RPIX (which excludes mortgage interest) is therefore a better measure of “core” inflation pressures. Again, the Committee does not consider that this decision is going to create any significant disadvantage, as RPI has averaged 2.9% since the year 2000, whereas RPIX has averaged 2.8% over the same period.

I trust that this has addressed all your questions and I should be grateful if you would confirm that you will take the offer to your members, although it is accepted that you may not wish to recommend it.

I look forward to hearing from you soon in this respect.

Having now met with representatives across all pay groups within the public sector, the Committee is currently considering when it will notify all States employees of the offer that has been made.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D Mahoney', written in a cursive style.

Deputy D Mahoney
Member