



REPORT AND RECOMMENDATIONS

Minimum wage, trainee and offset rates for 2022/2023

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Introduction

This is the Employment Forum's sixteenth minimum wage rate recommendation. Because of the Covid-19 pandemic, the Forum was unable to carry out its usual consultation exercises in 2020 and 2021. In 2021, the then Minister for Social Security used Covid-19 enabling powers to set new minimum wage rates – to take effect from 1 January 2022 - in the absence of a Forum consultation and recommendation.

The then Minister's report to the States Assembly on a minimum wage rate for 2022 is [here](#).

The Employment Forum is a statutory, independent and non-political body. It derives its mandate from the provisions of the Employment Law, to which it must adhere. Its membership is made up of employee, employer and independent representatives. In its consultation processes it gives equal weight to evidence provided from all sides of the community before arriving at its conclusions and recommendations.

This recommendation takes account of the direction given to the Forum in April 2022 by the former Minister for Social Security, and a supplementary direction given by the new Minister in July 2022 (see below for the full text of the directions).

Specifically, the supplementary direction asks the Forum to consider the commitment of the new Government to an increase in the main minimum wage rate to £10 an hour from October 2022, and also what steps might be taken to enable a further increase from 1 January 2023.

Given the need for both employers and employees to have clarity and a reasonable period of notice for any increase in the minimum wage rate, the Forum gives its views on both limbs of the supplementary direction, as well as the initial ministerial direction, in this report.

The Forum has also taken the opportunity to consider the current trainee year 1 and year 2 rates and the offsets for accommodation and food/accommodation.



This recommendation has been prepared by the following members of the Employment Forum:

Carla Benest (Chair)
 Donna Abel
 Dougie Gray
 Graeme Stokes
 Hilary Griffin

Mark Richardson
 Marianne Russell

EXECUTIVE SUMMARY OF RECOMMENDATIONS

The Employment Forum makes the following recommendations for future minimum wage rates, trainee rates and offset rates:

- The main minimum wage rate should rise to £10.10 an hour from 1 January 2023
- There should be corresponding increases in the trainee rates
- There should be no interim increase to £10 an hour in October 2022
- Offset rates should increase by 20% from 1 January 2023
- The trainee year 1 and year 2 rates should be abolished from 1 January 2024 and Jersey should have a single minimum wage rate for all employees of school leaving age and above
- The process by which minimum wage rates and offset rates are set should be harmonised, so that both in future are set by Ministerial Order and not by Ministerial Order (minimum wage rates) and by Regulations (offset rates)

	1 January 2022	1 January 2023 (increase)
Minimum wage (per hour)	£9.22	£10.10 (9.5%)
Trainee rate Year 1 (per hour)	£6.91	£7.57 (9.5%)
Trainee rate Year 2 (per hour)	£8.07	£8.90 (9.5%)
Maximum weekly offset for accommodation	£91.12	£109.34 (20%)
Maximum weekly offset for accommodation and food	£121.46	£145.75 (20%)

Maximum weekly offset against trainee rates for accommodation	£68.34	£82.01 (20%)
Maximum weekly offset against trainee rates for accommodation and food	£91.10	£109.32 (20%)

Minimum Wage rates

The Forum has noted that, during the recent general election campaign, the issue of the minimum wage was raised by many candidates. The Forum acknowledges the legitimate political commitments made during campaigning, but stresses that its recommendation on future minimum wage rates is driven by the evidence provided to it during the consultation exercise.

The Forum notes a political commitment to a rate of £10 an hour from October 2022. However, the evidence the Forum has received reveals little support for an interim increase.

The Forum is concerned that the steps needed to be taken to implement an interim increase to £10 an hour in October – with a further recommended increase to £10.10 in January 2023 - place a significant administrative burden on businesses to accomplish two increases in such a short space of time.

Evidence presented on the question of an interim increase demonstrates little consensus, albeit that there were very few responses to the additional questions posed by the new Minister for Social Security in her supplementary direction to the Forum.

One strand of evidence suggests the need to maintain a coherent and predictable mechanism for increases in the minimum wage rate. The cycle of minimum wage increases has moved from April to January, to the general approval of consultees. The Forum considers that a decision to implement an interim increase so close to the “normal” review date will cause unnecessary disruption, particularly where business plans may already have been put in place for the coming 2023 season.

In addition, the Forum notes that the Government’s intention is to reduce the level of social security contributions by 2% for three months from the beginning of October. Bearing that in mind, the Forum considers that the benefit of an interim increase in the minimum wage rate in October is, at best, marginal.

For those reasons, the Forum is unable to support a recommendation for an interim increase in October 2022.

As noted above, the Forum is concerned that businesses should have time to assimilate any increase and take the necessary administrative steps. The worst



effects of the pandemic may be over, but the Forum is conscious - from the evidence it has taken – that many businesses and business organisations continue to express caution about too great a leap over too short a time in further increasing the level of the minimum wage, as envisaged in the Assembly’s agreement to a target of two-thirds of the median wage.

The Forum considers that a single increase to £10.10 from 1 January 2023 will reflect the likely level of inflation at that point and the ability of business and the labour market to absorb the increase. The Forum recalls that its statutory duty under the Employment Law is to take account of the economic conditions prevailing in Jersey in considering an appropriate minimum wage rate. Economic factors are clearly already driving up wages. For that reason, it considers £10.10 an hour from 1 January 2023 to be appropriate.

In its consultation on and consideration of future minimum wage rates, the Forum has borne in mind the conclusions of the Fiscal Policy Panel (FPP) in its assessment of the likely RPI figure at the end of 2022. The Forum has weighed this figure in its conclusions about the appropriate level of increase for January 2023.

The increase from £9.22 an hour currently to a rate of £10.10 an hour from 1 January 2023 represents a rise of 9.5%, slightly above the FPP’s assessment of the likely RPI rate at the end of 2022 (9.2%). (See Section 5 at page 15 below for a detailed discussion of the FPP’s conclusions).

Offset rates

In arriving at its recommendations in respect of offset rates – those permitted to be deducted from an employee’s wage for accommodation or accommodation/food - the Forum has borne in mind that there has been no increase in those rates since April 2020. The Forum has decided this year to recommend a significant increase in offset rates, to restore the balance with the recommended increase in the minimum wage rates.

In doing so, the Forum is strongly of the opinion that minimum wage increases and increases in the offset rates are no substitute for properly targeted assistance to the rural economy in Jersey. The Forum regrets that government action on direct assistance has not been forthcoming until relatively recently.

A more detailed discussion of a new government approach can be found in Section 2 of this report at page 9 below.

The Forum also notes that the process by which the rates of offset are implemented is different from that for the setting of minimum wage rates.

Currently, the offset rates are amended by Regulations, requiring a debate and the agreement of the States Assembly. Minimum wage rates are amended by Ministerial Order, which requires no debate or agreement by the Assembly. The Forum considers that this is anomalous and unnecessarily complicated.

The Forum therefore **recommends** that the minimum wage rate process and the offset rate process should be harmonised, and that both should be set by Ministerial Order in future years. This will require amendment to the Employment Law. The Forum notes that changing to a harmonised process will still enable States' Members to challenge the rates proposed by the Minister for Social Security by way of motions to annul a Ministerial Order and Propositions to set alternative rates.

Trainee rates – Years 1 and 2

In considering its recommendations in relation to trainee Year 1 and Year 2 rates, the Forum has applied an equivalent percentage increase to that for the main minimum wage rate.

Up to date statistics on the number of employees who are in receipt of the trainee Year 1 or Year 2 rates have not been available since 2016. In that year, an analysis undertaken by Statistics Jersey showed there were fewer than 100 jobs being paid at either of the trainee rates, in the context of a total of 3,000 jobs estimated to be being paid the minimum wage and out of a total of nearly 50,000 jobs in the economy as a whole.

The Forum has gathered evidence from its consultations to the effect that these trainee rates are used very rarely. The evidence from that earlier survey would seem to bear this out. The circumstances in which trainee rates are offered are considered the exception rather than the norm; in particular, that the criteria by which payment of trainee rates would be judged appropriate would apply to a very few cases. This is a point that has been made by respondents to the consultation. The Forum notes that a Jersey Advisory and Conciliation Service (JACS) guide¹ sets out what constitutes approved training for the purpose of paying the trainee rates and that the criteria are very specific.

The Forum is also concerned that the trainee rate regime does not distinguish between those who might be described as “early years” employees – perhaps those who have just left school or further or higher education and may still be living at home - as against those who may have built up a solid record of employment over many years and have acquired additional personal responsibilities.

The Forum considers this inequity unsustainable, particularly in order to attract “early years” employees to good quality training or apprenticeships and to ensure that

¹ [2017 Approved Training | JACS](#)



those employees with extensive employment records do not suffer potential undue financial detriment by changing careers, perhaps in their thirties or forties, and finding themselves being paid a trainee rate, below the level of the main minimum wage.

The Forum considers that the present consultation exercise provides an opportunity for the Government to adopt a fresh and progressive approach to the issue of the payment of the minimum wage.

Rather than attempt to create a new and arguably more complex trainee rate structure based on, for example, individual sectors, the Forum considers that an overall simplification of the current regime is preferable. This will have the benefit of increased transparency. It may also have the effect of attracting new young entrants into sectors of the economy that experience recruitment difficulties.

The Forum therefore **recommends** to the Minister for Social Security that the Year 1 and Year 2 trainee rates should be abolished by 1 January 2024 and that there should be one, single minimum wage rate for employees who are above school leaving age, and to whom all other provisions of the Employment Law should apply. This will require amendments to the Employment Law.

For a more detailed discussion of this recommendation, see page 25 below.

Section 1 – The 2022 consultation exercise process

The Employment (Jersey) Law 2003 provides for minimum wage rates to be paid to employees for each hour worked. At the moment, the rates are made up of a main rate (£9.22 an hour) and Year 1 and Year 2 trainee rates (currently £6.91 and £8.07 an hour respectively). These wage rates are legally binding on employers.

The Employment Law also requires the Employment Forum to consult and make recommendations to the Minister for Social Security on the appropriate level of minimum wage rates. The legislation requires the Forum to take into account in particular the economic conditions in Jersey and the issue of competitiveness.

As well as consulting with employee and employer organisations, businesses and individuals, the Forum has also had regard to the report and recommendations of the Fiscal Policy Panel (FPP), a statutory body whose role is to give the Treasury and Resources Minister and States' Members independent economic advice in a number of areas: tax and spending, growth rates and inflationary pressures.

For a more detailed discussion of the FPP's analysis, see section 5 at page 15 below.

Ministerial directions to consult

The then Minister for Social Security, Deputy Judy Martin, directed the Forum in April 2022 to consult, with the following criteria in mind:

The following commitment made in Proposition [P.98/2021](#):

- *“to set the objective of raising the minimum wage to two-thirds of median earnings by the end of 2024, subject to consideration of economic conditions and the impact on competitiveness and employment of the low paid in Jersey; and to request the Employment Forum to have regard to this objective when making its recommendations on the level of the minimum wage to the Minister for Social Security.”*

In July 2022, the new Minister for Social Security, Deputy Elaine Millar, also asked the Forum to consult on the following two additional questions:

- *“I am inviting the Forum to give its views on an initial increase in the minimum wage to £10 an hour from 1 October 2022 - based on its consideration of the evidence already received from stakeholders and the ongoing consultation exercise - as part of its report and recommendations to me in September 2022.”*
- *“I am also taking this opportunity to invite the Forum in its report to consider, based upon the evidence gathered during the consultation, what further steps might be appropriate to take to move as quickly as possible towards this target (two-thirds of median earnings).*

In her letter, the Minister continued:

- *“The current review, of course, is looking toward an increase in the minimum wage rates from 1 January 2023 and my request sits alongside that review. Given the very unpredictable and volatile nature of current economic conditions, the Forum might wish – if it felt it appropriate - to express its recommendation for the January 2023 rates in terms of a range of values, rather than a fixed value.”*

Initial Forum response to the Ministerial directions

The Forum notes that the target figure of two-thirds of median earnings is an aspirational one - subject to a number of other factors - set by the previous States Assembly. It is important to emphasise that the aspirational target is not one that the Forum is required to meet but is one of the factors required to be taken into account when the Forum makes its recommendations.

In terms of moving “as quickly as possible” to the target of two-thirds of median earnings, the Forum cautions against too precipitate a move, particularly given the latest assessment by Statistics Jersey of a figure of £12.50 for the two-thirds median target².

If economic conditions were to change, the Forum would consider (if directed to do so) the situation afresh.

The Forum’s recommendation of £10.10 an hour from 1 January 2023 is likewise in line with economic forecasts for the rate of inflation at that date. The Forum will consider the feasibility of a further increase when it is directed to do so by the Minister for Social Security.

In terms of whether an appropriate approach to a 1 January 2023 rate should be a “*range of values rather than a fixed value*” the Forum **recommends**, in order that there should be as much clarity as possible, a substantive figure. The Forum notes that the provisions of the Employment Law permit the Minister to disagree with the Forum’s recommendations and substitute a figure of her own, with reasons.

The Forum considers that its recommendations for the level of the minimum wage in January 2023 are consistent with what the labour market can bear at this stage, for the reasons noted earlier in this report.

Section 2 - Future Government support for the rural economy and a productivity plan

In previous reports and recommendations, the Forum has questioned the absence of a productivity plan to support key areas of the Jersey economy where the minimum wage is most prevalent – the agriculture sector in particular. The Forum noted in its 2018 recommendation that:

“If employers or sector representatives are concerned about the level of the recommended minimum wage.....this gives them more time to become involved in the development of the plan and to lobby government for the support they require to pay higher wages. The Forum hopes that this recommendation for a more significant minimum wage increase will encourage government to drive forward an appropriate plan that meets the needs of the affected sectors.....If a plan is not delivered, or it is not effective, this is likely to have an impact on the Forum’s minimum wage recommendation for 2020.”

The Forum recalls that the absence of an increase in 2021 led to an increase in the minimum wage rate of 10.8% from 1 January 2022. At the same time, the then Minister for Social Security decided not to increase the level of the offsets –

² Statistics Jersey: Living Costs and Household Income Survey, June 2022

allowances able to be deducted under the Employment Law by an employer for accommodation and/or food provided to an employee.

Because of the pandemic and the potential economic impact on standards of living, the former Minister wished to ensure that more money found its way into the pockets of those employees on the lowest wages, who would be most vulnerable to a downturn in economic conditions.

From its consultations this year, the Forum accepts that the agriculture sector in particular is coming under increasing strain – not just from anticipated increases in the minimum wage, but also from the spiralling costs of essentials needed to run businesses. The Forum has been told, for example, that the cost of fertilisers has risen from £300 a tonne in 2021 to a likely £800 a tonne in 2023. As a result, profitability is being increasingly squeezed.

No productivity plan was forthcoming from the Government in 2018 - despite pledges given at that time - or has been in the years since. The Forum considers this lack of a coherent approach to support for the rural economy to have added to the pressures on the sector.

However, the Forum is pleased to note the introduction – shortly before the recent election – of a Rural Initiative Scheme, designed to offer support to businesses in the agriculture sector. The Forum also notes the welcome given to this project by agriculture representatives.

The Forum has received a communication from the recently appointed Minister for Economic Development, Tourism, Sport and Culture, setting out the Government's future approach to support for the rural economy in Jersey. The Forum is grateful for the Minister's response, which is reproduced below.³

In his letter, the Minister writes:

“Noting.....the existing pressures faced by the industry, I am determined to see greater support delivered to the agricultural sector during this term of office. I will be including a commitment to this effect as part of my forthcoming Ministerial Plan and will be working with officers to explore how we can better support this sector in the coming years. As you will already be aware, the level of public financial support for the agricultural sector is significantly lower in Jersey than in neighbouring jurisdictions, being just £24 per capita in 2021. This compares to £96 per capita in the United Kingdom, £128 per capita in the Isle of Man and an average of £159 per capita across the European Union.

³ [Minimum wage review 2022 - MEDTSC reply to the Employment Forum.pdf](#):

This ambition can only be delivered over the long-term and only with the support of the Council of Ministers and States Assembly. I think organisations such as the Jersey Employment Forum have an important role in shaping this debate and I hope that in considering the significant short-term challenge a sharp increase in the minimum wage poses for our agricultural sector, you will endorse the need for a more comprehensive package of support for the industry in the future.”

The achievement of the Minister’s ambition for greater support for the rural economy is essential for that sector’s maintenance and development. Continuing reliance on the levers of minimum wage rates and offsets to maintain the rural economy is unsustainable. The Forum encourages the Government to support the agriculture sector appropriately so that employers can reduce their reliance on low paid workers.

Section 3 - Minimum Wage v Living Wage

The Forum has previously clarified the distinction between the minimum wage and the living wage. There has been much discussion in recent months about this particular issue.

The setting of a **statutory minimum wage** is governed by the Employment Law and is a legally enforceable figure. It generally takes into account factors including competitiveness, economic forecasts and the strength (or otherwise) of the labour market. The minimum wage is designed to remove the worst cases of low pay exploitation while acknowledging business realities and the support of a competitive economy. It sets a minimum standard in the employment relationship and establishes a level playing field between employers, irrespective of their size and sector.

A **living wage** is a different concept. It is a voluntary benchmark, rather than a legally enforceable minimum level of pay. Unlike the minimum wage, the cost of living is often a feature in an analysis of the appropriate figure for a living wage rate. In Jersey, the voluntary rate is set by a local charity, Caritas.

Consideration of an appropriate level of living wage in Jersey is outside the current remit of the Forum. Nevertheless, it is clear from the Forum’s consultations this year that, for most sectors of the economy, the legal minimum wage rate has been superseded by rates of pay that reflect the tightness of the labour market, which has also – in many cases - pushed up earnings beyond the current Caritas-recommended living wage rate in Jersey of £11.27 an hour.

Living wage developments in the Republic of Ireland

By way of Living Wage illustration – without the Forum’s endorsement of any particular approach to this issue - and to put into context the methods by which alignment between the minimum wage and the living wage in Jersey might be made, the Forum draws attention to the current position in the Republic of Ireland.

In June 2022, the Irish Government announced plans to replace the current minimum wage with a new living wage, which will be phased in over the next four years. The link to the detailed report of the Irish Low Pay Commission is [here⁴](#). The Irish Government proposes to set the living wage at 60% of the median wage in any given year, with the possibility to rise to 66% in future years. Under the draft proposals the Irish national minimum wage will remain in place until the living wage is fully phased in – in 2026 – but will increase over the years, closing the gap between the minimum wage and the living wage. From 2026 the national living wage will be the floor and be mandatory for all employers.

The Forum notes that the Irish Government’s intended approach is to legislate for a living wage that is a percentage of the median wage, rather than attempt to calculate a monetary figure based on the cost of living, among other elements.

The position in Jersey

In Jersey, the Forum has already noted that the new Council of Ministers has agreed to pursue the objective set out by the previous States Assembly for the minimum wage to be set at two-thirds (66%) of the median wage by the end of 2024.

As noted earlier, historically the Employment Forum has not been asked to consider the appropriate level of a living wage in Jersey. However, the present consultation exercise reveals that respondents generally consider it essential that local conditions are taken into account when setting a living wage figure and that assessments should not merely be “imported” from other jurisdictions – in the case of Jersey, from the UK with an uplift.

The UK Living Wage Foundation noted in a 2017 report⁵:

“Local cultural and economic factors (such as the varied nature of extended families, the widespread use of employer-funded non-wage benefits, the prevalence of migrant workers and even seasonal cost of living variations) can make the calculation of a Living Wage based on the cost of living a complex matter that is often best handled on a regional basis.”

⁴ Report of the Low Pay Commission on progressing to a Living Wage, March 2022

⁵ The Living Wage: A global overview of initiatives and regulation, 2017 p.7 - UK Living Wage Foundation/ACCA

In any assessment of the appropriate rate in Jersey, the Forum would simply note that the current requirement in the Employment Law is for the economic and competitive analysis of the position in Jersey when considering a minimum wage rate, however defined.

Section 4 – Minimum wage rates in Jersey and other jurisdictions

1) Jersey

2020 - £8.32 an hour
2021 - £8.32 an hour
2022 - £9.22 an hour

2) Great Britain and Northern Ireland – national living wage (available to workers aged 23 and above from 2021)

2020 - £8.72 an hour
2021 - £8.91 an hour
2022 - £9.50 an hour

3) Guernsey

2020 - £8.50 an hour
2021 - £8.70 an hour
2022 - £9.55 an hour

4) Isle of Man

2020 - £8.25 an hour
2021 - £8.25 an hour
2022 - £9.50 an hour

The remit of the UK Low Pay Commission (LPC) is to recommend the rate of the National Living Wage (in reality, the highest level of the minimum wage) ultimately to reach a target of two-thirds of median earnings by October 2024. That target is balanced with assessing the economic evidence which may suggest risks which require a reassessment of the timeframe or target.

According to the LPC, this acts as an “emergency brake” to ensure that the lowest-paid continue to see minimum wage rises without significant risks to employment prospects.

In Guernsey, the States continue to pursue an objective of linking minimum wage rates to 60% of median earnings by 2023.

The Isle of Man Government implemented a significant increase in the minimum wage rate for 2022 (15.1%), its first since 2019.

In commenting on the increase, the Isle of Man Government said:

“This is the first increase since 2019, and whilst it is recognised that this will impact some businesses, many have in effect already raised wage levels in order to retain and attract new workers in such a competitive market. It is also imperative that the Isle of Man does not fall behind our close counterparts in the UK and is able to maintain a strong and competitive proposition when working to fill labour shortages and promote the Island as a secure, vibrant and sustainable place to live and work.”

The prevalence of the minimum wage and low pay in Jersey

This current consultation exercise includes up to date figures on the numbers of employees in Jersey who are in receipt of the statutory minimum wage or are classed as “low paid” employees.

In this respect, the analysis published by Statistics Jersey on 26 August 2022 shows that there has been a significant decline over the last three years in the number of employees being paid the minimum wage - from 5% to 2% of the workforce. There has been a similar significant reduction in the number of employees classed as “low paid” – from 11% to 4% of the workforce.⁶

Rates of pay in 2022 across sectors – recruitment figures

A brief analysis of the “Jobs in Jersey” section of the gov.je website showed that, at 23 August 2022, of the 190 jobs advertised in the hospitality sector where rates of pay were given, 52 offered rates above the level of the proposed minimum wage from 1 January 2023, and only 2 jobs offered below £10.10 an hour.

In the agriculture sector, of the 13 jobs advertised, none of those where rates of pay were given offered a rate below the proposed rate for 1 January 2023.

As an aside, the Forum considers that, in the interests of transparency, employers advertising vacancies on the “Jobs in Jersey” webpages should be required to display an hourly rate or an annual salary, rather than a “negotiable” amount.

⁶ Index of Average Earnings, Statistics Jersey, June 2022

Section 5 – Fiscal Policy Panel: The Economic Outlook

In its “Medium Term Report” published in July 2022⁷, the Fiscal Policy Panel (FPP) notes that the economy in Jersey is forecast to grow strongly in 2022, but that the available indicators suggest there is little or no spare capacity in the economy, given the very tight labour market.

This is an issue that this year has been flagged by many of the respondents to the Forum’s consultation exercise. The number of Islanders actively seeking work has fallen to a record low since figures first began to be gathered in 2008 and vacancy rates are high. Several sectors, including hospitality, have seen dramatic increases in job vacancies, and the increase in job vacancies overall across the various sectors chimes, as the FPP itself found, with the results of the Forum’s own latest consultation exercise.

The FPP also expects a significant rise in RPI towards the end of the year, peaking at around 9.2%. The Panel acknowledges that some households face considerable constraints because of rising inflation.

At the time the previous Minister for Social Security published her assessment of the economic outlook in P.85/2021, when setting the minimum wage rates for January 2022, stakeholders suggested that capacity shortages – both in the supply chain and in the labour market – would have an effect on prices and wages. The most up-to-date assessment by the FPP bears this out.

In summary, the FPP update suggests a mixed picture of the economic outlook for Jersey. Inflation projections have increased, although they are still not as high as those in the UK. The FPP notes that average earnings are expected to rise almost in line with inflation as the tight labour market keeps demand for skills high and wages will reflect this. As stated earlier in this report, the Forum has had this projection firmly in mind when considering a new rate to recommend to the Minister.

The Fiscal Policy Panel has produced the following Central Economic Assumptions:

% change unless otherwise specified	2020	2021	2022	2023	2024	2025	Trend 2026+
Real GVA	-8.7	5.4	4.1	8.6	1.3	0.1	0.5
RPI	1.3	2.7	7.7	6.7	3.9	2.7	2.4
RPIY	1.2	2.7	6.2	5.2	3.7	2.7	2.4
Nominal GVA	-7.2	8.2	10.5	14.1	4.9	2.8	2.9
Gross operating surplus (including rental)	-15.5	11.0	16.5	24.3	5.6	2.5	2.9
Financial services profits	-18.1	19.5	26.2	42.3	6.2	1.6	3.2
Compensation of employees (CoE)	-1.8	6.1	5.8	5.4	4.3	3.2	2.9
Financial services CoE	0.3	3.6	6.1	5.1	4.1	3.1	3.4
Non-finance CoE	-0.1	8.0	6.7	5.5	4.3	3.1	2.7

⁷ [Minimum wage consultation - FPP Medium-term Report July 2022.pdf](#)

Employment	-2.4	3.0	0.7	0.6	0.5	0.3	0.1
Average earnings	1.1	3.3	5.3	4.9	3.8	2.9	2.8
Interest rates (%)	0.2	0.1	1.2	2.5	2.7	2.7	2.6
House prices	6.1	16.0	6.0	5.0	4.0	3.0	2.9
Housing transactions	-3.8	15.1	3.5	3.0	2.5	2.5	4.0

Section 6 – Statistics and other information

In reaching its conclusions and recommendations about the minimum wage rate, the Forum has considered statistical information and data about the economy, as well as the responses received during the consultation exercise with stakeholders and through the online survey.

This section also highlights information received from other sources, including a survey of members carried out by the Jersey Chamber of Commerce. The Forum is grateful to Chamber for permission to publish a link to its [survey](#).

While the information provided by Statistics Jersey and the FPP forms the basis of the Forum’s considerations about the economic health of the Island and Islanders, the Forum considers it important this year to reflect particularly on cost of living issues and broader socio-economic factors, including the lived experiences of a cross-section of Islanders.

The Forum highlights a recent survey conducted by Island Global Research on the cost of living in Jersey, Guernsey and the Isle of Man (see section 7 at page 19 below for more details). It should be noted that the evidence provided in this survey was collated and published by a private organisation and has not been subject to any official analysis.

Economic indicators

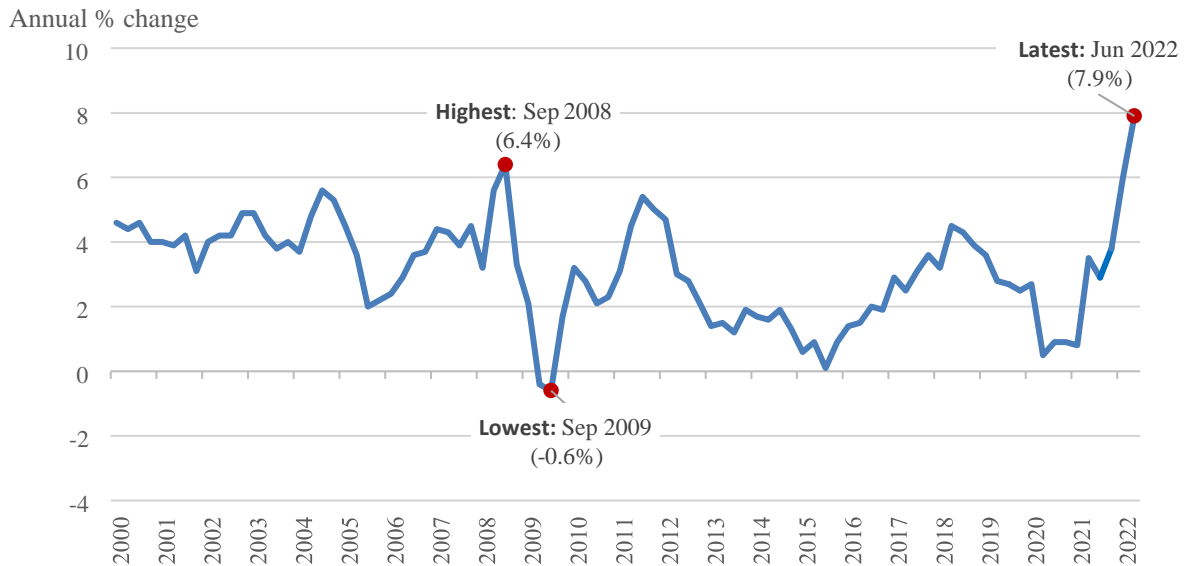
This section sets out a range of economic statistics and indicators, drawn from official reports.

Prices

The Retail Price Index (RPI) measures the relative level of prices from quarter to quarter in respect of goods and services purchased by the average household in Jersey.

According to [the latest report](#) from Statistics Jersey, during the twelve months to June 2022, the All-Items RPI increased by **7.9%**. For comparison, during the twelve months to June 2021, the All-Items RPI increased by **3.5%**.

The following chart tracks All-Items RPI from 2000 to 2022⁸:



Additional price measures include RPI(X) (RPI excluding mortgage interest repayments) and RPI(Y) (RPI excluding mortgage interest payments and indirect taxes such as GST and impôts).

Over the twelve months to June 2022, RPI(X) increased by 6.5%, the largest increase for over 13 years. In the same period, RPI(Y) – showing underlying inflation – increased by 6.5%, the largest increase in this index since it was first produced.

As detailed in its Medium-Term Report, outlined on page 15 above, the Fiscal Policy Panel anticipates RPI peaking at 9.2% by the end of 2022.

Employment

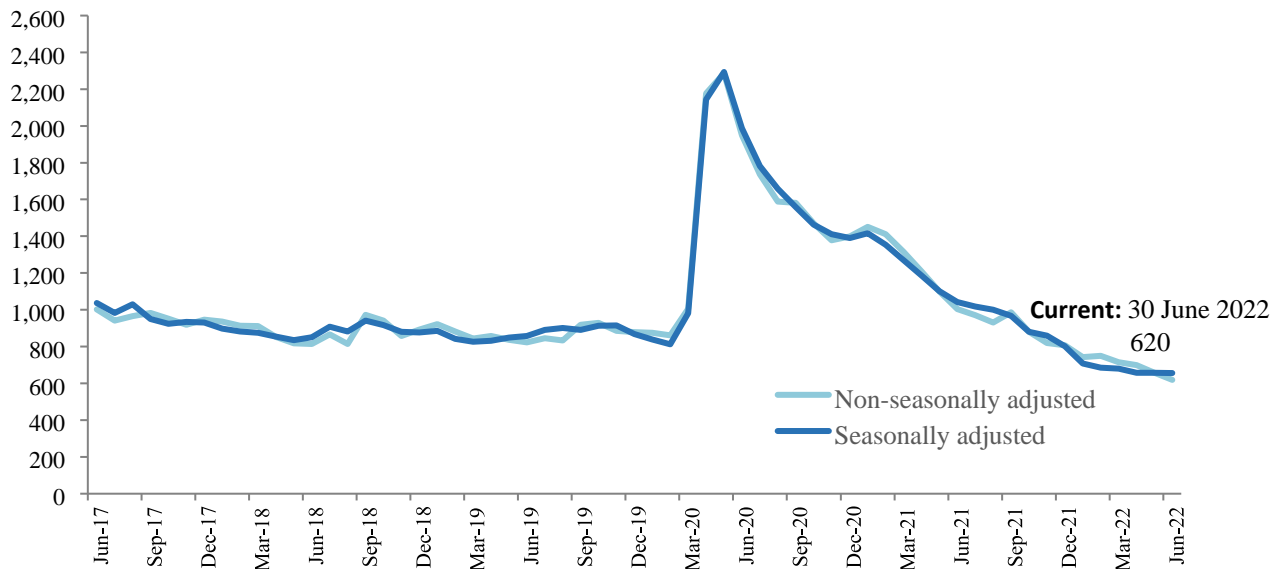
On 30 June 2022, there were 620 people registered as Actively Seeking Work. The graph below shows the total number of people registered as ASW at the end of each month since June 2017⁹.

The total number registered in June 2022 was 100 lower than at the end of the previous quarter (March 2022) and 380 lower than twelve months earlier (June 2021).

⁸ Statistics Jersey – Jersey Retail Prices Index, June 2022, Figure 1

⁹ Source, Statistics Jersey – Labour Market Statistics, June 2022

Total number of individuals registered as ASW, 30 June 2017 – 30 June 2022



Statistics Jersey have also published an analysis of the employment landscape in Jersey as part of the Census 2021 exercise. Their report is [here](#).

Among the findings of the employment section of the census:

- The agriculture and fishing sectors employed 2% of working adults aged 16 and over
- The hotels, restaurants and bars sector employed 6% of working adults aged 16 and over

The census also showed:

- The average hours worked by full-time employees in the agriculture and fishing sectors were 49.5 per week
- The average hours worked by full-time employees in the hotels, bars and restaurants sector were 42.6 per week

These two sectors represent the longest working weeks of all the sectors surveyed.

Also, as an example, of the 1,060 working adults aged 16 and over in the agriculture and fishing sector, 440 were classed as “elementary occupations”. This figure roughly bears out the evidence given to the Forum about the numbers likely to be

earning the minimum wage in this sector. Since the conclusion of the consultation exercise, Statistics Jersey have published an analysis of the numbers involved. In the agriculture and fishing sector, 14% are estimated to be on the minimum wage, down from 24% in June 2019. In hospitality, the figure is 9%, down from 13% in June 2019.

As far as “low paid” employees are concerned (defined as minimum wage plus 5%), the figures are:

- Agriculture and fishing – 25% (down from 41% in June 2019)
- Hospitality – 16% (down from 32% in June 2019)

Current assessment of average earnings in Jersey

Average Earnings Index

The Index of Average Earnings measures changes in gross wages and salaries paid to employees. It includes overtime payments, but excludes bonuses, employers’ social security contributions, holiday pay and benefits in kind (for example, free accommodation). On 26 August 2022, Statistics Jersey published the latest reports of the Average Earnings Index¹⁰.

At June 2022, average weekly earnings were 6.2% higher than in June 2021.

The preliminary findings of the Jersey Household Income Distribution Survey 2021/2022 identified a median full-time wage of £730 per week.

Updating this value to June 2022 using the Average Earnings Index produces a calculated value of £750 per week.

The target figure of two-thirds of the median full-time wage gives an hourly rate of £12.50 from this calculated value.

Section 7 – Socio-economic factors in Jersey

Island Global Research survey

The Forum notes the publication of a survey conducted by Island Global Research (IGR) between 5 May 2022 and 4 June 2022¹¹. According to IGR, the purpose of the survey was to gain high-level insights into experiences and perceptions about the cost of living in Jersey, Guernsey and the Isle of Man. The survey was conducted

¹⁰ [Average Earnings and Income Distribution reports published \(gov.je\)](#)

¹¹ [IGR Cost of Living Survey Results 2022.pdf](#)

without external commissioning and comprised 1,443 residents in Jersey, 1,241 in Guernsey and 1,257 in the Isle of Man.

In their introduction to the survey results, the IGR team make the following observations:

“We found it striking that across the three islands, half of people categorised themselves as less than comfortable, including 8% who say they cannot usually afford their [living] costs, and often have to go without essentials like food and heating. The remaining 50% comprises 42% who are ‘relatively comfortable’ and 8% who are ‘very comfortable.’”

“In all three islands, respondents were often concerned by what they believe to be a widening of the gap between the richest and the poorest in our communities, with calls for more support to be made available to those who are financially vulnerable. There is concern about young people moving away, and indeed, one impact of rising costs reported by respondents is that they are looking to move away from our islands in order to afford a better standard of living. This appears to already be affecting some of those less able to afford their costs, while several ‘relatively comfortable’ respondents also indicated this is something they would be prepared to consider in the future.”

It is important to note, as the authors of the survey point out, that all surveys are subject to a small amount of self-selection bias and that this survey may have appealed slightly more to those concerned about this issue. As noted above, this survey has not been subject to official analysis. Nevertheless, the Forum considers that it is important to place the findings of the survey in the overall context of the current debate on the cost of living in Jersey and its impact on income levels.

Wider socio-economic issues in Jersey

There are a number of other issues that independent organisations have identified to the Forum as being linked to low pay in general in Jersey.

The bulk of requests for help appear to come from those Islanders facing personal finances pressures, for whom the level of the minimum wage is a factor. Others include the availability of affordable housing and referrals to food banks and for food vouchers. Evidence given to the Forum also suggests that it is not just Islanders receiving the minimum wage who may be facing pressures; those earning above the minimum wage may equally be subject to those pressures.

The evidence suggests – from a general low pay/cost of living point of view – that, in addition to advice on debt management, organisations report seeing clients who are working two or three jobs for 60 or 70 hours a week. There is a concern that this has



knock-on effects on mental and physical health and on the amount of quality time that low-paid employees can spend with their families.

Section 8 – Consultation outcomes and responses

The Forum is grateful to those individuals, organisations and representatives who engaged with it in this year's consultation exercise. There were 54 responses to the online survey and, additionally, the Forum held 8 face-to-face sessions with a range of business and trade union organisations and independent bodies, listed below:

- Chamber of Commerce
- Unite the Union
- Jersey Farmers' Union
- Jersey Hospitality Association
- Jersey Business
- Jersey Advisory and Conciliation Service
- Citizens' Advice Jersey
- Caritas

The Forum consulted during the period 19 June to 5 August 2022. The consultation period was extended by one week to enable respondents to consider the two additional questions requested by the new Minister for Social Security.

The Forum's online survey included questions relevant to a range of respondents, including employees, employers, trades unions, employers' associations and independent bodies. Information about the survey was circulated to the Forum's database of around 200 individuals and organisations.

Written online consultation responses

Online responses to the 2022 consultation exercise break down as follows:

Employees – 11

Employers – 39

Organisations – 2 (identifying as a trade union and a business organisation)

Other – 2 (identifying as a member of the public and a self-employed respondent)

EVIDENCE RECEIVED – STAKEHOLDER ENGAGEMENT EXERCISES

This section summarises the evidence given to the Forum about some of the issues raised in the consultation exercise.

1) The prevalence of the minimum wage in Jersey

Consultees were in broad agreement that the minimum wage applied to increasingly fewer sectors of the economy and, within those sectors, to increasingly fewer employees. Massive demand for labour, combined with an under-supply of employees has led to wages generally outstripping the level of the minimum wage.

There is an acceptance that there has to be a floor in terms of a rate below which employees cannot fall. In agriculture, the Forum is told that, of around 1,000 employees, 500 are seasonal workers, of whom approximately half work for 9 months and then leave; the remainder have entitled for work status and tend to come and go. Around 100 employees are specialists who return to Jersey year after year.

The latest analysis undertaken by Statistics Jersey shows that there are approximately 230 employees in the agriculture and fishing sector who are paid the minimum wage, and 410 in the “low paid” category.

In hospitality, there are around 300 businesses on the Island, covering a range of activities. The majority of the members of the Jersey Hospitality Association are paying above the minimum wage.

Payment of the minimum wage in Jersey

According to the research evidence, in Jersey, the number of jobs paying the minimum wage has reduced significantly over the last six years.

Based on surveys conducted by Statistics Jersey as part of the periodic reports on the Index of Average Earnings, in 2016 minimum wage jobs in the agriculture and fishing sector accounted for 38% of the total headcount in that sector.

By 2019, minimum wage jobs accounted for 24% of the total headcount in the sector.

As noted above, at June 2022 that figure stands at 14%.

Similarly, in hospitality, in 2016 minimum wage jobs accounted for 16% of the sector. By 2019, that figure had reduced to 13%. As at June 2022, the figure stands at 9%.

In its response to the Forum, Unite the Union said that around 20% of its members in Jersey were employed on, or just above, the current minimum wage level, although the Forum has not been provided with a detailed analysis of this figure. The union also represents members earning significantly above the minimum wage.

Other respondents made the point that in other sectors, apart from agriculture and hospitality, not many employees are on the minimum wage. Evidence was given to the Forum to suggest that employees are now more prepared to move jobs where the opportunity exists to be paid more than either the minimum wage or the rate at which they are currently being paid.

As noted above, the number of businesses paying the minimum wage has reduced significantly in the last few years. The Forum was told that of particular importance is the need to encourage “first jobbers” and that more work was being done to identify opportunities for early career employees.

The Forum has been urged to consider inflation in other areas, which has the effect of putting extra pressure on wage bills. The Jersey Farmers’ Union commented that, in the past nine months, the prices of all inputs have risen in unprecedented terms. The Forum has already mentioned the rise in the price of fertilisers. In addition, the Forum is told that fuel prices have doubled and the addition of an extra week’s statutory annual leave and the introduction of a minimum daily rest break pushed the January 2022 10.8% minimum wage settlement nearer to 14% for the agricultural sector.

The Jersey Chamber of Commerce shared with the Forum the results of its membership survey (the link to which can be found on page 16 of this report). The overwhelming impression given by replies to the Forum’s consultation is that the minimum wage as a concept has become irrelevant, because its incidence has been falling at a significant rate over the last six years and that trend appears set to continue while the labour market remains so tight.

Evidence from the Jersey Advisory and Conciliation Service indicates that, at 30 June 2022, there have been 4,506 contacts with enquirers during 2022, of which 17 related to the minimum wage. As noted above, the number of sectors operating the minimum wage is reducing as the labour market is extremely tight. However, there is a recognition that there needs to be a legislative “floor” in terms of an hourly rate.

2) Offset rates for accommodation or accommodation and food

Offsets – an allowance able to be deducted from an employee’s wages as a contribution to the cost of accommodation or accommodation and food – have formed part of the legislation relating to the minimum wage since its introduction in 2005.

From the Forum’s consultation with respondents, it is apparent that offsets are used to differing effect, depending on the sector in question. The agriculture sector is the only employment sector in Jersey where some employers use the maximum offset allowed. Concern was expressed that accommodation costs have risen in particular because of the need to comply with minimum standards and inspections. At the same time, the Forum was told that general maintenance costs have risen sharply. For that reason, the Forum is urged to restore the link between minimum wage and offset increases.

In the hospitality sector, living in, as opposed to exposure to the private rental market, is seen as a significant advantage for employees, as is the fact that the vast majority of living costs are covered by employers. In this sector, as alluded to earlier, the effect of the tightening labour market appears to demonstrate that support for living costs is habitually used as a competitive tool, with businesses offering below maximum offsets to attract and retain staff.

The lack of affordable accommodation in Jersey is also cited by respondents as an aggravating factor in recruiting and retaining employees, beyond the competitive nature of the use of offsets.

For the reasons set out above, offsets have not been increased since April 2020 at which time the minimum wage stood at £8.32.

Offsets were not increased when the minimum wage was increased to £9.22 in January 2022, an increase of 10.8% on the 2020 figure.

The main minimum wage rate for 1 January 2023 is now proposed to be £10.10, an increase of 9.5%.

To take account of the lack of an increase since 2020, the Forum recommends an increase in the offset rates of 20% from 1 January 2023.

If the Employment Forum’s recommendation in respect of offset rates for 2023 were accepted by the Minister, the comparative figures with other jurisdictions would look like this:

Jurisdiction	Maximum accommodation offset per week (main MW rate)	Maximum accommodation/food offset per week (main MW rate)
Jersey	£109.34	£145.75
Guernsey	£87	£122
Isle of Man	£42	£42
Great Britain	£60.90	N/A
Northern Ireland	£60.90	N/A

3) Trainee rates – Year 1 and Year 2

From the evidence presented to the Forum during its consultation exercise, there appears to be little justification for retaining Year 1 and Year 2 trainee rates as part of the minimum wage structure in Jersey.

Year 1 and Year 2 rates do not, for example, reflect the age of the employee in the way that a youth rate (at 16-18) might. As the Forum has already suggested in this report, this has the potential to throw up anomalies; for example, a trainee rate might be paid to a school-leaver as well as to an employee changing jobs later in their working life. Evidence given to the Forum suggests that any re-training later in working life, with a reduction to a trainee rate, may have the effect of reducing the numbers re-entering or continuing in the employment market.

The Forum has considered recommending the replacement of the trainee year 1 and year 2 rates with a youth rate but has rejected the suggestion. The Forum is of the firm view that employees of whatever age, doing the same job to the same standard as another employee should, as a matter of equity and fairness, be paid the same rate.

This is why the Forum **recommends** to the Minister that Jersey should adopt a single minimum wage rate, regardless of age or experience. It remains a fact that all employees need training to be effective and to acquire skills. Some employees, particularly those in the high skills areas of the economy, may need training over a longer period of time and will be paid significantly higher wage rates while doing so.

The Forum’s consultations indicate that the types of jobs to which the trainee year 1 and year 2 rates might apply are those least likely to involve the

acquisition of significant skills, or ones that require a trainee rate to be paid for an extended period of time, up to 12 or 24 months.

From evidence taken during the consultation exercise, the Forum has been told the following:





- Some employees are being paid at the incorrect trainee rate
- There is on-going concern about the demarcation of the two categories (trainee rates versus main rate), with employees not being paid the full minimum wage where that is appropriate. Respondents consider that there appears to be a diminishing justification for separate trainee rates that are lower than the main minimum wage
- In the agriculture sector the trainee rate is generally never applied. The reality, as described to the Forum, is that the jobs for which the minimum wage is paid are simple and repetitive and easy to learn. The trainee rate is not relevant
- In the hospitality sector, the position is essentially the same. The trainee rate is described as “irrelevant”. In numbers’ terms, the Forum was told that perhaps 2 out of 400 employees might qualify for the trainee rate. The hospitality sector provides many training opportunities, but these are accredited courses required for employees to work in hospitality, which would attract a higher hourly rate
- The same views have been expressed to the Forum by other organisations. It appears – in general - difficult to identify businesses in the various employment sectors which are paying trainee rates
- Organisations that are focused on developing opportunities - particularly for first-time employees - emphasise that they do not view those early years employees as de facto “trainees” for the purposes of the minimum wage. Attracting and retaining young employees to make their careers in Jersey, rather than leaving the Island, is seen as critical to the future economic prosperity of businesses and individuals
- There is a recognition that sectors need support in economic development terms, particularly to encourage first-time employees to “stay local”
- Trackers - the Skills Jersey Apprentice Programme – enrolled 388 apprentices in 2021, working within 24 industry areas. The delivery of training is flexible depending on the industry. The Trackers mentors

work closely with employers and their apprentices, ensuring support for training accessibility and compliance with the requirements of the Employment (Jersey) Law. The apprentice retention rate in 2021 was 85%. The Forum welcomes the continued development of the programme to provide high-skilled, well-rewarded jobs in the future economy

- Skills Jersey do not formally record apprentice wages. However, anecdotally the Forum is told that, notwithstanding the existence of the minimum wage trainee rates, most apprentices are paid above that level simply because of the demand for them. This is particularly so in larger pathway areas such as construction
- Opinion suggests that the trainee rates regime is outdated and not consistent with the current labour market. Paying the trainee rate has been described as “trying to get apprentices on the cheap”

EVIDENCE RECEIVED – ANALYSIS OF ONLINE SURVEY RESPONSES

54 responses were received to the online survey. Responses break down like this:

Answer Choices			Response Percent	Response Total
1	Employer		72.22%	39
2	Employers' association	Covered by face-to-face meetings	0.00%	0
3	Employee		20.37%	11
4	Trade Union/Staff Association		1.85%	1
5	Looking for work		0.00%	0
6	Other (please specify):		5.56%	3
			answered	54
			skipped	3

The online survey posed 18 questions for employees and employers which related to the minimum wage and the experiences of individuals and businesses; 13 questions for employers and employees about the use of offsets; and a general question reflecting “other” comments.






The following provides an overview of some of the online survey responses. The same questions were generally asked of both employers and employers' organisations and employees, other individuals and non-employer organisations.

For a full analysis of the online survey, including comments from respondents across the range of questions, please follow this link: [MW - summary of online survey bar charts and comments - non-ID.pdf](#)




1) The minimum wage

The minimum wage rate: To what extent do you think the minimum wage and the two trainee rates are set at the right level? Should they be lower, higher or are they about right? (Employer and employer organisations' response)						
Answer Choices	Much lower	Lower	About right	Higher	Much higher	Response Total
Minimum wage (currently £9.22 per hour)	0.00% 0	4.35% 2	41.30% 19	32.61% 15	21.74% 10	46
Trainee rate: first year of training (currently £6.91 per hour)	0.00% 0	0.00% 0	35.56% 16	42.22% 19	22.22% 10	45
Trainee rate: second year of training (currently £8.07 per hour)	0.00% 0	0.00% 0	37.78% 17	44.44% 20	17.78% 8	45

In total, 54.4% of respondents considered the level of the main minimum wage rate should be higher or much higher, with a greater figure of 64.4% and 62.2% for the Trainee Year 1 and Year 2 rates respectively. The Forum considers this is a significant number given its recommendation that the Trainee Year 1 and Year 2 rates should be abolished.

Given the aspiration of the States' Assembly to achieve a minimum wage rate equivalent to two-thirds of the median wage by the end of 2024, do you think that the right economic conditions exist for businesses to enable an increase in the minimum wage to that level in that time? (current figures would indicate an increase in the minimum wage rate of 13.8% over the next two years, or between 6% and 7% a year)				
Answer Choices			Response Percent	Response Total
1	Strongly agree		10.64%	5
2	Agree		19.15%	9
3	Neither agree nor disagree		14.89%	7
4	Disagree		27.66%	13
5	Strongly disagree		27.66%	13
			answered	47

A total of 29.8% of respondents strongly agreed or agreed that the right conditions exist for the Assembly’s target to be met by the end of 2024, with 55.3% disagreeing or strongly disagreeing. Based on these figures, the Forum has urged caution in moving too far, too fast to achieve the Assembly’s ambition.

When the minimum wage increases, does this have any impact on rates of pay for other employees who earn more than the minimum wage?				
Answer Choices			Response Percent	Response Total
1	Yes, always		57.45%	27
2	Yes, sometimes		31.91%	15
3	No		10.64%	5
			answered	47

Of those respondents who selected “Yes, always”, the dominant response is that pay differentials are expected and that those with additional responsibilities or skills require a higher rate. The level of the minimum wage is seen as the benchmark for wage increases generally and that, as a result, meaningful differentials are fair and necessary.

To what extent have you or your members made any business changes in the following areas in the past year (question for employers)?				
Answer Choices (1)	Increased	Decreased	No change	Response Total
Prices or tariffs	72.34% 34	0.00% 0	27.66% 13	47
Staffing levels	19.15% 9	46.81% 22	34.04% 16	47
Basic working hours of employees	28.26% 13	10.87% 5	60.87% 28	46
Basic rates of pay	80.43% 37	0.00% 0	19.57% 9	46
Overtime hours, or overtime rates of pay	44.44% 20	4.44% 2	51.11% 23	45
Annual holiday entitlement for staff	32.61% 15	2.17% 1	65.22% 30	46
Staff benefits and/or perks (parking, meals)	21.28% 10	8.51% 4	70.21% 33	47

To what extent have you or your members made any business changes in the following areas in the past year (question for employers)?

Mechanisation of processes	28.26% 13	2.17% 1	69.57% 32	46
Business efficiencies / productivity improvements	36.96% 17	10.87% 5	52.17% 24	46
Answer Choices (2)		Yes	No	Response Total
Redundancies		10.64% 5	89.36% 42	47
Changes to increase generosity of other terms and conditions of employment		34.04% 16	65.96% 31	47
Changes to reduce generosity of other terms and conditions of employment		11.11% 5	88.89% 40	45
Restricted recruitment		36.17% 17	63.83% 30	47
Restructured the business to expand its operations		27.66% 13	72.34% 34	47
Restructured the business to contract its operations		22.22% 10	77.78% 35	45
Reprioritised key business initiatives and/or projects to expand investment		32.61% 15	67.39% 31	46
Reprioritised key business initiatives and/or projects to reduce investment		34.04% 16	65.96% 31	47

Minimum wage rates: To what extent do you think the minimum wage and the two trainee rates are set at the right level? Should they be lower, higher or are they about right? (Employee and non-employer organisations' response)

Answer Choices	Much lower	Lower	About right	Higher	Much higher	Response Total
Minimum wage (currently £9.22 per hour)	0.00% 0	0.00% 0	14.81% 4	48.15% 13	37.04% 10	27
Trainee rate – 1st year of training (currently £6.91 per hour)	0.00% 0	0.00% 0	11.54% 3	42.31% 11	46.15% 12	26
Trainee rate – 2nd year of training (currently £8.07 per hour)	0.00% 0	0.00% 0	7.41% 2	48.15% 13	44.44% 12	27

To what extent have you or your members experienced any of the following changes in the past year? (Employees and non-employer organisations' response)



Answer Choices	Increased	Decreased	No change	Response Total
Basic working hours	42.86% 9	0.00% 0	57.14% 12	21
Basic rate of pay	57.14% 12	0.00% 0	42.86% 9	21
Overtime hours or overtime rates of pay	36.84% 7	0.00% 0	63.16% 12	19
Annual holiday entitlement	10.00% 2	5.00% 1	85.00% 17	20
Benefits and/or perks (parking, meals)	15.00% 3	10.00% 2	75.00% 15	20

Have you or your members experienced any of the following changes in the past year? (Employee and non-employer organisations' response)

Answer Choices	Yes	No	Response Total
Redundancy	19.05% 4	80.95% 17	21
Changes to increase generosity of other terms and conditions of employment	28.57% 6	71.43% 15	21
Changes to reduce generosity of other terms and conditions of employment	14.29% 3	85.71% 18	21
Restructuring of the employer's business to expand its operations	26.32% 5	73.68% 14	19
Restructuring of the employer's business to contract its operations	9.52% 2	90.48% 19	21




2) The level and use of offsets

Do you (or your members) currently provide either accommodation, or accommodation with meals, to any of your staff? (Employer and employer organisations' response)

Answer Choices	Response Percent	Response Total
1 Yes 	37.21%	16
2 No 	62.79%	27



Do you (or your members) currently provide either accommodation, or accommodation with meals, to any of your staff? (Employer and employer organisations' response)

Using the offsets (employers and employer organisations) - Do you (or your members) currently offset a sum for accommodation, or accommodation with meals, against minimum wage pay?

Answer Choices			Response Percent	Response Total
1	Yes, the maximum		5.71%	2
2	Yes, less than the maximum		34.29%	12
3	No offset against pay		60.00%	21

The responses to these two questions appear to reflect the fact that – as a percentage of the overall employer response – in the sectors that routinely provide accommodation and/or food as part of the employment package, the vast majority offset less than the maximum available. This is, in part, why the Forum feels able to recommend that offset rates are increased this year by 20%, to restore parity with the increase in the minimum wage rate.

Have you (or your members) changed the way that you use the offsets in 2022 compared to previous years?

Answer Choices			Response Percent	Response Total
1	Yes		5.88%	2
2	No		94.12%	32

There were few comments provided by respondents, but the Forum notes that in the 2019 review of the minimum wage, respondents were asked whether they had changed their use of the offsets, given the 6.9% increase in the minimum wage in that year. The percentage of employers answering “No” in that survey was 69%.

Given that minimum wage rates increased by 10.8% in January 2022, the Forum considers it noteworthy that the percentage of employers not changing has increased significantly.