

RESERVE FUNDING FOR 2022 PAY AWARD AND RECURRING IMPACT OF NURSES AND MIDWIVES 2021 PAY AWARD

1. Purpose of Report

To enable the Minister to approve the allocation of up to £16,371,702 in 2022 from the 'Reserve for Centrally Held Items – Pay Provision' to fund the budget allocation of the 2022 pay award for all pay groups listed below, as well as the budget allocation, in 2022, for the recurring cost of the Nurses and Midwives 2021 pay award.

- Nurses and Midwives
- Prison Officers
- Police
- Medical Consultants
- Staff Grades
- Associate Specialist
- Clinical Fellows
- Head Teachers
- Fire & Rescue Service
- Civil Servants, including; Crown States, Legal Appointments (law officers, law draftsmen), Teaching Assistants and WFM Groups, Manual Workers (Including ERF).
- Junior Doctors
- Spot Salaries

The 2022 pay award comprises a consolidated 2.9% increase for all pay groups (except Junior Doctors) and a non-consolidated payment of £500 per person. The award for head teachers includes an additional one-off non-consolidated payment of £450 per person in lieu of holiday. The award for Junior Doctors is a consolidated 2% increase with effect from 1 April 2022.

This decision also approves the allocation of budget in 2022 for the recurring effect of the 2021 Nurses and Midwives pay award.

2. Background

Funding provisions were made in the Government Plan 2022-2025 in the "Reserve for Centrally Held Items – Pay Provision" for anticipated pay awards across all pay groups. This included the funding of the agreed pay awards for pay groups as listed above in 2022.

Pay Awards

The 2022 pay award comprises a consolidated 2.9% increase for all pay groups (except Junior Doctors) and a non-consolidated payment of £500 per person. These awards are effective from 1 January 2022.

The award for Junior Doctors is a consolidated 2% increase with effect from 1 April 2022.

The award for head teachers includes an additional one-off non-consolidated payment of £450 per person in lieu of holiday.

The non-consolidated £500 award for employees on spot salaries is due to be paid at the end of May 2022. The funding included in this decision is the maximum forecast requirement. The exact requirement will be confirmed by payroll once the award has been paid.

The 2021 pay award for Nurses and Midwives of 0.9% consolidated increase was agreed after the 2022 Government Plan was finalised. Funding for 2021 was allocated by Ministerial Decision TR-2021-0113. This decision allocates funding for the recurring impact of the 2021 award in 2022.

These awards are all to be funded centrally from the Reserve for Centrally Held Items – Pay Provision.

The Teachers pay group has not yet agreed a pay award. The allocation of funding for this group will be subject to a separate ministerial decision, subject to a pay award being agreed.

3. Recommendation

The Minister is recommended to approve allocations of up to £16,371,702 in 2022 from the 'Reserve for Centrally Held Items – Pay Provision' to the Heads of Expenditure as detailed in the table below, in 2022 to cover the costs associated with the 2022 Pay Award (including the recurring costs of the consolidated awards) and the recurring cost of the 2021 Pay Award for Nurses and Midwives.

| Head of expenditure (£000) | | | | |
|---|----------------------|----------------------|---------------------------|-------------------|
| | 2021 Consolidated | 2022 Consolidated | 2022 Non- consolidated | Total |
| Reserve for centrally held items | 0.9% | 2.9% | | |
| Chief Operating Office | | 605,476 | 112,412 | 717,888 |
| Children Young People Education and Skills | 4,400 | 2,242,019 | 570,321 | 2,816,740 |
| Customer and Local Services | | 465,291 | 130,631 | 595,922 |
| Infrastructure Housing and Environment | | 1,165,922 | 246,705 | 1,412,627 |
| Health and Community Services | 594,000 | 5,127,230 | 1,106,271 | 6,827,502 |
| Justice and Home Affairs | | 775,895 | 185,796 | 961,691 |
| States of Jersey Police | | 651,340 | 151,476 | 802,816 |
| Office of the Chief Executive | | 143,347 | 26,918 | 170,265 |
| External Relations | | 45,182 | 5,398 | 50,580 |
| Economy | | 140,041 | 12,796 | 152,837 |
| Strategic Policy, Planning and Performance | | 232,766 | 95,242 | 328,008 |
| Treasury & Exchequer | | 653,637 | 134,731 | 788,368 |
| Ministerial Total | 598,400 | 12,248,146 | 2,778,696 | 15,625,243 |
| Bailiff's Chambers | | 36,801 | 4,023 | 40,824 |
| Law Officers | | 223,503 | 35,339 | 258,842 |
| Judicial Greffe | | 110,548 | 18,989 | 129,537 |
| Viscounts Department | | 54,491 | 10,311 | 64,802 |
| Official Analyst | | 12,528 | 2,962 | 15,490 |
| Office of the Lieutenant Gover | | 21,692 | 5,597 | 27,289 |
| Probation & Aftercare Service | | 63,829 | 12,187 | 76,016 |
| States Assembly | | 114,289 | 19,370 | 133,659 |
| Non-Ministerial Total | - | 637,681 | 108,779 | 746,460 |
| Total - Reserve for Centrally Held Items | 598,400 | 12,885,827 | 2,887,475 | 16,371,702 |

4. Reasons for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a government plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

Allocations from Reserve for Centrally Held Items

The current Policy for Allocations from the Reserve (published as R.76/2022) sets the requirement for all allocations from Reserve for Centrally Held Items to be reviewed by the Investment Appraisal Team who will provide the Treasurer of the States sufficient information to allow him to reach a decision to recommend the funding.

This has been reviewed by the Investment Appraisal Team and the Treasurer now recommends this to the Minister for Treasury and Resources for approval.

5. Resource Implications

The “Reserve for Centrally Held Items - Pay Provision” to decrease by up to £16,371,702 and the respective heads of expenditure to increase by up to £16,371,702.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2022-2025. The recurring impact of the consolidated element of these awards will be included in Government Plan 2023-2026.

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| Report author: <i>Financial Planning Manager</i> | Document date : 20 May 2022 |
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