

## ALLOCATION OF RESERVE FUNDING FOR 2023 PAY AWARDS

### 1. Purpose of Report

To enable the Minister to approve the allocation of up to £12,123,951 in 2023 from the Reserve for Centrally Held Items to fund the budget allocation of the 2023 pay award for the pay groups listed below:

- Teachers
- Junior Doctors
- Nurses and Midwives
- Heads and Deputies

The 2023 pay award comprises a consolidated 7.9% increase for the above listed pay groups, except for Junior Doctors who received a consolidated 6% increase plus a consolidated £1,250 per employee.

### 2. Background

Funding provisions were made in the Government Plan 2023-2026 in the Reserve for Centrally Held Items for the anticipated pay awards across all pay groups. This included the funding of the agreed pay awards for pay groups as listed above in 2023.

### Pay Awards

Junior Doctors' pay is set by the UK government after accepting the DDRB's (Independent Review Body on Doctors' and Dentists' Remuneration's) recommendation. The States Employment Board has agreed the 2023 pay award for the Junior Doctors pay group. The 2023 pay award comprises a consolidated 6% increase plus a consolidated £1,250 per employee for the Junior Doctors pay group. This pay award is effective from 1 April 2023. It will be funded centrally from the Reserve for Centrally Held Items.

The Heads and Deputies, Nurses and Midwives and Teachers pay groups have not yet agreed a pay award. The States Employment Board has agreed to allocate an interim increase of 7.9% while negotiations continue.

### 3. Recommendation

The Minister is recommended to approve allocations of up to £12,123,951 in 2023 from the Reserve for Centrally Held Items to the to the Heads of Expenditure as detailed in the table below, in 2023 to cover the costs associated with the 2023 Pay Award:

Heads of Expenditure	
	2023 Pay Award £
CYPES	6,010,320
Cabinet Office - COO	8,361
HCS	6,102,584
Cabinet Office - SPPP	2,686
<b>Total - Reserve for Centrally Held items</b>	<b>12,123,951</b>

#### **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 to decrease by up to £12,123,951 and the respective Heads of Expenditure to increase by up to £12,123,951.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2023-2026. The recurring impact of the consolidated element of these awards will be included in Government Plan 2024-2027.