

## **ALLOCATION OF RESERVE FUNDING FOR 2025 PAY AWARDS**

### **1. Purpose of Report**

To enable the Minister for Treasury and Resources to approve the allocation of up to £27,933,000 in 2025 from the Central Reserve to fund the budget allocation of the 2025 pay award for various pay groups.

The 2025 pay award comprises a consolidated 4% increase for all pay groups excluding Junior Doctors.

The Junior Doctors pay group received an additional award for 2023/2024 of a consolidated 3.71% increase and for 2024/2025 a consolidated increase of 6% plus a consolidated £1,000 per FTE.

This award does not include the 2025/2026 Junior Doctors pay award. An award for 2025/2026 for Junior Doctors pay group has not yet been agreed. If the award were settled at 4% (in line with other pay groups), the estimated cost would be £134,000.

### **2. Background**

Funding provisions were made in the Government Plan 2025-2028 in the Central Reserve for the 2025 pay award. This included the funding for the 2025 pay award for the various pay groups in this allocation. The award covers all pay groups in respect to the 2025 pay awards. Based on RPI estimates the provision for 2025 pay awards was set at £25,092,000. As this provision is over utilised the balance of £2,841,000 will be funded from the General Reserve - DEL Contingency.

### **Pay Awards**

The States Employment Board has agreed the 2025 pay award for various pay groups. The 2025 pay award comprises a consolidated 4% increase for all groups except Junior Doctors, who received a cumulative consolidated 9.71% increase plus a consolidated £1,000 per FTE. This pay award is effective from 1st January 2025 and will be funded from the Central Reserve. Below is a breakdown of the pay award allocated per Head of Expenditure:

Head of Expenditure	£
Cabinet Office	853,000
Technology and Digital Services	771,000
People Services	461,000
Education and Lifelong Learning	6,128,000
Children and Families	1,568,000
Customer and Local Services	745,000
Infrastructure	1,394,000
Environment	601,000
Health and Community Services	9,727,000
Justice and Home Affairs	1,549,000
States of Jersey Police	1,102,000
Ministry of External Relations	91,000
Economic Development, Tourism, Sport & Culture	204,000
Financial Services	171,000
Treasury and Exchequer	1,255,000
<b>Departmental Total</b>	<b>£26,620,000</b>
Bailiff's Chambers	107,000
Judicial Greffe	186,000
Law Officers' Department	486,000
Office of the Lieutenant Governor	33,000
Official Analyst	22,000
Probation	117,000
Viscount's Department	110,000
States Assembly	252,000
<b>Non-Ministerial Total</b>	<b>£1,313,000</b>
<b>Total</b>	<b>£27,933,000</b>

### 3. Recommendation

The Minister is recommended to approve allocations of up to £27,933,000 in 2025 from the Central Reserve to various Heads of Expenditure.

### 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 the Central Reserve

The current policy for allocations from the Central Reserve (published as R.76/2022) sets the requirement for all allocations from the Central Reserve 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 Central Reserve Head of Expenditure to decrease by up to £27,933,000 and various Heads of Expenditure to increase by up to £27,933,000.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2025-2028. The recurring impact of the consolidated element of this award will be included in Government Plan 2026-2029.

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