

Rt Hon Damian Green MP First Secretary of State Minister for the Cabinet Office 70 Whitehall London SW1A 2AS

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Dr. Martin Read CBE Senior Salaries Review Body Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

7th December 2017

Dear Martin,

Senior Salaries Review Body 2018/19 Remit (Senior Civil Service)

I would like to confirm the SSRB's remit in relation to the SCS during the upcoming pay round for 2018/19. I would like the Review Body to conduct its usual annual review process and make recommendations to the Government on the pay of the SCS remit group from April 2018.

The Chief Secretary to the Treasury wrote to you in September setting out the Government's overall approach to pay. That letter confirmed that the Government has adopted a more flexible approach to public sector pay, to address any areas of skills shortages and in return for improvements to public sector productivity. The last Spending Review budgeted for one per cent average basic pay awards, in addition to progression pay for specific workforces, and there will still be a need for pay discipline over the coming years to ensure the affordability of the public service and the sustainability of public sector employment; review bodies should continue to consider affordability when making their recommendations.

Following SSRB's recommendation last year that the Government seek to undertake a fundamental review of SCS pay framework during 2017/18, work has taken place over the last year to consider the current impact of the SCS pay system. We want to work collaboratively with the Review Body on the issues it raises.

As you know, a new Government Commercial Organisation (GCO) was created last year. The terms and conditions of GCO staff are ring fenced and differ slightly from the standard Civil Service offer. All staff on these terms are reviewed by an independent Remuneration Committee that reports annually to HM Treasury. We would, nonetheless, also welcome your comments on the GCO pay framework, as we consider how the Civil Service responds in specific areas on recruitment and retention

We intend to submit written evidence in December, with oral evidence to follow in the new year. I place great value on the independent advice of the SSRB and look forward to receiving your recommendations for the SCS.

RT HON DAMIAN GREEN