

The Rt Hon. Pat McFadden MP Chancellor of the Duchy of Lancaster Cabinet Office 70 Whitehall London SW1A 2AS

Chair, Senior Salaries Review Body 3rd Floor, Windsor House 50 Victoria Street London SW1H 0TL

30 September 2024

Dear Chair,

2025/26 REMIT OF THE SENIOR SALARIES REVIEW BODY (SSRB)

I would like to put on record my appreciation of the SSRB's work on the 2024/25 pay round. This Government greatly values the SSRB's important role in providing independent and evidence-based recommendations and we look forward to working constructively together on this vital area of work.

I am now writing to formally commence the 2025/26 pay round. During this pay round, you will receive evidence from my department, HM Treasury and key stakeholders, including Trade Unions. My department's evidence will, as usual, cover the recruitment and retention context for the SCS, alongside pay and earnings data, as well as our workforce strategy, and the expected position following the implementation of the 2024/25 pay award. It will also set out the affordability position for 2025/26, which will be finalised through the Spending Review and announced at the Autumn Budget on 30 October. This comes against the backdrop of the challenging financial position this government has inherited, including a £22 billion pressure against the spending plans set out for departments at Spring Budget 2024.

My department will continue to strive to ensure that the SCS is equipped to efficiently deliver the vital, high quality public service we rely on, whilst ensuring value for money for taxpayers.

We know that public sector workers delivering our vital public services deserve timely pay awards, so, as the Chancellor said in her July Statement, the Government's intention is to announce pay awards as close to the start of the pay year of 1 April as possible for 2025/26. It is unfortunate that, given the knock-on effects from the previous government's delays to the 2024/25 round, it is unlikely that workforces will receive pay increases by April, but by bringing the pay round forwards this year, we can more fully reset the timeline in 2026/27.

To this end, where possible I would be grateful if the SSRB can deliver recommendations to the Government on the 2025/26 pay award for the SCS at the earliest point that allows you to give due consideration to the relevant evidence. To support with this, the Government will publish its written evidence as soon as possible after the Spending Review is finalised and

2025/26 budgets are set on 30 October, including budgets relating to pay. I recognise that changing the timeline from recent years will present challenges for the SSRB, but I am sure you also share the Government's belief in the importance of returning to more timely annual pay processes, so I hope you will understand the necessity of doing so.

This year the Government's evidence will continue to set out our strategic priorities for the SCS workforce, including in relation to pay. Specific proposals for the Permanent Secretary group will also be shared with the SSRB. Where any recommendations by the SSRB are made in relation to this group, these will be additionally considered by the Permanent Secretary Remuneration Committee alongside our standard processes.

As confirmed in recent years' Government evidence to the SSRB, employees of the Government Commercial Organisation (GCO) who are members of the SCS or are SCS equivalents fall within the remit of the SSRB. Information about this group, as well as proposals on their remuneration will be shared with the SSRB this year, subject to the recommendations of the GCO Remuneration Committee.

I am also mindful of the need to ensure that you have a judiciary member in place at the earliest possible opportunity to enable the SSRB to fulfil its role fully. I can assure you that my officials are working at pace to ensure that there are no further delays in that regard. In the meantime, officials will be working closely with the SSRB and officials within the Office for Pay Review Bodies to inform your discussions.

Finally, I would welcome an introductory meeting with you so I have asked for my office to be in touch to arrange a suitable time - I look forward to meeting you soon.

Yours sincerely,

Pat ME Fadel

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