



Review Body on
Senior Salaries

Forty-Seventh Annual Report on Senior Salaries

Report no. 98

Chair: Lea Paterson CBE

May 2025

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Salaries

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**Presented to Parliament by the Prime Minister
by Command of His Majesty**

May 2025



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Review Body on Senior Salaries

Terms of reference

Our terms of reference are as follows:

The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor, the Home Secretary, the Secretary of State for Defence, the Secretary of State for Health and Social Care and the Minister of Justice for Northern Ireland on the remuneration of holders of judicial office; senior civil servants; senior officers of the Armed Forces; all senior managers in the NHS,¹ Police and Crime Commissioners, chief police officers in England, Wales and Northern Ireland; and other such public appointments as may from time to time be specified.

The Review Body may, if requested, also advise the Prime Minister from time to time on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975. If asked to do so by the Presiding Officer and the First Minister of the Scottish Parliament jointly; or by the Speaker of the Northern Ireland Assembly; or by the Presiding Officer of the National Assembly for Wales; or by the Mayor of London and the Chair of the Greater London Assembly jointly; the Review Body also from time to time advises those bodies on the pay, pensions and allowances of their members and office holders.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- *the need to recruit, retain, motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities;*
- *regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff;*
- *Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;*
- *the funds available to departments as set out in the Government's departmental expenditure limits; and*
- *the Government's inflation target.*

In making recommendations, the Review Body shall consider any factors that the Government and other witnesses may draw to its attention. In particular, it shall have regard to:

- *differences in terms and conditions of employment between the public and private sector and between the remit groups, taking account of relative job security and the value of benefits in kind;*
- *changes in national pay systems, including flexibility and the reward of success; and job weight in differentiating the remuneration of particular posts; and*
- *the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.*

¹ Very Senior Managers (VSMs) working in the NHS and Executive and Senior Managers (ESMs) working in the Department of Health and Social Care (DHSC) Arm's Length Bodies (ALBs).

The Review Body may make other recommendations as it sees fit:

- *to ensure that, as appropriate, the remuneration of the remit groups relates coherently to that of their subordinates, encourages efficiency and effectiveness, and takes account of the different management and organisational structures that may be in place from time to time;*
- *to relate reward to performance where appropriate;*
- *to maintain the confidence of those covered by the Review Body's remit that its recommendations have been properly and fairly determined; and*
- *to ensure that the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.*

The Review Body will take account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Members of the Review Body submitting this Report are:

Lea Paterson CBE (*Chair*)

Pippa Greenslade

Ian McCafferty CBE

Dr Julian Miller CB (*ex-officio*)²

The Honourable Zoë Billingham CBE³

Mark Polin OBE QPM

The Reverend David Stanton

Mark Emerton

The Secretariat is provided by the Office for the Pay Review Bodies.

This Report was submitted to the Government on 6 May 2025.

² Chair, Armed Forces Pay Review Body.

³ Chair, Police Remuneration Review Body and National Crime Agency Remuneration Review Body.

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Chapter 1

Introduction and Recommendations

- 1.1 This is a challenging time for public sector pay, and our recommendations have required us to weigh what are often contradictory and complex factors.
- 1.2 Across many of our remit groups, we observe continued difficulties in recruitment, retention and morale. Inflation remains above the Bank of England's 2 per cent target, and wage growth has eased more slowly than many forecasters had expected. At the same time, global conditions have been unstable, and the outlook for the UK economy has changed markedly since we started our work on this year's Report. In making our recommendations, we have incorporated the most recent economic data available, and taken account of the changing economic forecasts for the year ahead (see Chapter 2).
- 1.3 As we were finalising our Report, the Government announced a series of reforms that potentially have far-reaching implications for some of our remit groups. These include the abolition of NHS England as an independent body,⁴ and the proposed reductions in the size of the civil service⁵. It will take time for the detailed nature of the proposed reforms to become clear, and longer still for their implications to be fully felt. This uncertainty poses a near-term risk to remit group morale. We therefore encourage the Government to provide clarity on its plans as soon as it is able, and to engage effectively with our remit group members on their implementation.
- 1.4 We urge the Government to make the most of the opportunity to address long-standing problems with public sector reward that we have identified in this and previous reports. Throughout this Report, we highlight examples of traditional public sector pay frameworks struggling to cope with structural shifts in technology, demographics and society. In some of our remit groups, there is now a pressing case for wholesale pay reform. For example, as set out in Chapter 3, we recommend that a fundamental review of the Senior Civil Service pay framework is undertaken with urgency. More generally, initiatives such as the Strategic Defence Review (see Chapter 4) and the forthcoming Major Review of the Judicial Salary Structure (see Chapter 5) provide opportunities for meaningful change.
- 1.5 This Chapter summarises the Government's response to our 2024 Report, before turning to our recommendations for 2025. We then set out some cross-cutting structural themes that are central to the ongoing debate about remuneration and reward in the public sector. Finally, we look ahead to 2026.

⁴ See Chapter 6 at [6.6].

⁵ Becky Morton and Jacqueline Howard "Reeves confirms 15% cut to Civil Service running costs" *BBC News* (online ed, 23 March 2025). Available at <www.bbc.co.uk/news/articles/cy5nzy403l0o>. See also Tevye Markson "Cabinet Office to cut headcount by 1,200 over next two years" *Civil Service World* (online ed, 10 April 2025). Available at <www.civilserviceworld.com/professions/article/cabinet-office-to-cut-headcount-by-1200-over-next-two-years>.

Response to our 2024 Report

1.6 In our 2024 Report, our principal recommendations were:

- Pay increases of 4.75 per cent for all chief police officers in England, Wales and Northern Ireland.
- Pay increases of 5.0 per cent for all members of the Senior Civil Service, the senior military (including Medical Officers and Dental Officers), all Executive and Senior Managers and all Very Senior Managers in the NHS in England.
- Pay increases of 6 per cent for the salaried judiciary.

1.7 We are pleased that the Government accepted these recommendations.

Recommendations in our 2025 Report

1.8 In reaching our recommendations, we have considered information and feedback from numerous discussions with remit group members, together with written and oral evidence provided by a broad range of stakeholders. These were an invaluable part of our evidence base, and we are grateful to all involved for taking the time to contribute.

1.9 We also have considered a wide range of economic data, as set out in Chapter 2. In a number of important areas, there have been questions about the robustness of economic statistics. We continue to require quality data, for example on labour market conditions, given the scale of the decisions that need to be made.

1.10 The timetable for producing our Report this year was, to an extent, curtailed by a combination of late receipt of formal remit letters and the Government's request for us to deliver our recommendations as early as possible in the 2025-26 financial year. We are nevertheless confident that we have been able to construct a set of robust and well-evidenced recommendations.

1.11 The following factors have been particularly relevant to our considerations this year:

- *Recruitment, retention and quality* – the complexity and scale of the challenges facing the public sector mean that it is critical to recruit and retain leaders of the highest quality. It is therefore of concern that we observe multiple recruitment and retention difficulties across our remit groups. These are particularly marked in the salaried judiciary, where we find significant and persistent evidence of recruitment difficulties (see Chapter 5). In our remit groups more generally, we find evidence of recruitment difficulties in areas of specialist skills (such as digital, data and cyber).⁶ And in some remit groups, there are signs that the quality of appointees may be declining.⁷

⁶ See Chapter 3 at [3.28], Chapter 4 at [4.12] and Chapter 6 at [6.29].

⁷ See Chapter 3 at [3.35] and [3.119], and Chapter 5 at [5.11] and [5.37].

- *Motivation and morale* – a unifying theme across our remit groups is the deep commitment of officials to public service. However, we heard repeatedly how unrelenting workloads,⁸ instances of intense public criticism,⁹ escalating concerns about personal security¹⁰ and excessive bureaucracy¹¹ have combined to bear down on motivation and morale over an extended period. It will take time, effort and energy to reverse this trend.
- *Affordability* – public finances remain under substantial pressure. While government decisions on affordability reflect a wide set of judgments about spending, revenue and borrowing, the evidence we have seen has led us to consider the balance between overly generous pay settlements and resources for front-line services. Our specific remit groups directly account for only a very small part of the total public sector pay bill. We nevertheless recognise that pay awards for senior officials can have an outsize impact by helping ‘set the tone’ across the public sector as a whole.¹²
- *Pay trends across the economy* – although annual wage growth has fallen more slowly than many forecasters had anticipated, recent wage settlements appear to be responding to the decline in inflation, the easing of the labour market and the increase in economic uncertainty. Into early 2025, median pay settlements declined from the range of 3-4 per cent for late 2024 settlements, towards 3 per cent for those settlements made in early 2025. For 2025 as a whole, recent forecasts suggest median settlements will be around 3 per cent.¹³
- *Inflation* – inflation is materially below the peaks of the recent past, but remains above the Bank of England’s target. It is expected to edge up through the summer, before falling back towards 2 per cent into 2026. There is a high degree of uncertainty about the prospects for inflation. The recent imposition of tariffs by the new US Administration is among the factors that have complicated the outlook.¹⁴
- *Productivity* – productivity is an important consideration for our remit groups. Productivity growth across the economy has been weak for several years, a trend that has been particularly marked for the public sector in the recent past. Over the longer term, productivity growth will need to recover if there are to be sustained real-terms increases in pay at an economy-wide level. But in the short term, it is far from straightforward to disentangle the interdependencies of pay and productivity for our individual remit groups.¹⁵

1.12 This Report covers all remit groups whose pay year begins on 1 April 2025 – members of the Senior Civil Service, the senior military (including Medical Officers and Dental Officers), all Executive and Senior Managers and Very Senior Managers in the NHS in England, and the salaried judiciary. Our recommendations for these groups for the year beginning 1 April 2025 are as below.

⁸ See Chapter 3 at [3.43] and Chapter 5 at [5.9].

⁹ See Chapter 3 at [3.42] and Chapter 6 at [6.47].

¹⁰ See Chapter 5 at [5.13] and Chapter 6 at [6.47].

¹¹ See Chapter 4 at [4.15] and [4.123] and Chapter 6 at [6.84].

¹² See further discussion in Chapter 2 at [2.26]-[2.28].

¹³ See Chapter 2 at [2.11].

¹⁴ See further in discussion in Chapter 2 at [2.16].

¹⁵ See further discussion in Chapter 2 at [2.22]-[2.25].

Recommendation 1

We recommend that all members of the Senior Civil Service should receive a 3.25 per cent consolidated increase to base pay from 1 April 2025.

Recommendation 2

We recommend the following changes to SCS pay band minima and maxima from 1 April 2025 (to be applied before the general consolidated pay award):

- An increase of £5,000 to the minimum and £12,200 to the maximum for SCS 1.
- An increase of £5,000 to the minimum and £1,100 to the maximum for SCS 1A.
- An increase of £2,000 to the minimum and £500 to the maximum for SCS 2.
- An increase of £2,000 to the minimum and £900 to the maximum for SCS 3.
- An increase of £2,000 to the minimum and £20,000 to the maximum for SCS 4.

Recommendation 3

We recommend an anomalies pot, comprising 0.5 per cent of the SCS pay bill. This should be used to address acute skills gaps and equal pay issues. Exceptionally, it may be used to mitigate the effects of pay overlaps with the delegated grades. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence.

Recommendation 4

We recommend that, in light of the longstanding issues and anomalies, a fundamental review and 'reset' of SCS pay and reward frameworks is undertaken by the Government with urgency. This review should support the development and implementation at pace of long-term solutions to the issues and anomalies that have been highlighted over many years by the Review Body – including, but not limited to:

- A coherent SCS Strategy which addresses the fundamental questions relating to the SCS' purpose, size and composition.
- A clear set of reward principles for the SCS.
- A pay structure that can recruit and retain in-demand specialists.
- A simple pay progression system for those delivering in role and demonstrating expertise.
- Addressing salary band overlaps between the delegated grades and the SCS, and within the SCS.
- Reducing reliance upon anomalies pots and non-consolidated payments.
- Benchmarking SCS pay and reward relative to comparable leadership roles and responsibilities across the public and private sectors.

Recommendation 5

We recommend that all members of the senior military, including Medical Officers and Dental Officers, should receive a 3.75 per cent consolidated increase to base pay from 1 April 2025.

Recommendation 6

We recommend no change to the current pay arrangements for Medical Officers and Dental Officers (MODOs):

- 2-star MODOs should continue to be paid 10 per cent above the base pay at the top of the MODO 1-star scale, plus X-Factor.
- 3-star MODOs should continue to be paid 5 per cent above the base pay at the top of the MODO 2-star scale, plus X-Factor.

Recommendation 7

We recommend that all salaried judicial office holders should receive a 4.75 per cent consolidated increase to base pay from 1 April 2025.

Recommendation 8

We recommend that all ESMs and VSMs should receive a 3.25 per cent consolidated increase to base pay from 1 April 2025.

Recommendation 9

We recommend that an additional 0.5 per cent of the ESM and VSM pay bill in each employing organisation is used to address specific pay anomalies, targeted at mitigating the effects of pay overlaps with the Agenda for Change pay scale. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence.

Recommendation 10

We recommend that the ESM pay framework is withdrawn.

- 1.13 Our detailed rationale, and supporting data, are covered in the main body of this Report.
- 1.14 The estimated total cost of our recommendations is £95 million. Detailed costings are set out in Chapter 2 (at [2.28]).
- 1.15 A supplementary Report will set out our recommendations for chief police officers in England, Wales and Northern Ireland, and for Police and Crime Commissioners.

Longer-term themes

- 1.16 In addition to the near-term considerations that informed our recommendations for 2025-26 (discussed above at [1.11]), we also observed themes across our remit groups that are central to longer-term pay reform. Many of these have been highlighted in previous SSRB reports.
- 1.17 Public sector pay frameworks were traditionally designed to recruit talented individuals at the early stages of their career, to incentivise their development over time through the accumulation of internal experience, and to balance reward 'today' through base pay with reward 'tomorrow' through pension provision. However, shifts in technology, the economy, society and demographics have increasingly challenged this premise.
- 1.18 Technological change is a recurring theme in the evidence we received, together with the associated high demand for specialist skills such as digital and data. Across our remit groups, we are frequently seeing demand for these skills outstrip supply – for example, in the Senior Civil Service (see [3.27]-[3.28]) and in the leadership of the NHS (see [6.29]-[6.30]). There is a limit to which the requisite specialist skills can be developed internally, particularly in the near term. Taking steps to facilitate the entry of external talent at senior levels is therefore an increasingly pressing issue. To do this successfully is likely to require further shifts in how jobs are designed and remunerated, as well as a continued move away from the 'generalist' career model that traditionally characterised areas such as the civil service.
- 1.19 Demographic and societal changes are posing broader challenges to the traditional public sector pay model. While a detailed consideration of these issues is beyond the scope of this Report, the Review Body has a strong interest in ensuring that senior public sector roles remain attractive to up-and-coming talent. Cohorts that have entered the workforce more recently tend to seek out increased flexibility, both in terms of career pathways and in the nature of work itself. This does not naturally lend itself to the 'linear' career with a single employer that has traditionally been the hallmark of the public sector.
- 1.20 It is crucial to ensure that the senior public sector is drawing from the widest possible talent pools, including those from under-represented backgrounds. Throughout this Report, we have sought to draw out examples of good practice in this area – for example, the work the NHS has done to improve representation of ethnically diverse senior leaders (see [6.48]-[6.49]), and to highlight areas where there is still much work to do – for example, in the military (see [4.36]-[4.40]).
- 1.21 There is ongoing external debate about the cost and appropriateness of public sector pensions. Public sector pension reform is a complex, long-term issue, with potentially large implications for government finances as well as for individual employees. We note that for many in our remit groups, pensions are a critical part of the overall reward offer, and concerns about adverse changes can materially impact upon retention and morale (as reflected, for example, in feedback from officers in the senior military in Chapter 4). There is, however, an open question about whether the split between base pay and pension traditionally relied upon by the public sector is necessarily the right model to attract external talent at the later stages of their career, younger leaders, and those from under-represented backgrounds.

- 1.22 The intense macroeconomic volatility of recent years, including the sharp rises in inflation, have put strain on all pay frameworks. Many organisations have responded by skewing pay rises towards lower-earning employees. In a number of our remit groups, this has contributed to a compression of pay differentials between senior and junior colleagues. For some, this pay compression has adversely affected incentives to seek promotion to senior leadership. This tendency appeared to be most marked in the Senior Civil Service (see [3.24]-[3.25]) and in the NHS (see [6.38]-[6.41]). It is also an emerging area of risk in the Armed Forces (see [4.33]-[4.35]).
- 1.23 Non-remuneration factors can also impact adversely on recruitment, retention and morale. In this year's evidence, we were particularly troubled by reports of escalating security concerns faced by some of our remit group members – concerns that have been exacerbated by the changing nature of public discourse and the impact of social media. This trend is perhaps most pronounced for the judiciary, where we heard evidence of rising fears for personal security, inside and outside of court (see [5.54] and [5.77]-[5.80]). But it is also a feature of other remit groups, with concerns about 'personal jeopardy' frequently cited as a disincentive to seeking senior public roles.
- 1.24 Across our remit groups, we heard evidence about the negative impact on morale of excessive bureaucracy and process. The Government's stated intention to improve productivity in the public sector represents an opportunity to improve the morale of our remit groups by removing excessive governance requirements. In this regard, we welcome the recent decision by the Minister of State for Health (Secondary Care) to accept our 2024 recommendation to speed up the central pay approval process for senior health leaders. This year's Report highlights other areas where excessive bureaucracy could be removed, for example in our recommendation to withdraw the pay framework for Executive and Senior Managers typically used in the Department of Health and Social Care's arm's-length health bodies (see [6.60]).
- 1.25 The Government's plans for reform also represent an opportunity to improve performance management and individual accountability. The tendency towards weak performance management of senior public sector leaders is an area that we have highlighted in this and previous reports – for example in the Senior Civil Service (see [3.57]-[3.59]) and in the NHS (see [6.23]-[6.27]).

Our 2026 Report

- 1.26 In our remit letters for the current pay round, ministers noted the importance of the public sector receiving timely pay awards. The Government's stated intention is to announce 2025-26 pay awards as close possible to the start of the pay year, and to reset the timeline more fully from 2026-27.
- 1.27 We agree on the importance of our remit group members receiving timely awards, and we welcome the Government's intention to make progress. The SSRB is committed to do its part to support this. We note that our ability to deliver our Report in keeping with this timeframe is dependent upon receipt of remit letters as early as possible, ideally no later than July 2025, and by early receipt of written evidence.
- 1.28 We look forward to continuing to contribute to the wider debate on public sector pay reform. This includes by highlighting opportunities for structural pay reform in our remit groups, and by sharing insights from the large amount of evidence and data that we review in the process of formulating our recommendations.

Chapter 2

Economic Context

Summary

- 2.1 This year, the economic issues underlying the SSRB's pay recommendations differ from those we faced in 2024, but the economic environment remains extremely uncertain and poses a similar set of challenges. Global conditions are unstable, and the outlook for the UK economy has changed markedly since we started our work on this year's Report. Between the 2024 Autumn Budget, when departmental spending totals for the financial year (FY) 2025-26 were set, and the 2025 Spring Statement, the UK economy underperformed expectations. More recently, the imposition of tariffs by the new Administration in the United States has further changed the outlook for both growth and inflation in the UK for FY2025-26. This rapidly changing situation has complicated our deliberations. In making our recommendations, we have incorporated the most recent economic data available and taken account of the changing economic forecasts for the year ahead.
- 2.2 Having returned to close to the Bank of England (BoE)'s target in recent months, inflation is forecast to rise slightly into the summer of 2025, before subsiding again into 2026.¹⁶ Average wage growth throughout the economy has been slow to decline and remains above levels consistent with the BoE's inflation target. However, data on wage settlements for the early months of 2025 indicate a more moderate rate of increase, with median settlements falling towards 3 per cent in response to lower inflation, increasing employment costs and elevated economic uncertainty. Labour market demand has eased as vacancy rates fall back, but recruitment challenges are still reported. Economic growth and productivity growth remain disappointing. Gross Domestic Product (GDP) growth picked up in 2024, reaching 1.5 per cent in the year to Q4 2024. However, the Office for Budget Responsibility (OBR) and BoE both forecast a dip in growth in the coming year, and the economy has only grown by 2.7 per cent since October 2021.
- 2.3 Fiscal policy remains a particular challenge. The departmental spending budgets set out in the Autumn Budget implied that departments would need to make tough spending decisions in 2025-26, with a bearing on the SSRB's pay recommendations. Government evidence indicated that there would be no provision of net additional monies to fund public sector pay awards, and the SSRB received evidence from individual departments on their allocated budgets and how pay awards above their allocations would impact their spending elsewhere.
- 2.4 In summary, the economic environment in which we make our pay recommendations remains challenging, and the outlook highly uncertain. The different factors we are required to consider pull in several directions, and we have had to make difficult trade-offs between these factors in reaching our recommendations on the appropriate increases in pay for 2025 for each of our remit groups.

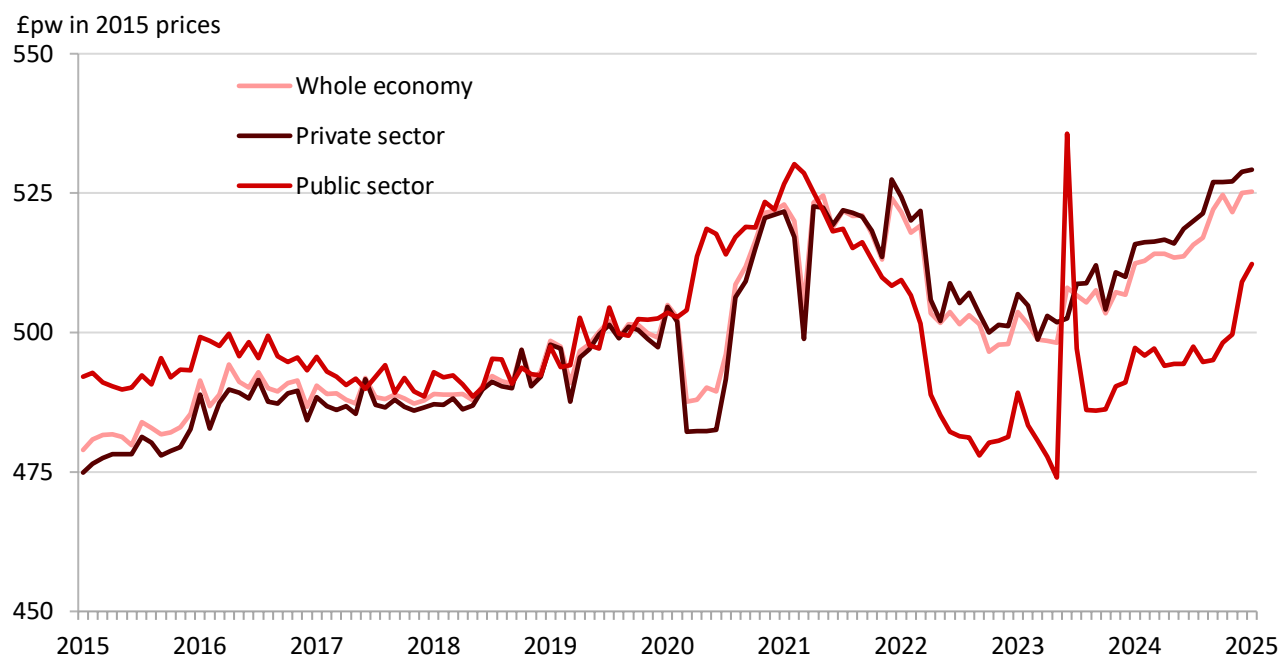
¹⁶ Monetary Policy Report - February 2025, Bank of England; Economic and fiscal outlook – March 2025, OBR; Forecasts for the UK economy: March 2025, HM Treasury.

Labour market

Private versus public sector pay changes

- 2.5 Across the board, real average earnings growth has been weak in recent years, but over the past decade, real earnings erosion has been greater in the public sector than the private sector (see Figure 2.1). By May 2023, real public sector earnings had fallen to their lowest level since 2003. In the few months up to January 2025 there has been a reversal in this trend, such that real average public sector earnings reached a similar level to late 2021. However, real average public sector earnings are still materially lower than the private sector.

Figure 2.1: Real average weekly earnings, public and private sectors (2015 prices, £pw)



Sources: Average Weekly Earnings, KAB9, KAC4, KAD8, ONS, published March 2025. Indexed to 2015 prices by OPRB, using CPI (D7BT), CPI INDEX 00: ALL ITEMS 2015=100, March 2025 publication.

Notes: Public sector excludes financial services. Includes part-time working.

- 2.6 The SSRB gives significant consideration to the pay of our remit groups and their equivalents elsewhere in the economy, to ensure that the recommendations we make are appropriate to their specific circumstances, as well as to wider labour market trends.
- 2.7 In general, earnings for the SSRB's remit groups most closely match the 95th and 99th percentiles of employees across the economy (see Table 2.1).

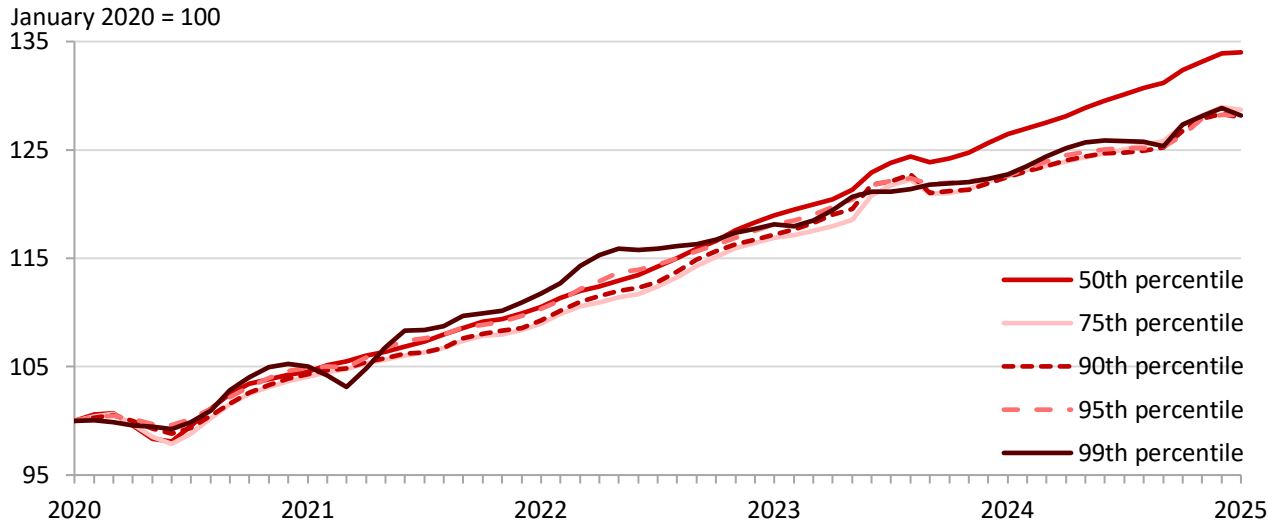
Table 2.1: Implied yearly pay at January 2025, by percentile and seasonally adjusted

10th percentile	25th percentile	50th percentile	75th percentile	90th percentile	95th percentile	99th percentile
£9,756	£17,652	£29,556	£45,036	£67,740	£91,812	£190,584

Source: Monthly pay by percentile (Table 5) from Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted (PAYE RTI), published March 2025. Implied yearly pay calculated by OPRB as 12 times monthly pay in January 2025.

- 2.8 While median full-time earnings are higher in the public sector than the private (£39,176 public compared to £36,651 private) the much wider earnings distribution in the private sector means that, by the 90th percentile, earnings are higher in the private sector (£63,209 for the public sector compared to £77,500 for the private sector).¹⁷
- 2.9 Earnings growth has been weaker at the top end of the earnings distribution compared to those closer to the bottom of the distribution since early 2023 (see Figure 2.2).¹⁸ This trend has been prevalent in the public sector for a long period,¹⁹ partly due to pay deals being skewed towards lower earners to offset cost-of-living and minimum wage pressures. Increases to the national minimum wage have also boosted earnings growth at the lower distributions. However, towards the end of 2024, growth at higher distributions accelerated, getting closer to the growth rates seen by lower percentiles.

Figure 2.2: Monthly pay by percentile, indexed to January 2020, seasonally adjusted



Source: Monthly pay by percentile (Table 5) from Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted (PAYE RTI), published March 2025. Indexed to January 2020 by OPRB.

Note: PAYE RTI estimates the pay for work completed in the month listed, rather than paid in the month listed.

¹⁷ Full-time Gross Annual Pay 2024 (Table H10 - 90-99 Percentiles.7a), Estimates of earnings for the highest paid employee jobs by public and private sectors, UK (provisional estimates), ONS, published November 2025. Data from the Annual Survey of Hours and Earnings (ASHE).

¹⁸ Monthly pay by percentile (Table 5) from Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted (PAYE RTI), published March 2025.

¹⁹ Recent trends in public sector pay, IFS, published March 2024.

Table 2.2: Year on year growth in monthly pay, seasonally adjusted

Percentile	10th	25th	50th	75th	90th	95th	99th
12 months to Nov 2024	5.9%	9.3%	6.7%	5.6%	5.4%	4.7%	5.0%
12 months to Dec 2024	5.8%	9.0%	6.6%	5.6%	5.3%	4.8%	5.3%
12 months to Jan 2025	5.7%	8.3%	6.0%	4.9%	4.5%	4.6%	4.4%

Source: Monthly pay by percentile (Table 5) from Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted (PAYE RTI), published March 2025. Annual Growth calculated by OPRB.

Note: PAYE RTI estimates the pay for work completed in the month listed, rather than paid in the month listed.

Pay settlements

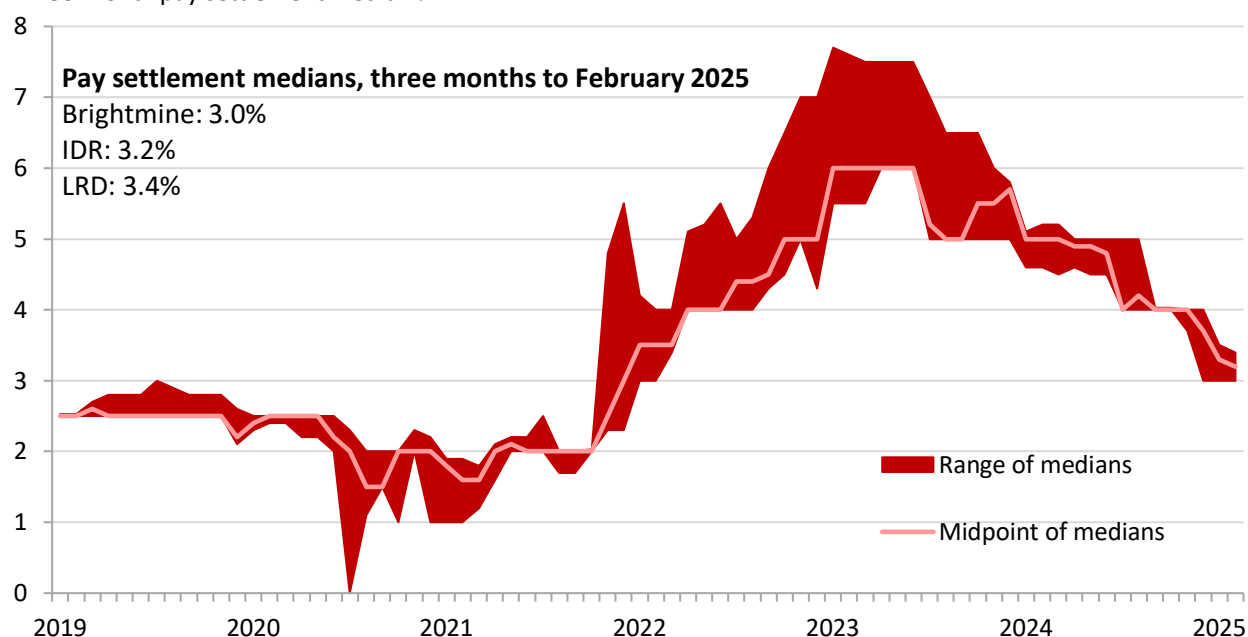
- 2.10 Pay settlements data provide a good benchmark for pay increases in the wider economy, as these figures are not skewed by changes in composition. By considering the medians, the statistical effect of unusually high pay settlements driven by minimum wage increases should also be mitigated.
- 2.11 Recent pay settlement medians have been falling to around 3 to 4 per cent for pay reviews published in late 2024, down from 5 per cent in early 2024 (see Figure 2.3). Data from Brightmine,²⁰ Incomes Data Research and the Labour Research Department covering early 2025 settlements, report median pay awards of at or just above 3 per cent for the three months to February 2025.²¹

²⁰ March 2025 survey by Brightmine (formerly XperthHR).

²¹ Brightmine reports a median pay award of 3.0 per cent for the three months to February 2025; Incomes Data Research reports a median pay award of 3.2 per cent for the three months to February 2025, unpublished; and the Labour Research Department reports a median pay award of 3.4 per cent for the three months to February 2025.

Figure 2.3: Pay settlement medians, 2019 to 2025, three-month average

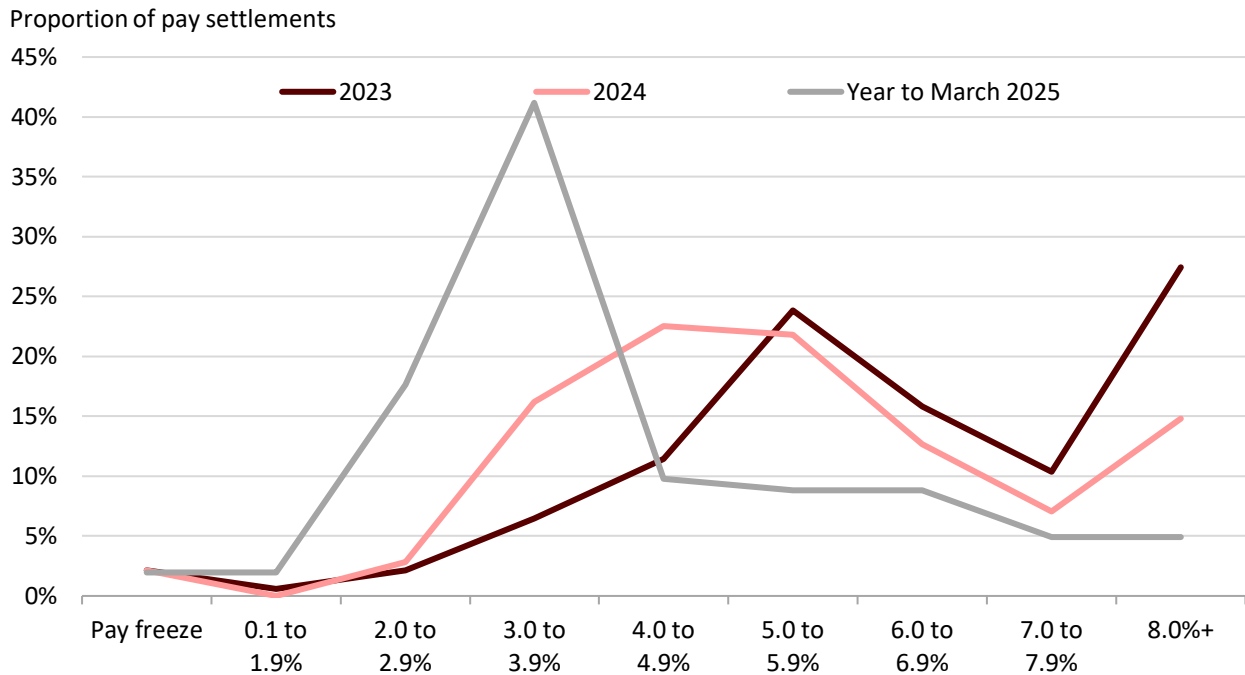
Three-month pay settlement median %



Source: OPRB Analysis of Brightmine (formerly XpertHR), Incomes Data Research (IDR) and Labour Research Department (LRD) data up to March 2025. Latest data are early estimates.

- 2.12 The shift in the distribution of pay awards provided by Brightmine is shown in Figure 2.4. Only a quarter (27.5 per cent) of pay awards in 2025 from March data releases were at 5 per cent or higher, compared to over half (56.3 per cent) in 2024, three-quarters (77.4 per cent) in 2023 and two-fifths (40.0 per cent) in 2022. Two-fifths (41.2 per cent) of awards were between 3.0 and 3.9 per cent March 2025 data releases, while 21.6 per cent were below 3 per cent.

Figure 2.4: Distribution of pay settlements, 2023, 2024 and 2025



Source: OPRB analysis of Brightmine (formerly XperTHR) data, provided March 2025 (unpublished).

Labour market conditions

- 2.13 The labour market has shown signs of loosening over the last year. Redundancies increased slightly in 2024, to an average of 101,500 per month over 2024 from 94,250 over 2023 (see Figure 2.5). The number of job vacancies again fell throughout 2024 with the ONS recording 816,000 job vacancies²² in January of 2025, compared to 914,000 in January 2024. This signifies a return to pre-pandemic levels (see Figure 2.5). The unemployment rate rose around the beginning of 2024, from 4.1 per cent in December 2023 to 4.4 per cent in March 2024, then remained steady over the year, to 4.4 per cent in December 2024.²³
- 2.14 However, this trend should not be overestimated, and labour markets are still tight on a historical basis. The number of PAYE employees on payroll (see Figure 2.6) has risen slightly, by 67,000²⁴ over the year to February 2025, to 30.4 million.²⁵

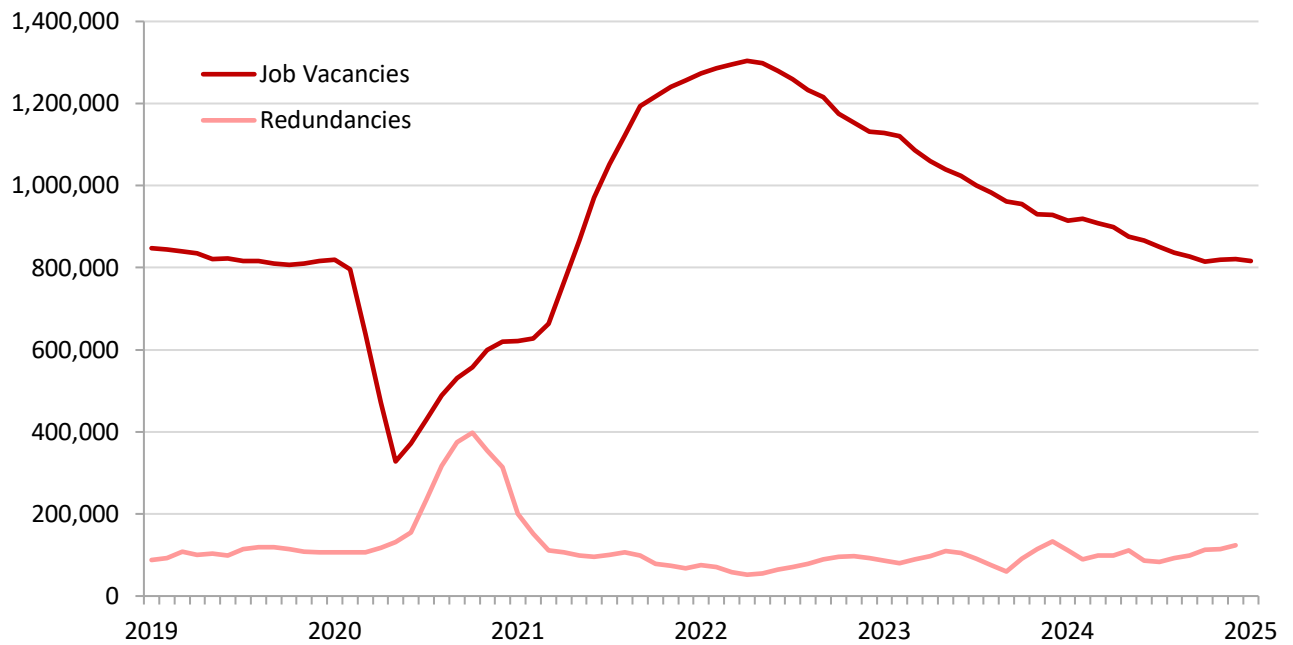
²² Three-month average to February 2025, All vacancies, VACS01 Vacancies and Unemployment, ONS Vacancy Survey, published March 2025. Seasonally adjusted. Excludes Agriculture, Forestry and Fishing.

²³ November 2024 - January 2025 Unemployment Rate (MGSX), Table 1, A01: Summary of labour market statistics, ONS, published March 2025. ONS estimates based on the Labour Force Survey.

²⁴ OPRB analysis of annual change to February 2025, Payrolled employees, Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted, published March 2025.

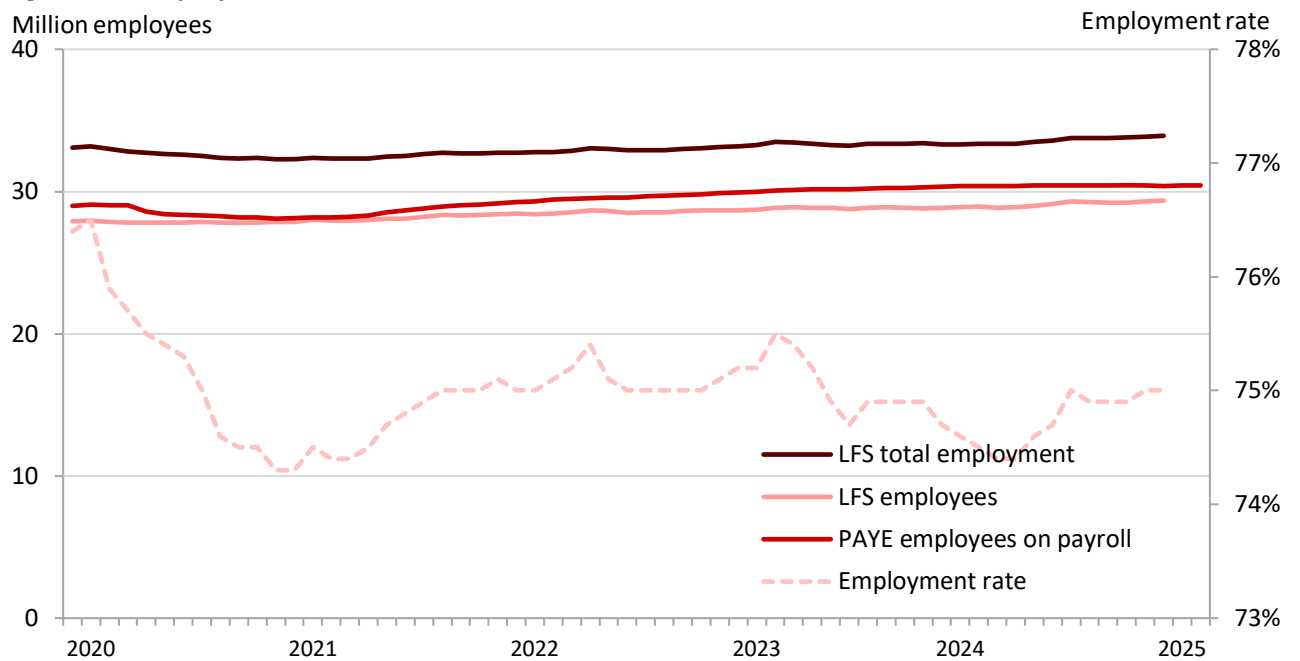
²⁵ February 2025 Payrolled employees, Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted, published March 2025.

Figure 2.5: Job vacancies and redundancies, three-month average, 2019 to 2025



Sources: ONS estimate of all vacancies (AP2Y), ONS, published March 2025; the number of people who were made redundant in the three months prior to interview (BEAO), LFS, ONS, published March 2025.

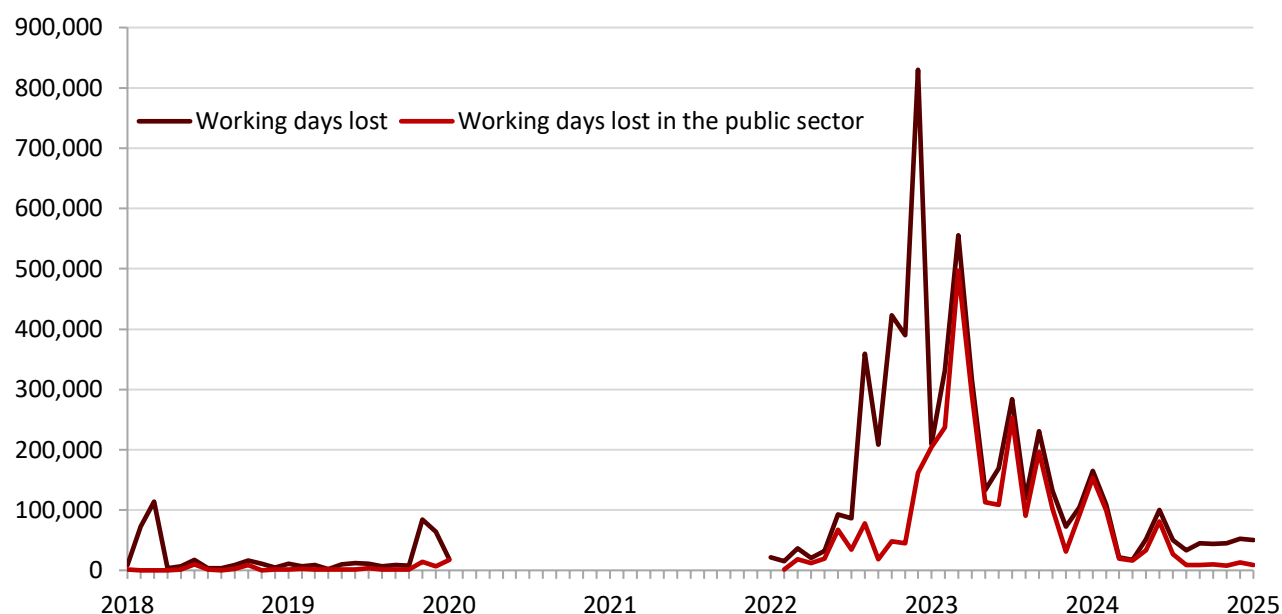
Figure 2.6: Employment levels and rate, 2019 to 2025



Sources: Summary of Labour Market Statistics, Labour Force Survey, ONS, published March 2025 (MGRZ, MGRN, LF24); PAYE RTI data, published March 2025.

- 2.15 The number of labour disputes has significant effects on both public finances and overall productivity in the economy. The latest data on labour disputes ²⁶ show 50,000 working days lost in January 2025, of which the public sector accounted for 9,000. This indicates a return to the norm before 2020 (see Figure 2.7).

Figure 2.7: Labour disputes, 2018 to 2025



Source: Labour disputes in the UK, published March 2025.

Notes: No data between February 2020 and December 2021 due to COVID-19 related pause in collection.

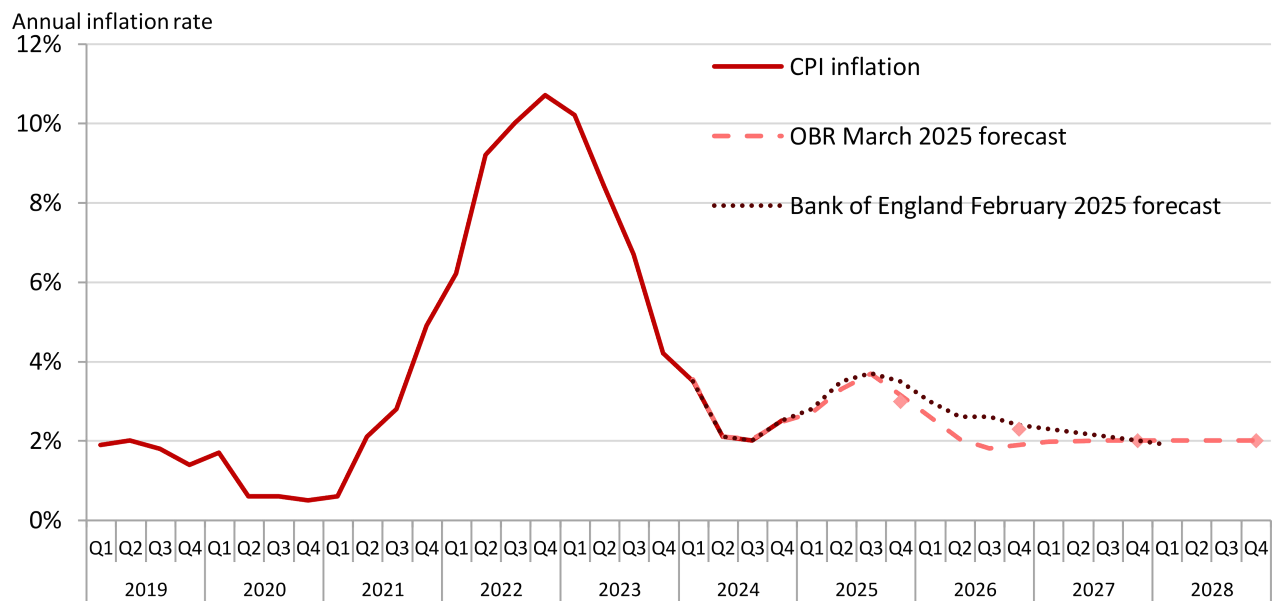
Inflation and real incomes

- 2.16 Inflation is much less of a factor in our considerations this year compared to recent years. CPI inflation had come down from its 40-year peak of over 11 per cent in late 2022 to 2.8 per cent in the 12 months to February 2025 (see Figure 2.8).²⁷ However, both the February 2025 BoE forecast and the March 2025 OBR forecast projected CPI would rise again to a new peak of some 3.5 per cent later this year, before returning to the 2 per cent target in 2026.

²⁶ The ONS restarted collecting and publishing data on labour disputes in 2022, having suspended this series during the pandemic. Previously, the dataset went back to 1931. Working days lost peaked at 6,514,000 in February 1972.

²⁷ Source: Consumer Price Inflation, UK, ONS, published March 2025.

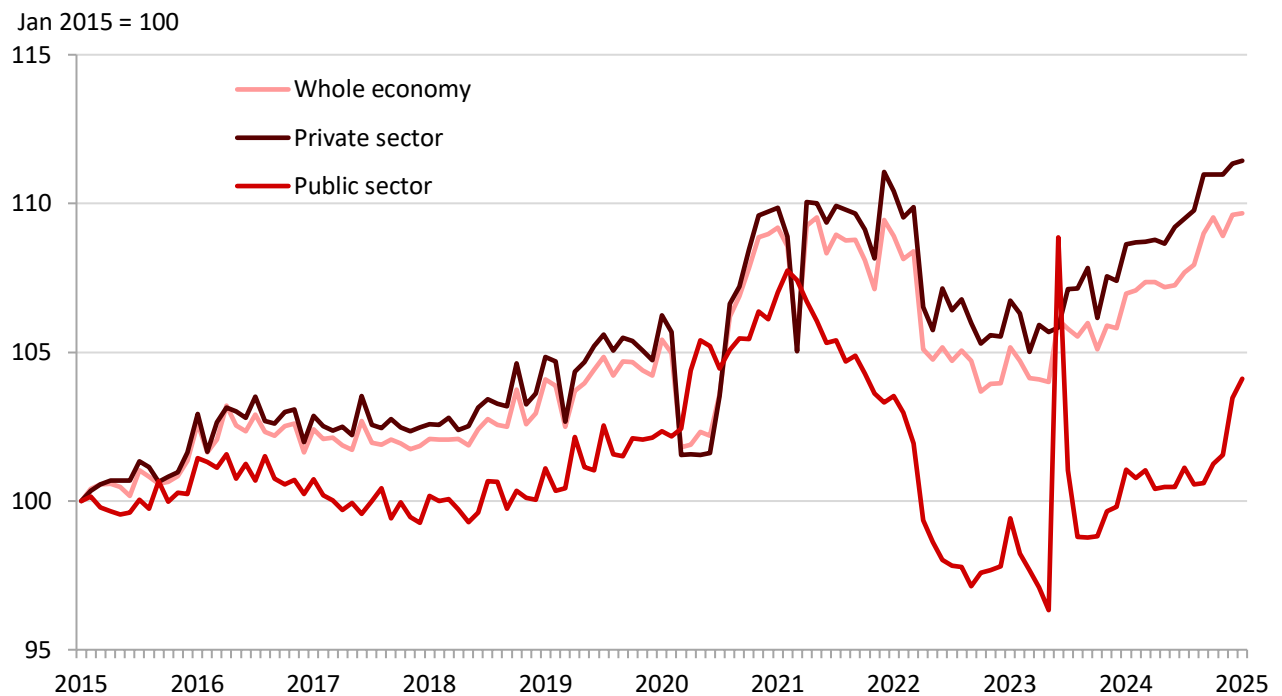
Figure 2.8: Inflation forecasts, 2019 to 2028



Sources: CPI inflation, quarterly (D7G7), ONS, published March 2025; Economic and fiscal outlook, OBR, published March 2025; Monetary Policy Report, BoE, published February 2025; Forecasts for the UK economy, HM Treasury, published February and March 2025

- 2.17 Although inflation returned to the 2 per cent target for part of 2024, the cumulative impact of inflation over recent years means that as of Q4 2024, average prices were 23.8 per cent higher than they were in Q1 2021.
- 2.18 Since 2021, nominal pay has risen faster across the economy than for several decades because of a tight labour market and a period of rapid inflation. However, over the same period, real wages across the whole economy fell, only recovering to 2021 levels in the last months of 2024 (see Figure 2.1 and Figure 2.9). The private sector has surpassed 2021 real wages, whereas the public sector is still significantly below (see Figure 2.1 and Figure 2.9).

Figure 2.9: Real Average Weekly Earnings, public and private sectors, indexed to January 2015

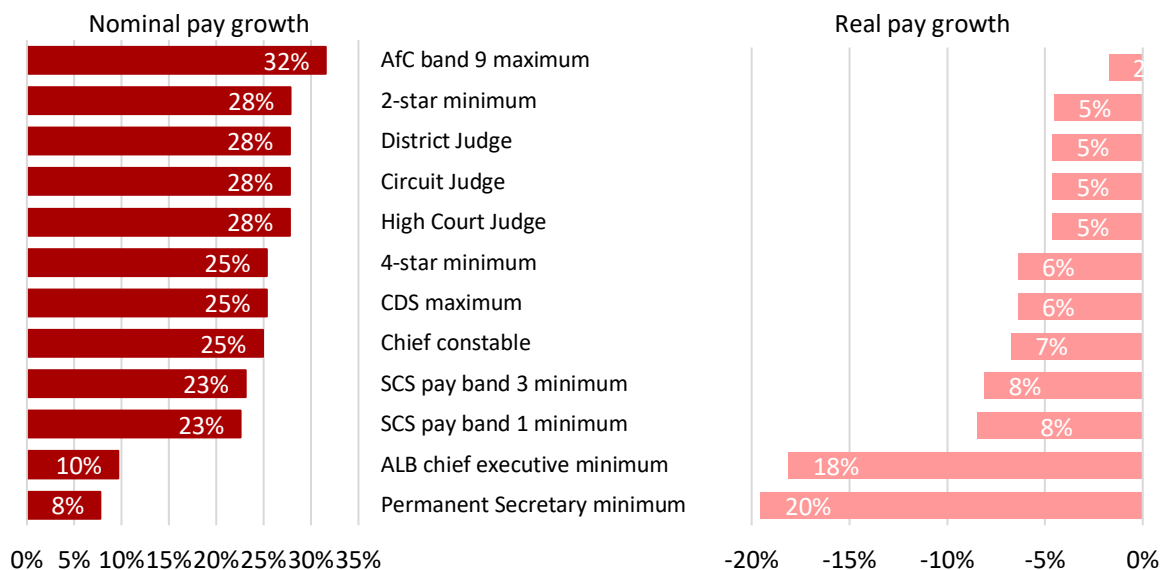


Source: Average Weekly Earnings, published March 2025. Converted by OPRB to 2015 prices using CPI INDEX 00: ALL ITEMS 2015=100, published March 2025.

Note: Public sector excludes financial services.

- 2.19 Moreover, since 2014, the SSRB's remit groups have experienced significant falls in real pay. This is in line with the divergence between public and private sector real incomes widening since 2019 up until the end of 2024 (see Figure 2.9 and Figure 2.10).

Figure 2.10: Nominal vs real change in pay points for selected roles, 2014-15 to 2024-25

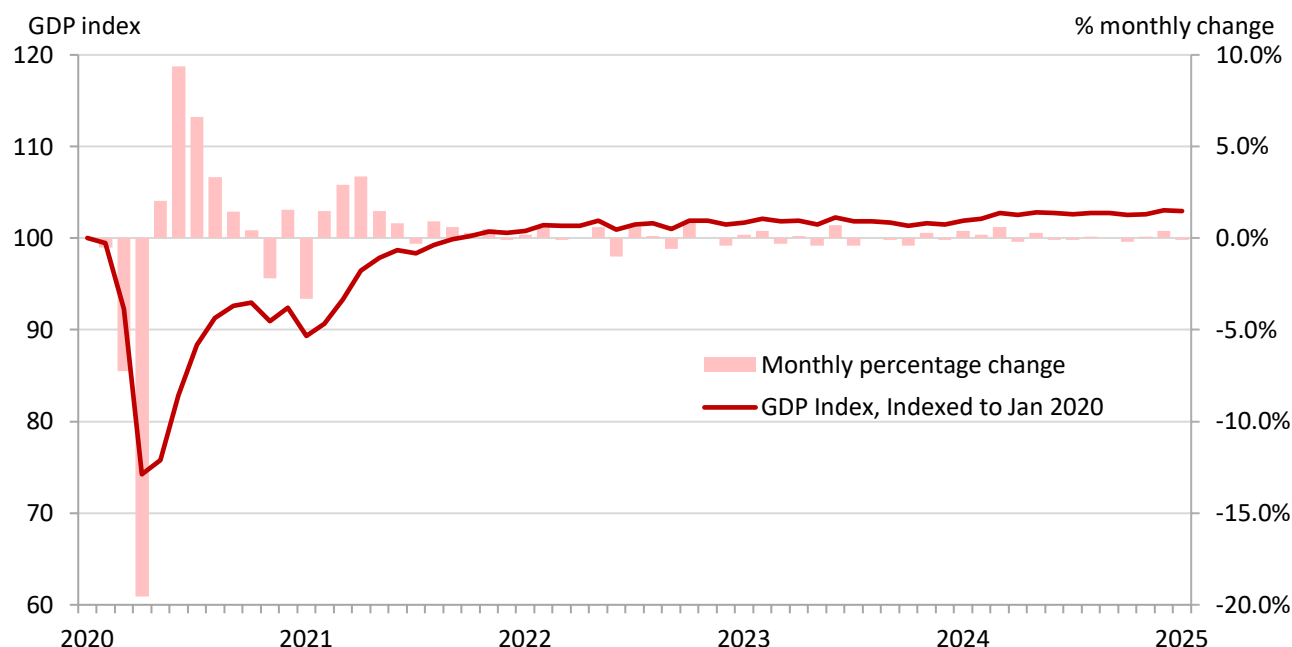


Source: Real change since 2014-15 calculated by OPRB using CPI INDEX 00: ALL ITEMS 2015=100, published March 2025.

GDP growth

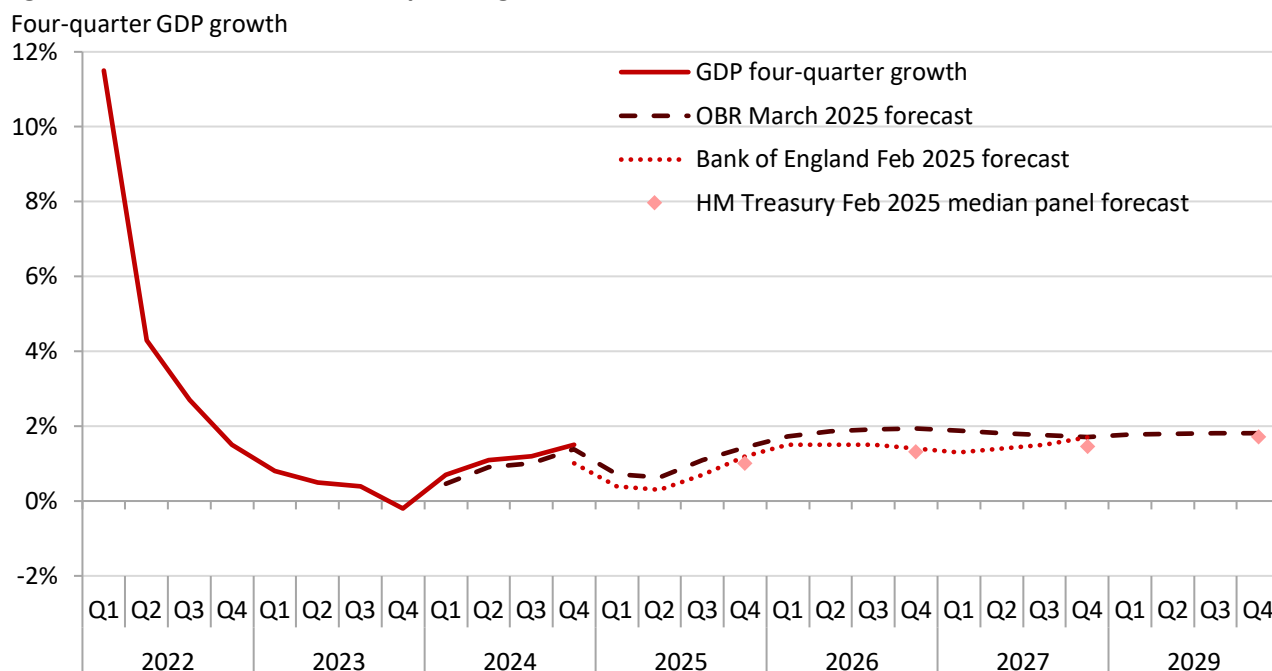
2.20 Growth picked up in 2024, reaching 1.5 per cent in the year to Q4 2024. However, the economy has only grown by 2.7 per cent since October 2021. The OBR projected growth to reach 2 per cent by Q2 of 2026, while the BoE was less optimistic (see Figure 2.12).

Figure 2.11: GDP monthly index and monthly change, January 2020 to January 2025



Source: ONS, GDP monthly estimate, published March 2025. Indexed to Jan 2020 by OPRB.

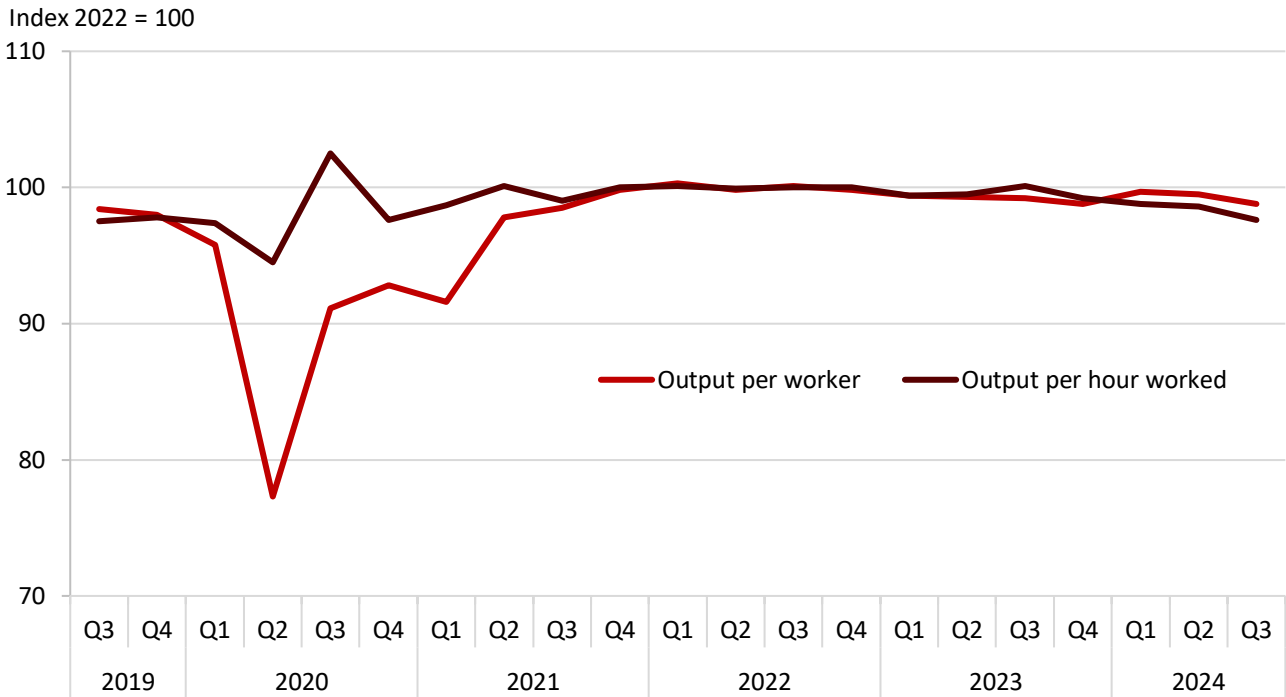
Figure 2.12: GDP forecasts, four-quarter growth



Source: ONS (IHYR), published March 2025; Economic and fiscal outlook, OBR, published March 2025; Monetary Policy Report, BoE, published February 2025; HM Treasury, published February 2025.

2.21 Whole-economy labour productivity levels in Q3 2024 were very similar to 2019, falling below 2022 levels (see Figure 2.13). This, paired with low growth, means there is little additional money in the economy to allocate to wage rises.

Figure 2.13: Labour productivity level, UK, 2019 to 2024



Source: Output per worker (A4YM) and output per hour (LZVB), ONS, published February 2025.

- 2.22 This year, HM Treasury highlighted in their evidence the effect that low productivity growth in the UK since the Global Financial Crisis has had on growth. In order to boost productivity, it is essential to consider the contribution of public services.
- 2.23 Public services productivity in Q3 2024, as estimated by the ONS,²⁸ had fallen by 8.9 per cent since 2019. The largest contributor to this fall was healthcare, in which productivity had fallen by 19.2 per cent since 2019. While the most significant part of this occurred during the COVID-19 pandemic, when comparing against 2021, healthcare productivity had fallen by 5.4 per cent by Q3 2024, contributing to a 3 per cent fall in overall public services productivity in the same period.
- 2.24 The SSRB believes its task of highlighting and responding to recruitment, retention, morale and quality challenges within its remit groups, has an important role in contributing to public services productivity improvements. Measuring public services productivity is challenging, and so the SSRB welcomes the recent publication of the National Statistician’s Independent Review of the Measurement of Public Services Productivity.²⁹

²⁸ Public service productivity, quarterly, July to September 2024, UK, ONS, published February 2025.

²⁹ National Statistician’s Independent Review of the Measurement of Public Services Productivity, UK Statistics Authority, published 13 March 2025.

- 2.25 In recent years, government departments have highlighted productivity challenges in their evidence to the SSRB, implying that the SSRB should be taking productivity more into account when making their recommendations. The SSRB therefore invites stakeholders to present evidence on how the SSRB should consider public sector productivity in future years.

Public finances and affordability

- 2.26 Following the Autumn Budget in October, pressures on department spending totals remain intense. In evidence, with the exception of the Ministry of Defence (MoD), individual departments indicated that a 2.8 per cent pay award in 2025 was in line with departmental spending limits. The MoD called for a 2.5 per cent award. Any awards higher than this, the departments said, would, in the absence of further allocations from the Treasury, have to be funded through savings elsewhere in their budgets, including cuts in frontline public services. We note that some of these cuts might also have a direct effect on the recruitment, retention, and morale of our remit groups.
- 2.27 Government decisions about affordability are based on a wide set of judgements about government spending and revenues. We take them fully into account but consider them alongside our central responsibility of ensuring adequate recruitment and retention among our remit groups.
- 2.28 The estimated cost of our recommendations is shown in Table 2.3. The total cost is £95 million. This compares to a cost of £67 million if departments' recommended pay awards had been applied across the board. The SSRB appreciates that recommendations which exceed the Government's affordability figures put further strain on a difficult fiscal position. Nevertheless, we have concluded that other considerations – broader earnings trends, and worsening recruitment and retention issues amongst our remit groups – are of significant weight and justify a set of pay awards in some cases somewhat higher than the level deemed affordable by the Government this year.

Table 2.3: Cost estimate of our recommendations

Remit Group	Pay Award	Estimated Cost of Recommendations
Senior Civil Service	3.25%	£37m
Senior Officers in the Armed Forces	3.75%	£1m
Judiciary	4.75%	£27m
Senior Leaders in the NHS in England	3.25%	£30m

Chapter 3

The Senior Civil Service

Summary

Our remit

- 3.1 In his remit letter, the Chancellor of the Duchy of Lancaster asked us to conduct our usual annual review process and provide recommendations on Senior Civil Service (SCS) pay. This year's remit letter also included a specific request to consider proposals for the Permanent Secretary group.³⁰
- 3.2 Chapter 1 and Chapter 2 of this Report set out the economic context and the specific economic factors we take into account in recommending a pay award for the SCS.

Evidence

- 3.3 We received evidence from the Cabinet Office,³¹ the Civil Service Commission,³² FDA and Prospect,³³ and the Government People Group³⁴. We also hosted discussion groups with members of the SCS and the feeder cohort.³⁵ We thank all who gave evidence for their contributions.
- 3.4 Detailed data and evidence can be found in the Annex to this Chapter.

Main themes and recommendations

- 3.5 The issues noted and recommendations made in this Chapter arise from the same set of problems we have seen with the SCS over many years. Difficulties attracting sufficient high-quality applicants, high turnover and the lack of a simple pay progression system remain unaddressed. The lack of meaningful progress over an extended period to address this Review Body's long-standing concerns is a source of considerable frustration.
- 3.6 The SCS pay system is broken. It does not work as it should to attract, retain and motivate a high-quality cadre to lead the government's initiatives and oversee public services.

³⁰ Letter from Pat McFadden (Chancellor of the Duchy of Lancaster) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding the 2025/26 Remit of the Senior Salaries Review Body (30 September 2024). Available at www.gov.uk/government/publications/ssrb-remit-letter-202526-pay-round. A copy of this letter is attached to this Report as Appendix B.

³¹ Cabinet Office *Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service* (10 December 2024) [Cabinet Office written evidence]. Available at www.gov.uk/government/publications/government-evidence-to-the-senior-salaries-review-body-on-the-pay-of-the-senior-civil-service. We also heard oral evidence from the Hon Georgia Gould OBE MP (Parliamentary Secretary for the Cabinet Office) and Cabinet Office officials on 20 March 2025. The Cabinet Office also provided two supplementary written evidence submissions: Letter from Cabinet Office senior official (Director of Civil Service Pay, Policy and Pensions) to Mark Polin (SSRB Lead Member for SCS) regarding requests for evidence/data (12 February 2025) [Cabinet Office Pre-Oral Evidence Letter]; Letter from Cabinet Office senior official (Director of Civil Service Pay, Policy and Pensions) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding oral evidence session (4 April 2025) [Cabinet Office post-oral evidence letter].

³² Civil Service Commission *Statement of Evidence to the Senior Salaries Review Body (SSRB) 2025* (November 2024) [Civil Service Commission written evidence]. We also heard oral evidence from the Rt Hon the Baroness Stuart of Edgbaston (First Civil Service Commissioner) and Civil Service Commission officials on 14 January 2025.

³³ FDA and Prospect *FDA & Prospect Written Evidence to the Senior Salaries Review Body* (November 2024) [FDA and Prospect written evidence]. We also heard oral evidence from Dave Penman (FDA General Secretary) and other senior FDA and Prospect representatives on 14 January 2025.

³⁴ Letter from Government People Group senior official (Director of Civil Service Talent) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding Permanent Secretary Pay (19 March 2025) [Permanent Secretary written evidence].

³⁵ SCS 1 Discussion Group (29 October 2024); Future Leaders Scheme Discussion Group (29 October 2024); SCS in Welsh Government Discussion Group (12 November 2024); SCS in Scottish Government Discussion Group (12 November 2024); SCS 2 Discussion Group (12 November 2024); SCS 4 Discussion Group (3 April 2025). We were unable to hold an SCS 3 discussion group this year.

- 3.7 Most urgent amongst these concerns is the need for tangible progress toward a coherent SCS Strategy – one which addresses fundamental questions relating to the SCS’ purpose, size and composition that have been left unanswered for many years. The development and implementation of such a Strategy is a pre-requisite for meaningful change. Whilst we observe the progress made on strategy development, an urgent conclusion to groundwork and a move to implementation is now paramount.
- 3.8 A related issue is the absence of a clear set of reward principles for the SCS. These principles need to be developed alongside the SCS Strategy and Civil Service Reward Strategy, and should represent a fundamental building block for changes to performance-based pay arrangements. Developing the Reward Strategy by 2030 – the delivery timeframe indicated to us – is in our view far from sufficiently ambitious.
- 3.9 There is also an urgent need for a simple pay progression system. The absence of such a mechanism is exacerbating many of the difficulties we observe, including excessive churn/turnover and grade inflation. It is more important than ever that the SCS is able to attract and retain candidates of the highest quality.
- 3.10 These challenges are particularly marked when it comes to recruiting and retaining individuals with specialist skills. Those skills are in high demand in the wider public and private sectors, and SCS reward struggles to compete with equivalents elsewhere. Serious consideration needs to be given to developing a cohesive reward framework for specialist skills – one that enables the civil service to attract and retain the best in their field, in order to meet new and emerging needs. The SCS will not necessarily be able to compete on salary alone, but the advantages of SCS employment need to be better articulated.
- 3.11 We remain concerned by the continued and growing overlap of salary bands between the delegated grades and SCS 1 (Deputy Director) positions. We consider that this acts as a material disincentive for those who might otherwise seek promotion into the SCS. Addressing this overlap and putting in place measures to prevent it from recurring would help catalyse wider change.
- 3.12 The confluence of these and other long-standing issues across the SCS has resulted in a reliance upon anomalies pots and non-consolidated payments. Swift action to fix the foundations of the SCS pay and reward framework should reduce the reliance on these mechanisms.
- 3.13 We have been highlighting many of these issues since 2018. We note with encouragement the indications of the Government’s intent to address them and appreciate that changes of the nature required take time, but we have yet to see evidence of a coherent and comprehensive plan describing clear timescales for implementation. Prioritising the implementation of the measures in the Civil Service People Plan and the publication of an SCS Strategy and associated delivery plan would be a tangible step in the right direction. We are supportive of and expect to see significant progress in all these respects before our next report.
- 3.14 In these circumstances, we are recommending a pay award that can help respond to the concerns we have outlined, until such a time as the essential work on an SCS Strategy and reward framework outlined above has been completed.
- 3.15 Based on the evidence we have seen, we are recommending a pay award of 3.25 per cent for all members of the SCS. We are also recommending that each of the SCS pay band minima increase by between £2,000 and £5,000, and that the pay band maxima are increased by between £500 and £20,000. We also make provision for an anomalies pot, with some caveats on its use.

3.16 In the absence of much-needed and long-sought systemic change, our recommendations can offer only a temporary remedy to the most acute pressures. For this reason, we are also taking the unusual step of making a formal recommendation in support of a fundamental review of SCS reward. We urge the Government to act swiftly to address the underlying SCS strategy and reward issues highlighted.

3.17 Our full recommendations for the SCS are set out at [3.73]–[3.85] below.

Government response to our 2024 recommendations

3.18 Last year, the Government accepted our recommendations for the SCS:³⁶

- All members of the SCS should receive a 5.0 per cent consolidated pay increase from 1 April 2024.
- The SCS pay band minima should increase by £1,000 each, from 1 April 2024.

Context

3.19 In evidence, HM Treasury set out the fiscal position and its view of the economic climate in which we are making our recommendations.³⁷ Both HM Treasury and the Cabinet Office said that a pay increase for senior civil servants should not exceed 2.8 per cent.³⁸ In oral evidence, the Cabinet Office said that a higher award would impact on departmental budgets.

3.20 The SCS continues to operate in a challenging environment. The election of a new Government in July 2024 has brought a suite of new ‘mission-led’ objectives.³⁹ There are increasing pressures associated with geopolitical developments, economic headwinds and the limited capacity and weak productivity of public services.⁴⁰ There are also new demands and ambitions, such as campaigns to encourage individuals with different skills and experience to work in the civil service (including on secondment or on a ‘tour of duty’), and a focus on the potential of artificial intelligence (AI) in generating efficiencies.⁴¹

3.21 The long-term nature of some of these challenges, compounded by the recent and still-resonating pressures arising from major disruptors such as the responses to the COVID-19 pandemic and Brexit, has left what we observe to be a deep-seated sense of strain and fatigue across the SCS.

³⁶ HC Deb 29 July 2024 vol 752 HCWS33. Available at <<https://hansard.parliament.uk/commons/2024-07-29/debates/24072928000014/SeniorCivilServicePay>>.

³⁷ See detailed discussion in Chapter 2 at [2.26].

³⁸ Cabinet Office written evidence, above n 31, at [16].

³⁹ HM Government (2024) *Plan for Change: Milestones for mission-led government* (CP 1210). Available at <https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf>. See also: Keir Starmer, Prime Minister “Plan for Change” (speech delivered at Pinewood Studios, Buckinghamshire, 5 December 2024). Available at <www.gov.uk/government/speeches/pm-speech-on-plan-for-change-5-december-2024>; Prime Minister’s Office, 10 Downing Street “Next phase of Mission-led government will put working people’s priorities first, with PM set to unveil Plan for Change” (press release, 30 November 2024). Available at <www.gov.uk/government/news/next-phase-of-mission-led-government-will-put-working-peoples-priorities-first-with-pm-set-to-unveil-plan-for-change>; Prime Minister’s Office, 10 Downing Street “PM sets out blueprint for decade of national renewal” (press release, 5 December 2024). Available at <www.gov.uk/government/news/pm-sets-out-blueprint-for-decade-of-national-renewal>.

⁴⁰ See detailed discussion in the Chapter 2 (Economic context).

⁴¹ Cabinet Office “Pat McFadden vows to make the state “more like a start up” as he deploys reform teams across country” (press release, 9 December 2024). Available at <www.gov.uk/government/news/pat-mcfadden-vows-to-make-the-state-more-like-a-start-up-as-he-deploys-reform-teams-across-country>. See also Pat McFadden, Chancellor of the Duchy of Lancaster “Reform of the state has to deliver for people” (speech delivered at University College London, Stratford, 9 December 2024). Available at <www.gov.uk/government/speeches/reform-of-the-state-has-to-deliver-for-the-people>.

- 3.22 We are encouraged by the new Government's stated desire to tackle long-term issues and provide stable leadership to the SCS. This may allow for clearer public policy direction and enduring long-term objectives to be set. We hope that this will contribute to improvements in public confidence in the SCS and less frequent instances of slanted media scrutiny or negative ministerial comment against public servants.

Key points from the evidence

Recruitment

- 3.23 We have seen modest improvements in the data on SCS recruitment over the last 12 months. Civil Service Commission data shows that in 2023-24 recruitment competitions:⁴²

- 6 per cent of campaigns did not identify any appointable candidates, contributing to 6 per cent of vacancies remaining unfilled. This compares with 6 per cent of campaigns and 13 per cent of vacancies in 2022-23.
- 57 per cent of shortlisted candidates were judged 'very good' or 'outstanding', up from 54 per cent in 2022-23. This is a slight improvement on the downward trend observed over the previous four years.

We welcome these improvements.

- 3.24 The overlap in pay between the Grade 6 and SCS 1 salary bands remains a key concern. Of Grade 6 staff, 27.9 per cent earn more than £76,000 (the SCS 1 minima) – with more than half of this group earning over £81,000.⁴³ We heard from discussion groups that, because of this degree of salary overlap, promotion into the SCS is not seen to be adequately rewarding compared to the lesser responsibility of a Grade 6 role. There is also a perception within the SCS 1 cohort that they may be required to line-manage staff of lower grades who are paid more than them.
- 3.25 Also of concern is the continuing policy of starting newly promoted SCS members at the bottom of the pay scale. Existing civil servants generally cannot negotiate their starting salary when accepting a new role. Instead, they receive either the band minima, or if their previous salary was approaching or higher than this, no more than 10 per cent above their existing salary. External candidates are not bound by the same constraints – and can negotiate a higher salary upon entering the civil service. This policy results in external hires often being paid significantly more than civil servants who are internally promoted to the same role. This raises questions of fairness and contributes to feelings of inequity amongst the SCS cohort. The ability of external candidates to negotiate a higher starting salary may also lead some existing SCS members to consider exiting the civil service to take up external roles for a period, before returning to the civil service.
- 3.26 There are also clear differences in the terms and conditions of SCS members compared to the delegated grades. Individuals who are promoted into the SCS from these grades often lose entitlement to various benefits and allowances. Examples include reduced annual leave allowances and loss of entitlement to overtime. We consider that SCS reward as it currently stands is not sufficient to offset the differences in terms and conditions.

⁴² Civil Service Commission data covers recruitment campaigns where a Civil Service Commissioner chairs the recruitment panel. Commissioners chair all external competitions at SCS 2 and above, and all internal competitions at SCS 3 and above. See detailed data and discussion at [3.91] and [3.117]-[3.123].

⁴³ See discussion at [3.110].

- 3.27 These three areas of concern have the compounding effect of deterring skilled candidates from the delegated grades to seek promotion into the SCS. We heard in discussion groups that internal candidates recognise the variety and opportunities provided by SCS roles, but the combination of loss of benefits, perceived inequity in salary policy on promotion and the stresses and pressures of bigger roles deters prospective applicants. These issues are in large part the result of inadequacies in the underlying pay framework, and cannot be satisfactorily resolved without broader, structural change.
- 3.28 Recruitment in some key disciplines is also proving challenging – including digital, data and technology (DDaT), property, commercial, HR and finance.⁴⁴ We have heard from discussion groups that this is directly related to the lack of a competitive offer in these fields compared to external counterparts. This is supported by Civil Service Commission data showing that 37 per cent of recruitment campaigns resulted in only one appointable candidate, holding steady from 2022-23 and up from 29 per cent in 2021-22. This is a pressing issue and further underlines the need for broader change to the SCS reward offer in order to make these roles more attractive and remuneration more competitive.
- 3.29 We remain concerned by the indications of ‘grade inflation’ across the SCS (i.e. sizing of roles at a grade higher than previous iterations of the same role or other positions with similar responsibilities). We have not received sufficient evidence to be able to quantify this concern, but the recurrence and volume of anecdotal comments made to us in discussion groups over the past two years suggests this is a widespread issue.

Retention

- 3.30 Cabinet Office data shows that in 2023-24:⁴⁵
- 11.6 per cent of SCS left, including those who retired or moved back to a more junior role after temporary promotion.
 - 4.4 per cent of SCS moved between departments.
 - 3.6 per cent moved roles within the same department.⁴⁶
- 3.31 Therefore overall, approximately 20 per cent of SCS left or changed roles in 2023-24.⁴⁷
- 3.32 Turnover/churn is particularly high in some key areas – such as:⁴⁸
- DDaT (13.8 per cent turnover / 17.6 per cent departmental turnover)
 - Commercial (15.5 per cent turnover / 22.5 per cent departmental turnover)
 - Finance (13.1 per cent turnover / 18.5 per cent departmental turnover)

⁴⁴ Cabinet Office written evidence, above n 31, at Annex G, Table 8.

⁴⁵ See detailed data and discussion at [3.128]-[3.129]. This data excludes moves related to machinery of government changes.

⁴⁶ Data on moves between departments are more reliable than those for moves within departments, where differences of departmental reporting practice may affect the figures. It is possible the true figure is significantly higher.

⁴⁷ See detailed data and discussion at [3.127].

⁴⁸ Cabinet Office data (unpublished). ‘Turnover’ here refers to people who have left the civil service entirely. ‘Departmental turnover’ includes these people as well as those who have moved department. Some of these figures reflect multi-department restructures/consolidation. See detailed data and discussion at [3.127]-[3.130].

- 3.33 Median tenure across the SCS has shown some improvement. Cabinet Office data shows that in 2023-24, SCS median tenure:
- In current role was 2.5 years, up from 2.1 years in 2022-23 and 1.9 years in 2021-22.
 - In current pay band was 3.3 years, up from 2.9 years in 2022-23 and 2.6 years in 2021-22.
 - As a member of the SCS cohort was 4.3 years, up from 4.0 years in 2022-23 and 3.6 years in 2021-22.
- 3.34 The resignation rate across the SCS in 2023-24 was 4.3 per cent, down from a record high of 5.9 per cent in 2022-23 and from 4.9 per cent in 2022-23, but higher than the 3.1 per cent in 2020-21.⁴⁹ Again, the resignation rate is higher in some key areas, such as communications (13.3 per cent), medical (10.7 per cent), economic (6.0 per cent), commercial (7.0 per cent), HR (5.6 per cent) and finance (5.1 per cent).⁵⁰
- 3.35 While there have been improvements in resignation rates in the last year, the proportion of People Survey respondents saying they intend to leave the SCS in the next year remained steady at 20 per cent.⁵¹ The proportion of exit interviewees rated as ‘regrettable losses’ jumped from 72 to 83 per cent in 2023-24, indicating that those who are leaving may be higher-quality members of the SCS.⁵²
- 3.36 As we said last year, excessive churn means that too many posts are occupied by individuals still building their expertise and key networks. It also means that the leadership of some departments and agencies lacks stability – and frequent turnover makes it difficult to hold leaders accountable. This has a negative impact on the effectiveness and productivity of the SCS.⁵³
- 3.37 The increases in median tenure suggest that the policy on minimum duration in post may be having some impact.⁵⁴ However, high levels of churn remain a feature. In the absence of pay progression which rewards greater effectiveness in post, moving roles may seem the best route to financial advancement. Since 2018, we have been calling for a simple pay progression framework. Failure to address this is a key contributing factor to excessive churn.

Morale

- 3.38 Overall SCS engagement recorded in the 2024 People Survey was 76 per cent, remaining steady compared to 76 per cent in 2023, 75 per cent in 2022 and 76 per cent in 2021.⁵⁵
- 3.39 However, as we said last year, a high headline survey score does not exclude shortcomings in morale. The People Survey indicators on satisfaction with pay showed that only 51 per cent of SCS felt satisfied with the total benefits package, although this figure is improved compared to 46 per cent in 2023.⁵⁶

⁴⁹ Cabinet Office written evidence, above n 31, at Annex G, Table 7.

⁵⁰ Cabinet Office data (unpublished).

⁵¹ See [3.132].

⁵² See [3.133].

⁵³ See detailed data and discussion at [3.126].

⁵⁴ Cabinet Office written evidence, above n 31, at [144]. The policy, introduced on 4 July 2022, sets the expectation a default minimum duration of 3 years for all SCS 1 and 2 posts.

⁵⁵ See detailed data and discussion at [3.137]-[3.147].

⁵⁶ See discussion at [3.106].

- 3.40 The sense we gained from our discussion groups remains that there are signs of fatigue and reduced morale across the remit group, and an ever-present, if somewhat reduced, level of unhappiness with the long-term trends in their pay and working conditions. Written and oral evidence from the FDA and Prospect indicated a slight uptick in morale compared to last year, but still paint a similar picture overall.⁵⁷
- 3.41 As we have commented in previous years, the link between performance and pay is not clearly defined. This year's data shows that this is a view shared by more than half of the SCS cohort – only 48 per cent of SCS felt that their pay adequately reflected their performance and 66 per cent of departmental exit interviewees cited pay as a significant factor in their decision to resign.⁵⁸ These statistics should be taken into account when considering future models for performance-based pay and SCS reward more generally.
- 3.42 We have over several years expressed our concerns about increasing personal exposure of some SCS members to criticism in the press, on social media, and at times, directly by ministers. In discussion groups, we again heard of instances where SCS members have been attacked on social media for their involvement with certain policies.
- 3.43 We are concerned also by the effect upon morale of reports that the expectations and workload of the SCS is increasing. Although the SCS continues to grow (see [3.44] below), we heard from individuals about the adverse impact on their morale of excessive workload.⁵⁹ In our view, an SCS which is bigger than ever but where many are overworked is indicative of the absence – which we have repeatedly noted – of a clear strategy which sets out what the SCS is for, what its composition should be, and what is expected from it.

Size

- 3.44 The SCS continues to grow. On a full-time equivalent (FTE) basis, the SCS has grown by 3.4 per cent in the last year from 6,300 to 6,515. The SCS is now 75 per cent larger than in 2014.⁶⁰
- 3.45 Over the long term the SCS has grown much more than the wider civil service. The percentage of SCS to other civil servants has increased markedly compared to ten years ago – from 0.9 per cent in 2014 to 1.3 per cent today.⁶¹
- 3.46 The reasons behind this are not easily identifiable. We have heard that 'grade inflation' has played a large part. This shift has been unplanned, and we have not seen evidence that the increase in numbers and pay bill has delivered corresponding benefits.
- 3.47 The effect of size on the SCS pay bill is stark – today's SCS pay bill is approximately £933m, compared to approximately £873m last year and £428m in 2014. This is a nominal increase of 6.9 per cent from 2023, and of 118 per cent (or 63 per cent in real terms) from 2014.⁶²
- 3.48 As we said last year, the continued absence of clarity about the purpose, composition and size for the SCS has exacerbated these challenges. The growth of the SCS has been reactive rather than strategic, and we have not seen evidence that consideration has been given to the impact on affordability, productivity and delivery, and long-term workforce sustainability.

⁵⁷ FDA and Prospect written evidence, above n 33, at [3.2]-[3.5]. See detailed data and discussion at [3.142]-[3.144].

⁵⁸ See discussion at [3.106] and [3.114].

⁵⁹ See discussion at [3.143]-[3.147].

⁶⁰ See detailed data and discussion at [3.93]-[3.99].

⁶¹ See detailed data and discussion at [3.93]-[3.99].

⁶² See detailed data and discussion at [3.100].

Reward

- 3.49 There are a range of long-standing reward issues affecting the SCS – some of which we have already touched upon above.
- 3.50 The SCS lacks a mechanism for rewarding skills development, experience and good performance. There is an urgent need for a simple pay progression system that takes these into account. The absence of such a system is a significant disincentive for both internal and external candidates to join the SCS. Action on this point would be foundational in tackling the multiple structural issues with SCS pay.
- 3.51 The current arrangements for incentive payments to the SCS cohort vary significantly by department and are not sufficiently transparent.⁶³ We are not confident that there is any consistent approach to decision-making across departments when it comes to SCS incentive payments. The alignment between such payments and improved performance or outcomes is also, at best, unclear, and we heard in discussion groups that this is giving rise to the perception in some quarters that reward is given based on the role and relationships, rather than individual performance. Clarity is needed on the performance principles and process for determining performance-based incentive payments for the SCS.
- 3.52 We are concerned by indications that a growing proportion of the SCS are not receiving a consolidated, pensionable percentage uplift to their salary as a result of our annual pay recommendation – instead receiving a one-off non-consolidated, non-pensionable payment. This occurs when their salary is at the top of the relevant pay band. There are approximately 90 individuals affected by this.⁶⁴ Last year, we heard that this is a particular issue when external candidates are appointed at top of pay band salaries, unaware that their consolidated pay cannot rise. We believe that this issue is no longer limited to a small number of exceptions and instead indicates significant issues with the range of the pay bands themselves, supporting the case for a fundamental re-examination of the SCS pay framework.

Strategy and development initiatives

- 3.53 We recognise the energy and work being directed to developing the SCS strategy. At oral evidence with the Cabinet Office, we heard ambition and clarity of direction. However, we believe a greater sense of urgency is needed. Despite the widespread recognition of the need for this work, there appears to have been very little progress made.
- 3.54 A clear timetable for the delivery of key elements of the strategy and associated improved outcomes is not evident. Where target dates have been identified, these offer little assurance that these issues are seen as important and urgent – for example, the apparent target date of 2030 for developing a Civil Service Reward Strategy is, in our view, not nearly ambitious enough.
- 3.55 From what has been shared with us of the draft SCS Strategy, we are not confident that there has been sufficient engagement with key principles of reward, particularly those related to performance-based pay and specialist pay. The absence of clear and uniform reward principles across the civil service underpins many of the problems affecting the SCS. Unless these principles are addressed, the effectiveness of the SCS Strategy is likely to be limited.

⁶³ See Cabinet Office written evidence, above n 31, at Annex A.

⁶⁴ OPRB estimate based on unpublished Cabinet Office data. See further at [3.105].

- 3.56 We also question whether the necessary rapid progress will be achieved with the current division of roles and responsibilities for overseeing the SCS between the Cabinet Office and departments. Given the long-standing nature and significance of a number of the areas which the SSRB has highlighted, we encourage the Government to confirm that the Cabinet Office is accountable for the SCS reward framework. Accountability needs to be accompanied by the power to implement. We therefore also ask the Government to ensure that the Cabinet Office is afforded the necessary levers to enable delivery of the changes required at pace.
- 3.57 At oral evidence, the Cabinet Office recognised that early engagement on the strategy is needed from key stakeholders. We agree – this is necessary to ensure the strategy is properly informed and capable of addressing the areas of concern that we and others have highlighted. The engagement should be accompanied by an expectation of ownership in the design and delivery of the strategy.
- 3.58 We have heard the Government’s calls for change regarding SCS performance management and accountability.⁶⁵ We agree that there is a need for an effective performance management framework that supports SCS accountability. Any such framework would need to be underpinned by clearly articulated departmental objectives that are directly linked to SCS outputs.
- 3.59 We are also supportive in principle of a stronger link between pay and performance for the SCS. However, the structure of any performance-based pay system for the SCS needs to be aligned to the SCS strategy and grounded in a firm understanding of the underlying purpose of the SCS as a cadre. Given our view (as outlined at [3.53]–[3.55] above) that there are unresolved questions regarding key reward principles, and that the SCS strategy is not sufficiently advanced, we caution against attempts to progress any performance-based pay framework ahead of more urgent SCS pay and reward reforms. We consider that there is a far more pressing need for a simple pay progression system than for a performance-based pay framework.

Devolved administrations

- 3.60 We heard in discussion groups with members of the SCS in the Welsh and Scottish Governments that they are largely affected by the same set of challenges as members of the SCS employed by central government departments.
- 3.61 One notable point of difference was concerns regarding the disparity in pay and conditions between SCS members according to which administration they work under. For example, a Cardiff-based member of the SCS working for the Welsh Government would not be eligible for incentive payments, whilst a Cardiff-based member of the SCS from a central government department would be eligible. The same applies to the Scottish SCS. These kinds of inconsistencies between central departments and devolved administrations – particularly when the member of staff concerned is based in the same city or region – raise questions of fairness and contribute to feelings of inequity amongst the SCS cohort. We suggest that this issue is considered as part of the wider SCS strategy.

⁶⁵ Cabinet Office written evidence, above n 31, at [32].

Diversity

- 3.62 We are not aware of any particular areas of concern regarding SCS diversity this year. However, as in other leadership groups, the composition of the SCS reflects historical disadvantages on the basis of gender, ethnicity, and other diversity characteristics, particularly at the most senior levels.⁶⁶ It is likely that the issues we have highlighted with the SCS pay and reward, such as the absence of a simple pay progression framework, have not aided in rectifying demographic imbalances.
- 3.63 We continue to encourage building on the progress made to date to attract and retain those from diverse backgrounds in the SCS. We share the Government's aspiration that the SCS as a whole should more closely reflect the diversity of the population and communities that it serves.⁶⁷ Any possible improvements to the data provided to us on SCS gender, ethnicity, and other diversity characteristics broken down by pay band would also be welcomed.

Permanent Secretary (SCS 4) cohort

- 3.64 We have been asked this year to consider Permanent Secretary pay in particular. Evidence from the Government People Group indicates that there are acute issues related to a growing proportion of this group reaching the pay band maxima, resulting in one-off, non-consolidated annual awards and adverse pension implications.
- 3.65 The SCS 4 maximum (£200,000) has not been increased since 2010 and is currently lower than the SCS 3 maximum (£208,100). We have been told that 16 per cent of the SCS 4 cohort are already paid above the maximum, and that approximately 41 per cent will reach the maximum within the next three years.⁶⁸
- 3.66 We understand that this may have a marked impact on the ability to attract and retain high-quality candidates for these demanding roles. In discussion groups, we heard that the SCS is struggling to compete at the Permanent Secretary level against the reward packages offered across the public sector (such as in local government, the NHS and universities) – let alone against the private sector.
- 3.67 Despite these barriers, we heard from Permanent Secretaries that they recognise they are not the only group affected by challenges of this nature, and that any improvement in reward should be in a context of updated accountability and performance management expectations.
- 3.68 We agree with this pragmatic view on the alignment between expectations and reward for the most senior leaders of the civil service. As discussed earlier (at [3.57]–[3.59]), we are supportive in principle of a stronger link between pay and performance, and of effective performance management frameworks that support SCS accountability. However, these kinds of expectations must be carefully developed and clearly linked to outputs within the control of the individual – work that follows from an SCS Strategy.

⁶⁶ See detailed data and discussion at [3.148]–[3.151].

⁶⁷ Cabinet Office "Civil Service Diversity and Inclusion Dashboard" (10 May 2022) GOV.UK

<www.gov.uk/government/publications/civil-service-diversity-inclusion-dashboard/civil-service-diversity-and-inclusion-dashboard> at [1]. See also Cabinet Office written evidence, above n 31, at [129].

⁶⁸ Permanent Secretary written evidence, above n 34, at 2.

Pay recommendation

Government's proposal

- 3.69 In written evidence, the Government has proposed a similar approach to recent years for the SCS pay award. It advises that our recommendation should provide (in order of priority):⁶⁹
- increases to the pay band minima for all pay bands, with particular attention given to the SCS 1 minimum.
 - a general consolidated pay uplift to all members of the SCS (unless they are underperforming).
 - latitude (via an anomalies pot) for departments to allocate additional consolidated increases to address specific, more serious structural pay anomalies in their workforces.
- 3.70 This approach, it suggests, would provide *“a meaningful general uplift for all eligible SCS that continues to achieve a consistent approach to the cadre, while also addressing some of the most pressing issues within the SCS reward framework through targeting more serious pay anomalies”*.⁷⁰ The Government's position is that the SCS pay award *“should be targeted to address these priorities, whilst set in the context of the Government's wider affordability position”*.⁷¹
- 3.71 We have also been asked to consider recommending an increase to the pay band maximum for SCS 4 (see discussion at [3.64] above).
- 3.72 In evidence, the Cabinet Office and HM Treasury have submitted that a 2.8 per cent award is appropriate for the SCS, and consistent with the wider economic climate.⁷² They have not proposed a specific figure for increases to the pay band minima or for an anomalies pot. On the SCS 4 maximum, the Government People Group has proposed this is increased by £20,000.⁷³

Our recommendation

- 3.73 The current economic challenges, and in particular the Government's clear message on affordability, are noted as we consider this year's pay recommendation. We remain mindful of the need to balance any pay-based interventions on issues of recruitment, retention and morale against affordability considerations of the total pay bill.
- 3.74 Our view, however, is that the challenges affecting SCS recruitment, retention and morale, and the risk posed by these for the provision of the high-quality, efficient and cost-effective public services should be balanced against these affordability concerns.
- 3.75 As indicated at [3.15] above, and for the reasons set out across this Chapter, we recommend a consolidated pay award for all members of the SCS of 3.25 per cent.
- 3.76 We note that, for 2024-25, there were significant discrepancies in the time taken for different departments to implement the Government's decisions on SCS pay.⁷⁴ Some departments took more than three months to implement the annual pay award. This year, we would like to see a rapid and efficient implementation of the Government's decisions on SCS reward and will be monitoring this 'speed to pay' issue for 2025-26.

⁶⁹ Cabinet Office written evidence, above n 31, at [26].

⁷⁰ At [25].

⁷¹ At [27].

⁷² At [16].

⁷³ Permanent Secretary written evidence, above n 34, at 2.

⁷⁴ Cabinet Office written evidence, above n 31, at Annex A.

Recommendation 1

We recommend that all members of the Senior Civil Service should receive a 3.25 per cent consolidated increase to base pay from 1 April 2025.

- 3.77 We agree that each of the SCS pay band minima should be increased and agree with the Government's position that particular attention should be given to the minimum for SCS 1. We recommend that the minimum for SCS 1 should increase by £5,000, and that the minima for SCS 2 to SCS 4 should increase by £2,000.
- 3.78 We accept that the maximum for SCS 4 should be increased in response to current and near-term challenges in attracting and retaining the most senior civil service leaders. These senior leaders, although on high salaries compared to the wider civil service, are accountable for the efficient delivery of critical government services and are charged with making substantial decisions that impact national outcomes. The pay range for this cohort must attract the highest quality candidates, in sufficient numbers, in order to deliver on government objectives. We consider that the Government's proposed increase to the maximum of £20,000 is an appropriate figure for this purpose.
- 3.79 We do not consider, however, that the pay band maxima issue is only at the acute stage for SCS 4. We heard in evidence last year that individuals at SCS 1 in particular are now at the band maximum and are therefore in the same position regarding non-consolidated awards and pension implications. This year we again heard that this is not limited to those at SCS 4. The SCS 1 range currently has the smallest span between minimum and maximum. We favour an increase to the SCS 1 maximum also, which will distribute the SCS pay bands more evenly. We propose an increase of £12,200 to the maximum of SCS 1 and of £1,100 to the maximum of SCS 1A, bringing the new maxima of both bands to £130,000. We also recommend adjustments to the maxima for SCS 2 and SCS 3 of £500 and £900 respectively.
- 3.80 We recommend that all minima and maxima increases are applied before the general pay award, so that members of the SCS currently at the respective band minima will receive more than 3.25 per cent overall, and members of the SCS currently at the respective band maxima will receive at least some portion of the 3.25 per cent general increase toward their consolidated pay.

Recommendation 2

We recommend the following changes to SCS pay band minima and maxima from 1 April 2025 (to be applied before the general consolidated pay award):

- An increase of £5,000 to the minimum and £12,200 to the maximum for SCS 1.
- An increase of £5,000 to the minimum and £1,100 to the maximum for SCS 1A.
- An increase of £2,000 to the minimum and £500 to the maximum for SCS 2.
- An increase of £2,000 to the minimum and £900 to the maximum for SCS 3.
- An increase of £2,000 to the minimum and £20,000 to the maximum for SCS 4.

3.81 If Recommendation 2 is accepted, the revised SCS pay bands will be as below:

Table 3.1: Revised SCS pay bands if SSRB recommendation accepted

	Minima	Maxima	Span between minima and maxima
SCS 1 / 1A	£81,000	£130,000	£49,000
SCS 2	£100,000	£163,000	£63,000
SCS 3	£130,000	£209,000	£79,000
SCS 4	£155,000	£220,000	£65,000

3.82 We also recommend an anomalies pot, comprising 0.5 per cent of the SCS pay bill. This should be used to address acute skills gaps and equal pay issues. Exceptionally, it may be used to mitigate the effects of pay overlaps with the delegated grades. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence. There should be no assumption made that an anomalies pot will be supported by the Review Body in future years – it should not be regarded as a substitute for the much-needed reform of SCS reward.

Recommendation 3

We recommend an anomalies pot, comprising 0.5 per cent of the SCS pay bill. This should be used to address acute skills gaps and equal pay issues. Exceptionally, it may be used to mitigate the effects of pay overlaps with the delegated grades. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence.

- 3.83 Our recommendations respond to, but cannot resolve, the array of issues and anomalies affecting SCS recruitment, retention and morale. As we have signalled for many years, a fundamental review of the SCS pay and reward frameworks, underpinned by a coherent strategy, is required. Continuing to pursue piecemeal solutions to only the most acute challenges is a poor use of time and energy that would, in our view, be better directed to advancing wider reforms. The levers to do so lie with the Government, not this Review Body.
- 3.84 We consider these matters to be central to the future viability and sustainability of the SCS. As such, we are taking the unusual step of making a formal recommendation on this point, as below. None of the matters raised in this recommendation are new – all have been highlighted by this Review Body for many years. We hope that this clear and unambiguous expression from the Review Body on the importance of, and urgent need for, a fundamental review of the SCS pay and reward spurs the Government to act swiftly to rectify these longstanding issues.
- 3.85 This Review Body once again offers its assistance and advice as officials consider how to address these longstanding and entrenched challenges. We would be happy to offer comments and suggestions on draft departmental proposals or policy solutions if asked.

Recommendation 4

We recommend that, in light of the longstanding issues and anomalies, a fundamental review and ‘reset’ of SCS pay and reward frameworks is undertaken by the Government with urgency. This review should support the development and implementation at pace of long-term solutions to the issues and anomalies that have been highlighted over many years by the Review Body – including, but not limited to:

- A coherent SCS Strategy which addresses the fundamental questions relating to the SCS’ purpose, size and composition.
- A clear set of reward principles for the SCS.
- A pay structure that can recruit and retain in-demand specialists.
- A simple pay progression system for those delivering in role and demonstrating expertise.
- Addressing salary band overlaps between the delegated grades and the SCS, and within the SCS.
- Reducing reliance upon anomalies pots and non-consolidated payments.
- Benchmarking SCS pay and reward relative to comparable leadership roles and responsibilities across the public and private sectors.

Looking ahead

- 3.86 Tangible and substantial progress on the matters outlined in Recommendation 4 above remains our top priority looking ahead. We expect evidence of material progress by the time of our next report.
- 3.87 We note also some areas that received less attention in our Report this year, which we intend to revisit in greater depth next year, including:
- SCS roles and career pathways outside of London.
 - Similarities and differences in SCS pay and reward between the different UK administrations.
 - Relativity of SCS salaries to similar roles across the public sector.
 - Governance delays affecting SCS appointments and salary approvals.
- 3.88 We would be grateful for written evidence and proposals from the Government next year on these points.
- 3.89 We would be interested also in written evidence commenting on the extent to which there may be interest in, or proposals for, re-examining the balance between pay and pension contribution or potential pension flexibilities as part of the overall SCS reward package.

Annex: Data and evidence

3.90 We received written and oral evidence from the Cabinet Office, the Civil Service Commission, FDA and Prospect, and the Government People Group. We also hosted discussion groups with members of the SCS and the feeder cohort.⁷⁵

3.91 We have also utilised a number of additional data sources:

- *Cabinet Office data* – the Cabinet Office provides figures for the SCS which are sourced from its SCS Database as at 1 April each year. The SCS database collects and captures information on those SCS that are part of the ‘centrally managed Senior Civil Service’ and therefore excludes some individuals working at a senior level (e.g. a number of military personnel at the Ministry of Defence, medical staff at Public Health England and the Diplomatic Service). For additional context, the SSRB uses selected statistics from Civil Service Statistics: 2024, published by the Cabinet Office in July 2024. These statistics use the wider definition of SCS level employees, some of whom are not in the SSRB’s remit.
- *Exit interviews* – 180 SCS resignations were recorded by 41 government departments and agencies between the beginning of October 2023 and the end of September 2024. Not all SCS resignations are captured. Of the 180 SCS resignations recorded, 49 per cent (89) were either interviewed or completed an exit survey. The Cabinet Office also collected background data on SCS leavers who were not interviewed. In total, the Cabinet Office have background information for 70 per cent of all 2023-24 SCS leavers recorded, compared to 56 per cent last year. This compares to last year (2022-23) when there were 253 exits recorded, of which 38 per cent were interviewed or surveyed. In 2021-22, there were 138 exits recorded, of which 44 per cent were interviewed or surveyed.
- *People Survey* – the Civil Service People Survey was conducted in October 2024 and received 6,653 responses from civil servants identifying as SCS. There were 7,535 SCS level civil servants as of 31 March 2024, so this accounts for around 88 per cent of all SCS.
- *Civil Service Commission (CSC) recruitment data* – CSC data covers Commissioner-chaired competitions. Commissioners chair recruitment panels for all external competitions at SCS 2 and above, and all internal competitions at SCS 3 and above.
- *FDA/Prospect Survey* – FDA/Prospect conducted a survey of their SCS members in 2024, which had 557 responses, slightly less than 582 last year, and 650 the year before. There were 7,535 SCS level civil servants as of 31 March 2024, so this accounts for around 7 per cent of all SCS. The survey had responses from a range of departments and pay bands.

⁷⁵ See source details at [3.3].

The remit group

3.92 The SCS includes a wide range of professions, such as HR, medicine, and international trade. However, the majority of SCS are in policy (27.5 per cent), operational delivery (14.4 per cent), or project delivery (9.0 per cent).

Table 3.2: SCS job titles and pay bands

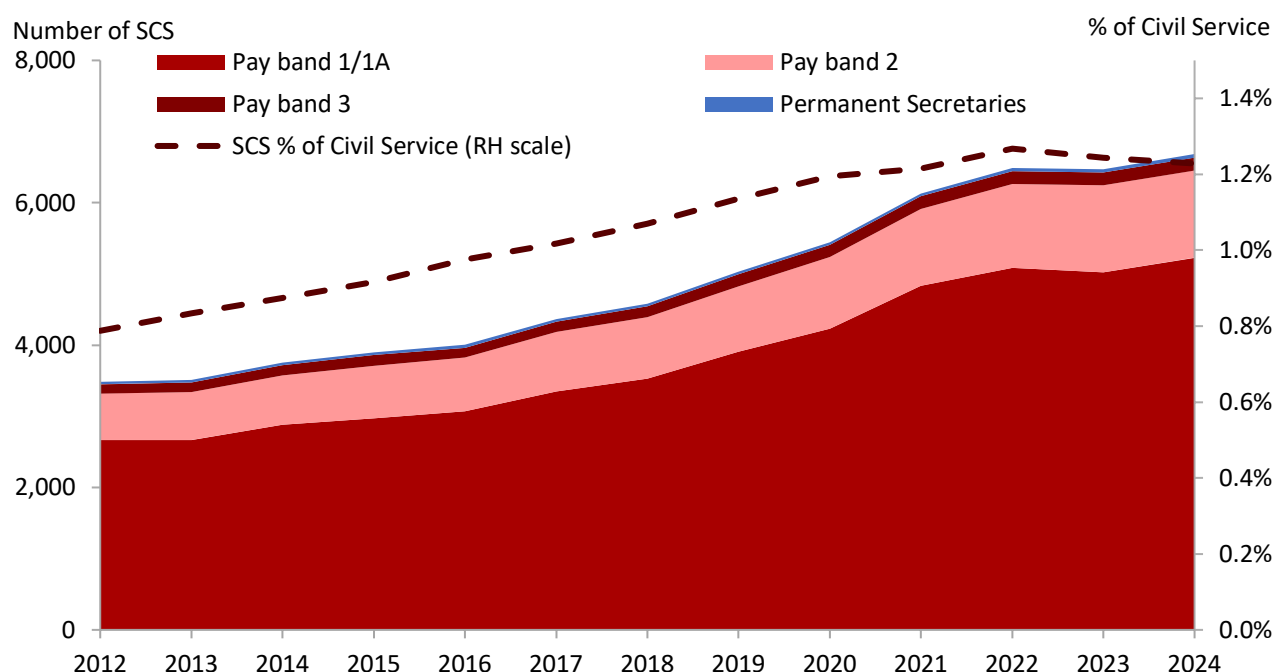
Title	Pay band
Deputy Director	SCS 1
Director	SCS 2
Director General	SCS 3
Permanent Secretary	SCS 4

3.93 The headcount of SCS in the SSRB's remit group at Q1 2024 stands at 6,685, up 210 since Q1 2023. On a full-time equivalent (FTE) basis there were 6,515 senior civil servants at Q1 2024, up 215 FTE since Q1 2023.

3.94 After the first annual fall recorded since Q1 2012 last year, the SCS has again grown in the year to Q1 2024. Since Q1 2014 the number of SCS has risen by 2,790 FTE (+74.9 per cent).

3.95 The SCS again accounts for 1.3 per cent of the overall civil service on an FTE basis and 1.2 per cent on a headcount basis. This is up from 0.6 per cent on both an FTE and headcount basis at the inception of the SCS in 1996, and 0.9 per cent on both an FTE and headcount basis in Q1 2014.

Figure 3.1: SCS Headcount and FTE proportion of civil service, 2012-2024



Source: SCS headcount provided by Cabinet Office (unpublished). FTE per cent of civil service calculated by OPRB.

3.96 The Foreign, Commonwealth and Development Office (FCDO) (+50) and the Department for Science, Innovation and Technology (DSIT) (+45) had the largest increases from last year.

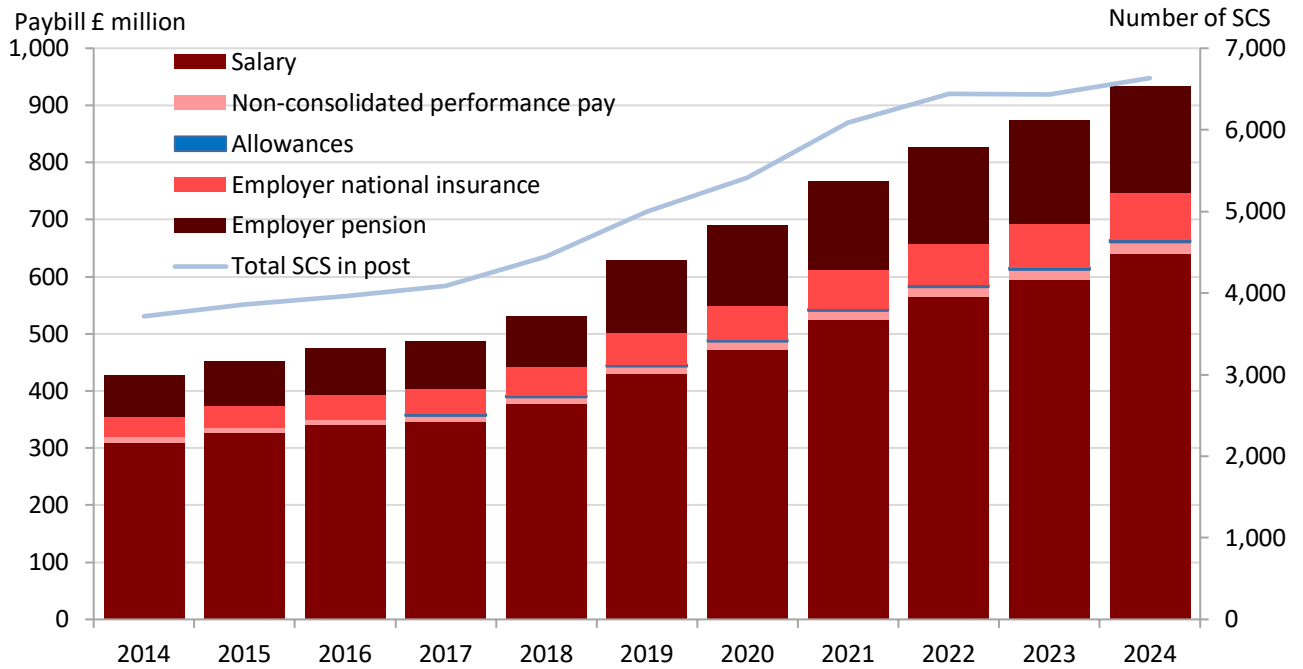
- 3.97 The departments with the largest decreases from last year are the Cabinet Office (-15), the Department of Health and Social Care (DHSC) (-5), HM Treasury (-5) and the Department for Transport (-5).
- 3.98 The SCS have become slightly less concentrated in a few large departments. The four departments with the largest number of SCS (Cabinet Office, DHSC, HM Revenue and Customs, and Ministry of Defence) account for 30.3 per cent of the SCS headcount, down from 31.2 per cent last year.
- 3.99 Across departments:
- The percentage of civil servants that are in the SCS varies widely, ranging from 13.7 per cent at the Wales Office to just 0.3 per cent at the Ministry of Justice.
 - More than one in four (27.5 per cent) of the SCS are in policy posts, down from 28.3 per cent in 2023. This compares to just 6.8 per cent for all civil service posts.
 - 14.4 per cent of senior civil servants work in an operational delivery post, compared to more than half (57.3 per cent) of all civil service posts.

Pay

- 3.100 The estimated snapshot pay bill at Q1 2024 stands at £933 million, an increase from £873 million (+6.9 per cent, or +4.2 per cent in real terms) in Q1 2023 and £428 million (+118.3 per cent, or +63.0 per cent in real terms) in 2014 (see Figure 3.2). The increase from 2023 was driven by the 7.6 per cent increase in total salary over the year, as well as the corresponding increase in employer pension contributions. Increases since 2014 are mostly due to increasing workforce numbers as well as employer pension costs. In nominal terms, the salary bill per FTE has increased by 17.8 per cent since 2014, equivalent to decreasing by 12.0 per cent in real terms.⁷⁶ The salary bill per FTE increased by 4.1 per cent in nominal terms from £94,000 in 2023 to £98,000 in 2024, which is equivalent to 1.4 per cent in real terms.

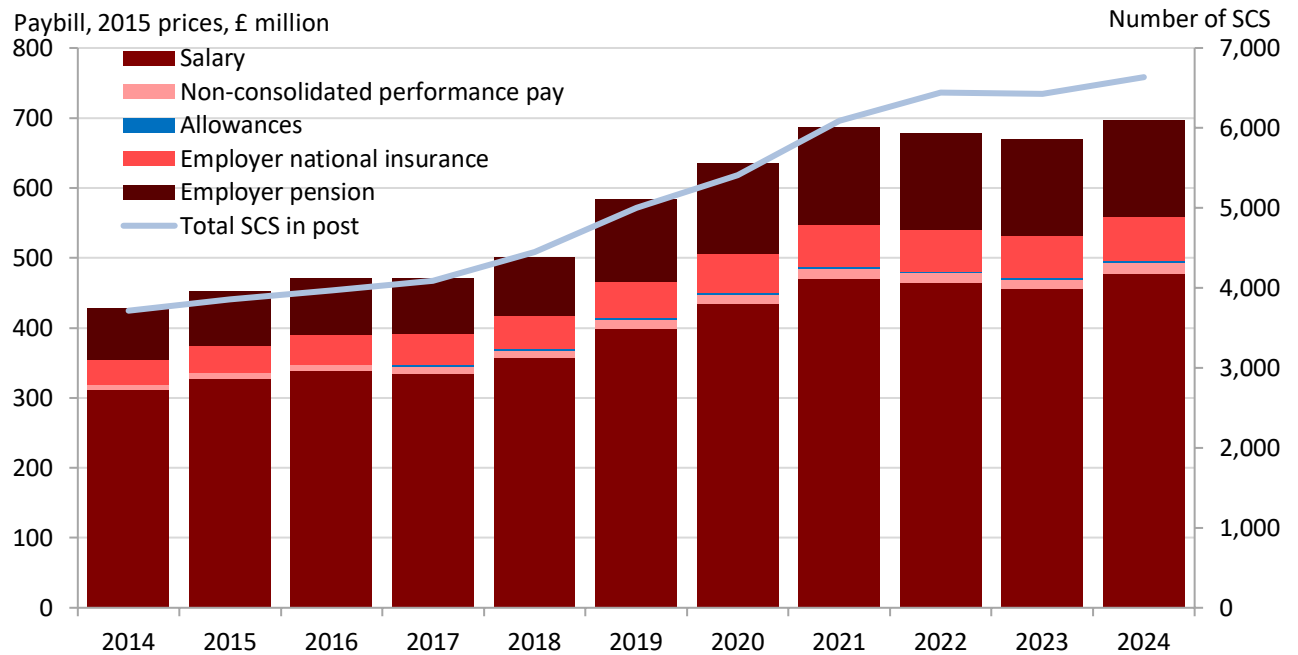
⁷⁶ Source: OPRB analysis of Cabinet Office evidence. Real terms calculations are made using D7BT, CPI INDEX 00: ALL ITEMS 2015=100, ONS, published March 2025.

Figure 3.2: SCS nominal pay bill, 2014 to 2024



Source: OPRB analysis of Cabinet Office evidence (unpublished).

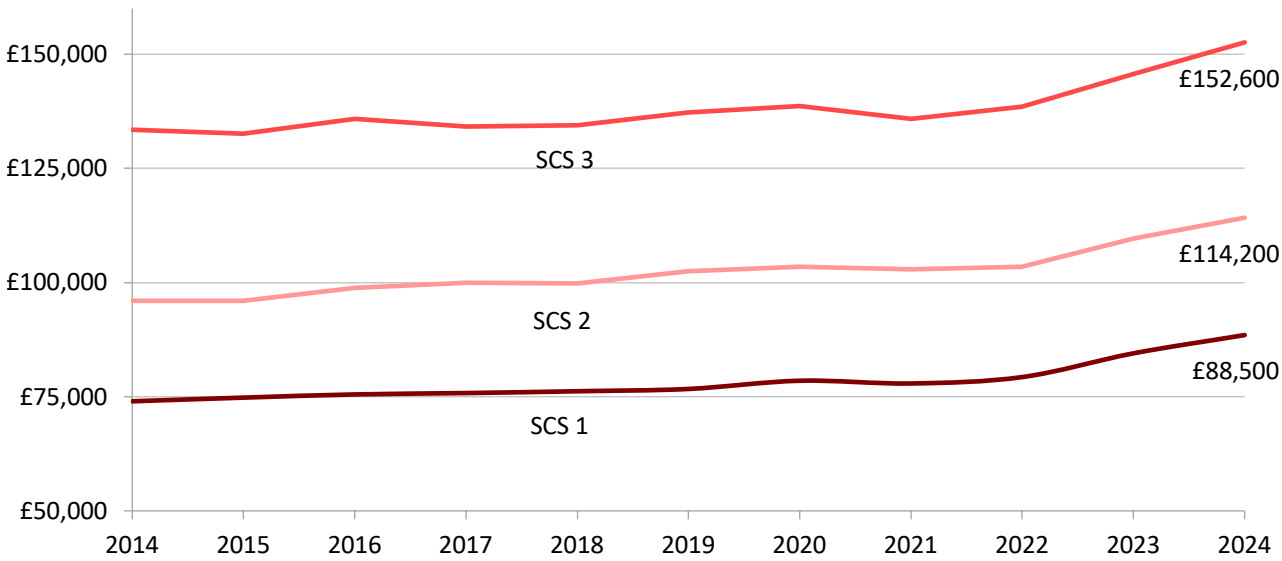
Figure 3.3: SCS pay bill in 2015 prices, 2014 to 2024



Source: OPRB analysis of Cabinet Office evidence (unpublished).

3.101 Both median salary and median total cash earnings have increased for all pay bands in the last year.

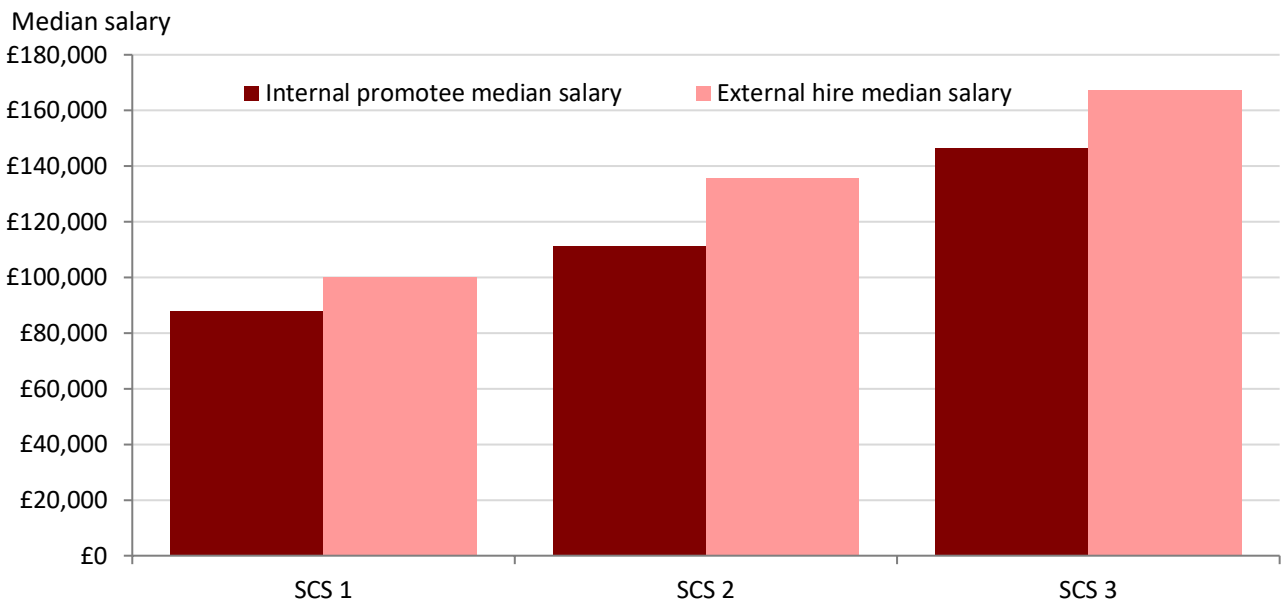
Figure 3.4: Salary medians for each pay band, 2014-2024



Source: OPRB analysis of Cabinet Office evidence (unpublished).

3.102 The pay distribution of externally recruited SCS is higher than the pay distribution of internally recruited SCS for every pay band.

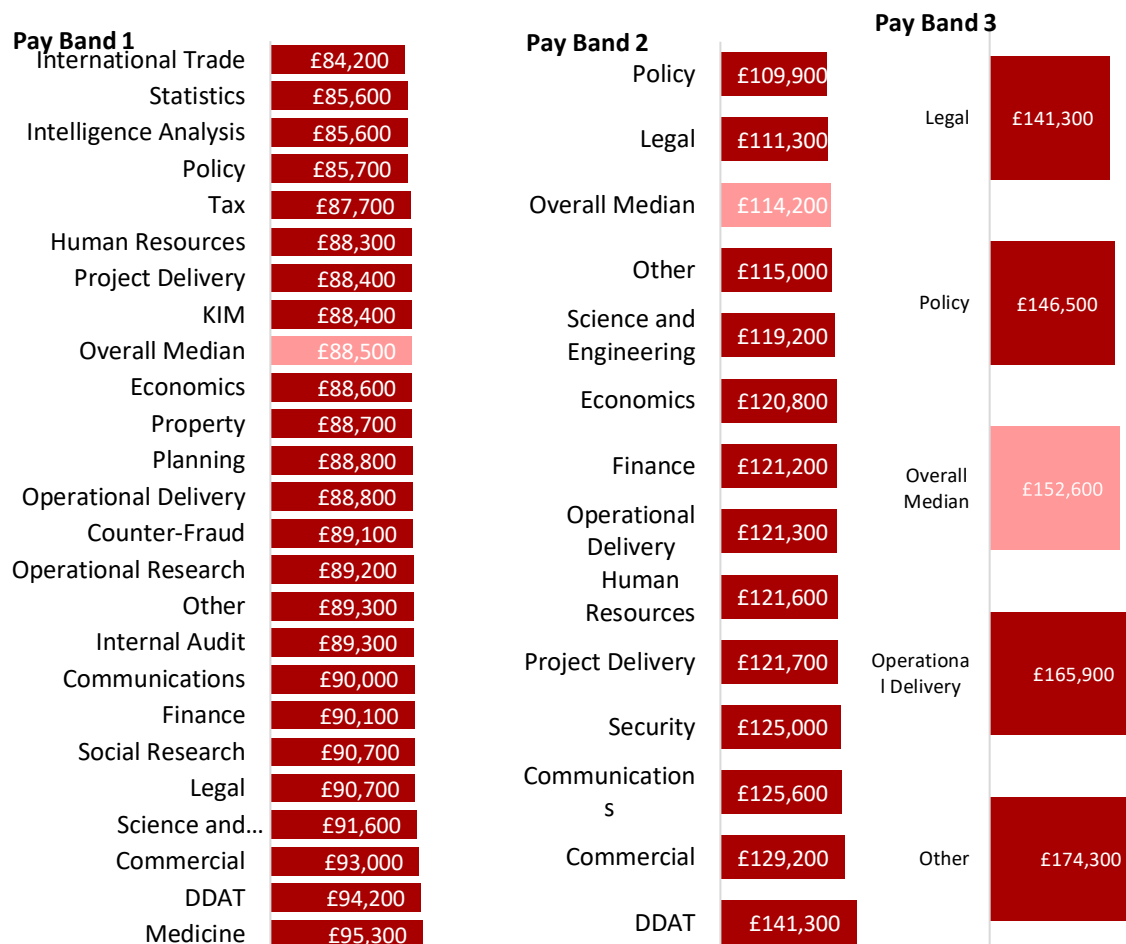
Figure 3.5: Comparison of median pay for external vs internal recruits for each pay band, 2024



Source: Cabinet Office (unpublished)

3.103 Medicine has the highest median salary at Deputy Director level. Digital Data and Technology (DDaT) has the highest median salary at Director level and Operational Delivery at Director General level. DDaT and Commercial are both at the high end for salary at Deputy Director and Director pay bands. The Policy profession is below the median salary at all pay bands.

Figure 3.6: Comparison of median pay by profession of post for each pay band, 2024

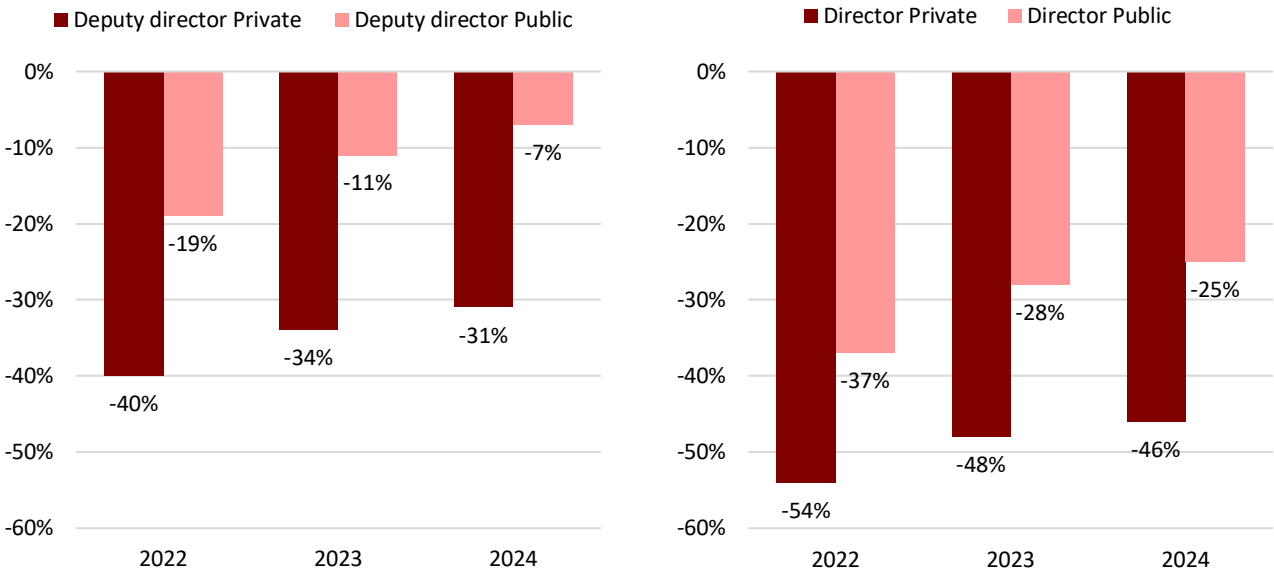


Source: Cabinet Office SCS Database, as of 1 April 2024 (unpublished).

Note: Only SCS with a declared salary are included. Other refers to any profession that is not one of the standard civil service professions. It does not refer to the median salary of all SCS not presented in the chart.

3.104 Median salaries are lower for SCS pay bands 1 and 2 than for private and public sector equivalents. The differentials have fallen since 2022.

Figure 3.7: Percentage difference of SCS total remuneration compared to private and public sector equivalents, by pay band, 2024



Source: Cabinet Office data (unpublished), using Korn Ferry reward benchmarking report 2024, commissioned by the Cabinet Office.

Note: Korn Ferry updated their reference levels for the civil service in their October 2023 report. This means the 2022 percentage differences are not directly comparable to the 2023 and 2024 figures. Percentages are the difference between SCS median salaries, and the private and public sector benchmarks identified by Korn Ferry.

3.105 There are approximately 90 individuals who are at or above the maximum for their pay band.⁷⁷ These individuals do not receive the annual pay award, instead receiving a one-off non-consolidated, non-pensionable payment.

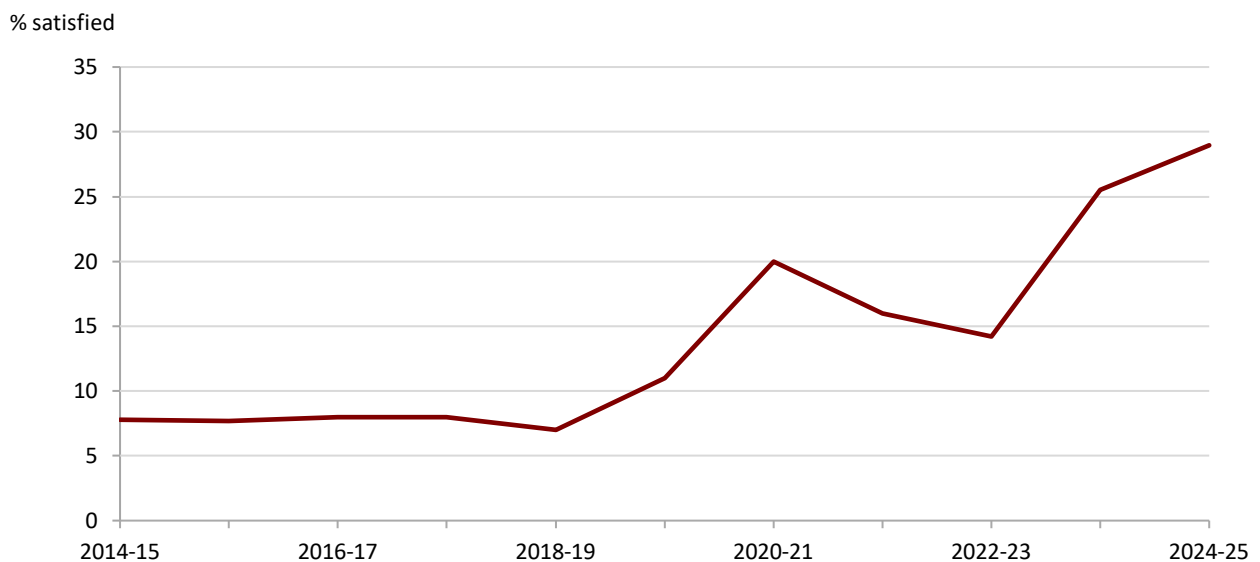
⁷⁷ OPRB estimate based on unpublished Cabinet Office data.

Views on pay

3.106 Survey indicators on satisfaction with pay improved from last year, though they are still concerning:

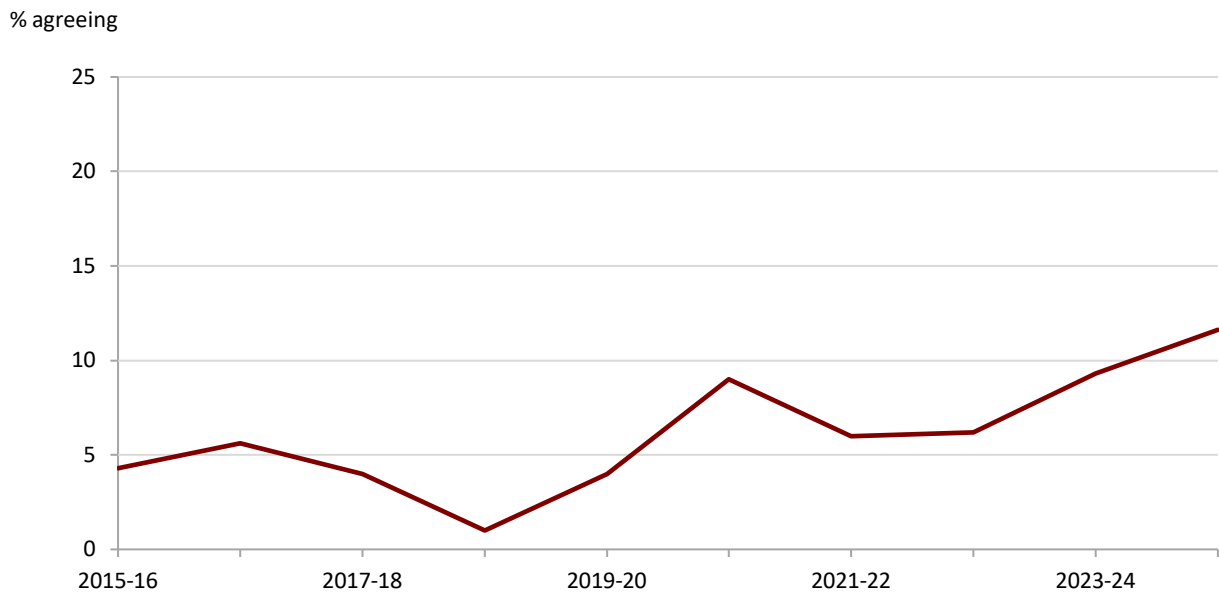
- The People Survey question on satisfaction with total benefits package showed an increase in satisfaction of 5 percentage points (to 51 per cent) between 2023 and 2024. Responses were more positive for the SCS than grades 6 and 7 (45 per cent).
- 48 per cent of SCS felt that their pay adequately reflected their performance, up from 43 per cent in 2023, returning to the 47-50 per cent range that SCS reported from 2019 to 2021.
- 29 per cent of respondents to the FDA/Prospect survey said they were satisfied or very satisfied with the overall pay arrangements in the SCS, which is an increase from 26 per cent in last year's survey. While this is still very low, satisfaction appears to be increasing over time (see Figure 3.8).
- 88 per cent of FDA/Prospect survey respondents did not believe the current reward framework for the SCS was fit for purpose, which compares to 91 per cent in the previous survey. While reducing, this figure has remained very high since 2015-16 (see Figure 3.9).
- 69 per cent of FDA/Prospect survey respondents did not believe that the results produced by the SCS pay system were fair or equitable, remaining steady from the previous 70 per cent.

Figure 3.8: FDA/Prospect survey respondents who are “Satisfied with overall pay arrangements”, 2014-15 to 2024-25



Source: FDA/Prospect.

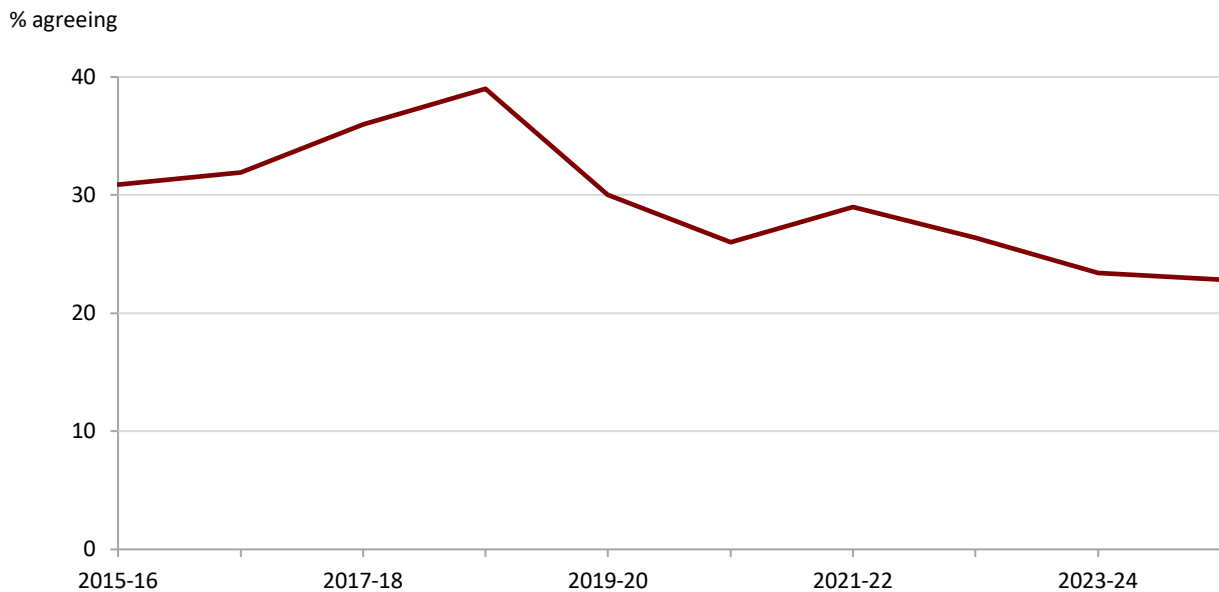
Figure 3.9: FDA/Prospect survey respondents agreeing with “Believe the current reward framework for the SCS is fit for purpose”, 2015-16 to 2024-25



Source: FDA/Prospect.

- 3.107 FDA/Prospect again highlight concerns with the Grade 6 pay maxima being close to or above the SCS minima. This can result both in direct reports earning more than their manager, and these junior staff leapfrogging more experienced SCS in salary due to receiving a 10 per cent pay rise on promotion. New external entrants into the civil service continue to be able to negotiate significantly higher pay.
- 3.108 The FDA/Prospect survey found that 23 per cent of respondents managed someone on higher pay than them. This proportion has fallen over time (see Figure 3.10).

Figure 3.10: FDA/Prospect survey respondents agreeing with “Manage someone on a lower grade who has a higher salary”, 2015-16 to 2024-25



Source: FDA/Prospect.

3.109 In discussion groups, those in both SCS 1 and SCS 2 again highlighted the issue of Grade 6s being paid more than the SCS 1s who managed them. These factors, together with other disadvantages experienced by members of the SCS, were demotivating for the SCS and acted as disincentives for Grade 6s to seek promotion to the SCS.

3.110 The SSRB investigated the issue of Grade 6s being paid more than SCS 1s:

- As of 2024 Q1, 27.9 per cent of Grade 6s earned above the £76,000 SCS 1 minima, by a median value of £5,600. However, this will partly be driven by salaries which are higher in certain departments, specialisms and professions.
- Overall, 90 per cent of SCS pay band 1s earn more than £82,000, ranging between 70 and 100 per cent by department. This places the vast majority of the SCS 1s above most of the Grade 6s who earn above the SCS 1 minimum.
- The Cabinet Office has separately examined whether within a given department, an SCS 1 might be paid less than a Grade 6. Comparing within departments, there is only a 4.3 per cent chance that any particular SCS 1 would earn less than any particular Grade 6 within the same department. This overall figure reflects a large amount of heterogeneity across organisations. The rate by department ranges from 0 per cent to 15.6 per cent.
- The departments with the highest likelihood of a given SCS 1 being paid more than a given Grade 6 almost all included arm's length bodies which had unusually high median Grade 6 salaries. This might mean the high likelihood is driven by large numbers of specialist Grade 6s within these departments.

- 3.111 There are roughly 20 external entrants to the SCS each year who were previously members of the SCS (in the last five years). Approximately half of the SCS 2 and SCS 3 re-entrants were rejoining at the same grade as when they left the SCS. These individuals could potentially have benefited from the ability of external entrants to negotiate their salaries upon joining, but the Cabinet Office did not provide any analysis as to whether they were better off than those who stayed in the civil service as a result. This compares to 940 entrants in total in 2023-24.
- 3.112 As of Q1 2024, 73.4 per cent of Grade 6s would earn above the SCS 1 minimum after a 10 per cent pay increase. More than half of these would earn at least £5k above the SCS 1 minimum.

Pay Comparisons

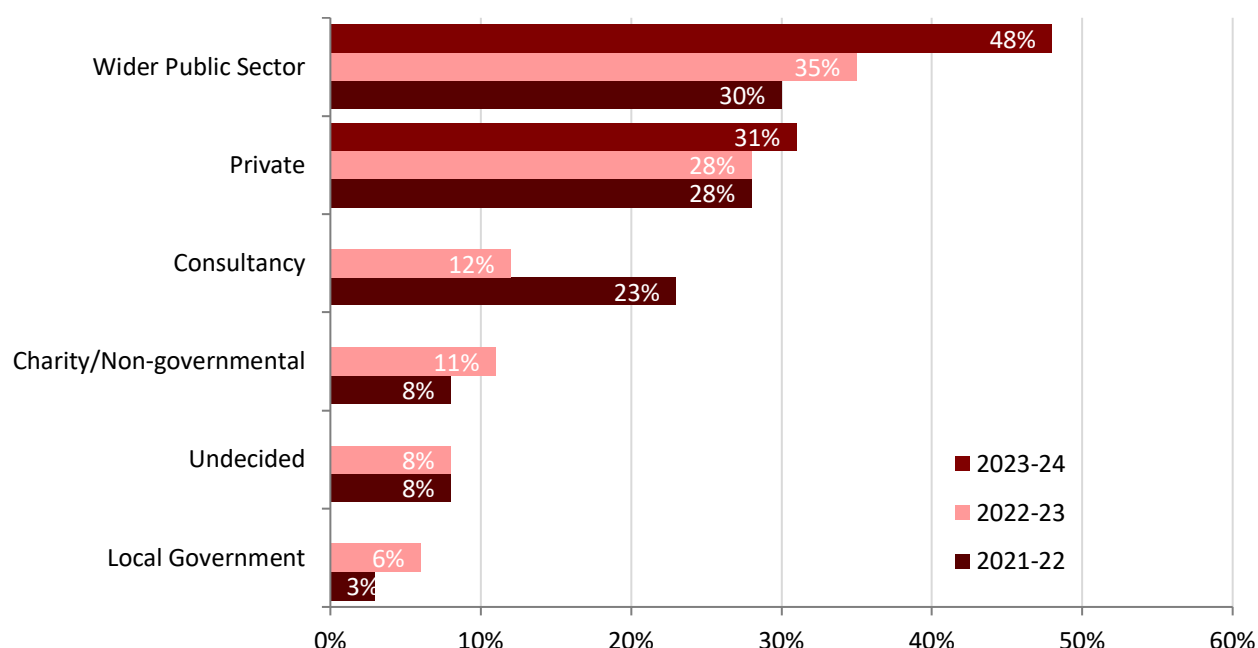
- 3.113 In the 2024 People Survey there was an increase of 3 percentage points in the proportion of SCS who feel their pay is reasonable compared to people doing similar jobs in other organisations, to 34 per cent.⁷⁸ This increase is consistent between those based outside London (2 percentage point increase to 40 per cent)⁷⁹ compared to those based in London (3 percentage point increase to 28 per cent).
- 3.114 Some 66 per cent of departmental exit interviewees cited pay as a significant factor in their resignation.⁸⁰ This compares with 68 per cent in 2022-23, 67 per cent in 2021-22, 53 per cent in 2020-21, 64 per cent in 2019-20 and 61 per cent in 2018-19.
- 3.115 Of those who revealed their next steps in departmental exit interviews, the wider public sector (see Figure 3.11) continues to be the most frequent destination. Indeed, this year the wider public sector accounts for almost half of those providing exit interviews, while other destinations apart from the private sector have not been listed due to accounting for under 5 per cent of interviewees.

⁷⁸ Source: Civil Service People Survey 2024.

⁷⁹ Excludes SCS based outside of the UK.

⁸⁰ Some of the SCS for whom we received exit information did not answer any of the exit survey questions but provided feedback at interview about their motivations for leaving. This “pay as a significant factor” percentage takes into account both survey data and interviews.

Figure 3.11: Destination sectors (proportion of exit interview respondents who provided a destination), 2021-22, 2022-23 and 2023-24



Source: SCS Exit Interviews, Cabinet Office (unpublished).

Note: 2023-24 figures for Consultancy, Charity/Non-governmental, Undecided and Local Government have been suppressed due to being less than 5 per cent.

3.116 If recruiting departments wish to offer more than 20 per cent over the advertised salary, then they must obtain Civil Service Commission (CSC) approval. The CSC has received one such requests since April 2023, which it declined.

Recruitment and quality

3.117 There were 940 entrants to the SCS during 2023-24, down 50 on 2022-23. In 2023-24, approximately 10 per cent of new entrants to the SCS were from the private sector, down from 14 per cent in the previous year. Around 80 per cent of new entrants during 2023-24 were internal promotions into the SCS. The final 10 per cent of new entrants were from the voluntary and wider public sectors.

3.118 During 2023-24, the CSC chaired competitions for 235 posts (almost entirely at SCS pay band 2 and above), and as a result of these competitions made 220 appointments.⁸¹ Across the competitions there was a total of 12,282 applications, of which 1,053 were shortlisted (8.6 per cent).

⁸¹ Civil Service Commission *Annual Report and Accounts 2023/24* (December 2024) at 33. Available at <https://civilservicecommission.independent.gov.uk/wp-content/uploads/2024/12/CSC_ARA-2023-24_WEB_FINAL_061224.pdf>

Table 3.3: Civil Service Commission Recruitment, 2023-24

Level of post	Posts advertised	Appointments made	Applications	Applications per role	Proportion of applicants judged appointable per role
Permanent Secretary	7	6	1,677	39	2.1
SCS pay band 3	36	36			
SCS pay band 2 ⁸²	190	176	10,605	55	1.8
SCS pay band 1 ⁸³	2	2			

Source: OPRB analysis of Civil Service Commission data (unpublished).

3.119 As Table 3.3 shows, application volumes are high, but there are potentially issues with quality. There are on average 52 applicants per post, but only around two are judged appointable, however this figure is limited by constraints on numbers of interviews able to be conducted. Some 15 competitions did not identify an appointable candidate, four of which had 11 or fewer applicants.

3.120 The number of applications per role and the percentage of posts filled has notably increased from last year, when they were the lowest in any year across the period from 2018-19 to 2023-24. However, the percentage of posts with no appointable or only one appointable candidate has stayed steady and thus remains at the highest level across the reporting period.

Table 3.4: Recruitment over time, 2018-19 to 2023-24 (Civil Service Commission-chaired competitions)

	Posts advertised	Applications per role	Posts filled	Recommended candidates judged good or outstanding	Competitions with only one appointable candidate	Competitions with no appointable candidates
2018-19	192	45	95%	68%	33%	5%
2019-20	161	44	97%	65%	34%	4%
2020-21	163	65	91%	61%	28%	5%
2021-22	246	46	95%	58%	29%	3%
2022-23	229	39	87%	54%	37%	6%
2023-24	235	52	94%	57%	37%	6%

Source: OPRB analysis of Civil Service Commission data (unpublished).

3.121 Of the recommended candidates, 56.8 per cent were graded 'very good' or 'outstanding', 22.7 per cent were graded 'clearly appointable', and 20.5 per cent were graded 'appointable'. ⁸⁴ This compares to 54.0 per cent, 30.1 per cent and 14.9 per cent, respectively, in 2022-23.

⁸² Campaigns open to external candidates only.

⁸³ Campaigns open to external candidates only.

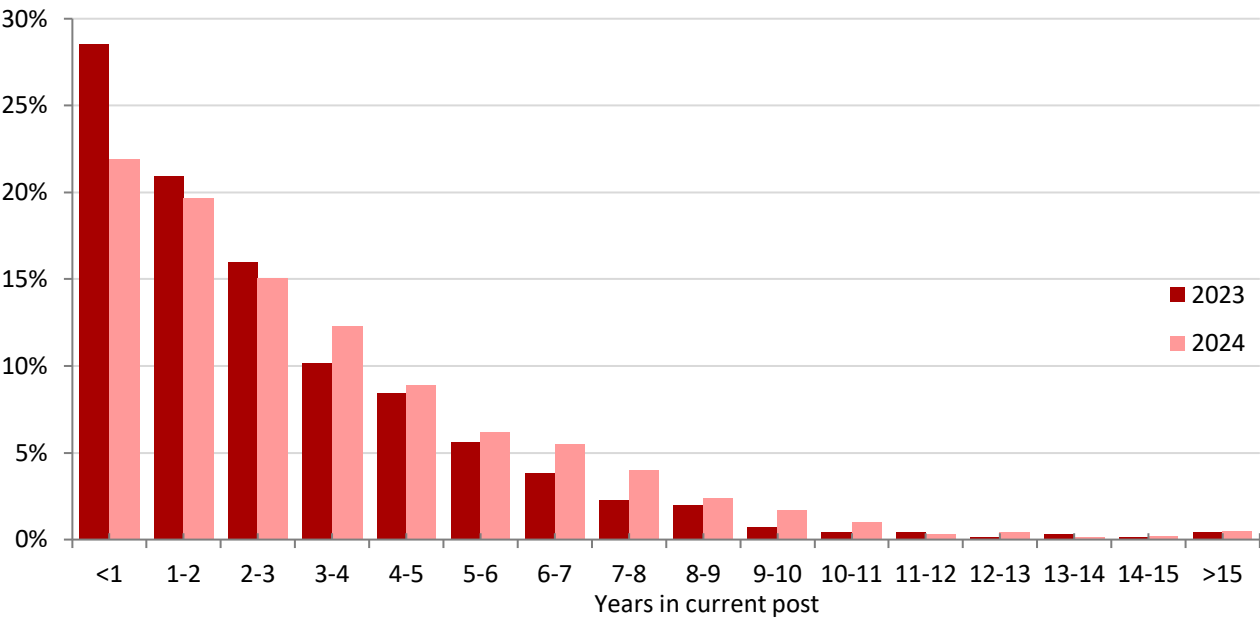
⁸⁴ This is for competitions where the standard marking framework was used (most of them).

- 3.122 The percentage of recommended candidates judged ‘very good’ or ‘outstanding’ has increased slightly this year, from 54 per cent in 2022-23 to 57 per cent in 2023-24, but is still historically low.
- 3.123 The CSC written evidence notes anecdotal evidence from its commissioners. Commissioner comments demonstrate some difficulties in recruiting for senior appointments due, in part, to the salaries offered. Commissioners noted this problem was more acute in specialist positions. They also highlighted the impact this may be having on the diversity of candidates.
- 3.124 In the People Survey, 58 per cent of Grade 6 respondents said that there are opportunities for them to develop their career in their organisation, compared to 73 per cent of SCS. Both are largely unchanged for the last two years.

Retention

- 3.125 Some 49 per cent of FDA survey respondents stated that there are recruitment difficulties in their organisation for SCS grades.
- 3.126 The median length of tenure of current staff:
- In the SCS is 4.3 years, up from 4.0 years in 2023.
 - In current post is 2.5 years, up from 2.1 years in 2023.
 - In current pay band is 3.3 years, up from 2.9 years in 2023.

Figure 3.12: SCS by number of years in current post, 2023-24

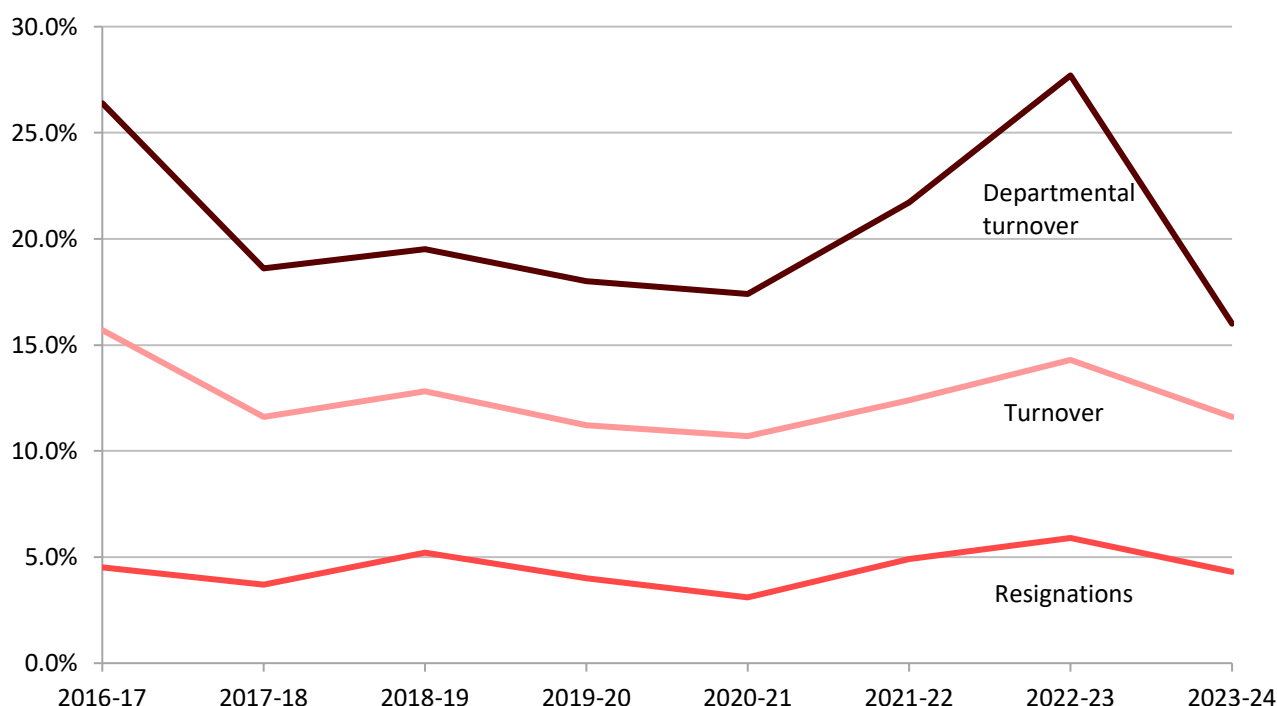


Source: SCS Database, provided by the Cabinet Office (unpublished).

3.127 According to the Cabinet Office, approximately 20 per cent of SCS left or changed their roles in 2023-24. This is a fall from 25 per cent in 2022-23,⁸⁵ 23 per cent in 2021-22⁸⁶ and 21 per cent in 2020-21.

3.128 The turnover⁸⁷ rate for the SCS was 11.6 per cent in 2023-24, down from 14.3 per cent in 2022-23 and a return to similar levels seen before the pandemic.⁸⁸ There were 765 leavers during 2023-24, down 160 on the previous year and similar to the 2021-22 figure. The resignation rate was 4.3 per cent in 2023-24,⁸⁹ following the record high of 5.9 per cent in 2022-23.

Figure 3.13: SCS resignation and turnover rates, 2016-17 to 2023-24



Source: Cabinet Office (unpublished).

Notes: Resignations include all centrally managed SCS who resigned in the specified year. Turnover includes all moves out of the centrally managed SCS over the specified year, including secondments, movements to an 'SCS level' role outside the centrally managed SCS (e.g. the diplomatic service), end of temporary promotion, etc. Departmental turnover includes moves between departments or their executive agencies / crown NDPBs within the year, in addition to moves included under turnover rate. Churn includes changing roles within the department within the year, in addition to moves included under departmental turnover rate.

⁸⁵ Excludes departments impacted by a machinery of government change.

⁸⁶ This 2021-22 figure does not include DHSC, as their figures were impacted by a machinery of government change.

⁸⁷ Leavers and turnover incorporate end of temporary promotions to the SCS in addition to retirements, severances, redundancies, resignations, deaths, end of contracts, secondments outside of the civil service and end of inward secondments to the SCS. Those that return from an outward secondment continue to be excluded from the new entrant count.

⁸⁸ Turnover ranged from 11.2 to 12.8 per cent between 2017-18 and 2019-20.

⁸⁹ This figure is slightly updated from the Cabinet Office written evidence, based on unpublished Cabinet Office data.

- 3.129 In 2023-24, around 4.4 per cent of SCS moved department, and a further 3.6 per cent moved role within department.⁹⁰
- 3.130 The turnover and resignation rates for SCS recruited externally was higher than that of those recruited internally, at 12.8 per cent and 11.4 per cent respectively for turnover, and 7.5 per cent and 3.6 per cent respectively for resignations.
- 3.131 Resignations made up 37.4 per cent of all leavers in 2023-24, a decrease from 41.1 per cent in the previous year and from 39.7 per cent in 2021-22, but higher than the proportion of 28.9 per cent in 2020-21.
- 3.132 In the 2024 People Survey, 20 per cent of all SCS respondents said they wanted to leave their organisation as soon as possible or within the next 12 months. This has not changed since 2023.
- 3.133 Departmental exit interviews provide information on the talent grid markings of those resigning.⁹¹ As shown in Table 3.5, 83 per cent were defined as regrettable losses based on their talent grid markings in 2023-24, an increase from 72 per cent in 2022-23, 59 per cent in 2021-22 and 67 per cent in 2020-21.⁹²

Table 3.5: Proportion of exits by Talent Grid Markings, 2023-24

	Performance		
	High potential 13%	Excellent 29%	Star 23%
	Early promise <10%	Good <10%	Strong 17%
	Inconsistent 0%	Effective <10%	Expert <10%
Potential			

Source: Cabinet Office (unpublished).

Notes: Base = 50 SCS leavers

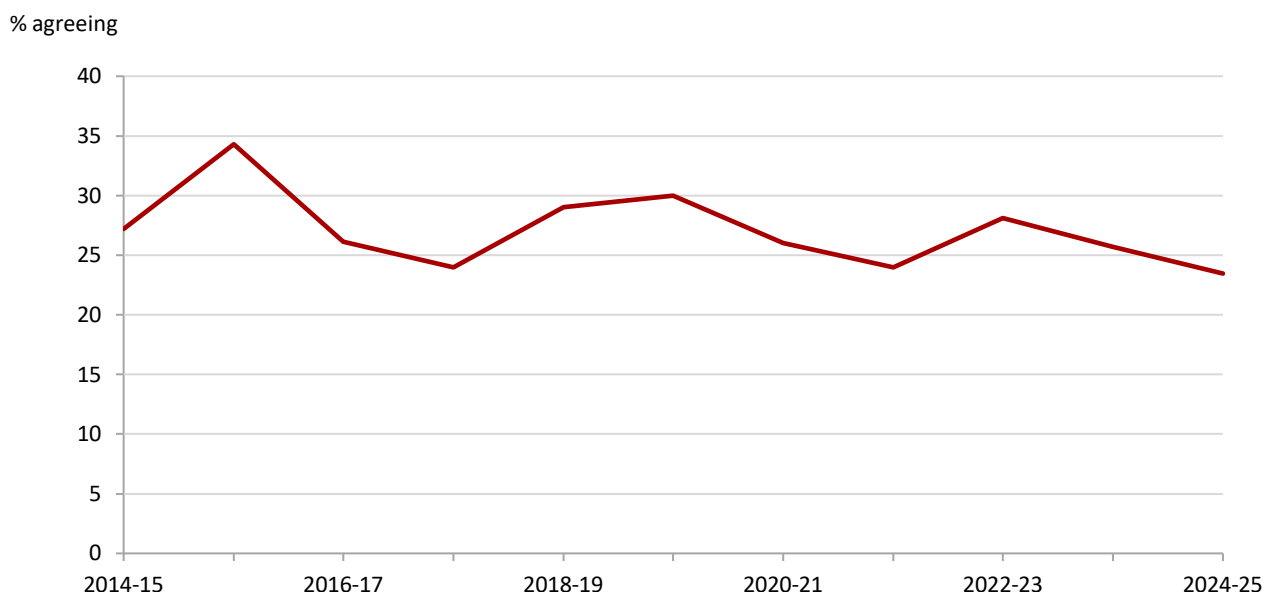
- 3.134 Some 24 per cent of respondents to the FDA survey strongly agreed or agreed with the statement that they would like to leave the civil service as soon as possible, compared to 26 per cent last year. This proportion has fallen slowly over time (see Figure 3.14). This finding is similar to the People Survey results, where 80 per cent of respondents said they wanted to stay in their organisation for at least the next 12 months.

⁹⁰ Data on moves between departments is more reliable than those for moves within departments, where differences of departmental reporting practice may affect the figures. It is possible the true figure is significantly higher.

⁹¹ Source: Cabinet Office Exit Interview data, unpublished.

⁹² Those with High Potential, Excellent, Star and Strong Talent Grid Markings.

Figure 3.14: FDA/Prospect survey respondents agreeing with “Would like to leave the civil service as soon as possible”, 2014-15 to 2024-25



Source: FDA/Prospect (unpublished).

3.135 When People Survey respondents were asked why they would like to leave their organisation,⁹³ the top four reasons given by the SCS were still: “promotion within the CS”, “better pay and benefit package”, “don’t like organisational culture” and “promotion outside of the CS”. However, “promotion within the CS” and “don’t like organisational culture” have notably increased (by 6 and 5 percentage points respectively) compared to 2023, while “better pay and benefit package” has notably decreased (by 5 percentage points). For Grade 6/7s “Promotion outside of the CS” is the sixth most popular reason, replaced by “Poor leadership” in their top four.⁹⁴ “Better pay and benefit package” was also mentioned by notably fewer Grade 6/7s this year (down 5 percentage points).

3.136 A total of 48 per cent of respondents to the FDA/Prospect survey agreed or strongly agreed there were retention difficulties for SCS grades.⁹⁵

Morale

3.137 People Survey indicators on motivation and morale for the SCS showed broad stability between 2023 and 2024. The figures for grades 6 and 7 also remained broadly stable, so SCS responses were again significantly more positive (by 6 to 21 percentage points) than for grades 6 and 7.

3.138 Overall, the SCS employee engagement score remains steady at 76 per cent, compared to 76 per cent in 2023, 75 per cent in 2022 and 76 per cent in 2021.

3.139 The proportion of SCS respondents interested in their work, at 98 per cent was unchanged from 2023 and 2022.

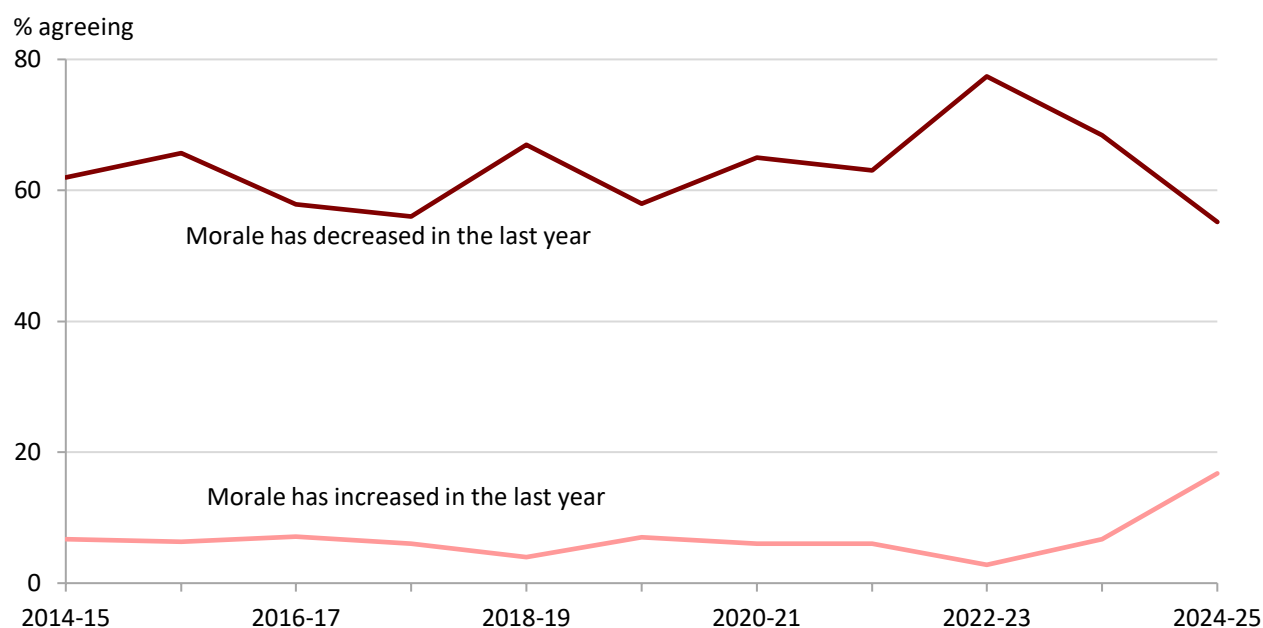
⁹³ Subset of the People Survey 2024, 2,669 respondents.

⁹⁴ Subset of the People Survey 2024, 27,732 respondents.

⁹⁵ Source: FDA/Prospect Survey 2024.

- 3.140 The proportion saying that their work gave them a sense of personal accomplishment was unchanged at 93 per cent for the third year running.
- 3.141 The ‘PERMA index’ which measures the extent to which employees are flourishing at work was also largely unchanged for the third year running, at 84 per cent.
- 3.142 In the FDA/Prospect survey, there was a significant reduction in the proportion of respondents who said their morale had decreased in the past year, from 68 to 55 per cent.

Figure 3.15: FDA/Prospect survey responses to question “In the last year has your morale increased or decreased”, 2014-15 to 2024-25



Source: FDA/Prospect (unpublished).

- 3.143 FDA/Prospect again state in their evidence that senior civil servants are continuing to work excessive hours.⁹⁶ In the survey, 46 per cent of respondents said it was not at all realistic to achieve their objectives in their working hours. This is a higher proportion than is reported by the People Survey, where 66 per cent agree they have an acceptable workload, and 14 per cent are neutral. Moreover, 72 per cent agree that they have a good balance between their work and private lives. These figures are slightly improved from 2023.
- 3.144 Some 4 in 10 (44 per cent) of leavers indicate that they may return to the civil service in the future (44 per cent in 2022-23, 30 per cent in 2021-22).⁹⁷ In addition, 88 per cent of those exiting rate their overall experience in the civil service as good or very good, higher than the previous two years (85 per cent in 2022-23 and 80 per cent in 2021-22).

⁹⁶ FDA and Prospect written evidence, above n 33, at [3.15].

⁹⁷ Source: Cabinet Office Exit Interview data, unpublished.

- 3.145 A total of 84 per cent of leavers would recommend working for the civil service to others (75 per cent last year).⁹⁸ This varies depending on the factors that influenced their decision to leave. However, unlike last year, citing dissatisfaction with the total benefits package as a factor in their decision to leave was not associated with a significant difference in recommending the civil service to others.
- 3.146 According to Cabinet Office evidence, sickness absence remains low in the SCS compared to the civil service average. Average working days lost per staff year in the SCS stands at 2.6 working days at 2023-24, up from 2.3 days at 2022-23, and 2.1 days in 2021-22.
- 3.147 In the People Survey, 75 per cent of SCS respondents said they were working at 90 per cent or higher productivity, slightly less than the 77 per cent in 2023.

Diversity

3.148 In Q1 2024:

- The percentage of women in the SCS had risen slightly to 49.6 per cent, up from 48.6 per cent in 2023.
- Representation of ethnic minorities in the SCS was up 0.2 percentage points since Q1 2023 to its highest recorded level of 8.9 per cent.
- The percentage of the SCS with a disability stood at 8.2 per cent, an increase of 0.4 percentage points since 2023 and a historic high.
- 6.2 per cent of the SCS who declared their sexual orientation identified as LGBO, up from 6.1 per cent the previous year.

3.149 On a headcount basis, 61.8 per cent of SCS are based in London, down from 63.5 per cent in 2023 and 65.3 per cent in 2022.⁹⁹ This compares to 19.7 per cent of all civil servants and 14.8 per cent of the economically active population of the United Kingdom.¹⁰⁰

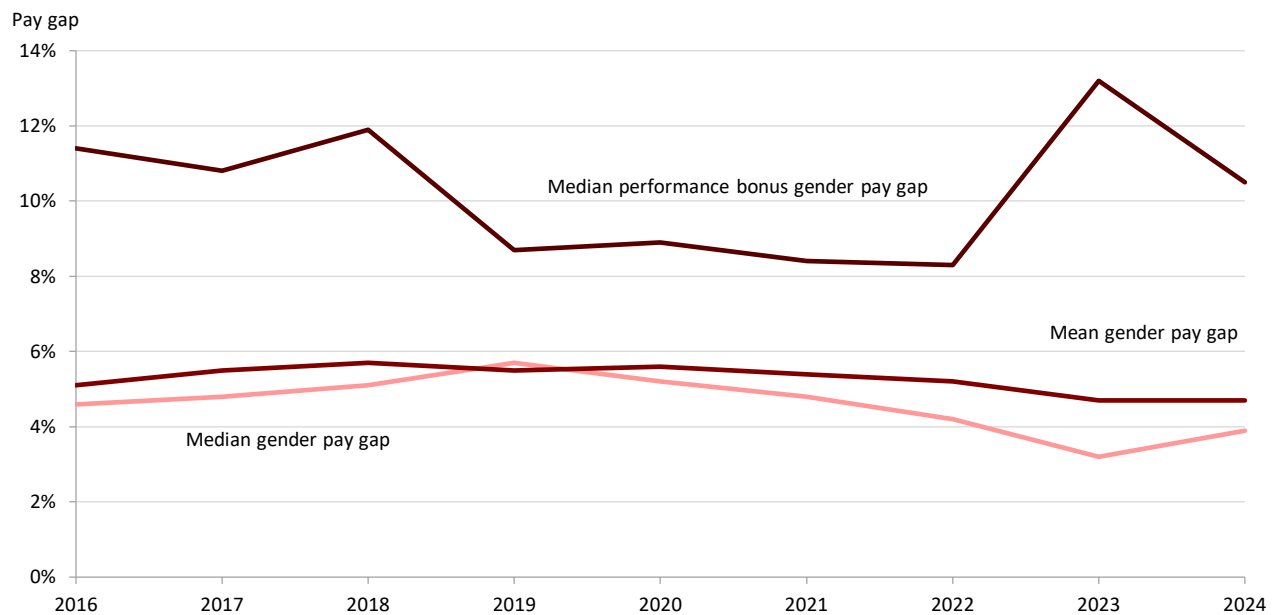
3.150 The SCS median gender pay gap has fallen slightly over the last 10 years, but has overall remained fairly stable, ranging between 3.2 per cent (in 2023) and 5.7 per cent (in 2019).

⁹⁸ Source: Cabinet Office Exit Interview data, unpublished.

⁹⁹ Source: OPRB analysis of Cabinet Office data, unpublished.

¹⁰⁰ Sources: Civil Service Statistics 2024; Annual Population Survey Oct 23 to Sept 2024, ONS. Note: the Annual Population Survey is based on location of residence, whereas the Civil Service Statistics 2024 are based on location of workplace.

Figure 3.16: SCS gender pay gap, 2016 to 2024



Source: Cabinet Office (unpublished).

Note: Changes to the way performance related payments have been recorded may have affected comparisons to previous years.

3.151 The CSC noted an improvement in the diversity of candidates found to be appointable. Of Commissioner-chaired competitions, 9 per cent of those found appointable declared they were from an ethnic minority background (up from 7 per cent for 2022-23), 7 per cent of appointable candidates declared a disability (up from 3 per cent for 2022-23) and 64 per cent were female (up from 40 per cent for 2022-23).

Pensions

3.152 The Cabinet Office provided the following information in relation to SCS pension schemes.

- Members moved to the Alpha scheme on 1 April 2022 for future accrual, with final salary sections calculated based on their salary at the time they leave Alpha. The Alpha scheme has an accrual rate of 2.32 per cent of pensionable earnings, revalued annually by the CPI index.
- The pension valuation cycle sets the 'employer' contribution rate, which is a flat rate of 28.97 per cent. This consists of: 23.60 per cent for the cost of newly accruing pension; 5.10 per cent past-service deficit payment and 0.27 per cent for administration costs.
- For SCS who pay a higher member contribution rate of 7.35 per cent, the value of the employer contribution for newly accruing pension is 21.85 per cent.
- It should be noted that the value of alpha benefits is significantly higher for older members (members aged 50+), but the figures above are based on scheme-wide averages. A 40-year-old SCS member would have an employer contribution valued at around 20 per cent, whereas a 60-year-old SCS member would have an employer contribution valued at around 30 per cent when their ages and salaries are taken into account rather than using scheme-wide averages.

Table 3.6: Civil Service pension scheme member contribution rates, 1 April 2024 - 31 March 2025

Actual Earnings	Contribution Rates
£0.00 to £34,199	4.60%
£34,200 to £56,000	5.45%
£56,001 to £150,000	7.35%
£150,001 and above	8.05%

Source: Cabinet Office

Chapter 4

Senior Officers of the Armed Forces

Summary

Our remit

- 4.1 In accordance with our standing terms of reference, we have been asked to recommend a pay award for members of the senior military. We have not been asked to advise on any other aspects of reward for senior leaders in the Armed Forces this year.
- 4.2 Chapter 1 and Chapter 2 of this Report set out the economic context and the specific economic factors which we take into account in recommending a pay award.

Evidence

- 4.3 We received written and oral evidence from the Ministry of Defence (MoD).¹⁰¹ We also hosted discussion groups with members of the remit group and feeder group.¹⁰² We thank all who gave evidence for their contributions.
- 4.4 Our secretariat, the Office for the Pay Review Bodies (OPRB), also conducted its own survey of members of the remit group.¹⁰³
- 4.5 Detailed data and evidence can be found in the Annex to this Chapter.

Main themes and recommendations

- 4.6 Our main focus is on the recruitment, retention and morale of the senior military and its feeder group. However, we also take into consideration the strategic issues facing the MoD and the current international security context, as well as the broader factors (including affordability) set out in Chapter 1 and Chapter 2 of this Report.
- 4.7 In oral evidence, we heard that any pay award above 2.5 per cent would need to be financed by taking money from elsewhere in the MoD budget. This could impact on capability and reduce the money available to improve other elements of the military offer.
- 4.8 We note that the pay bill for the senior military cadre is some £39 million, from a defence budget of some £54 billion. Each one per cent of pay bill for this cadre costs some £390,000.¹⁰⁴
- 4.9 The evidence suggests that there are currently no material recruitment and retention issues in the senior military. The MoD told us the senior military was able to attract sufficient numbers of suitably skilled, quality officers on promotion from OF6 (the rank immediately below the senior military), or from within the senior cadre to fill these vital roles. We note, however, the continued upward drift in outflow rates from OF5, part of the feeder group.

¹⁰¹ Ministry of Defence *Senior Salaries Review Body – 2025 Pay Review: The Pay of Senior Military Officers* (22 November 2024) [MoD written evidence]. We heard oral evidence from Alistair Carns DSO OBE MC MP (Parliamentary Under-Secretary of State (Minister for Veterans and People)), General Dame Sharon Nesmith DCB ADC(Gen.) (Vice Chief of the Defence Staff), Vice Admiral Phil Hally CB MBE (Chief of Defence People), and MoD officials on 25 February 2025. The MoD also provided a comprehensive data pack [MoD data pack] and supplementary evidence on pensions (Letter from MoD senior official (Chief of Defence People) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding questions on pensions (14 March 2025) [MoD pensions letter]).

¹⁰² Senior Military Discussion Group (3 December 2024); OF5-OF6 Discussion Group (21 January 2025).

¹⁰³ Office for the Pay Review Bodies (OPRB) Survey (December 2024). The survey ran from October 2024 to December 2024.

¹⁰⁴ MoD data pack, above n 101.

- 4.10 In five of the last seven years, annual pay awards for the senior military cadre have been below those for the feeder group. This trend cannot continue indefinitely if the senior military offer is to remain sufficiently attractive for the highest quality members of the feeder group to want to remain in service and take up these roles. Our pay award recommendation takes this into account.
- 4.11 We are also concerned about the level of morale in the senior military. The Armed Forces Continuous Attitude Survey (AFCAS) results for 2024 show 69 per cent rating their own morale as high. This is more than 10 percentage points below the 2023 figure, and the lowest figure in the last five years.¹⁰⁵ We have also seen an increase in the proportion of senior military who said they were planning to leave before the end of their engagement, as well as a decline in the morale of the feeder group.¹⁰⁶
- 4.12 In oral evidence we heard that there was strong competition from outside the Armed Forces for highly skilled individuals, particularly in the specialist areas of cyber, nuclear, data and digital. The MoD is aware that changes to the overall military offer are needed if it is to attract and retain the most talented and skilled officers. We understand work is underway to develop a pan-Service skills framework and that specialist pay arrangements have been added recently for those serving below senior military ranks, for example, engineers and cyber practitioners. However, it is unclear whether the requirement for specialist skills or specialist pay for some members of the senior military has been given sufficient consideration.
- 4.13 The continuing poor levels of diversity in the senior military are disappointing. Improvements to the Armed Forces culture will help to facilitate improved diversity and inclusivity and ensure the Armed Forces are able to access and retain the widest possible pool of talent. The MoD needs to urgently produce a single comprehensive strategic diversity plan which clearly sets out expectations in relation to behaviours and culture. It should include initiatives, timescales and targets to drive the change needed.
- 4.14 We were told that work continues on implementing three priority areas identified from the Haythornthwaite Review of Armed Forces Incentivisation:¹⁰⁷ greater career flexibility through a 'spectrum of service'; enhanced effectiveness of the employment offer, by adopting a total reward approach; and the digitalisation and simplification of people management systems.¹⁰⁸
- 4.15 The MoD has also told us that work is underway to improve the standard of military accommodation and other infrastructure. However, we heard about a number of other non-pay issues from members of the senior military and the feeder group. These include the strain on family life and spousal careers, limited financial autonomy in relation to budget expenditure, excessive bureaucracy around claiming expenses, and insufficient job enablers to increase efficiency and assist with heavy workloads. We urge the MoD to focus on addressing these concerns which could help improve morale at minimal cost.
- 4.16 Having strong and effective military leadership is especially important in a period of exceptional geopolitical turbulence. We consider that an award below the rate of inflation at a time of intense geopolitical challenge risks adversely affecting the morale of the remit group and its attractiveness to junior personnel.

¹⁰⁵ The MoD do not consider this change to be statistically significant.

¹⁰⁶ MoD data pack, above n 101.

¹⁰⁷ Rick Haythornthwaite *Agency and Agility: Incentivising people in a new era – A review of UK Armed Forces incentivisation* (June 2023). Available at <https://qna.files.parliament.uk/ws-attachments/1645419/original/14.278_MOD_HRAFI_headline_report_WEB.pdf> [Haythornthwaite Review]. The Haythornthwaite Review was the first comprehensive review of the terms and conditions and incentivisation of all members of the Armed Forces since the Bett Review in the 1990s. See also HC Deb 19 June 2023 HCWS857. Available at <<https://questions-statements.parliament.uk/written-statements/detail/2023-06-19/hcws857>>.

¹⁰⁸ MoD written evidence, above n 101, at [16].

- 4.17 Our overall pay recommendation of 3.75 per cent for all members of the senior military aims to ensure these senior roles remain attractive to the feeder group and sufficiently differentiated and competitive to recruit and retain the required number of highly skilled and highly motivated senior officers.

Government response to our 2024 recommendations

- 4.18 Last year, the Government accepted our recommendations for the senior military.¹⁰⁹
- A 5.0 per cent consolidated pay award for all members of the senior military from 1 April 2024.
 - No change to the current pay arrangements for senior Medical Officers and Dental Officers.

Context

- 4.19 In evidence, HM Treasury set out the constrained fiscal position and its view of the economic climate in which we are making our recommendations.¹¹⁰ The MoD said that an award above 2.5 per cent could impact on capability and reduce the funding available to improve other elements of the military offer. It asked us to consider the pay award in the context of the wider military offer available to senior officers.¹¹¹
- 4.20 The UK faces a more challenging and uncertain international security context than for many years. The MoD drew attention to increasing and continually changing threats from war in Europe and conflict in the Middle East, and various challenges to regional and global stability from other parts of the world including the threat of terrorism, cyber-attacks and instability from climate change.¹¹² In February, the Prime Minister announced that defence spending will increase to 2.5 per cent of GDP from April 2027, with an ambition to reach 3 per cent in the next Parliament.¹¹³ Subsequently, the Government announced an additional £2.2 billion in funding for defence in 2025-26.¹¹⁴
- 4.21 The Prime Minister launched the Strategic Defence Review (SDR) on 16 July 2024.¹¹⁵ The aim of the SDR is to ensure the security of the UK at home and its strength abroad, now and in the future. The SDR is due to report in the first half of 2025 and is expected to set out the structures, roles, capabilities and reforms needed to meet the challenges of the 21st century. Its focus will be on 'NATO-first' or 'NATO by design and national by exception' and ensuring the Armed Forces has the right balance of regulars, reservists and civil servants to deliver defence outputs.
- 4.22 We were told at oral evidence that the focus of the SDR would not just be on equipment, but also on people and the need to recruit and retain the best and the brightest individuals. We understand that the Defence Reform programme aims to build a stronger defence through effective systems; clear accountabilities; radical simplification of how people work; faster decision-making and delivery; and a 'One Defence' culture.

¹⁰⁹ HC Deb 29 July 2024 vol 752 HCWS37. Available at <<https://hansard.parliament.uk/Commons/2024-07-29/debates/24072928000016/ArmedForcesPay2024-25>>.

¹¹⁰ See detailed discussion in Chapter 2 at [2.26].

¹¹¹ MoD written evidence, above n 101, at [49]-[51].

¹¹² At [10].

¹¹³ Prime Minister's Office, 10 Downing Street "Prime Minister sets out biggest sustained increase in defence spending since the Cold War, protecting British people in new era for national security" (press release, 25 February 2025). Available at <www.gov.uk/government/news/prime-minister-sets-out-biggest-sustained-increase-in-defence-spending-since-the-cold-war-protecting-british-people-in-new-era-for-national-security>.

¹¹⁴ HM Treasury "Chancellor delivers security and national renewal in a new era of global change" (press release, 26 March 2025). Available at <www.gov.uk/government/news/chancellor-delivers-security-and-national-renewal-in-a-new-era-of-global-change>.

¹¹⁵ See Ministry of Defence "The Strategic Defence Review" (17 July 2024) GOV.UK <www.gov.uk/government/collections/the-strategic-defence-review>.

- 4.23 The MoD said that workforce issues would feature in the SDR and explained that future work would also be directed in the Defence People Plan. This would focus on five missions:¹¹⁶
- Skills – building defence as a national engine for skills.
 - Workforce Agility – driving flexibility and productivity to maximise employability and deployability.
 - Reward – incentivising people for the 21st century.
 - Digital – ensuring all Defence people have a digitally enabled consumer-grade experience.
 - ‘One Defence’ – which aims to deliver an inclusive and empowering culture, driven by the highest standards.
- 4.24 Work continues on taking forward the three priority areas the MoD identified from the recommendations in the Haythornthwaite Review of Armed Forces Incentivisation, published on 19 June 2023.¹¹⁷ These are: greater career flexibility through a ‘spectrum of service’; enhanced effectiveness of the employment offer by adopting a total reward approach; and the digitalisation and simplification of people management systems.¹¹⁸
- 4.25 The MoD acknowledged that it needs to meet the increasing demand for technical skills and address the critical shortfalls including digital, STEM skills, space and cyber. This would be done through the upskilling of its own personnel and by working with Government, industry and academia to ensure these skills are being grown nationally.¹¹⁹ It also needs to increase the attractiveness of the Armed Forces as a profession by reforming career structures and remuneration to ensure it can recruit and retain not only those at the very start of their careers, but also older, more experienced individuals.

Key points from the evidence

Recruitment and Retention

- 4.26 The number of senior military officers in our remit increased over the year by six, to 134 as of 1 July 2024. The number of senior military officers has remained fairly stable over the last ten years.¹²⁰
- 4.27 The number of senior Medical Officers and Dental Officers (MODOs) in our remit increased over the year by one, to five as of 1 July 2024. There were four 2-star officers and one 3-star officer.¹²¹
- 4.28 There do not appear to currently be any material recruitment or retention issues in the senior military. During the 12 months to June 2024, 30 officers were promoted into the senior military and eleven were promoted within it. Three senior military officers voluntarily left the Armed Force during 2023-24, down from four the previous year. However, the number retiring increased to 20 in 2023-24, up from 14 the previous year. There was a significant increase in the number of senior military respondents to the 2024 AFCAS who said they planned to leave before the end of their current engagement date, from 5 per cent in 2023 to 19 per cent in 2024.¹²²

¹¹⁶ MoD written evidence, above n 101, at [11].

¹¹⁷ Haythornthwaite Review, above n 107. See also HC Deb 19 June 2023 HCWS857. Available at <<https://questions-statements.parliament.uk/written-statements/detail/2023-06-19/hcws857>>.

¹¹⁸ MoD written evidence, above n 101, at [16].

¹¹⁹ At [14].

¹²⁰ At [25].

¹²¹ At [30]. A 3-star officer became Director General Defence Medical Services later in July 2023.

¹²² MoD data pack, above n 101.

- 4.29 In the feeder groups, the number of OF6 (1-star) officers voluntarily leaving the Armed forces fell from a five-year high of 30 (9.6 per cent) in 2022-23 to 18 (5.7 per cent) in 2023-24. However, the number of OF5s leaving voluntarily continued on its upward trend since 2020-21, with 66 officers (6.6 per cent) leaving in 2023-24 compared to 61 (6.1 per cent) in 2022-23. The MoD acknowledged these both remained above the average voluntary outflow rates for officers in the rest of the Armed Forces of 5.2 per cent.¹²³ An increasing number of the most talented members of the feeder group, particularly those at OF5, leaving the Armed Forces was raised as an issue of concern in discussion groups. We will be monitoring this trend carefully.
- 4.30 Documented evidence on the quality of those promoted to the senior military remains limited. The MoD told us it is developing new methods to measure and track the quality of personnel in the feeder group, but that it will take time to build up trend data. We look forward to seeing the results of this work and are disappointed that it is only now being developed.
- 4.31 The number of OF5 to OF8 officers leaving the Armed Forces under Senior Officer Compulsory Retirement (SOCR) terms fell from 33 officers in 2022-23 to just two officers in 2023-24.¹²⁴
- 4.32 The MoD told us they are seeking to introduce more flexible career structures. These could make it easier for personnel to leave the Armed Forces and rejoin at a higher rank after broadening their experience. We look forward to seeing evidence on progress in this area.

Pay differentials

- 4.33 For five of the past seven years, pay awards for the senior military have been below those of the feeder group. In 2024, the feeder group was awarded a 6 per cent pay increase. In 2023 the pay increase was between 5.8 and 5.9 per cent (comprising of a 5 per cent pay uplift and a £1,000 consolidated bonus), and in 2022 it was 3.75 per cent. The comparable figures for the senior military were 5 per cent in 2024, 5.5 per cent in 2023 and 3.5 per cent in 2022.
- 4.34 This has led to compression of pay differentials. Since 2018, the differential between pay for the senior military and the feeder group have had a compounding effect, compressing the overall differential by 2.9 per cent.
- 4.35 This compression of pay differentials meant that, in 2023, the MoD had to make structural changes to the OF6 and OF7 pay scales to incentivise promotion. Further structural changes may be needed in the light of continued compression.

Diversity

- 4.36 Progress on improving the diversity of the senior military and the feeder group over the last seven years has been poor. Improvements to diversity and inclusion are important, both in their own terms and in ensuring the senior military have access to the widest possible pool of talent.
- 4.37 The percentage of women at OF4 to OF6 increased to 535 (11.5 per cent) as of 1 July 2024, up from 499 (10.7 per cent) the previous year.¹²⁵ However, this increase has not been mirrored in the senior military, where the number of women officers increased to seven (six 2-stars and one 4-star) as of 1 July 2024, up from six the previous year.¹²⁶
- 4.38 Two members of the senior military (both 2-stars) have identified themselves as being from an ethnic minority background, the same figure as for the previous year.¹²⁷

¹²³ MoD written evidence, above n 101, at [39].

¹²⁴ MoD data pack, above n 101.

¹²⁵ MoD written evidence, above n 101, at [35].

¹²⁶ At [35].

¹²⁷ At [35].

- 4.39 We are particularly concerned about the downward trend in the number of officers at OF4 to OF6 who identified themselves as being from an ethnic minority background. This figure has decreased from 172 officers (3.7 per cent) as of 1 July 2021 to 88 officers (1.9 per cent) as of 1 July 2023 and to 78 officers (1.7 per cent) as of 1 July 2024.¹²⁸
- 4.40 Despite commitment from senior leadership and a variety of initiatives in place to improve diversity and inclusion (discussed at [4.72]–[4.79]), more needs to be done to increase the numbers of senior officers from under-represented groups in the Armed Forces. This was a view shared with us at oral evidence. The Armed Forces urgently need to produce a comprehensive and strategic diversity plan with initiatives, timescales and targets to drive the change needed. We attach particular importance to seeing progress in these areas before our next Report.

Morale and motivation

- 4.41 Results from the 2024 AFCAS indicated that the morale of the senior military had fallen to a five-year low, with 69 per cent rating their own morale as high.¹²⁹ This figure was 81 per cent in 2023. The proportion rating their own morale as low was 13 per cent, an increase from 5 per cent in 2023. The proportion agreeing that their family benefited from being a Service family remained low at 26 per cent, with 61 per cent disagreeing.¹³⁰
- 4.42 Satisfaction with the challenge of the job remained high at 93 per cent. However, satisfaction with the job in general and sense of achievement in the job both fell in 2024 compared to the previous year, to 83 per cent and 85 per cent respectively. Our own survey of the remit group, conducted by the OPRB, indicated that 91 per cent were either motivated or very motivated to do a good job.
- 4.43 The main issues raised in discussion groups related to the need for modernisation of the military employment offer as a whole. These included increased flexibility at different points in careers, more support for families and the impact on spousal careers both in the UK and overseas, improvements to infrastructure and accommodation, enhancements to the overseas offer, more financial autonomy in relation to budgets, and less bureaucracy around claiming expenses.
- 4.44 Despite changes in the March 2023 budget lessening the impact of annual allowance pension taxation, we heard in discussion groups that large annual allowance charges were still acting as a disincentive for some officers to remaining in the senior military and taking up promotions.
- 4.45 The MoD acknowledged a decline in the morale of officers at OF5 and OF6 in its written evidence.¹³¹ Results from the 2024 AFCAS show just 48 per cent of officers at OF5 and OF6 rating their own morale as high, down from 55 per cent in 2023, and a five-year low.

¹²⁸ At [35].

¹²⁹ The MoD do not consider this change to be statistically significant.

¹³⁰ MoD data pack, above n 101.

¹³¹ MoD written evidence, above n 101, at [6].

Pay and pensions

- 4.46 Results from the 2024 AFCAS showed a continued decline in the proportion of senior military respondents satisfied with their basic rate of pay over the last five years, with 38 per cent satisfied in 2024, compared to 57 per cent in 2020.¹³² However, the decrease in satisfaction appears to be largely due to an increase in those who were neutral about their pay, rather than an increase in those dissatisfied with their pay.¹³³
- 4.47 The OPRB survey, which was carried out after the AFCAS and after the announcement of the 2024 pay award, showed an increase in the proportion either satisfied or very satisfied with their overall remuneration package to 49 per cent in 2024, up from 45 per cent in 2023 and 39 per cent in 2022.
- 4.48 The AFCAS results showed a trend of increasing satisfaction with pension benefits over the last five years, with 69 per cent being satisfied in 2024, compared to 41 per cent in 2020.¹³⁴ We recognise and welcome the measures the MoD has taken to improve understanding of pension provisions.
- 4.49 The situation in relation to pension taxation is difficult to assess this year due to retrospective application of the 2015 Pensions Remedy (formerly the McCloud Remedy) and the introduction of the new Tax Administration Framework.

Pay recommendations

Government's proposal

- 4.50 The MoD said that 2.5 per cent was the maximum amount it could afford for the 2025-26 pay award. It explained that a pay award above this amount would need to be funded through reductions elsewhere in its budget, which could have capability and operational implications and prevent expenditure on improving the military offer in areas such as accommodation.¹³⁵
- 4.51 It asked us to recommend:
- A pay award which aims to recruit and retain a highly skilled and motivated cadre of senior officers through the offer of a competitive remuneration package which remains within departmental affordability.¹³⁶
 - No change to the pay structure for senior Medical Officers and Dental Officers.¹³⁷

Our recommendation

- 4.52 We recognise that the majority of senior officers do not remain in the senior military for the pay alone, and that the opportunity to serve their country and to carry out interesting and challenging roles also acts as a retention incentive. However, the senior military offer needs to be sufficiently competitive to retain and incentivise the required number of talented and motivated officers, particularly when their skills are in high demand in the civilian sector. There also needs to be sufficient incentives for skilled and talented individuals from the feeder group to want to remain in service and progress to the senior military.

¹³² Basic rate of pay includes X-Factor, but excludes Recruitment and Retention Payments (RRP) and allowances.

¹³³ MoD data pack, above n 101.

¹³⁴ MoD data pack, above n 101.

¹³⁵ MoD written evidence, above n 101, at [51].

¹³⁶ At [2].

¹³⁷ At [31].

- 4.53 We are aware that almost all of our senior military remit group, except for those on the top increment of their pay scale, will receive a pay increase through the award of an annual increment in addition to the annual pay award. The senior military are a small group, and we have not seen any evidence to support a differential pay award for different ranks or specialist roles within the cohort. This view was supported in oral evidence, where the importance of the ‘all of one company’ military ethos was also highlighted.
- 4.54 As mentioned in our Report last year, recent pay awards for the feeder group have been at historically high levels in response to recruitment and retention problems, and reflect the upward pressure from tracking the National Living Wage. This has had a compounding effect, compressing the differentials between pay for the senior cadre and the feeder group by 2.9 per cent since 2018.¹³⁸ These differentials will further compress this year if the feeder group again receives a larger increase than the senior cohort. The continued erosion of pay differentials could lead to recruitment campaigns failing to attract appointable candidates due to a lack of financial incentives.¹³⁹
- 4.55 The quality of the feeder group is particularly important in the Armed Forces, as there is not currently any direct recruitment into the senior military – instead, talent is developed and promoted from within. While the voluntary outflow rate for officers in the feeder group at OF6 has fallen, the voluntary outflow rate for those at OF5 has continued to increase. In previous reports, we have emphasised the importance for the military of ensuring it is not losing its most talented officers. It is concerning to hear reports from members of the senior military that some of the most highly skilled officers at OF5 are leaving at earlier stages in their careers. The situation needs careful monitoring to ascertain why individuals are leaving and to ensure retention of the most talented officers.
- 4.56 We have also taken into account the challenging international security environment. This is placing increased demands on senior officers, who are already working exceptionally long hours and experiencing long periods of separation from families, whose lives are also often disrupted. Having strong and effective military leadership is especially important in a period of exceptional geopolitical turbulence. We consider that an award below the rate of inflation at a time of intense geopolitical challenge risks adversely affecting the morale of the remit group and its attractiveness to junior personnel.
- 4.57 We have given careful consideration to the MoD’s evidence on affordability. We recognise that an award above the affordability level provided by the department may send a signal that the Government finds unhelpful. Nevertheless, given the modest pay bill of some £39 million for the senior military cadre, we are not persuaded that affordability is a material constraint.
- 4.58 The above considerations, and the broader factors outlined in Chapter 1 and Chapter 2, lead us to recommend an across-the-board consolidated pay award of 3.75 per cent for all members of the senior military, including MODOs.

Recommendation 5

We recommend that all members of the senior military, including Medical Officers and Dental Officers, should receive a 3.75 per cent consolidated increase to base pay from 1 April 2025.

¹³⁸ See Table 4.3 and discussion at [4.90].

¹³⁹ See Table 4.4 and discussion at [4.89]–[4.98] for further detail on current pay increase on promotion for senior officers and related issues.

4.59 If our recommendation is accepted, the revised pay scales will be as below:

Table 4.1: Revised 2-star, 3-star, 4-star and Chief of the Defence Staff pay scales if SSRB recommendation accepted

	Increment level					
	1	2	3	4	5	6
2-star	£146,549	£149,414	£152,335	£155,315	£158,353	
3-star	£175,428	£184,032	£191,258	£196,895	£202,703	
4-star	£219,285	£224,767	£230,387	£236,146	£240,869	£245,686
CDS	£315,921	£322,239	£328,684	£335,258		

4.60 The Armed Forces Pay Review Body (AFPRB) will make a recommendation to the Government for its remit group which covers those up to and including 1-star officers. This will also apply to MODOs.

4.61 The MoD has asked that there be no changes to the existing pay arrangements for MODOs this year. We have not received any evidence to suggest that the current pay differentials between the 1-star, 2-star and 3-star MODOs needs to change. Therefore, we recommend that all MODOs in our remit group receive a pay award that maintains these differentials and is in line with the pay award recommendation for the rest of the senior military.

4.62 We heard at oral evidence that the MODO offer remained competitive and highlighted the additional benefits of the military employment offer, including a non-contributory pension scheme and subsidised accommodation, which was not available to peers employed in the NHS. However, it will be important to keep these pay arrangements under review, particularly in relation to any developments in the remuneration of those working in the NHS.

Recommendation 6

We recommend no change to the current pay arrangements for Medical Officers and Dental Officers (MODOs):

- 2-star MODOs should continue to be paid 10 per cent above the base pay at the top of the MODO 1-star scale, plus X-Factor.
- 3-star MODOs should continue to be paid 5 per cent above the base pay at the top of the MODO 2-star scale, plus X-Factor.

Looking ahead

4.63 We hope that, for our next Report, the MoD will be able to advise us on implications of the Prime Minister's commitment to increase defence spending to 2.5 per cent of GDP in this Parliament, including its consequences for this remit group.

- 4.64 Despite commitment from senior leaders and an acknowledgement at oral evidence that a change to Armed Forces culture is needed, the progress on increasing diversity has been too slow. We note the various initiatives aimed at improving diversity, inclusion and culture. These include the development of the Raising our Standards programme,¹⁴⁰ the continuation of ‘levels of ambition’ for the recruitment of women and individuals from ethnic minority backgrounds by 2030, the introduction of greater career flexibility and access to extended childcare.
- 4.65 However, as we have said repeatedly in our reports, more needs to be done to increase representation and progression through to the senior ranks of women and individuals from ethnic minority backgrounds. This was a view shared at oral evidence. The Armed Forces urgently need to draw up a single, clear, comprehensive and strategic diversity plan setting out expectations in relation to behaviours and culture, and details of initiatives, timescales and targets to drive the change needed to ensure it is not losing or failing to attract the talent from the widest possible pool. We expect the MoD to keep us updated on progress in relation to this. It should also continue to provide us with diversity data on the senior military and those at OF4 to OF6 for the next pay round to allow us to monitor progress.
- 4.66 While acknowledging the ongoing work the Senior Appointments Committee (SAC) is doing to improve its talent management and succession planning processes, we urge the MoD to look again at additional ways it can measure the quality of those remaining in and leaving the Armed Forces, and their reasons for doing so. This is something we have highlighted in our reports for a number of years. Having tools in place to effectively measure quality and track talent is common practice in other organisations. In an organisation such as the Armed Forces, which develops and promotes its talent from within, it is vital to monitor the quality of those remaining in and leaving the feeder group. This is currently of particular importance for those at OF5, where voluntary outflow rates have continued on an upward trend over the last four years.
- 4.67 The MoD and senior members of the Armed Forces are well aware of the need to modernise the senior military employment offer to provide more choice and flexibility at different stages in careers and adapt to the needs of the 21st century family, to ensure it can attract and retain the most talented members of the senior military and the feeder group. We note that work continues on improvements to the accommodation offer and on implementing the three priority areas identified from the Haythornthwaite Review.
- 4.68 We await the outcome of the Strategic Defence Review to see what impact this may have on the senior leadership, the senior military employment offer, and how the work on Defence Reform progresses.
- 4.69 We appreciate that the situation in relation to pension taxation is complicated for this year again due to the retrospective application of the 2015 Pensions Remedy (formerly the McCloud Remedy). However, the issue of large annual allowance tax charges is still affecting members of the senior military and the feeder group. For our next Report, we expect to receive more evidence from the MoD on how changes to pension tax allowances, and those from the Remedy, have affected senior officers.

¹⁴⁰ The Raising our Standards programme includes four key pillars for investment: influencing behaviours consistent with the MoD’s values and standards; providing evidence-based insights; tackling unacceptable behaviours with 100 per cent action; and educating and training leaders.

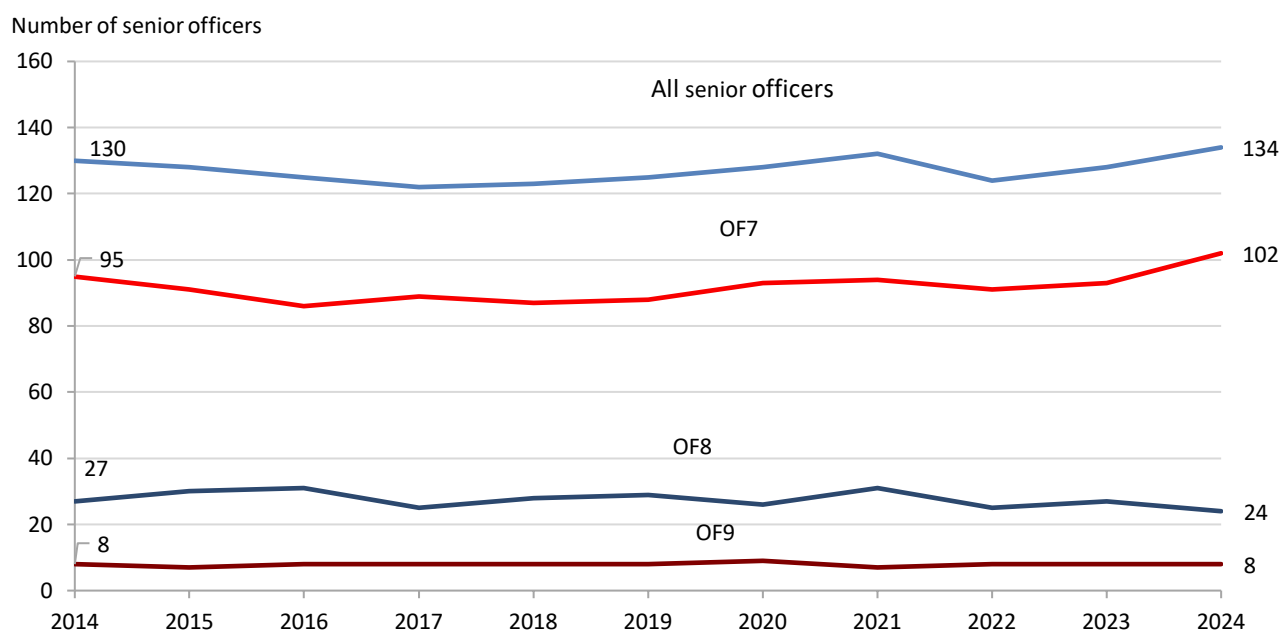
Annex: Data and evidence

4.70 We received written and oral evidence from the MoD. The oral evidence session was attended by the Parliamentary Under-Secretary (Minister for Veterans and People), the Vice Chief of the Defence Staff, the Chief of Defence People and the Head of Armed Forces Remuneration. In addition, we held an on-line discussion group with eight members of the senior military and met with 14 OF5 and OF6 officers from the three Services. We appreciate the feedback received directly from members of the senior military and the OF5 and OF6 officers via discussion groups. We would like to thank all those who took part.

The remit group

4.71 There were 134 senior officers at 2-star rank and above as of 1 July 2024, an increase of six over the year. A breakdown of the numbers by rank since 2014 is shown in Figure 4.1. The number of senior military officers has remained fairly stable over the last ten years. A list of officer ranks in the UK military is set out at Appendix F.

Figure 4.1: Number of senior officers as of 1 July, 2014 to 2024



Source: Ministry of Defence written evidence (unpublished).

Workforce diversity

- 4.72 The MoD provided us with diversity data for the senior military and for officers at OF4 to OF6 (See [4.134]-[4.136]).
- 4.73 As of 1 July 2024, there were seven female officers (5.0 per cent) in the senior military, an increase of one from the previous year. Five were at 2-star and one was at 4-star. We note this was the first time that a female officer had been appointed to the 4-star role of Vice Chief of the Defence Staff.¹⁴¹ The number of women in the senior military has remained at between four and six for the previous six years.¹⁴² In addition, two of the five senior MODOS were female. A 3-star female officer has been in the role of Director-General Defence Medical Services since July 2023. This is the first time a female officer has held this role.
- 4.74 Two members of the senior military, both 2-stars, identified themselves as being from a non-white background in 2023-24. This was the same number as for the previous two years. 2021-22 was the first time in six years that any officers in the senior military had identified themselves as being from a non-white background. No members of the senior military reported that they had a disability in 2023-24.
- 4.75 MoD Data showed that there were four members of the senior military on alternative working arrangements during 2022-23, a decrease from five the previous year.¹⁴³ All of these were male 2-star officers who were remote working.
- 4.76 We were told the MoD remains committed to being a diverse and inclusive employer, as documented in the MoD People Strategy. It acknowledged that its success and operational effectiveness as an organisation was dependent on its ability to recruit individuals from the widest possible pool and to harness and maximise its people's potential.
- 4.77 The MoD said that, as an organisation that develops and grows its own talent, improving retention and the depth and breadth of the feeder group and below was key to improving diversity in the senior military. It acknowledged that more work was needed to increase the appeal of the Armed Forces to women and individuals from ethnic minority backgrounds. To facilitate an increase in diversity, the individual Services have set levels of ambition for the inflow of women and those from ethnic minority backgrounds of 30 per cent and 20 per cent respectively by 2030.
- 4.78 We were informed that the MoD has introduced a range of initiatives aimed at improving the experience of women in the Armed Forces and the civil service. These included zero tolerance policies, uniforms and equipment tailored to improve the fit for women, increased career flexibility and extended childcare provisions.

¹⁴¹ General Dame Sharon Nesmith DCB ADC(Gen.) was appointed to this role in June 2024.

¹⁴² There were four female 2-star officers and one female 3-star officer in the Armed Forces as of 1 July 2019, 2020, 2021 and 2023. There were four female 2-star officers as of 1 July 2022.

¹⁴³ Alternative working arrangements include remote working, variable start and finish times, compressed working and enhanced leave.

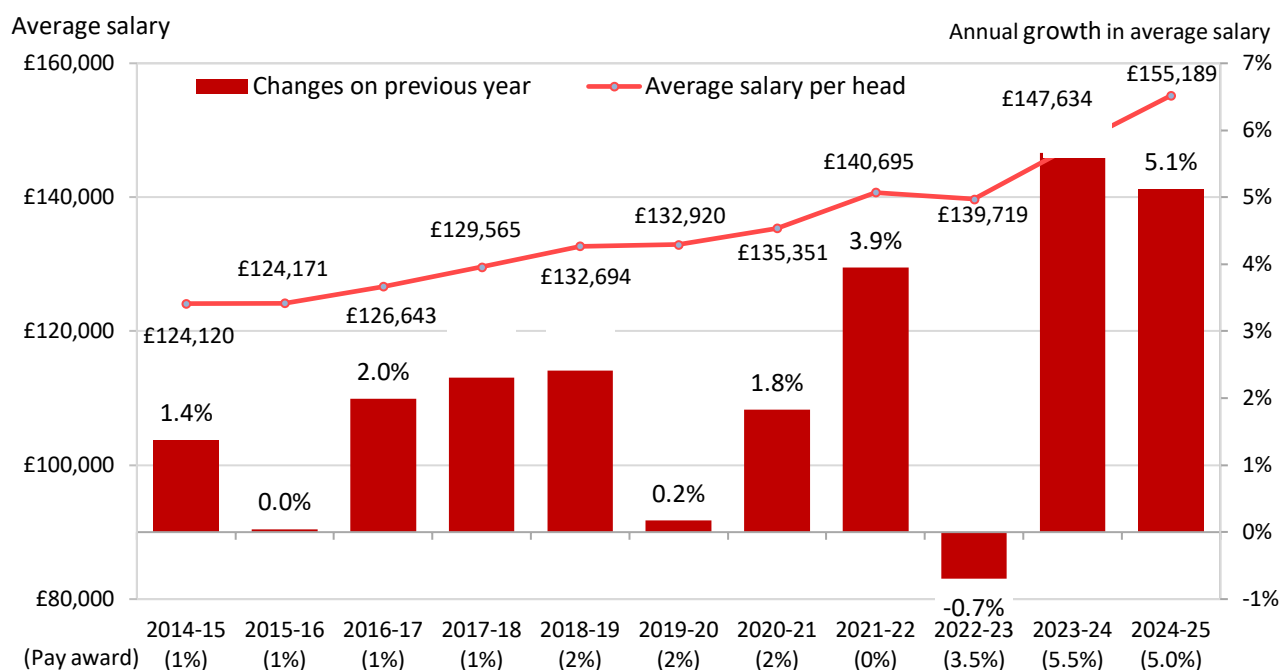
- 4.79 The Raising our Standards programme has been introduced to reinforce the work on providing a more inclusive culture. It was explained at oral evidence that this programme consists of individual cultural change programmes, drawn up and owned by each of the single services. We were told the individual Service Chiefs would be held to account for the delivery of the change programmes in their Service and that this was a key area of focus for them. We were also told that the establishment of a Serious Crime Unit and the increase in the reporting of cases reflected a growth in confidence that incidences of misconduct would be taken seriously.
- 4.80 We were told at oral evidence that the aim was to increase diversity and to ensure that defence was a welcoming environment to all, regardless of sex, ethnic background or religious belief. We heard that while some progress had been achieved in relation to an increase in the number of women in the senior military and the feeder group, this number needs to be much higher. More also needs to be done to increase the number of individuals from ethnic minority backgrounds joining the Armed Forces. We heard that multifaceted work was taking place across defence, and that it will take time to implement the change needed to increase diversity and make sure defence was one of the most inclusive places to work.

Pay and the pay system

- 4.81 Members of the senior military were paid between £141,229 and £323,140 in 2024-25, with an associated pay bill of £38.8 million. This included employers' national insurance and pensions contributions, and was an increase from the 2023-24 pay bill of £33.7 million. Average salaries for our remit group increased by 5.1 per cent last year (see Table 4.2).
- 4.82 The pay system for the senior military differs from that of our other remit groups because it includes incremental pay progression and a non-contributory pension scheme. More detail on the current rates of pay and the value of annual increments can be found at [4.88]. All 2-star and 3-star officers also receive X-Factor but at a tapered rate.¹⁴⁴ The senior military do not receive performance-related pay.

¹⁴⁴ The X-Factor is a pensionable addition to pay, which recognises the special conditions of Service experienced by members of the Armed Forces compared to civilians over a full career. It is recommended by the Armed Forces Pay Review Body and in 2024-25 was £12,960 (14.5 per cent) at the top of the OF4 pay scale. For senior officers, the payment is tapered. 2-star and 3-star officers receive an amount equivalent to 25 per cent of X-Factor at the top of the OF4 scale (£3,240). 4-star officers and above do not receive X-Factor.

Figure 4.2: Average salary per head and annual growth, 2014-15 to 2024-25



Source: OPRB calculations using Ministry of Defence data (unpublished).

Note: Excludes employers' national insurance and pension contributions.

Non-pay benefits

4.83 All members of the Armed Forces, including members of the senior military, have access to a number of non-pay benefits including subsidised accommodation (Service Families Accommodation (SFA) and Single Living Accommodation (SLA)), subsidised food, free medical and dental care, gym membership, wraparound childcare and flexible working.

Career structure

4.84 There is limited security of employment for senior officers. The MoD explained that, while every effort is made to employ officers past their expected Engagement End Date (EED),¹⁴⁵ there is no guarantee of a second posting at the rank of OF6 and above for all three Services and at OF5 in the Army and the Navy.¹⁴⁶

4.85 Where no suitable employment can be found at either the current rank, or a higher rank, the officers are released from Service under the Senior Officer Compulsory Retirement (SOCR) terms.¹⁴⁷ SOCR allows for the compulsory retirement of senior officers after their first appointment or after three years in rank and can be before their EED. The MoD said this facilitates agile management of the senior cadre.

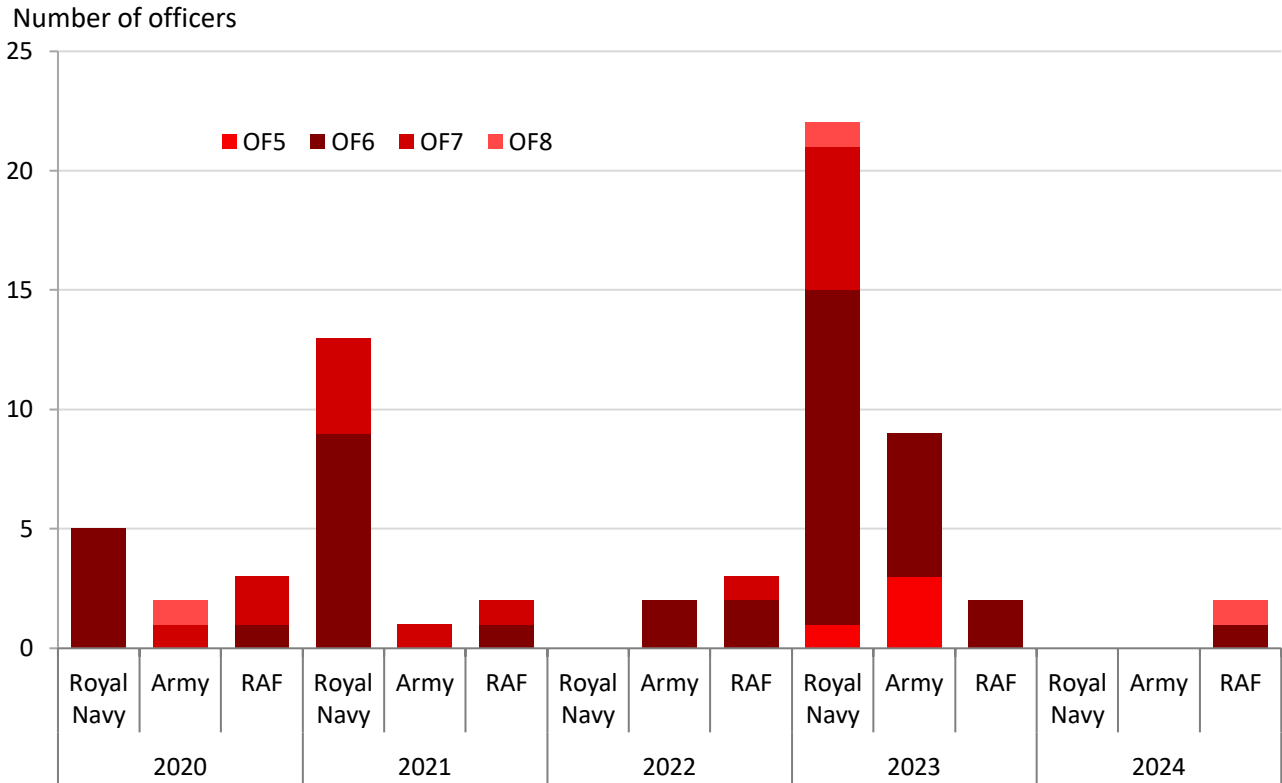
¹⁴⁵ The Engagement End Date is the date on which a Senior officer's Service ends unless offered a further position.

¹⁴⁶ This policy was extended, retrospectively, to OF5s in the Army from December 2021. From 1 April 2020 the Navy only guarantees those who gain promotion to OF5 a further six years in rank, or to age 55, whichever is soonest.

¹⁴⁷ SOCR can be either compensated or uncompensated depending on the circumstances of each case. However, the MoD told us that it was very rare for an individual to leave under compensated terms.

- 4.86 The MoD explained that officers were informed of their terms of service on accepting an OF5/OF6 role. It acknowledged that uncertainty of tenure could affect decisions on whether to accept a promotion to OF5/OF6 or to leave the Armed Forces. However, it said there was no evidence to suggest that the situation had changed over time. The MoD should continue to monitor the situation and keep us informed.
- 4.87 We were provided with data on the number of officers that had left under SOCR terms from 30 June 2023 to 1 July 2024. Figure 4.3 shows the total number of officers who have departed on these terms during the last six years. This totals 81 officers – 49 from the Royal Navy, 19 from the Army and 13 from the Royal Air Force (RAF). The number of officers leaving under SOCR terms in 2024 was just two RAF officers, the lowest over the six-year period.

Figure 4.3: OF5 to OF8 officers released under uncompensated SOCR terms, 2020 to 2024



Source: Ministry of Defence written evidence (unpublished).

Senior officers pay structure, increments and pay on promotion

4.88 Annual increments were worth between 2.0 and 4.9 per cent in 2024-25 for those who received them. The MoD told us that only one senior officer who was at 2-star rank did not receive an annual increment during 2023-24.¹⁴⁸ This was because as they were on the maximum increment for their rank. The current value of each increment level from 2-star to 4-star is set out in Table 4.2.

Table 4.2: Value of increments

Increment	2-star £ pa	Value of increment %	3-star £ pa	Value of increment %	4-star £ pa	Value of increment %
1	141,229	-	169,064	-	211,359	-
2	143,990	2.0	177,357	4.9	216,642	2.5
3	146,806	2.0	184,322	3.9	222,060	2.5
4	149,678	2.0	189,755	2.9	227,611	2.5
5	152,606	2.0	195,353	2.9	232,163	2.0
6	-	-	-	-	236,806	2.0

4.89 Officers receive a minimum 10 per cent increase to base pay on promotion from OF6 (1-star) to OF7 (2-star) and from OF7 (2-star) to OF8 (3-star). This has been in place for officers on promotion from OF6 to OF7 since 2010, and for officers on promotion from OF7 to OF8 from 1 April 2023.

Table 4.3: Pay awards for the senior military and for the rest of the Armed Forces, 2014 to 2024

	AFPRB %	SSRB %	Notes
2014	1.0	1.0	
2015	1.0	1.0	
2016	1.0	1.0	
2017	1.0	1.0	
2018	2.0	2.0	AFPRB recommendation of 2.9% reduced by government (0.9% non-consolidated) SSRB recommendation of 2.5% reduced by government (0.5% non-consolidated)
2019	2.9	2.0	SSRB recommendation of 2.2% reduced by government
2020	2.0	2.0	
2021	0	0	Increase of £250 for those earning less than £24,000
2022	3.75	3.5	
2023	5.0 + £1,000 consolidated	5.5	The additional £1,000 consolidated award equated to an overall award of between 5.8% (OF6-IL6) and 5.9% (OF6-IL1)
2024	6.0	5.0	

Source: OPRB Analysis

¹⁴⁸ This period relates to 1 July 2023 to 30 June 2024.

- 4.90 Table 4.3 sets out the pay awards for the senior military and for the rest of the Armed Forces since 2014. It shows that, compounded, the differentials between pay for the senior cadre and the feeder group have been compressed by some 2.9 per cent since 2018.
- 4.91 In 2019, the differential between pay awards for members of the senior military and the rest of the Armed Forces over time led to the erosion of the automatic 10 per cent increase in base pay for officers promoting from the top increment of the OF6 pay scale to OF7. The MoD used a specially determined rate of pay (SDRP) to maintain the minimum 10 per cent increase in base pay on promotion from OF6 to OF7 for these officers.
- 4.92 In order to maintain the automatic 10 per cent increase for officers on promotion from OF6 to OF7 and, following recommendations in our 2022 Report that this also apply to officers on promotion from OF7 to OF8, the MoD removed the bottom increment from the OF7 and OF8 pay scales with effect from 1 April 2023.
- 4.93 These changes were aimed at increasing the incentives for promotion to OF7 and OF8 by ensuring the increase in pay on promotion adequately reflected the increase in responsibility, accountability and challenge that came with these senior roles. This was an issue that had frequently been raised during discussion groups with both the remit and feeder group.
- 4.94 However, we note that the differential between the pay award last year for OF6 officers, who are part of the AFPRB remit, and members of the senior military has already led to the erosion of the automatic 10 per cent increase in base pay for those officers who promote from the top increment (IL6) of the OF6 pay scale (see Table 4.4). The MoD will once again have to use a SDRP to ensure these officers receive a minimum 10 per cent increase in base pay on promotion to OF7.
- 4.95 Table 4.4 below shows the pay increases on promotion to OF7 and OF8 from each pay point effective from 1 April 2024. This data is based on 2024-25 rates of pay.
- 4.96 Not all officers are promoted from the top increment of their rank. Data provided by the MoD showed that of the 30 officers promoted to OF7 during the period 1 July 2023 to 30 June 2024, five were on the top increment of the OF6 pay scale (IL6), five were on IL5, nine were on IL4, eight were on IL3 and three were on IL2.
- 4.97 The data showed that just two of the eight officers promoted to OF8 during the period 1 July 2023 to 30 June 2024 had been on the top increment of the OF7 pay scale (IL5). Three were on IL4, two were on IL3, and one was on IL2.

Table 4.4: Pay increases on promotion from 1-star to 2-star and 2-star to 3-star

Pay point before promotion (£pa)			Pay point after promotion (£pa)			Pay increase %		
						To IL1	Exc X-Factor	Inc X-factor
1-star	1	127,351	2-star	1			14.2	10.9
	2	127,351		1	141,229		14.2	10.9
	3	128,629		1	141,229		13.0	9.8
	4	129,907		1	141,229		11.8	8.7
	5	131,185		1	141,229		10.7	7.7
	6	132,462		1	141,229		9.5	6.6
2-star	1	141,229	3-star	1	169,064		20.2	19.7
	2	143,990		1	169,064		17.8	17.4
	3	146,806		1	169,064		15.5	15.2
	4	149,678		1	169,064		13.2	13.0
	5	152,606		1	169,064		11.0	10.8

4.98 A differential between the pay award from the AFPRB for those at OF6 and our pay award for those in our remit group at OF7 of more than 0.7 per cent this year would mean the pay uplift for officers on promotion from IL5 would also fall below 10 per cent. In this event, the MoD would need to apply an SDRP to these officers. Further structural changes to the OF7 and OF8 pay scales will soon be needed if differentials between the feeder group and the senior military pay awards continue.

Senior Medical Officers and Dental Officers

4.99 There were five MODOs as of 1 July 2024, an increase of one from the previous year. Four of these were 2-star officers and one was a 3-star officer in the role of Director-General Defence Medical Services.

4.100 The 2-star rate of pay for MODOs (£190,001) is 10 per cent above the base pay at the top of the MODO 1-star scale plus X-Factor. The 3-star MODO rate of pay (£199,245) is 5 per cent above the MODO 2-star base rate plus X-Factor. The total pay bill for the five MODOs for 2023-24 was £1.8 million, including employers' national insurance and pensions contributions.

4.101 At oral evidence, we were told that Defence Medical Services had one of the lowest voluntary outflow rates across the whole of the Armed Forces. It was emphasised that MODOs benefited from other elements of the military offer that those working in the NHS did not, including subsidised accommodation and a non-contributory pension scheme.

Recruitment

4.102 The senior military only appoints officers from within the Armed Forces. The most senior roles are filled by those already substantive in rank, or on promotion. The MoD informed us that workforce requirements continued to be met by competitive means, providing the best candidate for the role. It said there was no indication of a decline in quality or that increasing numbers of officers were turning down promotion into the most senior posts.

4.103 During the 12 months to 30 June 2024, 30 officers were promoted into the remit group and a further eleven were promoted within it. This was sufficient to replace the 20 officers that retired from the senior military and the three officers that left voluntarily during 2023-24.

Talent management and succession planning

4.104 The Senior Appointments Committee (SAC) manages talent across the senior military by looking six to eight years ahead to ensure officers with the right skills and experience are available at the right time to fill the key roles. The MoD told us that the process for senior talent management has been developing over the last five years and that it was looking much further ahead in relation to filling vacancies in several key areas.

4.105 We understand the SAC's work continues to provide enhanced data and evidence to support the improvement of the talent management and succession planning process in a number of areas. These include:

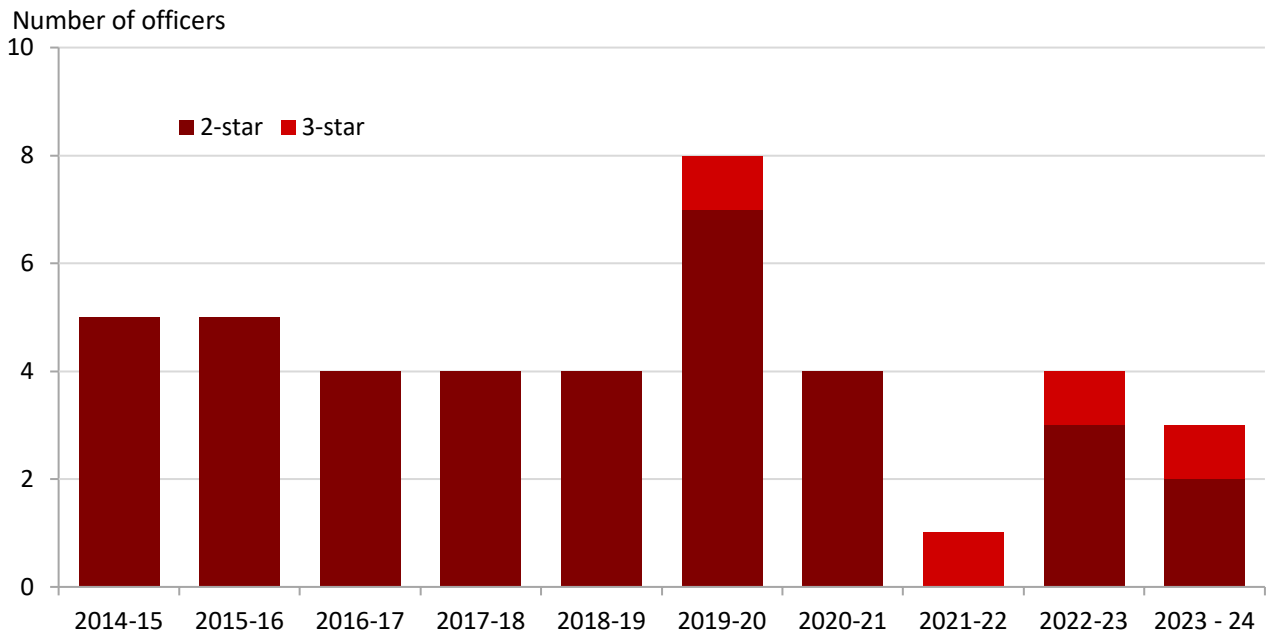
- Acceleration of the use of, and digitalisation of, the nine-box grid grading assessment to allow better visualisation of the talent pipelines – and development of an automated warning mechanism to signal when the talent pipeline is at risk.
- Greater use of data from the grading processes to facilitate more targeted and active talent management of under-represented groups and others in the OF5 and OF6 cadres.
- Assessment of the value of various development programmes to the Armed Forces and provision of the recommendations on how Top-Level Budgets should be using defence enterprise products.¹⁴⁹
- Implementation of the Future Appraisal Review across the Armed Forces. The aim is for a new appraisal process that supports improved performance and behaviours and incorporates talent management and development. Data insights, skills, multi-source assessments and psychometric testing should also be included.

¹⁴⁹ This includes the Royal College of Defence Studies and the Higher Command and Staff Course.

Retention

- 4.106 The MoD said that the data provided over several years shows that it can retain senior officers for the period of service required, and that few leave before normal retirement age or before their end of engagement date. However, it does highlight the 2024 AFCAS survey results which show a significant increase in the number of senior military officers saying they plan to leave before the end of their current engagement date (see [4.110]). The MoD says it will need to monitor the situation.
- 4.107 Three members of the senior military, one 3-star and two 2-stars, voluntarily left the Armed Forces during the period 1 July 2023 to 30 June 2024. This was a decrease from the four senior military officers, one 3-star and three 2-stars, who voluntarily left the Armed Forces during the previous year. The number of voluntary leavers over the last ten years is shown in Figure 4.4.

Figure 4.4: Officers leaving the Services voluntarily, 2014-15 to 2024-25



Source: Ministry of Defence written evidence (unpublished).

Notes: The 12 months here is from 1 July to 30 June.

The table shows early departures and not those at normal retirement age. Normal retirement age is 55 for 2-star, 57 for 3-star and 58 for 4-star officers. No 4-star officers left the Services voluntarily over the period.

- 4.108 We were provided with data from the Joint Personnel Administration (JPA) system on the reasons given for voluntary early exit by the senior officers. The most cited reasons were ‘firm offer of civilian employment’, ‘opportunities/prospects outside’ and ‘seeking fresh challenges’. Officers are able to give up to six reasons for early exit.

Motivation and morale

AFCAS and OPRB surveys

4.109 The MoD provided us with results from AFCAS from 2020 to 2024.¹⁵⁰ We note that the AFCAS results are subject to fluctuations year to year as the remit group is small. Of the 117 members of the senior military asked to complete the 2024 survey, the response rate was 47 per cent (down from 53 per cent in 2023). Given the low overall number of responses to the AFCAS and due to the small cohort, we treat the results to this, and to our OPRB survey, with a degree of caution. We also acknowledge that the AFCAS was carried out in advance of the announcement of the 2024 pay award, whereas our OPRB survey was carried out after the announcement.¹⁵¹

4.110 The MoD said that the only statistically significant changes in the 2024 AFCAS responses compared to the 2023 responses for the senior military were:

- An increase in the proportion of senior military respondents who want to leave their Service 'before the end of their current engagement commission' from 5 per cent in 2023 to 19 per cent in 2024. This is the highest percentage over the five-year period.
- An increase in the proportion who disagreed that their superiors did not interfere excessively in their work activities to 20 per cent in 2024, from 7 per cent in 2023.
- An increase in the proportion who disagreed they were given sufficient authority to make decision to 26 per cent in 2024, from 11 per cent in 2023.

4.111 It also highlighted that, based on the 2024 AFCAS results, members of the senior military were more positive than the OF5s and OF6s in the following areas: satisfaction with Service life in general; level of own morale; level of Service morale; feeling valued, sense of achievement and challenge from their job; and the fairness of the appraisal system. The majority of the areas identified were also highlighted last year.

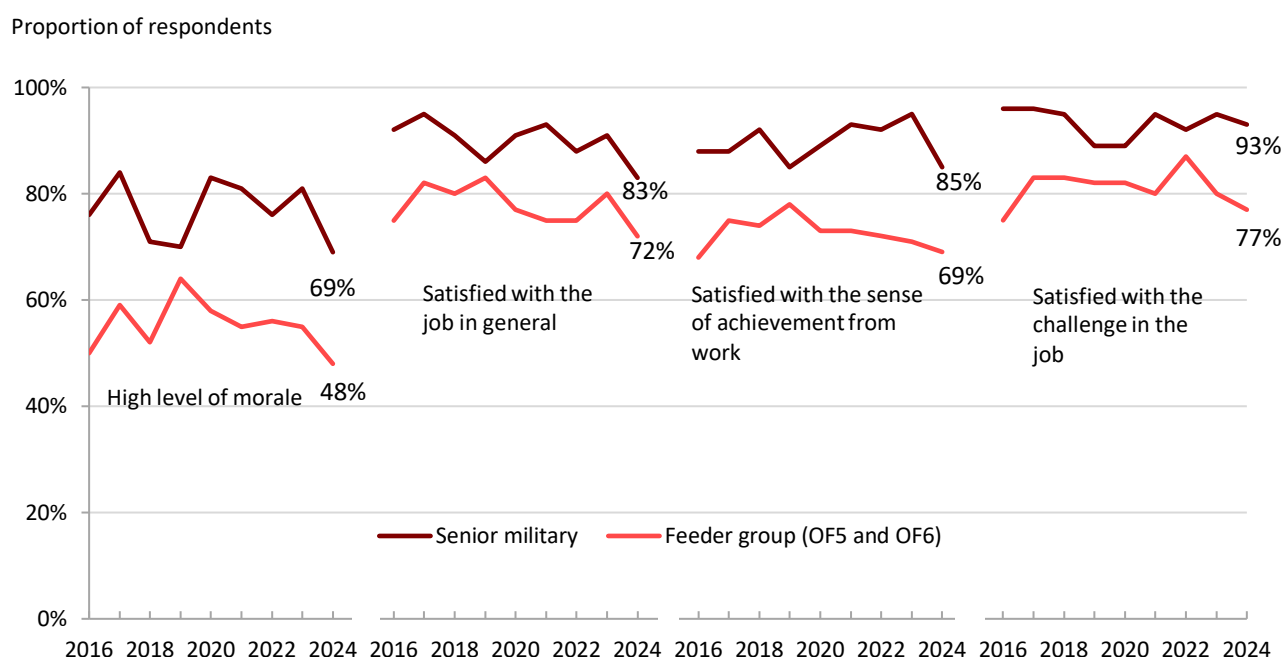
4.112 We acknowledge that the MoD uses a 99 per cent confidence level when presenting its results. However, we consider some of the results not identified as statistically significant by the MoD, presented in the paragraphs below, to be worth noting.

4.113 The 2024 AFCAS results showed 69 per cent of the senior military rating their own morale as high, which is the lowest proportion over the five-year period and compares to 81 per cent in 2023. The percentage rating their morale as low was 13 per cent, the highest over the five-year period and an increase from the 5 per cent in 2023. Respondents' satisfaction with the sense of achievement from their work fell to 85 per cent in 2024 from 95 per cent the previous year. However, respondents' satisfaction with the challenge in their jobs remained high at 93 per cent. Levels of morale and satisfaction for the senior military and the feeder group between 2016 and 2024 are shown in Figure 4.5.

¹⁵⁰ The 2024 AFCAS was carried out between September 2023 and February 2024.

¹⁵¹ The OPRB survey was carried out between October and December 2024.

Figure 4.5: Levels of morale and satisfaction, 2016 to 2024



Source: Ministry of Defence written evidence (unpublished).

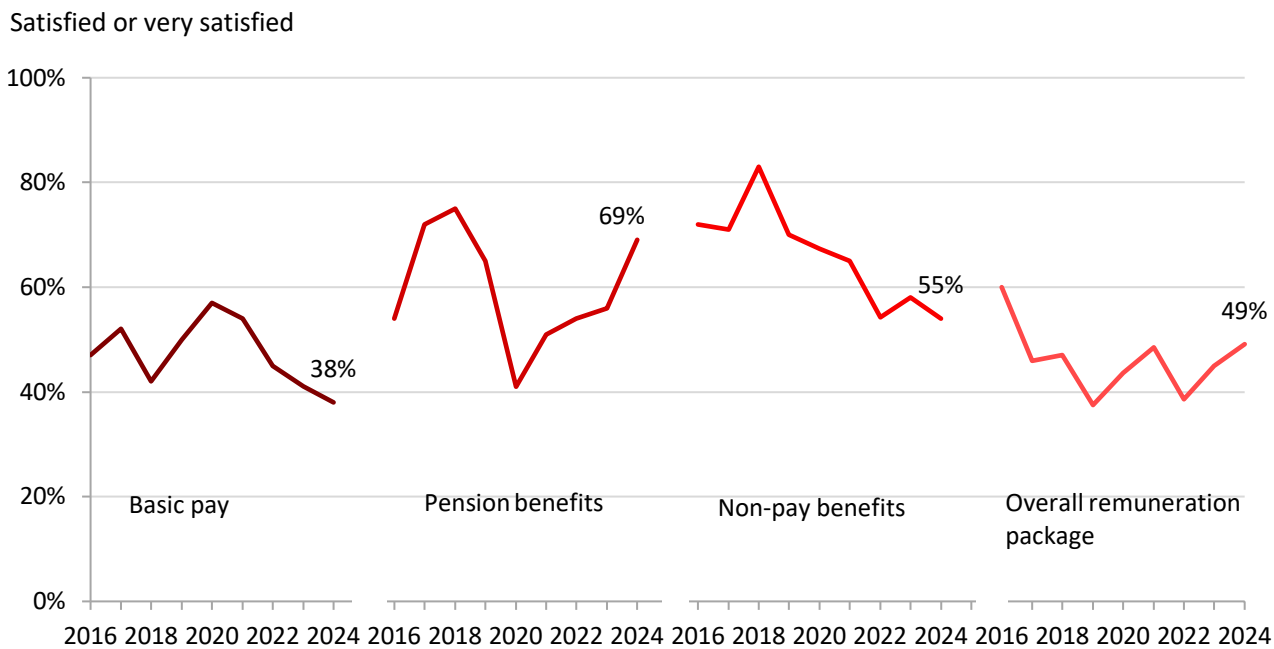
Note: Questions from the AFCAS: How would you rate your level of morale? How satisfied are you with your job in general? How satisfied are you with the sense of achievement you get from your work? How satisfied are you with the challenge in your job? For the question about morale, the figure shows the percentage of respondents answering high or very high. The other questions show the percentage of respondents answering satisfied or very satisfied.

- 4.114 In our Report last year, we highlighted the concerning trend in the decreasing proportion of senior military who agreed that their family benefited from being a Service family. While the proportion agreeing increased from 18 to 26 per cent in 2024, this is still low. The proportion of those who disagreed their family benefited from being a Service family remained high at 61 per cent and similar to the 65 per cent in 2023.
- 4.115 The SSRB's secretariat conducted its annual online survey (the OPRB survey) that was sent to all members of the senior military. As usual, the survey contained questions that complemented those in the AFCAS. The survey elicited a response from 41 per cent of the remit group (55 respondents in total), a slight decrease from the 59 per cent response rate of the previous year.
- 4.116 The differences in results between the AFCAS results and the OPRB results could be partly due to the OPRB survey being carried out after the announcement of the 2024 pay award.
- 4.117 The OPRB survey showed that 91 per cent of respondents were motivated or very motivated to do a good job in 2024, a small decrease from the 96 per cent in 2023 and the same as the 91 per cent in 2022. The latest results showed 7 per cent were unmotivated or slightly unmotivated to do a good job.

- 4.118 In relation to pay, the AFCAS results showed a continued decline in the proportion of respondents satisfied with their basic rate of pay over the last five years, with 38 per cent satisfied in 2024, compared to 57 per cent in 2020 (see Figure 4.6).¹⁵² However, the decrease in satisfaction with pay this year appears to be largely due to an increase in those who were neutral about their pay (to 22 per cent from 10 per cent), rather than an increase in those dissatisfied with their pay. The proportion of respondents dissatisfied with their pay fell to 40 per cent in 2024 from 49 per cent in 2023.
- 4.119 The OPRB survey showed an increase this year in the proportion either satisfied or very satisfied with their overall remuneration package to 49 per cent, up from 45 per cent in 2023 and 39 per cent in 2022. In addition, the proportion of those either dissatisfied or very dissatisfied decreased to 27 per cent, down from 29 per cent in 2023 and 36 per cent the previous year.
- 4.120 The OPRB survey also showed an increase in the proportion of respondents satisfied or very satisfied with their pay were they to be promoted to 49 per cent, compared to 41 per cent in 2023 and 34 per cent the previous year. Some 27 per cent were dissatisfied or very dissatisfied with the pay on promotion.
- 4.121 The AFCAS results showed there has been a trend of increasing satisfaction with pension benefits over the last five years, with 69 per cent of respondents being satisfied in 2024, compared to 41 per cent in 2020. The proportion of respondents dissatisfied with their pension benefits has also decreased over the period from 37 per cent in 2020 to 22 per cent in 2024.
- 4.122 The OPRB survey showed that satisfaction with non-pay benefits has declined from a high of 83 per cent satisfied or very satisfied in 2018 to just 55 per cent in 2024 (see Figure 4.6). Some 44 per cent said they were considering leaving the Armed Forces before their current end of engagement date, a slight increase from 40 per cent in 2023.

¹⁵² Basic rate of pay includes X-Factor, but excludes Recruitment and Retention Payments (RRP) and allowances.

Figure 4.6: Satisfaction with pay and benefits for officers at 2-star and above, 2016 to 2024



Sources: Ministry of Defence written evidence (unpublished) (How satisfied are you with your basic pay? How satisfied are you with your pension benefits?) and OPRB survey of the senior military (How satisfied are you with your non-pay benefits? How satisfied are you with your overall remuneration package?).

Note: For the questions about the overall remuneration package, basic pay, pension benefits and non-pay benefits, the figure shows the percentage of respondents answering satisfied or very satisfied.

Discussion groups

4.123 A range of issues were raised at the discussion group we held with members of the senior military. We were told that for many, pay was not the main issue and that they had joined to serve their country and enjoyed their challenging and interesting roles. The consensus was that last year's pay award of 5 per cent had been fair, reasonable and the minimum expected due to the economic circumstances at the time. The importance of maintaining the minimum 10 per cent increase on promotion from 1-star to 2-star and from 2-star to 3-star was also highlighted. This was due to the significant increase in accountability and responsibility that came with these more senior roles.

4.124 There was a series of 'hygiene' issues that were causing senior officers to feel the overall military offer was continuing to decline for officers and their families, both at home and for those serving overseas. For example:

- The difficulty for partners to pursue careers due to frequent location and house moves and the widespread inability for partners accompanying those serving overseas to work in the host country, due to different employment rules and some changes in these rules for European countries post Brexit.
- A lack of financial autonomy to spend budgets alongside high levels of bureaucracy and scrutiny involved in claiming expenses. Allowances did not cover the full cost of house moves. This was particularly acute for officers moving themselves and their families overseas. There were reports of them regularly being out of pocket, particularly when moving to countries such as the US. We were also told that senior officers were often not fully reimbursed for the cost of hosting visitors in an official capacity.
- The poor standard, lack of maintenance, and underinvestment in the military estate, in both SFA and SLA. While many members of the senior military owned their own homes, this was a concerning issue for those they commanded, and for whom they had a 'duty of care', and one that could have a negative impact on retention.
- Many senior officers used the Continuity of Education Allowance (CEA) to provide a stable education for their children while allowing them to be fully flexible in terms of where they served, including overseas. The imposition of VAT on school fees has lessened the benefit of this allowance. Some thought an exemption should be provided for the school fees of the children of serving military personnel.

4.125 It was not thought that improvements to the senior military offer would take place soon. Senior officers said the Haythornthwaite Review had produced some good recommendations, including more flexible careers. However, it was frustrating that, some 18 months later, none of these recommendations appeared to have been implemented. The wider offer needed to be improved in relation to increasing support for families and providing incentives for the feeder group and members of the senior military to remain in the Armed Forces.

4.126 Members of the senior military reported there had been a concerning increase in the number of the most talented officers at OF5 who were leaving the Armed Forces to take up better remunerated jobs outside, rather than stay and progress into senior military roles. It was thought that these officers did not see the benefit of remaining in the Armed Forces as the pay on promotion was not commensurate with the increase in responsibility and accountability.

- 4.127 Officers would also be subject to a higher marginal tax rate on promotion to 2-star, reducing the increase in take-home pay on promotion. These individuals were aware their skills are in demand in the civilian sector, where they could receive higher pay, have a better work-life balance and more choice and flexibility for their families. There was concern that the loss of the most talented individuals at OF5 and OF6 would lead to a decline in the quality of the future senior military.
- 4.128 We were told that more needed to be done to facilitate the progression of women, particularly those who had taken time out to have children, to the senior military. This could be provided through more support during maternity, the extension of wraparound childcare and tailoring career pathways in relation to roles which were a prerequisite to progression.
- 4.129 There were concerns about the health and wellbeing of some 2-star and 3-star officers. We were told the pressure that members of the senior military were under in relation to the levels of responsibility, the long hours worked and time away from families should not be underestimated.
- 4.130 The SSRB was urged not to underestimate the continuing visceral feeling about the amount senior officers are required to pay in annual allowance pension tax. Officers said the term 'Scheme Pays' was misleading, as it was the individuals themselves that lost out financially in the long run by using this option to settle the considerable pension tax charges.
- 4.131 Members of the senior military said that pension tax charges as a reduction in the terms and conditions they had signed up to, and the changes had undermined their trust. The abolition of the lifetime allowance in 2023, however, was seen as positive, including in relation to retention of senior officers.
- 4.132 There was also some confusion about the McCloud Remedy. We were told that it was a complicated process for individuals to work out what was the best option. It was reported that some other parts of the public sector were employing accountants to assist their employees with the decision-making process, which made them feel more valued.

The feeder group

- 4.133 The immediate feeder group for the senior military is the OF6 (1-star) rank. The feeder group is particularly important in an internally sourced organisation such as the Armed Forces, where there is currently no external direct recruitment at the senior level. There were 315 officers at this rank as of 1 July 2024, a small increase from 313 a year earlier.¹⁵³
- 4.134 The two groups below the immediate feeder group are the OF5 and OF4 ranks. As of 1 July 2024, there were a total of 4,659 officers in the OF6 to OF4 ranks, down slightly from 4,661 a year earlier.¹⁵⁴ Of these, 11.5 per cent (535 individuals) were female officers. This was an increase from 10.7 per cent in 2023, 10.3 in 2022 and 8.8 per cent in 2021.

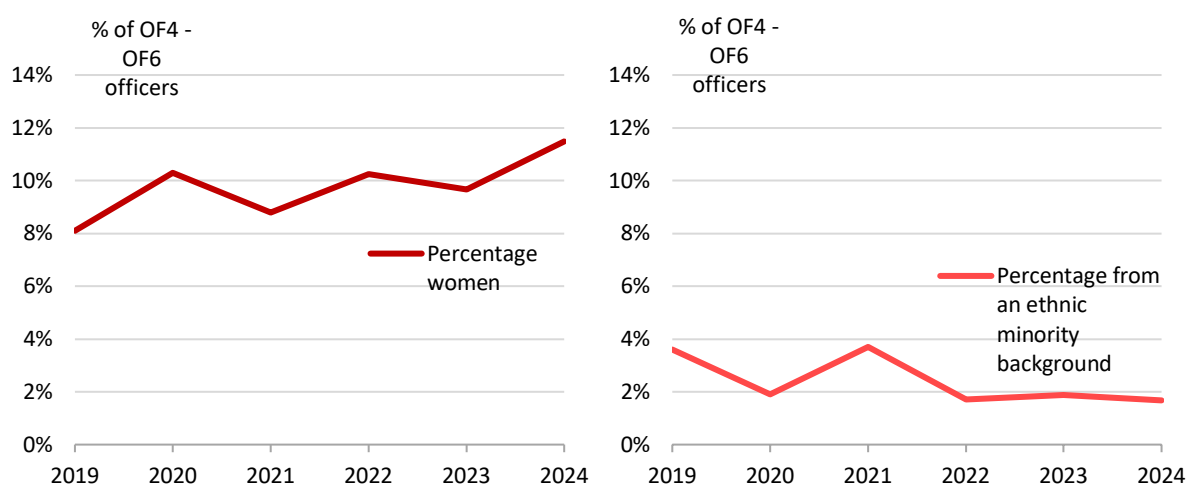
¹⁵³ There were 322 OF6s as of 1 July 2022 and 318 OF6s as of 1 July 2021.

¹⁵⁴ This was made up of 315 OF6s, 995 OF5s and 3,349 OF4s.

4.135 The percentage of officers at OF4 to OF6 declaring they were from a non-white background decreased to 1.7 per cent (78 individuals) as of 1 July 2024, down slightly from 1.9 per cent (88 individuals) in 2023. The data shows that 2.3 per cent (108 individuals) 'preferred not to say'. This is similar to the 2.2 per cent (101 individuals) who 'preferred not to say' in 2023. The MoD has previously explained that it is difficult to collect reliable data on ethnicity as, rather than selecting the 'prefer not to say' option, many chose to not complete this and leave the section blank.

4.136 Figure 4.7 shows the ethnicity and gender of OF4 to OF6 officers over the last six years. No officers in the OF4 to OF6 ranks declared themselves as having a disability.

Figure 4.7: Gender and ethnicity of OF4-OF6 officers at 1 July, 2019 to 2024



Source: Ministry of Defence written evidence (unpublished).

4.137 The number of OF5s and OF6s registered for alternative working arrangements decreased from 170 (13 per cent) in 2022-23 to 116 officers (8.9 per cent) in 2023-24.¹⁵⁵ At OF6, 21 officers (17 male and 4 female) worked remotely, one male officer had compressed hours, and another male officer had variable start and finish times. At OF5, 87 officers (75 male and 12 female) worked remotely, two officers (one male and one female) had compressed hours, and four officers (three male and one female) had variable start and finish times.

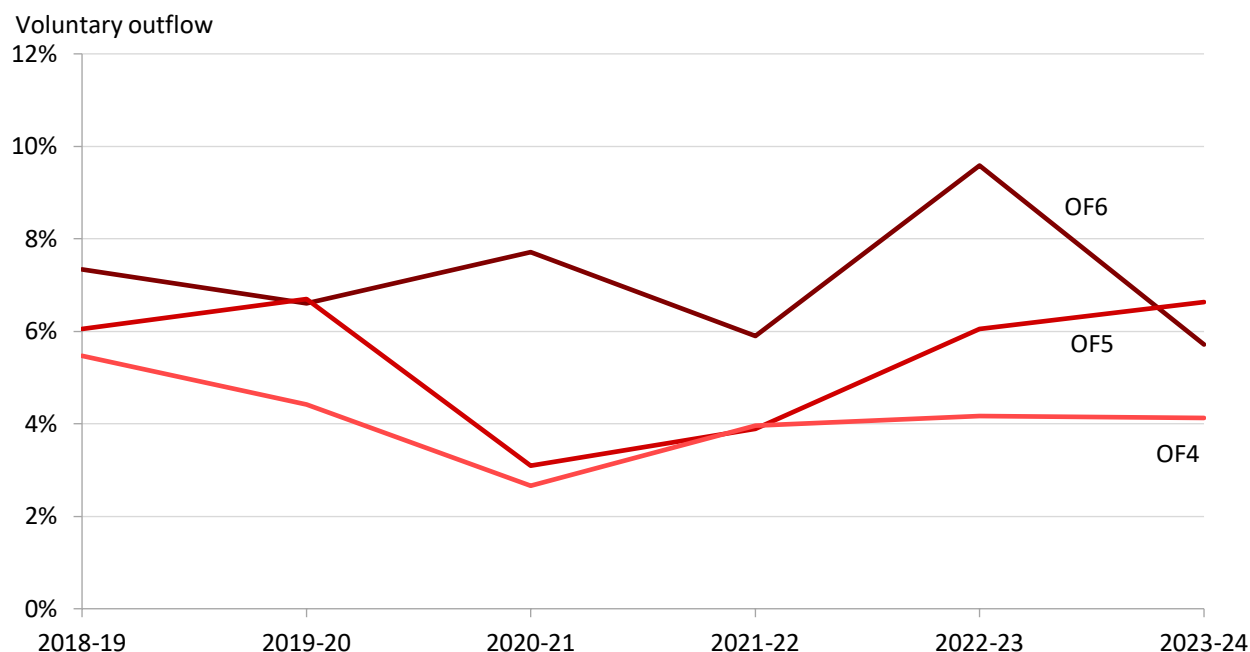
4.138 Some 18 OF6s (5.7 per cent) left the Services through voluntary outflow in the 12 months to 30 June 2024, a decrease from the 30 officers (9.6 per cent) who left in the 12 months to 30 June 2023. Trend data in Figure 4.8 shows this fall in 2023-24 follows the sharp increase in voluntary outflow rates for OF6s that took place in 2022-23. The average voluntary outflow rate for officers across the Armed Forces was 5.2 per cent.

4.139 In addition, 66 OF5s (6.6 per cent) left the Armed Forces voluntarily in the 12 months to 30 June 2024, a small increase from the 61 officers (6.1 per cent) in the twelve months to 30 June 2023. Trend data in Figure 4.8 shows the increasing voluntary outflow rates for those at OF5 over the last four years.

¹⁵⁵ The number of officers on alternative working arrangements was 93 (7 per cent) in 2021-22 and 79 (6 per cent) in 2020-21.

4.140 The voluntary outflow rate for OF4 officers in 2023-24 remained stable at 138 officers (4.1 per cent), similar to the 139 officers (4.2 per cent) in 2022-23. Figure 4.8 shows the voluntary outflow rates for OF4s to OF6s for the last six years.

Figure 4.8: Outflow rate for the feeder group (OF4 to OF6), 2018-19 to 2023-24



Source: Ministry of Defence written evidence (unpublished).

Note: Outflow rate is calculated as number of voluntary leavers over the year to 30 June as a proportion of number in rank at the end of the year.

4.141 We were told at oral evidence that the voluntary outflow rates for OF5 and OF6 officers were broadly in line with the average voluntary outflow rates of 6.1 per cent for the rest of the Armed Forces.¹⁵⁶ It was explained that OF5 rank was a point at which individuals generally knew if they were going to make OF6 and above. Those who believed they were not often decided to leave at this point. We were informed that there was still a large enough pool of candidates to fill key roles, however some more specialist roles, for example in cyber, needed careful monitoring.

4.142 Data from the JPA showed the three most commonly cited reasons for leaving the Armed Forces were 'seeking fresh challenges', 'firm offer of civilian employment' and 'opportunities/prospects outside'. These remain similar to reasons given in previous years. The MoD does carry out exit interviews with those leaving the Armed Forces but has said previously that it does not think the data is sufficiently reliable to provide any meaningful insights into the quality of those leaving or their reasons for doing so. The MoD's response to our requests in previous reports to carry out independent exit interviews has been that it has no plans to make exit interviews mandatory.

¹⁵⁶ This figure relates to voluntary outflow rates for the whole of the Armed Forces, both officers and other ranks. Average voluntary outflow rates were 5.2 per cent for officers and 6.7 for other ranks (MoD written evidence, above n 101, at [39]).

- 4.143 We were provided with responses to the AFCAS from 2020 to 2024 for the OF5s and OF6s. Some 360 OF5/OF6s were asked to complete the survey. The response rate was 54 per cent, the same as in 2023. As mentioned earlier in this Chapter, we treat the results with caution due to the low number sampled.
- 4.144 The MoD told us the only statistically significant change between 2023 and 2024 relating to the AFCAS result for OF5 and OF6 officers was an increase in the proportion dissatisfied with their allowances from 32 per cent in 2023 to 46 per cent in 2024. It stated that over one-third, 36 per cent, were satisfied with their allowances.
- 4.145 The following key differences between the AFCAS results for the senior military and those of the OF5s and OF6s were highlighted in the evidence:
- OF5/OF6s were more negative about their job in general (15 per cent dissatisfied compared to 4 per cent of the senior military) and their opportunities for promotion (25 per cent dissatisfied compared to 11 per cent of the senior military).
 - OF5s and OF6s were more likely to be in receipt of Recruitment and Retention Payments (RRPs) (22 per cent compared to 5 per cent of the senior military) and were more likely to have taken all of their annual leave allowance within the last year (30 per cent compared to 11 per cent of the senior military).
- 4.146 The AFCAS results over the last four years showed a decreasing trend in the proportion of OF5/OF6s satisfied with their basic pay and an increasing trend in the proportion dissatisfied.¹⁵⁷ The proportion satisfied with basic pay was the lowest over the four-year period at 47 per cent in 2024, compared to 65 per cent in 2021. The proportion dissatisfied with their pay increased to 37 per cent in 2024, from 29 per cent in 2023, 22 per cent in 2022 and 18 per cent in 2021.
- 4.147 Those rating their own morale as high was at its lowest level during the five-year period, at 48 per cent and the proportion rating their morale as low was at its highest level over the period, at 23 per cent. The proportion of OF5s and OF6s agreeing they felt valued by the Service was at its lowest level over the five-year period at 47 per cent. The proportion disagreeing they felt valued was similar to the previous year at 24 per cent.
- 4.148 The proportion who agreed their family benefited from being a Service family fell to 19 per cent from 30 per cent in 2023, its lowest level over the five-year period. Some 58 per cent disagreed their family benefited, which was the highest proportion since 2020. Figure 4.5 shows trends in morale, satisfaction with the job, sense of achievement and challenge in the job for OF5s and OF6s from 2016 to 2024.
- 4.149 The MoD also provided us with information from its Continuous Working Patterns data for the OF5 and OF6s for the last five years. The data indicated a decrease in the average number of weekly hours worked (from 62 in 2022-23 to 58 in 2023-24), the average number of weekly hours on duty (from 95 to 76), the average number of weekly hours on call (from 27 to 15) and the average number of weekly unsociable hours worked (from 15 to 11). The data shows an increasing trend over the last five years, and the number of hours worked in all the categories were the highest in 2022-23. However, as in previous years, the number of usable response rates was very low (38 individuals) meaning the results cannot be considered reliable and can only be used as an indication of hours worked.

¹⁵⁷ Basic rate of pay includes X-Factor, but excludes Recruitment and Retention Payments (RRP) and allowances.

4.150 A number of issues were raised at the discussion group with OF5 and OF6 officers. Members of the feeder group highlighted the following disincentives for promotion to the senior military:

- A general decline in the senior military offer in respect of the loss of job enablers, including access to cars and drivers for official engagements; and the Future Accommodation Model as originally designed would mean many senior officers without children could be offered smaller properties, despite being expected to entertain official visitors. It was noted that this policy was now being reconsidered.
- Some felt the senior military were 'managing decline' with insufficient funds to improve issues such accommodation and infrastructure.
- Members of the senior military had to work increasingly long-hours or be on call 24/7, which had a detrimental impact on families.
- Some with specialist skills at OF7 and above felt they were not adequately remunerated for the fact that they were running the equivalent of a small business.
- Some officers at OF5 and OF6 were receiving large annual allowance tax charges, despite the increase in the allowance in the March 2023 budget. This was an issue for officers when considering promotion. We were told of two OF5s who had left the Armed Forces due to the pension tax charges.

4.151 Due to the erosion of the offer and the fact that many senior officers owned their own homes, it was felt the relationship for many in the feeder group was now more of a transactional one based on salary. Officers warned this was a dangerous position for the Armed Forces to be in. The whole military offer needed to be reviewed to provide more choice to individuals at different points in their careers, in order for the Armed Forces to be able to retain talented individuals, particularly at OF5, who it was reported were leaving in increasing numbers. Some thought the policy of only one guaranteed posting at OF5 (Army and Navy) and at OF6 (the RAF), acted as a disincentive for promotion to these ranks. It was agreed that an objective measure to ascertain the quality of those remaining in the Armed Forces was needed.

4.152 In relation to diversity, officers at OF5 and OF6 pointed out that the Armed Forces were not representative of society and were therefore missing out on talent. They said more needed to be done to increase diversity at all ranks and to encourage more women to want to, and be able to, reach the senior military. It was thought there was not currently a level playing field between male and female officers in relation to promotion, and nothing was happening to improve this. We also heard concerns that aspects of a 'boys club' culture were still overly prevalent.

Pensions

- 4.153 From 1 April 2022, all members of the Armed Forces moved to the Armed Forces Pension Scheme 2015 (AFPS15). Prior to this date, 63 per cent of the senior military belonged to the AFPS15, 8 per cent to the 2005 Armed Forces Pension Scheme and 29 per cent to the 1975 Armed Forces Pension Scheme.¹⁵⁸
- 4.154 The MoD said that the AFPS15 remained one of the most generous of the public sector pension schemes and is a key component of the overall reward package for members of the Armed Forces. It is a career-averaged re-valued earnings (CARE) scheme. We were told the MoD adds 1/47th of the members annual pensionable salary to the scheme each year. The MoD explained that all members of the remit group will have accrued rights from earlier Armed Forces pension schemes and will be affected by the 2015 McCloud Remedy which was implemented on 1 October 2023.
- 4.155 Evidence received over the last few years, including from our OPRB survey and from discussion groups, has shown that considerable numbers of the senior military and the feeder group have received large annual allowance pension tax charges. Some 36 per cent of senior military respondents to the OPRB survey said they had received a pensions annual allowance tax charge for 2023-24. This compared to 77 per cent for 2022-23 and 93 per cent for 2021-22. In some instances, this has affected decisions on whether to remain in Service and whether to take promotion for some senior officers.
- 4.156 We were told that the impact of pension taxation on the senior military and the feeder group is complicated to assess for this pay round for the following reasons:
- The pension tax changes to the annual allowance and lifetime allowance announced in the March 2023 budget apply to the tax year 2023-24.¹⁵⁹ These changes should reduce, but not necessarily remove individuals' tax liability and they should also reduce the number of senior officers affected by the pension tax charges.
 - The retrospective application of the 2015 Pensions Remedy (formerly known as the McCloud Remedy) and the introduction of the new Tax Administration Framework could cause a change in some officers' position in relation to their annual allowance and lifetime allowance tax charge. This could also affect the Pensions Savings Statements for some individuals for the 2022-23 tax year.
- 4.157 The MoD informed us that the remedy adjustment exercise had identified 277 senior officers affected. This included 118 who had 'exceeded' in the tax year 2022-23, with an additional 159 'at risk' of exceeding in the tax year 2023-24. We understand the MoD will provide us with a full report next year on the numbers affected in the two tax years.
- 4.158 We were told the MoD was aware of the sense of unfairness felt by senior officers about Pensions Savings Tax, specifically about having to pay tax on an unrealised benefit and also about the process required to calculate and pay the tax.

¹⁵⁸ Figures as of 1 April 2022.

¹⁵⁹ The changes to pension taxation announced in the March 2023 budget for the 2023-24 tax year included: raising the annual allowance limit of £40,000 to £60,000; increasing the minimum annual allowance from £4,000 to £10,000; increasing the adjusted income thresholds by £20,000 to £260,000; and the abolition of the lifetime allowance.

- 4.159 The MoD said there was a range of tools available to members of the AFPS that both promoted the value of the scheme and allowed them to determine the value of their scheme. These included the Discover My Benefits website, the Armed Forces Pensions Calculator, the annual benefits statement, the remediable service statement (for those affected by the Remedy), free provision of a pension forecast once a year and Pensions Awareness Week.
- 4.160 We were told that, due to the added complications this year, there had been an extensive communications exercise, and that assistance and additional guidance had been provided to officers affected by the pension remedy tax adjustment. The MoD had also used a digital delivery system for the first time for pension statements for 2023-24 to mitigate the impact of the delay to issuing these. The following key pension tax savings information documents were available on the AFPS website:
- An annual Tax Booklet and Pension Savings Statement (PSS) Guide which takes individuals through all stages of the annual allowance process, including how to pay any charge and file a tax return.
 - A Defence Instructions and Notices (DIN) document outlining the process was issued to Service personnel in May each year.
 - An AFPS members guide to Lump Sum Allowance and Lump Sum Death Benefit Allowance explained the impact of the abolition of the Lifetime Allowance.
- 4.161 The MoD said it planned to introduce member self-service within the next two years, which would allow members to monitor their pension and complete actions on-line. It explained this was, however, contingent on wider defence transformation efforts.

Chapter 5

The Judiciary

Summary

Our remit

- 5.1 In her remit letter, the Lord Chancellor and Secretary of State for Justice asked us to conduct our usual annual review process and provide recommendations on pay for all salaried judicial office holders. She also formally commissioned us to undertake a Major Review of the Judicial Salary Structure.¹⁶⁰
- 5.2 Chapter 1 and Chapter 2 of this Report set out the economic context and the specific economic factors we take into account in recommending a pay award for salaried judicial office holders.

Evidence

- 5.3 We received evidence from the Ministry of Justice (MoJ),¹⁶¹ the heads of jurisdiction, judicial offices and judicial appointments commissions of England and Wales,¹⁶² Scotland¹⁶³ and Northern Ireland,¹⁶⁴ the Supreme Court of the United Kingdom,¹⁶⁵ and various judicial associations.¹⁶⁶ We thank all those who gave evidence for their contributions.
- 5.4 Detailed data and evidence can be found in the Annex to this Chapter.

¹⁶⁰ Letter from Shabana Mahmood (Lord Chancellor and Secretary of State for Justice) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding the Upcoming Annual Review 2025/26 and Major Review of the Judicial Salary Structure (10 December 2024). Available at <www.gov.uk/government/publications/lord-chancellor-letter-to-the-chair-of-the-ssrb-december-2024>. A copy of this letter is attached to this Report as Appendix C.

¹⁶¹ Ministry of Justice *Ministry of Justice Evidence Pack: Judicial Pay Annual Award for 2025/26* (20 December 2024) [MoJ written evidence]. Available at <www.gov.uk/government/publications/ministry-of-justice-evidence-to-the-senior-salaries-review-body-2025>. We also heard oral evidence from the Rt Hon Shabana Mahmood MP (Lord Chancellor and Secretary of State for Justice) and Ministry of Justice officials on 6 March 2025.

¹⁶² Courts and Tribunals Judiciary *Evidence for the SSRB Annual Review 2025-26* (February 2025) [Judicial Office (England & Wales) written evidence]; Letter from Alex McMurtrie (Chief Executive, Judicial Appointments Commission) to SSRB official (Deputy Director, Office for the Pay Review Bodies) regarding Request for written evidence for 2025 Annual Review (20 December 2024) [JAC written evidence]. We also heard oral evidence from the Rt Hon the Baroness Carr of Walton-on-the-Hill DBE (Lady Chief Justice of England & Wales), the Rt Hon Sir Keith Lindblom (Senior President of Tribunals) other members of the judiciary of England and Wales on 25 March 2025, and from Helen Pitcher OBE (Chair of the Judicial Appointments Commission) and JAC officials on 26 March 2025.

¹⁶³ Letter from Judicial Office for Scotland official (Deputy Head of Strategy & Governance) to SSRB official (Deputy Director, Office for the Pay Review Bodies) regarding Data Request for the 2024 report (19 December 2024) [Judicial Office (Scotland) written evidence]. We also heard oral evidence from the Rt Hon Lord Carloway (Lord President of the Court of Session and Lord Justice General of Scotland) on 18 March 2025. Data from the Judicial Appointments Board for Scotland (JABS) was included as part of the Judicial Office for Scotland written evidence.

¹⁶⁴ Letter from Siobhan Keegan (Lady Chief Justice of Northern Ireland) to SSRB official (Deputy Director, Office for the Pay Review Bodies) regarding Request for Written Evidence for 2025 Annual Review (7 February 2025) [Judicial Office (Northern Ireland) written evidence]; Northern Ireland Judicial Appointments Commission (NIJAC) *Judicial Appointments in Northern Ireland (1 April 2023 – 31 March 2024)* [NIJAC written evidence]. We also heard oral evidence from the Rt Hon Dame Siobhan Keegan DBE (Lady Chief Justice of Northern Ireland) on 25 March 2025.

¹⁶⁵ Letter from Lord Reed (President of the Supreme Court of the United Kingdom) to SSRB official (Secretary to the SSRB) regarding evidence for 2025/26 Annual Review of Judicial Pay (26 March 2025) [UKSC written evidence].

¹⁶⁶ See complete list in citation at [5.99].

Main themes and recommendations

- 5.5 In previous years, we have commented on a number of strategic issues affecting judicial recruitment, retention and morale. However, alongside this year's annual Report we have begun work on the Major Review, and we will examine strategic issues in detail there.¹⁶⁷
- 5.6 Attracting high-quality candidates to salaried judicial office is of paramount importance to the functioning of the UK judicial system. Judges make important decisions on a wide range of cases which have a direct impact on the lives of individuals, wider society and the economy.
- 5.7 The justice system is under an increasing amount of pressure. In England and Wales, the Crown Court backlog has increased dramatically, with 65,200 outstanding cases in December 2023 to over 73,000 in September 2024.¹⁶⁸ The system, especially tribunals, may be placed under further strain due to the new legislative programme, including measures on Employment Rights, Renters' Rights, and Mental Health Reforms.¹⁶⁹
- 5.8 It is critical that there is the right number of judges to adjudicate these cases, keep the backlog to a minimum and uphold public confidence in the justice system and rule of law. This requires the successful recruitment, every year, of successful, established and well-paid legal professionals who have to commit to never returning to private practice before the courts and tribunals.
- 5.9 There has been a marked rise in the workload of salaried judges, and increasing security concerns, including those resulting from heightened social media pressures. Much of the court and tribunal estate is in poor condition, and nearly half (46 per cent) of the judiciary in England and Wales are "extremely concerned" about deteriorating conditions at their court building.¹⁷⁰
- 5.10 There are persistent issues in filling judicial vacancies. This is a matter of serious concern. The evidence we have received this year demonstrates that these recruitment trends have continued to worsen for the District Bench and Circuit Bench in England and Wales in particular. This year's campaign for District Judges (Salary Group 7) in England and Wales again produced fewer appointments than planned, with only 51 of the 100 vacancies being filled.¹⁷¹
- 5.11 Over the past decade, there have been sustained declines in the proportion of District and Circuit judges recommended for appointment rated as 'outstanding' or 'strong' (A/B).¹⁷² That trend has persisted this year. These 'quality' ratings do not reflect performance in post and there are no concerns about fundamental competence. Nonetheless, as the reputation of the UK legal system requires a very high-quality judiciary, the sustained decline in these ratings is a source of concern.

¹⁶⁷ See Ministry of Justice "Major Review of the Judicial Salary Structure: Terms of Reference" (13 May 2025) GOV.UK <www.gov.uk/government/publications/major-review-of-the-judicial-salary-structure-terms-of-reference>.

¹⁶⁸ MoJ written evidence, above n 161, at [89].

¹⁶⁹ At [109].

¹⁷⁰ Judicial Office (England and Wales) written evidence, above n 162, at [6.6].

¹⁷¹ JAC written evidence, above n 162, at 4.

¹⁷² At 8-9.

- 5.12 We are also concerned by evidence of poor morale in the most recent Judicial Attitude Survey (JAS), published in February. Only a minority of salaried judges feel their working conditions have not deteriorated, their workload not too high and their salary reasonable. In England and Wales, and Northern Ireland, the proportion who would like to return to private practice has risen.¹⁷³
- 5.13 The rise in fears for personal security, inside and outside of court, is troubling. Evidence suggests that judges feel particularly concerned about media harassment, social media threats and physical violence, often exacerbated when individual judgments are questioned and the independence of the judiciary is challenged. We recognise that this can be more acutely felt in certain jurisdictions, such as the Immigration and Asylum Chamber across the UK.¹⁷⁴
- 5.14 The judiciary is slowly becoming more diverse when it comes to sex and ethnicity, but this is not yet being sufficiently mirrored by appointments in the senior echelons. It can take a long time for new diverse appointments to make an impact in the context of long judicial careers.
- 5.15 In evidence from the judiciary across the UK, there was an understanding that the judiciary is a pipeline profession and that interventions to encourage applicants from a diverse pool need to start early – targeting those who are not yet already in the legal services profession. We recognise and welcome the efforts made by stakeholders to understand and tackle this issue.
- 5.16 While pay is not the only factor affecting recruitment, it is a significant one. The judiciary has a considerable number of unfilled posts. We are recommending a 4.75 per cent pay award for the judiciary. We hope this will have a positive effect on the recruitment situation.
- 5.17 We are recommending the same pay award for all judicial posts. This should not be taken to be our endorsement of the current salary structure, as the persistent recruitment challenges for Salary Group 7 alone indicate the need for a more careful consideration of this, including the relative merits of targeted awards and regrading of various roles. This work is best reserved for the Major Review where we can gather more specific evidence and examine the systemic and fundamental challenges facing the judiciary in more depth.
- 5.18 This year’s total judicial remuneration amounted to £678m in 2023-24, with pay ranging from £134,105 in Salary Group 7 to £312,510 in Salary Group 1.¹⁷⁵ These are high salaries for the public sector, but this is necessary to attract and retain the highly qualified candidates that the judiciary needs.
- 5.19 Our full recommendations for the salaried judiciary are set out at [5.92] below.

¹⁷³ See: UCL Judicial Institute *2024 Judicial Attitude Survey: England & Wales courts, coroners and UK tribunals* (24 February 2025) [JAS (England & Wales)]. Available at <www.judiciary.uk/wp-content/uploads/2025/02/Published_2024JAS_EnglandWales_UKTribunals.pdf>; UCL Judicial Institute *2024 UK Judicial Attitude Survey: Judiciary of Scotland* (24 February 2025) [JAS (Scotland)]. Available at <www.judiciary.scot/docs/librariesprovider3/judiciarydocuments/judicial-attitudes-survey/published_scotland_2024_jas.pdf>; UCL Judicial Institute *2024 UK Judicial Attitude Survey: Northern Ireland judiciary* (24 February 2025) [JAS (Northern Ireland)]. Available at <www.judiciaryni.uk/files/judiciaryni/2025-02/2024%20Judicial%20Attitude%20Survey%20-%20Northern%20Ireland%20-%2020240225_0.pdf>.

¹⁷⁴ Judicial Office (England and Wales) written evidence, above n 162, at [6.2]; JAS (England & Wales), above n 173, at Chapter 6; JAS (Scotland), above n 173, at Chapter 6; JAS (Northern Ireland), above n 173, at Chapter 6.

¹⁷⁵ Judicial Office (England & Wales) written evidence, above n 162, at Table 2. See further at [5.107].

Government response to our 2024 recommendation

5.20 Last year, the Government accepted our recommendation that all members of the salaried judiciary should receive a 6.0 per cent consolidated pay award from 1 April 2024.¹⁷⁶

Context

5.21 In evidence, HM Treasury set out the fiscal position and its view of the economic climate in which we are making our recommendations.¹⁷⁷ It said that a pay increase for the judiciary should not exceed 2.8 per cent. In its evidence, the MoJ said that a higher award than this would affect budgets for delivery of services and outlined the difficult affordability position, with funding available for a 2025-26 judicial pay award of 2.8 per cent.¹⁷⁸

5.22 The Government is exploring different options to tackle the criminal justice backlog, including boosting the number of sitting days, doubling the current custodial powers of magistrates' courts and commissioning independent reviews of sentencing (led by the Rt Hon David Gauke) and of the criminal courts (led by the Rt Hon Sir Brian Leveson KC).¹⁷⁹ These reviews intend to provide long-term solutions to the capacity issues facing the justice system by exploring new technologies to improve criminal courts and provide alternatives to custody.

5.23 The judiciary primarily recruits from an external labour market, made up of barristers, advocates, solicitors and Chartered Institute of Legal Executives (CILEX) fellows. Successful professionals, who are already well-established in their careers and are typically well-paid, therefore have to be sufficiently attracted to the role that they commit to never returning to private practice before the courts and tribunals.

Economic and social impact

5.24 The importance of the justice system in driving economic growth was highlighted in evidence, with TheCityUK's report estimating that legal services contributed £37 billion to the UK economy in 2023.¹⁸⁰ The Law Society's International Data Insights Report in 2024 also emphasised the value of the Commercial Court in an increasingly competitive international market for commercial dispute resolution.¹⁸¹

5.25 In addition to generating significant contributions to the UK economy, the justice system, and specifically the independent judiciary, is a crucial safeguard for fairness and freedom, as well as the cornerstone of our democracy, as the MoJ noted in written evidence. The judiciary play a vital role in maintaining public order, stability and the rule of law.¹⁸²

¹⁷⁶ HC Deb 29 July 2024 vol 752 HCWS38. Available at <<https://hansard.parliament.uk/Commons/2024-07-29/debates/24072928000025/PrisonWorkforceAndJudiciaryPayAwards>>.

¹⁷⁷ See detailed discussion in Chapter 2 at [2.26].

¹⁷⁸ MoJ written evidence, above n 161, at [149].

¹⁷⁹ At [93].

¹⁸⁰ Judicial Office (England and Wales) written evidence, above n 162, at [2.4], citing TheCityUK *Legal excellence, internationally renowned: UK legal services 2023* (December 2023). Available at <www.thecityuk.com/media/0didtzlm/legal-excellence-internationally-renowned-uk-legal-services-2023.pdf>.

¹⁸¹ Judicial Office (England and Wales) written evidence, above n 162, at [2.5], citing The Law Society of England and Wales *International Data Insights Report (2nd edition)* (2024). Available at <www.lawsociety.org.uk/topics/research/international-data-insights-2024#download>.

¹⁸² MoJ written evidence, above n 161, at [5].

Key points from the evidence: England and Wales

Recruitment

- 5.26 In the 2023-24 recruitment round, out of the 1,010 vacancies overseen by the Judicial Appointments Commission (JAC), only 867 candidates were recommended, a shortfall of 143.¹⁸³
- 5.27 The most serious shortfall is for Salary Group 7 judges, in particular District Judges in England and Wales. In 2024-25, 51 candidates were recommended to fill the 100 salaried vacancies on the District Bench, leaving a shortfall of 49. There have been persistent shortfalls since 2019-20.¹⁸⁴
- 5.28 The JAC assesses candidates at selection days as outstanding (A), strong (B), selectable (C) or not presently selectable (D). Year on year, fewer candidates assessed as A or B are recommended for appointment to the District Bench, down from 57 per cent in 2019-20 to 39 per cent this year.¹⁸⁵
- 5.29 In written evidence, the MoJ shared their concerns on the emerging recruitment problems for other Salary Group 7 Judges in tribunal roles, such as First-tier Tribunal Judge and Employment Judge.¹⁸⁶ In 2023-24, only 20 candidates were recommended to fill the 50 salaried vacancies for the Employment Tribunal. Of those only 25 per cent were rated as 'A – outstanding' or 'B – strong'.¹⁸⁷
- 5.30 Taken together, the evidence above suggests that there is a more fundamental problem in recruiting certain Salary Group 7 roles. The right place to examine those systemic issues is in the upcoming Major Review.
- 5.31 There are also broader recruitment challenges beyond Salary Group 7. This year there was a shortfall in recruiting salaried Circuit Judges in Salary Group 6 in England and Wales, with only 42 of the 52 vacancies filled. Although last year all 92 vacancies were filled, there had been shortfalls in the previous six years.¹⁸⁸
- 5.32 Recruitment for High Court Judges has been healthy since 2022. There have been fewer High Court vacancies in recent years, likely due to the increase in retirement age from 70 to 75 in 2022.¹⁸⁹ From 2017-18 to 2021-22, the JAC were recruiting for 25 vacancies each year. This reduced to 10 in 2022-23, and two in 2023-24.¹⁹⁰
- 5.33 We heard in oral evidence that recruitment for the fee-paid offices of Recorder, Deputy District Judge and Deputy District Judge (Magistrates Court) continues to attract a strong response.

¹⁸³ JAC written evidence, above n 162, at 4.

¹⁸⁴ At 9.

¹⁸⁵ At 9.

¹⁸⁶ MoJ written evidence, above n 161, at [57].

¹⁸⁷ JAC written evidence, above n 162, at 12.

¹⁸⁸ At 8.

¹⁸⁹ High Court Judges' Association *HCJA Consultation response – SSRB Annual Judicial Pay Review 2025* (12 February 2025) [HCJA written evidence] at [10]-[11].

¹⁹⁰ JAC written evidence, above n 162, at 7.

- 5.34 Fee-paid roles can be seen as more attractive than salaried roles. Fee-paid judges can continue in private practice, are granted greater flexibility and are paid according to the number of sittings or days worked. Salaried judges are unable to return to private practice and often have to hear the more complex and serious cases, whilst also managing leadership and administrative responsibilities.
- 5.35 The evidence we have reviewed suggests a high level of interest in fee-paid roles and that recruitment challenges are isolated to salaried office. For salaried office, the recruitment situation varies greatly by role. There is a fundamental problem in recruiting to certain Salary Group 7 roles, and this is most acute in London and the South East. We will examine systemic recruitment difficulties in the Major Review.
- 5.36 We will also investigate geographic shortfalls. We are encouraged that the MoJ is pursuing a more targeted regional approach. We have noted with interest that the next District Judge recruitment will be for vacancies in London and the South East only. We look forward to hearing more about this when the JAC makes its recommendations in December 2025.
- 5.37 In our last Report, we noted the downward trend in the data on applicant quality, which continued this year. We recognise that gradings are an internal assessment measure of a candidate's performance in a particular selection exercise and against the specific criteria for that role at that time, and not derived from performance in post. This data therefore has its limitations, however the trend is consistent with a weakening in the quality and quantity of the judicial applicant pool over time.

Retention

- 5.38 The retention of judges across England and Wales, Scotland and Northern Ireland is broadly healthy, with judges primarily leaving the bench to retire.
- 5.39 As of April 2024, 69 per cent of serving salaried judges were aged 50 or over.¹⁹¹ Given the nature of judicial office, appointees need to be highly qualified and experienced professionals, who often are in the later stages of their career.
- 5.40 The average retirement age has remained stable since 2016-17, hovering between age 66 and 67, for court and tribunal judges. Some 95 per cent of judges who left the judiciary in 2023-24 gave the reason of retirement.¹⁹²
- 5.41 When judges are appointed into salaried roles, there is a convention that they do not return to private practice before the courts or tribunals. According to the JAS, the proportion of salaried judges in England and Wales reporting that they would consider leaving the judiciary, if returning to private practice was a viable option, has increased from 23 per cent in 2014 to 39 per cent in 2024 in England and Wales.¹⁹³

¹⁹¹ Ministry of Justice "Diversity of the judiciary: Legal professions, new appointments and current post-holders - 2024 Statistics" (17 December 2024) GOV.UK <www.gov.uk/government/statistics/diversity-of-the-judiciary-2024-statistics/diversity-of-the-judiciary-legal-professions-new-appointments-and-current-post-holders-2024-statistics> [MoJ judicial diversity statistics 2024].

¹⁹² MoJ written evidence, above n 161, at [66].

¹⁹³ JAS (England & Wales), above n 173, at 58.

- 5.42 The proportion who were considering leaving in the next five years, before mandatory retirement age, increased from 31 per cent in 2014 to 39 per cent in 2024.¹⁹⁴ This increase may not in itself be of serious concern, because after the mandatory retirement age was raised from 70 to 75 by the Public Service Pensions and Judicial Offices Act 2022, the definition of ‘leaving early’ has changed.
- 5.43 Following the change in mandatory retirement age in 2022, a new non-statutory policy on sitting in retirement commenced later that year which enabled judges to retire from judicial office, draw down their judicial pension and be appointed to a fee-paid office without a JAC selection exercise. As of 1 April 2024, there were 270 judges authorised to sit in retirement, an 11 per cent increase on the figure of 244 in 2023.¹⁹⁵
- 5.44 The data suggest that the number of salaried judges planning to retire is not matched by the number of fee-paid judges considering applying for a salaried role. The lack of fee-paid judges wanting to take on salaried posts suggests that salaried office is not sufficiently attractive to incentivise applicants from this cohort.
- 5.45 Whilst the increased retirement age appears to have encouraged senior judges to stay in office longer, a significant proportion of judges will soon reach 75 years of age. Six High Court Judges (of a total of 108 salaried judges) will soon reach the mandatory retirement age, as well as nine judges (of a total of 25 salaried judges) in the Court of Appeal.¹⁹⁶

Morale

- 5.46 The most comprehensive information on judicial morale is from the JAS 2024, which was published in February 2025. In summary, the results showed that whilst a majority are satisfied with the sense of achievement they get from their role, there are a growing number of judges concerned with their working conditions, growing caseload, and personal security.
- 5.47 We heard that deteriorating working conditions across England and Wales is resulting in declining morale. Concerns include the poor condition of the physical estate, dissatisfaction with digitisation and reduction in administrative support.
- 5.48 Although almost all salaried (85 per cent) and fee-paid (83 per cent) judicial office holders in England and Wales feel a strong personal attachment to being a member of the judiciary, there are concerns about their morale. Only 10 per cent reported feeling valued by the media and only nine per cent reported feeling valued by the Government.¹⁹⁷
- 5.49 The 2024 JAS was the first national study of judicial stress in the UK, with members of the judiciary being asked about the levels, nature and sources of stress in their job for the first time. Only one per cent of salaried judges and six per cent of fee-paid judicial office holders in England and Wales reported no work-related stress.¹⁹⁸
- 5.50 An increase in workload is reported by judges in the JAS. The proportion of salaried judges in England and Wales stating that their caseload is too high has increased from 34 per cent in 2020 and 45 per cent in 2022, to 52 per cent in 2024.¹⁹⁹

¹⁹⁴ At 82.

¹⁹⁵ MoJ written evidence, above n 161, at [78].

¹⁹⁶ JAS (England & Wales), above n 173, at 84.

¹⁹⁷ At 3.

¹⁹⁸ At 5.

¹⁹⁹ At 27.

- 5.51 Fee-paid and salaried judges in England and Wales also report different experiences regarding workload. Some 70 per cent of fee-paid judges believe their overall workload to be ‘manageable’ compared to 48 per cent of salaried judges.²⁰⁰
- 5.52 Judges also report worsening working conditions, with 61 per cent of salaried judges in England and Wales reporting that their working conditions were worse than two years ago.²⁰¹
- 5.53 However, concerns about working conditions are often role specific. Although overall, 61 per cent of salaried judges in England and Wales report that their working conditions have declined, 84 per cent of Court of Appeal judges report they have remained about the same.²⁰²
- 5.54 Judges are more concerned about their safety in courts and tribunals than previously, with 39 per cent of salaried judges reporting security concerns in court (up from 27 per cent in 2022) for England and Wales.²⁰³
- 5.55 Across the written evidence from judicial associations, the judiciary reported heightened pressures on their capacity, referencing the increase in appeal receipts in certain tribunal chambers and in digitisation resulting in reduced administrative support.²⁰⁴
- 5.56 In the 2022 JAS, judges were first asked if they had experienced bullying, harassment or discrimination. Since then, a higher proportion of judges in England and Wales have reported experiencing bullying (increased from 16 per cent to 21 per cent) and discrimination (increased from five per cent to 11 per cent) but a lower proportion have reported experiencing harassment (decreased from four per cent to three per cent).²⁰⁵

Key points from the evidence: Scotland

Recruitment and retention

- 5.57 The justice system in Scotland is also dealing with an outstanding caseload and challenges arising from the COVID-19 pandemic. The key challenges for the judiciary in Scotland identified in evidence are the role and responsibilities of the Sheriff Principal and the concerns over the attractiveness of the role of Senator.
- 5.58 The recruitment situation in Scotland is mixed; although recruitment is healthy in key salaried roles, there are some recruitment challenges. In the 2023-24 recruitment round, out of the 232 vacancies, 176 candidates were recommended, a shortfall of 56. In the previous round, there were 52 recommendations for 91 vacancies.²⁰⁶ These proportions (0.76 and 0.57 recommendations per vacancy respectively) are lower than those for England and Wales in these years (0.86 and 0.89 respectively).
- 5.59 The most recent campaign for Sheriffs attracted 120 applications, resulting in 23 recommendations for the 23 vacancies.

²⁰⁰ At 30.

²⁰¹ At 27.

²⁰² At 28.

²⁰³ At 46.

²⁰⁴ See citations at [5.99].

²⁰⁵ JAS (England and Wales), above n 173, at 6.

²⁰⁶ Judicial Office (Scotland) written evidence, above n 163, at C1-C3.

- 5.60 Despite the last two campaigns for Senators (in 2020-21 and 2021-22 respectively) resulting in all vacancies being filled, we learned from evidence that there is concern about the attractiveness of the role of Senator in an ongoing campaign that has not yet reported its recommendations.
- 5.61 Evidence suggested that factors hindering recruitment to Senator roles could be attributed to the intense workload of criminal trials, especially sexual violence trials, exclusively tried by Senators. This not only impacts morale but prevents Senators from balancing their workload by presiding over civil cases. These factors are widely known by advocates who are disincentivised from becoming Senators, as well as the issue of salaries not being attractive to successful practitioners.
- 5.62 The remuneration of the six Sheriffs Principal has been raised in previous SSRB reports. Recruitment has been historically healthy; there were no vacancies in 2023-24 and all three vacancies were filled in 2022-23.²⁰⁷ However, shortfalls are anticipated in the upcoming recruitment campaign due to the leadership and administrative burdens on the role, and subsequent impact on morale and wellbeing. In the 2024 JAS, 83 per cent of Sheriff Principals reported that they do not feel their salary is reasonable for the work they do.²⁰⁸
- 5.63 To address the expected shortfall in recruitment of Sheriffs Principal, the Lord President has requested that regrading of the role of Sheriffs Principal from Salary Group 5 to Salary Group 4 is considered in the Major Review, and that a leadership allowance is given whilst the issue of regrading is examined. This role is unique to Scotland, so changes to pay would not affect other judicial office holders.
- 5.64 Although the approval of leadership allowances does not necessarily require SSRB involvement, it is proper that the SSRB should consider this matter.²⁰⁹ We prefer, however, to conduct a full examination of the proposed regrading of Sheriffs Principal in the forthcoming Major Review, without pre-judging that work by recommending an allowance now. We hope that those affected will be reassured by the fact that the SSRB will shortly be considering this issue.
- 5.65 The Major Review will evaluate leadership responsibilities for judicial posts and whether the remuneration is appropriate for the role and a sufficient incentive for candidates. We recognise the concerns shared by Sheriffs Principal and the Lord President and believe the Major Review is the appropriate place to consider them.
- 5.66 In terms of retention, in 2024, eight judges retired, and the average retirement age was 64.²¹⁰
- 5.67 In comparison to England and Wales, the Judicial Appointments Board for Scotland (JABS) does not hold data on the number of candidates assessed as outstanding or strong, making a comparative assessment on the quality of the judiciary unfeasible.

²⁰⁷ At C1-C3.

²⁰⁸ JAS (Scotland), above n 173, at 46.

²⁰⁹ Review Body on Senior Salaries (2022) *Forty-Fourth Annual Report on Senior Salaries 2022* (CP 727) at [5.166]. Available at <https://assets.publishing.service.gov.uk/media/62d6ca248fa8f50bfff50f34/SSRB_44th_AR2022_accessible.pdf>.

²¹⁰ Judicial Office (Scotland) written evidence, above n 163, at D1.

Morale

- 5.68 Almost all salaried (82 per cent) and fee-paid (84 per cent) judges feel a strong personal attachment to being a member of the judiciary.²¹¹
- 5.69 In contrast to England and Wales, the proportion of salaried judges in Scotland saying they are considering leaving the judiciary early has fallen in recent years, from 43 per cent in 2020-22 to 36 per cent in 2024.²¹²
- 5.70 In the JAS, two-thirds of Sheriffs Principal (67 per cent) reported extreme levels of stress.²¹³

Key points from the evidence: Northern Ireland

- 5.71 The justice system in Northern Ireland is facing pressure from industrial action by the Criminal Bar Association in Northern Ireland, as well as from a large criminal backlog that evidence suggests is comparatively worse than England and Wales, and Scotland.
- 5.72 Additional pressures are expected with the forthcoming Truth Recovery Inquiry and Redress Scheme into Mother and Baby Homes, which requires a High Court Judge and two County Court Judges allocated as members. County Court Judges are also required to sit as Coroners presiding over legacy inquests.²¹⁴

Recruitment and retention

- 5.73 There were no relevant judicial recruitment exercises from April 2023 to March 2024. One District Judge was appointed from the reserve list.²¹⁵
- 5.74 The Northern Ireland judiciary highlighted in evidence that judicial capacity is one of the key constraints in tackling the criminal justice backlog.
- 5.75 The Northern Ireland Judicial Appointments Commission (NIJAC) has launched a campaign to appoint three County Court Judges (CCJ). If successful, it will take the number of CCJs in post to 19, two short of the approved complement of CCJs. There are no plans to increase CCJs to the full complement, despite a serious criminal justice backlog in Northern Ireland and deep concerns over judicial capacity.²¹⁶
- 5.76 In the JAS, the proportion of salaried judges who said they were considering leaving in the next five years before mandatory retirement age increased from 40 per cent in 2014 to 56 per cent in 2024.²¹⁷

²¹¹ JAS (Scotland), above n 173, at 3.

²¹² At 6.

²¹³ At 74.

²¹⁴ Judicial Office (Northern Ireland) written evidence, above n 164, at 5.

²¹⁵ NIJAC written evidence, above n 164, at [2.1].

²¹⁶ Judicial Office (Northern Ireland) written evidence, above n 164, at 4.

²¹⁷ JAS (Northern Ireland), above n 173, at 17.

Morale

- 5.77 Almost all salaried (84 per cent) and fee-paid (86 per cent) judges in Northern Ireland feel a strong personal attachment to being a member of the judiciary.²¹⁸
- 5.78 There is a broad trend across Northern Ireland and England and Wales that judges are more concerned for their personal security, but this is most acutely felt in Northern Ireland. In this year's JAS results, 61 per cent of judges in Northern Ireland reported security concerns out of court,²¹⁹ compared to 26 per cent of judges in England and Wales²²⁰. Judges in Northern Ireland are also more concerned about their safety in courts and tribunals than previously, up from 42 per cent in 2022 to 54 per cent in 2024.²²¹
- 5.79 In evidence, we heard that security concerns are often related to special non-jury trials (Diplock courts) in Northern Ireland, a high number of which continue to be directed, and that the Chief Constable of the Police Service of Northern Ireland (PSNI) is currently consulting on whether individual judges in these trials will be provided with armed close protection.
- 5.80 We are deeply concerned by the degree that judges in Northern Ireland are worried for their personal safety whilst at work, and we understand that this has a significant impact on their morale and wellbeing. We will continue to monitor the situation.

Key points from the evidence: Supreme Court of the United Kingdom

- 5.81 We have not received evidence of any recruitment, retention or morale concerns specific to the Supreme Court of the United Kingdom that differ from the other jurisdictions discussed in this Chapter.
- 5.82 We acknowledge the Court's constitutionally significant role as the final court of appeal, determining the most complex and important cases, and accordingly the court must continue to be able to attract and retain exceptional candidates for the role of Justice.²²² We will continue to monitor the situation.

Diversity

- 5.83 We are encouraged by progress through the work of the Judicial Diversity Forum in England and Wales, and the respective judicial appointments commissions and judicial leaders across the United Kingdom.²²³

²¹⁸ At 3.

²¹⁹ At 38.

²²⁰ JAS (England and Wales), above n 173, at 3.

²²¹ JAS (Northern Ireland), above n 173, at 38.

²²² UKSC written evidence, above n 165, at 2.

²²³ Judicial Appointments Commission "Judicial Diversity Forum" <<https://judicialappointments.gov.uk/equality-and-diversity/diversity-and-equality-measures/judicial-diversity-forum/>>.

England and Wales

- 5.84 The judiciary in England and Wales is becoming more diverse in terms of sex and ethnicity, as shown by the fifth annual ‘Diversity of the Judiciary’ statistical report, published in July 2024. However, progress is slow in the more senior tiers of the judiciary.²²⁴
- 5.85 In the most recent completed recruitment round (2023-24) for both salaried and fee-paid judges in England and Wales, 50 per cent of all new entrants were identified as female and 13 per cent of all new entrants were from an ethnic minority background.²²⁵
- 5.86 This is a trend that has been growing over the last decade. Since 2014, there has been a rise of 14 percentage points in female court judges, and of 10 percentage points in female tribunal judges. Additionally, between 2014 and 2024, the proportion of court and tribunal judges from an ethnic minority has increased by four percentage points in each group.²²⁶
- 5.87 Although there are more female candidates being appointed as judges, this is not mirrored in more senior roles, despite efforts by judicial leadership.
- 5.88 Judicial diversity statistics show that there is no evidence of disparity in the selection of judicial posts relating to gender or ethnicity. However, there is evidence of disparity in professional background, with solicitors comprising 52 per cent of the applications but only 32 per cent of recommendations, compared to barristers who made up only 29 per cent of the applications but 40 per cent of recommendations.²²⁷
- 5.89 In evidence, the MoJ noted that although there has been good progress in improving the diversity of the judiciary, there is significant work to be done to improve diversity at the more senior roles, as it can take a long time for new diverse appointments to make an impact in the context of long judicial careers.²²⁸

Scotland

- 5.90 In Scotland, diversity remains an issue, with 72 per cent of all salaried judicial office holders identified as male. Recruitment statistics show that this is slowly improving: in 2023-24, 39 per cent of recommendations for the office of Sheriff were female, as were 46 per cent for office of Summary Sheriff.²²⁹

Northern Ireland

- 5.91 In Northern Ireland, there have not been any comparative statistics on the diversity of candidates or appointments to the bench as NIJAC did not undertake any relevant judicial recruitment exercises within the reporting period. In evidence, NIJAC told us that it continues to provide a range of eligible applicants reflective of the local legal profession.²³⁰

²²⁴ MoJ judicial diversity statistics 2024, above n 191.

²²⁵ MoJ judicial diversity statistics 2024, above n 191.

²²⁶ MoJ judicial diversity statistics 2024, above n 191.

²²⁷ MoJ judicial diversity statistics 2024, above n 191.

²²⁸ MoJ written evidence, above n 161, at [82].

²²⁹ Judicial Office (Scotland) written evidence, above n 163, at A3 and C5.

²³⁰ NIJAC written evidence, above n 164, at [5.1].

Pay recommendation

- 5.92 There is clear evidence of significant and persistent judicial recruitment problems – the judiciary has a significant number of unfilled posts. The continued decline in ‘quality’ ratings for District and Circuit Bench candidates in England and Wales is also a source of concern. Taking these into account, we are recommending a higher pay award than for our other remit groups of 4.75 per cent. We recognise that this pay award is higher than the 2.8 per cent proposed by the Lord Chancellor. We have taken into account the affordability picture and the likely impact this will have on the MoJ budget. While pay is not the only factor affecting recruitment, it is a significant one, and we hope this pay award will have a positive effect on the recruitment situation.

Recommendation 7

We recommend that all salaried judicial office holders should receive a 4.75 per cent consolidated increase to base pay from 1 April 2025.

- 5.93 We are recommending a single rate pay increase across the board for all judicial posts. This is not because we believe current differentials are necessarily right; indeed, the growing recruitment problems for Salary Group 7 judges suggest there may be a problem with the salary structure.
- 5.94 In the Major Review, we will look at persistent recruitment shortfalls, and in particular the challenges for Salary Group 7, as we examine the wider salary structure.
- 5.95 We are strongly of the view that a decision about pay recommendations for individual salary groups requires a different kind and quality of evidence than can be collected and considered in any one single pay round. We would need a wider range of evidence and more role-specific evidence. We would also need to use that evidence to look at labour-market facing issues, such as practitioner earnings, and geographic variations, and to repeat our previous modelling of total net remuneration.

Looking ahead

- 5.96 Our narrower scope this year means we have not commented on some topics, which we will consider in the Major Review.
- 5.97 Given the timeline for reporting, we expect that our annual Report next year will again be focused on the annual pay uplift rather than wider strategic issues.
- 5.98 The Major Review will enable us to explore the more fundamental issues facing judicial salaries in more depth, including geographic and role-specific recruitment challenges, the attractiveness of fee-paid roles over salaried office and leadership remuneration.

Annex: Data and evidence

5.99 We received written evidence from:²³¹

- The Ministry of Justice (MoJ).
- The Supreme Court of the United Kingdom.
- The Judicial Office (England and Wales), the Judicial Office for Scotland and the Judicial Office (Northern Ireland).
- The Judicial Appointments Commission (England and Wales) (JAC), the Judicial Appointments Board for Scotland (JABS), and the Northern Ireland Judicial Appointments Commission (NIJAC).
- Twenty separate judicial associations.²³²

²³¹ See citations at [5.3].

²³² For England and Wales: Association of High Court Masters and Insolvency and Companies Court Judges *Senior Salaries Review Body – Annual Judicial Pay Review 2025-26: Evidence on Behalf of the Association of High Court Masters and Insolvency and Companies Court Judges* (5 February 2025) [AHCMICCCJ written evidence]; Association of His Majesty's District Judges *Evidence from the Association of His Majesty's District Judges for the 2025 Annual Review of judicial pay* (21 January 2024) [AHMDJ written evidence]; Council of Employment Judges *Council of Employment Judges' Representations to Senior Salaries Review Board: Response to SSRB call for evidence for 2025/26 judicial pay annual review* (18 December 2024) [CEJ written evidence]; Council of General Regulatory Judges *SSRB Call for Evidence – 2025/26 annual review: Response of the Council of General Regulatory Judges* (February 2025) [CGRJ written evidence]; Council of His Majesty's Circuit Judges *Submissions to the Senior Salaries Review Body 2025-26* (February 2025) [CHMCJ written evidence]; HCJA written evidence, above n 189; National Council of His Majesty's District Judges (Magistrates' Court) *Submissions to the Senior Salaries Review Body* (30 January 2025) [NCHMDJ(MC) written evidence]; Senior District Judge (Chief Magistrate) and Deputy Senior District Judge (Chief Magistrate) *Submission to the Senior Salaries Review Body* (31 January 2025) [CM&DCM written evidence]. For Scotland: Scottish Land Court *Submission to the Senior Salaries Review Body by the Chairman of the Scottish Land Court* (20 December 2024) [Scottish Land Court written evidence]; Sheriffs and Summary Sheriffs' Association *Review Body on Senior Salaries: request for evidence 2025/26 pay round* (9 December 2024) [SSSA written evidence]; Sheriffs Principal *Submission to the Senior Salaries Review Body – Sheriffs Principal* (8 January 2025) [Sheriffs Principal written evidence]. For Northern Ireland: Association of His Majesty's District Judges (Northern Ireland) *Evidence from the Association of His Majesty's District Judges (Northern Ireland) for the 2025 Annual Review of Judicial Pay* (11 December 2024) [AHMDJ-NI written evidence]; Council of County Court Judges in Northern Ireland *Submissions to SSRB from H.M. Council of County Court Judges in Northern Ireland* (December 2024) [HMCCJ-NI written evidence]; Council of District Judges (Magistrates' Court) in Northern Ireland *Review Body on Senior Salaries: Written Evidence for 2025 Annual Review on Behalf of the Council of District Judges (Magistrates' Court) in Northern Ireland* (20 December 2024) [CDJ(MC)-NI written evidence]; Society of Masters of the Court of Judicature (Northern Ireland) *Evidence for 2025-26 Annual Review of Judicial Pay* (20 December 2024) [SMCJ-NI written evidence]. For Tribunals: Council of Appeal Tribunal Judges *Evidence for 2024 Annual Review of Judicial Pay* (4 February 2025) [CATJ written evidence]; Council of Immigration Judges *Response of the Council of Immigration Judges (CIJ) to the SSRB's Call for Evidence in relation to the 2025-2026 pay review for salaried judges* (2 February 2025) [CIJ written evidence]; Council of Tax Judges *Response to SSRB Annual Review* (February 2025) [CTJ written evidence]; Council of Upper Tribunal Judges *Submission to the Senior Salaries Review Body 2025* (3 February 2025) [CUTJ written evidence]; Mental Health Tribunal Members' Association *SSRB 2025 Annual Review – Salaried Judiciary Pay Award: Evidence from MHTMA re Mental Health Tribunal Judicial Office Holders* (January 2025) [MHTMA written evidence].

5.100 We received oral evidence from:²³³

- The Lord Chancellor and Secretary of State for Justice.
- The Lady Chief Justice of England and Wales, the Senior President of Tribunals, and other members of the judiciary of England and Wales.
- The Lord President of the Court of Session and Lord Justice General of Scotland.
- The Lady Chief Justice of Northern Ireland.
- The Chair of the Judicial Appointments Commission (England and Wales) (JAC).

5.101 It should be noted that there is no single comprehensive data source encompassing all the data we use. Differences in categorisation and collection criteria can give rise to discrepancies between datasets.

The remit group

5.102 The SSRB covers the salaried judiciary of England and Wales, Scotland, Northern Ireland, and the UK Supreme Court. Each jurisdiction has its own judicial system, giving rise to differences in judicial structures. However, there is a unified pay system across jurisdictions. There are around 2,320 salaried judges in total, with the vast majority based in England and Wales.²³⁴

5.103 Judges are either salaried or fee-paid. Most salaried judges are full-time. Fee-paid judges are generally part-time, though the number of days they sit varies, particularly where there is a shortfall in salaried judges. Fee-paid judges provide vital flexibility, specialist expertise, and a talent pipeline for the future. For most salaried roles, appointees are expected to have some fee-paid judicial experience.

5.104 The SSRB's remit is to recommend a pay award for the salaried judiciary. The sitting fees of fee-paid judges are, however, linked to the pay of salaried judges.

5.105 The judiciary has a unique constitutional role, and a judicial office holder cannot have their salary reduced. Judges are paid at a spot-rate and do not receive pay progression. There is largely no location-based variation in pay. The exception to this is a London Weighting Allowance of £4,000 received by salary group 7 judges, the amount of which appears not to have changed since 1995.²³⁵ With few exceptions, judicial pay does not vary by the area of law in which a judge works, and tribunal judges are in the same salary groups as courts judges.

5.106 Salaried judges are appointed permanently to their roles. There is a mandatory retirement age of 75.²³⁶ By convention, individuals cannot return to private practice before courts and tribunals after joining the salaried judiciary, even after they have retired or stepped down. However, many retired judges do take on commercial arbitration work or commercial or family mediation work.²³⁷

²³³ See citations at [5.3].

²³⁴ Total of 2,012 in England and Wales, 215 in Scotland, 85 in Northern Ireland, and 12 in the Supreme Court.

²³⁵ Judicial Office (England and Wales) written evidence, above n 162, at [1.5].

²³⁶ Public Service Pensions and Judicial Offices Act 2022, Schedule 1.

²³⁷ Patrick O'Brien and Ben Yong "Work in Judicial Retirement: A Policy Report" (June 2023). Available at <<https://drive.google.com/file/d/1faclKhFKmi6MLiqI921P9IDibs5tKONO/view>>.

5.107 There are eleven judicial salary bands across eight groups. Salaries for most judges range between £106,563 (Salary Group 8) to £256,304 (Salary Group 3). Salaries range between £269,530 and £312,510 for salary groups 1, 1.2 and 2, which cover individuals in senior leadership positions.

Table 5.1: Judicial salary groups, 1 April 2024

Salary group	Salary
1	£312,510
1.1	£279,051
2	£269,530
3	£256,304
4	£225,092
5	£180,522
5.1	£173,856
5.2	£167,167
6	£157,380
7	£134,105
8	£106,563

Source: Ministry of Justice.

5.108 The total pay bill for the salaried judiciary in 2023-24 was £530 million. Some £320 million of this was pay, with the rest made up of employer pension contributions, national insurance and the apprenticeship levy. The pay bill has increased by around £40 million since 2022-23 and by around £130 million since 2018-19. This is proportionally larger than the increase in salaries, primarily because of a large increase in employer pension contributions in 2019-20.

England and Wales judiciary

5.109 As of 1 April 2024, there were 2,012 members of the salaried judiciary in this group, including 1,498 in the court judiciary (256 of whom were part time) and 514 in the tribunals judiciary (219 of whom were part time).²³⁸

5.110 For the court judiciary, the largest groups by some way were the 660 Circuit Judges and 453 District Judges.

Table 5.2: England and Wales salaried court judiciary, 1 April 2024

Office held	Salary group	Salary	Number
Lord/Lady Chief Justice	1	£312,510	1
Master of the Rolls	1.1	£279,051	1
President of the King's Bench Division	2	£269,530	1
President of the Family Division	2	£269,530	1
Chancellor of the High Court	2	£269,530	1
Senior President of Tribunals	2	£269,530	1
Court of Appeal Judge	3	£256,304	35
High Court Judge	4	£225,092	108
Judge Advocate General (Senior Circuit Judge)	5	£180,522	1
Specialist Circuit Judge	5	£180,522	23
Senior Circuit Judge	5	£180,522	41
Circuit Judge, Central Criminal Court	5	£180,522	10
Common Serjeant	5	£180,522	1
Recorder of London	5	£180,522	1
Senior District Judge (Chief Magistrate)	5	£180,522	1
Chief Master	5.1	£173,856	1
Senior Master	5.1	£173,856	1
Chief Insolvency and Companies Court Judge	5.1	£173,856	1
Senior Cost Judge	5.1	£173,856	1
Registrar	5.2	£167,167	1
Masters	5.2	£167,167	14
Insolvency and Companies Court Judges	5.2	£167,167	3
Costs Judge	5.2	£167,167	6
Circuit Judge	5.2	£167,167	660
Senior Judge of The Court of Protection	5.2	£167,167	1
Deputy Senior District Judge (Chief Magistrate)	5.2	£167,167	1
Assistant Judge Advocate General	7	£134,105	3
District Judge	7	£134,105	453
District Judge (Magistrates Court)	7	£134,105	125

Notes: This excludes the small number of Circuit Judges appointed to Tribunals. Additionally, a small number of roles are remunerated by the City of London Corporation or the Ministry of Defence rather than HM Courts and Tribunals Service.

Source: Ministry of Justice.

²³⁸ MoJ judicial diversity statistics 2024, above n 191. The majority are based in England and Wales. However, as some tribunals have a UK-wide jurisdiction there are a few based in Scotland and Northern Ireland.

5.111 In tribunals, the biggest groups were the 157 England and Wales Employment Tribunal Judges, 116 First-Tier Social Entitlement Chamber Judges and the 86 First Tier Immigration and Asylum Chamber judges.

Table 5.3: England and Wales salaried tribunals judiciary and reserved Scotland and Northern Ireland tribunals judiciary, 1 April 2024

Office held	Salary group	Salary	Number
Employment Tribunal – England and Wales President	5	£170,304	1
Employment Tribunal – Scotland President	5	£170,304	1
First-tier General Regulatory Chamber President	5	£170,304	1
First-tier Health Education and Social Care Chamber President	5	£170,304	1
First-tier Immigration and Asylum Chamber President	5	£170,304	1
First-tier Property Chamber President	5	£170,304	1
First-tier Social Entitlement Chamber President	5	£170,304	1
First-tier Tax Chamber President	5	£170,304	1
First-tier War Pensions and Armed Forces Compensation Chamber President	5	£170,304	1
Employment Appeal Tribunal Circuit Judge	5	£170,304	2
Upper Tribunal Lands Chamber Deputy Chamber President	5	£170,304	1
First-tier Health Education and Social Care Chamber Deputy President	5	£170,304	2
Upper Tribunal Administrative Appeals Chamber Judge	5.1	£164,015	15
Upper Tribunal Immigration and Asylum Chamber Judge	5.1	£164,015	30
Upper Tribunal Lands Chamber Judge	5.1	£164,015	1
Upper Tribunal Tax and Chancery Chamber Judge	5.1	£164,015	2
Employment Tribunal – England and Wales Regional Employment Judge	5.2	£157,705	8
Employment Tribunal – Scotland Vice President	5.2	£157,705	1
First-tier Immigration and Asylum Chamber Resident Judge	5.2	£157,705	1
First-tier Social Entitlement Chamber Regional Judge	5.2	£157,705	7
First-tier Property Chamber Regional Judge	6	£148,472	5
Employment Appeal Tribunal Judge	7	£126,514	1
Employment Tribunal – England and Wales Employment Judge	7	£126,514	148

Office held	Salary group	Salary	Number
Employment Tribunal – Scotland Employment Judge	7	£126,514	20
First-tier General Regulatory Chamber Judge	7	£126,514	2
First-tier Health Education and Social Care Chamber Judge	7	£126,514	40
First-tier Immigration and Asylum Chamber Judge	7	£126,514	84
First-tier Property Chamber Deputy Regional Judge	7	£126,514	4
First-tier Property Chamber Deputy Regional Valuer	7	£126,514	4
First-tier Property Chamber Judge	7	£126,514	9
First-tier Social Entitlement Chamber Judge	7	£126,514	108
First-tier Tax Chamber Judge	7	£126,514	9
First-tier War Pensions and Armed Forces Compensation Chamber Judge	7	£126,514	1

Source: Ministry of Justice.

5.112 There were also around 3,300 fee-paid judges in England and Wales.²³⁹

Scotland judiciary

5.113 There were 215 members of the Scottish salaried judiciary (208 FTE) as of December 2024. The largest group is Sheriffs, who make up over half of the total. The judges in salary groups 1 to 4 are known as Senators.

Table 5.4: Scotland salaried judiciary, December 2024

Salaried judiciary	Salary group	Salary	Number
Lord President	1.1	£279,051	1
Lord Justice Clerk	2	£269,530	1
President of the Scottish Tribunals (Inner House Senator)	3	£256,304	1
Inner House	3	£256,304	9
Outer House	4	£225,092	24
Chairman of the Land Court	5	£180,522	1
Sheriffs Principal	5	£180,522	6
Sheriffs	5.2	£167,167	124
Deputy Chairman of the Scottish Land Court	5.2	£167,167	0
Legal Member of the Lands Tribunal for Scotland	5.2	£167,167	2
Members of the Lands Tribunal for Scotland	6	£157,380	2
Summary Sheriffs	7	£134,105	40
Members of the Scottish Land Court	8	£106,563	4

Source: Judicial Office for Scotland.

²³⁹ MoJ judicial diversity statistics 2024, above n 191.

5.114 There were also 25 fee-paid part-time Sheriffs and nine fee-paid part-time Summary Sheriffs.

Northern Ireland judiciary

5.115 There were 79 members of the salaried judiciary in Northern Ireland covering 85 posts as of 1 April 2024. The biggest categories are the County Court Judges and District Judges (Magistrates Court).

5.116 County Court Judges are in Salary Group 5.2 but paid at Salary Group 5. This is because they are required to sit without a jury to hear cases under the Justice and Security (Northern Ireland) Act 2007. These are trials of defendants charged with terrorism offences.

Table 5.5: Northern Ireland salaried judiciary, 1 April 2024

Office held	Salary group	Salary	Number
Lady Chief Justice	1.1	£279,051	1
Lord/Lady Justices of Appeal	3	£256,304	3
Puisne Judge of the High Court	4	£225,092	11
Recorder of Belfast	5	£194,964	1
Chief Social Security Commissioner and Child Support Commissioner	5	£180,522	1
Social Security and Child Support Commissioner	5.1	£173,856	1
Member, Lands Tribunal	5.1	£164,015**	1
County Court Judge	5.2	£180,522	18
President Appeals Tribunal	5.2	£157,705**	1
President, Industrial Tribunals and Fair Employment Tribunal	5.2	£157,705**	1
President, Lands Tribunal*	5.2	£157,705**	1
Masters of the Court of Judicature	5.2	£167,167	7
Presiding Master of the Court of Judicature*	5.2	£167,167	1
Vice-President, Industrial Tribunals and Fair Employment Tribunal*	6	£148,472**	1
Presiding District Judge (Magistrates Court)	6	£157,380	1
Presiding District Judge	7	£134,105	1
District Judge	7	£134,105	4
District Judge (Magistrates Court)	7	£134,105	18
Presiding Coroner	7	£134,105	1
Coroner	7	£134,105	4
Full-time Salaried Legal Member of the Appeal Tribunals (Chair)	7	£126,514**	1
Employment Judge	7	£126,514**	6

*Note that some judges hold multiple posts and thus will only receive the salary for one of their roles.

**Note that we have presented last year's salary for these roles, since the salary as of 1st April 2024 has not yet been agreed at the time of receiving evidence.

Note: The Recorder of Belfast is paid 108% of the standard group 5 salary.

Source: Northern Ireland Courts and Tribunals Service.

5.117 There were also 141 fee-paid judges.

UK Supreme Court judiciary

5.118 The UK Supreme Court is the final court of appeal for arguable points of law of general public importance arising from civil cases throughout the United Kingdom, and from criminal cases in England and Wales, Northern Ireland and, in certain cases only, from Scotland. The Court also hears cases to determine issues relating to the legal competence of the devolved administrations, Parliament and Assemblies. It only hears cases of the greatest public or constitutional importance, often affecting the whole population.²⁴⁰

5.119 There were 12 members of the UK Supreme Court salaried judiciary as of 1 April 2024. Justices are in salary groups 1.1 and 2.

Table 5.6: UK Supreme Court salaried judiciary, 1 April 2024

Office held	Salary group	Salary	Number
President of the Supreme Court	1.1	£279,051	1
Deputy President of the Supreme Court	2	£269,530	1
Justice of the Supreme Court	2	£269,530	10

Source: Ministry of Justice and UK Supreme Court.

5.120 The Supreme Court is required by statute to have judges with a knowledge of, and experience of practice in, the law of each part of the United Kingdom. Under section 25 of the Constitutional Reform Act (CRA) 2005, there are three possible routes to qualification for appointment as a Justice:²⁴¹

- Having held ‘high judicial office’ for a period of at least two years.²⁴²
- Having qualified and practised as a solicitor, barrister or advocate in England and Wales, Scotland or Northern Ireland for a period of at least 15 years.²⁴³
- Holding a ‘relevant qualification’²⁴⁴ for at least 15 years and having gained experience in law for at least 15 years while holding a relevant qualification.²⁴⁵

²⁴⁰ UKSC written evidence, above n 165, at 1. See also “About the Court” UK Supreme Court <<https://supremecourt.uk/about-the-court>>.

²⁴¹ “Appointment of Justices” UK Supreme Court <<https://supremecourt.uk/appointments-of-justices>>.

²⁴² “High judicial office” is defined in section 60(2) of the CRA 2005 as being a judge of the UKSC (or its predecessor, the Appellate Committee in the House of Lords), the Court of Appeal in England and Wales, the High Court in England and Wales, the Court of Session, the Court of Appeal in Northern Ireland or the High Court in Northern Ireland.

²⁴³ A person will meet the statutory eligibility criteria if, for at least 15 years, they have been a solicitor of the Senior Courts of England and Wales or a barrister in England and Wales and have gained experience in law during the post-qualification period (for example, by practising as a lawyer or acting as a judge or arbitrator), or an advocate in Scotland, a solicitor entitled to appear in the Court of Session and the High Court of Justiciary, a member of the Bar of Northern Ireland or a solicitor of the Court of Judicature of Northern Ireland.

²⁴⁴ i.e. as a barrister, a solicitor, or a holder of another legal qualification as specified by the Lord Chancellor in accordance with section 51(1) of the Tribunals, Courts and Enforcement Act 2007.

²⁴⁵ Activities which count (alone or in combination) as gaining experience in law include carrying out judicial functions, practising as a lawyer, and legal academic work.

- 5.121 The process for selecting Justices is overseen by an independent selection commission.²⁴⁶
- 5.122 The Court also has the ability to draw upon members of the Supplementary Panel (currently consisting of four members) when additional judges are needed to form a panel of the requisite number to hear an appeal. Members of the Supplementary Panel are not Justices and only sit when required to do so by the President.²⁴⁷
- 5.123 Justices of the UK Supreme Court are also Justices of the Judicial Committee of the Privy Council (JCPC). The JCPC is the court of final appeal for the United Kingdom Overseas Territories and Crown Dependencies, and Commonwealth countries that have retained the appeal to His Majesty in Council or, in the case of republics, to the JCPC.²⁴⁸

²⁴⁶ See “Appointment of Justices” UK Supreme Court <<https://supremecourt.uk/appointments-of-justices>>.

²⁴⁷ Constitutional Reform Act 2005, s 39; “Supplementary Panel” UK Supreme Court <<https://supremecourt.uk/justices/supplementary-panel>>.

²⁴⁸ UKSC written evidence, above n 165, at 1. See also “About the Court” UK Supreme Court <<https://supremecourt.uk/about-the-court>>.

Pension and allowances

Pension

5.124 The judicial pension is a significant part of the remuneration package for the judiciary. The pension judges receive is a defined benefit scheme which is unregistered for tax purposes. This means it is not subject to the annual allowance.²⁴⁹

5.125 Other key features are:²⁵⁰

- A ‘career average’ pension build-up model.
- A uniform member contribution rate of 4.26 per cent of pensionable earnings.
- A pension build-up rate of 2.5 per cent of pensionable earnings (1/40th).
- No cap on the number of service years members can build up.
- Normal Pension Age linked to State Pension Age.
- Option for members to take a reduced pension in exchange for a lump sum at retirement at a rate of 12:1, with a commutation supplement to compensate for the tax-unregistered status of the scheme.
- A cost-control mechanism.
- Active members’ benefits are revalued under section 9 of the Public Services Pension Act 2013, whereby the change in prices to be applied in a period is the percentage increase or decrease (currently in line with the Consumer Prices Index).
- Deferred and retired scheme members’ benefits increase in line with the Pensions Increase Act 1971 (currently in line with the Consumer Prices Index).
- Pension for qualifying surviving adults of 37.5 per cent of the member’s pension, and pensions for eligible children.

²⁴⁹ MoJ written evidence, above n 161, at [30]-[35].

²⁵⁰ At [30]-[35].

Allowances

5.126 In addition to their salaries, some judges receive allowances. Given the statutory protection of judicial salaries, allowances enable a flexible way to reward judicial office holders. Allowances are not paid for core judicial work, but can be used to recognise additional leadership responsibilities or address recruitment and retention issues.²⁵¹ The allowances currently paid are listed below:

- The London Weighting Allowance is £4,000, made up of a £2,000 salary lead and an additional London allowance of £2,000, and is paid to judges in salary group 7 whose principal court or hearing centre is based in London.²⁵² As of 2023-24, 25 salaried judges receive London Weighting.²⁵³
- The Circuit Judge Leadership Allowance is paid to Circuit Judges who take on an extra leadership role, such as Designated Family Judge, Designated Civil Judge, Resident Judge, or Senior Judge in the Court of Protection. The allowance is set at 4 per cent of salary and is non-pensionable. Where the roles are filled by a Senior Circuit Judge, the judge does not receive an allowance, as they are receiving a higher salary.²⁵⁴
- The Temporary Responsibility Allowance is given to judges covering leadership roles in a higher salary group on a temporary basis. It is available for three to 12 months and is designed to cover things like long-term sickness and parental leave, as well as while a recruitment exercise is ongoing. It is paid at 90 per cent of the difference between the judge's current salary and the salary of the leadership post they are undertaking. The allowance is non-pensionable. It was introduced in October 2022.²⁵⁵

Other expenses and benefits

5.127 Judges are entitled to travel and subsistence costs. The cost of ordinary commuting is excluded for salaried judges but included for fee-paid judges. Judicial lodgings are provided for use by the senior judiciary when sitting on circuit in England and Wales.²⁵⁶

5.128 Salaried judges are entitled to reimbursement of relocation costs where they have relocated beyond reasonable travelling distance due to business need or transfer to another circuit. Judges whose new location is within daily travelling distance may be entitled to an excess fares allowance.²⁵⁷

5.129 Judicial office holders are entitled to maternity, paternity, and shared parental or adoption leave, compassionate leave, sick leave, and free eyecare vouchers. Judges have access to a cycle-to-work scheme, salary-sacrifice childcare vouchers, official stationery, and are entitled to receive court dress on appointment.²⁵⁸

²⁵¹ At [23].

²⁵² At [24]-[25].

²⁵³ At Annex A, B2.

²⁵⁴ At [26]-[27].

²⁵⁵ At [28]-[29].

²⁵⁶ At [36]-[39].

²⁵⁷ At [37].

²⁵⁸ At [40].

England and Wales

Recruitment

- 5.130 The JAC is responsible for recommending candidates for judicial office in courts and tribunals in England and Wales, and for some tribunals with a UK-wide jurisdiction. Each year it agrees what selection exercises to conduct with the MoJ, HM Courts and Tribunals Service and the Judicial Office. Large exercises for more than 50 vacancies may take up to a year, while small exercises for one or two roles might take about four months.²⁵⁹
- 5.131 The JAC assesses candidates at selection days as outstanding (A), strong (B), selectable (C) or not presently selectable (D). The JAC has said that “[i]t is important to note that gradings are an internal assessment measure of a candidate’s performance in a particular selection exercise and against the specific criteria for that role at that time. They do not indicate performance upon appointment”. Applicants to the High Court must achieve a strong or outstanding grade in order to be recommended for appointment.²⁶⁰
- 5.132 JAC recruitment figures are anchored on the dates when recommendations were made. For example, if an exercise launched in June 2022 and had recommendations made in June 2023, it would be included in the 2023-24 figures.
- 5.133 The figures from the JAC show the number of candidates selected compared to the number of roles advertised. However, it is sometimes the case that even when there are sufficient successful applicants to fill all roles, there is a mismatch between the selected candidates and the roles available, either in terms of location or specialism.
- 5.134 In England and Wales, the requirement for most judicial roles is five or seven years of legally relevant experience. In practice, on average appointees have between 17 and 22 years of post-qualifying experience.²⁶¹

²⁵⁹ “Average timelines for different exercises” Judicial Appointments Commission <<https://judicialappointments.gov.uk/average-timelines-for-different-exercises>>.

²⁶⁰ JAC written evidence, above n 162, at 7.

²⁶¹ MoJ judicial diversity statistics 2024, above n 191.

High Court Judges

5.135 Between 2016-17 and 2021-22, there was a continued shortfall in High Court Judge recruitment each year. Since 2022, however, all High Court vacancies have been filled.

Table 5.7: High Court Judge recruitment, 2014-15 to 2024-25

Year	Vacancies	Applications	Recommendations/ selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	11	73	10	7.3	1	150%
2015-16	-	-	-	-	-	-
2016-17	14	56	8	7.0	6	125%
2017-18	25	129	17	7.6	8	112%
2018-19	25	52	10	5.2	15	100%
2019-20	25	64	17	3.8	8	100%
2020-21	25	45	17	2.6	8	100%
2021-22	17	41	9	4.6	8	100%
2022-23	10	47	10	4.7	0	120%
2023-24	2	18	2	9.0	0	200%
2024-25	5	24	5	4.8	0	100%

Note: Applicants to the High Court must be graded A or B to be recommended for appointment, so this percentage will never drop below 100.

Source: Judicial Appointments Commission (England and Wales).

Circuit Judges

5.136 There was a shortfall in Circuit Judge recruitment every year from 2016-17 to 2021-22 when a fifth of vacancies went unfilled. In the 2023-24 campaign all vacancies were filled. However, the long-term decline in the proportion of those recommended who were graded good or outstanding continued.

Table 5.8: Circuit Judge recruitment, 2014-15 to 2024-25 to date

Year	Vacancies	Applications	Recommendations/ selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	53	232	53	4.4	0	102%
2015-16	62	246	62	4.0	0	77%
2016-17	55	184	44	4.2	11	57%
2017-18	116.5	401	104	3.9	13	86%
2018-19	94	200	72	2.8	22	74%
2019-20	50	164	43	3.8	7	67%
2020-21	63	175	53	3.3	10	77%
2021-22	78	225	62	3.6	16	63%
2022-23	-	-	-	-	-	-
2023-24	92	250	92	2.7	0	59%
2024-25 to date	52	216	42	5.1	10	67%

Source: Judicial Appointments Commission (England and Wales).

District Judges (Civil)

5.137 For District Judges (Civil), there have been significant vacancies since 2019-20. In the 2024-25 recruitment campaign to date, only 51 of the 100 vacancies have been filled.

5.138 Since 2020-21, fewer than half of the District Judges recommended for appointment have been graded as strong or outstanding. In this year's campaign, only 39 per cent of recommended candidates were graded strong or outstanding and the proportion of applicants who were not appointable was the joint highest in the last ten years.

Table 5.9: District Judge (Civil) recruitment, 2014-15 to 2024-25 to date

Year	Vacancies	Applications	Recommendations / Selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	-	-	-	-	-	-
2015-16	61	199	61	3.3	0	107%
2016-17	-	-	-	-	-	-
2017-18	100.5	271	96	2.8	5	55%
2018-19	-	-	-	-	-	-
2019-20	110	190	47	4.0	63	57%
2020-21	75	141	24	5.9	51	42%
2021-22	106	249	57	4.4	49	39%
2022-23	100	247	67	3.7	33	40%
2023-24	100	237	49	4.8	51	39%
2024-25 to date	100	291	51	5.7	49	39%

Source: Judicial Appointments Commission (England and Wales).

District Judges (Magistrates)

5.139 District Judge (Magistrates) recruitment for 2024-25 is ongoing. In 2022-23, the last year with data, there was a shortfall of 6 out of 25 vacancies and 32 per cent of recommended candidates were graded strong or outstanding.

Table 5.10: District Judge (Magistrates) recruitment, 2014-15 to 2024-25 to date

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	-	-	-	-	-	-
2015-16	18	190	18	10.6	0	94%
2016-17	-	-	-	-	-	-
2017-18	17	127	17	7.5	0	71%
2018-19	-	-	-	-	-	-
2019-20	25	93	17	5.5	8	53%
2020-21	-	-	-	-	-	-
2021-22	32	176	32	5.5	0	59%
2022-23	25	116	19	6.1	6	32%
2023-24	-	-	-	-	-	-
2024-25 to date	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Source: Judicial Appointments Commission (England and Wales).

First-tier Tribunal Judges

5.140 First-tier Tribunal judicial recruitment is ongoing for 2024-25. There had previously been no shortfall in First-tier Tribunal judicial recruitment for some years despite fairly large recruitment exercises since 2017. However, in 2023-24 there was a shortfall of 23 out of 70 vacancies, and only 28 per cent of recommended candidates were rated strong or outstanding. For every year in which we have data, this was the first time there had been a drop below 50 per cent.

Table 5.11: First-tier Tribunal Judge recruitment, 2014-15 to 2024-25 to date

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	6	46	6	7.7	0	67%
2015-16	1	23	1	23.0	0	100%
2016-17	-	-	-	-	-	-
2017-18	65	956	64	14.9	1	66%
2018-19	-	-	-	-	-	-
2019-20	112	767	112	6.8	0	51%
2020-21	70	332	70	4.7	0	50%
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-
2023-24	70	358	47	7.6	23	28%
2024-25 to date	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Source: Judicial Appointments Commission (England and Wales).

Note: Some first-tier tribunals have a UK-wide jurisdiction, so these figures include some posts in Scotland and Northern Ireland.

Employment Judges

5.141 Significant problems with Employment Judge recruitment were noticeable in 2022-23 and again in 2023-24, with a shortfall of 30 out of 50 vacancies and only 25 per cent of recommended candidates classed as strong or outstanding.

Table 5.12: Employment Judge recruitment, 2014-15 to 2024-25 to date

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies	A & B candidates as a percentage of total selections
2014-15	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	59	420	59	7.1	0	39%
2019-20	-	-	-	-	-	-
2020-21	25	62	21	3.0	4	43%
2021-22	-	-	-	-	-	-
2022-23	50	138	35	3.9	15	46%
2023-24	50	75	20	3.8	30	25%
2024-25 to date	-	-	-	-	-	-

Source: Judicial Appointments Commission (England and Wales).

Retention

5.142 As noted above, salaried judges cannot typically return to private practice before courts and tribunals, and most leave through retirement. Therefore, the average retirement age is our main measure of retention. Trends in the number of judges sitting in retirement or changing to part-time work are also of interest as they could indicate dissatisfaction with salaried full-time roles.

5.143 In 2023-24, 69 salaried court judges retired. The average age at departure was 66. Since 2016-17 the average retirement age has stayed fairly consistent, varying between 66 and 68. In 2023-24 there were two resignations.²⁶²

5.144 In 2023-24, 20 salaried tribunal judges retired, and their average age at retirement was 66. Since 2016-17, the average retirement age has varied between 64 and 66. In 2023-24 there was one resignation.²⁶³

²⁶² MoJ written evidence, above n 161, at Annex A, D1.

²⁶³ At Annex A, D1.

- 5.145 The Judicial Office (England and Wales) runs a survey on judges who leave the judiciary before their mandatory retirement age. In March 2022, the mandatory retirement age was increased from 70 to 75. In 2023-24, 41 judges responded to the survey, including all 23 who returned to sit in retirement. Their main reasons for leaving the judiciary before their mandatory retirement age were "I had things I wanted to do with my life while I am still able" (20), "Deterioration in the judicial work environment " (20), and I had the financial security to do so" (15). "Recent changes to judicial remuneration" dropped from 20 out of the 52 of survey respondents last year to six this year.²⁶⁴
- 5.146 A new sitting-in-retirement policy commenced in October 2022. This policy permits relevant judicial office holders, now including fee-paid judges, to retire from judicial office, draw down their judicial pension and, where there is a business need, be appointed to a fee-paid office without a JAC selection exercise. They can also continue to accrue judicial pension.²⁶⁵
- 5.147 To be eligible, judicial office holders must return to sit within two years of retirement. Appointments are for an initial two-year term and there is no guarantee of sitting days or an expectation on a judge for a minimum number of sitting days.²⁶⁶
- 5.148 As of 1 April 2024, there were 195 courts judges sitting in retirement. Their average age as of 1 April 2024 was 70. There were also 75 tribunal judges sitting in retirement, with an average age of 68.

Table 5.13: Number of court judges sitting in retirement, 1 April 2024

Office Held	Headcount
Court of Appeal Judge	12
High Court Judge	20
Masters	4
Circuit Judge	69
Assistant Judge Advocate General ⁵	1
District Judge	56
District Judge (Magistrates Court)	14
Deputy Master	1
Deputy Insolvency and Companies Court Judge	1
Recorder	6
Deputy District Judge	10
Deputy District Judge (Magistrates Court)	1
Total	195

Note: A small number of Circuit Judges are appointed to Tribunals and therefore excluded from this table.

Source: Ministry of Justice.

²⁶⁴ Judicial Office (England and Wales) written evidence, above n 162, at [6.7].

²⁶⁵ MoJ written evidence, above n 161, at [73].

²⁶⁶ At [73].

Table 5.14: Number of tribunal judges sitting in retirement, 1 April 2024

Office Held	Headcount
Employment Judge	21
First-tier General Regulatory Chamber Judge	1
First-tier Health Education and Social Care Chamber Judge	6
First-tier Immigration and Asylum Chamber Judge	14
First-tier Property Chamber Judge	3
First-tier Social Entitlement Chamber Judge	18
First-tier War Pensions and Armed Forces Compensation Chamber Judge	1
Upper Tribunal Administrative Appeals Chamber Judge	4
Upper Tribunal Immigration and Asylum Chamber Judge	1
Upper Tribunal Tax and Chancery Chamber Judge	1
Upper Tribunal Administrative Appeals Chamber Deputy Judge	3
Upper Tribunal Immigration and Asylum Chamber Deputy Judge	1
Upper Tribunal Tax and Chancery Chamber Deputy Judge	1
Total	75

Source: Ministry of Justice.

5.149 Overall, 475 salaried judges in England and Wales work part-time, an increase of 95 since 2023. As of 1 April 2024, 43 per cent of salaried tribunal judges and 17 per cent of salaried court judges work part-time.²⁶⁷

5.150 In the 2024 JAS, 55 per cent of salaried judges felt that it was important to have opportunities to sit part-time and 38 per cent felt that the opportunity to work part-time would make them more likely to stay in the judiciary until their mandatory retirement age.²⁶⁸

²⁶⁷ At [85].

²⁶⁸ At [86].

Morale

5.151 The most comprehensive information on morale is from the 2024 JAS, published in February 2025. In England and Wales, 94 per cent of salaried court judges and 95 per cent of salaried tribunal judges answered the survey. This high completion rate underscores the importance of this source. Among these judges:²⁶⁹

- 85 per cent felt a strong personal attachment to being a member of the judiciary.
- While 57 per cent felt valued by the public, only 9 per cent felt valued by the Government.
- 52 per cent felt that their case workload over the last 12 months had been too high, ranging from 60 per cent of Circuit Judges to 2 per cent of Court of Appeal Judges.
- Views were very mixed on the amount and quality of administrative support.
- 50 per cent of salaried judges felt that court maintenance was poor or unacceptable and only 21 per cent thought it was good or excellent.
- Nearly all salaried judges (93 per cent) felt they were treated with respect by judicial colleagues at court and most (85 per cent) felt they were treated with respect by their immediate leadership judge. 53 per cent felt they were treated with respect by the judiciary's senior leadership while 20 per cent did not.
- Only 42 per cent of judges agreed that they were paid a reasonable salary.
- On time spent in remote hearings, 71 per cent of judges felt it was about the right amount, while 22 per cent felt it was too much. Some 67 per cent of District Judges (County) and Circuit Judges felt positively about the amount of time spent in remote hearings, with other Judges ranging from 80 per cent to 95 per cent.

²⁶⁹ See JAS (England & Wales), above n 173.

Diversity

5.152 The latest judicial diversity statistics for England and Wales were published in July 2024.²⁷⁰ They showed:

- Women remain moderately well represented, making up 43 per cent of all judges, and proportions have been rising over the past decade. However, they are less well represented in the senior court judiciary. There is no disparity between women and men in their selection to judicial posts.
- There has been a gradual increase in the representation of ethnic minorities over the last decade, from 7 per cent to 11 per cent. There is no evidence of disparity in legal judicial selection exercises.
- There is evidence of disparity between solicitors and barristers in legal judicial selection exercises, as solicitors make up 23 percentage points more of applications than barristers, but 8 percentage points less of recommendations.
- Tribunal judges are twice as likely to have a non-barrister background than court judges.

Scotland

Recruitment

5.153 Eight salaried recruitment campaigns were concluded in 2023-24, including for Sheriffs, Summary Sheriffs, and the Social Security Chamber of the First-tier Tribunal for Scotland.²⁷¹

5.154 There were 23 Sheriff vacancies, receiving 120 applications, and resulting in 23 recommendations. Of the successful applicants, four were solicitors, five were Solicitor Advocates, six were Advocates and eight were Summary Sheriffs. This is a change from last year, when no solicitors or advocates were recommended.

²⁷⁰ MoJ judicial diversity statistics 2024, above n 191.

²⁷¹ Judicial Appointments Board for Scotland (2024) *Annual Report 2023-2024* (SG/2024/273) at 1. Available at <www.judicialappointments.scot/sites/default/files/JABS%20Annual%20Report%202023-24.pdf>.

Table 5.15: Sheriff recruitment, 2016-17 to 2023-24

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies
2016-17	3	50	3	16.6	0
2017-18	8	119	8	14.9	0
2018-19	-	-	-	-	-
2019-20	8	45	8	5.6	0
2020-21	11	89	12	7.4	0
2021-22	22	154	22	7.0	0
2022-23	11	83	10	8.3	1
2023-24	23	120	23	5.2	0

Source: Judicial Appointments Board for Scotland.

Note: Data is based on when recommendations were made. E.g. if a campaign began in 2020-21 and completed in 2021-22, the relevant figures are all included under 2020-21.

5.155 There was no Sheriff Principal campaign in 2023-24. Since 2016-17 there has only been one recruitment shortfall (in 2021-22), as outlined in Table 5.16 below.

Table 5.16: Sheriff Principal recruitment, 2016-17 to 2023-24

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies
2016-17	1	6	1	6.0	0
2017-18	-	-	-	-	-
2018-19	-	-	-	-	-
2019-20	1	8	1	8.0	0
2020-21	-	-	-	-	-
2021-22	2	4	1	4.0	1
2022-23	3	10	3	3.3	0
2023-24	-	-	-	-	-

Source: Judicial Appointments Board for Scotland.

Note: Data is based on when recommendations were made. E.g. if a campaign began in 2020-21 and completed in 2021-22, the relevant figures are all included under 2020-21.

5.156 There were 13 Summary Sheriff vacancies, 132 applicants, resulting in 13 recommendations. Some 98 Solicitors applied (of whom 10 were successful), four Advocates applied (of whom two were successful), and 30 Solicitor Advocates applied (of whom three were successful).

Table 5.17: Summary Sheriff recruitment, 2016-17 to 2023-24

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies
2016-17	21	154	20	7.7	1
2017-18	-	-	-	-	-
2018-19	7	173	7	24.7	0
2019-20	7	96	7	13.7	0
2020-21	3	58	5	11.6	0
2021-22	14	91	14	6.5	0
2022-23	-	-	-	-	-
2023-24	13	132	13	10.2	0

Source: Judicial Appointments Board for Scotland.

Note: Data are based on when recommendations were made. E.g. if a campaign began in 2020-21 and completed in 2021-22, the relevant figures are all included under 2020-21.

5.157 There were five Senator vacancies, receiving eighteen applications, with recommendations due to be announced in 2024-25. Since 2016-17 there have been no recruitment shortfalls.

Table 5.18: Senator recruitment, 2016-17 to 2023-24

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies
2016-17	7	10	7	1.44	0
2017-18	-	-	-	-	-
2018-19	-	-	-	-	-
2019-20	5	23	5	4.6	0
2020-21	3	23	3	7.7	0
2021-22	5	16	5	3.2	0
2022-23	-	-	-	-	-
2023-24	5	18	Not yet reported	N/A	N/A

Source: Judicial Appointments Board for Scotland.

Note: Data are based on when recommendations were made. E.g. if a campaign began in 2020-21 and completed in 2021-22, the relevant figures are all included under 2020-21.

Retention

- 5.158 The average age of Scottish judges varies by role, from 55 for Summary Sheriffs to 67 for members of the Scottish Lands Tribunal. The average age of Sheriffs is 56. Of the Scottish salaried judges, approximately 58 per cent have been in their current post less than five years, an increase from 54.8 per cent last year. Approximately 22 per cent have been in post five to 10 years, and 19.7 per cent have been in post over 10 years.²⁷²
- 5.159 The average retirement age for the 165 salaried judges who retired from 2010 to 2024 was 65. It varied by role, at 68 for Senators, 64 for Sheriffs Principal, and 66 for Sheriffs. In 2024, eight judges retired, and their average retirement age was 65. The oldest judge to retire was 71 and the youngest was 60.²⁷³
- 5.160 Fee-paid judges can work up to 215 days a year. In 2023-24, approximately 3,100 days were sat by fee-paid judges, and 2,400 days were sat by judges sitting in retirement.²⁷⁴

Table 5.19: Days sat by retired and fee-paid judges, 2021-22 to November 2024

	2021-22	2022-23	2023-24	April-November 2024
Retired Sheriffs	1,962	2,496	2,396	1,789
Part-time Sheriffs	1,346	1,957	1,685	771
Part-time Summary Sheriffs	94	1,034	1,426	587
Total	3,402	5,487	5,507	3,147

Source: Judicial Office for Scotland.

²⁷² Judicial Office (Scotland) written evidence, above n 163, at A3.

²⁷³ At D1.

²⁷⁴ At E11.

Morale

5.161 The latest Scotland JAS results were published in February 2025. We noted that 96 per cent of salaried judges answered the survey. Among these judges:²⁷⁵

- 82 per cent felt a strong personal attachment to being a member of the judiciary.
- 60 per cent felt valued by the public whilst 18 per cent felt valued by the UK Government.
- 34 per cent thought that their case workload over the last 12 months had been too high and 19 per cent that their non-case workload had been too high.
- Views were very mixed on the amount and quality of administrative support.
- Most felt that the physical quality and maintenance of court buildings was “Excellent/good” or “Adequate”.
- 90 per cent felt they are treated with respect by judicial colleagues at court and 79 per cent felt they are treated with respect by their immediate leadership judge.
- 53 per cent felt they were treated with respect by the senior leadership in the judiciary while 16 per cent did not.
- 46 per cent of judges agreed that they were paid a reasonable salary, compared to 41 per cent in 2022.
- 77 per cent felt that about the right amount of time is being spent in remote hearings with sentiment on the standard of support and resources largely positive. This compares to two years ago where views on digital working were generally negative.

Diversity

5.162 In December 2024, 71.6 per cent of the salaried Scottish judiciary were identified as male. Gender diversity was marginally worse at the top of the judiciary and much better at the bottom, with men making up 75 per cent of Senators and 52.5 per cent of Summary Sheriffs.

²⁷⁵ See JAS (Scotland), above n 173.

Northern Ireland

Recruitment

5.163 No relevant recruitment exercises have taken place since our last Report.

Table 5.20: County Court Judge recruitment, 2014-15 to 2022-23

Year	Vacancies	Applications	Recommendations /selections	Applicants per selection	Shortfall against vacancies
2014-15	1	18	1	18.0	0
2015-16	-	-	-	-	-
2016-17	2	27	2	13.5	0
2017-18	-	-	-	-	-
2018-19	1	30	1	30.0	0
2019-20	1	20	1	20.0	0
2020-21	-	-	-	-	-
2021-22	5	45	4	11.3	1
2022-23	4	37	2	18.5	2

Source: Northern Ireland Judicial Appointments Commission.

Retention

5.164 The average age of salaried judges in Northern Ireland varies by role, from 47 in Salary Group 6 to 67 in salary groups 3 and 5.1.²⁷⁶

²⁷⁶ Judicial Office (Northern Ireland) written evidence, above n 164, at 3.

Morale

5.165 The latest Northern Ireland JAS results were published in February 2025. We noted that 91 per cent of salaried judges answered the survey. Among these judges:²⁷⁷

- 84 per cent felt a strong personal attachment to being a member of the judiciary, compared to 76 per cent in 2022.
- 50 per cent felt valued by the public, compared to 69 per cent in 2022. 12 per cent felt valued by the Government.
- 57 per cent thought that their case workload over the last 12 months had been too high, compared to 46 per cent in 2022. 20 per cent thought that their non-case workload had been too high, compared to 30 per cent in 2022.
- Over half (51 per cent) said that their overall working conditions were worse than they were in 2022.
- Only 4 per cent felt that the amount of administrative support was excellent. Some 36 per cent considered it to be poor, and 5 per cent considered it to be unacceptable. The quality of administrative support was considered by 24 per cent to be excellent, whereas 20 per cent considered it to be poor and 3 per cent unacceptable.
- Most felt that the physical quality and maintenance of court buildings was good or adequate, as was the case two years ago.
- Nearly all (97 per cent) felt they were treated with respect by judicial colleagues at court and most (86 per cent) by their immediate leadership judge. 66 per cent felt they were treated with respect by the senior leadership in the judiciary, a decrease from 80 per cent two years ago.
- 24 per cent agreed that they were paid a reasonable salary, compared to 43 per cent in 2022.
- 87 per cent felt that about the right amount of time is being spent in remote hearings with sentiment being that the standard of support and resources are generally “adequate”.
- A majority of salaried judges felt concerned about their personal safety as a result of their job, either in court (54 per cent), out of court (61 per cent) or on social media (22 per cent).

Diversity

5.166 In Northern Ireland, 62 per cent of the salaried judiciary were identified as male. The areas with the least female representation include High Court and County Court Judge. There is more female representation amongst District Judges and Employment Judges.²⁷⁸

²⁷⁷ See JAS (Northern Ireland), above n 173.

²⁷⁸ See JAS (Northern Ireland), above n 173.

UK Supreme Court

- 5.167 The Review Body has not received data on recruitment, retention, morale or diversity of UK Supreme Court Justices.²⁷⁹ There were no recruitment campaigns for Justices since our last Report.²⁸⁰
- 5.168 The UK Supreme Court said in written evidence that the cases dealt with by the Court *“demand the deepest level of judicial knowledge and understanding, combined with the highest intellectual capacity”*.²⁸¹
- 5.169 It highlights that there has been a ‘significant and noticeable’ drop in the real value of Justices’ salaries that *“may become a serious factor affecting morale and, in future, recruitment”* – a risk that it considers *“is magnified by the considerable rise in real value of earnings of senior members of the legal profession over the same period”*.²⁸² It considers that *“the current salary level creates an issue for future recruitment and retention of Justices”*.²⁸³
- 5.170 It asks the Review Body to *“note and further consider the growing differential between Justices’ salaries and senior members of the legal profession”*, adding that despite members of the judiciary being aware of the differential when they choose to enter the senior judiciary *“if the differential between private practice and the senior judiciary continues to grow ever larger, this may cause difficulties in attracting and retaining the very best people”*.²⁸⁴

²⁷⁹ The UK Supreme Court has a published Judicial Diversity and Inclusion Strategy – see “Diversity and Inclusion” UK Supreme Court <<https://supremecourt.uk/corporate-information/diversity-and-inclusion>>.

²⁸⁰ The most recent judicial appointment to the UK Supreme Court was on 14 November 2023.

²⁸¹ UKSC written evidence, above n 165, at 2.

²⁸² At 2.

²⁸³ At 1.

²⁸⁴ At 2-3.

Chapter 6

Senior Leaders in the NHS in England

Summary

Our remit

- 6.1 In his remit letter, the Secretary of State for Health and Social Care asked us to make pay recommendations for Executive and Senior Managers (ESMs) and Very Senior Managers (VSMs) in the NHS in England. This year, he did not ask us to review any specific aspects of reward for NHS leaders.²⁸⁵
- 6.2 Chapter 1 and Chapter 2 of this Report set out the economic context and the specific economic factors we take into account in recommending a pay award for ESMs and VSMs.

Evidence

- 6.3 We received evidence from the Department of Health and Social Care (DHSC),²⁸⁶ NHS England (NHSE),²⁸⁷ NHS Providers (NHSP),²⁸⁸ and Managers in Partnership (MiP)²⁸⁹. We also hosted discussion groups with senior health leaders.²⁹⁰ We thank all who gave evidence for their contributions.
- 6.4 Detailed data and evidence can be found in the Annex to this Chapter.

Main themes and recommendations

- 6.5 In the NHS in England, we observe a generally resilient and engaged leadership which has experienced another year of intense operational pressure. Despite huge effort and increased investment, waiting lists remain high (7.5 million for elective treatments in February 2025, a similar level to that at the time of our last Report)²⁹¹ and overall national health outcomes are worrying (for example, A&E waits are causing an estimated 14,000 additional annual deaths since 2010).²⁹²

²⁸⁵ Letter from Wes Streeting (Secretary of State for Health and Social Care) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding the 2025/26 Remit of the Senior Salaries Review Body (30 September 2024). Available at <www.gov.uk/government/publications/senior-salaries-review-body-remit-letter-2025-to-2026>. A copy of this letter is attached to this Report as Appendix D.

²⁸⁶ Department of Health and Social Care *The Department of Health and Social Care's written evidence to the Senior Salaries Review Body (SSRB) for the pay round 2025 to 2026* (10 December 2024) [DHSC written evidence]. Available at <www.gov.uk/government/publications/dhsc-evidence-for-the-ssrb-pay-round-2025-to-2026>. We also heard oral evidence from Karin Smyth MP (Minister of State for Health (Secondary Care)) and DHSC officials on 28 January 2025.

²⁸⁷ NHS England *Submission to the Senior Salaries Review Body: Evidence for the 2025/26 pay round* (16 December 2024) [NHSE written evidence]. We also heard oral evidence from NHSE senior officials on 28 January 2025.

²⁸⁸ NHS Providers *Senior Salaries Review Body 2025/26: Written evidence from NHS Providers* (22 November 2024) [NHSP written evidence]. Available at <<https://nhsproviders.org/resources/submissions/nhs-providers-submission-to-the-senior-salaries-review-body-202526-pay-round>>. We also heard oral evidence from Saffron Cordery (Interim Chief Executive) and NHSP members and officials on 28 January 2025.

²⁸⁹ Managers in Partnership *MiP written evidence to the SSRB (2025)* [MiP written evidence]. Available at <www.miphealth.org.uk/news/mip-ssrb-evidence-2025>.

²⁹⁰ VSMs (Small Trusts) Discussion Group (3 December 2024); VSMs (Large Trusts) Discussion Group (3 December 2024); VSMs (ICBs) Discussion Group (3 December 2024); Remuneration Committee Chairs Discussion Group (10 December 2024); ESMs Discussion Group (10 December 2024).

²⁹¹ NHS England "Waiting list falls as NHS staff treated record numbers last year" (13 February 2025) <www.england.nhs.uk/2025/02/waiting-list-falls-as-nhs-staff-treated-record-numbers-last-year>.

²⁹² Lord Darzi of Denham *Independent Investigation of the National Health Service in England* (September 2024) [Darzi report] at 52. Available at <www.gov.uk/government/publications/independent-investigation-of-the-nhs-in-england>.

- 6.6 In March the Government announced a major structural reorganisation, abolishing NHSE and placing all central NHS functions in the DHSC.²⁹³ This is a very substantial recasting of the way the NHS is run. All NHS organisations and their leaders will be impacted by this reorganisation and will involve many taking on new roles and likely, significant job losses.
- 6.7 Drawing from the SSRB evidence in the last five years we urge that the principles of the reorganisation include focus on retaining key leadership talent and skills, building clear accountability for talent development and simplicity in decision-making for leadership reward. This year's Report has been written in the context of this change and provides insights to support future considerations about leadership motivation, retention and reward.
- 6.8 More broadly, the Government has placed improving the NHS at the heart of its agenda.²⁹⁴ It has recognised that this will require a stable, strong and motivated leadership which can lead the service through significant organisational and performance change while under unrelenting day-to-day pressure.²⁹⁵ Given the criticality of ensuring stable leadership, we are concerned about the emerging multi-year trend of high turnover in CEO roles.
- 6.9 The leadership of the NHS has been hampered by a lack of pace and purpose in correcting long-standing shortcomings in the system of reward. These include outdated pay frameworks, difficulty in attracting able leaders to challenged organisations, and in recruiting and retaining certain skills, particularly those like digital or finance, which are in demand outside the health sector. Some senior managers decide not to apply for ESM/VSM roles as they believe the reward package does not reflect the additional skills and hours required.
- 6.10 As we were completing this Report, the Government was due to publish a new pay framework for VSMs. It has published a draft Performance Assessment Framework to govern the overall management of performance in the NHS.²⁹⁶ These frameworks include provision to link senior leaders' pay more directly to performance and organisational productivity. It is right that there should be effective performance management of health leaders, and they should be accountable for the performance of their organisations. However, care will be needed to build acceptance of targets and to avoid the new approach being perceived as punitive or generating unintended outcomes. We hope that priority will be given to engaging leaders in supporting and delivering these changes.
- 6.11 The Government has not brought forward a new pay framework for ESMs. We understand that it is taking stock of the impact of the integration into the DHSC of NHSE, where over three-quarters of the approximately 500 ESM roles are found.
- 6.12 We recommend that the Government should place the remaining ESM roles on the VSM framework or, for roles which move into the DHSC, transfer them into the Senior Civil Service pay structure. We have previously drawn attention to the drawbacks of having two separate pay frameworks for NHS leaders. The case for retaining a separate ESM pay framework is greatly weakened by the reduction in ESM numbers from the abolition of NHSE. Keeping it would entail unnecessary complexity.

²⁹³ Department of Health and Social Care "NHS England: Health and Social Care Secretary's statement" (Oral statement to Parliament, 13 March 2025). Available at <www.gov.uk/government/speeches/nhs-england-health-and-social-care-secretarys-statement>.

²⁹⁴ HM Government (2024) *Plan for Change: Milestones for mission-led government* (CP 1210) at 27. Available at <https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf>.

²⁹⁵ DHSC written evidence, above n 286, at 5.

²⁹⁶ NHS England "The NHS Performance Assessment Framework for 2025/26" (27 March 2025) <www.england.nhs.uk/long-read/the-nhs-performance-assessment-framework-for-2025-26>.

6.13 We are recommending a pay increase of 3.25 per cent for ESMs and VSMs from 1 April 2025 which we believe will support the stable, strong and motivated leadership that the NHS needs. We also recommend that an additional 0.5 per cent of the ESM and VSM pay bill in each employing organisation is used to address specific pay anomalies, targeted at mitigating the effects of pay overlaps with the Agenda for Change (AfC) pay scale.

6.14 We recommend that the ESM pay framework is withdrawn.

6.15 Our full recommendations for ESMs and VSMs are set out at [6.55]–[6.60] below.

Government response to our 2024 recommendations

6.16 Last year, we recommended a pay increase of 5.0 per cent for all ESMs and VSMs from 1 April 2024. We are pleased that the Government accepted our recommendation.²⁹⁷

6.17 We remain concerned by delays of up to five months in implementing the pay award for NHS leaders. We were pleased to see the Secretary of State’s recognition in the remit letter that public sector workers deserve timely pay awards, and we welcome the Government’s intention to return to more timely annual pay processes.

6.18 Last year, we also recommended that where pay cases require approval from DHSC, central approval or rejection of proposed ESM or VSM pay is provided within four weeks of submission of the pay case. We had previously made this recommendation in 2023, when it was not accepted.

6.19 We are very pleased that the Government has now agreed that central approval or rejection of VSM pay cases should take place within four weeks.²⁹⁸ Long waits for responses to these pay cases worsen the operational issues facing the NHS and we are confident the streamlined approvals process will be more efficient and a significant benefit to organisations employing VSMs.

Context

6.20 In evidence, HM Treasury set out the fiscal position and its view of the economic climate in which we are making our recommendations.²⁹⁹ It said that a pay increase for senior health leaders should not exceed 2.8 per cent. In its evidence, the DHSC said that a higher award than this would affect budgets for delivery of services.³⁰⁰

6.21 In discussion groups, and in evidence, we heard that the leadership environment in the NHS remains as pressured as immediately after the pandemic. In his report of September 2024, Lord Darzi of Denham noted waiting list numbers of around 1 million for mental health services, over 1 million for community services, and over two million waiting over six months for hospital procedures.³⁰¹ As of February 2025, there were 7.5 million treatments on the elective care waiting list, albeit a slight reduction from August 2024.³⁰² The increase in A&E waits since 2010 is causing an estimated additional 14,000 deaths a year.³⁰³

²⁹⁷ HC Deb 29 July 2024 vol 652 HCWS40. Available at <<https://hansard.parliament.uk/Commons/2024-07-29/debates/24072928000020/NHSPayReviewRecommendationsEngland>>.

²⁹⁸ Letter from Karin Smyth (Minister of State for Health (Secondary Care)) to Lea Paterson (Chair of the Senior Salaries Review Body) regarding Acceptance of Recommendation in Forty-Sixth Annual Report (7 April 2025).

²⁹⁹ See detailed discussion in Chapter 2 at [2.26].

³⁰⁰ DHSC written evidence, above n 286, at 20.

³⁰¹ Darzi report, above n 292, at 30, 32 and 36.

³⁰² NHS England “Waiting list falls as NHS staff treated record numbers last year” (13 February 2025) <www.england.nhs.uk/2025/02/waiting-list-falls-as-nhs-staff-treated-record-numbers-last-year>.

³⁰³ Darzi report, above n 292, at 52.

- 6.22 NHS organisations are also under intense financial pressure. In oral evidence in January, NHSE told us that only three of the 42 Integrated Care Boards (ICBs) were on track to meet their financial targets. In addition, 2024 saw further industrial action by resident doctors, bringing the total appointments rescheduled because of strike action to nearly 1.5 million.³⁰⁴ NHS productivity is lower than it was before the pandemic.³⁰⁵

Performance measures and oversight

- 6.23 In November, the Secretary of State announced that senior manager pay and allocation of finances will be linked to organisational performance. Those in charge of organisations that *“persistently fail to provide decent care or fail to keep a grip on finances [would] not receive annual pay uplifts”*.³⁰⁶
- 6.24 In written evidence, the DHSC said that NHS league tables will rank providers. Top-performing providers will be given more capital and greater control over where to invest it. Persistently failing managers will be replaced and turnaround teams of expert leaders will be deployed.³⁰⁷
- 6.25 The Government has emphasised the importance of improved productivity, but we have not yet heard a consistent narrative as to what is to be measured or how this may link with pay. At the time of drafting this Report, the Government has published a draft Performance Assessment Framework. This incorporates metrics that will be used to place NHS organisations in one of five performance segments. Weaker performers, in segment five, will be subject to more regular and active central performance management and ineligible for any annual salary increase.³⁰⁸
- 6.26 In evidence, we heard consistent agreement that senior managers should be held accountable for health outcomes. However, there is significant concern about how pay will be linked to performance and the risks of a ‘punitive’ approach causing unintended consequences. Care will be needed so that the approach is felt to be fair, encourages able leaders to work in challenged trusts and avoids further eroding the attractiveness of promotion to ESM and VSM roles.
- 6.27 It will be important to invest in engagement with the senior cohort to explain and embed the Performance Assessment Framework. Leaders need to understand the underlying principles and purpose and believe they have the power to change outcomes in the workplace.

³⁰⁴ NHS England “NHS publishes data following junior doctor strikes” (5 July 2024) <www.england.nhs.uk/2024/07/nhs-publishes-data-following-junior-doctors-strike-4/>.

³⁰⁵ NHS England “NHS Productivity” (16 May 2024) <www.england.nhs.uk/long-read/nhs-productivity/>.

³⁰⁶ Wes Streeting, Secretary of State for Health and Social Care “Our ambition to reform the NHS” (speech delivered at NHS Providers annual conference, Liverpool, 13 November 2024). Available at <www.gov.uk/government/speeches/our-ambition-to-reform-the-nhs>.

³⁰⁷ DHSC written evidence, above n 286, at 7.

³⁰⁸ NHS England “The NHS Performance Assessment Framework for 2025/26” (27 March 2025) <www.england.nhs.uk/long-read/the-nhs-performance-assessment-framework-for-2025-26/>.

Key points from the evidence:

6.28 In evidence, we heard that NHS leaders are in a high-pressure environment characterised by high turnover. Requirements for community-focused system-level leadership, organisations forming group structures and increased role-sharing are among the factors making senior managers' roles progressively more complex. The shrinking of the pool of suitable candidates available to fill these vacancies, along with the need to renew leadership pipelines, has affected the ability to recruit and retain talent.³⁰⁹

Recruitment and retention

6.29 Overall VSM turnover in 2023-24 was just under 10 per cent.³¹⁰ However, as detailed below, there are some specific areas of concern, including the emerging trend of high Chief Executive Officer (CEO) turnover and difficulties in recruiting for some specialist skills:

- In December 2024, there were 107 executive director vacancies across the NHS in England, compared to 80 a year earlier.³¹¹
- The largest proportion of vacancies is for chief people officer roles, followed by chief nursing officer and CEO positions.³¹² We heard in oral evidence that chief finance officer roles are also difficult to fill, and the NHS struggles to pay competitive salaries for Digital, Data and Technology (DDaT) roles.
- CEO roles continue to have high levels of churn and inexperience. 58 per cent of CEOs are in first time CEO roles; 31 per cent have been in post one year or less.³¹³ These are roles where consistency and stability are particularly important.
- 21 per cent of executive director vacancies have not been filled for 12 months or longer.³¹⁴
- In evidence, stakeholders referred to a continuing concern about attracting high-calibre candidates to challenged trusts.³¹⁵

6.30 We again heard that apart from these areas of specific pressure, and subject to introduction of new pay frameworks to alleviate inappropriate pay minima and maxima, VSM levels of pay are broadly appropriate. In the 2024 NHS Staff Survey, 84 per cent of VSM respondents were satisfied with their level of pay.³¹⁶ We would welcome more evidence to clarify that pay is not a factor in the high turnover of trust CEOs.

6.31 The great majority of ESM roles are currently within NHSE. It reports difficulty recruiting to finance, chief medical officer and digital roles, and a reduced appetite for promotion to ESM as pay differentials between ESM 1 and the top of the AfC scale have narrowed.

³⁰⁹ NHSE written evidence, above n 287, at 3.

³¹⁰ DHSC written evidence, above n 286, at 22.

³¹¹ NHSE written evidence, above n 287, at 3.

³¹² At 3.

³¹³ NHSP written evidence, above n 288, at 23.

³¹⁴ NHSE written evidence, above n 287, at 3.

³¹⁵ DHSC written evidence, above n 286, at 5 and NHSP written evidence, above n 288, at 19.

³¹⁶ See discussion at [6.101].

Talent pipeline

- 6.32 The nature of NHS leadership and the required future capabilities are changing. Leaders are increasingly being asked to undertake larger roles providing system leadership across organisations, whether they are in trusts, ICBs or arm's length bodies (ALBs) of the DHSC, working in a more connected way with other organisations. More leaders are taking on shared roles.³¹⁷
- 6.33 The Government is due to publish its ten-year Health Plan, which will centre on shifts from analogue to digital, from hospital to community and from sickness to prevention.³¹⁸ To achieve the shifts the Government intends and manage down waiting times, NHS leaders will need to deliver significant change in a system under great operational pressure.
- 6.34 In our 2022 Report, we welcomed the recommendations of General Sir Gordon Messenger's review of health and social care leadership, which set out how the NHS could develop the future leaders it needs.³¹⁹ Those recommendations are yet to be fully implemented. They are critically important to the future of the NHS and should be implemented without further delay. We are encouraged that the Secretary of State has asked General Sir Gordon to help with the talent development needed for the ten-year plan.³²⁰
- 6.35 The Secretary of State has announced a new College of Executive and Clinical Leadership to raise standards of management and leadership.³²¹ It has an important part to play in supporting organisation and leadership change.
- 6.36 Two-fifths (39.8 per cent) of the VSM group were aged 55 and over, similar to 2023 (40.0 per cent).³²² It is not clear that the pipeline of future leaders is strong enough to replace them with the quantity and quality of leadership the NHS will need.
- 6.37 In Quarter 1 of 2024-25 the total reported spend on executive search agencies was approximately £1.739 million, or around £7 million annually, if this quarter was typical.³²³ We are concerned that trusts are using taxpayers' money to pursue the same talent, sometimes through competing executive search firms.

Attractiveness of leadership roles

- 6.38 The pay differential between the top of the AfC pay range and the bottom of the VSM and ESM ranges has become too narrow.
- 6.39 Under the new VSM pay framework, eight of the ten band minima for VSM executive directors are below the top of the AfC Band 9 range (£121,271). The new framework does not sufficiently address this issue. The bottom of the ESM 1 band (£100,000) is below the entry step point of the AfC Band 9 range, and also below the top of AfC Band 8d (£101,677).
- 6.40 Individuals on AfC bands are also entitled to certain allowances, which they lose on promotion to ESM or VSM. Those at the top of the AfC Band 9 scale in London, who receive the High-Cost Area Supplement (not available to ESMs or VSMs), are paid £129,443. They are close to surpassing the top of the ESM 1 scale (£131,000).

³¹⁷ This refers to positions which work across multiple health organisations. See further discussion at [6.109].

³¹⁸ DHSC written evidence, above n 286, at 22.

³¹⁹ Gordon Messenger and Linda Pollard *Leadership for a collaborative and inclusive future* (8 June 2022) [Messenger report]. Available at <www.gov.uk/government/publications/health-and-social-care-review-leadership-for-a-collaborative-and-inclusive-future>.

³²⁰ DHSC written evidence, above n 286, at 6.

³²¹ At 7.

³²² See [6.77].

³²³ NHSE written evidence, above n 287, at 10.

- 6.41 In 2023-24, NHSE estimated that up to 9 per cent of VSMs had basic pay which was less than the top of the AfC Band 9. We expect that proportion to have increased, as last year saw pay increases of 5.5 per cent for AfC and 5 per cent for VSMs.³²⁴ In discussion groups we heard that this had weakened the incentive to seek promotion to ESM or VSM.

Pay approvals

- 6.42 In 2023-24 there were 128 requests to approve salaries, uplifts or additional payments over £150,000 for VSMs. This is down from 156 in 2022-23. 45 of these (35 per cent) related to CEOs. We again heard of the adverse impact of long waits for central decisions. It is very welcome that these should now be a thing of the past.
- 6.43 There remains a requirement for central approval of salaries above a threshold level, raised to £170,000 for all VSMs in the new VSM pay framework, rather than £150,000. As noted above at [6.19], central decisions on VSM pay approvals are now to be taken within four weeks of submission.

Morale and motivation

- 6.44 As it did for the first time last year, NHSE has been able to isolate VSM responses within the NHS staff survey results. We are grateful to them for this work, which is valuable to us and to the NHS.
- 6.45 VSM scores were very similar to those last year and were again considerably more positive than the overall survey results. The VSM score for morale, 7.2 out of 10, was lower than for the other three themes ('we are recognised and rewarded', 8.1; 'we work flexibly', 7.8; 'motivation', 8.4).³²⁵
- 6.46 Discussion groups, written evidence from MiP and NHSP and oral evidence drew attention to the intense demands of unrelenting operational pressures. For many, this was a more pressing concern than levels of pay, and linked to high turnover in some roles.
- 6.47 We have also heard about the adverse impacts on individuals of greater exposure to personal reputational risk following negative publicity and of dealing with increased violence and aggression in hospitals.

Diversity

- 6.48 The senior health leadership group is more diverse by gender and ethnicity than most of our other remit groups. In June 2024, around half of senior health managers were female. In the VSM cohort, 48.7 per cent were female. Of those VSMs who had a recorded ethnicity, 17.2 per cent were from an ethnic minority.³²⁶
- 6.49 This appears to reflect sustained hard work by health organisations and leaders to ensure that service leaders are representative of the communities they serve. We welcome this achievement and will be interested in the impact of the NHS equality, diversity and improvement plan published in June 2023 in achieving its aims of attracting new talent and retaining staff.

³²⁴ HC Deb 29 July 2024 vol 652 HCWS40, above n 297.

³²⁵ See Figure 6.6.

³²⁶ See [6.76].

Pay frameworks and recommendations

Pay frameworks

- 6.50 A draft new VSM pay framework was shared with the SSRB in 2022 but not introduced. The delay since then means shortcomings have remained, including out-of-date pay bands, inappropriate pay differentiation according to type of trust and weak incentives to join challenged trusts, as well as absence of ‘clear water’ between the top of the AfC scale and VSM pay.
- 6.51 As we were completing this Report, the Government was due to publish a new VSM pay framework.³²⁷ We observe:
- It will take some time for its impact to be felt fully as it is prospective, governing the terms and conditions of VSMs appointed after its publication.
 - Placing all VSMs on the same set of salary scales, irrespective of type of organisation, is welcome.
 - We understand the intention is to increase the ranges in line with future VSM pay uplifts. We welcome the inclusion of an uplift mechanism to avoid the ranges becoming dated in the way that has happened with its predecessor framework, introduced in 2019.
 - It is right to provide for premia to attract able leaders to the most challenged organisations. We are concerned that the planned approach of non-consolidated uplifts, and relying on secondments, will not provide sufficient incentive for leaders to move to these organisations. This is particularly concerning if their future annual pay uplifts are conditional on improvement in the organisation’s overall performance, for which some of the criteria may be to a significant extent outside an individual’s control.
 - Introducing an element of individual performance pay, in conjunction with the Performance Assessment Framework, is a significant change. We are fully supportive of linking leaders’ pay to performance. In the past, we have observed quite widespread scepticism among health leaders about individual performance pay in the NHS context. Securing their engagement will be important, as will close monitoring of the impact to determine if it is having the intended effects.
 - Most of the pay ranges for executive directors in trusts start too low to correct the absence of ‘clear water’ between the pay of AfC Band 9s and that of VSMs. The pay ranges are the same as those proposed in early 2024. Since then, VSM salaries have risen by 5 per cent and those of AfC Band 9s by 5.5 per cent. This has increased the overlap of Band 9 and VSM pay ranges.
 - Scope for pay progression can help decrease excessive turnover by reducing the incentive to move to secure a pay rise. Under the framework, we are encouraged that some progression appears to be possible within pay ranges.
 - Decisions on pay progression are one area in which there is an important role for remuneration committees. It is important that they have the scope to do their job effectively, with clarity on where decision-making lies on both the principles of reward and individual pay awards.

³²⁷ This was published on 15 May 2025. See “NHS very senior managers pay framework” NHS England (15 May 2025) <<https://www.england.nhs.uk/publication/nhs-very-senior-managers-pay-framework>>.

- 6.52 The new VSM framework will govern the pay of VSMs in ICBs as well as those in trusts. ICBs, established by the Health and Care Act 2022, are accountable for building the partnerships that will deliver regional health outcomes. The revised ICB structure was introduced in 2022. We heard evidence that this structure has not yet fully taken root or delivered as intended. Three years on from their statutory establishment, this is a concern. In evidence the need for greater clarity of roles and relationships was identified as requiring early attention.
- 6.53 In 2024, 47 per cent of ESMs did not receive their full pay rise as consolidated pay, to avoid breaching pay ceilings in the pay framework.³²⁸ In real terms, those ceilings have fallen in value by over a quarter since they were set in 2016. The DHSC told us that a new ESM pay framework is being developed but, at the time of finalising our Report, no draft was ready to be shared with us. We understand that the Government is taking stock of the impact of the integration into the DHSC of NHSE, where over three-quarters of this group work.
- 6.54 The Review Body has previously drawn attention to the drawbacks of having two separate pay frameworks for NHS leaders. The opportunity should be taken to withdraw the ESM pay framework, placing existing roles on the VSM framework or, if to be within the DHSC, on the Senior Civil Service pay framework. This will reduce complexity, support career-pathing and reduce duplication.

Recommendations

- 6.55 We are submitting this Report at a time of major change for senior leaders in the health service. The abolition of NHSE will recast important relationships and lines of accountability. The Performance Assessment Framework and the new VSM pay framework reflect the Government's view that stronger leadership performance is required to improve the NHS. The frameworks aim to bring this about through stronger performance management, linked to individual and organisational financial incentives.
- 6.56 The SSRB is supportive of these key principles. But we stress that detailed planning should be devoted to engaging with the leadership and building the cultural change necessary to make this approach successful.
- 6.57 The data on recruitment, retention and morale suggest some specific areas of concern but do not indicate that, overall, the pay of NHS leaders is at an inappropriate level. Some of the issues affecting the attractiveness of leadership roles are not related to pay.
- 6.58 We recommend a pay increase of 3.25 per cent for ESMs and VSMs from 1 April 2025, which we believe will support the stable, strong and motivated leadership that the NHS needs.
- 6.59 We also recommend that an additional 0.5 per cent of the ESM and VSM pay bill in each employing organisation is used to address specific pay anomalies, targeted at mitigating the effects of pay overlaps with the AfC pay scale and equal pay issues. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence.
- 6.60 We recommend that the ESM pay framework is withdrawn. There is no sensible case for a separate pay scale for 120 individuals, or less than 4 per cent of the NHS senior leadership.

Recommendation 8

We recommend that all ESMs and VSMs should receive a 3.25 per cent consolidated increase to base pay from 1 April 2025.

³²⁸ DHSC written evidence, above n 286, at 45.

Recommendation 9

We recommend that an additional 0.5 per cent of the ESM and VSM pay bill in each employing organisation is used to address specific pay anomalies, targeted at mitigating the effects of pay overlaps with the Agenda for Change pay scale. The Review Body should be provided with a report on the extent of its use, and for what purposes, in next year's written evidence.

Recommendation 10

We recommend that the ESM pay framework is withdrawn.

Looking ahead

- 6.61 The SSRB hopes that the transfer of NHSE functions into the DHSC will provide an opportunity to address the following long-standing issues:
- To decide where holistic thinking about the pay strategy for senior health leaders sits, which is not clear. The senior-pay decision-making system is complex, and clarity is needed.
 - Improvement of governance processes with timelines for decisions.
 - Understanding and ownership of overall leadership talent requirements and development.
 - Clarity on how productivity measures will link with senior managers' performance management.
- 6.62 We will be happy to provide further input and support at this time of important change.
- 6.63 We expect the emerging impact of the new Performance Assessment and VSM pay frameworks to be central to our 2026 Report. We recognise the case for a more effective performance management system, and it will be important to monitor closely the impact of this year's changes to assess how far they are bringing this about. We would like to receive evidence on:
- How effectively the DHSC has been able to implement the new frameworks and how far they are achieving their objectives, including the impact of linking pay to performance measures.
 - What difference they have made to numbers of appointable candidates applying to VSM roles in challenged organisations.
 - Whether there have been any unintended negative impacts.

6.64 We would also like to receive evidence on:

- Plans for 'sunsetting' the ESM pay framework.
- How well the current and developing leadership of the NHS matches the needs of the Government's ten-year plan and associated workforce plan.
- Vacancy and turnover rates for the roles which have been most difficult to fill, including leadership posts at challenged organisations and chief finance officer and DDaT roles. We would like specific comment on the reasons for turnover in the key CEO roles. We would like to receive comments on the place of pay in making it difficult to recruit and retain in all these roles.
- The extent of both temporary and permanent shared roles, and sorts of roles that are shared.
- Data on use and cost of external executive search agencies for filling senior leadership roles.
- Better identification of VSMs in the payroll data. We hope the introduction of the new pay framework will enable this. In order to manage present and future leadership talent, the NHS needs to have easy visibility of this group of colleagues and what they are paid.
- How the Government measures productivity for our remit group and how this may link with pay.

Annex: Data and evidence

- 6.65 We received a mix of written and oral evidence from the Department of Health and Social Care (DHSC) and NHS England (NHSE), NHS Providers (NHSP), and Managers in Partnership (MiP).³²⁹ We held five discussion groups – one with remuneration committee chairs, one with Executive and Senior Managers (ESMs) and three separate ones with Very Senior Managers (VSMs) across trusts and Integrated Care Boards (ICBs). We appreciate their contributions and insights. We are grateful to the DHSC and NHSE for their work in improving the evidence and data they provide to us.
- 6.66 In late 2024, NHSE provided us with an extensive dataset on senior recruitment and retention across the NHS.³³⁰ Earlier this year, it gave us data on VSMs from the NHS 2024 Staff Survey. We also received NHSP’s remuneration survey, which was carried out in summer 2024 and received responses from 142 trusts (68 per cent of all trusts in England).³³¹ The survey provided evidence on the motivation and morale of senior health leaders, albeit now over nine months old.

Workforce

- 6.67 A VSM is someone who holds an executive position on the board of an NHS trust, NHS foundation trust or ICB, or someone who, although not a board member, holds a senior position typically reporting directly to the chief executive.³³²
- 6.68 Many standard terms and conditions for VSMs, such as annual leave and redundancy, are linked to Agenda for Change (AfC) terms and conditions. Although there is a national framework for setting VSM pay, individual VSMs are employed on local contracts. Medical directors may be employed on consultant contracts, with a pay framework and other terms subject to national collective bargaining arrangements.³³³
- 6.69 An ESM is someone who holds an executive position in one of the DHSC’s arm’s length bodies (ALBs) or someone who, although not a board member, holds a senior position, typically reporting directly to the chief executive.³³⁴
- 6.70 It is difficult to identify VSMs using national workforce data systems as they are not separately identified in the payroll system. NHSE has estimated the size of this workforce using other data fields in the Electronic Staff Record (ESR), such as job role and earnings, to identify the records most likely to relate to VSMs. In this case, a proxy threshold of those earning a yearly salary greater or equal to £110,000 was used to identify VSMs.³³⁵

³²⁹ See citations at [6.3].

³³⁰ NHS England *SSRB Evidence Requirement* (unpublished) [NHSE data pack (unpublished)].

³³¹ NHS Providers *NHS Providers Briefing: 2023/24 Remuneration Survey Results* (October 2024) (unpublished) [NHSP remuneration survey (unpublished)].

³³² DHSC written evidence, above n 286, at 21.

³³³ At 24.

³³⁴ At 39.

³³⁵ NHSE data pack (unpublished), above n 330, at 8. Two definitions are used, which give different estimates of the size of the cohort. NHSE has indicated that both data series are likely to be an undercount. The ‘earnings measure’ defines VSMs as: staff who are not on AfC, earn over £110,000 a year and have one of the following job roles: board level director, chief executive, clinical director, clinical director – dental, clinical director – medical, director of nursing, finance director, medical director or other executive director; or, non-medical staff who are not on AfC, earn over £110,000 a year and do not have one of the job roles listed above. The ‘job title measure’ defines VSMs as: staff who are not on AfC and have one of the following job roles: board level director, chief executive, director of nursing, finance director, medical director or another executive director. The number of staff in the VSM cohort may have changed over time due to improvements in the

- 6.71 It is estimated that there were 2,730 VSMs in trusts and foundation trusts in June 2024, with a full-time equivalent of 2,591. A further 719 VSMs were working in ICBs.³³⁶ This represents approximately 0.2 per cent of the 1.5 million staff working in NHS providers.³³⁷ This is an increase across trusts, of around 200 compared to the same period last year.³³⁸ Growth in the VSM headcount in both trusts and ICBs was 6 per cent over the year. This is probably because last year's 5 per cent pay uplift increased the number of those above the salary threshold at which an individual is identified as a VSM using the proxy measure.
- 6.72 There were around 502 ESM posts in health executive agencies and ALBs in June 2024.³³⁹
- 6.73 VSMs were employed across 210 provider trusts and 42 ICBs. The headcount number of VSMs in each trust ranged from 1 to 90. The median number of VSMs in a trust was ten. The vast majority of VSMs, over 95 per cent, were on permanent contracts.³⁴⁰
- 6.74 ESMs were employed in one of 12 ALBs, with a small number of former Public Health England ESMs employed by the DHSC.³⁴¹ More than three-quarters of ESM roles were in NHSE. The next largest employer of ESMs was the Care Quality Commission.

Diversity

- 6.75 As of June 2024, around half of senior health managers were female. In the VSM cohort, 48.7 per cent were female, a small decrease from 49.5 per cent in 2023.³⁴² In the ESM cohort, 52 per cent were female, an increase from 50.9 per cent in 2023.³⁴³
- 6.76 Of those VSMs who had a recorded ethnicity, 17.2 per cent were from an ethnic minority background, up from 11.6 per cent in 2023.³⁴⁴ Of those ESMs with a recorded ethnicity, 10 per cent were from an ethnic minority background.³⁴⁵
- 6.77 Two-fifths (39.8 per cent) of the VSM group were aged 55 and over, similar to 2023 (40.0 per cent).³⁴⁶
- 6.78 VSMs aged 55 and over accounted for over half of medical directors (52.0 per cent); 51.2 per cent of CEOs; 46.8 per cent of nursing directors; and 27.0 per cent of finance directors.³⁴⁷

recording of job roles by trusts. Both measures show a steadily increasing trend in the size of the cohort since 2013, which is likely to be overstated in the earnings measure.

³³⁶ NHSE data pack (unpublished), above n 330, at B1.

³³⁷ NHSP written evidence, above n 288, at 1.

³³⁸ DHSC note that because this definition includes an earnings component which has not been increased for several years and so some of this increase may reflect other staff who have crossed the earnings threshold and meet the other aspects of the definition rather than a genuine increase in VSM positions.

³³⁹ DHSC written evidence, above n 286, at 39.

³⁴⁰ NHSE data pack (unpublished), above n 330, at B1.

³⁴¹ Care Quality Commission, Health Education England, Health Research Authority, Human Fertilisation and Embryology Authority, Human Tissue Authority, National Institute for Health and Care Excellence, NHS Blood and Transplant, NHS Business Services Authority, NHS Counter Fraud Authority, NHS England, NHS Resolution.

³⁴² NHSE data pack (unpublished), above n 330, at B4.

³⁴³ DHSC written evidence, above n 286, at 43.

³⁴⁴ NHSE data pack (unpublished), above n 330, at B7. This may be influenced by changes in numbers of those choosing to record their ethnicity.

³⁴⁵ DHSC written evidence, above n 286, at 43.

³⁴⁶ NHSE data pack (unpublished), above n 330, at B10.

³⁴⁷ At AD7.

Pay awards

- 6.79 Last year the SSRB recommended a pay increase of 5.0 per cent for all ESMs and all VSMs in the NHS in England. This recommendation was accepted by the Government.³⁴⁸

Pay cases and pay thresholds

- 6.80 Under the new VSM framework, there is a requirement that all proposed VSM pay at or above £170,000 in NHS trusts is subject to ministerial approval (or ministerial comment in foundation trusts) before appointments are made. This is an increase from the previous threshold of £150,000. Any VSM pay proposal at or above the £170,000 threshold that adheres to the VSM pay framework can be cleared at senior official level rather than by ministers.
- 6.81 The approval process also applies where an employer proposes to pay an annual uplift which takes an individual above the threshold or band maximum. The DHSC said that any pay awards to those paid above the band maximum should be non-consolidated.³⁴⁹
- 6.82 ICBs are required to submit pay cases for proposed salaries for executive directors (other than for CEOs) above the agreed thresholds or £170,000, whichever is the lower (see Table 6.4). For ICB CEOs, the threshold is the operational maximum of the relevant sized ICB – £197,500 for the smallest ICBs to £270,000 for the largest (see Table 6.5).
- 6.83 In 2023-24 there were 128 requests to approve salaries, or uplifts or additional payments over £150,000 for VSMs, down from 156 in 2022-23. 45 of these (35 per cent) related to CEOs.
- 6.84 In NHSP written evidence, they once again highlighted how delays in appointing executives reduce capacity across entire organisations. While interim arrangements are implemented, the capacity at the executive level is diminished, limiting trusts' ability to make certain decisions and advance direction-setting work during this interim period.³⁵⁰
- 6.85 The remuneration survey results showed 17 per cent of respondents said their trust has experienced delays from the salary threshold approval process in the past two years.³⁵¹

³⁴⁸ HC Deb 29 July 2024 vol 652 HCWS40, above n 297.

³⁴⁹ DHSC written evidence, above n 286, at 45.

³⁵⁰ NHSP written evidence, above n 288, at 23.

³⁵¹ At 23.

Pay levels

Pay frameworks and existing pay levels

- 6.86 Senior health managers within our remit are currently covered by one of four pay frameworks:
- The VSM pay framework due to be published as we were completing this Report, which governs the remuneration of those appointed after its launch. The great majority of VSMs in provider trusts are on terms and conditions from its predecessor, with pay benchmarks set in 2019.
 - The ESM pay framework, with pay ranges set in 2016, which applies to the most senior managers in the DHSC's ALBs.
 - The 2022 interim pay framework for CEOs of ICBs.
 - The 2022 interim pay framework for executive directors of ICBs.
- 6.87 There is some pay overlap with AfC Band 9 roles, and with the doctors and dentists pay bands for medical directors.

VSMs

- 6.88 The overall estimated earnings over the year to June 2024 for VSMs in trusts across all regions was £411 million. Average VSM basic pay was £138,509 per person (£145,618 per FTE). This indicates a rise of 2.4 per cent in average basic pay over the year, and a rise of 2.7 per cent per FTE.³⁵²
- 6.89 Variable pay added 9.5 per cent (£13,876) on average per person. Much of the variable pay is paid to medical directors – average payments included £4,510 for additional activities; £2,021 for medical awards and £5,925 for local payments.³⁵³
- 6.90 For female VSMs, average basic pay was 3.9 per cent lower than male average basic pay, and average total pay 4.5 per cent lower (compared to 4.2 and 4.9 per cent in the previous year).³⁵⁴
- 6.91 Regional variation in VSM salaries grew from the previous year but remains small (see Figure 6.1). Average basic pay in the lowest-paying regions (the North East and Yorkshire) was 4.6 per cent below the overall average, and average basic pay in the highest-paying region (the South West) was 4.9 per cent above the average. There are no explicit London or other location allowances for the VSM group, but these are paid to staff at the top of AfC.³⁵⁵

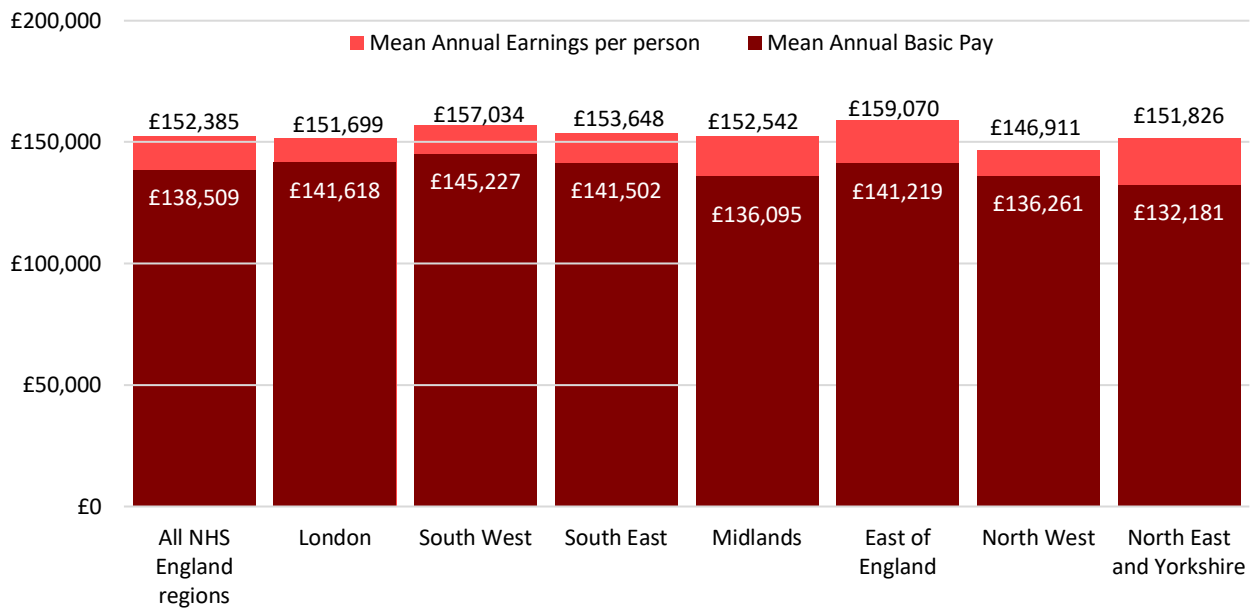
³⁵² NHSE data pack (unpublished), above n 330, at B22.

³⁵³ At C1.

³⁵⁴ At C14 and C17.

³⁵⁵ At B22.

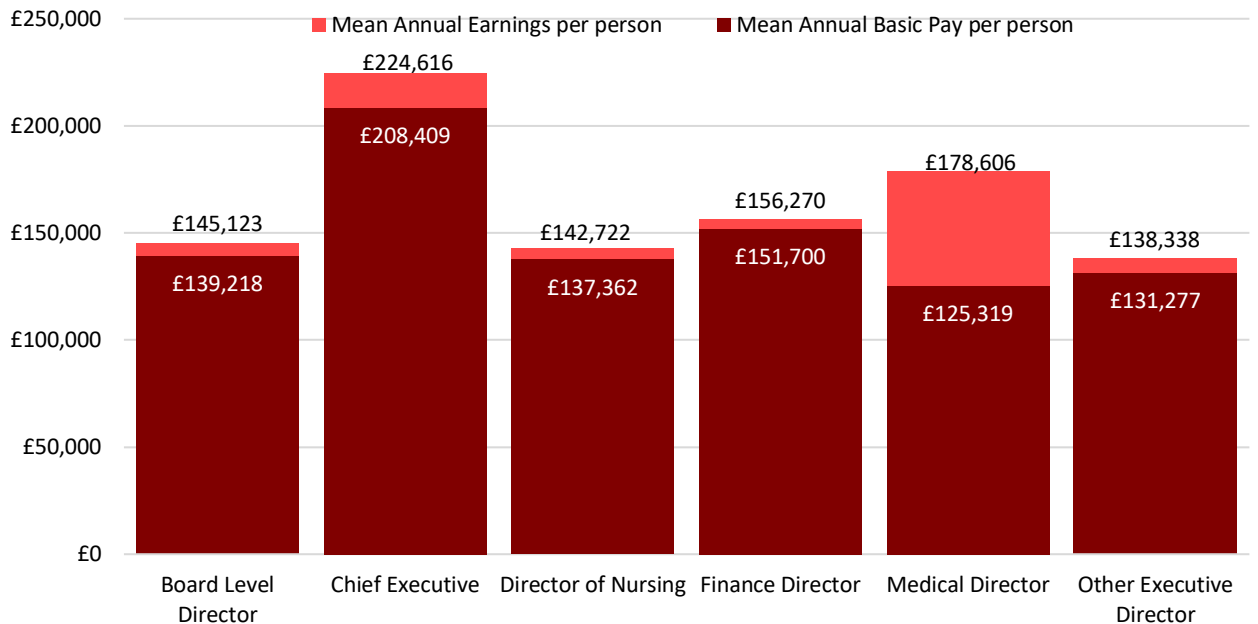
Figure 6.1: Average basic and total pay for VSMs by region, June 2024



Source: NHSE (unpublished).

Note: Board-level roles only. Due to a combination of methods in identifying VSMs within the dataset, the data may be subject to misidentification in some instances and, therefore, skewed results for some regions.

Figure 6.2: Average VSM salaries by role, June 2024



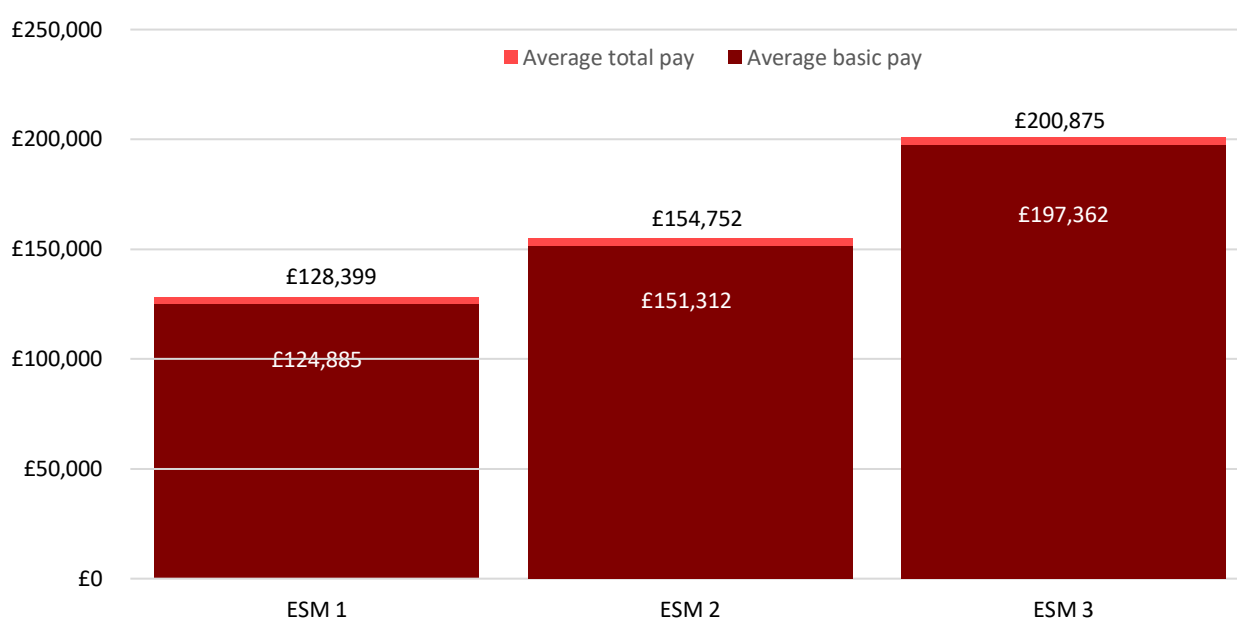
Source: NHSE (unpublished).

Note: Board-level roles only. Due to a combination of methods in identifying VSMs within the dataset, the data may be subject to misidentification in some instances and, therefore, skewed results for some roles.

ESMs

- 6.92 Between November 2023 and November 2024, ESM average basic pay increased by 3.2 per cent, again most likely due to the annual pay uplift. However, as fewer individuals received a consolidated award this increase is lower than the previous year.³⁵⁶
- 6.93 The estimated salary bill over the year to June 2024 for the ESM group was £63 million. Average basic pay was £118,876, representing a 0.3 per cent increase from June 2023, and variable pay added 5.6 per cent (£6,618) on average.³⁵⁷
- 6.94 For female ESMs, average basic pay was 1.1 per cent lower, and average total pay 2.7 per cent lower, than the male averages. This differs from last year where female basic pay was 0.3 per cent higher than the male average and average total pay was 0.1 per cent lower.³⁵⁸

Figure 6.3: Basic and total pay by ESM grade, 2023-24



Source: DHSC written evidence.

ICB VSMs

- 6.95 The overall estimated annual earnings over the year to June 2024 for ICB VSMs across all regions was £89 million. Average basic pay was £108,388 per person (£152,100 per FTE). This indicates a rise of 3.4 per cent in average basic pay over the year, and a rise of 2.4 per cent per FTE.³⁵⁹
- 6.96 Variable pay added 2.9 per cent (£3,151) on average per person. Average payments included £1,266 for additional activities; £853 for local payments and £988 for other payments.³⁶⁰

³⁵⁶ DHSC written evidence, above n 286, at 42.

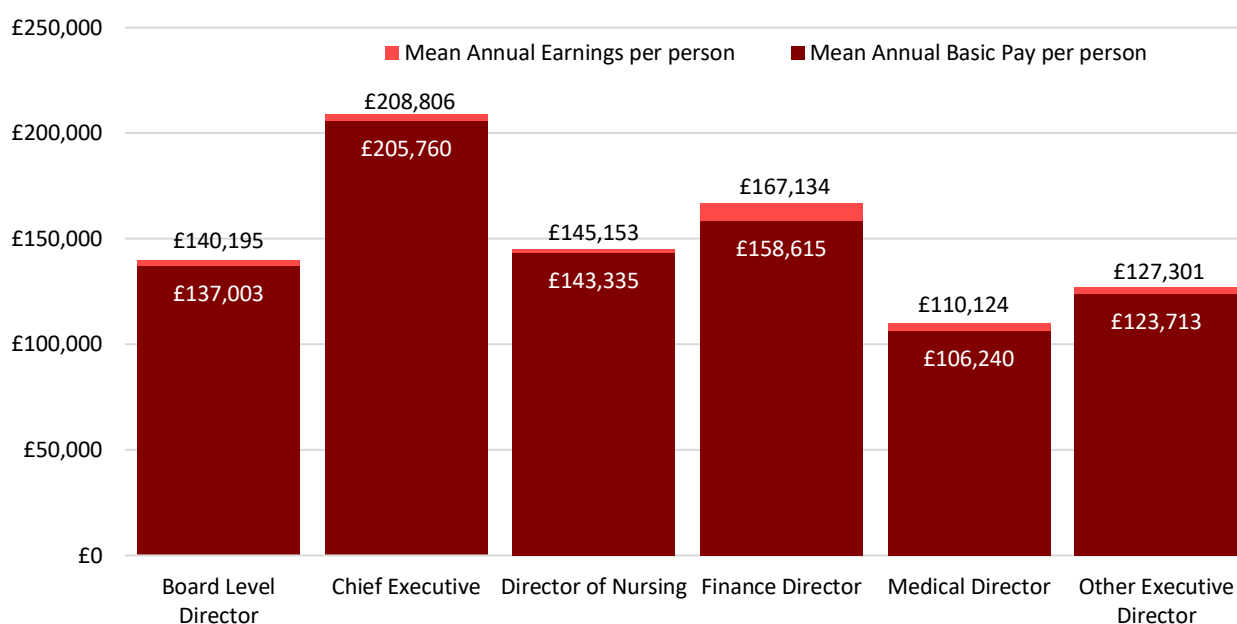
³⁵⁷ NHSE data pack (unpublished), above n 330, at B23 and C2.

³⁵⁸ At C15 and C18.

³⁵⁹ At B24 and C3.

³⁶⁰ At B24 and C3.

Figure 6.4: Average ICB salaries by role, June 2024



Source: NHSE (unpublished).

Note: Board-level roles only. The level of pay and earnings for medical directors may appear low as over 60 per cent of medical directors in the dataset worked 'part-time' on the ICBs, most likely alongside additional (consultancy) roles elsewhere. Due to a combination of methods in identifying VSMs within the dataset, the data may be subject to misidentification in some instances and, therefore, skewed results for some roles.

New VSM pay framework

6.97 The DHSC has shared with us its new VSM framework, due to be published as we were completing this Report. It does not differentiate salaries by trust type as the previous framework did.

New VSM pay ranges

6.98 The new VSM pay framework has five salary bands, related to organisation turnover. The salaries of VSMs under the new framework range from £97,335 at the minimum for a level 2 executive director in a small trust, up to £299,250 at the summit of the exception zone for a CEO of a trust over £1 billion.

Table 6.1: CEOs pay ranges

Organisation turnover (£pa)	Group	Minimum (£pa)	Operational maximum (£pa)	Exception zone (£pa)
Up to 250 million	A	140,595	194,670	210,000
250-499 million	B	151,410	216,300	236,250
500-749 million	C	173,040	237,930	252,000
750 million-1 billion	D	216,300	248,745	278,250
Over 1 billion	E	237,930	270,375	299,250

Source: DHSC.

Table 6.2: Level 2 executive directors (reporting to CEO): pay ranges

Organisation turnover (£pa)	Group	Minimum (£pa)	Operational maximum (£pa)	Exception zone (£pa)
Up to 250 million	A	97,335	151,410	178,500
250-499 million	B	108,150	162,225	189,000
500-749 million	C	118,965	173,040	199,500
750 million-1 billion	D	129,780	183,855	210,000
Over 1 billion	E	151,410	200,078	220,500

Source: DHSC.

Table 6.3: Level 3 executive directors (reporting to a board director): pay ranges

Organisation turnover (£pa)	Group	Minimum (£pa)	Operational maximum (£pa)	Exception zone (£pa)
Up to 250 million	A	AfC or equivalent	AfC or equivalent	AfC or equivalent
250-499 million	B	AfC or equivalent	AfC or equivalent	AfC or equivalent
500-749 million	C	108,150	129,780	131,250
750 million-1 billion	D	113,558	135,188	141,750
Over 1 billion	E	118,965	146,003	152,250

Source: DHSC.

ICB pay ranges

6.99 The structure for ICB CEOs is similar to that for trusts with four bands based on a weighted measure of the population of the ICB area. The salaries range from £183,750 to £304,500.

6.100 At executive director level there are also four bands, but with differentiation between three specific roles (chief finance officer, chief nursing officer and chief medical officer). All other roles are grouped together. The salaries in ICBs range from £129,675 for chief nursing officers on the minimum in group A or B, up to £191,100 for a chief finance officer on the maximum.

Table 6.4: ICB CEO pay ranges

Weighted Population	Group	Minimum (£)	Operational maximum (£)	Exception zone (£)
<1 million	A	183,750	207,375	231,000
1-1.5 million	B	199,500	223,125	246,750
1.5-2 million	C	231,000	252,000	273,000
>2 million	D	262,500	283,500	304,500

Source: DHSC.

Table 6.5: ICB executive pay ranges

Groups A and B (<1.5 million weighted population)	CFO (£)	CNO (£)	CMO (£)	Other board executives (£)
Minimum value	139,650	129,675	129,675	120,225
Operational max	168,000	156,844	156,844	145,688
Groups C and D (>1.5 million weighted population)	CFO (£)	CNO (£)	CMO (£)	Other board executives (£)
Minimum value	161,700	150,150	150,150	127,050
Operational max	191,100	178,500	178,500	165,900

Source: DHSC.

Views on pay

- 6.101 In the 2024 NHS Staff Survey, 84 per cent of the VSMs who answered (2,107) said that they were satisfied with their level of pay, the same as the previous year. This was 52 percentage points higher than the score across the entire NHS Staff Survey cohort which was at 32 per cent, also a similar figure to the previous year.
- 6.102 We have noted in the past that there is a strong sense in the NHS that individual performance pay is divisive and inappropriate, but that there may be scope to develop arrangements which incentivise team working. We heard similar views again this year. We also heard from some Remuneration Committee chairs who thought there was a role for an appraisal-linked component in determining pay.
- 6.103 The Government's view, expressed in the new VSM pay framework, is that VSMs' annual pay uplifts should be affected by the organisation's performance and the individual's attainment of their targets and objectives.

Overlap with Agenda for Change

- 6.104 The lack of monetary incentive to move from AfC Band 9 to take a VSM role has been highlighted to us by many stakeholders. This means the minimum salary within the pay frameworks is important, to provide appropriate headroom over AfC.
- 6.105 Within both the ESM and the new VSM pay frameworks, the bottom of the lowest range is considerably below the top of the highest AfC pay band (Band 9). The top of AfC Band 9, currently £129,540 in London (where AfC staff receive the High-Cost Area Supplement), may soon exceed the top of ESM Band 1, £131,000. In trusts with annual turnover below £1 billion, the ranges for VSM Board directors reporting to the CEO start at, or well below, the top of AfC Band 9 in London.
- 6.106 In 2023-24, NHSE estimated that up to 9 per cent of VSMs had basic pay which was less than the top of the AfC Band 9. We expect that proportion to have increased, as last year saw pay increases of 5.5 per cent for AfC and 5 per cent for VSMs. In discussion groups we heard that this had weakened the incentive to seek promotion to VSM or ESM.

Recruitment and retention

Recruitment

- 6.107 There were 311 appointments to the VSM cohort between June 2023 and June 2024 (down from 315 in 2022-23). Of these, 31.2 per cent were moves from other trusts and a further 18 per cent were from another NHS organisation.³⁶¹
- 6.108 NHSP's remuneration survey, conducted in summer 2024, reported that 58 per cent of CEOs were in the role for the first time, a slightly smaller proportion than the previous survey (60 per cent). Foundation trusts were more likely to have a first-time CEO (64 per cent) than NHS trusts (41 per cent), a feature also observed in the last survey. Nearly one in three CEOs (31 per cent) had been in post for a year or less, a similar proportion to the 2023 survey (29 per cent).³⁶²
- 6.109 The survey also reported that shared roles are becoming more common, with 13 per cent of executive director roles shared with another trust, up from 8 per cent last year. Communications roles were the most likely to be shared at 29 per cent, while medical and operations directors were the least likely at 6 per cent. Additionally, 21 per cent of CEO roles were shared this year, compared to 14 per cent last year and 7 per cent in 2021-22.³⁶³
- 6.110 Quarterly vacancy reports show that there were 107 board level vacancies in provider trusts in Q1 2024-25, up from 80 a year earlier (see Figure 6.5). The most common roles were HR director (20); nursing director (18); chief finance officer (14) chief operating officer (12) and medical director (10). Some 45 per cent of these vacancies were actively being recruited to.³⁶⁴
- 6.111 We heard last year that the number of shortlisted candidates for VSM posts (not all of whom are judged appointable) was in low single figures. These numbers were lower for the most challenged trusts who sometimes struggle to attract interest from appointable candidates, and more than one attempt is required to fill some positions. This was also the case in some parts of England, particularly in rural areas. This year, third-party executive search consultancies report that their shortlists for board roles are becoming shorter.³⁶⁵
- 6.112 In Quarter 1 of 2024-25 the total reported spend on executive search agencies was approximately £1.739 million.³⁶⁶ We are concerned that trusts are using taxpayers' money to compete for the same talent, sometimes through competing executive search firms.
- 6.113 Some posts take many months to fill meaning those health organisations do not have the substantive leadership they believe they need. Over a fifth (21 per cent) of vacancies had not been filled for 12 months or longer.³⁶⁷

³⁶¹ NHSE data pack (unpublished), above n 330, at E1 and E4. This section uses electronic staff record (ESR) data, rather than the data collected directly from ALBs.

³⁶² NHSP remuneration survey (unpublished), above n 331, at 15.

³⁶³ NHSP written evidence, above n 288, at 10.

³⁶⁴ NHSE data pack (unpublished), above n 330.

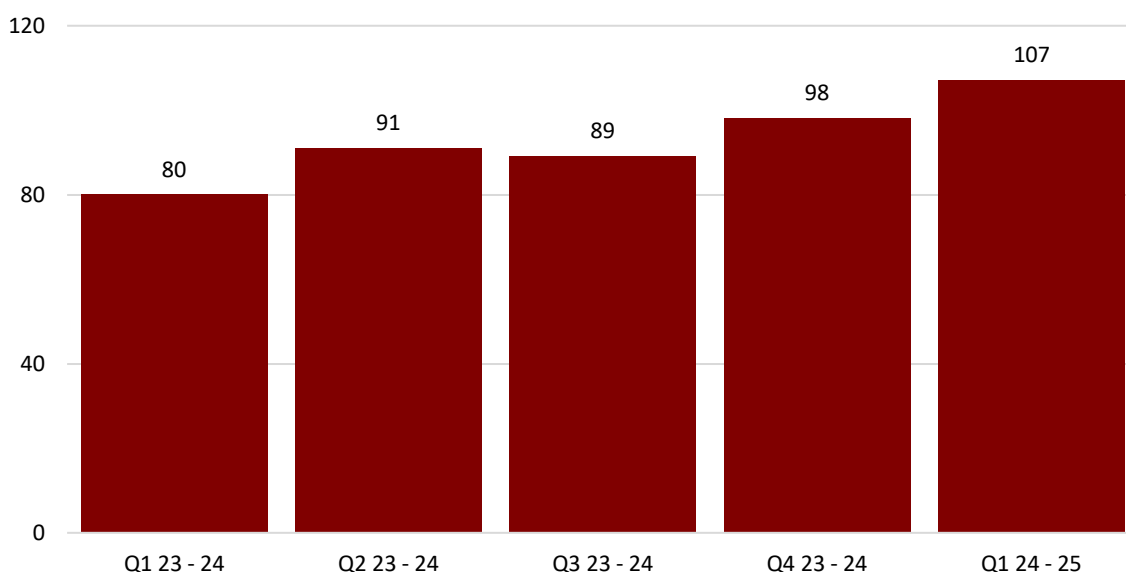
³⁶⁵ NHSE written evidence, above n 287, at 11.

³⁶⁶ At 10.

³⁶⁷ At 3.

Figure 6.5: Executive director vacancies in NHS providers, Q1 2023-24 to Q1 2024-25

Number of Board Vacancies



Source: NHSE (unpublished).

Note: All aspects of the collection were updated to include the boards of ICSs/ICBs for data from 1 July 2022, which began to be captured in the Q2 2022/23 collection which covers the period 1 July 2022 – 30 September 2022.

- 6.114 In oral and written evidence, it was observed that senior managers' roles have become progressively more complex. The shrinking of the pool of suitable candidates available to fill these vacancies, along with renewing leadership pipelines, has affected the ability to recruit and retain talent.³⁶⁸
- 6.115 In evidence we heard that high levels of financial pressure across the sector make trust roles more demanding. We heard there is a focus on doing more with less referring to unrealistic budget expectations, which results in high turnover. This has been particularly highlighted for the roles for finance directors, CEOs, medical officers and nursing officers.³⁶⁹
- 6.116 In evidence, we heard of several factors which are affecting the attractiveness of leadership roles, including greater operational pressures, increased demand on executive time and an increasingly critical narrative associated with meeting unrealistic targets.
- 6.117 The NHSP remuneration survey reported marked rises in increased operational pressures (90 per cent in 2024, up from 71 per cent the year before); increased demand on executive time (91 per cent in 2024, up from 67 per cent) and increasingly critical narrative around NHS leaders (75 per cent in 2024, up from 55 per cent).³⁷⁰
- 6.118 In DHSC written evidence it was identified that the most difficult ESM roles to recruit and retain are digital, technology, data and finance posts due to the high demand for suitable candidates and the limitations on pay compared to other sectors.³⁷¹

³⁶⁸ At 3.

³⁶⁹ NHSP written evidence, above n 288, at 5.

³⁷⁰ At 21.

³⁷¹ DHSC written evidence, above n 286, at 46.

Retention

- 6.119 In total 252 VSMs left the provider sectors between June 2023 and June 2024, up from 245 the previous year. In addition, 144 VSMs left their organisation and moved to another trust.³⁷²
- 6.120 The DHSC's written evidence noted that 9.7 per cent of trust VSMs left the sector in 2023-24, similar to the previous year. The rate is higher in ICBs, at 16.1 per cent. Table 6.6 below gives a breakdown of VSMs' reasons for leaving.³⁷³
- 6.121 Retirement accounted for 27 per cent of leavers in 2023-24, compared to 32 per cent in 2022-23. This suggests a retirement rate across the trust VSM workforce of approximately 2.6 per cent in the 12 months to June 2024, compared to approximately 3.1 per cent in the previous 12 months.³⁷⁴
- 6.122 NHSP's remuneration survey results showed that, at summer 2024, 48 per cent of executive directors had been appointed since the start of 2022 and 67 per cent had been appointed since the start of 2020.³⁷⁵

Table 6.6: VSMs reasons for leaving

2024 Reason for leaving	Proportion in trusts (%)	Proportion in ICB (%)	Proportion in Arm's Length Bodies (%)
Voluntary resignation	29	21	26
Retirement	27	8	12
End of fixed-term contract	6	11	6
Redundancy	8	12	26
Unknown	29	49	16
Other	1	0	15

Source: DHSC.

- 6.123 As highlighted in previous years, 40 per cent of the cohort are aged over 55 and are therefore potentially eligible for retirement. However, overall staff turnover has fallen for this cohort, with a rate of just under 10 per cent in 2023-24. This compares to a rate of around 15 per cent in 2022-23.³⁷⁶
- 6.124 Turnover particularly affects challenged trusts. The Care Quality Commission has previously found that trusts rated 'inadequate' have vacancy rates, and proportions of executives in their first year, that are several times higher than those of 'outstanding' trusts.

³⁷² NHSE written evidence, above n 287, at 12; NHSE data pack (unpublished), above n 330, at D1 and D7.

³⁷³ DHSC written evidence, above n 286, at 30. This leaver data will include a small number of staff who were working as VSMs or ESMs in both periods but moved between different types of organisations and are therefore still recorded as a leaver in this data which are partitioned by organisation type.

³⁷⁴ NHSE data pack (unpublished), above n 330, at D4.

³⁷⁵ NHSP remuneration survey (unpublished), above n 331, at 3.

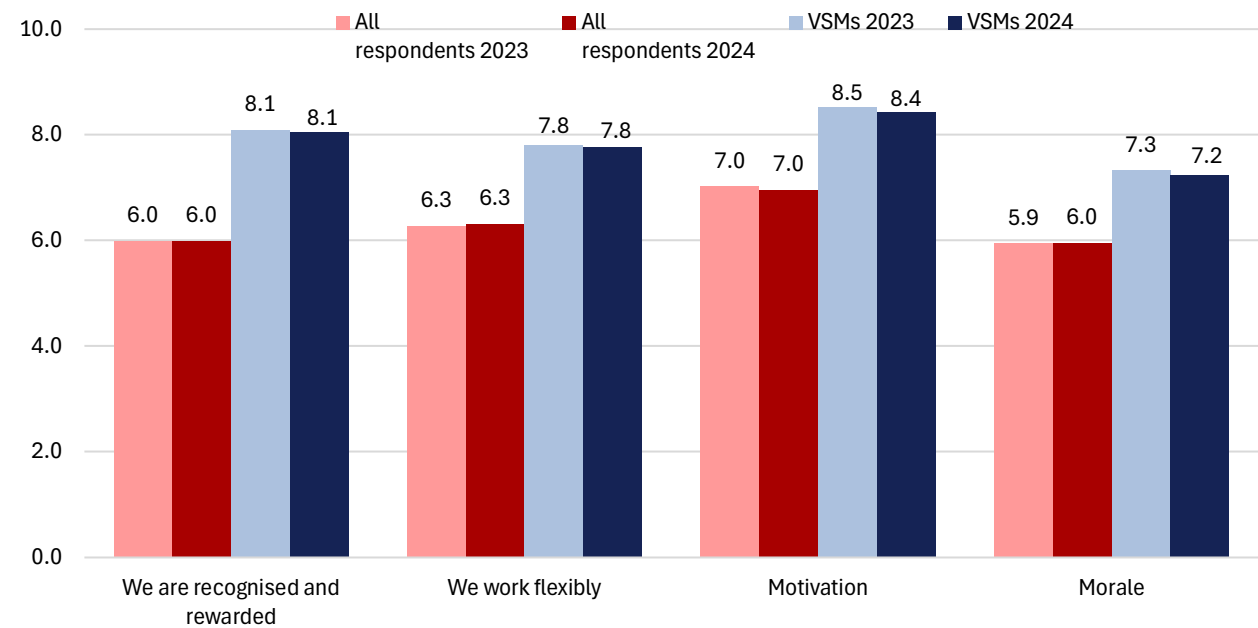
³⁷⁶ DHSC written evidence, above n 286, at 22.

- 6.125 Over the year to June 2024, 68 ESMs left NHS ALBs. Of the 68 ESMs leaving ALBs, 18 (26 per cent) cited ‘voluntary – redundancy’ and eight (12 per cent) cited ‘retirement’. However, 22 leavers, around a third, had no recorded reason for leaving or ‘voluntary – reason unknown’. A further nine (13 per cent) were transferred out of the ALB.³⁷⁷
- 6.126 Staff turnover at AfC Bands 8d and 9 was at a similar rate. Overall, 8.2 per cent of staff in these bands in trusts left the NHS in the year to June 2024. Of these, 21.8 per cent gave retirement as their reason for leaving, a decrease from the previous year (34 per cent). There was a higher rate of band 8 and 9 leavers from ALBs – 13.7 per cent in the year to June 2024. Of these, only 6.3 per cent gave retirement as their reason for leaving, an increase from the previous year (4 per cent).

Motivation and Morale

- 6.127 As it did last year, NHSE has been able to isolate VSM responses within the NHS staff survey results.³⁷⁸ We are grateful to them for their work. For 2024 the VSM staff survey we received responses from 2112 VSMs which was a 4 per cent increase from 2023.³⁷⁹ The staff survey scores for VSMs were very similar to the previous year with a decrease, of approximately 0.3 per cent, across all four themes.³⁸⁰
- 6.128 As was seen in last year’s survey results, VSMs continue to have significantly higher staff survey scores than all respondents.

Figure 6.6: VSM NHS Staff Survey scores by theme/sub-category, 2024



Source: NHSE (unpublished).

³⁷⁷ NHSE written evidence, above n 287, at 12; NHSE data pack (unpublished), above n 330, at D3 and D5. This reason for leaving data has not been validated as it is input to electronic staff records (ESRs) by individual organisations. Therefore, some caution is needed when interpreting the data, particularly given the small staff numbers.

³⁷⁸ VSM responses were identified by NHSE using a proxy measure.

³⁷⁹ To clarify, a slightly larger number of people who fit within the VSM proxy (were recorded using the specified Job Roles in ESR) responded to the NSS – it does not necessarily mean there are more of them in the group, just that more of the group responded.

³⁸⁰ NHSE data pack (unpublished), above n 330.

Pensions

6.129 Estimated pension scheme membership for the VSM group increased by 4.6 percentage points across all salary ranges between June 2023 and June 2024. Overall, an estimated 84 per cent of VSMs are in the NHS pension scheme, but this proportion falls as salary range rises. Only 65 per cent of those earning over £200,000 are in the NHS scheme, though this is a 7 per cent increase over the year.³⁸¹

Table 6.7: Pension scheme membership for VSMs

Salary range	2023 membership rate	2024 membership rate
£110,000 to £125,000	84%	88%
£125,000 to £150,000	85%	88%
£150,000 to £175,000	68%	82%
£175,000 to £200,000	66%	72%
>£200, 000	58%	65%
All	79%	84%

Source: DHSC.

³⁸¹ DHSC written evidence, above n 286, at 49.

Appendix A

List of those who gave evidence and information to the SSRB

General

HM Treasury

The Senior Civil Service

Parliamentary Secretary for the Cabinet Office

Chief Operating Officer for the Civil Service and Permanent Secretary to the Cabinet Office

Government Chief People Officer

Cabinet Office

Government People Group

First Civil Service Commissioner

Civil Service Commission

FDA and Prospect

Senior Civil Service discussion groups

Senior Officers of the Armed Forces

Parliamentary Under-Secretary for the Ministry of Defence (Minister for Veterans and People)

Vice Chief of the Defence Staff

Chief of Defence People

Ministry of Defence

Senior military discussion groups

Feeder cohort discussion groups

The Judiciary

United Kingdom

Lord Chancellor and Secretary of State for Justice

Ministry of Justice

President of the Supreme Court of the United Kingdom

Council of Appeal Tribunal Judges

Council of Immigration Judges

Council of Tax Judges

Council of Upper Tribunal Judges

Mental Health Tribunal Members' Association

England and Wales

Lady Chief Justice of England and Wales

Senior President of Tribunals

Judicial Office (England and Wales)

Chair of the Judicial Appointments Commission (England and Wales)

Judicial Appointments Commission (England and Wales)

Association of High Court Masters and Insolvency and Companies Court Judges

Association of His Majesty's District Judges

Council of Employment Judges

Council of General Regulatory Judges

Council of His Majesty's Circuit Judges

High Court Judges' Association

National Council of His Majesty's District Judges (Magistrates Court)

Senior District Judge (Chief Magistrate) and Deputy Senior District Judge (Chief Magistrate)

Scotland

Lord President of the Court of Session and Lord Justice General of Scotland

Judicial Office for Scotland

Scottish Courts and Tribunals Service

Judicial Appointments Board for Scotland

Scottish Land Court

Sheriffs and Summary Sheriffs' Association

Sheriffs Principal

Northern Ireland

Lady Chief Justice of Northern Ireland

Judicial Office (Northern Ireland)

Northern Ireland Courts and Tribunal Service

Northern Ireland Judicial Appointments Commission

Association of His Majesty's District Judges (Northern Ireland)

Council of County Court Judges in Northern Ireland

Council of District Judges (Magistrates Court) in Northern Ireland

Society of Masters of the Court of Judicature (Northern Ireland)

Senior Leaders in the NHS in England

Minister of State for Health (Secondary Care)

Department of Health and Social Care

NHS England

NHS Providers

Managers in Partnership

Very Senior Manager discussion groups

Executive and Senior Managers discussion group

Remuneration Committee Chairs discussion group

Appendix B

Remit letter from the Chancellor of the Duchy of Lancaster to the SSRB Chair: 30 September 2024



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,

A handwritten signature in black ink, appearing to read 'Pat McFadden', written in a cursive style.

The Rt Hon. Pat McFadden MP
Chancellor of the Duchy of Lancaster

Appendix C

Remit letter from the Lord Chancellor and Secretary of State for Justice to the SSRB Chair: 10 December 2024



Lea Paterson CBE, Senior Salaries Review Body
By Email

The Right Honourable
Shabana Mahmood MP
Lord Chancellor & Secretary
of State for Justice

MoJ ref: SUB119676

10 December 2024

Dear Lea,

UPCOMING ANNUAL REVIEW 2025/26 AND MAJOR REVIEW OF THE JUDICIAL SALARY STRUCTURE

I wanted to welcome you as Chair of the Senior Salaries Review Body (SSRB). The expert and independent advice of the SSRB is vital in determining fair and balanced remuneration for the judiciary. I look forward to working closely with you over your term.

I write now to formally commence the 2025/26 pay round for all salaried judicial office holders for whom I have responsibility, and to formally commission the Major Review of the judicial salary structure.

A Major Review allows for a more systemic view of judicial pay. Therefore through this annual pay review you should give due regard to the role a Major Review will take in shaping judicial remuneration over the coming years.

Annual Review

The Government values the vital contribution made by the almost 6 million public sector workers across the UK, who deliver the public services we all rely upon. This includes the judiciary, and the crucial role they play at the heart of the administration of justice. Attracting talent from the legal sector while balancing value for money for taxpayers is central to ensure that we are equipped to deliver mission-led, high quality public services.

During this pay round, you will receive evidence from my department, HM Treasury and the judiciary. My department's evidence will, as usual, cover the recruitment and retention context for the judiciary, including the expected position following the implementation of the 2024/25 pay award. It will also set out the funds available to the Ministry of Justice for 2025/26, which was 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.

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SW1H 9AJ

We are keen to ensure people in the public sector receive another fair pay award in 2025/26, but we cannot afford to cut funding for our vital public services in order to deliver this. My department will therefore also continue to strive to deliver mission-led public services to ensure it is equipped to efficiently deliver the vital, high quality public service we rely on, whilst delivering value for money for taxpayers.

We know that people who work in the public sector delivering our vital public services deserve timely pay awards, so, as this Government has consistently said, our intention is to announce pay awards as close to the start of the pay year of 1 April as possible for 2025/26. As I have been considering the important role of the upcoming Major Review, it would not have been right for me to issue a remit letter commencing the 2025/26 Annual Review at an earlier date. I am pleased to now be in a position to do so.

To this end, where possible I would be grateful if you, the SSRB, can deliver recommendations to the Government on the 2025/26 pay award for all judicial office holders for whom I set the rate of remuneration 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, including budgets relating to pay. I recognise that changing the timeline from recent years will present challenges for the SSRB, especially as work commences on a Major Review. However, I am sure you also share the Government's belief in the importance of returning to more timely annual pay processes. It is also the case that the Major Review is the opportunity to consider wider strategic issues, and you should therefore consider that this annual review can be more narrowly focused.

Major Review

A Major Review provides an opportunity to examine more fundamental issues affecting the judicial pay structures. I am keen to consider longer-term planning for the judiciary ensuring that our justice system delivers a high-quality service that provides value for money for the taxpayer. I consider that the Major Review is an opportunity to do this, and I would therefore like the SSRB to commence the next major review of the judicial salary structure. My officials will engage with the SSRB's judicial member, Mark Emerton, to seek views on remit proposals and develop a terms of reference.

I look forward to working with you during the Annual and Major Reviews. I am grateful for the work of the SSRB and all it does to support the maintenance of a high quality and independent judiciary.

Yours sincerely,



RT HON SHABANA MAHMOOD MP

LORD CHANCELLOR AND SECRETARY OF STATE FOR JUSTICE

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Appendix D

Remit letter from the Secretary of State for Health and Social Care to the SSRB Chair: 30 September 2024



*From the Rt Hon Wes Streeting MP
Secretary of State for Health and Social Care*

*39 Victoria Street
London
SW1H 0EU*

020 7210 4850

Chair, Senior Salaries Review Body
Office of Manpower Economics
First floor
10 Victoria Street
London
SW1H 0NB

30 September 2024

Dear Chair,

I would firstly like to offer my thanks for the Senior Salaries Review Body's (SSRB's) valuable work over the past year on the 2024 to 2025 report. The government appreciates the independent, expert advice and valuable contribution that the SSRB makes.

I write to you now to formally commence the 2025 to 2026 pay round.

My department's evidence will, as usual, cover the recruitment and retention context alongside pay and earnings data, as well as our workforce strategy, and the expected position following the implementation of the 2024 to 2025 pay award. It will also set out the funds available to the Department of Health and Social Care for 2025 to 2026, which will be finalised through the Spending Review and announced at the Autumn Budget on 30 October 2024. That 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 deliver on our manifesto commitment to build an NHS fit for the future to ensure it is equipped to efficiently deliver the vital, high quality public service we rely on, while ensuring value for money for taxpayers.

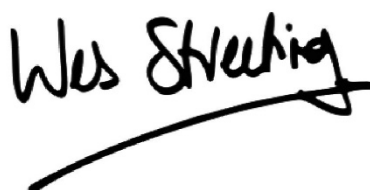
We know that public sector workers delivering our vital public services deserve timely pay awards, so, as the Chancellor said in her July Statement, the government's intention is to announce pay awards as close to the start of the pay year of 1 April as possible for 2025 to 2026. It is unfortunate that, given the knock-on effects from the previous government's delays to the 2024 to 2025 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 to 2027.

To this end, where possible I would be grateful if you can deliver recommendations to the government on the 2025 to 2026 pay award for very senior managers and executive and senior managers 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 to 2026 budgets are set on 30 October 2024, including budgets relating to pay. I recognise that changing the timeline from recent years will present challenges for 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.

I would like to thank you again for your and the review body's invaluable contribution to the pay round and look forward to receiving your report for 2025 to 2026 in due course.

Yours ever,

A handwritten signature in black ink that reads "Wes Streeting". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

RT. HON. WES STREETING MP

SECRETARY OF STATE FOR HEALTH & SOCIAL CARE

Appendix E

Existing salaries for the SSRB remit groups

Senior civil servants, 1 April 2024

Pay band	Pay range
SCS 1	£76,000 – £117,800
SCS 1A*	£76,000 – £128,900
SCS 2	£98,000 – £162,500
SCS 3	£128,000 – £208,100
SCS 4	£153,000 – £200,000

* Closed grade

Source: Cabinet Office.

Senior officers in the Armed Forces, 1 April 2024

Rank	Increment level					
	1	2	3	4	5	6
2-star	£141,229	£143,990	£146,806	£149,679	£152,606	-
3-star	£169,064	£177,357	£184,322	£189,755	£195,353	-
4-star	£211,359	£216,642	£222,060	£227,611	£232,163	£236,806
CDS	-	-	£304,502	£310,592	£316,804	£323,140

Note: For 2-star and 3-star officers, the values include X-Factor applied at the rate of £3,240. This is equivalent to 25 per cent of the cash value of X-Factor at the top of the OF4 pay scale.

From 1 April 2023 increment level 1 has been removed from the 2-star and 3-star pay scale and the other increments moved down to increase the pay on promotion. This has resulted in there now only being five increment levels in the OF7 and OF8 pay scales

England and Wales salaried court judiciary, 1 April 2024

Office held	Salary group	Salary
Lord Chief Justice	1	£312,510
Master of the Rolls	1.1	£279,051
President of the King's Bench Division	2	£269,530
President of the Family Division	2	£269,530
Chancellor of the High Court	2	£269,530
Senior President of Tribunals	2	£269,530
Court of Appeal Judge	3	£256,304
High Court Judge	4	£225,092
Judge Advocate General (Senior Circuit Judge)	5	£180,522
Specialist Circuit Judge	5	£180,522
Senior Circuit Judge	5	£180,522
Circuit Judge, Central Criminal Court	5	£180,522
Common Serjeant	5	£180,522
Recorder of London	5	£180,522
Senior District Judge (Chief Magistrate)	5	£180,522
Chief Master	5.1	£173,856
Senior Master	5.1	£173,856
Chief Insolvency and Companies Court Judge	5.1	£173,856
Senior Cost Judge	5.1	£173,856
Registrar	5.2	£167,167
Masters	5.2	£167,167
Insolvency and Companies Court Judges	5.2	£167,167
Costs Judge	5.2	£167,167
Circuit Judge	5.2	£167,167
Senior Judge of The Court of Protection	5.2	£167,167
Deputy Senior District Judge (Chief Magistrate)	5.2	£167,167
Designated Judge	6	£157,380
Regional Judge	6	£157,380
Presiding District Judge	6	£157,380
Assistant Judge Advocate General	7	£134,105
District Judge	7	£134,105
District Judge (Magistrates Court)	7	£134,105

Source: Ministry of Justice.

England and Wales salaried tribunals judiciary and reserved Scotland and Northern Ireland tribunals judiciary, 1 April 2024

Office held	Salary group	Salary
Upper Tribunal Immigration and Asylum Chamber President	4	£225,092
Upper Tribunal Tax and Chancery Chamber President	4	£225,092
Employment Appeal Tribunal Circuit Judge	4	£225,092
Upper Tribunal Lands Chamber President	4	£225,092
Employment Tribunal – England and Wales President	5	£180,522
Employment Tribunal – Scotland President	5	£180,522
First-Tier General Regulatory Chamber President	5	£180,522
First-Tier Health Education and Social Care Chamber President	5	£180,522
First-Tier Immigration and Asylum Chamber President	5	£180,522
First-Tier Property Chamber President	5	£180,522
First-Tier Social Entitlement Chamber President	5	£180,522
First-Tier Tax Chamber President	5	£180,522
First-Tier War Pensions and Armed Forces Compensation Chamber President	5	£180,522
Upper Tribunal Immigration and Asylum Chamber Vice President	5	£180,522
First-Tier Health Education and Social Care Deputy Chamber President	5.1	£173,856
First-Tier Immigration and Asylum Chamber Deputy President	5.1	£173,856
Upper Tribunal Administrative Appeals Chamber Judge	5.1	£173,856
Upper Tribunal Immigration and Asylum Chamber Judge	5.1	£173,856
Upper Tribunal Lands Chamber Judge	5.1	£173,856
Upper Tribunal Tax and Chancery Chamber Judge	5.1	£173,856
Employment Tribunal – England and Wales Regional Employment Judge	5.2	£167,167
Employment Tribunal – Scotland Vice President	5.2	£167,167
First-Tier Immigration and Asylum Chamber Regional Judge	5.2	£167,167
First-Tier Property Chamber Regional Judge	5.2	£167,167
First-Tier Social Entitlement Chamber Regional Judge	5.2	£167,167

Source: Ministry of Justice.

England and Wales salaried tribunals judiciary and reserved Scotland and Northern Ireland tribunals judiciary, 1 April 2024

Employment Appeal Tribunal Judge	7	£134,105
Employment Tribunal – England and Wales Employment Judge	7	£134,105
Employment Tribunal – Scotland Employment Judge	7	£134,105
First-Tier General Regulatory Chamber Judge	7	£134,105
First-Tier Health Education and Social Care Chamber Judge	7	£134,105
First-Tier Immigration and Asylum Chamber Judge	7	£134,105
First-Tier Property Chamber Deputy Region Judge	7	£134,105
First-Tier Property Chamber Deputy Regional Valuer	7	£134,105
First-Tier Property Chamber Judge	7	£134,105
First-Tier Social Entitlement Chamber Judge	7	£134,105
First-Tier Tax Chamber Judge	7	£134,105
First-Tier War Pensions and Armed Forces Compensation Chamber Judge	7	£134,105

Source: Ministry of Justice.

Scotland salaried judiciary, 1 April 2024

Salaried judiciary	Salary group	Salary
Lord President	1.1	£279,051
Lord Justice Clerk	2	£269,530
President of the Scottish Tribunals (Inner House Senator)	3	£256,304
Inner House	3	£256,304
Outer House	4	£225,092
Chairman of the Land Court	5	£180,522
Sheriffs Principal	5	£180,522
Sheriffs	5.2	£167,167
Deputy Chairman of the Scottish Land Court	5.2	£167,167
Legal Member of the Lands Tribunal for Scotland	5.2	£167,167
Members of the Lands Tribunal for Scotland	6	£157,380
Summary Sheriffs	7	£134,105
Members of the Scottish Land Court	8	£106,563

Source: Ministry of Justice.

Northern Ireland salaried judiciary, 1 April 2024

Office held	Salary group	Salary
Lady Chief Justice	1.1	£279,051
Lord/Lady Justices of Appeal	3	£256,304
Puisne Judge of the High Court	4	£225,092
Recorder of Belfast	5	£180,522
Chief Social Security Commissioner and Child Support Commissioner	5	£180,522
Social Security and Child Support Commissioner	5.1	£173,856
Member, Lands Tribunal	5.1	£173,856
County Court Judge	5.2	£167,167
President Appeals Tribunal	5.2	£167,167
President, Industrial Tribunals and Fair Employment Tribunal	5.2	£167,167
President, Lands Tribunal*	5.2	£167,167
Masters of the Court of Judicature	5.2	£167,167
Presiding Master of the Court of Judicature*	5.2	£167,167
Vice-President, Industrial Tribunals and Fair Employment Tribunal*	6	£157,380
Presiding District Judge (Magistrates Court)*	6	£157,380
Presiding District Judge	7	£134,105
District Judge	7	£134,105
District Judge (Magistrates Court)	7	£134,105
Presiding Coroner	7	£134,105
Coroner	7	£134,105
Full-time Salaried Legal Member of the Appeal Tribunals (Chair)	7	£134,105
Employment Judge	7	£134,105

*Note that some judges hold multiple posts.

Source: Ministry of Justice.

Executive and Senior Managers, 2016 framework

Grade	Minimum £pa	Operational maximum £pa	Exception zone maximum £pa
1	100,000	113,625	131,300
2	131,301	146,450	161,600
3	161,601	176,750	191,900
4	191,901	207,050	222,200

Source: Department of Health and Social Care.

Very Senior Managers, 2019 framework

Job role	Lower quartile £pa	Median £pa	Upper quartile £pa
<i>Small acute NHS trusts and NHS foundation trusts (up to £200 million turnover)</i>			
Director of corporate affairs/governance	75,000	87,500	92,500
Director of estates and facilities	86,000	89,000	105,000
Director of strategy/planning	95,000	105,000	118,500
Director of workforce	97,000	105,500	114,000
Director of nursing/chief nursing officer	106,500	111,000	120,000
Chief operating officer	107,500	111,500	115,500
Deputy chief executive	115,500	116,000	117,000
Director of finance/chief finance officer	118,000	125,000	132,000
Medical director/chief medical officer	155,000	166,500	184,000
Chief executive	150,000	158,000	168,000
<i>Medium acute NHS trusts and NHS foundation trusts (£200 million to £400 million turnover)</i>			
Director of corporate affairs/governance	93,000	102,500	106,500
Director of estates and facilities	102,000	104,500	109,000
Director of strategy/planning	102,000	112,500	122,000
Director of workforce	104,000	113,000	122,000
Director of nursing/chief nursing officer	112,500	120,000	126,000
Chief operating officer	119,000	127,500	133,500
Director of finance/chief finance officer	127,500	135,000	144,500
Deputy chief executive	131,000	140,000	157,000
Medical director/chief medical officer	172,000	185,000	199,500
Chief executive	176,000	186,500	202,500
<i>Large acute NHS trusts and NHS foundation trusts (£400 million to £500 million turnover)</i>			
Director of corporate affairs/governance	97,000	105,000	111,500
Director of strategy/planning	107,000	124,500	126,000
Director of estates and facilities	110,000	111,000	117,000
Director of workforce	117,000	123,500	130,000
Director of nursing/chief nursing officer	122,500	128,500	134,500
Chief operating officer	126,000	131,000	145,000
Director of finance/chief finance officer	138,000	144,000	147,500
Deputy chief executive	142,500	154,500	186,000
Medical director/chief medical officer	173,000	186,500	202,500
Chief executive	185,000	194,500	212,000
<i>Extra-large acute NHS trusts and foundation trusts (£500 million to £750 million turnover)</i>			
Director of corporate affairs/governance	101,500	114,500	115,000
Director of estates and facilities	113,000	122,000	133,500
Director of strategy/planning	119,000	137,000	140,000
Director of workforce	128,500	130,000	150,000
Director of nursing/chief nursing officer	135,000	142,000	146,000
Chief operating officer	140,000	147,000	152,500
Director of finance/chief finance officer	146,500	158,000	180,000

Job role	Lower quartile £pa	Median £pa	Upper quartile £pa
Deputy chief executive	155,500	164,000	191,000
Medical director/chief medical officer	191,000	203,000	214,000
Chief executive	197,500	219,500	237,500
<i>Supra-large acute NHS trusts and NHS foundation trusts (£750 million plus turnover)</i>			
Director of corporate affairs/governance	113,000	117,500	134,000
Director of estates and facilities	129,500	137,000	146,500
Director of strategy/planning	135,000	144,000	152,500
Director of workforce	142,500	155,000	165,500
Chief operating officer	143,500	162,500	174,500
Director of nursing/chief nursing officer	150,000	163,500	168,000
Director of finance/chief finance officer	166,000	172,500	190,500
Medical director/chief medical officer	205,000	214,000	233,500
Deputy chief executive	185,500	188,000	195,500
Chief executive	236,000	250,000	265,000
<i>Small mental health NHS trusts and NHS foundation trusts (up to £200 million turnover)</i>			
Director of strategy/planning	93,000	105,000	112,000
Director of workforce	96,500	102,000	113,000
Chief operating officer	102,500	107,000	116,500
Director of nursing/chief nursing officer	106,500	113,500	121,000
Director of finance/chief finance officer	115,000	124,000	130,000
Deputy chief executive	129,000	130,000	131,000
Medical director/chief medical officer	144,500	173,500	184,500
Chief executive	150,000	156,500	173,500
<i>Medium NHS trusts and NHS foundation trusts (over £200 million turnover)</i>			
Director of estates and facilities	106,500	114,500	135,500
Director of workforce	109,500	114,500	120,000
Director of nursing/chief nursing officer	117,000	125,500	135,000
Chief operating officer	118,000	123,500	137,500
Director of finance/chief finance officer	129,500	138,000	147,500
Medical director/chief medical officer	155,000	177,000	189,000
Deputy chief executive	141,000	143,000	144,000
Chief executive	167,000	180,500	188,500
<i>Ambulance NHS trusts and NHS foundation trusts</i>			
Director of estates and facilities	107,000	107,500	119,000
Director of workforce	110,000	111,000	112,000
Director of nursing/chief nursing officer	110,000	111,000	114,000
Chief operating officer	112,000	121,000	122,000
Medical director/chief medical officer	116,000	128,000	136,000
Director of finance/chief finance officer	120,000	124,000	132,000
Chief executive	151,000	164,000	188,000
<i>Community NHS trusts and NHS foundation trusts</i>			
Director of estates and facilities	89,500	94,000	97,500
Director of workforce	98,000	108,000	117,000

Job role	Lower quartile £pa	Median £pa	Upper quartile £pa
Director of nursing/chief nursing officer	98,000	109,000	114,000
Chief operating officer	105,000	114,000	117,000
Director of finance/chief finance officer	114,000	120,000	125,000
Deputy chief executive	116,000	127,000	127,500
Medical director/chief medical officer	127,000	134,500	140,000
Chief executive	145,000	155,000	167,000

Source: Department of Health and Social Care.

Note: Figures for medical director/chief medical officer do not include clinical excellence awards.

ICB chief executive salary ranges, 1 April 2022

Grade (weighted population)	Minimum £pa	Operational max/ midpoint £pa	Exception zone £pa
A (<1 million)	175,000	197,500	220,000
B (1-1.5 million)	190,000	212,500	235,000
C (1.5-2 million)	220,000	240,000	260,000
D (> 2 million)	250,000	270,000	290,000

Source: Department of Health and Social Care.

ICB executive salary ranges, 1 April 2022

Job role	Groups A and B (24 organisations)		Groups C and D (18 organisations)	
	Minimum value £pa	Operational maximum £pa	Minimum value £pa	Operational maximum £pa
Other board executive	114,500	138,750	121,000	158,000
Chief nursing officer	123,500	149,375	143,000	170,000
Chief medical officer	123,500	149,375	143,000	170,000
Chief finance officer	133,000	160,000	154,000	182,000

Source: Department of Health and Social Care.

Appendix F

NATO rank codes and UK Service ranks – officers

NATO code	UK Stars	Royal Navy	Royal Marines	British Army	Royal Air Force
OF9*	4	Admiral	General	General	Air Chief Marshal
OF8*	3	Vice Admiral	Lieutenant General	Lieutenant General	Air Marshal
OF7*	2	Rear Admiral	Major General	Major General	Air Vice-Marshal
OF6	1	Commodore	Brigadier	Brigadier	Air Commodore
OF5		Captain	Colonel	Colonel	Group Captain
OF4		Commander	Lieutenant Colonel	Lieutenant Colonel	Wing Commander
OF3		Lieutenant Commander	Major	Major	Squadron Leader
OF2		Lieutenant	Captain	Captain	Flight Lieutenant
OF1		Sub-Lieutenant	Lieutenant	Lieutenant	Flying Officer
OF(D)		Midshipman	-	Officer Designate	Officer Designate

* These officers are in our remit group

Source: Ministry of Defence.

Appendix G

Glossary of Terms and Abbreviations

General

ALBs	Arm's Length Bodies
Brexit	The withdrawal of the UK from the European Union.
CEO	Chief Executive Officer
Cohort/cadre	A particular group or section of the relevant workforce
DDaT	Digital, Data and Technology
Feeder group	The grade/rank/section of the relevant workforce which is immediately below our remit group in seniority, and/or whose members form the internal candidate pool for appointment or promotion into roles within our remit group (i.e. Grade 6/7 in the SCS, OF5/6 in the Armed Forces, fee-paid members of the judiciary, AfC Band 8/9 in the NHS, police chief superintendent or superintendent in police forces)
FTE	Full-time equivalent
HR	Human Resources
Junior workforce	The section of the relevant workforce that does not fall within the SSRB's purview (i.e. the delegated grades in the civil service, members of the armed forces at or below OF6, the AfC grades in the NHS, police officers of or below the rank of chief superintendent).
HM	His Majesty/His Majesty's
OPRB	Office for the Pay Review Bodies (the Secretariat to the SSRB)
pa	Per annum
Remit group	The respective public sector workforce within the SSRB's purview (i.e. the Senior Civil Service, senior officers of the Armed Forces, the salaried judiciary, senior leaders in the NHS in England, chief police officers in England, Wales and Northern Ireland, and Police and Crime Commissioners).
SSRB	Review Body on Senior Salaries
UK	United Kingdom of Great Britain and Northern Ireland
US	United States of America
VAT	Value Added Tax

Economic Context

ASHE	Annual Survey of Hours and Earnings
BoE	Bank of England
CPI	Consumer Price Index
FY	Financial year
GDP	Gross Domestic Product
IDR	Incomes Data Research
LRD	Labour Research Department
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
PAYE	Pay As You Earn
RTI	Real time information

Senior Civil Service

AI	Artificial intelligence
CSC	Civil Service Commission
FDA	The trade union representing professionals and managers in public service (formerly known as the Association of First Division Civil Servants).
LGBO	Lesbian, gay, bisexual and other
Prospect	The trade union representing scientists, engineers, tech experts and other specialists in both the public and private sectors.
SCS	Senior civil service/servants

Senior officers in the Armed Forces

AFCAS	Armed Forces Continuous Attitude Survey
AFPRB	Armed Forces' Pay Review Body
AFPS	Armed Forces Pension Scheme
AFPS15	Armed Forces Pension Scheme 2015
Army	British Army
CARE	Career-averaged re-valued earnings
CEA	Continuity of Education Allowance
DIN	Defence Instructions and Notices
EED	Engagement End Date
IL	Increment level
JPA	Joint Personnel Administration system
MoD	Ministry of Defence
MODOs	Medical Officers and Dental Officers
NATO	North Atlantic Treaty Organisation
Navy	Royal Navy
OF	Officer
PSS	Pension Savings Statement
RAF	Royal Air Force
RRP	Recruitment and Retention Payments
Service	A branch of the Armed Forces (i.e. Royal Navy, British Army, Royal Air Force)
SAC	Senior Appointments Committee
SDR	Strategic Defence Review
SDRP	Specially determined rate of pay
SFA	Service Family Accommodation
SLA	Single Living Accommodation
SOCR	Senior Officer Compulsory Retirement
STEM	Science, Technology, Engineering and Mathematics
X-Factor	An addition to military pay that recognises the special conditions of service experienced by members of the Armed Forces compared with civilian employment.

Judiciary

CCJ	County Court Judge
CILEX	Chartered Institute of Legal Executives
CRA	Constitutional Reform Act
Diplock courts	A non-jury system in Northern Ireland, named after Lord Diplock, introduced in 1973 to try persons suspected of terrorist offences.
HMCTS	His Majesty's Courts and Tribunals Service
JABS	Judicial Appointments Board for Scotland
JAC	Judicial Appointments Commission
JAS	Judicial Attitude Survey
JCPC	Judicial Committee of the Privy Council
KC	King's Counsel
MoJ	Ministry of Justice
NIJAC	Northern Ireland Judicial Appointments Commission
NICTS	Northern Ireland Courts and Tribunals Service
PSNI	Police Service of Northern Ireland
UKSC	UK Supreme Court

Senior Leaders in the NHS in England

A&E	Accident and Emergency
AfC	Agenda for Change
DHSC	Department of Health and Social Care
ESM	Executive and Senior Manager
ESR	Electronic Staff Record
ICB	Integrated Care Board
MiP	Managers in Partnership – the specialist trade union for managers and other senior staff working in health and care services (a joint venture between the FDA and Unison)
NHS	National Health Service
NHSE	NHS England
NHSP	NHS Providers
VSM	Very Senior Manager

