HM TREASURY

Civil Service pay guidance 2011-12

February 2011

HM TREASURY

Civil Service pay guidance 2011-12

February 2011

Official versions of this document are printed on 100% recycled paper. When you have finished with it please recycle it again.

If using an electronic version of the document, please consider the environment and only print the pages which you need and recycle them when you have finished.

ISBN 978-1-84532-832-0
PU1122

Contents

		Page
Chapter 1	Introduction	3
Chapter 2	Roles in the pay remit process	5
Chapter 3	Setting the context for 2011-12	7
Chapter 4	Changes to this year's Civil Service Pay Guidance	9
Chapter 5	Timetable for the pay remit process	11
Chapter 6	Remit approval	13
Chapter 7	Feedback and contact details	15
Annex A	Where Departments should send their pay remit	17
Annex B	Pay reporting requirements	19
Annex C	Business case template	21
Annex D	Example Financial Pro-forma	23
Annex E	Financial Pro Forma Completion Guidelines	25

1 Introduction

1.1 This guidance sets out the details of the 'pay remit process' which covers the pay setting arrangements for public sector workers in Non-Departmental Public Bodies (NDPBs), as well as civil servants throughout the civil service.

1.2 The civil service accounts for around a tenth of the overall public sector paybill and workforce. Departments[1] have authority to determine pay and conditions for their staff below the Senior Civil Service (SCS). Whilst budgets are set for departments at the Spending Review, the pay remit process provides an opportunity to ensure that pay awards are consistent with the Government's overall objectives, while also being appropriate to the specific circumstances of individual businesses.

1.3 There are some important changes to the remit process for 2011, and these are highlighted in Chapter 4 below. If departments are unclear on what these changes mean, and what they should do differently as a result, they should contact the Treasury for clarification – contact details are set out in Chapter 7.

[1] Departments, agencies and Non-Departmental Public Bodies are technically defined as individual "bargaining units" under the remit process. For ease of reference the term "department" is used in this remit guidance

2 Roles in the pay remit process

Treasury role – delivering public sector pay policy

2.1 The Treasury delivers the Government's public sector pay policy, including by defining the overall parameters for civil service pay uplifts each year. This ensures that civil service pay awards are consistent with the Government's objectives while also being appropriate to the specific circumstances of individual businesses.

Cabinet Office role – workforce and reward structures in the Civil Service

2.2 Cabinet Office has overall responsibility for managing the Government's policies on pay and performance management for civil servants. They work with departments and agencies on their workforce and reward strategies to encourage greater consideration of workforce needs and properly tailored reward policies. Further guidance is available on the Cabinet Office website at: http://www.civilservice.gov.uk/about/resources/pay/reward.aspx

Department role – implementing pay policy for their workforce

2.3 Departments have responsibility for implementing civil service pay policy for their workforce in a way that is consistent with this guidance but also reflects the individual labour market position of their workforce. All pay remits must be approved by a responsible Minister and each department, through its accounting officer, is responsible for the propriety of the pay award ultimately given to staff.

3 Setting the context for 2011-12

3.1 At the Emergency Budget[1] in June 2010, the Government set out plans for a significant acceleration in the reduction of the structural current budget deficit over the course of the Parliament. The Spending Review[2] published in October 2010 set out the spending reductions required to deliver the Government's consolidation plans. Public sector paybill makes up over half of departmental resource spending, so managing public sector pay is central to the Government's plans for fiscal consolidation and will help protect services and public sector jobs.

3.2 At the Emergency Budget, the Government announced a two year pay freeze for public sector workforces, from 2011-12, for those earning above the full-time equivalent of £21,000 per annum. Those earning the full-time equivalent of £21,000 or less will receive at least £250 in each of these years. Civil servants without a pay deal in place for 2010-11 at the time of the Emergency Budget, entered the pay freeze in 2010-11 and will also exit it in advance of other workforces.

3.3 The Spending Review is also underpinned by a radical programme of public service reform, changing the way services are delivered by redistributing power away from central government and enabling sustainable, long term improvements in services. This programme is built on the principles of increasing freedom and sharing responsibility and will be achieved by improving the transparency, efficiency and accountability of public services.

3.4 The changes to the civil service pay remit process for 2011-12, as set out in this guidance, are consistent with this programme of reform, allowing the Treasury to focus on its strategic role, rather the micromanaging departments. Each department will now have greater freedom to set pay remits without being subject to review by the Treasury, but will in return be required to take responsibility for providing high-quality pay data to the Treasury.

[1] *Budget 2010*, HM Treasury, June 2010

[2] *Spending Review 2010*, HM Treasury, October 2010

4 Changes to this year's Civil Service Pay Guidance

4.1 There will be two key changes to the civil service paysetting process this year, in line with the Government's commitment to devolving greater freedom and responsibility away from the centre:

- all department, agency and NDPB remits will be approved only by the relevant Secretary of State, in line with the parameters set by the Treasury, rather than being subject to final approval by the Treasury as in previous years. The only exception will be where there is a legal requirement for Treasury approval, or no relevant Secretary of State, as set out in Annex A; and
- in response to this decentralisation, it will be necessary for departments to ensure that they provide detailed data to the Treasury on their forecasts and outturns for the pay round, in order to enable the Treasury to report overall priorities and risks to the Chief Secretary and set overall civil service pay parameters for future years.

Multi-year deals

4.2 For departments entering the pay freeze in 2011-12, who wish to offer staff a two-year pay remit in line with the parameters set out in this guidance – there will be no need to seek Treasury approval this year. However, in the future, if departments want to offer a multi-year pay remit, and the Treasury is yet to set pay parameters for future years - it will be necessary for these requests to be scrutinised for the Treasury.

Data reporting

4.3 In previous years, the Treasury has requested data from departments via supplementary guidance – this year's request builds on this by placing data at the heart of the Treasury's strategic oversight role. A full template for reporting and further details are set out in Annex B to this document, and the Treasury will be happy to answer queries in relation to this. In the future years, the Treasury will seek to combine this requirement with the standard system of financial reporting across Government (currently COINS).

4.4 Each department should submit data covering the department itself, any non-ministerial departments falling within the area of responsibility of their Secretary of State, any agency that they sponsor and – at the aggregate level - for NDPBs they sponsor.

4.5 This year departments must report the outcome of the pay round for 2010-11, and their forecast for 2011-12, by 23 April 2011. Updated forecasts for 2011-12 should be provided by 21 September 2011, to ensure that the Treasury has full information in advance of setting the pay guidance for 2012-13.

4.6 Failure by a department to provide appropriate data may result in the Treasury requesting to see remits for that department in future years.

5 Timetable for the pay remit process

Departmental responsibilities

5.1 Departments are required to set out their pay award proposals to the relevant Secretary of State in a short business case. They may want to use the template set out at Annex C. Remit proposals must be assessed against the criteria set out in section 6 below. Information supplied by departments in their business cases must be robust in supporting the proposals, and departments may want to ensure that both relevant HR and Finance Directors have cleared the proposals, before being submitted to the relevant Secretary of State. Departments may also want to complete a remit financial proforma, as set out at Annex D, for their Secretary of State.

5.2 For departments, agencies and NDPBs without a statutory requirement for Treasury clearance, and with a relevant Secretary of State, responsibility for agreeing the remit is delegated to the Secretary of State of the relevant department. Organisations who will continue to send their remits to the Treasury are set out in Annex A.

5.3 Departments should not enter into formal negotiations with Trades Unions until their remit has been agreed by the relevant Minister. If organisations are uncertain about what constitutes 'formal negotiation' they should contact the Cabinet Office. Departments are encouraged to work constructively with the relevant Trades Unions on the development of their overall pay and reward strategies, prior to their remit being submitted to the relevant Minister.

Pay timetable

5.4 It will be for departments to determine the timeline by which they submit their remits to the relevant Minister and enter into negotiations with the Trades Unions. However, the Treasury will require pay data to be reported by certain dates, as set out in the timeline below.

Table 5.A: Timeline for 2011-12 pay reporting process

Jan 2011	Jan –Mar 2011	Mar–Apr 2011	May–Jun 2011	Jul – Aug 2011	Sep – Dec 2011
HM Treasury publishes Civil Service Pay Guidance		Sponsor departments report pay outturns for 2010-11 and forecasts for 2011-12 to HMT by 23 April		Sponsor departments prepare pay reporting information for HMT on the 2011-12 remit round	Sponsor depts report pay information for 2011-12 to HMT by 21 September. HM Treasury drafts pay guidance for 2012-13

6 Remit approval

6.1 Departments are required to submit a business case for their remit proposals. This section sets out the areas against which the relevant Minister should judge the business case. As in previous remit rounds, departments will need to demonstrate that their proposed pay remit is affordable within settlements agreed under the Spending Review process.

Pay parameters

6.2 In 2011-12, the pay freeze for those earning over a full-time equivalent of £21,000 per annum will apply, as announced at the Emergency Budget. Those earning a full-time equivalent of £21,000 or less will see an increase of at least £250 in 2011-12. This can be paid through either the basic award or Increase for Staff in Post (ISP). For definitions of these parameters, see Annex B.

6.3 There may be exceptional cases where a pay award above these parameters is required in order to avoid the "leapfrogging" of those earning just over £21,000, by those earning just under £21,000. Any such increases should be kept to a minimum.

6.4 There should be no increases to the non-consolidated performance pot during the pay freeze period.

6.5 As set out in paragraph 4.2, departments entering the pay freeze in 2011-12 are permitted to offer staff a two-year pay remit, as long as the parameters set out in paragraph 6.5 are adhered to in both 2011-12 and 2012-13.

Considerations for those under £21,000

6.6 When determining the size of the increase for those earning £21,000 or less, departmental business cases should take into account the same factors as in previous years. This should include:

- the workforce groups that are affected, and the internal and external labour market in which they operate;
- the relevant local labour market in which staff operate;
- the recruitment and retention situation within the workforce;
- the need to comply with age discrimination and equal pay legislation; and
- the "total reward" of staff, including pensions and conditions of service.

Other aspects of the remit process

6.7 All increases to basic pay, including the effect of increases to pay range minima, maxima, reference points and milestones should be costed as part of a Department's remit. In addition, where the following elements result in a cost to the department, the cost should similarly be included in the remit proposals presented to the relevant Minister:

- the introduction of new allowances, increases to existing allowances, and the consolidation of allowances into basic pay;
- changes to annual leave, including maternity leave and associated entitlements;
- buy-outs including the costs of payments used to buy-out existing entitlements to allowances, overtime rates, or working practices;
- non-pay rewards such as child care vouchers;
- salary sacrifice schemes – where introduced these will have administrative costs and need to be presented in the remit. A letter from the Financial Secretary to Secretaries of State on 3 November 2009 clarified the rules on salary sacrifice in the Variations to proposals

6.8 It is Government policy not to reopen civil service pay remits, once the relevant Ministers have approved them. Pay remits are considered and approved on the basis of the proposals submitted in the supporting business case. If, during subsequent negotiations with Trades Unions, any significant deviations are made from those proposals, then these need to be reported to the Secretary of State, or the Treasury as appropriate, before any final agreement is reached. Any organisation that is uncertain as to whether what they are agreeing constitutes a significant difference from that agreed under the remit should contact the Treasury for advice.

Legal commitments

6.9 Departments and agencies are advised to take legal advice on the drafting of any pay commitments to ensure that these are affordable and consistent with the pay remit process.

6.10 Ministerial approval of pay remits is on the basis that an organisation does not enter into any legally binding contractual agreements in Trades Unions negotiations that effectively commit it to automatic costs in the future.

Senior staff

6.11 Senior civil servants and NDPB equivalents are not included within the civil service pay guidance. However, senior staff have an important leadership role in demonstrating the need for pay decisions to follow public sector pay policy. Therefore any annual pay increase or decision to award performance-related pay to such staff must be considered alongside and according to the same principles as the pay remit of the rest of the organisation.

6.12 In May this year, the government announced that any remuneration package that is above the full-time equivalent of £142,500 must be approved by the Chief Secretary to the Treasury This applies to all organisations where appointments fall under Ministerial control. Guidance on this process is available on the civilservice.gov.uk website.

7 Feedback and contact details

7.1 As previously outlined, there are a number of changes to the remit process this year. Departments are invited to submit feedback to the Treasury and Cabinet Office on these changes and on the remit process as a whole. This will help to identify any areas for further improvement in future remit rounds.

7.2 All data returns should be submitted to the contacts listed below. In addition, any queries in relation to this guidance, or the remit process in general, should be addressed to these contacts.

Workforce, Pay and Pensions Team – HM Treasury

- Natalie Toms (Public sector and civil service pay)
  Tel: 020 7270 5322 (GTN 270 5322)
- Address: Workforce Pay and Pensions Team
  HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Workforce Directorate – Cabinet Office

- David Livingstone (Reward and Performance Policy)
  Tel: 020 7276 3410 (GTN 276 3410)
- Duncan Everest (Reward and Performance Policy)
  Tel: 020 7276 1523 (GTN 276 1523)
- Robert Pesci (Reward and Performance Policy)
  Tel: 020 7276 6212 (GTN 276 6212)
- Address: Employment Directorate,
  Cabinet Office, Room 3.16 Admiralty Arch, The Mall, London SW1A 2WH

A Where Departments should send their pay remit

A.1 All departments, non ministerial departments, agencies and NDPBs should submit their pay remit to their Secretary of State for approval. Under the changes set out in Chapter 4 above, the vast majority of these remits will then not require further approval from the Treasury.

A.2 There are three categories of organisation who will continue to send their remit to the Treasury for approval. The first are organisations that are the direct responsibility of Treasury ministers, so will be signed off by Treasury Ministers in the same way that other organisations will be signed off by their own Secretary of State. These are set out in Box 9.A below.

Box 7.A: Organisations that are the direct responsibility of Treasury Ministers

HM Treasury Group

HM Revenue and Customs

Government Actuary's Department

National Savings and Investment

Valuation Office Agency

A.3 The second category of organisations that will continue to send their remit to the Treasury for approval, are those where there is a legal requirement for them to do so. These organisations are set out in Box 9.B below.

Box 7.B: Organisations with a legal requirement for Treasury approval of pay remits

National Gallery

Tate Gallery

National Portrait Gallery

Wallace Collection

National Maritime Museum

Victoria & Albert Museum

Science Museum

Royal Armouries

Merseyside Museums and Galleries

Visit Britain

Public Lending Right

British Library

English Heritage

British Museum

Natural History Museum

Imperial War Museum

A.4 The third category of organisations are those where there is no Secretary of State with the authority to determine pay. These are set out in Box 9.C below.

Box 7.C: Organisations where there is no Secretary of State with the authority to determine pay

Government Communication Headquarters

Secret Intelligence Service

The Security Service

A.5 If you believe that your organisation may fall within one of these categories in addition to those listed above, please contact the Treasury.

B Pay reporting requirements

B.1 The list below summarises the data that the Treasury expects to be reported, by 23 April and 21 October this year. A linked excel sheet has been provided to departments alongside this document – which departments can use to provide their returns to the Treasury.

B.2 As set out in Chapter 4, each department should submit data covering the department itself, any non-ministerial departments falling within the area of responsibility of their Secretary of State, any agency that they sponsor and – at the aggregate level - for NDPBs it sponsors. Data should reflect outturns for the last four years, 2007-8 to 2010-11, and a forecast for 2011-12.

B.3 In the future years, the Treasury will seek to combine this requirement with the standard system of financial reporting across Government (currently COINS). This year, we would be grateful if departments could provide data returns in spreadsheet format.

Definition of pay data

B.4 This section explains the information that is required in each section of the pay reporting table. Please contact the Treasury if you have any further queries.

Total paybill

B.5 Total paybill. Should include all core staff-related costs (excluding non-payroll staff costs), including direct wages and salaries, employer pension contributions and employer National Insurance contributions – and also staff paid from programme budgets.

B.6 Direct wages and salaries .The first line should cover 'pensionable pay' – should include all the elements that go to employees on a current basis (as opposed to pension payments, for example, which are deferred). The lines below should then split out specific elements of 'pensionable pay' – pay, allowances, non-consolidated performance (e.g. bonuses) and overtime.

B.7 Pension contributions. This line should include the total cost to the department of civil service pension contributions.

B.8 National Insurance employer contributions. This line should include the total cost to the department of National Insurance employer contributions.

Non-paybill staff costs

B.9 Consultants/interim/agency staff costs not included in the paybill. This line should include the total cost of all staff who are not on the formal civil service payroll, including for example, consultants, interim and agency staff.

Paybill per head

B.10 Paybill per head. This should show the total paybill divided by the workforce size, on both a headcount and Full-Time Equivalent basis.

B.11 Average earnings per head. This should show direct wages and salaries (i.e. pensionable pay – i.e. excluding employer pensions and NICs) divided by the workforce size, on both a headcount and full-time equivalent basis.

Change in pay

B.12 Basic award. The average % increase to the steps (for a step based pay system) or maxima/minima (for a non-step based pay system) of the pay ranges within an organisation. See section 6.2 for further details.

B.13 Pay drift. The average % growth in average earnings, minus the basic award.

B.14 Average earnings growth. The average % increase in overall earnings. This should include all increases in direct wages and salaries (i.e. paybill minus pensions and NICs) aside from those associated with changes in staff numbers, divided by the total number of staff.

Increase for staff in post

B.15 Increase for staff in post (ISP). This metric, used uniquely for civil service pay, should capture the cost of average pay increases for individual members of staff that remain at the same grade/responsibility level. This figure should include revalorisation, progression and any increase to the bonus pot.

Basic award for those under £21k

B.16 Basic award for those under £21k. This figure is only required for the years in which the department is in the pay freeze.

Workforce size

B.17 Headcount. Total civil service workforce at the end of the financial year, on a headcount basis.

B.18 Full time equivalent. Total civil service workforce at the end of the financial year, on a full-time equivalent basis.

B.19 Full time equivalent under £21k. This figure is only required for the years in which the department is in the pay freeze.

Turnover and wastage

B.20 Staff turnover. Proportion of employees leaving jobs over the year (including performance related exits, but excluding redundancies). Includes those employees moving from one job to another within the same organisation.

B.21 Staff wastage. Proportion of employees leaving the organisation over the year (including performance related exits, and ill-health retirements, but excluding redundancies). Excludes those employees moving between jobs within the organisation (so a narrower definition than turnover).

C

Business case template

General Notes

Departments may want to use this template when submitting their business case to the relevant Minister, as in previous years.

Name of Bargaining Unit:

Section A: Explanation of Bargaining Unit Core Business

As a summary of the organisation’s core business this section should explain the main role of the organisation and its business objectives in the short to medium term.

Section B: Current & Future Business Pressures

Provide an outline of any forthcoming pressures that may be facing the organisation and how these will impact on the pay bill. (E.g. a new Act of Parliament coming into force). **Note**: Organisations should explain what areas of staffing these pressures will affect and how you intend to use the paybill to address these pressures.

Section C: Affordability and Funding

Provide brief confirmation that the proposals are affordable within expenditure limits or existing provision – please explain briefly. Confirmation that these costs will not generate future paybill pressures and, where applicable, have been cleared by Sponsor Departments.

Section D: Summary of Pay Remit Proposals

Provide a summary explanation of what the Pay Remit will be spent on, and provide a breakdown of the remit, in terms of Increase for Staff in Post; e.g. increases to minima, maxima, and target rates; basic awards to staff including underpins; proposed increases to allowances; other proposed increases to non-pay awards (annual leave); etc **Note:** the Increase for Staff in Post levels indicated here should be presented in cash terms in the financial pro-forma. Illustrative example: 1.25% for pay progression; 0.5% for targeted equal pay action; 0.5% for targeted Recruitment and Retention action (London); 0.25% for targeted Recruitment and Retention action (name location); 0.49% for increases to pay band minima/maxima & target rates; and 0.1% for increases in maternity/paternity leave.

D Example Financial Pro-forma

SECTION 1

Bargaining Unit "Outturn" Details

Name of Bargaining Unit	*Civil Service Department*	
Remit Period	*2009-10*	
Settlement Date	*01-Aug-09*	
A. Actual Paybill for the Remit year	£35,999,854.00	
of which;		
Staff salaries	£26,579,223.00	
Allowances	£1,611,857.00	
Overtime payments	£250,662.00	
ERNIC	£1,974,794.00	
Employers pension contributions	£4,994,318.00	
Non-consolidated pot	£589,000.00	
Other (please specify below)		

SECTION 2

B. Baseline Paybill	£35,074,858.00	
C. Actual New Money	£924,996.00	2.64%
D. Recyclables added to pay	£25,000.00	
E. Actual Increase for Staff In Post	£899,996.00	2.57%
Breakdown of increase for staff in post:		
for Non-consolidated payments	£300,000.00	
for Consolidated payments	£599,996.00	
F. Staff in Post (FTE) for the year	1500.00	
G. Paybill per head for remit year	£23,999.90	

How Outturn differs from 2008-09 Pay Remit approved

SECTION 1

Bargaining Unit Remit Details

Name of Bargaining Unit

Remit Period	*2010-11*	
Settlement Date	*Aug-10*	
A. Last Years Paybill	£35,999,854.00	
B. Baseline Paybill	£35,519,858.00	
of which;		
Staff salaries	£27,900,050.00	
Allowances	£875,669.00	
Overtime payments	£200,250.00	
Non-consolidated pot	£600,500.00	1.72%
ERNIC	£2,000,000.00	
Employers pension contributions	£3,843,389.00	
Partial buy out of allowance	£100,000.00	

SECTION 2

C. Projected Paybill	£35,875,054.00	
D. New Money	£355,196.00	1.00%
E. Recyclables added to pay	£169,804.00	
F. Intended Increase for Staff in Post	£525,000.00	1.48%
of which (enter appropriate categories - see Annex 2A of guidance):		
Revalorisation	£170,000.00	
Non-consolidated performance payments	£155,000.00	
Partial buy out of allowance	£200,000.00	
G. Staff in Post for the remit year	1480	
H. Paybill per head	£24,239.90	
I. Increase in Paybill per head	£240.00	1.00%

SECTION 3

Change in Baseline from Outturn to 2009-10 remit	-1.33%	
J. Baseline Paybill	Remit Year 2008-09	2007-08 Outtu
Staff salaries	78.55%	75.78%
Allowances	2.47%	4.60%
Overtime payments	0.56%	0.71%
ERNIC	5.63%	5.63%
Employers pension contributions	10.82%	14.24%
Non-consolidated pot	1.69%	1.68%
	0.28%	0.00%

E Financial Pro Forma Completion Guidelines

1. 'Outturn' Details

As for last year, all that is required are details of Consolidated and Non-consolidated ISP payments rather than a detailed breakdown of where funds were spent i.e. revalorisation, progression, bonus payments etc.

2. Remit Year Details

Calculating the baseline paybill:

- The baseline paybill is the cost to the Department, for the remit year, of the expected staff complement excluding the costs of progression or revalorisation or other increases.
- Any mandatory increases in pensions contributions (not linked to increases in staff salaries) or employer NICs will score in the baseline.
- The baseline is not necessarily the actual paybill given in the outturn sheet.

Increase for Staff in Post (formerly Earnings Growth):

- The Increase for Staff in Post (ISP) should include the full costs of the settlement including:
  - increases to basic salaries from progression and revalorisation;
  - increased pensions and employer NICs resulting from these increases to basic pay;
  - the costs of increases to non-consolidated pot;
  - the costs associated with increases in leave entitlements, etc; and
  - the costs associated with pay harmonisation arising from MoG changes.
- The ISP should not include the non-consolidated payments from existing non-consolidated performance pots, however departments should note:
  - increases in the size of the non-consolidated performance pot should be included in the ISP; and
  - the non-consolidated performance pot cannot be used to fund consolidated increases of any kind.

NB: Negative figures should not be entered anywhere on the proforma

Recyclables:

- Recyclables are calculated as the forecast savings from staff turnover (see Annex 2B for more detailed definition).
- Recyclables are deducted from the cost of the settlement proposals (Increase for Staff in Post) to give the "new money" or increase on the baseline paybill.
- The recyclable figure in the pro-forma can be zero but can never be a negative amount.

Costing non-pay rewards

- In order to effectively utilise and promote the various non-pay rewards available to Departments and Agencies, it is important that the costs and benefits of various terms and conditions are taken into account. As such, the costs of increasing non-pay rewards such as reductions to working hours, increases to annual leave, maternity/paternity leave should be included in the remit calculation pro forma.

Baseline Savings

- Baseline paybill can be used elsewhere within the paybill without counting towards the ISP figure, in other words the savings are cost neutral e.g. removing outdated allowances and using the savings from these allowances for non-consolidated payments.
- An example of how Baseline savings work in practice and based on the example pro-forma is set out below:
  - Example: An organisation wishes to buy-out a specific allowance at a negotiated cost of £300k. The actual annual cost of this allowance is approximately £100k year on year.
  - The pro-forma shows an allowance figure (that represents all the allowances the organisation pays) in section 1B of the 'Remit year' pro-forma of £875,669. The original figure was £975,669 but because the organisation wishes to buy-out the outdated allowance they have recycled the £100k (the actual annual cost of the outdated allowance) into the baseline (see final entry of section 1B under 'other').
  - You will see that the description in section 1B states 'partial buy-out of allowance'. This is because the total cost of the buy-out of the outdated allowance is £300k. The remainder of the buy-out (£200k) forms part of the intended ISP figure and is included in section 2F of the 'Remit year' pro-forma.

Increase for Staff in Post formula:

- Increase for Staff in Post = New Money + Recyclable Savings.

Multi-Year Remits

Departments and Agencies that have agreed multi-year remits in previous years need to provide an 'outturn' calculation sheet, which shows that their outturn figures comply with the ISP (formerly Earnings Growth) agreed as part of their pay award.

HM Treasury contacts

This document can be found in full on our website at:
hm-treasury.gov.uk

If you require this information in another language, format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 4558
Fax: 020 7270 4861

E-mail: public.enquiries@hm-treasury.gov.uk

ISBN 978-1-84532-832-0