



## Forestry Commission

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### **CIVIL SERVICE PAY FREEZE**

You will have seen the media coverage of yesterday's Emergency Budget, in which the Chancellor announced that a two year pay freeze will be implemented immediately for all Civil Service staff earning more than £21,000. We have received further information from Cabinet Office on how this policy will work.

Departments in legally binding multi-year deals will be allowed to conclude those deals before implementing the pay freeze. **This means that the Forestry Commission will pay the 3<sup>rd</sup> year of our 3-year deal this October.**

**The pay freeze will then apply within the FC to the 2011-12 and 2012-13 pay awards.**

I'm sure you will have questions you want to ask on this, and so I attach a set of Questions and Answers and will issue further information prior to next year's pay award.

**Jean Lindsay**  
Director HR



## **Questions & Answers**

### **Q: What has been announced?**

**A:** The Civil Service, alongside the wider public sector, will be subject to a two year pay freeze from 2010-11. All organisations where a deal has not yet been agreed for 2010-11 will now be subject to a pay freeze in 2010-11 and 2011-12. Organisations which have already concluded their 2010-11 pay award will be allowed to implement this, but will then be subject to the pay freeze in 2011-12 and 2012-13.

Organisations subject to a pay freeze in 2010-11 will exit the public sector freeze ahead of other workforces.

A pay freeze is already in place for the Senior Civil Service (SCS).

### **Q: How does this affect the Forestry Commission?**

**A:** The FC is in a multi-year deal. We have taken legal advice which confirms that the deal is legally binding for 2010-11. We will therefore implement the 3<sup>rd</sup> year of the deal as outlined in previous Pay Notices. The FC will then be subject to the pay freeze policy in 2011-12 and 2012-13.

### **Q: Why is the pay freeze necessary?**

**A:** To help reduce the size of the budget deficit immediately. The Cabinet has already taken a 5% pay cut and SCS pay has been frozen this year. And now it is important that all civil servants working in central government show leadership to help the Government reduce the size of the public sector pay bill.

### **Q: How much money will this save?**

**A:** This measure is estimated to deliver up to £50 million savings across the Civil Service in 2010-11.

### **Q: What does a pay freeze mean?**

**A:** The pay freeze means a freeze of basic salary as well as any allowances. Increases to non-consolidated pay budgets will also be frozen for two years.

### **Q: Who is affected?**

**A:** All staff below the Senior Civil Service will be covered by the pay freeze policy. However, staff earning a salary of £ 21,000 or less (Full Time Equivalent) will receive a consolidated increase to their FTE salary of at least £ 250 (pro-rated for part time staff). Further details will be issued once the rules are clarified by Treasury.

### **Q: Is the Civil Service being singled out?**

**A:** The policy will apply to the Civil Service, alongside the wider public sector. The pay freeze in the Civil Service sends a signal to the wider public sector on pay restraint in achieving the Governments target of reducing the budget deficit, and will help ease pressure on departmental budgets and therefore protect frontline jobs and services.

### **Q: Does the pay freeze apply to staff on secondment from an outside organisation?**

**A:** In principle yes, but this will very much depend on the agreed terms of the secondment.

