

30 July 2024

# Chancellor's statement - headcount cap and consultants

Although attention has rightly focused on pay in the last 24 hours, with the UK Government proposing a 5% pay rise for our civil service members, there were other points within chancellor Rachel Reeves' speech yesterday which are relevant to members

The chancellor has confirmed that the civil service headcount cap, which was brought in by the Tories in late 2023, will be scrapped. In her statement, she said the cap would be lifted 'to help departments [cut consultancy spending] and make value for money decisions about how to resource work'.

In response, PCS General Secretary Fran Heathcote said: "PCS welcomes the government's decision to end the civil service headcount cap which was put in place by the previous Tory administration. When investment is so needed in our frontline civil service, to ensure the best service for our nation, an end to the cap is a positive move in the right direction. As ever, we await the detail and hope that this, alongside other announcements, will result in proper investment in our civil service members, and a fresh approach to discussions relating to hybrid working, training and progression."

## **'Non-essential' spending halted**

The chancellor confirmed an immediate halt on non-essential spending on communications, scrapping unfunded policies proposed by the Tories and cutting 'back-office' costs. Unfortunately, Labour has also confirmed that the winter fuel allowance will be scrapped for millions of pensioners, a move which has angered pensioners' groups.

As with many statements from government, the devil will be in the detail, but PCS will continue to campaign to ensure our members are protected and the most vulnerable in our society are not used as political cannon fodder to balance the books.