

Johnny Mercer MP

Plymouth Moor View



HOUSE OF COMMONS

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The Rt Hon Theresa May MP
Prime Minister
Prime Minister's Office
10 Downing Street
London
SW1A 2AA

Our Ref: ZA7776
29 June 2017

Dear Prime Minister,

I am writing today with regard to the public sector pay cap.

I would like to preface this letter with the fact that I believe now, as much ever, the people have elected their representatives to go about their business in a serious and competent manner. Grandstanding and efforts to derail the Queens Speech and subsequently the Government in times of huge national change is not in this country's interests and would not benefit my constituents.

Since being elected in 2010, the Conservative Party have delivered economic and financial stability and a recovery that was one of the fastest in Europe following the worldwide financial crash. Our country was not well braced for an economic downturn in 2008 with high levels of public spending, huge amounts of debt and poorly regulated financial institutions. In the last seven years this Party has sought to put that right.

We can be proud that according to the OBR, our policy of public sector pay restraint saved 200,000 jobs. That is 200,000 pay checks that people could take home to put food on the table and pay the bills. Yet circumstances have changed and I believe that we need to look again at this policy. Public sector pay restraint has been in place for seven years now and while it has had its successes, notably jobs saved and the economy righted, we must always keep in balance the 'offer' we make to our public sector workers -of which pay is a part.

For every 1% increase given in pay increases to public sector workers costs the economy just shy of £2bn. To link public sector pay increases to inflation would cost an additional £4.1bn annually by 2019-20 according to the IFS. I recognise the scale of what I am advocating. Annual additions to the public spending on this scale need to be properly analysed and costed. It is what we have done well as Party since entering government in 2010 and something that we should look to again now. In my opinion a pay increase is necessary; but we cannot do it in a way that endangers peoples jobs and livelihoods or threatens the economy. I would like to see this Government take steps in either the remit given to public sector pay review boards next month, or in the Budget later this year, to go about removing this cap.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Johnny Mercer', with a large, sweeping flourish above the name.

Johnny Mercer
Member of Parliament for Plymouth Moor View