



Office of Manpower
Economics

Stewardship Report 2014/15

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Foreword by the Director, Office of Manpower Economics (OME)

This final year of the Coalition Government was largely one of consolidation, both for the OME and the Review Bodies we support.

The Government's assessment of the fiscal landscape led to the continuation of a strong, centrally-driven public sector pay policy that affected all Review Body remit groups. Most Review Bodies were given remits in the customary format, and produced their reports to the timetables requested by government; these included the first report of the new Police Remuneration Review Body, submitted in June 2015.

While each Review Body undertook a pay round, the Scottish Government was alone among the United Kingdom countries in asking for pay recommendations from the NHS Pay Review Body, and in asking the Review Body on Doctors' and Dentists' Remuneration to look at the pay of salaried doctors and dentists. Both Review Bodies were, however, asked by the Department of Health in England, supported by the Welsh and Northern Irish Governments, for observations on working arrangements, and possible contractual changes, which might support the expansion of "seven days a week" health services in a financially sustainable way. These reports are on course to be submitted by July 2015.

On the administrative front, OME moved offices in summer 2014 to Fleetbank House, off Fleet Street, where we share accommodation with several other public sector organisations, including the Low Pay Commission, thereby reducing costs. This move was well-planned, and went very smoothly. OME morale remains high, with the 2014 annual People Survey showing our staff to be highly engaged and motivated.

Looking to the future, OME will be supporting Review Bodies in their responses to whatever remits are given to them by the new government. We will also play our part in continuing to pursue greater effectiveness and value for money for the taxpayer. I believe we are well capable of succeeding in both these aims, challenging ourselves to use to maximum effect the extensive expertise that we already have.

Having taken over as OME Director in October 2014, I have found knowledgeable and committed staff, and a set of well-functioning Review Bodies. This is a strong tribute to my predecessor, Geoff Dart, and all in OME wish Geoff well in his retirement from the Civil Service.

Martin Williams
Director, OME
July 2015

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The Office of Manpower Economics (OME)

The Office of Manpower Economics provides an independent secretariat to the eight Review Bodies which make recommendations on pay for 2.5 million workers – around 45 per cent of public sector staff – involving a pay bill of £100 billion (over 60 per cent of the public sector pay bill).

The OME's 2014/15 aim remained unchanged from last year:

“Through the quality, timeliness, efficiency and rigour of its work, to support the Pay Review Bodies in offering evidence-based independent advice on public sector pay and conditions, in accordance with their terms of reference, and in making a positive contribution to public sector reform and delivery.”

The OME sought to do this by:

- Obtaining timely and high quality evidence, and providing research, analysis and advice, to inform Review Body decisions and underpin their recommendations.
- Enabling the Review Bodies to deliver their reports to the timetable and process required, and in accordance with their individual terms of reference and remits, by providing high quality secretariat services and through managing relationships with all parties to the process.
- Developing OME's capacity and capabilities through using the Civil Service Competencies and by meeting Investors in People, and Government Economic Service and Government Statistical Service standards for managing and developing people.
- Managing OME resources effectively with particular emphasis on flexible ways of working, and project management.

The OME is an independent non-statutory public body, free from Government direction in terms of its policy and operational activities. The staff are drawn mainly from the Department for Business, Innovation and Skills (BIS), the Government Statistical Service, and the Government Economic Service. Its Director is responsible to the BIS Accounting Officer for resource and staff issues.

Details of staffing and the organisational structure of OME are given in Chapter 1 and in Annex A.

The Public Sector Pay Review Bodies

There are currently eight independent Public Sector Pay Review Bodies serviced by OME. The Review Bodies advise the Prime Minister, relevant Secretaries of State, and the devolved administrations where required, on remuneration matters referred to them, including annual recommendations about pay levels.

Although the Review Bodies operate independently of one another, and each has different terms of reference, their procedures are broadly similar. Once issued with a remit they receive written and oral evidence from both the Government and representative organisations about pay issues for the relevant workgroups; other interested parties may also submit evidence. The Review Bodies then consider the evidence and their own independent research to formulate recommendations on the remuneration of their remit groups. Following this they submit their recommendations.

In addition to the annual pay round described above, the Review Bodies are often asked to look at other issues affecting the pay and other terms and conditions of their respective workforces.

The work undertaken by each Review Body is set out fully in their published reports which are available on the OME pages of GOV.UK. This report summarises their work.

Chapter 1: About the OME

- 1.1 The purpose of the OME is to provide the Pay Review Bodies with the support they require in order to fulfil their respective terms of reference in making pay, and related, recommendations for public sector workers. Similar to other government departments, it receives public funds to carry out this function, and by holding a secretariat role its purpose is predominantly the annual activity and process that is described in Chapter 2.
- 1.2 This report provides an account of OME's use of public funds in terms of its budget and the work for which it pays.

Budget and efficiency

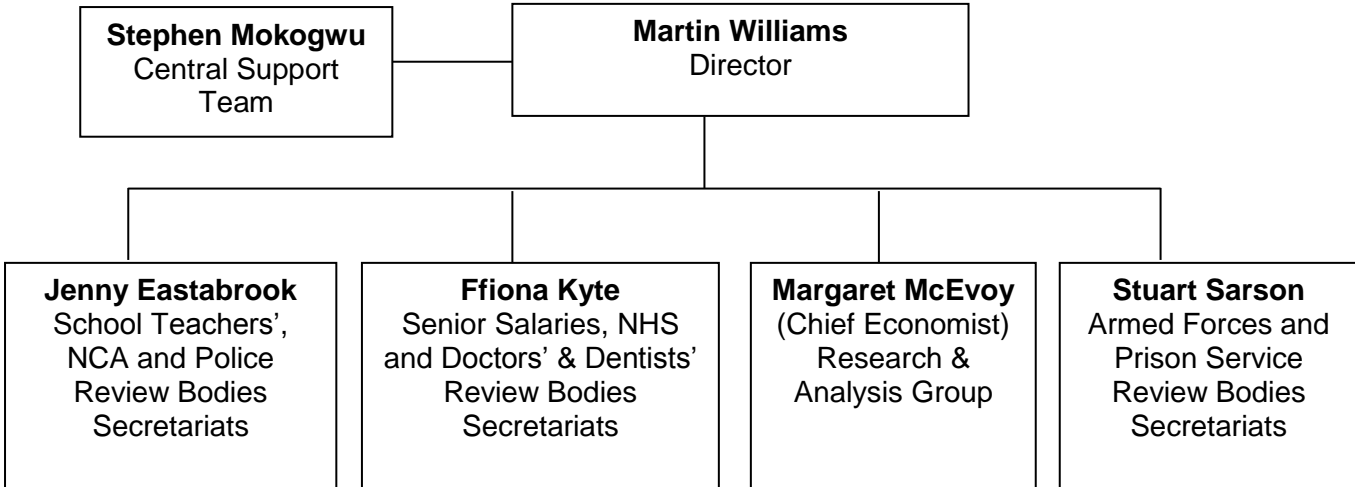
- 1.3 OME's total expenditure in 2014/15 was £3.10 million¹. This includes the costs of OME staff, the fees paid to Review Body members, the costs associated with running meetings and visits, and the costs of research and analysis commissioned by OME.
- 1.4 OME continues to look for further efficiency gains, for example from:
 - Rigorous assessment of business cases and effective procurement practice for research spending.
 - Promoting flexible and innovative ways of working.
 - Increased in-house and on the job training.
 - Bearing down on costs, for example, of publications, travel and photocopying, and the sharing of back-office costs (i.e. photocopier lease and consumables) with the Low Pay Commission.
 - Using the BIS shared services programme.

Staff

- 1.5 The OME ended the year with 35 staff (full time equivalent of 32.9) of whom 5 arrived during the year. The numbers (both headcount and full-time equivalent) by grade are given at Annex A. There was a new Director and one new staff member appointed to the senior management team.
- 1.6 OME provided secretariat support for eight Review Bodies across the year.

¹ The majority of OME expenditure is covered by the Department for Business, Innovation and Skills. The fees paid to members are recovered from the relevant departments. Since a Cabinet Office review in 2006, it has been the policy that any new work must be fully funded by the sponsor department(s). So, for example, the OME costs of running the recently established Police and National Crime Agency Remuneration Review Bodies are recovered from a combination of the Home Office, the National Crime Agency and the Department of Justice in Northern Ireland.

Figure 1: The OME Organisational Chart as at 31 March 2015



Values and behaviours

1.7 The OME values and behaviours shown below help staff to ensure that their work for the Pay Review Bodies is independent, professional, collaborative and evidence-based.

Figure 2: The OME values and behaviours



Training and development

- 1.8 The OME's training and development activities focus on:
- Promoting best practice across teams to ensure it offers the best possible support to the Pay Review Bodies.
 - Developing individuals to improve their performance and enable them to operate flexibly across OME.
 - Encouraging individuals to develop key professional skills for the relevant OME competences. As part of this, ensuring analysts (which comprise a third of OME staff) comply with Continuous Professional Development requirements for the Government Statistical Service and the Government Economic Service as appropriate.
- 1.9 The approach at OME uses a range of tools, including a programme of in-house seminars, coaching, mentoring, short-term attachments and shadowing, as well as formal training courses (including e-learning). In addition, the nature of the work at OME requires staff to attend specialist conferences and seminars to continue to increase their knowledge specific to the skill sets required.
- 1.10 During 2014/15 a significant proportion of training time was spent on absorbing and learning the new IT and records management systems put in place by its parent department (BIS).

Staff engagement

- 1.11 The annual BIS People Survey for 2014 (which is part of the wider Civil Service People Survey which measures employee engagement) showed that the OME's engagement index remained high, at 72 per cent. This was 16 percentage points higher than the average across the parent department, BIS, and also compared favourably with high performing units in the Civil Service generally.

Working with BIS

- 1.12 The OME is a small department and BIS provides the IT, accommodation, HR and finance services. Consequently, staff members are usually considered to be part of the BIS "family" for pay purposes and logistical issues. However, as a department, OME maintains policy and operational independence, and the Pay Review Bodies have no relationship with BIS.
- 1.13 In 2014/15 OME staff were involved in a range of the Department's activity, including:
- Participating in the annual BIS People Survey.

- Participating in the BIS professional networks for Economists and Statisticians.
- Participating in many BIS staff events and BIS training programmes, including learning and development network meetings and the New Manager Development Programme.
- OME oracle champion to promote best practice on the new shared services system (Oracle).

The Freedom of Information (FOI) Act 2000

1.14 Details of requests received by OME for the release of information under the FOI Act can be found on our website:

<https://www.gov.uk/government/organisations/office-of-manpower-economics>

Chapter 2: The Work of the Teams



Overview

- 2.1 The work of OME staff is directed by the requirement of the Pay Review Bodies that it supports. The Review Bodies receive annual remits to recommend on pay for the groups that they represent. In 2014/15, the Police Remuneration Review Body came into being. This new Review Body will recommend on pay and allowances for federated and superintending ranks of police officers in England and Wales, and Northern Ireland. Also in 2014/15, chief police officers in England, Wales and Northern Ireland were added to the Senior Salaries Review Body's remit.
- 2.2 From time to time, the Review Bodies receive additional remits. In 2014/15 this included: for the National Health Service Pay Review Body, observations on the barriers and enablers within the Agenda for Change pay system for delivering healthcare every day of the week in a financially stable way, and for the Review Body on Doctors' and Dentists' Remuneration, contract reform for both junior doctors and consultants.
- 2.3 Secretariats' work falls into a number of phases:
- Organising and supporting Members across an extensive visits programme of information gathering.
 - Commissioning research and survey work (for example, pay comparability), and collecting data or analyses that the Review Body requests. These can include information about the remit group (such as on recruitment and retention) and more general information about the economy drawn from a variety of sources.
 - Liaising with the parties (such as Government departments and unions). This is to ensure that written evidence is provided to the Review Body on time and that subsequent oral hearings with the major parties are arranged and supported.
 - Scheduling, arranging and supporting all meetings.
 - Preparing briefing and technical papers on the written evidence and responses from both the Government and the other parties to assist the Review Bodies in their consideration of the remits from Government.
 - Drafting the reports following the evidence sessions and the Review Body decision-making process. This involves a considerable amount of background briefing and clearance of technical detail.
 - Informal discussions with the parties about the outcome of the last round and likely points for the future.
- 2.4 The exact nature of the work varies between secretariats. Timetables and submission dates depend on when the annual pay increases are applied (for example, changes to police officers' and teachers' pay apply from 1 September but most other groups, including the Armed Forces and NHS staff, have awards and changes applying from 1 April each year). The Review Bodies are independent of one another, as well as of Government.
- 2.5 See Table 1 for more detailed information about the Review Bodies.

Table 1: Review Bodies Supported by the OME

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
Armed Forces' Pay Review Body	Non Statutory	Ministry of Defence	Members of the Armed Forces up to and including the rank of Brigadier (one star) and equivalents.	Ministry of Defence, Service Families' Federations, Reserve Forces' and Cadets' Association, British Medical Association and British Dental Association.	166 (headcount)	£8 billion	United Kingdom
Review Body on Doctors' and Dentists' Remuneration	Non Statutory	Department of Health	Hospital doctors and dentists; general medical practitioners; ophthalmic medical practitioners; general dental practitioners; and doctors and dentists in public health, community health, and salaried primary dental care services.	Department of Health, Welsh Assembly Government, Scottish Executive Health Department, Department of Health, Social Services and Public Safety in Northern Ireland, NHS Employers, NHS England, British Medical Association, British Dental Association, Advisory Committee on Clinical Excellence Awards, Scottish Advisory Committee on Distinction Awards, Foundation Trust Network and Health Education England.	212 (headcount including GMPs & GDPs)	£17 billion	United Kingdom
National Crime Agency Remuneration Review Body	Non Statutory	Home Office	National Crime Agency officers designated with operational powers.	Home Office, National Crime Agency, Public and Commercial Services Union, the National Crime Officers' Association, FDA.	2.1 (FTE)	£73 million	United Kingdom

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
NHS Pay Review Body	Non Statutory	Department of Health	All staff employed in the NHS, and paid under Agenda for Change. This covers all NHS staff, with the exception of doctors, dentists and very senior managers.	Department of Health, England; Department of Health and Social Services, Wales; Department of Health, Social Services and Public Safety, Northern Ireland; Scottish Government Health and Social Care Directorates; NHS Employers; NHS Providers (formerly Foundation Trust Network); Northern Ireland Public Service Alliance; the Joint Staff Side and its individual staff bodies, which are: British Association of Occupational Therapists; British Dietetic Association; British Orthotic Society; Chartered Society of Physiotherapists; Community and District Nursing Association; Federation of Clinical Scientists; GMB; Royal College of Midwives; Royal College of Nursing; Society of Chiropodists and Podiatrists; Society of Radiographers; Union of Construction, Allied Trades and Technicians; Unison; and Unite.	1,408 (headcount) 1,205 (FTE)	£42 billion	United Kingdom
Police Remuneration Review Body	Statutory	Home Office	Federated ranks of police officers and superintending ranks in England and Wales, and Northern Ireland.	Home Office; Police Federation of England and Wales; Police Superintendents' Association of England and Wales; National Police Chiefs Council; Metropolitan Police Service; Association of Police and Crime Commissioners; Mayor of London Office for Policing and Crime. Police Service of Northern Ireland; Department of Justice Northern Ireland; Northern Ireland Policing Board; Police Federation for Northern Ireland; Superintendents' Association of Northern Ireland.	137 (headcount) 134 (FTE)	£7 billion	England and Wales Northern Ireland

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
Prison Service Pay Review Body	Statutory	Ministry of Justice (England and Wales)	Governing governors, other operational managers, prison officers and operational support grades in the England and Wales Prison Service.	National Offender Management Service, POA, Prison Governors' Association and Public and Commercial Services Union.	25 (headcount) (England and Wales) 24 (FTE)	£930 million (England and Wales)	England and Wales
		Department of Justice (Northern Ireland)	Governor, officer and support grades (and equivalents) in the Northern Ireland Prison Service.	Northern Ireland Prison Service, POA (Northern Ireland) and Prison Governors' Association (Northern Ireland).	1.4 (headcount) (Northern Ireland)	£62 million (Northern Ireland)	Northern Ireland

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
Review Body on Senior Salaries	Non Statutory	Cabinet Office, Ministry of Justice, Ministry of Defence, Department of Health, Home Office, Department of Justice for Northern Ireland	Senior Civil Servants, Judiciary, Senior Military Officers, certain Very Senior Managers in the NHS (VSMs), Police and Crime Commissioners (PCCs), and Chief Police Officers.	Cabinet Office, Ministry of Justice, Ministry of Defence, Department of Health, Home Office, Department of Justice for Northern Ireland, Association of Police and Crime Commissioners, Civil Service Commission, FDA, Prospect, Managers in Partnership, Lord Chief Justice, Lord President of the Court of Session (Scotland), Lord Chief Justice of Northern Ireland, Judicial Appointments Commission (England and Wales), Judicial Appointments Board for Scotland and Northern Ireland Judicial Appointments Commission, National Police Chiefs' Council, Chief Police Officers' Staff Association, Northern Ireland Policing Board, Police Service of Northern Ireland, members of the remit groups.	Judiciary 2.2; VSMs 0.5; Senior military 0.1; SCS 3.8; PCCs 0.04; Chief Police Officers: 0.2. (All headcount)	Judiciary: £394 million; VSMs: £62 million; Senior Military: £25 million; SCS: £428 million; PCCs: £3 million; Chief Police Officers: £33 million.	Judiciary and senior military: UK; SCS: GB; PCCs: England and Wales; VSMs: England; Chief Police Officers: England, Wales and Northern Ireland.
School Teachers' Review Body	Statutory	Department for Education	Teachers, including head teachers, in maintained schools and services in England and Wales.	Department for Education, the Welsh Government. Association of local authorities: National Employers' Organisation for School Teachers. Organisations representing teachers: Association of School and College Leaders, Association of Teachers and Lecturers, British Association of Teachers of the Deaf, National Association of Head Teachers, National Association of Schoolmasters Union of Women Teachers, National Union of Teachers, Undeb Cenedlaethol Athrawon Cymru, Voice. Organisations representing governors: Governors Wales, National Governors' Association.	540 (headcount) 476 (FTE)	£23 billion	England and Wales

Notes:

1. The figures above are OME estimates made in February 2015. They give a general indication of orders of magnitude but have not been compiled on a wholly consistent basis due to the nature of the data sources and different methodology and time frame approaches.
2. DDRB figures include GMPs and GDPs as well as salaried staff.
3. Please contact OME (see front of this report) if you would expect to be included in the list of consultees.

The financial year 2014/15: context and Government pay policy

- 2.6 Pay rounds since 2010 have taken place within the context of a policy of centrally-led public sector pay restraint. The Chief Secretary to the Treasury wrote to the Review Bodies in July 2014 setting out the Government's policy on public sector pay awards for the 2014/15 pay round which was an average of up to one per cent.
- 2.7 In the course of 2014/15 the secretariats supported the Review Bodies in producing nine reports which were submitted to the appropriate UK Governments and are published on the OME website. Several Review Bodies also undertook work during this period for reports which were submitted in June and July 2015. To support these, OME produced a large body of work including summaries and analysis of the evidence, reports on issues raised during visits, statistical and economic briefings, updates on pay and labour market issues, and the setting out of detailed options for Review Bodies to consider. Secretariats also arranged visits that enabled Review Body Members to meet the staff and managers affected by their recommendations and to discuss key issues with them. This complemented the formal evidence received from employers and staff representatives.
- 2.8 The following pages set out the main work of each secretariat, including the Review Body reports produced in the year and their main recommendations. The total number of visits, meetings and reports for each Review Body is at Annex B.
- 2.9 The final part of this chapter covers the work of the Research and Analysis Group as well as the appointments processes in which OME has some involvement.

Armed Forces' Pay Review Body (AFPRB) Secretariat

The AFPRB secretariat supports its Review Body in providing independent advice on the pay and charges for members of the Royal Navy, the Army and the Royal Air Force, stationed both within and outside the United Kingdom.

In 2014/15, the AFPRB secretariat supported the Review Body through its usual annual remit which covered both pay and allowances and accommodation and food charges. In addition, the AFPRB commissioned an update to last year's independent research into pay comparability carried out by PriceWaterhouseCoopers. A revised, updated list of the X-Factor components, used to make comparisons between modern military and civilian life, was also published in the report. During the course of the year AFPRB endorsed a series of Financial Retention Incentives aimed at increasing the recruitment and retention of Medical Assistants (Submarines), Engineering General Service Officers (Royal Navy), REME Aircraft Technicians, and ex-Regulars to the Army and RAF Reserves.

The AFPRB submitted its main (44th) annual report on 30 January 2015. Its main recommendations were:

- An increase of one per cent in base pay.
- A one per cent increase in most rates of Recruitment and Retention Pay (RRP), compensatory allowances, including Northern Ireland Residents' Supplement and Reserves' Bounties and Call-Out Gratuity.
- A new Mine Countermeasures Vessels Environmental Allowance plus changes to RRP (Submarine) and RRP (Nuclear Propulsion).
- An increase of 2.8 per cent to all grades of Service Family Accommodation rental charges in line with the rental component of RPI.
- Increases of 2.8 per cent to grade 1, 1.9 per cent to grade 2, 0.9 per cent to grade 3 and zero to grade 4 for Single Living Accommodation rental charges.
- A Daily Food Charge of £4.79 (an increase of 7 pence, or 1.5 per cent).

The Government accepted the AFPRB's recommendations and the report was published on 12 March 2015.

Following submission of the main report, the Review Body began its normal supplementary work on Service Medical and Dental Officers' pay. The resulting supplementary report was submitted to Government on 13 March 2015. An overall recommendation of one per cent was accepted by the Government on 25 March 2015.

Review Body on Doctors' and Dentists' Remuneration (DDRB) Secretariat

The DDRB secretariat supports its Review Body in providing independent advice on rates of pay for doctors and dentists in England, Scotland, Wales and Northern Ireland.

In 2014/15, the DDRB secretariat supported the Review Body through its usual annual remit covering pay and allowances. Reflecting the different public sector pay policies across the four countries of the United Kingdom, the DDRB's remit covered all salaried doctors and dentists in Scotland, and independent contractor general medical practitioners (GMPs) and general dental practitioners (GDPs) in the whole of the UK.

The DDRB submitted its 43rd annual report in February 2015. Government published the report in March 2015. The central recommendations in the report were:

- A base increase of one per cent to the national salary scales for salaried doctors and dentists in Scotland.
- An increase in income net of expenses of one per cent for independent contractor general medical and dental practitioners in the United Kingdom.
- An increase of one per cent to the minimum and maximum of the salary range for salaried general medical practitioners in the United Kingdom.

The recommendations on salaried hospital doctors and dentists only applied to the Scottish Government and were accepted.

The recommendations on contractor GMPs and GDPs of a net one per cent increase were accepted by the parties.

In autumn 2014, the United Kingdom Government, Northern Ireland Executive, Welsh Government and Scottish Government gave DDRB a remit to look at contractual reform for junior doctors. The United Kingdom government, Northern Ireland Executive and Welsh Government also asked DDRB to report on consultant contract reform. The Review Body is expected to submit its report by July 2015.

National Crime Agency Remuneration Review Body (NCARRB) Secretariat

The NCARRB secretariat supports its Review Body in providing independent recommendations on pay and allowances for NCA officers designated with operational powers below the level of Deputy Director.

In 2014/15 the NCARRB secretariat supported the Review Body through its first remit on pay and allowances from 1 August 2014, and submitted its first report on 15 May 2014, recommending:

- NCA officers designated with operational powers assessed as at least “good” under the NCA’s performance management system receive consolidated pay increases at the following values: below target range £540; within target range £270; and above target range £135 (non-consolidated where above the pay range maxima).
- Border Investigators (former UK Border Agency officers) designated with operational powers not offered assimilation should receive a pay increase of 1 per cent (non-consolidated where above the pay range maxima).
- No changes to the value of NCA allowances within the Review Body’s remit.
- A full review of the design, purpose and value of the London Weighting Allowance.

The report also stressed the importance of the NCA establishing quickly the required workforce configuration in order that a pay and allowance structure could be developed that was fit for purpose to support operational effectiveness.

The Government accepted the NCARRB’s recommendations and the report was published in July 2014. Following this the NCARRB secretariat supported the Review Body as they began work for the next pay round, and by the end of March 2015 work was well advanced on its second annual report which was submitted on 22 May 2015.

NHS Pay Review Body (NHSPRB) Secretariat

The NHSPRB secretariat supports its Review Body in providing independent advice on rates of pay for NHS staff (excluding doctors and dentists and Very Senior Managers) in England, Scotland, Wales and Northern Ireland.

In 2014/15 the United Kingdom Government, Welsh Government and Northern Ireland Executive did not seek pay recommendations. Consequently the NHSPRB submitted its Scotland report on pay to the Scottish Government on 9 February 2015.

The central recommendations and observations in the Scotland report were:

- A one per cent increase to all *Agenda for Change* pay points from 1 April 2015 for all staff in NHSScotland.
- The Review Body noted the features of the Scottish Government's public sector pay policy of i) a £300 minimum increase for staff earning under £21,000 and ii) the application of the Living Wage, which would ensure that NHS staff in Scotland are treated consistently with other public sector workers.

It also contained key messages and observations on the need for the NHS in Scotland to apply the agreed pay progression arrangements to ensure pay progression is linked to competency development and performance, a request for more robust and systematic data to inform the NHSPRB's consideration of recruitment and retention issues, the implications of the fragmentation of the *Agenda for Change* pay system across the four nations of the United Kingdom and a reminder of the need to review the *Agenda for Change* pay structure.

The Scottish Government accepted the recommendations and also implemented their public sector pay policy.

In the late summer/autumn of 2014 the United Kingdom Government, Welsh Government and Northern Ireland Executive gave the NHSPRB a special remit to make observations on affordable working arrangements to support the delivery of services over seven days. The Review Body is expected to submit its report by the end of July 2015.

Police Remuneration Review Body (PRRB) Secretariat

During 2014/15, the OME secretariat supported the establishment, initial set up, and running of the new PRRB. In September 2014, the PRRB replaced the Police Negotiating Board with the latter being abolished. The PRRB was set up under the *Anti-social Behaviour, Crime and Policing Act 2014* to recommend on pay and allowances for all police officers up to and including the rank of chief superintendent. The PRRB covers England, Wales and Northern Ireland. Its first report was submitted to Government in June 2015.

The PRRB was set up with terms of reference requiring it to have regard to:

- The particular frontline role and nature of the office of constable in British policing and the prohibition on police officers being members of a trade union or withdrawing their labour;
- The need to recruit, retain and motivate suitably able and qualified officers;
- The funds available to the Home Office, as set out in the Government's departmental expenditure limits, and the representations of police and crime commissioners and the Northern Ireland Policing Board in respect of local funding issues;
- The Government's wider public sector pay policy and the Government's policy for improving public services;
- The work of the College of Policing;
- The work of police and crime commissioners;
- Relevant legal obligations on the police service in England, Wales and Northern Ireland, including anti-discrimination regarding age, gender, race, sexual orientation, religion and belief and disability;
- The operating environments of different forces, including consideration of the specific challenges of policing in rural or large metropolitan areas and in Northern Ireland, as well as any specific national roles which forces may have;
- Any relevant legislative changes to employment law which do not automatically apply to police officers;
- That the remuneration of the remit group relates coherently to that of chief officer ranks.

The NCARRB, set up at the beginning of 2014, forms the core membership of the new PRRB and has the same Chair. Secretariat support during 2014/15 included organising: the appointment and induction of two new members (who also became members of the NCARRB as well as members of the PRRB); a briefing day (including all the main police stakeholders); liaison with the Home Office on the establishment and coverage of the body; liaison with interested parties on the process and evidence requirements; provision of a range of briefing papers on the policing context, the economic and labour market environment, pay systems and workforce and earnings statistics; ten Review Body meetings to consider written and oral evidence; and visits to six police forces. Work on the first report of the Review Body, which was submitted in June 2015, was well advanced by the end of March 2015.

Prison Service Pay Review Body (PSPRB) Secretariat

The PSPRB secretariat supports its Review Body in providing independent advice on pay for governors and managers, prison officers and support grades in the England and Wales Prison Service, and equivalent posts in the Northern Ireland Prison Service.

In 2014/15 the PSPRB submitted its (14th) annual report on England and Wales in February 2015. There were eight recommendations in total, all relating to pay, pay structures and allowances:

- The scales for the closed grades to remain unchanged (no pay award).
- The maxima of the *Fair and Sustainable* National Bands 2 to 5 to be increased by 1.8 per cent. The minima and intermediate points adjusted to National Offender Management Services' ideal pay design.
- Staff in Bands 2 to 5 to progress by one pay point for satisfactory performance (unless on formal poor performance procedures).
- The National maxima and minima of *Fair and Sustainable* Bands 7 to 11 to be increased by 1.8 per cent.
- Staff in Bands 7 to 11 that achieve a performance marking of 'Good' or 'Outstanding' to receive four per cent progression, capped at the new band maxima.
- Staff in Bands 7 to 11 with an 'Outstanding' marking to receive an additional one per cent non-consolidated award.
- The fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones to be applied consistently across all bands (£2,525 and £3,840 respectively and based on 37 hour National zone).
- The Tornado payment to be increased by 1.8 per cent to £19.86 per hour.

The report was accepted by the Government in March 2015.

The round in Northern Ireland has again been different, but similar to the situation in 2014/15. The Northern Ireland Prison Service (NIPS), along with the two trade unions, are currently in discussions on a number of pay related matters with the aim of again reaching a joint agreement. Therefore the Review Body has yet to receive a remit letter for this jurisdiction and may again be asked to note any agreement made.

Review Body on Senior Salaries (SSRB) Secretariat

The SSRB secretariat supports its Review Body in providing independent advice on the pay of senior civil servants in Great Britain, the judiciary in the United Kingdom, senior officers of the armed forces of the Crown (stationed both within and outside the United Kingdom), certain Very Senior Managers (VSMs) in the NHS in England, and Police and Crime Commissioners (PCCs) in England and Wales. In 2014/15, chief police officers in England, Wales and Northern Ireland were added to SSRB's remit.

The SSRB submitted its (37th) annual report in February 2015. Its main recommendations were a uniform increase equivalent to one per cent of base pay for the senior military, the judiciary and the SCS (apart from those in the bottom 10 per cent of the SCS performance distribution) and no pay increase for PCCs.

SSRB was not asked to make any recommendations on the pay of NHS VSMs for 2015/16.

In March 2015, the Government accepted the recommendations for pay increases averaging one per cent for the senior military, judiciary and SCS and no change to PCC pay. On the SCS the Government also accepted in full a recommendation on conducting exit interviews, partially accepted a recommendation on increasing pay minima and rejected a recommendation for departments to spend the whole of their performance-related pay budgets.

SSRB submitted its first report on the pay of chief police officers in June 2015.

School Teachers' Review Body (STRB) Secretariat

The STRB secretariat supports its Review Body in providing independent advice on the pay, professional duties and working time of school teachers, including head teachers, in England and Wales.

Following major reforms to teachers' pay and conditions as recommended in the STRB's 21st and 23rd reports, in 2014/15 the STRB secretariat supported its Review Body through two pay remits. The STRB submitted the first (24th) of these reports in May 2014, recommending from September 2014:

- An uplift of one per cent to the values of the minima and maxima of all the pay ranges and allowances in the national pay framework (unqualified teachers' range, main pay range, upper pay range, leading practitioner pay range and the leadership pay range, including the minima and maxima of the eight head teacher pay bands, the three levels of Teaching and Learning Responsibility (TLR) payments and the Special Educational Needs (SEN) allowance).

The Government accepted all the recommendations and published the report in June 2014.

In September 2014 the Government gave the Review Body a further remit to consider a pay award of up to an average one per cent, to report by the end of February 2015.

The STRB submitted its 25th report in February 2015, recommending the following changes be applied from September 2015:

- A one per cent uplift to the minima of all the pay ranges and allowances in the national pay framework (unqualified teachers' range, main pay range, upper pay range, leading practitioner pay range and the leadership pay range, including the minima of the eight head teacher group ranges), the three levels of Teaching and Learning Responsibility (TLR) payments and the Special Educational Needs (SEN) allowance.
- A two per cent uplift to the maxima of the main pay range.
- No increase to the maxima of the leadership group pay range nor to the maxima of the eight head teacher group pay ranges.
- An uplift of one per cent to the maxima of all other pay ranges and allowances in the national pay framework (unqualified teachers' range, upper pay range, leading practitioner pay range, the three levels of Teaching and Learning Responsibility (TLR) payments and the Special Educational Needs (SEN) allowance).

The Government accepted all the recommendations and published the report in March 2015, prior to statutory consultation on the recommendations.

Research and Analysis Group

- 2.10 The Research and Analysis Group – comprising specialists in economics, statistics and remuneration – provides advice and analysis to the Review Bodies and their OME secretariats on the economy, the labour market, and pay. As required, the Group commissions cross-cutting research, i.e. research which is of relevance across all the Review Bodies and to OME as a whole, and also contributes to research projects commissioned on behalf of individual Review Bodies. In carrying out its work, the Group draws on the expertise and knowledge of economist members of the Review Bodies. Members of the Group also keep up to date with external developments on the labour market and pay, including via professional networks within and outside Government.
- 2.11 In 2014/15 the Research and Analysis Group undertook in-house analysis, provided targeted statistical quality assurance, and ensured that quality research was procured. Cross-cutting research projects published this year included: estimates of current and future pensions benefits for Review Body remit groups; a literature review of performance-related pay in the public sector; and work on private sector practice on pay progression. All research projects that OME commissioned during the year (listed in Annex C) are published in full on the OME website (within Gov.uk) and cited in Review Body reports. OME's research spending for the year totalled around £190,000.
- 2.12 During the year the Group contributed to an expert reference group for an Institute for Fiscal Studies project on public sector pay in the UK funded by the Joseph Rowntree Foundation; the final report of which was published in October 2014. It also continued to support the academic community where it is undertaking research relevant to Review Body remits. In 2014/15 this included specific projects looking into labour supply and incentives in the medical profession and an investigation into total reward for public sector workers, both scheduled to report in future years.
- 2.13 The Research and Analysis Group also makes other corporate contributions, for example by helping to increase the knowledge and skills of OME staff by organising a range of presentations and seminars (nine in 2014/15), some involving external speakers. Feedback on these events consistently demonstrates that they usefully contribute to maintaining and refreshing OME staffs' knowledge and skills in areas relevant to Review Bodies.

Review Body appointments

- 2.14 The OME does not appoint Pay Review Body Chairs and Members; this is the responsibility of the sponsoring departments. However, the secretariats support the process; for example, they check that adverts and candidate packs contain up-to-date information about the roles. The OME Director usually sits on the interviewing panel.
- 2.15 During the course of the year, 7 new Members joined the Review Bodies and new Chairs were recruited for the STRB and SSRB. OME secretariats organised induction programmes for these new Chairs and Members.
- 2.16 There were also a small number of existing Members who were re-appointed or had their term extended. OME provided advice to the sponsoring departments to support these processes.

Annex A

OME Staff Resources 2014/15

Table A: OME Staff in post (Headcount and Full-Time Equivalent)

Range	As at 31 March 2014		As at 31 March 2015	
	Headcount	<i>Full-Time Equivalent</i>	Headcount	<i>Full-Time Equivalent</i>
SCS	4	3.3	5	4.2
Grade 6	1	1.0	1	1.0
Grade 7	12	11.3	12	11.3
SEO	0	0.0	1	1.0
HEO	8	7.8	8	8.0
EO	3	3.0	3	3.0
AO	5	4.4	5	4.4
Total	33	30.8	35	32.9

Note: Staffing for 2015 includes the creation of an additional team to support the National Crime Agency Remuneration Review Body and the Police Remuneration Review Body.

Annex B

Review Body Secretariat Work Volumes 2014/15

Secretariat	Visits	Meetings	Reports
AFPRB	20	19	2
DDRB	6	13	1
NCARRB	2	8	1
NHSPRB	8	14	1
PRRB	6	8	0*
PSPRB	13	12	1
SSRB	6	16	1
STRB	6	17	2
Total	67	107	9

* The first report of the PRRB was submitted in June 2015.

Annex C

Research commissioned and managed by the OME 2014/15

Research title	Pay Body / all OME	Aim and weblink (where available)
Pension valuation for Review Body remit groups	OME	To provide information about the value to illustrative individuals of the pension benefits provided by current public sector pension schemes and by their successor schemes from April 2015. https://www.gov.uk/government/publications/comparative-pension-valuation-for-review-body-remit-groups
Performance-related pay in the public sector: literature review	OME	To provide an up-to-date, comprehensive, and credible assessment of the relevant academic and other literature on the effectiveness of performance related pay in the delivery of public services. https://www.gov.uk/government/publications/a-review-of-the-evidence-on-the-impact-effectiveness-and-value-for-money-of-performance-related-pay-in-the-public-sector
Private sector practice on pay progression	OME	To provide Review Bodies and the OME with an up-to-date and credible picture of whether and how the private sector uses pay progression. https://www.gov.uk/government/publications/private-sector-practice-on-progression
Armed Forces Pay Comparability 2014	AFPRB	To provide AFPRB with the best available information on the pay levels and movements of civilian comparators, primarily in the private sector, to inform its judgement on the appropriate level of the pay recommendation. https://www.gov.uk/government/publications/comparison-of-pay-in-the-armed-forces-and-the-civilian-sector-updated-pay-comparability-information
24/7 working	NHSPRB	To provide information on the pay and arrangements - including costs of, and barriers to, implementation - for seven-day working across a number of sectors. https://www.gov.uk/government/publications/enabling-the-delivery-of-healthcare-services-every-day-of-the-week
2013 PNB Census of Police Earnings, Hours & Length of Service ¹	PNB	To inform PNB deliberations on pay and related issues.
Private prisons pay and employment conditions	PSPRB	To collect, analyse and report on the reward and employment package in private sector prisons. https://www.gov.uk/government/publications/pay-pensions-and-reward-packages-report

¹ Research funded by the Official and Staff Sides of the Police Negotiating Board, subsequently abolished by the Anti-social Behaviour, Crime and Policing Act 2014.