



Office of Manpower  
Economics

# Business Plan 2015-16

**© Crown copyright 2015**

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v.2. To view this licence visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/2/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/2/) or email [PSI@nationalarchives.gsi.gov.uk](mailto:PSI@nationalarchives.gsi.gov.uk)

This publication is available at

[https://www.gov.uk/government/publications?departments%5B%5D=office-of-manpower-economics&publication\\_type=corporate-reports](https://www.gov.uk/government/publications?departments%5B%5D=office-of-manpower-economics&publication_type=corporate-reports)

Any enquiries regarding this publication should be sent to:

Office of Manpower Economics

8th Floor

Fleetbank House

2-6 Salisbury Square

London EC4Y 8JX

[steven.mokoqwu@bis.gsi.gov.uk](mailto:steven.mokoqwu@bis.gsi.gov.uk)

## **Foreword by Director, Office of Manpower Economics**

The Office of Manpower Economics (OME) was created in 1971. It is a non-departmental public body that provides an independent secretariat to eight pay review bodies. Taken together, these pay review bodies make recommendations on pay for 2.5 million workers (or around 45 per cent of public sector staff) involving a paybill of £100 billion (or over 60 per cent of the total public sector paybill). The workers covered are employed in the National Health Service (NHS), prison service, armed forces, police, judiciary, senior civil service (SCS) and as school teachers.

The purpose of this Business Plan is to set out what OME will do in 2015-16 and its longer-term strategy. The main focus of OME will continue to be the support it offers to the independent pay review bodies. In addition, over the next 12 months OME will be planning how it should respond to continuing budgetary constraints, while maximising the value and impact of its wide knowledge on public sector pay and reward matters.

The plan is divided into three sections:

- 1: What OME will do in 2015-16 (its deliverables);
- 2: How it will do this (its resources and capabilities); and
- 3: The wider context (the challenges and risks for OME).

Unconventionally, this plan runs from 1 September. This is to fit with OME's work programmes which mostly start in that month. However, the financial information provided in this Plan is aligned with the conventional financial year (April to March).

*Martin Williams*  
**Director, OME**  
**September 2015**

# Contents

	<b>Page</b>
Foreword from Director, Office of Manpower Economics	2
<b>Chapter 1 OME mission, strategy and deliverables 2015-2020</b>	<b>4</b>
OME's purpose	4
OME's strategy 2015-2020	5
Overview of OME's deliverables 2015-16	5
OME outputs/deliverables (1 September 2015-31 August 2016)	6
<b>Chapter 2 OME resources and capabilities</b>	<b>7</b>
OME finances	7
OME staff resources	8
OME capabilities	8
OME organisational priorities	8
Efficiency	8
OME operating model	8
<b>Chapter 3 OME challenges: the wider environment</b>	<b>10</b>
Risk management	10
Interdependencies	10
OME communication and engagement	10
Annex A OME organisation September 2015	11
Annex B OME and the pay review bodies it supports	12
Annex C Main risks for OME to manage in 2015-16	13

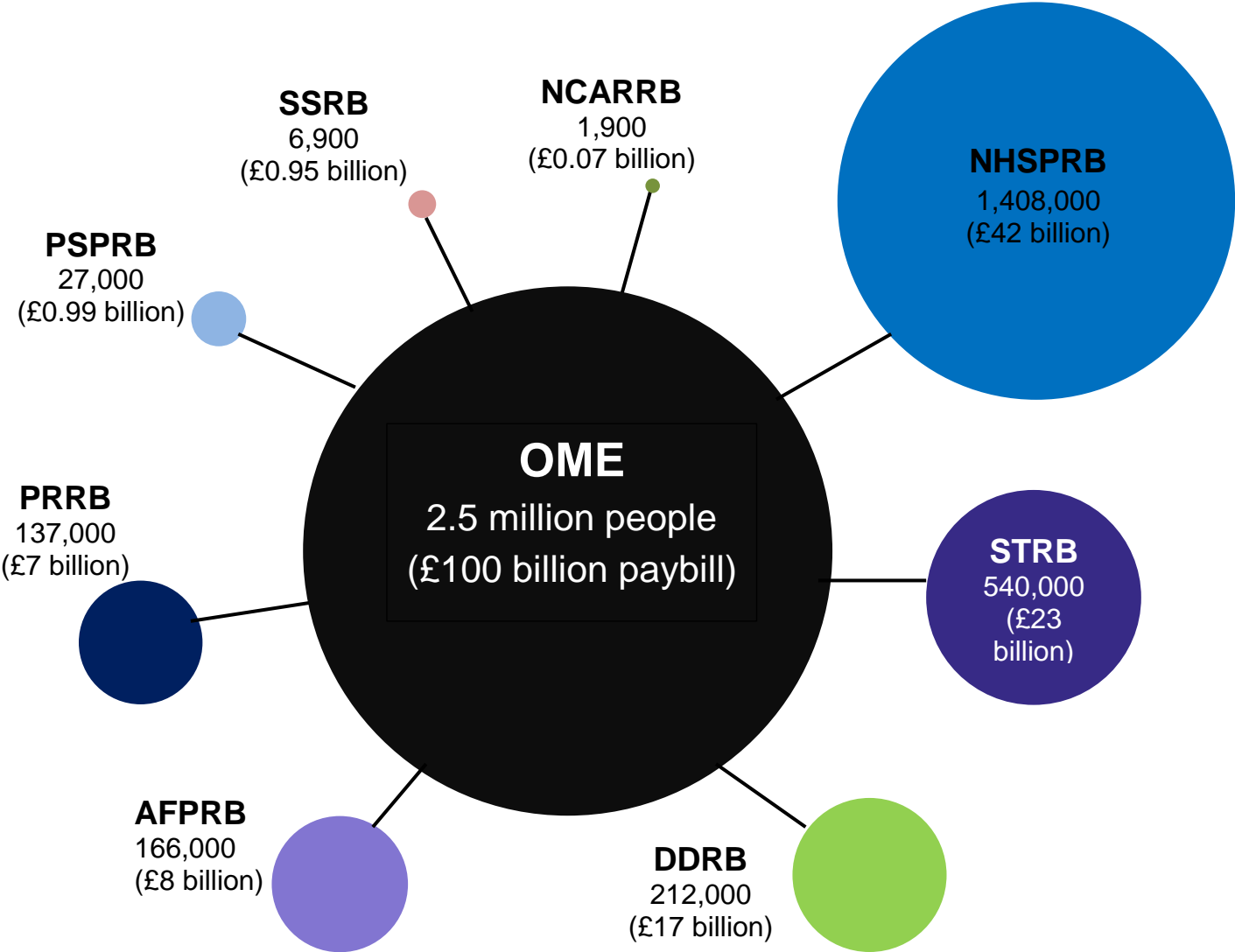
# Chapter 1: OME’s mission, strategy and deliverables 2015-2020

OME’s purpose is:

**“To provide professional, independent, evidence-based support for the Public Sector Pay Review Bodies.”**

OME provides an independent secretariat for each of the eight public sector pay review bodies.

**Figure 1** below shows each review body scaled by headcount (with paybill shown in brackets).



- Key:**
- **AFPRB:** Armed Forces’ Pay Review Body
  - **DDRB:** Review Body on Doctors’ and Dentists’ Remuneration
  - **NCARRB:** National Crime Agency Remuneration Review Body
  - **NHSPRB:** National Health Service Remuneration Review Body
  - **PRRB:** Police Remuneration Review Body
  - **PSPRB:** Prison Service Pay Review Body
  - **SSRB:** Review Body on Senior Salaries
  - **STRB:** School Teachers’ Review Body

## OME's strategy 2015-2020:

OME's strategy for 2015-2020 is to:

- Provide effective **secretariat support** for each of the pay review bodies as they make recommendations on pay and reward for their public sector workforces;
- Engage effectively with all key **stakeholders**, so that the pay review bodies receive high quality, comparable and timely evidence from the parties upon which to base their recommendations;
- Conduct **research and analysis** on pay, reward and labour market issues, to help pay review bodies in their work.

## Overview of OME's Deliverables 2015-16

Each year, OME's key outcomes and priorities are set by the Government when the pay review bodies receive remits from the relevant Secretary of State, or devolved administration Minister where applicable. These normally cover the annual pay round for each workforce group and any particular workforce issues. In 2015 these remit letters are expected towards the end of September, or later in some cases. The pay review bodies generally have standing terms of reference approved by their sponsoring department. All are advisory non-departmental public bodies and some of them are statutory.

The Chief Secretary to the Treasury wrote to all pay review body chairs on 19 August 2015, setting out the Government's high level strategy for public sector pay during the new Parliament.<sup>1</sup>

A provisional list of OME's deliverables in 2015-16 is provided at **Table 1** below (predicted numbers of reports, visits and meetings and possible additional projects). This will be updated as remits are finalised.

In addition in 2015-16, OME's Research and Analysis Group (RAG) will work with BIS on the procurement of a new research and evaluation Framework Agreement that takes account of the needs of OME and the pay review bodies.

---

<sup>1</sup> This letter has been published on OME's pages on GOV.UK at: <https://www.gov.uk/government/publications/letter-from-chief-secretary-to-the-treasury-to-pay-review-body-chairs>

**Table 1: OME outputs/deliverables (1 September 2015 - 31 August 2016)**

Review Body	Reports	Report details (and submission date)	Visits	Meetings	Member appointments/ reappointments
Armed Forces' Pay Review Body (AFPRB)	2	<ul style="list-style-type: none"> <li>45<sup>th</sup> report (February 2016)</li> <li>Supplementary report on Service Medical and Dental Officers (March 2016)</li> </ul>	17	20	1
Review Body on Doctors' and Dentists' Remuneration (DDRB)	1	<ul style="list-style-type: none"> <li>44<sup>th</sup> report (February 2016)</li> </ul>	3	11	4
National Crime Agency Remuneration Review Body (NCARRB)	1	<ul style="list-style-type: none"> <li>3<sup>rd</sup> report (May 2016)</li> </ul>	2	See PRRB below	0
NHS Pay Review Body (NHSPRB)	1	<ul style="list-style-type: none"> <li>29<sup>th</sup> report (February 2016)</li> </ul>	8	12	2
Police Remuneration Review Body (PRRB)	2	<ul style="list-style-type: none"> <li>2<sup>nd</sup> report (England and Wales (June 2016)</li> <li>2<sup>nd</sup> report (Northern Ireland) (June 2016)</li> </ul>	6	22 Includes NCARRB	0
Prison Service Pay Review Body (PSPRB)	2	<ul style="list-style-type: none"> <li>15<sup>th</sup> annual report England and Wales (February 2016)</li> <li>10<sup>th</sup> annual report Northern Ireland (March 2016)</li> </ul>	12	13	5
Review Body on Senior Salaries (SSRB)	1	<ul style="list-style-type: none"> <li>38<sup>th</sup> annual report (February 2016)</li> </ul>	0	12	4
School Teachers' Review Body (STRB)	1	<ul style="list-style-type: none"> <li>26<sup>th</sup> report (May 2016)</li> </ul>	1	19	4
<b>TOTALS</b>	<b>11</b>		<b>49</b>	<b>109</b>	<b>20</b>

## Chapter 2: OME resources and capabilities

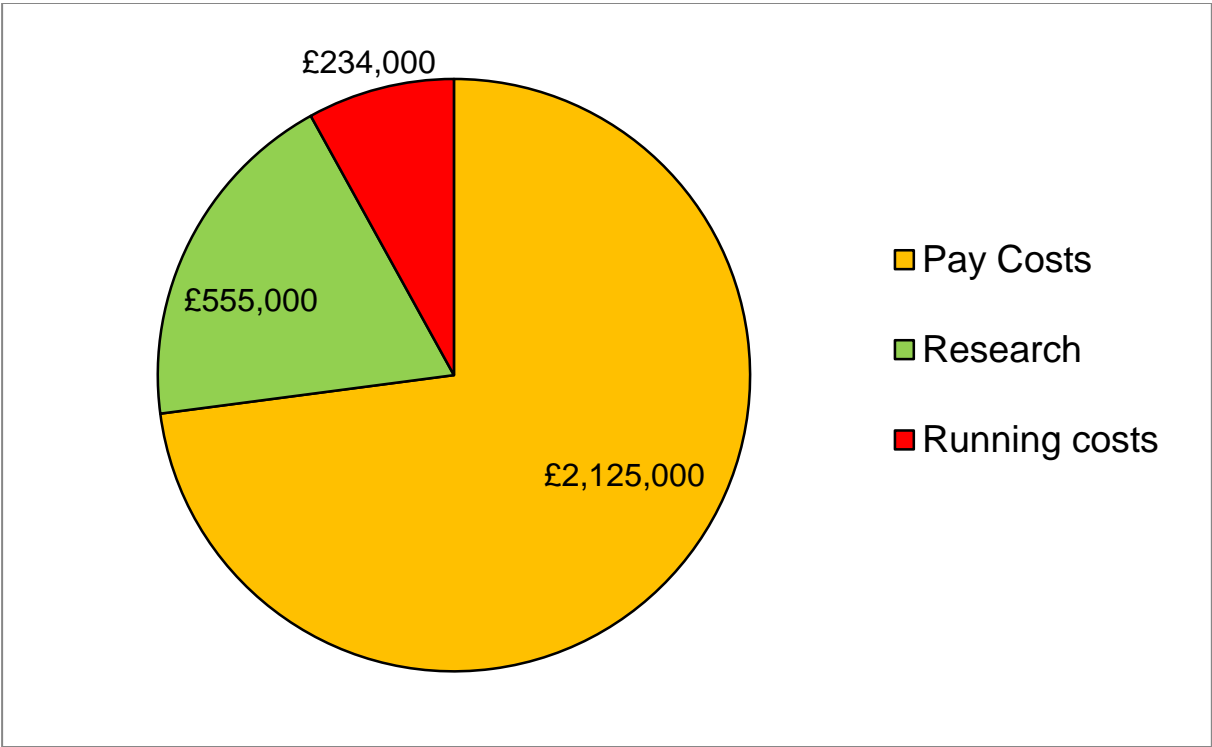
### OME finances

BIS provides OME’s core funding. OME’s administration costs budget is consolidated into the BIS budget, although ring-fenced within it. OME’s expenditure has three main elements: pay costs; purchased research; and running costs (e.g. catering, travel and subsistence, IT, training and reprographics). OME also receives income (£600,000 in 2015-16) from sponsoring departments. Most departments pay for pay review body members’ fees and expenses but, in line with 2006 Cabinet Office guidance, the departments concerned are charged the full costs of the recently established Police Remuneration Review Body and National Crime Agency Review Body. OME has no capital or programme spend.

**Table 2: The OME Budget 2014-15 and 2015-16**

£000s	2014-15	2015-16
<b>Gross</b>	2.916	2.914
<b>Income</b>	-0.345	-0.600
<b>Net</b>	2.571	2.314

**Chart 1: a breakdown of OME’s allocated expenditure in 2015-16**





### OME staff resources

On 1 September 2015 the OME staff in post headcount was 33 (Full-Time Equivalent: 31.7). A summary table is provided below:

**Table 3: Staff resources in OME in 2015-16**

Range	As at 1 September 2015 (excluding vacancies)			
	Headcount	Full-Time Equivalent	Headcount (Generalist)	Headcount (Specialist posts: Economist, statistician, remuneration specialist)
SCS	5	4.9	4	1
Grade 6	1	1.0		1
Grade 7 <sup>1</sup>	11	10.3	5	6
HEO	8	8.0	7	1
EO	3	3.0	2	1
AO	5	4.4	5	
<b>Total</b>	<b>33</b>	<b>31.6</b>	<b>23</b>	<b>10</b>

<sup>1</sup> Excludes one member of staff on paid maternity leave on 1 September 2015.

### OME capabilities

OME has a learning and development plan for 2015-16 focused on each staff member using their annual learning and development allowance and choosing digital, corporate and overarching development objectives. In addition, analysts in OME will undertake a range of activities in order to comply with Continuous Professional Development (CPD) requirements from the Government Statistical Service and the Government Economic Service.

### OME organisational priorities

In 2015-16 OME is conducting a review of its ways of working to ensure that in all its activities it is optimising its use of technology, efficient processes, time and space. It is also seeking to enhance opportunities for collaborative working both inside OME and with other organisations, to improve the overall service offered to review bodies.

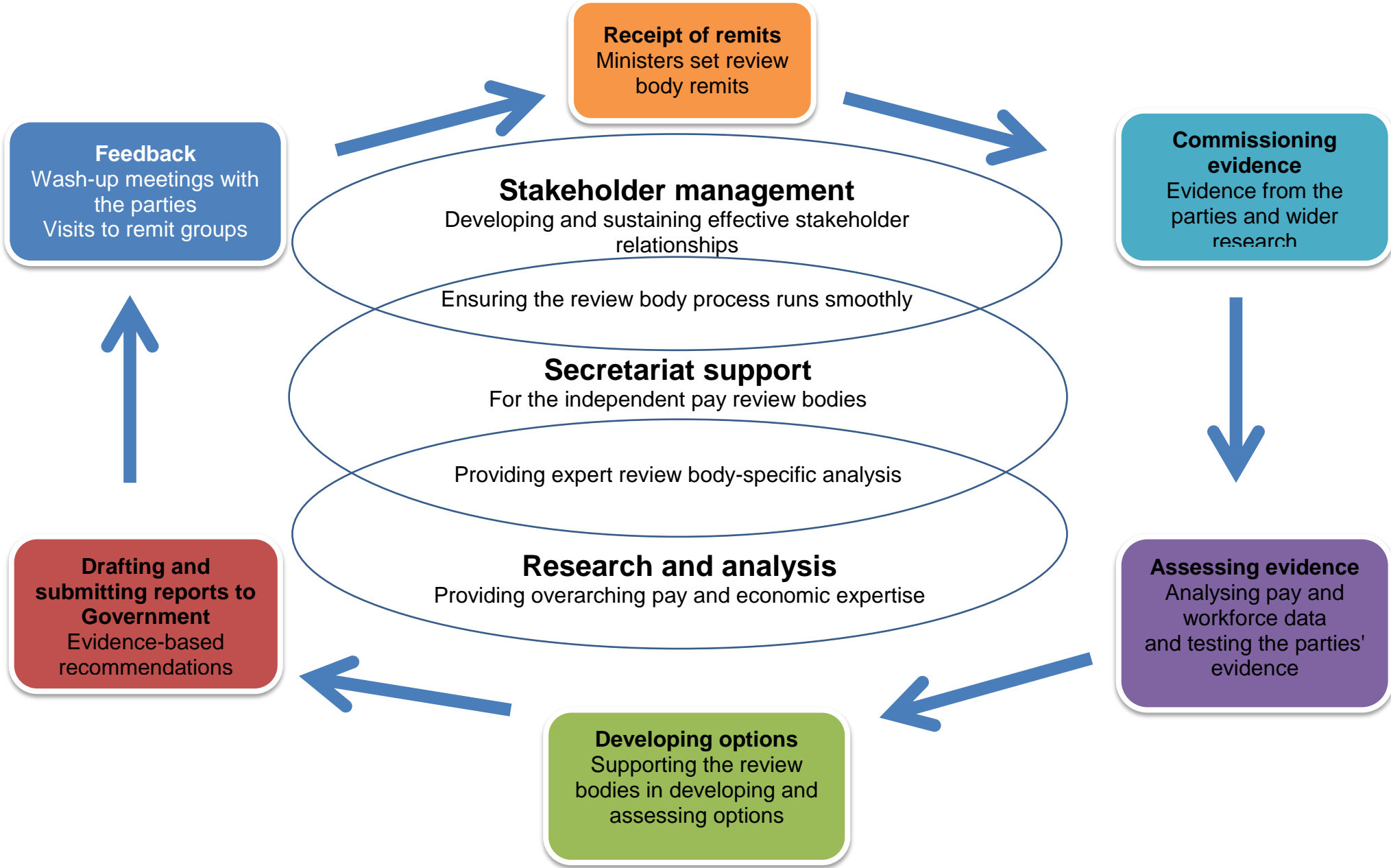
### Efficiency

In 2015-16 BIS has to make further efficiency savings of £450m. As a consequence, OME will review its organisation this year with a view to making savings while also seeking to ensure that the pay review bodies it supports can continue to deliver high quality and timely advice in accordance with their remits.

### OME operating model

OME's operating model is designed to support the pay review bodies in their work to develop recommendations for both annual rounds and reform remits. It seeks to maximise responsiveness to both pay review bodies and stakeholders, and easily adapt to changing demands. At its heart is OME's expertise in public sector reward and its ability to offer a professional and responsive secretariat service and stakeholder management function. It is shown at **Figure 2**.

Figure 2: The OME operating model



## Chapter 3: Challenges: the wider environment

OME continues to face major uncertainties affecting the scope and timing of its work programme. These include: the future direction and detail of public sector pay policy; affordability constraints; and reform of remit groups' terms and conditions of employment. The work of the pay review bodies is also affected by the industrial relations climate; and wider changes impacting on public sector workers, including pensions reform.

### Risk management

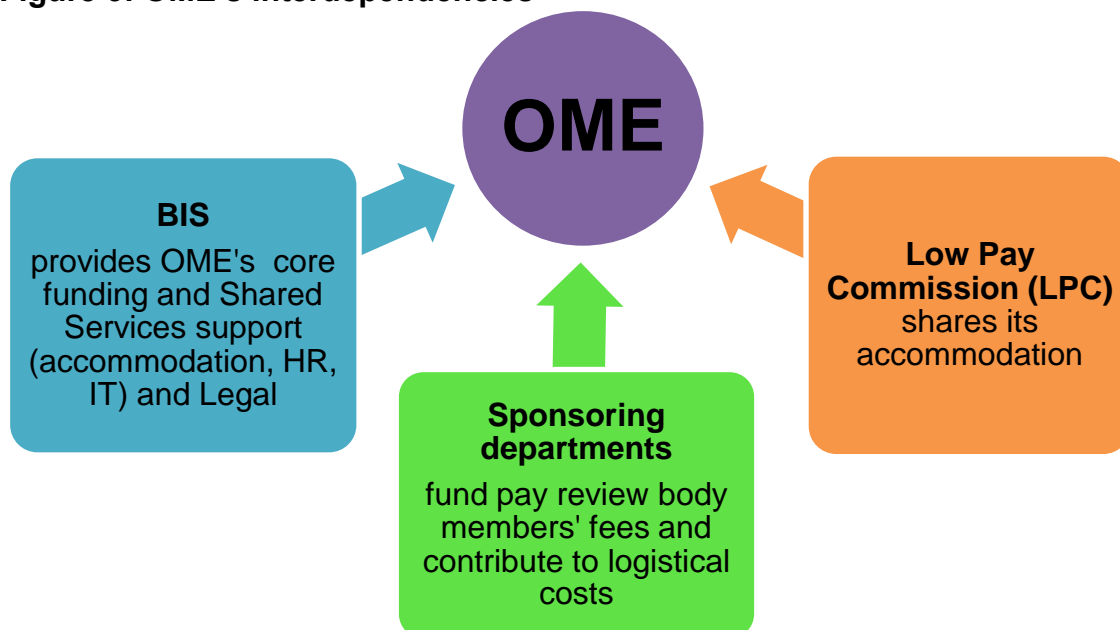
The main risks which OME will manage in 2015-16 are at **Annex D**. They are managed principally at team level through risk registers specific to the circumstances of the individual review bodies.

### Interdependencies

OME has three main interdependencies:

- with **BIS** which funds OME and provides its IT, accommodation, HR and finance services;
- with the **sponsoring departments** which fund pay review body members' fees and in some cases contribute to OME's logistical costs; and
- with the **Low Pay Commission (LPC)** with whom it shares its accommodation.

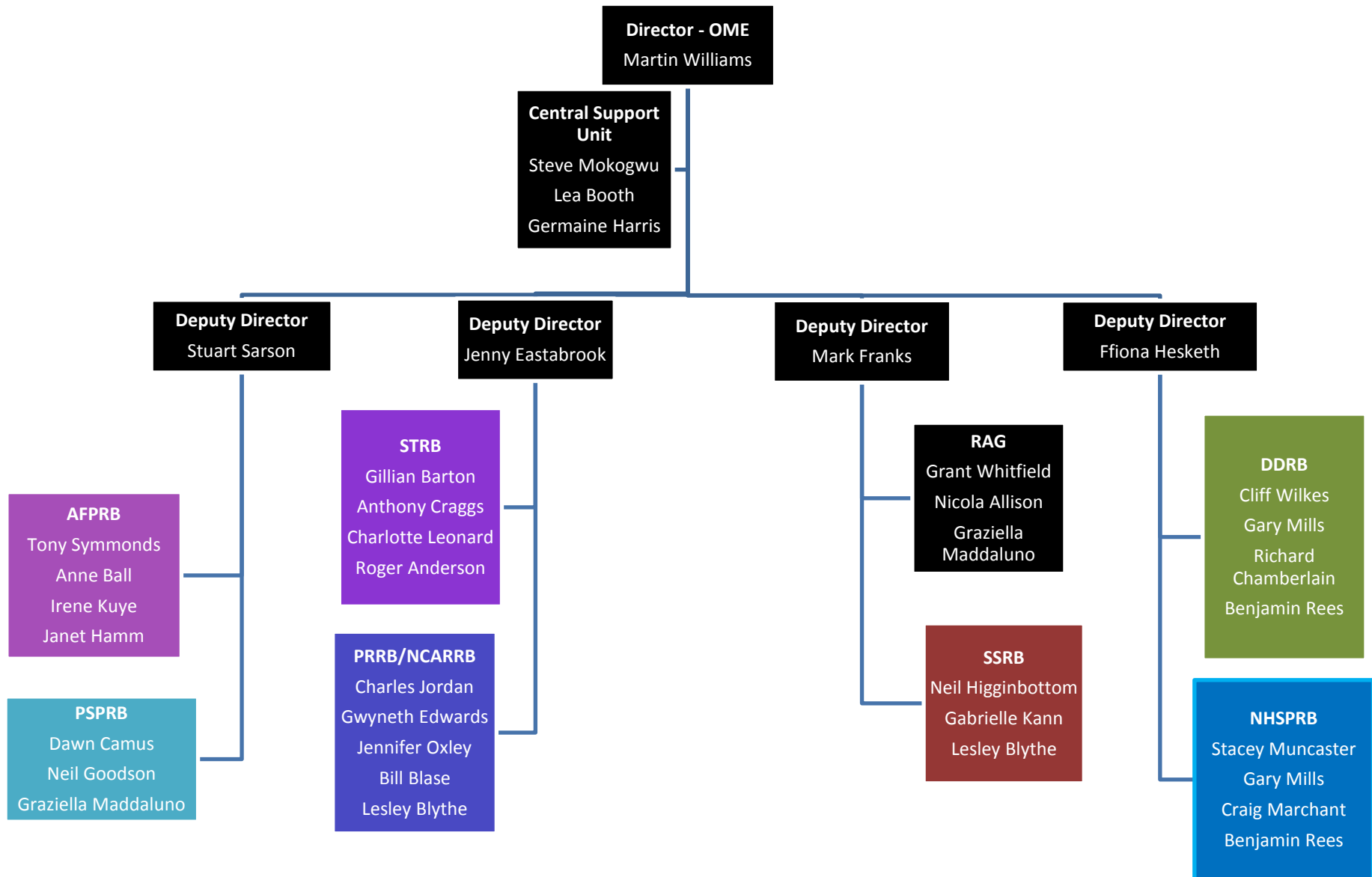
Figure 3: OME's interdependencies



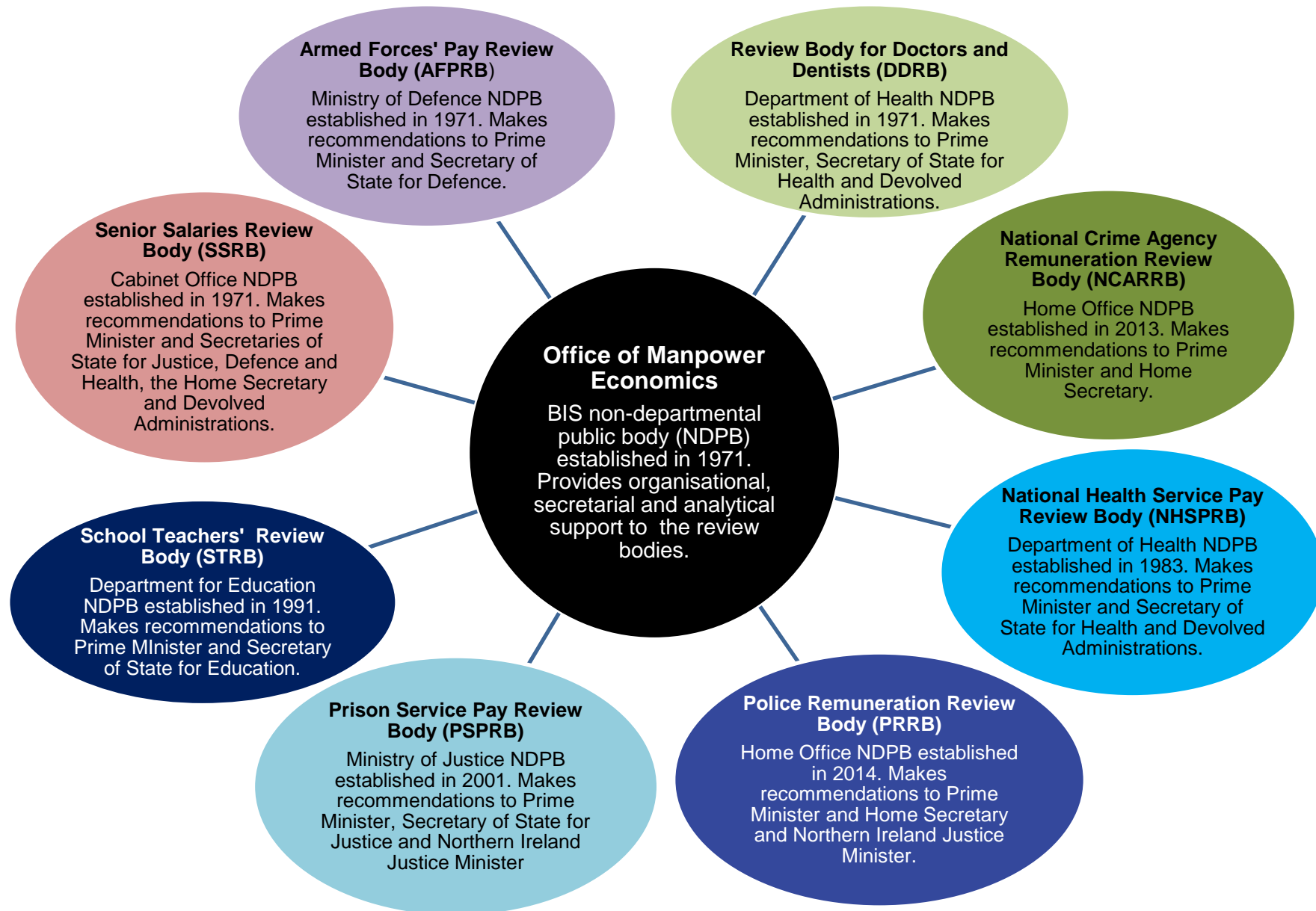
### OME communication and engagement

OME aims for proportionate, accurate and positive media representation. In 2015-16 it is conducting a review of its strategy for communicating and engaging with its external audience and plans to devise a set of principles to guide this activity in future. It will include consideration of how and why it projects itself to the outside world and whether, for example, it should raise its profile as a source of expertise on reward systems in the public sector.

# Annex A: OME organisation September 2015



## Annex B: OME and the pay review bodies it supports



### Annex C: Main risks for OME to manage in 2015-16

Risk	Impact High, Med, Low	Probability High, Med, Low	Counter measures	Owner/ responsible	Review and other comments
Delays to 2015 spending review mean late written and oral evidence impair work of pay review bodies.	<b>H</b>	<b>H/M</b>	Keep in regular contact with the parties and remind them of the importance of timely evidence. Make clear that timing of evidence affects timing of reports.	Pay review body secretariats	Not, ultimately, within pay review body or OME control.
OME has inadequate resources to deliver its objectives satisfactorily.	<b>H</b>	<b>H/M</b>	Continually explain and justify the rationale for OME's work to sponsoring departments and the centre of government. Work through and evaluate scenarios that respond to different available levels of resources.	OME Senior Management Team	Most OME funding comes via BIS, but BIS is not itself a recipient of any pay review body reports.
The independence of the review bodies is brought into question by stakeholders.	<b>M</b>	<b>M/L</b>	Scrupulous care to ensure that recommendations and observations are supported by evidence.	Pay review body chairs, members and secretariats	OME's funding arrangements, coming largely via BIS which has no financial stake in pay review body recommendations, are intended to help mitigate this risk.

Risk	Impact High, Med, Low,	Impact High, Med, Low	Counter measures	Owner/ responsible	Review and other comments
Disengagement of parties because public sector pay policies may appear to predetermine results.	H	M	Secretariats work with the parties to ensure that proposals presented to pay review bodies offer them choices.	Pay review body secretariats	
The secretariats lack the knowledge and/or skills to support the pay review bodies	H	L	Review the OME learning and development plan regularly and identify any knowledge and skills gaps. Hold regular performance reviews with staff and consult pay review body chairs and members to confirm support and service is to standard. Consider how better to promote OME opportunities to potential new staff.	OME Senior Management Team	There is a general need for OME to balance the value of highly experienced staff who thoroughly understand the pay review body process alongside the need to introduce new people who may have different ideas about how to achieve OME's objectives.
Delays in appointments to pay review bodies risk their membership falling below required or effective numbers	M	M/L	Alert sponsoring departments in good time to impending appointment/reappointment issues. Support departments with administering recruitments, as desired. Review all recruitment campaigns in case of failure to appoint or low application rates and liaise with sponsoring department on effective recruitment methods.	OME Senior Management Team and pay review body secretariats	General government policy on public appointments will be relevant here.