

Business Plan 2018-19

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Foreword by Director, Office of Manpower Economics

The Office of Manpower Economics (OME) was created in 1971. Based for pay and rations purposes within the Department for Business, Energy and Industrial Strategy, OME is a non-departmental public body that provides an independent secretariat to eight pay review bodies. Taken together, these review bodies make recommendations affecting the pay of 2.4 million workers – about 45 per cent of public sector staff - involving a paybill of more than £100 billion (just over 60 per cent of the total public sector paybill).¹ The workers covered are employed in the National Health Service (NHS), HM Prison Service, the armed forces, police, judiciary, senior civil service (SCS) and as Police and Crime Commissioners and school teachers.

The purpose of this Business Plan is to set out what OME will do in 2018/19 and its longer-term strategy. Our main focus will be the support we offer to the independent pay review bodies, as they prepare their reports in changing economic and labour market conditions. We will also continue to support research and analysis on public sector pay, reward and labour market matters.

The plan is divided into three sections:

- 1: What OME will do in 2018-19 (its deliverables);
- 2: How it will do this (its resources and capabilities); and
- 3: The wider context (the challenges and risks for OME).

This plan, like its predecessor, runs from September to August. This fits with the Review Bodies' normal cycle of meetings, which commence in the autumn at the end of their programme of visits. However, the financial information provided in this Plan is aligned with the conventional financial year (April to March).

Martin Williams

**Director, OME
October 2018**

¹ Academy schools are not formally part of the STRB's remit group but, in practice, many choose to use the national teachers' pay and conditions framework. The combined annual paybill for all state-funded schools in England and Wales (local authority maintained schools and academies) is £24 billion, and the number of teachers (000s) is 531 (headcount) / 482 (FTE).

Contents

	Page
Foreword from Director, Office of Manpower Economics	3
Chapter 1 OME mission, strategy and deliverables 2017-2020	5
OME's purpose	5
OME's strategy 2017-2020	6
Overview of OME's deliverables 2018/19	6
OME outputs/deliverables (1 September 2018-31 August 2019)	7
Chapter 2 OME resources and capabilities	8
OME finances	8
OME staff resources	9
OME capabilities	9
OME organisational priorities	9
Efficiency	9
OME operating model	10
Chapter 3 OME challenges: the wider environment	10
Risk management	10
Interdependencies	10
OME communication and engagement	10
Annex A OME organisation September 2018	12
Annex B OME and the pay review bodies it supports	13
Annex C Main risks for OME to manage in 2018/19	14

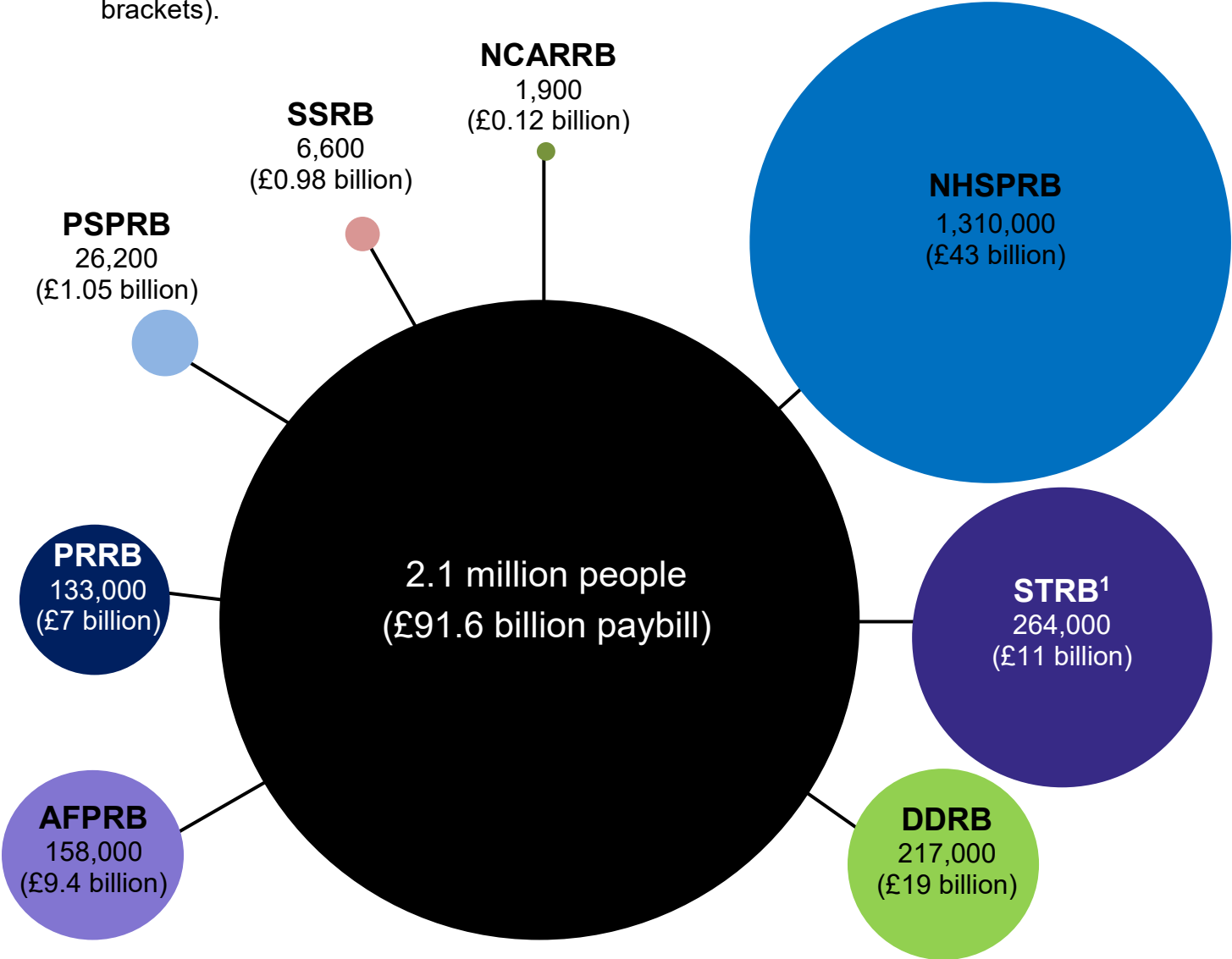
Chapter 1: OME’s mission, strategy and deliverables 2017-2020

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

¹ Estimates include academy schools which are not part of the STRB remit group but in practice many use national pay and conditions.

OME's strategy 2017-2020

- Provide effective **secretariat support** for each of the independent 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** of public sector pay and reward and labour market matters to increase OME's overall understanding, with a focus on helping pay review bodies in their work.

Overview of OME's deliverables 2018/19

2018/19 will be the second year since the UK Government changed its policy away from proposing a single uniform figure for pay increases across all public sector workforces. We anticipate that the requests from Departments to Review Bodies this year will be on similar lines to those in 2017/18, with Departments seeking the Review Bodies' independent advice, while stressing that public spending remains under pressure.

2017 was the first year when the Budget took place in November rather than March, and this affected the timing for when Departments submitted their evidence. In 2018, the Budget will be in October. It is not yet clear how that will affect the Review Bodies' timetables in the coming round. Nor is it clear what will be the expectations of the devolved administrations in Scotland and Wales, or whether the devolved administration in Northern Ireland will be operational.

Nevertheless, we still expect all review bodies to be asked to produce reports and recommendations and are therefore planning accordingly.

A provisional list of OME's deliverables in 2018/19 is provided at **Table 1** below (predicted numbers of reports, visits and meetings and possible additional projects).

During 2018-19, OME's Research and Analysis Group (RAG) will be managing externally commissioned research projects on: understanding the gender pay gap within the UK public sector; the dynamics of public and private sector wages, pay settlements and employment; and total reward and pensions in the UK in the public and private sectors. We are commissioning an update on discrimination law and pay systems. RAG will host a conference in the autumn on public sector pay and workforce research in spring 2019. The group is continuing to carry out in-house analysis on strategic pay issues and take forward workforce-specific commissions to inform Pay Review Bodies.

Table 1: OME outputs/deliverables (1 September 2018 - 31 August 2019)

Review Body	Reports	Report details (and submission date)	Visits	Meetings	Member appointments/ reappointments
Armed Forces' Pay Review Body (AFPRB)	1	<ul style="list-style-type: none"> 48th report (Spring 2019) 	TBC	19	1
Review Body on Doctors' and Dentists' Remuneration (DDRB)	1	<ul style="list-style-type: none"> 47th report (Spring 2019) 	8	18	2
National Crime Agency Remuneration Review Body (NCARRB)	1	<ul style="list-style-type: none"> 5th report (Spring 2019) 	2	3	5 (incl. Chair)
NHS Pay Review Body (NHSPRB)	1	<ul style="list-style-type: none"> 32nd report (Spring 2019) 	14	14	4
Police Remuneration Review Body (PRRB)	2	<ul style="list-style-type: none"> 5th report (England and Wales (Summer 2019)) 5th report (Northern Ireland) (Summer 2019) 	6	10	5 (incl. Chair)
Prison Service Pay Review Body (PSPRB)	2	<ul style="list-style-type: none"> 18th annual report England and Wales (Spring 2019) 11th report Northern Ireland (Spring 2019) 	15	15	3 (incl. Chair)
Review Body on Senior Salaries (SSRB)	2	<ul style="list-style-type: none"> 41st annual report (Spring 2019) 1st Major review of the judicial pay structure (September 2018) 	4	12	4
School Teachers' Review Body (STRB)	1	<ul style="list-style-type: none"> 29th report (Summer 2019) 	20	25	2
TOTALS	11		69	116	26

Chapter 2: OME resources and capabilities

OME finances

The Department for Business, Energy and Industrial Strategy (BEIS) provides OME’s core funding. OME’s administration costs budget is consolidated into the BEIS budget, although ring-fenced within it. OME’s expenditure has three main elements: staff costs; purchased research and analysis; and running costs (e.g. catering, travel and subsistence, IT, training and reprographics).

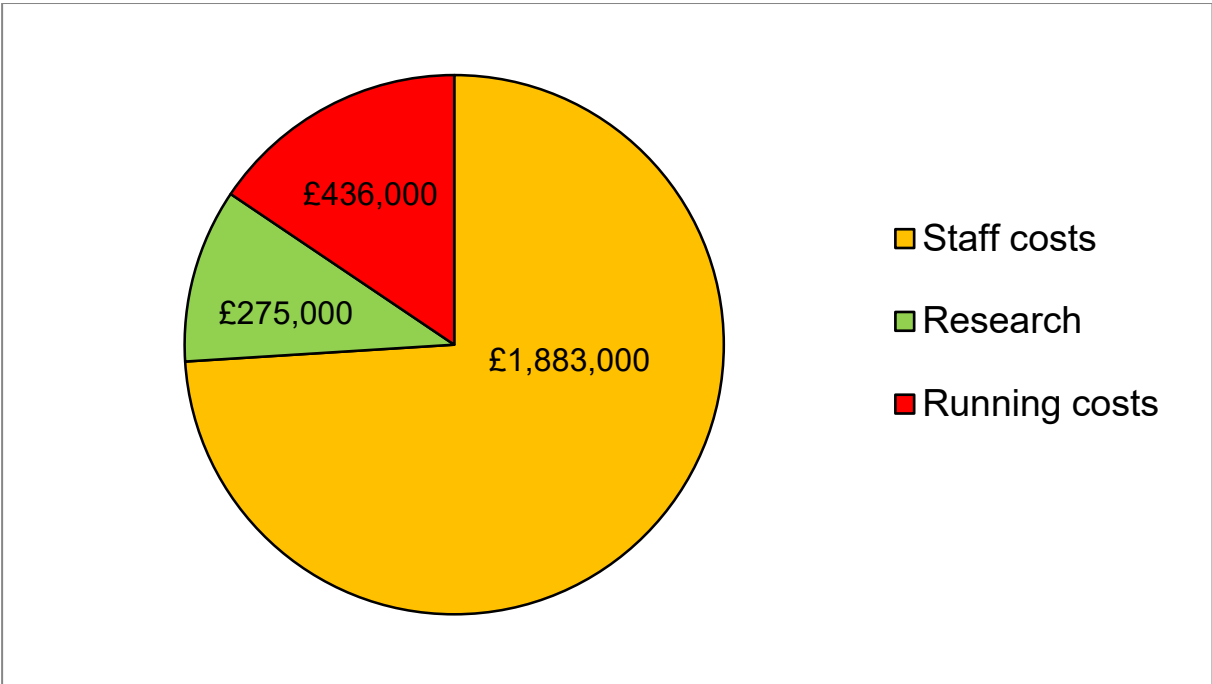
OME also anticipates receiving income (estimated at around £824,000 in 2018-19) from sponsoring departments. This income includes the reimbursement of members fees for all review bodies from the relevant departments. Additionally, in line with 2006 Cabinet Office guidance, the departments concerned are charged for the full costs to OME of administering the Police and National Crime Agency Remuneration Review Bodies including their work on Northern Ireland, and for the work of the Senior Salaries Review Body with respect to Chief Police Officers and Police and Crime Commissioners. OME is also charging the Ministry of Justice the full costs of the SSRB Major Review of the Judiciary which ran from Jan 2017 to September 2018.

OME has no capital or programme spend.

Table 2: The OME Budget 2017-18 and 2018-19

£000s	2017-18	2018-19
Gross	2.635	2.594
Anticipated Income	-0.763	-0.824
Net	1.872	1.770

Chart 1: A breakdown of OME’s anticipated expenditure in 2018-19



OME staff resources

On 1 September 2017 the anticipated OME staffing for the coming year is 33 (Full-Time Equivalent: 32.0). A summary table is provided below:

Table 3: Staff resources in OME in 2018-19

Range	As at 1 September 2018 (including vacancies)			
	Headcount	Full-Time Equivalent	Headcount (Generalist)	Headcount (Specialist posts: Economist, statistician, remuneration specialist)
SCS	4	3.8	3	1
Grade 6	1	1.0		1
Grade 7	11	10.8	7	4
SEO	1	1.0	1	
Fast Stream	2	2.0		2
HEO	8	8.0	7	1
EO	1	1.0	1	
AO	5	4.4	5	
Total	33	32.0	23	10

OME capabilities

OME learning and development for 2018-19 focuses on each staff member using their annual learning and development allowance and choosing digital, corporate and overarching development objectives that meet their specific role and personal requirements. OME Capability Group exists to encourage individuals to improve their performance and assist them to achieve future career aspirations by advising them of opportunities available and supporting them with their learning goals. 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 2018/19 OME will particularly be looking at how it optimises its use of digital technology in support of the pay review bodies, following major upgrades introduced by our parent Department, BEIS, last year. We will continue to enhance our use of digital communications and social media, and seek to develop our people and capability.

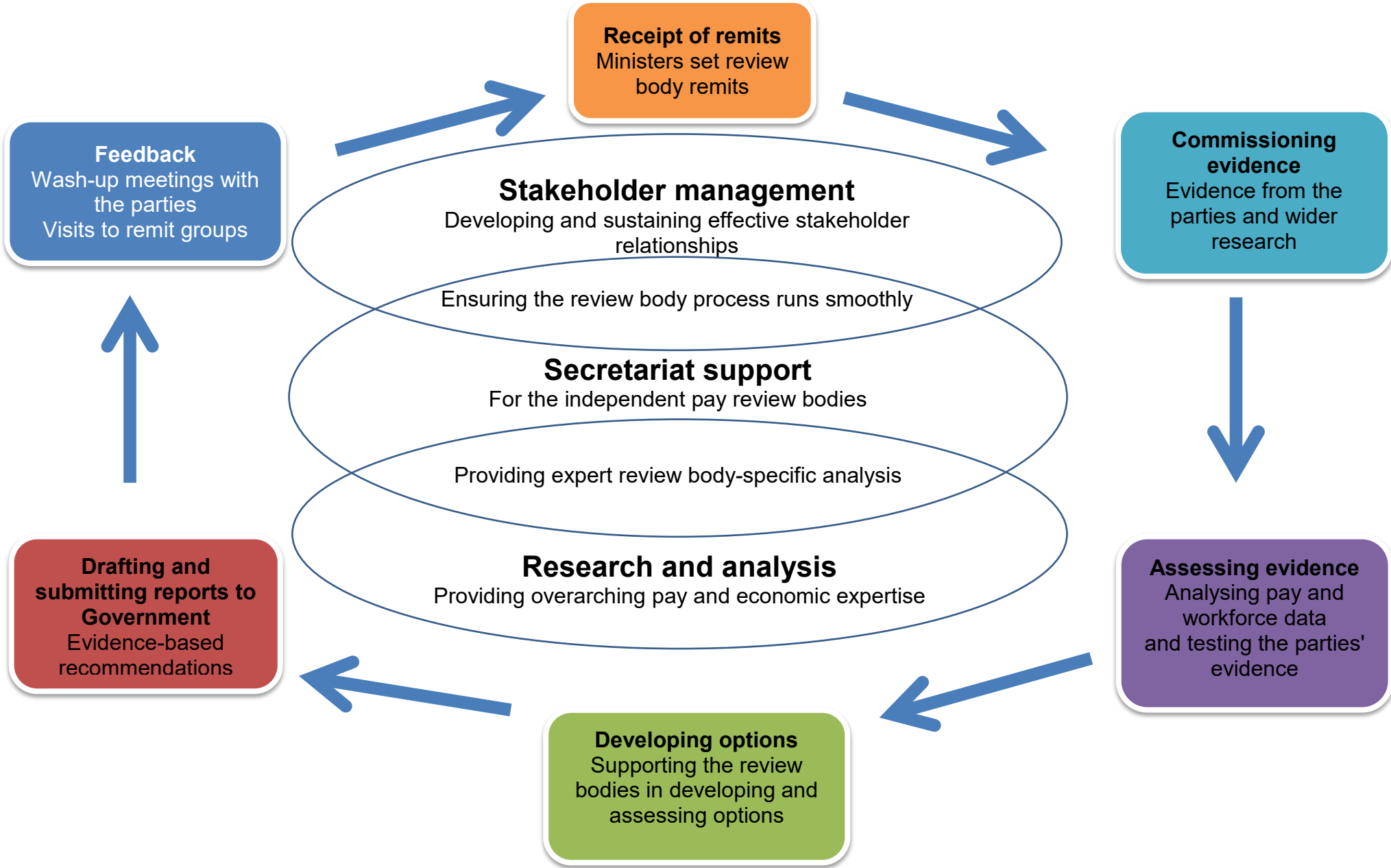
Efficiency

At the start of financial year 2016-17 all BIS administration budgets were reduced to make further efficiency savings across the Spending Review period, in line with the BIS 2020 programme. OME's budget for 2018/19 reflects this and the organisation will continue to seek 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’s work, and the needs of the review bodies, varies according to changes in the economy, the labour market, political priorities and the particular needs of different remit groups. Our job is to see and react to these promptly and imaginatively. However, our core functions have remained fairly constant over time, and we expect this to continue for the foreseeable future.

Risk management

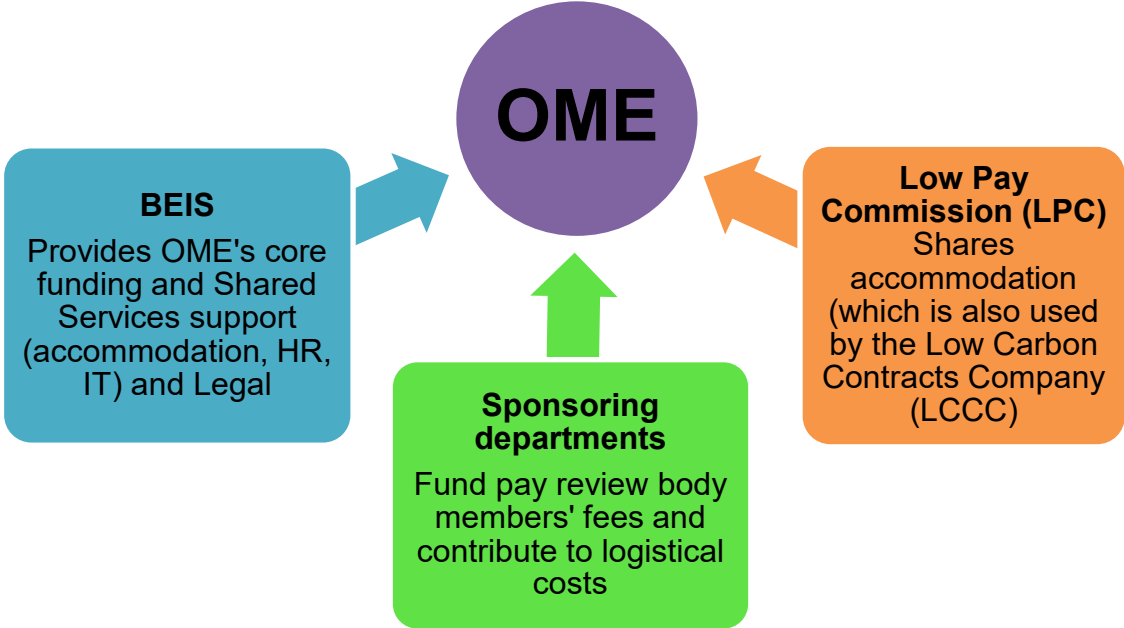
The main risks which OME will manage in 2018/19 are at **Annex C**. Individual review bodies will also have their own risks according to their own circumstances.

Interdependencies

OME has three main interdependencies:

- with **BEIS** which funds OME and provides its Information and Communications Technology (ICT), accommodation, financial management systems, and Human Resource (HR) and legal support ;
- with the **sponsoring departments** which fund pay review body members’ fees and in some cases contribute to OME’s operating costs; and
- with the **Low Pay Commission (LPC) and the UK Health Forum**, with whom it shares its accommodation.

Figure 3: OME’s interdependencies

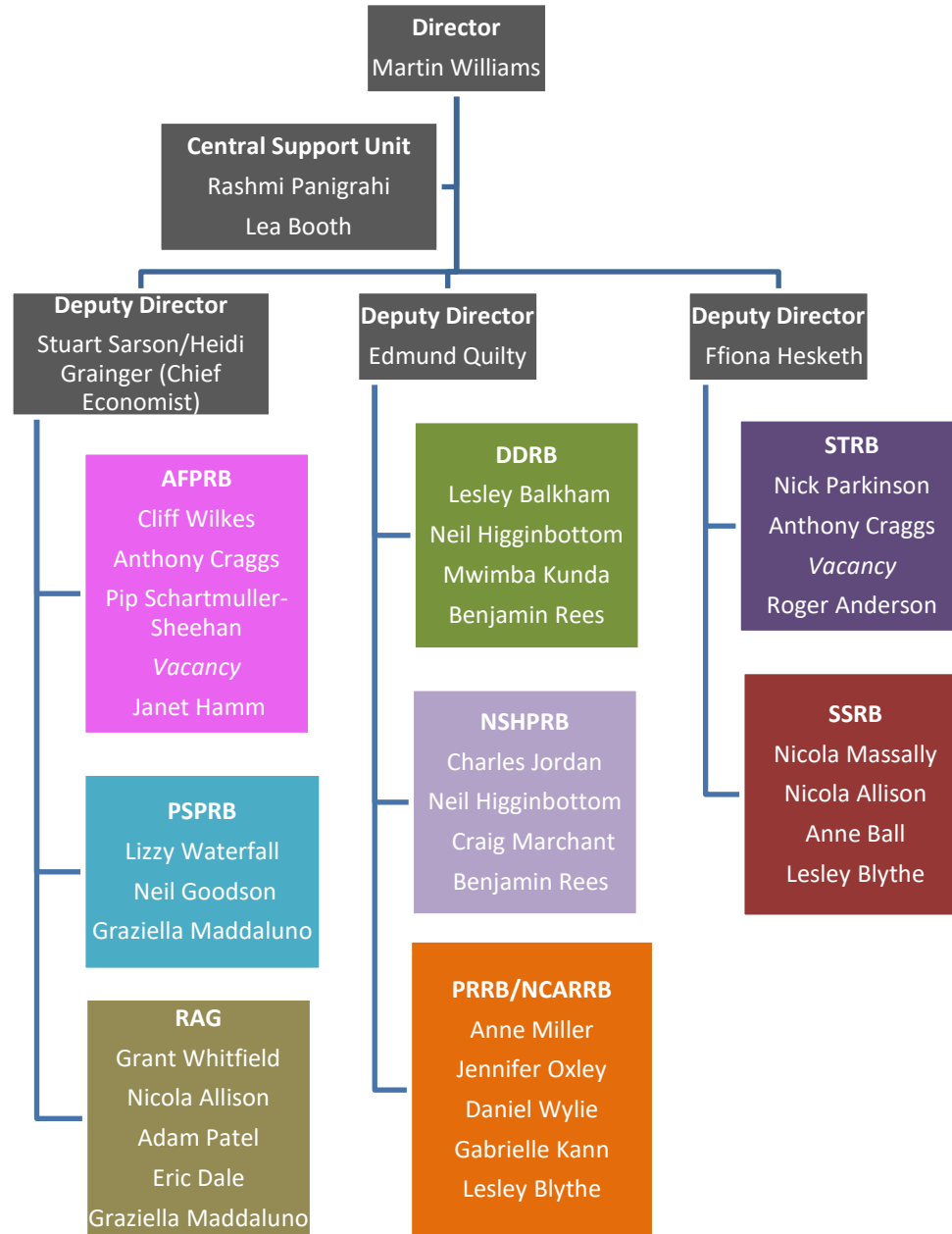


OME communication and engagement

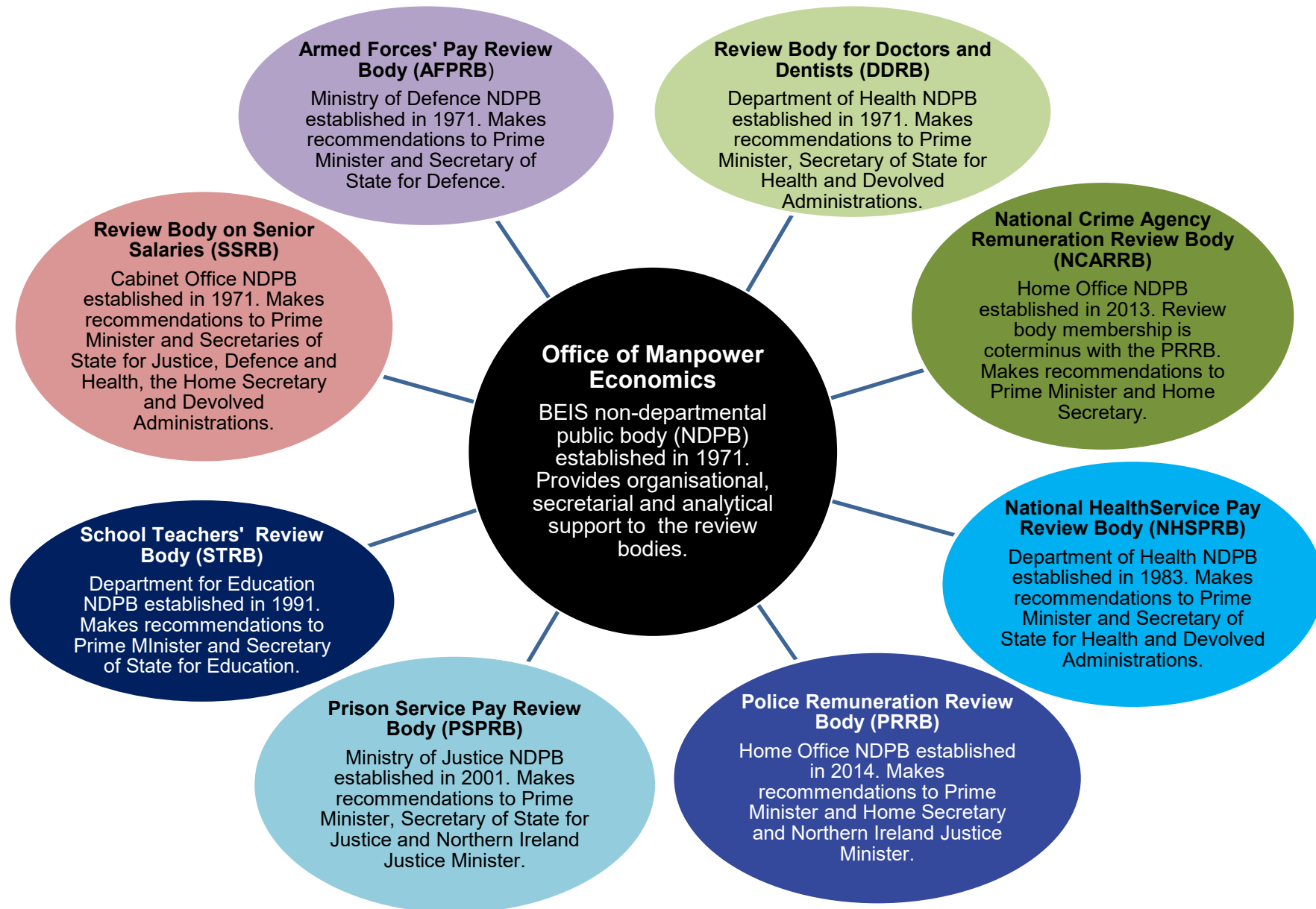
OME does not seek a significant media profile in its own right, as its role is to support the pay review bodies. However, we do seek to ensure that the review body process is transparent, and that reports and written evidence are easily accessible by those with an interest. We use social media to draw attention to significant review body activity, such as the publication of a report or the appointment of a new member. We will continue to increase our social media presence in the coming year.

In addition, all research produced by OME is published and we publicise it through conferences, social media and infographics. OME also deals with FOI requests from organisations and members of the public, aiming to replying to requests within twenty days of receipt.

Annex A: OME organisation September 2018



Annex B: OME and the pay review bodies it supports



Annex C: Main risks for OME to manage in 2018/19

Risk	Impact High, Med,	Probability High, Med, Low	Counter measures	Owner/ responsi ble	Review and other comments
<p>The new autumn timing of the Single Fiscal Event results in late submission of written governmental evidence to Review Bodies. This delays the Review Body reports being submitted, the government's response, and the payment of any awards.</p>	H	H	<p>Ensure that this risk is fully understood within OME, by Review Bodies themselves, and by stakeholders. Explain how late evidence submissions will affect the timing of the Review Body report and recommendations. Secretariats take forward all necessary work that is not contingent on the receipt of government evidence including, where appropriate, commissioning and considering non-governmental evidence.</p>	<p>Pay Review Body secretariats</p>	<p>Government departments are still acclimatising to how the timing change, in "steady state", will affect when they can send evidence to the Review Bodies. In due course, this may have implications for pay settlement dates.</p>
<p>The OME is unexpectedly required to free up staff resource to work on other government priorities or to take on new work at short notice, which would reduce its ability to provide effective secretariat support to the Review Bodies, and could affect the quality of reports</p>	H	L	<p>SMT to periodically review resources and their allocation to secretariats and other OME functions to ensure they are being allocated efficiently. Through ongoing contact with departments, including devolved administrations, explain what can be delivered from OME's core funding, and how significant extra remits need to be accompanied by extra resources, and may take time to deliver.</p>	<p>OME Senior Management Team</p>	<p>OME core funding comes via BEIS, but BEIS is not itself a recipient of any pay review body reports.</p>

Overall economic uncertainty in the run-up to Brexit makes it hard for Review Bodies to get the necessary quality of evidence to inform their recommendations. Potentially this could discredit the process.	M	M	Review Bodies to recognise that 2018/19 may be an unusual year, and consider how to handle this, discussing with the parties.	Pay Review Body chairs and secretariats	This risk is unlikely to recur in this form after 2018/19..
Staff turnover results in loss of corporate skills/ knowledge, reducing organisation's operational effectiveness.	M	M	Document business processes and systems fully in order to shorten the learning time for new arrivals. Review induction material and systems to ensure they are kept up to date and fit for purpose. Manage deployment of more experienced staff to ensure corporate learning is most appropriately disseminated. Assist succession planning and manage turnover by making OME an attractive place to work, particularly for those looking for shorter-term postings.	OME Senior Management Team	OME needs to achieve a staff turnover rate which strikes the right balance between attracting and retaining experienced staff, and making the organisation a place offering real value to those looking for shorter-term/career development postings.
Departments don't prioritise Review Body appointments, which cause delays in appointing members, and may even mean a Review Body becomes inquorate.	M	H	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	OME Senior Management Team and pay Review Body secretariats	General government policy on public appointments will be relevant here.

			appoint or low application rates and liaise with sponsoring department on effective recruitment methods.		
Review Bodies that produce separate recommendations for devolved administrations are increasingly asked to work on different timetables, and against a different policy agenda, for each administration.	M	M	Good liaison with devolved administration officials to understand their priorities. Being clear in return about what the Review Body can offer, particularly on the timetables.	Pay Review Body secretariats	This is a particular challenge for Review Bodies that make recommendations for Northern Ireland, while the devolved government remains suspended.
OME fails to communicate effectively with stakeholders and remit groups, in the context of the multiple channels and methods that are available, due to lack of communications planning, no refresh of report formats or failure to monitor OME's social media impact.	M	L	Light-touch communications planning at report publication to be undertaken. Report formats and accessibility actively considered at report writing stage. Periodic review of social media usage by SMT. Teams to regularly monitor relevant hashtags.	PRB secretariats	OME does not want to gain its own media presence but wants to make deliverables accessible to all.