

# Business Plan 2019-20

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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 £100 billion (just over 60 per cent of the total public sector paybill).<sup>1</sup> 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 2019/20 and its longer-term strategy. Our main focus remains the support we offer to the independent pay review bodies; as part of this we support research and analysis on public sector pay, reward and labour market matters, of which we have long experience and deep knowledge.

A new priority for 2019/20 will be securing suitable long-term accommodation for the Review Bodies, and OME as their secretariat. Our current base, in Fleetbank House EC4, is earmarked for major redevelopment commencing in 2021. A location that is easy to reach for all Review Body members and those who provide evidence to them is a key element of Review Body effectiveness, and we will be working with BEIS as our parent department, and with the Government Property Agency, to find such a location over the next 12 months.

The plan is divided into three sections:

- 1: What OME will do in 2019/2020 (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 2019**

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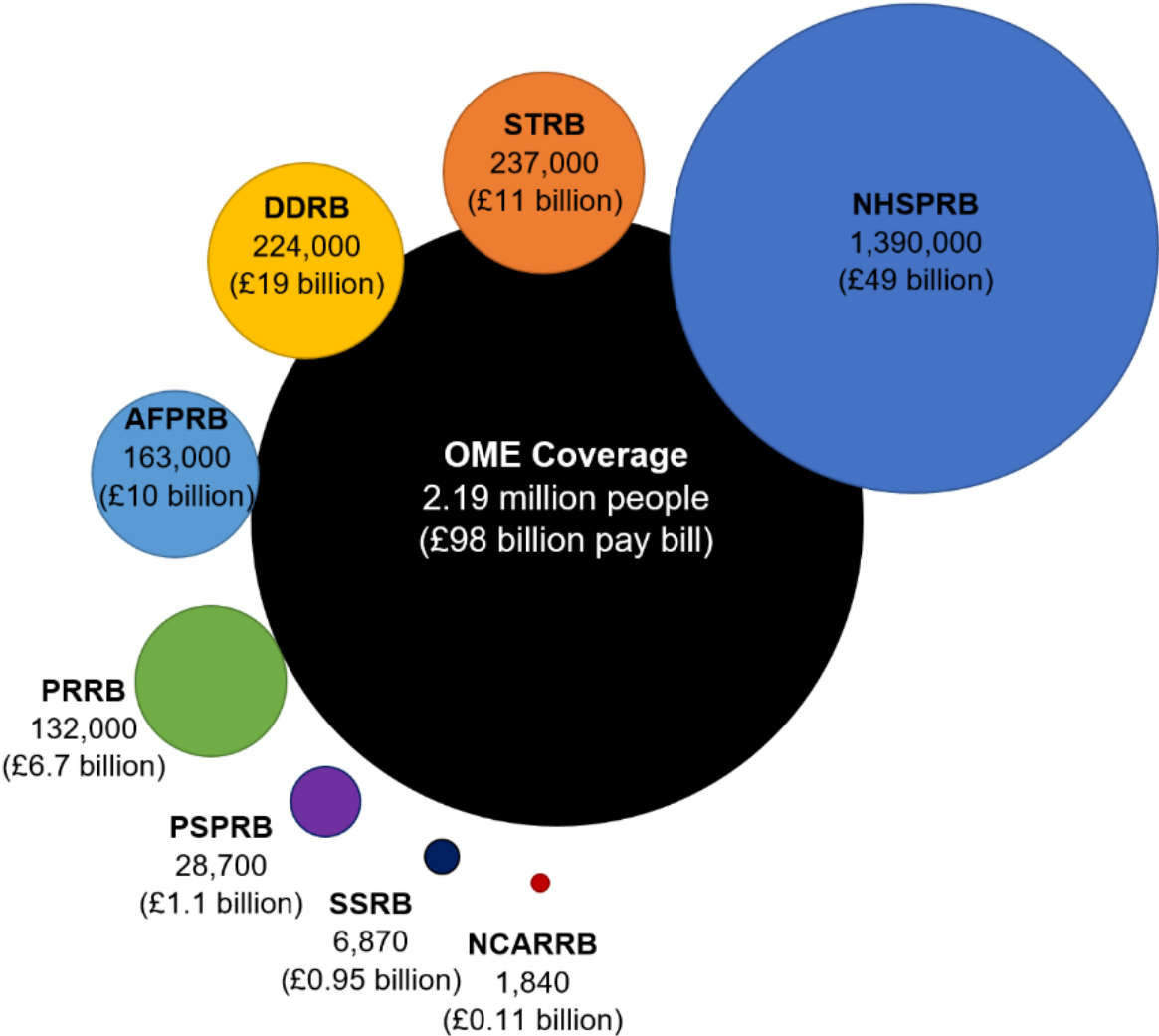
# Chapter 1: OME’s mission, strategy and deliverables 2017-2020

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
  - **DDRB:** 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

## 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 2019/20

After several years of a very strongly driven central public sector pay policy, it appears that the government's approach has changed and become more flexible. In 2018/19 the individual Review Bodies were asked to formulate their reports and recommendations based on the evidence provided by the parties, with no uniform figure being proposed by government. The great majority of the recommendations were accepted, and this should reinforce the confidence and commitment of all concerned in the value of the independent Review Body process.

While the political situation is very fluid, we are expecting the UK Government, and the devolved administrations where appropriate, to continue to seek the advice of the pay review bodies in 2019/20. OME, on behalf of Review Bodies, anticipates receiving remit letters during autumn 2019, and to be submitting reports in the first half of 2020. It remains unclear how, in the longer term, timetables will be affected by the move to an autumn Budget. 2017 was the first year when this change came into effect, and it has certainly had an impact on the dates when Governments have submitted their written evidence during the last two pay rounds.

A provisional list of OME's deliverables in 2019/20 is provided at **Table 1** below (predicted numbers of reports, visits and meetings and possible additional projects).

During 2019/20, OME's Research and Analysis Group (RAG) will be managing externally commissioned research projects on: the use of apprenticeships in the public sector; the impact of pay and reward on the retention of teachers; and the use of pay progression. RAG will host a conference on public sector pay and workforce research early in 2020. The group continues 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 2019 - 31 August 2020)**

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"> <li>49<sup>th</sup> report (Spring 2020)</li> </ul>	18	20	3
Review Body on Doctors' and Dentists' Remuneration (DDRB)	1	<ul style="list-style-type: none"> <li>48<sup>th</sup> report (Spring 2020)</li> </ul>	10	15	3
National Crime Agency Remuneration Review Body (NCARRB)	1	<ul style="list-style-type: none"> <li>6<sup>th</sup> report (Spring 2020)</li> </ul>	2	3	1
NHS Pay Review Body (NHSPRB)	1	<ul style="list-style-type: none"> <li>33<sup>rd</sup> report (Spring 2020)</li> </ul>	8	15	4
Police Remuneration Review Body (PRRB)	2	<ul style="list-style-type: none"> <li>6<sup>th</sup> report (England and Wales) (Summer 2020)</li> <li>6<sup>th</sup> report (Northern Ireland) (Summer 2020)</li> </ul>	7	10	1
Prison Service Pay Review Body (PSPRB)	3	<ul style="list-style-type: none"> <li>19<sup>th</sup> annual report England and Wales (Spring 2020)</li> <li>12<sup>th</sup> report Northern Ireland (Spring 2020)</li> </ul>	16	18	1
Review Body on Senior Salaries (SSRB)	1	<ul style="list-style-type: none"> <li>42<sup>nd</sup> annual report (Spring 2020)</li> </ul>	9	13	0
School Teachers' Review Body (STRB)	1	<ul style="list-style-type: none"> <li>30<sup>th</sup> report (Spring 2020)</li> </ul>	19	20	2
<b>TOTALS</b>	<b>11</b>		<b>89</b>	<b>114</b>	<b>15</b>

## Chapter 2: OME resources and capabilities

### OME finances

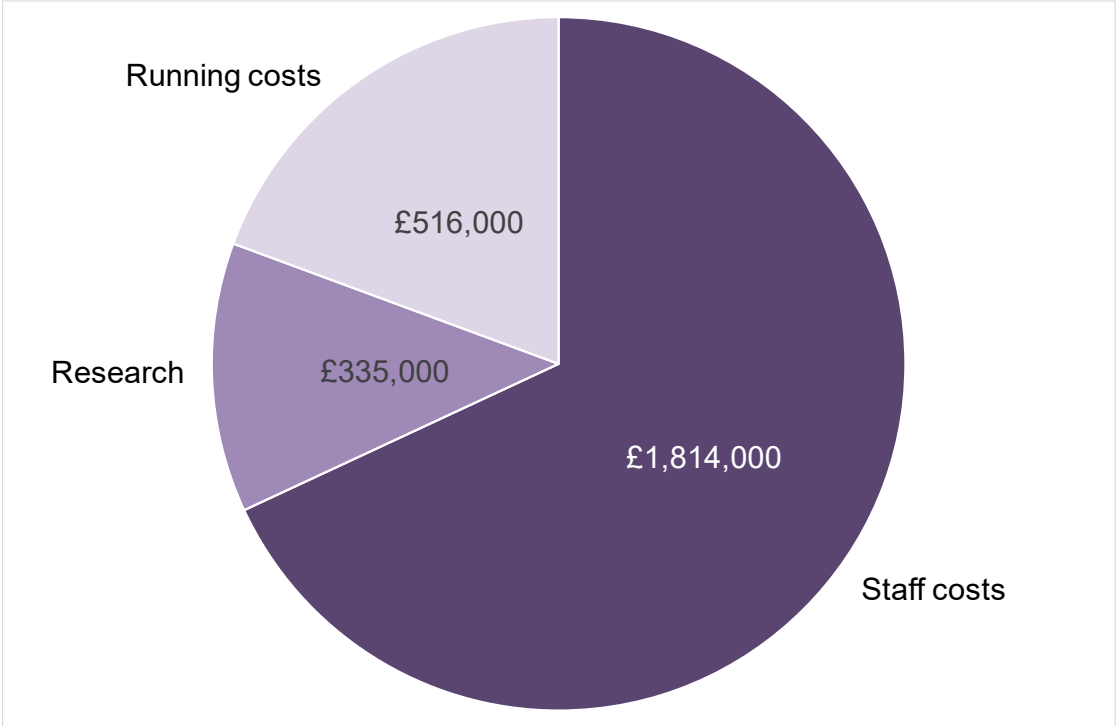
The Department for Business, Energy and Industrial Strategy (BEIS) provides OME’s core funding. OME’s administration costs budget (OME has no capital or programme spend) is consolidated into the BEIS budget, although ring-fenced within it. OME’s expenditure has three main elements: staff costs; purchased research and analysis; and running costs (e.g. catering, travel and subsistence, IT, training and reprographics).

OME also anticipates receiving income (estimated at around £690,000 in 2019-20) 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.

**Table 2: The OME Budget 2018-19 and 2019-20(£m)**

£000s	2018-19	2019-20
Gross	2.594	2.665
Anticipated Income	-0.824	-0.690
Net	1.770	1.975

**Chart 1: A breakdown of OME’s anticipated expenditure in 2019-20**



**Note: Running costs are likely to include some £300,000 of Members’ fees, which are reimbursed.**



### OME staff resources

On 1 September 2019 the anticipated OME staffing for the coming year is 34 (Full-Time Equivalent: 32.6). A summary table is provided below:

**Table 3: Staff resources in OME in 2019-20**

Grade	As at 1 September 2019 (including vacancies)			
	Headcount	Full-Time Equivalent	Headcount, of which:	
			Generalist	Specialist *
SCS	5	4.8	4	1
Grade 6	1	1.0		1
Grade 7	11	10.4	7	4
SEO	1	1.0	1	
Fast Stream	3	3.0		3
HEO	7	7.0	7	
EO	1	1.0	1	
AO	5	4.4	5	
<b>Total</b>	<b>34</b>	<b>32.6</b>	<b>25</b>	<b>9</b>

\* Specialists include economists, statisticians and a remuneration specialist

### OME capabilities

OME learning and development for 2019-20 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. The OME Capability Group continues 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 2019/20 OME will be reinforcing changes made last year to the way in which IT is used to support the pay review bodies. OME will continue to utilise social media as a platform, alongside digital communications. Developing our people to enable them to make best use of IT remains a priority for OME.

A particular focus in 2019/20 will be working with BEIS and the Government Property Agency to identify suitable new accommodation for OME and the Review Bodies. The government lease on our current location, Fleetbank House, is due to be surrendered in late 2021.

### Efficiency

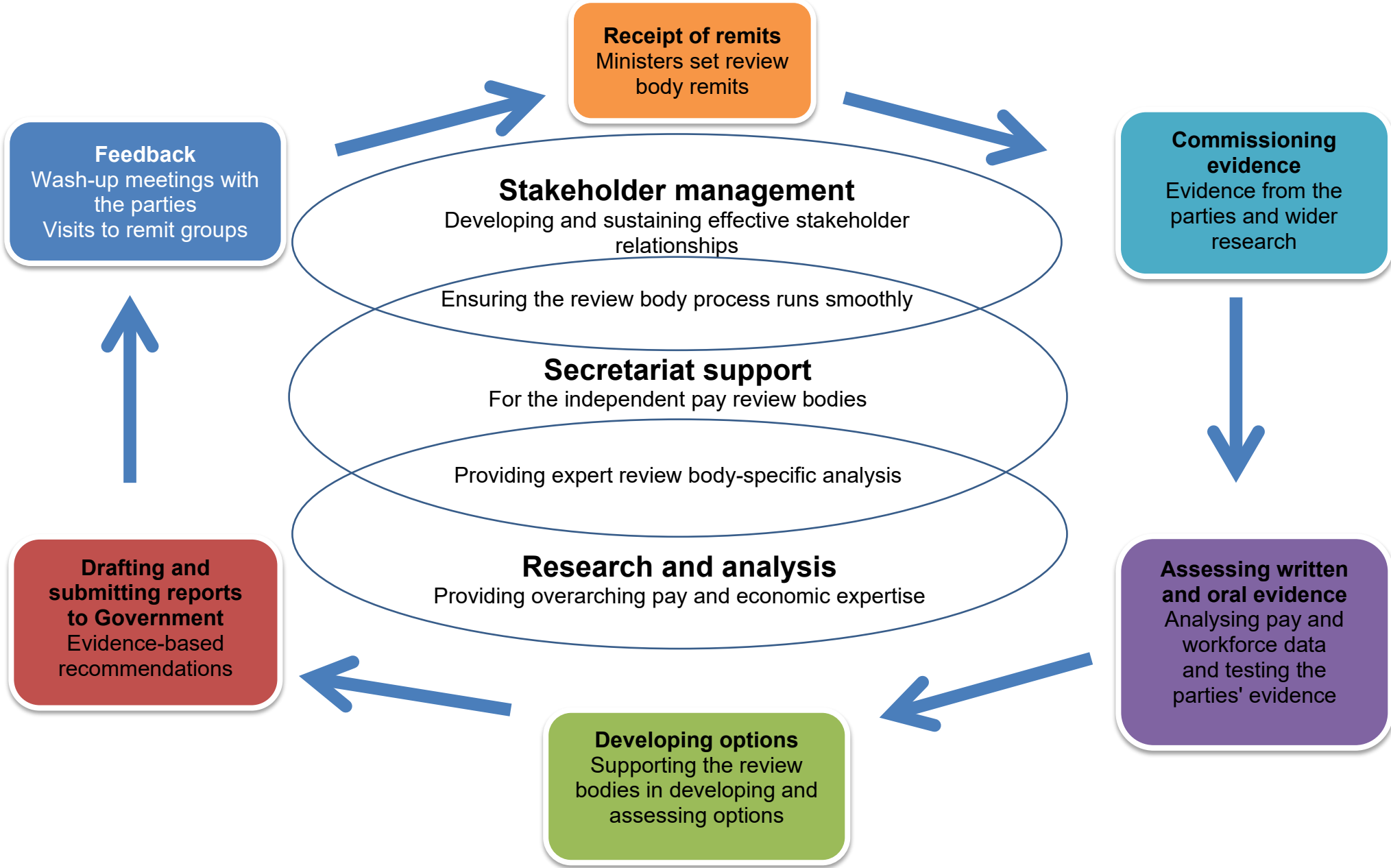
In September 2019 the Government announced a one-year spending review settlement for departments. For OME the effect is to hold its administration budget as

broadly neutral in cash terms. OME will continue to seek administrative savings while also ensuring 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. The operating model 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

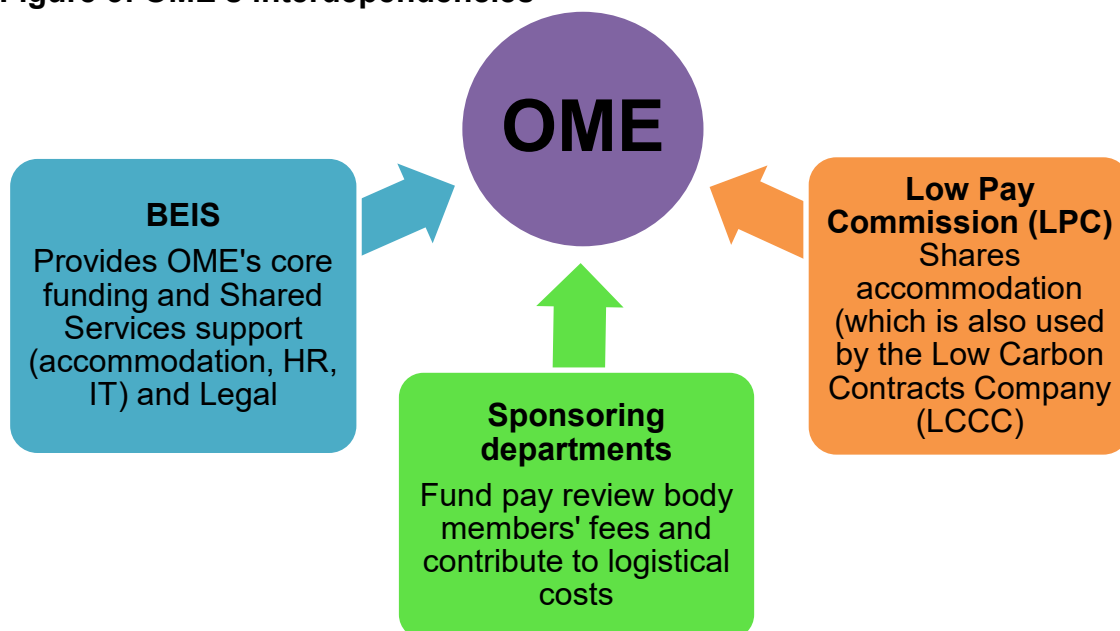
The main risks which OME will manage in 2019/20 are at **Annex C**. Individual review bodies will also have their own risks according to their own circumstances.

### 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)**, with whom it shares its accommodation.

**Figure 3: OME's interdependencies**



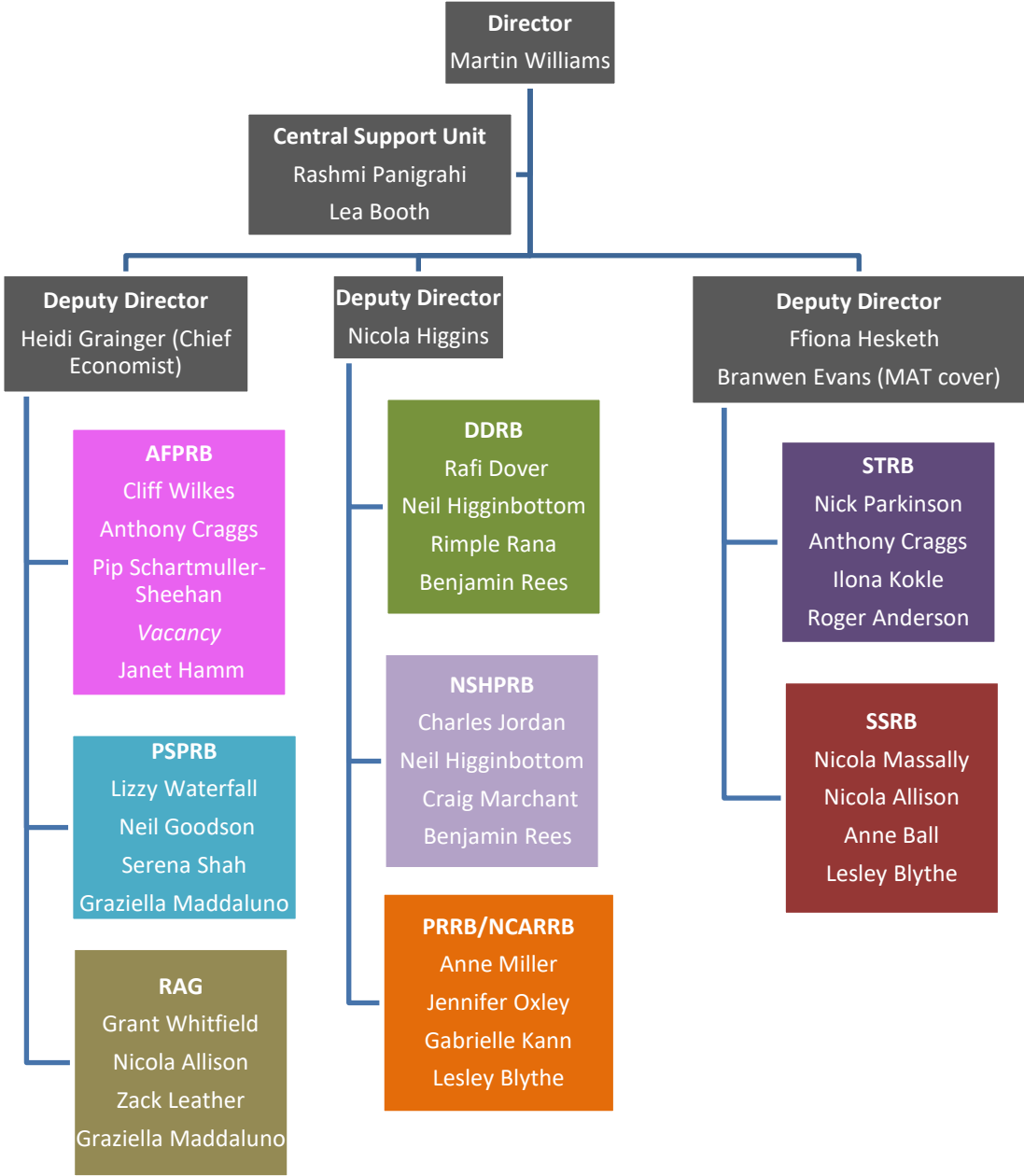
### OME communication and engagement

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

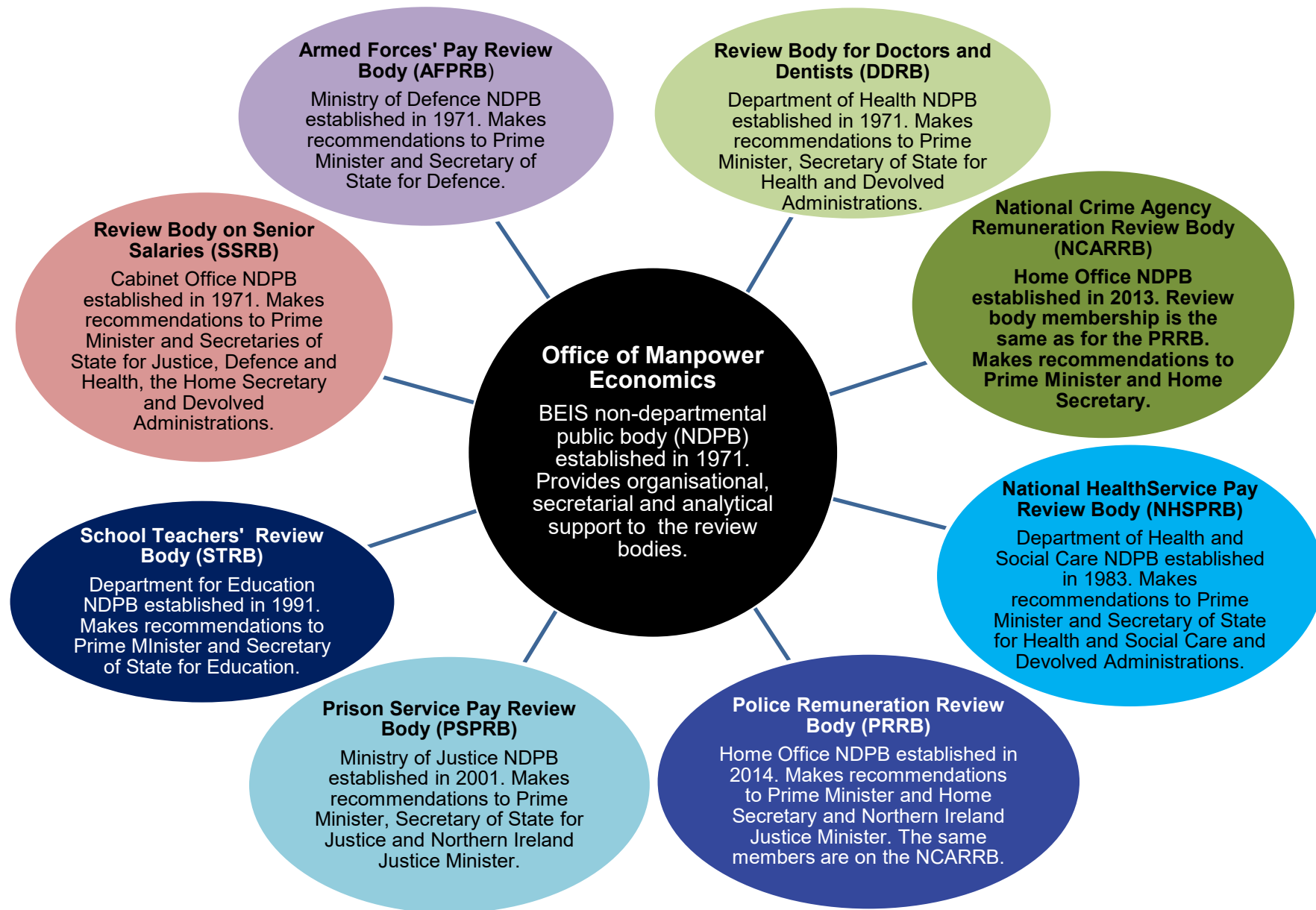
activity, such as the publication of a report or the appointment of a new member. We have our own Twitter profile and we continue to use this as our primary platform for social media engagement.

All research produced by OME is published and we publicise it through our annual research conference (scheduled for Wednesday 29<sup>th</sup> January for 2020) and through social media. OME also deals with Freedom of Information requests from organisations and members of the public, aiming to reply to requests within twenty days of receipt.

**Annex A: OME organisation October 2019**



## Annex B: OME and the Pay Review Bodies it supports



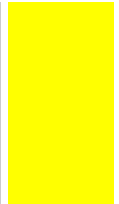
## Annex C: Main risks for OME to manage in 2019/20

Risk	Impact High, Med, Low	Probability High, Med, Low	Counter measures	Owner/ responsi ble	Review and other comments
<p>The autumn timing of the Single Fiscal Event, and political uncertainty, 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>	<b>M</b>	<b>M</b>	<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 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>	<b>H</b>	<b>L</b>	<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>



High 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 new staff 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.	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 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.
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.
Since the lease on OME's premises, which houses the Review Bodies,	M	H	Strong liaison with BEIS and Government Property Agency.	OME Senior Management	Premises must be easily accessible for

expires in 2021, the risk is that suitable, new premises need to be found in a timely manner.



nt Team and BEIS

Review Body members travelling from across the country and for those providing evidence to Pay Review Bodies.