OSCAR

Business Process Guidance

Workforce and Pay Remit

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1   Introduction

1.1 Context

The Workforce and Pay Remit (WPR) data collection is an annual process where departments provide Treasury their forecasts and outturns for the pay round. This helps the Treasury to confirm that departments are abiding by the parameters set in the annual pay guidance, to report overall priorities and risks to the Chief Secretary and to set overall civil service (and some other public sector workforces) pay parameters for future years.

The Treasury asks each department to submit data covering the department itself, any non-ministerial departments falling within the area of responsibility of their Secretary of State, any agency that they sponsor and any NDPBs they sponsor.

1.2 Purpose of this document

The purpose of this document is to provide end to end guidance on using OSCAR to complete the Workforce and Pay Remit submission, analysis, and reporting tasks. This document will provide screenshots of the OSCAR system and also links to related materials to complete the WPR process.

1.3 Related materials

This guidance is to be read in conjunction with the following materials:

- Civil service pay guidance (available on Gov.uk)
- Frequently Asked Questions
- Video tutorials

1.4 How to use this guidance

The guidance has been divided into sections within the WPR data entry, submission, and reporting process. Users should be able to refer to specific sections to achieve a task.

The guidance is provided to meet the needs of users on a role by role basis.

1.5 Additional support

If you have any issues or queries do not hesitate to get in touch.

- For technical queries relating to OSCAR and the WPR application, please contact oscar@support.deloitte.co.uk
- For any queries relating to the requirements and definitions for the WPR data please contact WPR@hmtreasury.gov.uk

2   Process summary

2.1 Purpose

Departments are asked to provide updated data using the appropriate template in the Workforce and Pay Remit (WPR) module of the OSCAR system. The template includes formulae and dropdown lists where relevant, and indicates which cells need to be populated, to make completion more straightforward. It also includes validation checks to help reduce the likelihood of erroneous data being entered.

Each department should submit data covering the department itself, each non-ministerial departments falling within the area of responsibility of their Secretary of State, each agency that they sponsor and each NDPB. Departments should not in general combine data relating to separate remits. Exceptionally, aggregate data may be entered for NDPBs with prior HM Treasury agreement.

The data required is outturn for the current and prior year, and a forecast for the following year.

Outturn data should be consistent with published resource accounts, (allowing for differences arising from the financial year) and forecasts, including any forecast changes to staff in post. This should be consistent with the in-year expenditure forecasts that all central departments routinely provide to HM Treasury via the OSCAR network.

Data must be provided for the delegated Civil Service grades, and not combined with SCS data or data for SCS-equivalent grades. The OSCAR system makes provision for the separate collection of data relating to the Senior Civil Service but departments are not currently required to submit data on SCS or SCS-equivalent grades.

Data must be provided for the year of the pay remit, not the financial year.

If there are significant anomalies in the data, for example because it represents less than a full year of activity, or there are large differences between successive forecast and outturn figures for a particular year, departments should provide a brief explanation, either in the space provided on the OSCAR template or in an email to WPP team at HM Treasury (see section 4 for contact details).

2.2 Participants

The following groups have been identified as the main OSCAR users for which this guidance applies:

- Data providers
- WPP team
- FACT team

2.3 Steps and participants

The end to end functionality of the system can be summarised in this list of steps and the associated participant(s) expected:

Step name	Participants
Accessing OSCAR	Data providers, WPP team, FACT
Preparing for entering data	Data providers
Entering, validating, and submitting data	Data providers
Performing data analysis	Data providers
Navigating the Reporting application	Data providers, WPP team, FACT
Running (data provider) reports	Data providers

3 Step: Accessing OSCAR

3.1 Brief description

This section explains how to obtain access to the OSCAR system and navigate to the WPR area.

3.2 Activities

The activities to carry out this step are as follows:

- Log in page
- Navigating to WPR.

3.2.1 Log in page

After you have successfully created an account (https://www.gov.uk/government/publications/the-online-system-for-central-accounting-and-reporting-oscar-user-guide), you will be able to access the login page (you can also do so by using the link provided in the 'Welcome to OSCAR' email).

In the login page, you will find 'Email authentication', with your email address partly masked. Email authentication provides an additional layer of information security and will be required every time you log into OSCAR II. The authentication process includes three steps:

- Generate a single-use authentication code
- Retrieve the code from your inbox; and
- Enter the code in the login page.

To log into OSCAR II, use the link https://oscar.hmt.gov.uk and you will arrive at the log in page to enter your username and password:
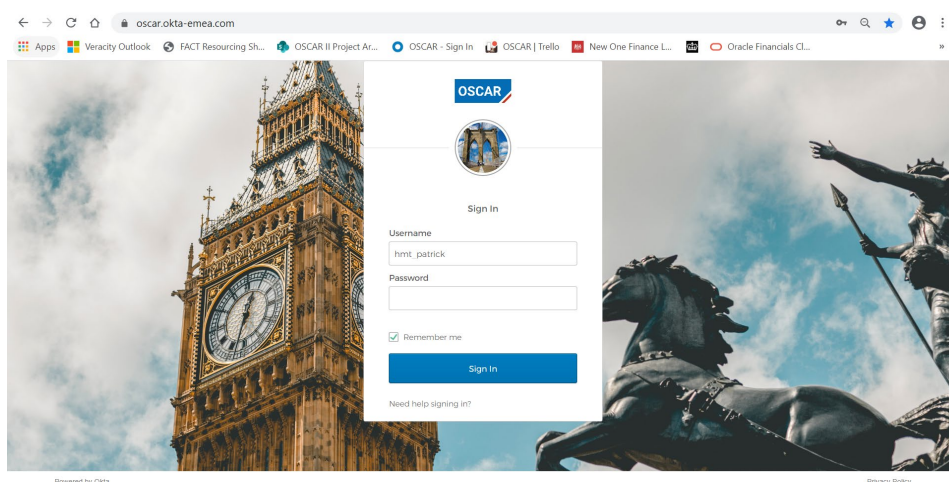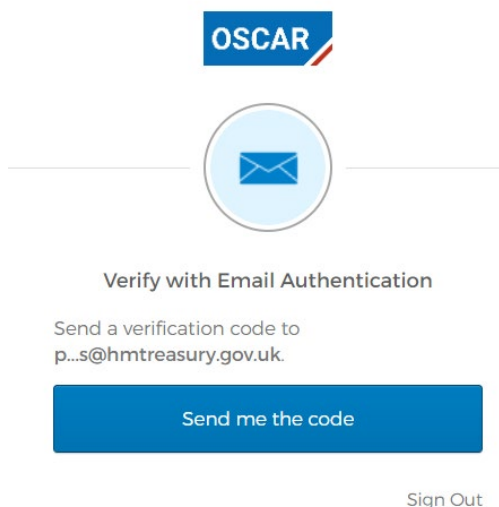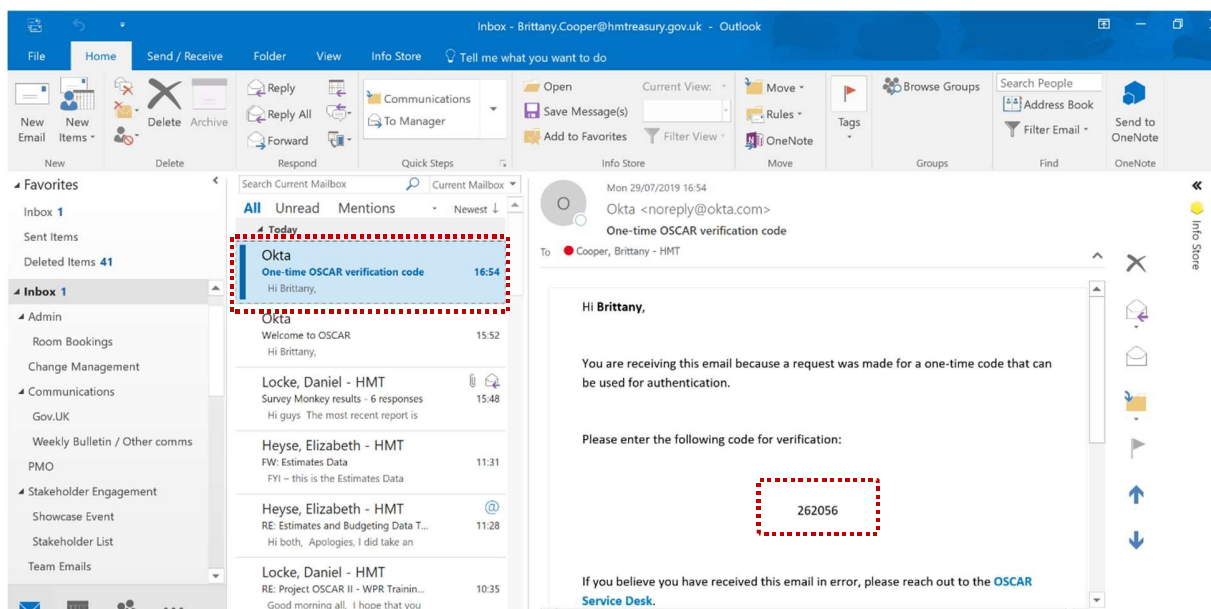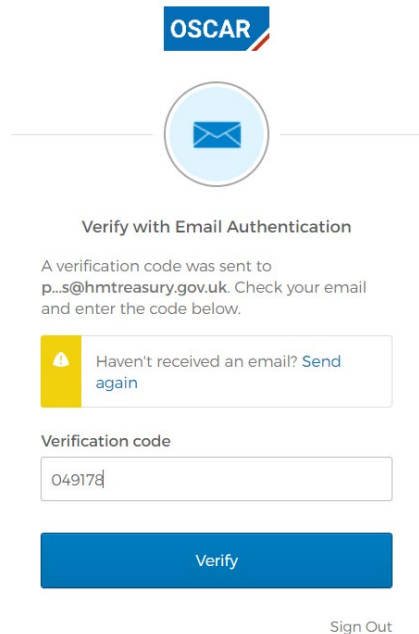
Once done, an email will be sent to your inbox, with subject 'One-time OSCAR verification code'. In the email you will find a code, as shown in the example below.

IMPORTANT: Your code might arrive in your Junk/Spam inbox, please check these folders for email from OKTA

In the OSCAR II Email Authentication Form, you will find an empty field titled 'Verification code'. To access the system, you will need to copy the verification code from the email, paste it into the field (or type it in manually) and click on the blue 'Verify' button.

3.2.3 Navigating to WPR

Once you have successfully logged in using your credentials you will be able to navigate to the WPR area by the following steps.

In the OSCAR landing page you will find two options:

Data submission   This directs users to the data submission pages

Report Analytics   This directs users to OSCAR's reporting interface

Click the 'Data Submission' tile to proceed to the area which contains access to all the processes available to you (including WPR).
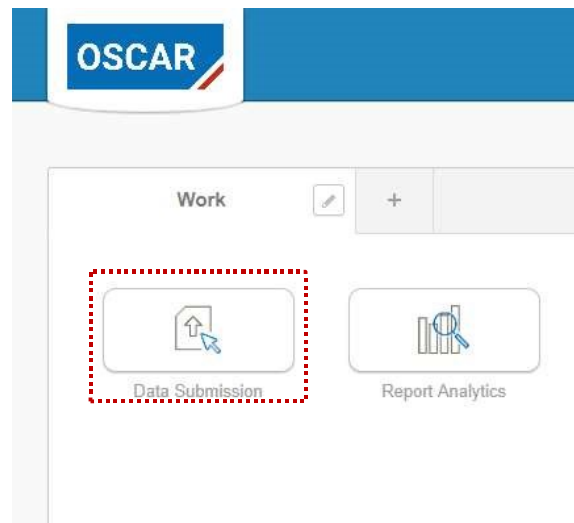
After clicking on the 'Data Submission' tile, you will reach a screen titled "IBM Planning Analytics". This is where you will find folders which relate to different processes. To proceed to the WPR area, click 'WPR'.
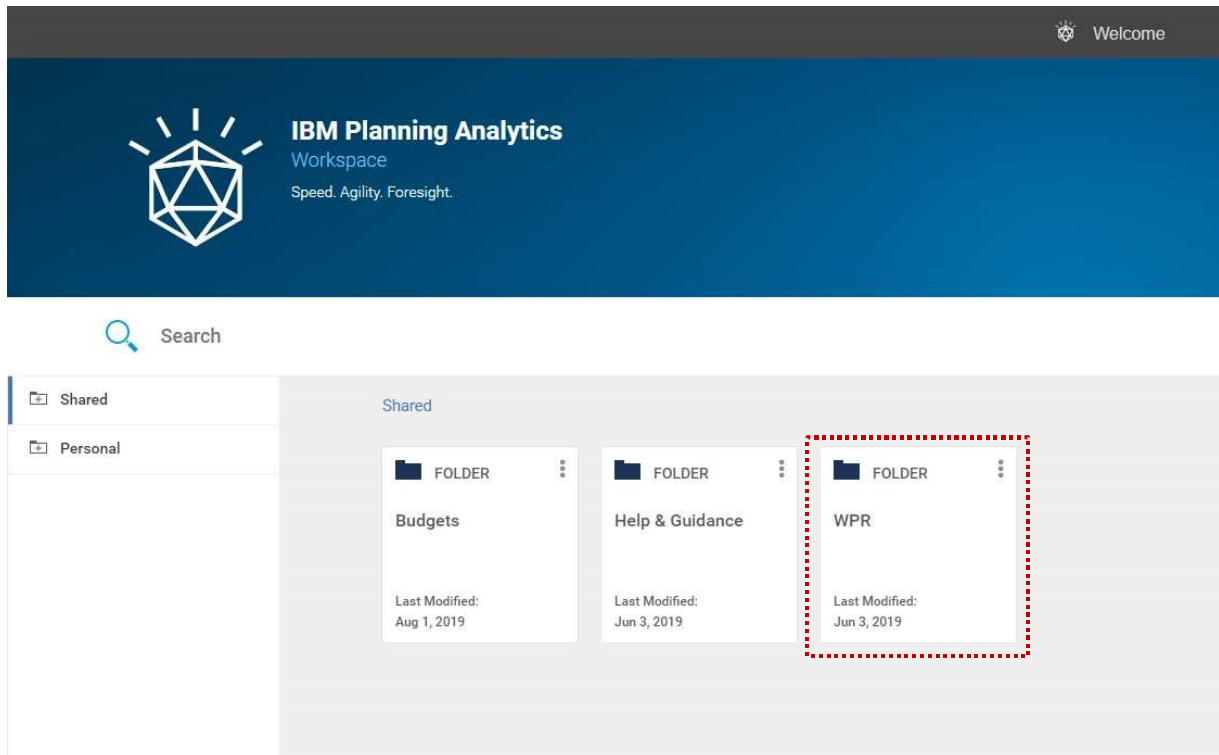
Note that the tiles you see depend on your security profile and their number may be different from what you see in the example.

After clicking on the 'WPR' folder, you will reach a screen with more WPR titles, the 'WPR - Input', after which you will be directed to the WPR homepage.
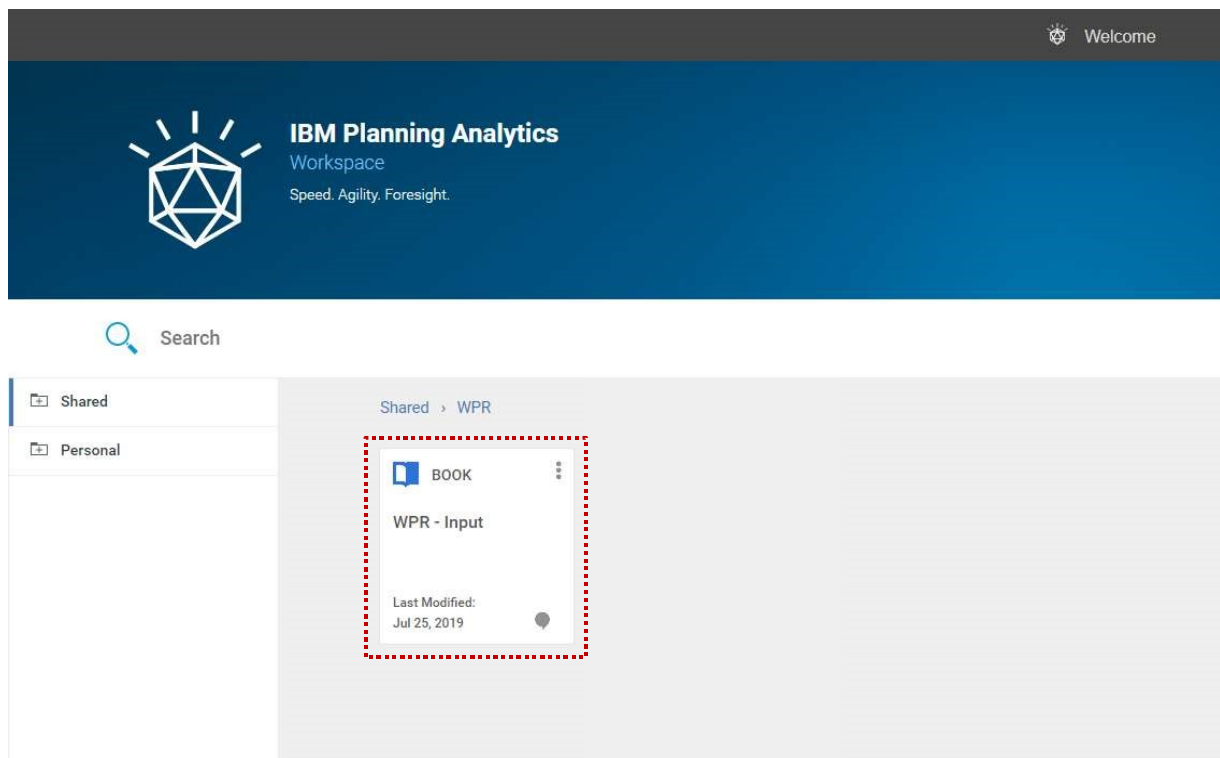
Note that the tiles you see depend on your security profile and their number may be different from what you see in the example.

3.3 Next steps

Users will be able to navigate to the WPR homepage.

4   Step: Preparing for entering data

4.1 Brief description

When a Data provider navigates to the WPR homepage you should be presented with a number of options from which you can select department (organisation) and cycle to enter data. This section will illustrate how to enter data for your relevant department.

4.2 Activities

The activities to carry out this step are as follows:

- Navigating the homepage
- Selecting organisation
- Selecting submission cycle

4.2.1 Navigating the home page

Below is the WPR homepage where you will find key information about your data submission. This screen provides tabs to 3 main areas:

1. Homepage
2. Input sheet
3. Adhoc Reporting

These areas are presented as tabs along the top of each page and are accessible from any area.

At the top of each screen you are presented with tabs which lists activities which can be performed as shown below:
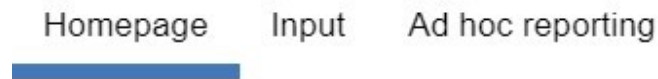
You can navigate from tab to tab by simply clicking on a tab.

The current tab will be highlighted as blue, while hovering over a tab will highlight the tab as green as shown below

The Homepage, is shown below:

4.2.2 Selecting the organisation

Data Providers that have access to multiple departments (organisations) will be able to use this pick-list to select the one they want to enter data for. For Data Providers that have only access to a single department, this field will be auto populated.

Access to departments is driven by the user's security profile, which can be changed through the OSCAR Service Desk.

4.2.3 Selecting the submission cycle

You can also choose which cycle (pay remit) to submit data for. These cycles are yearly and divided into Workforce and Non-Workforce depending on if the department is Workforce or NonWorkforce. Previous years submissions can only be reviewed not altered.

By making a different selection to either department or cycle, this will update every sheet in the WPR book appropriately.

4.2.4 KPIs

On the 'Homepage' you are presented with key performance indicators (KPIs) in relation to the selected cycle. It is intended to provide useful reminders for how many validation errors are on the input sheet, and how many days you have to make submissions before the cycle closes.

KPIs	
Validation Errors	**Days to Cycle Close**
8	92
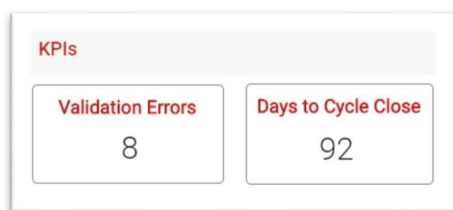
4.2.5 Progress

The Progress area shows the status of the input sheet as Open or Complete. It also shows the last user and timestamps for when the last update was made

Progress

Step	Description	Status	Last User	Time of Last Update
Input Sheet 1	Complete input sheet 1	● Complete	Vijay Sima	2019-07-31 10:09:26
Reporting	Review Ad Hoc Reporting	● Complete	Scott Goodrich	2019-06-27 10:40:36

The status is determined by the 'Mark as Open' and 'Mark as Complete' buttons found in the 'Input' and 'Ad Hoc Reporting' sheets.

Please note: 'Mark as Open' and 'Mark as Complete' is for internally tracking the status of data submissions for data provider within the same organisation i.e. it does not submit the return or indicate to the WPP team the submission is 'open' or 'complete'.

4.2.6 Cycle info

The 'Cycle info' area of the 'Homepage' shows where the submission is in the workflow status, what the status means, and the user who last updated the workflow.

Cycle Info

Workflow Status

Confirmed

Workflow Description

Status: Confirmed. No further changes can be made.

Last Updated User

OKTA/Vijay Sima : 2019-07-31 10:09:32

Submit

The workflow status can read as:

Draft	while data input is in progress
Submitted	data has been submitted to the WPP team for the final decision
Rejected	data has not been accepted by the WPP team therefore will return to the data provider in an editable state for them to make corrections
Confirmed	accepted by the WPP team with no further action required

The workflow has further been explained below in terms of the data being locked and not editable to unlocked and editable:

Workflow Status	Workflow Status (internal)	State	Workflow status description
Draft	Mark as Open	🔓	Department has not started or has made changes and saved them
	Mark as Complete		
Submitted		🔒	Department has submitted changes that require review
Rejected		🔓	Reviewer has rejected changes which goes back to an editable state
Confirmed		🔒	Department submits changes that have been reviewed or require no approval

The Input sheet, is shown below and explained in 'Entering, validating and submitting data':

The Ad hoc reporting screen, is shown below and explained in 'Performing data analysis':

4.3 Next steps

Once the department (organisation) and cycle has been selected the data provider can move on to the WPR input sheet.

5 Step: Entering, validating, and submitting data

5.1 Brief description

This section describes the steps for data providers completing and submitting pay remit data to the WPP team.

The input screen is the focal point to the WPR book as it allows data providers to enter actual data for the current year, forecast data for (up to) the next 5 years and view historical data.

5.2 Activities

The activities to carry out this step are as follows:

- Select the Spreadsheet view
- Select the organisation
- Entering data
- Validating data
- Submitting data

5.2.1 Select the Spreadsheet view

You can enter data in two ways, input method or, Copy/paste method.

After a spreadsheet view has been selected you must then click the 'Rebuild view' button:

Input method	enter data directly into the form
Copy/Paste method	you can to switch to a spreadsheet view from which you can copy and paste data from your own workbooks to the input sheet. It is important that data is structured the same way as the input sheet else data may be entered into incorrect cells

5.2.2 Select the organisation

The department (organisation) presented in this page is based on the selection from the Homepage however within this page you can change it if needed. Access to departments is driven by your security profile, which can be changed through the OSCAR Service Desk.

Please note that this is based on your security access, i.e. if you have access to multiple departments, the different departments will appear in a dropdown menu. For data providers with security access for one department, there will be only one department to select.

5.2.3 Entering data

The screen below is the main form for inputting workforce and pay data:

You are only able to enter data into cells which are not shaded grey as indicated above i.e. white cells. Cells shaded grey provide read only data such as previous year data which cannot be updated.

When you enter data and move to a different cell, the recent inputs will turn green. This is to differentiate between new data entry and data which has already been committed to the database.

Please note negative numbers are to be entered with a minus sign (-). Using brackets to indicate negatives e.g. (1,000) will return an error. Please be mindful of this when copying and pasting from your own workbook.

The input screen contains a range of metrics which have inbuilt rules to ensure accurate data collection.

Each metric will be set at a default unit for which data is to be entered. As shown below, each metric contains a bracket at the end with a unit symbol to indicate the unit of measure:

Paybill Per Head					
Paybill Per Head (Headcount) (£)	36,024.71	36,618.10	38,707.73	38,202.85	26.01
Paybill Per Head (FTE) (£)	39,155.79	40,007.19	42,674.07	41,709.84	0.00

Non-Paybill Staff Costs					
Consultants/Interim/Agency Staff Costs (£k)	363.00	236.00	236.00	318.00	501.00

Basic Award for those under £21k FTE (%)	0.52	0.00	0.00	0.00	16.00
Workforce Size					
Headcount	850.00	851.00	893.00	843.00	500,001.00

Costs £k - entry to be in thousands e.g. 5 to be entered if the number is 5,000

Paybill Per Head (Headcount) £ - calculated in pound sterling

Basic Award % - entered as a percentage

Headcount - calculated as a whole number

There are calculations built in to the input sheet.

In the screenshot below, the Direct Wages and Salary Figure is a consolidated (calculated) value. This means that the total of the four values below it add to make that value.

Total Paybill					
Total Paybill (£k)	1,816,476.00	1,691,000.00	1,856,300.00	1,932,408.00	5,589,000.00
Direct Wages and Salary (i.e Pensionable Pay) (£k)	1,048,070.00	996,600.00	1,179,500.00	1,243,000.00	4,785,000.00
o/w Pay (£k)	459,070.00	398,600.00	465,500.00	540,000.00	4,120,000.00
o/w Allowances (£k)	154,000.00	152,000.00	144,000.00	159,000.00	155,000.00
o/w Non-Consolidated Performance (£k)	315,000.00	333,000.00	375,000.00	387,000.00	360,000.00
o/w Overtime (£k)	120,000.00	113,000.00	195,000.00	157,000.00	150,000.00
Pension Contributions (£k)	312,000.00	332,000.00	367,000.00	380,008.00	450,000.00
NI Employer Contributions (£k)	381,400.00	354,000.00	299,000.00	299,000.00	340,000.00
Exit Costs (£k)	75,006.00	8,400.00	10,800.00	10,400.00	14,000.00

The Total Paybill figure is therefore a consolidation of the Direct Wages and Salary figure and the remaining 3 values at the bottom.

As an example, if a data provider inputs new financial data into Overtime, this will then change the value of Direct Wages and Salary and Total Paybill.

Note: Calculations will only be available in the Input method spreadsheet view.

OSCAR provides a capability which helps data providers track the status of data submissions. This is for internal user tracking within the same organisation i.e. it does not indicate to the WPP team the submission is open or complete.

The 'Mark as complete' and 'Mark as open' buttons allow you to mark the progress of inputting data as open (available for data entry) or complete (data entry complete and ready for submission).

Marking the submission as open or complete will change the status of the report progress table on the WPR 'Homepage'. This feature also records the time of the last update on the process as well as the user who performed that update.
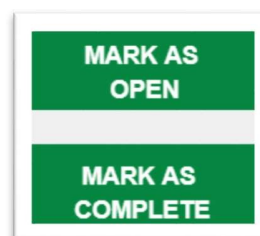
In order to show the most up to date progress on the table below, click the 'Refresh' ⟳ button on the top control bar.

Step	Description	Status	Last User	Time of Last Update
Input Sheet 1	Complete input sheet 1	● Complete	Vijay Sima	2019-07-31 10:09:26
Reporting	Review Ad Hoc Reporting	● Complete	Scott Goodrich	2019-06-27 10:40:36

5.2.4 Validating data

Once data has been entered there are embedded checks to ensure the quality of data before it is submitted to the WPP team. There are two types of validations presented to data providers on the input page:

Hard Validation	you will not be able to submit the form if any of the metric values lie outside of permitted values. A validation message will appear to warn the user of such instances
Soft Validation	like with hard validations, a validation message will appear when you enter values outside of the predefined parameters. Data can still be submitted however a warning message will make you aware the value entered appears to be outside normal values

No. of Hard Validation Errors	No. of Soft Validation Errors
4	10

Below is an example of validation messages on the WPR input sheet:

Value entered lies outside permitted range of values (positive and below 10%)

This is an example of a hard validation error description. This means that the percentage value input into the related cell does not adhere to predefined business rules, therefore you will not be able to submit your data until you amend this error.

Default value of zero used. Please ensure that the value entered is correct before submitting.

This is an example of a soft validation error description. This means that the value input into the relating cell is not a positive number over zero. This message will draw your attention to this in order to review it, however if this data is correct you will be able to ignore the warning and submit your data.

Value entered lies outside permitted range of values (above £12,000 and below £200,000)

This is another example of a hard validation error message. As the financial value entered is too high or too low, you will not be able to submit your data.

Once you have completed entering data you can then click the 'Validate' button to trigger checking the data is within the set limits. This will also store data.
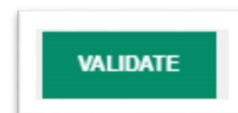
5.2.5 Submitting data

Once you have entered all data to the input screen without any validation errors, the next step is to submit the data to the WPP Team for review.

The 'Submit' button is available on the WPR 'Homepage', as shown below.

When you click this button a dialogue box will appear to either confirm submission or to alert you for any further actions required before submitting.

When confirming submission, another dialogue box will appear to inform you that the submission was completed successfully.
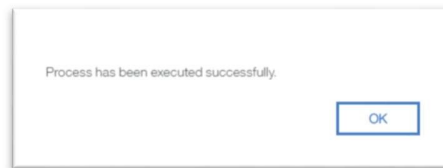
Please note hard validations must be resolved before submission. If there are still hard validation errors the user will not be able to submit their data with the following message appearing:
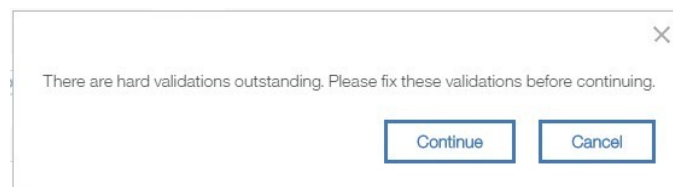
The status of the report will change in the progress table on the WPR 'Homepage'. This feature also records the time of the last update on the process as well as the user who performed that update

In order for the progress table to be most up to date, you will need to click the 'Refresh' button on the top control bar

5.3 Next steps

Once a data provider has entered data, satisfied all validations, and successfully submitted, it is then up to the WPP team to confirm submission. If confirmed, no further action is required.

6 Step: Performing data analysis

6.1 Brief description

A feature of OSCAR is the ability to present data in a number of ways using a choice of filters in order to create dynamic and drill down views of submitted data.

6.2 Activities

The activities to carry out this step are as follows:

- Ad hoc reporting

6.2.1 Ad hoc reporting

A data provider can use dynamic filters to visualise their data in a range of different ways.

The Ad hoc reporting sheet allows you to select from each of the filters for the specific data you would like to see, which is updated dynamically.
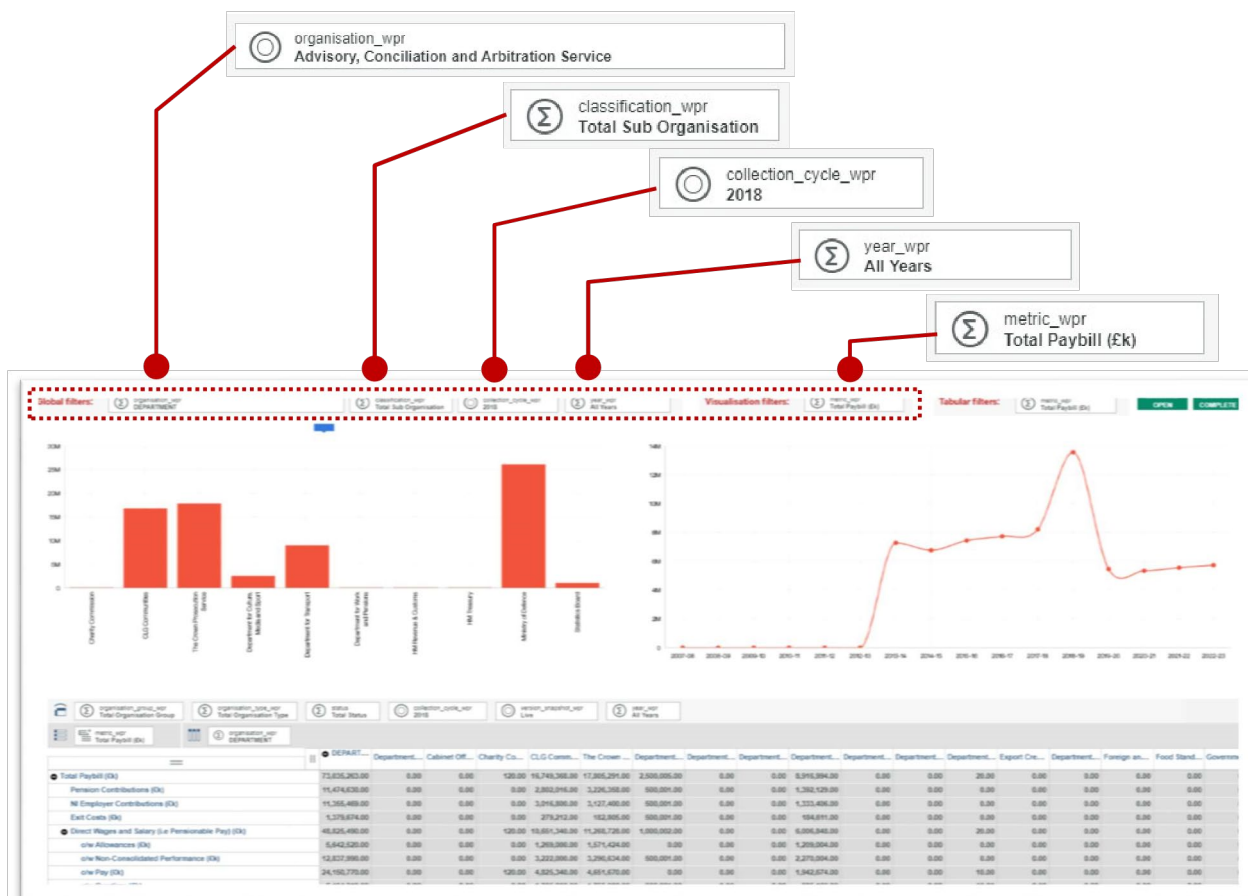
Using the example above, the following filters are available to provide a custom drillable view of entered data:

Organisation_wpr	This filter enables you to select the department (organisational) data to view, however users with access to only one department will only be able to see their own department
Classification_wpr	you can select the sub-departmental data to view. For this example, the total departments is viewable but you can additionally select Non Senior Civil Servant, Public Workforce
Collection_cycle_wpr	The collection cycle (pay remit) is selectable to view

Year_wpr	you can also select the time frame. It is possible to view single or multi year's worth of data. For this example, an analysis chart has been created using data from all the available years
Metric_wpr	This filter narrows down the metrics you wish to display. For this example, total paybill has been used but it is possible to drill the metrics down further into financial data which contribute to that paybill

The below view shows a tabular view of the data which can be filtered by the same metrics as outlined. Additionally, you can perform analysis on point in time Snapshot data which is selectable from the snapshot filter highlighted below.

When you have completed analysis, you are able to signal to other users in the same organisation using the 'Mark as complete ' or conversely the ' Mark as open' buttons. Please note this is for internal purposes and does not constitute submission or notify the WPP team of completion.

6.3 Next steps

Once a data provider has entered data, satisfied all validations, and performed all required analysis, it is then up to the WPP team to confirm submission.

If confirmed, no further action is required.

7   Step: Navigating the Reporting application

7.1 Brief description

This section will illustrate how users view OSCAR WPR reports, apply filters to the reports to view data in different ways, and export reports into different formats.

7.2 Activities

The activities to carry out this step are as follows:

- Navigating the reporting homepage
- Transitioning between formats
- Navigating a report
- Prompts
- Prompts: Single select and Multi select
- Prompts: Cascading

7.2.1 Navigating the reporting homepage

The below screenshot is the homepage users will see when accessing the reporting interface
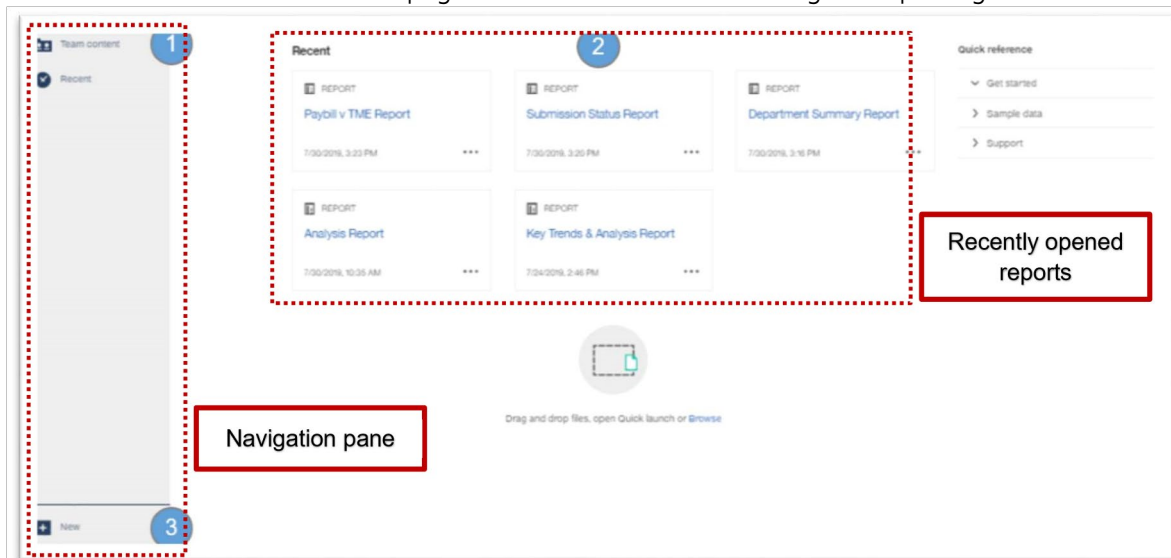
Navigation Pane   Users can search for reports and open existing reports
Recently opened reports This provides quick access to the most recent reports a user has been working on. On first use of the reporting application this will be blank

The screenshot below shows how to access WPR specific reports.
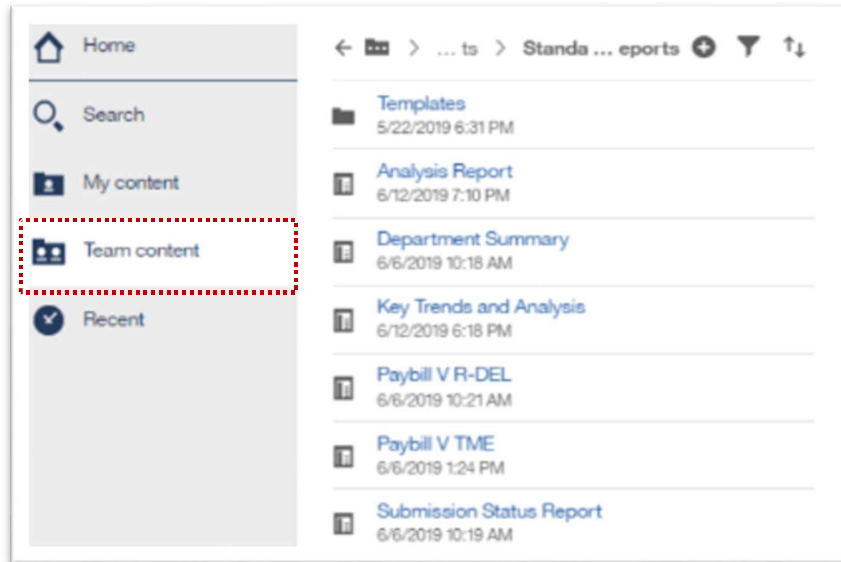
User can click the 'Team content' button on the navigation pane located on the left side of the screen this then show a list from which the user opens the process specific 'Reports' folder

Users can then open the "Standard Reports" folder where they will be presented with a range of reports.

7.2.2 Transitioning Between Report Formats

Users are able generate reports in a range of formats depending on their output requirements.

To do this, once a report has been selected user can click the small drop down arrow beside the play icon in the top left corner of the screen. After clicking on the play icon, users will see a dropdown menu offering the different formats that a report can be run in (e.g. Excel, PDF).

7.2.3 Navigating a Report

Located at the bottom of individual reports are navigation buttons to help users scroll quickly through the report. There are options to scroll gradually through the report or quickly refer to the top or bottom of the report.

7.2.4 Prompts

There are different types of prompts in OSCAR which act as questions and allow a user to customise the information in a report based on their own needs. The choice of certain prompts will determine available choices for subsequent prompts e.g. Departmental Group will determine which Organisations are available. The list of prompts from which to select:

- Year

- Departmental Group

- Organisation

- Organisation Type

- Classification

- Collection Cycle

- Status

- Metric (£)

- Metric (%)

- Metric (Numeric Values)

7.2.5 Prompts: Single-Select and Multi-Select

Multi-Select prompts are characterised by a check box group and users will be able to select and deselect multiple options for checkboxes. Single-Select prompts are characterised by radio button groups and users can only select one option at a time.
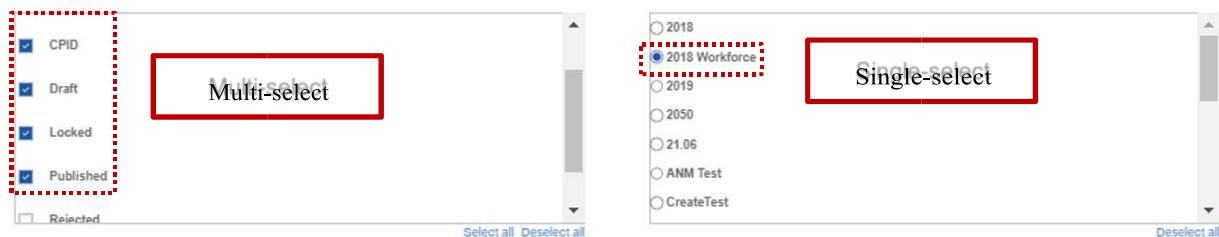
7.2.6 Cascading Prompts

The cascade functionality limits the displayed prompt values based on the user's selection within the parent prompt i.e. using values from one prompt to filter values in the next prompt. All of the Departmental Group prompts are "parent prompts" and all organisation prompts are cascading. Using the example below, a user's selection of the departmental prompt will determine what will appear in the organisation prompt. Once the parent prompt has been selected the user must click the 'Next' button to see the departments which make up the Departmental Group.
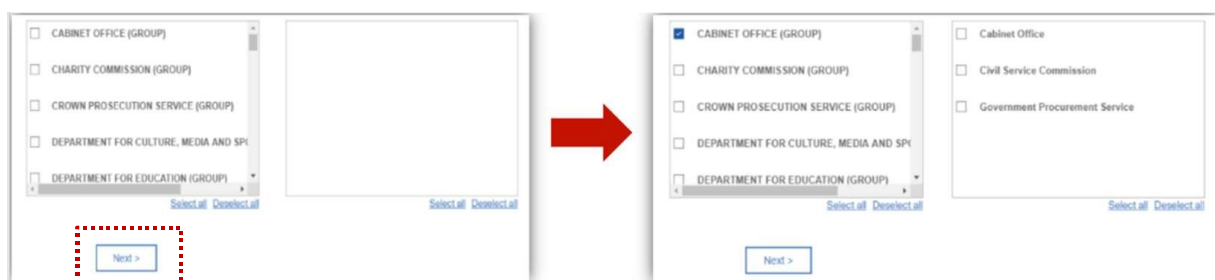
7.3 Next steps

Users will be able navigate the reporting application and to utilise the functionality found within the reports.

8   Step: Running (data provider) reports

8.1 Brief description

This section will illustrate how data providers view OSCAR WPR reports, apply filters to the reports to view data in different ways, run reports, and export reports into different formats.

8.1.1 Key trends and analysis

This report is designed to show the WPR values over years with functionality to see individual metric values.
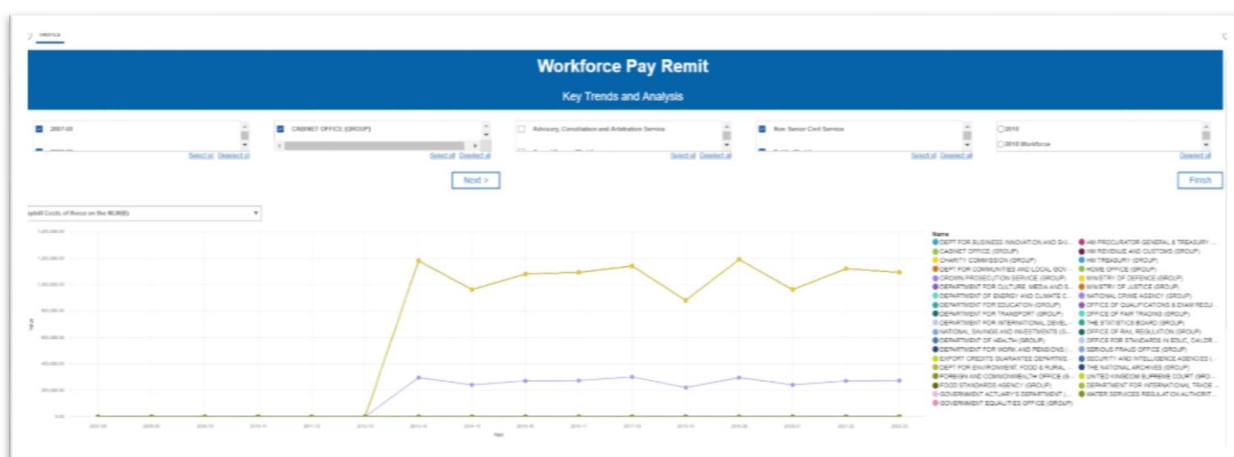
8.1.2 Analysis report

This report is designed to compare WPR metric values over a range of years. The report is split into three tabs for the three different types of metrics (£, % and numeric). Within each tab there is 3 line charts.
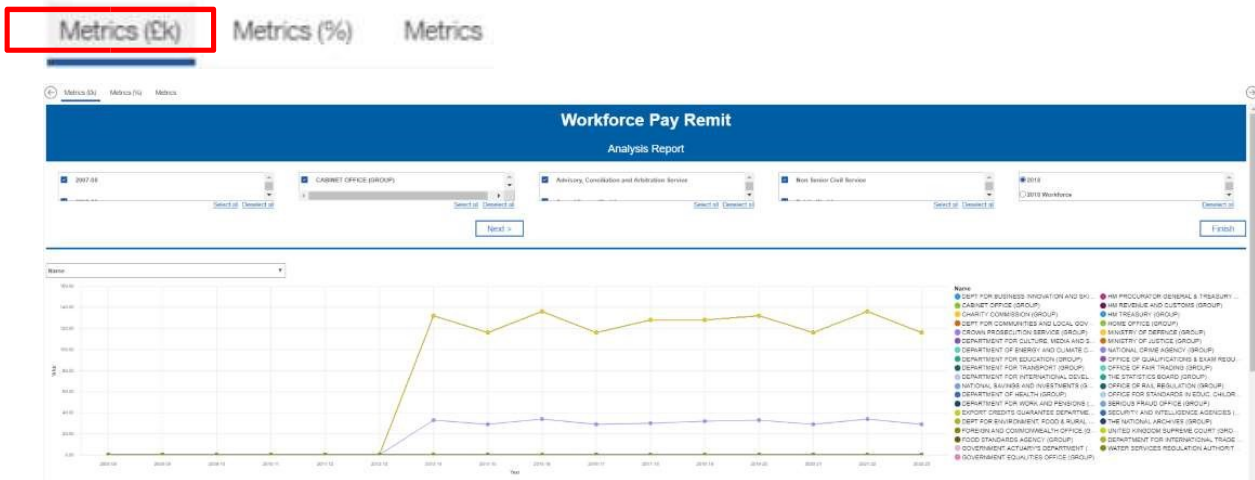
8.1.3 Departmental summary

This report is designed to show the value of metrics across WPR by year.

8.2 Next steps

Following the running of reports data providers are able to export the graphical data for their own analysis.

9   Annex A – Acronyms and jargon (A-Z)

Acronym	Description
%	Percentage
£	Pounds sterling
£k	Thousands, pounds sterling
Ad hoc	when necessary or needed
Cycle	Pay round or remit year
FTE	Full time employee
Global filter	A filter which will apply to all object on the ad hoc reporting page e.g. Organisation will be applied for all objects
Hard validation	Will prevent a user from moving onto the next step i.e. submit
IRC	Increase in Remuneration cost
KPI	Key performance indicator
NLW	National living wage
o/w	Of which i.e. what the total balance in bold is made up of
OSCAR	Online System for Central Accounting and Reporting
Paybill	Spending on workforce
Soft validation	Will show a warning that the value entered may need to be checked however will not prevent a user from progressing to the next step
Tabular filter	A filter which is only applied to any tables of data
Visualisation filter	A filter which is only applied to any graphs
workflow	the review sequence the data submission work passes until completion
WPR	Workforce and Pay remit
WPP team	Workface Pay and Pensions team (HMT)

10   Annex B – Help and IRC examples

10.1 Notes from WPP

The increase in remuneration costs (IRC) data is a required field for the civil service and is not optional. Departments are reminded to consider the detail of the 2020-21 Civil Service Pay Guidance when calculating IRC figures

Similar to previous years, workforce size is required to be calculated as an average for the year rather than as a spot date figure.

Departments are required to submit data relating to the number of exit packages, exit costs, cost of the National Living Wage (NLW) and number of employees on the NLW via the WPR module.

Departments should notify OSCAR support of MOG or any organisation changes to ensure organisations are listed under the correct departments.

10.2 Increase in Remuneration Cost (IRC) - Oversimplified Illustration

This simple illustration shows how the IRC can be calculated from the baseline remuneration cost and the projected remuneration cost (as highlighted).
The IRC reflects the fact that ABC has increased pay in line with a1% pay award policy even though its total paybill is reduced by 9.1%, this is due to workforce reductions.
Please consider the detail of the Civil Service Pay Guidance when calculating IRC figures.

ABC agency increases salary rates for all its employees by 1%, and reduces its workforce by 10%.							
		Year 1	Year 2		Notes		
Workforce (no of employees)		100	90		Workforce reduction	-10.0%	
Paybill		£1,000,000	£909,000		Net paybill reduction	-9.1%	
Average Salary cost per employee		£10,000	£10,100		Average Salary increase	1.0%	
All figures exclude employer NIC and superannuation costs							
The figures above give:							
Baseline Remuneration cost			£900,000		ie Remuneration cost of year 2 staff complement before		
Projected Remuneration Cost			£909,000		ie Remuneration cost of year 2 complement after applying salary and pay cost changes.		
Increase in Remuneration Cost			£9,000				
Increase in Remuneration Cost as a % of baseline			1.0%				
*Note: This example is for illustrative purposes only. Departments should refer to the **Civil Service Pay Guidance** and address any queries to WPR@hmtreasury.gov.uk*							

10.3 Increase in Remuneration Cost - Illustration (staff T/O reducing average salary costs)

ABC agency loses some of its workers and replaces them with lower paid workers. The number employed remains the same but the paybill is lower as is the average wage.

Below shows the average salary cost per employee before any salary increases and the average salary cost per employee after a 1% increase in the salary rates of all employees.

The remuneration cost is then calculated as before, where the baseline cost is the cost of year 2 staff before a 1% pay increase and projected cost is the cost of year 2 staff after a 1% pay increase.

The IRC reflects the fact that ABC has increased pay in line with a 1% pay award policy. This is despite the fact that ABC's total paybill is reduced by 4.1% due to staff turnover reducing the average salary cost.

ABC agency increases salary rates for all its employees by 1%, and fills vacancies arising from staff wastage.						
		Year 1	Year 2		Notes		
Workforce (no of employees)		100	100		Workforce reduction	0.0%	
Paybill		£1,000,000	£959,500		Net paybill reduction	-4.1%	
Average Salary cost per employee (before yr 2 pay increase)		£10,000	£9,500		ABC fills vacancies, increasing proportion of staff on lower pay points.		
Average Salary cost per employee (after applying yr 2 pay increase)		£10,000	£9,595		Net change in av. salary	-4.1%	
All figures exclude employer NIC and superannuation costs						
The figures above give:						
Baseline Remuneration cost			£950,000		ie Remuneration cost of year 2 staff complement before any salary and pay cost changes.		
Projected Remuneration Cost			£959,500		ie Remuneration cost of year 2 complement after applying salary and pay cost changes.		
Increase in Remuneration Cost			£9,500				
Increase in Remuneration Cost as a % of baseline			**1.0%**				
Note: This example is for illustrative purposes only. Departments should refer to the Civil Service Pay Guidance and address any queries to WPR@hmtreasury.gov.uk						

10.4 Increase in Remuneration Cost - Illustration excluding Contractual Progression

Half of ABC's employees have contractual progression averaging 1.5% (1a), the other half receive average salary increases of 0.5%(1b). ABC also reduces its workforce by 10%, equally across groups a and b, between year 1 and year 2.

The IRC for total paybill is calculated in the same way as in the simple illustration producing an IRC of 1%, in line with a 1% pay award.

In order to calculate the IRC excluding progression the IRC attributable to progression should be subtracted from the IRC for the total paybill (as highlighted)

50% of ABC agency's employees receive contractual progression increments averaging 1.5%. ABC increases the salaries of the rest of its employees by an average of 0.5%.								
			Year 1	Year 2	Notes			
1								
(a) No of employees receiving progression increments			50	45	Workforce reduction	-10.0%		
Average Salary cost per employee			£10,000	£10,150	Average Salary increase	1.5%		
Paybill			£500,000	£456,750				
(b) No of other employees			50	45	Workforce reduction	-10.0%		
Average Salary cost per employee			£10,000	£10,050	Average Salary increase	0.5%		
Paybill			£500,000	£452,250				
(c) Total no of employees			100	90	Workforce reduction	-10.0%		

Paybill			£1,000,000	£909,000		Net paybill reduction	-9.1%		
Average Salary cost per employee			£10,000	£10,100		Average Salary increase	1.0%		
All figures exclude employer NIC and superannuation costs									

2											
The figures above give:											
(a) For total paybill:											
Baseline Remuneration cost			£900,000		ie Remuneration cost of year 2 staff complement before any salary and pay cost changes.						
Projected Remuneration Cost			£909,000		ie Remuneration cost of year 2 complement after applying salary and pay cost changes.						
Increase in Remuneration Cost			£9,000								
Increase in Remuneration Cost as a % of baseline			1.00%								
(b) For total paybill excluding progression increment costs											
Calculate the amount of the IRC that is not attributable to progression, exclude it from the total increase and calculate the balance of the increase as % of total baseline.											
Increase in Remuneration Cost (IRC)			£9,000								
less IRC attributable to progression			£6,750		ie 45 x £150						
IRC excluding progression			£2,250								
IRC (excluding progression) as a % of baseline			0.25%		ie £2,250 as % of £900,000						
Note: This example is for illustrative purposes only. Departments should refer to the Civil Service Pay Guidance and address any queries to WPR@hmtreasury.gov.uk											

10.5 Increase in Remuneration Cost - Illustration of PRP pot adjustment

ABC increases salary rates for all of its employees by 1% and reduces its workforce by 10%.

Part 1 is calculated as in the simple illustration and the IRC reflects the fact that ABC has increased pay in line with a 1% pay award, even though its total paybill is reduced by 9.1% due to workforce reductions.

In 3a the increase in consolidated pay is exactly offset by a reduction in the PRP pot, leaving the projected paybill unchanged and IRC at 1%.

In 3b the increase in consolidated pay is capped at 85% of the PRP pot reduction to offset additional pension liabilities and NIC costs arising from the net increase unconsolidated pay. IRC is below 1% because the reduction in the PRP pot is not fully offset by an increase in consolidated pay.

ABC agency increases salary rates for all its employees by 1%, and reduces its workforce by 10%.						
1 - Excluding non-consolidated performance pot (PRP pot)						
		Year 1	Year 2	Notes		
Workforce (no of employees)		100	90	Workforce reduction	-10.00%	
Average Salary cost per employee		£10,000	£10,100	Average Salary increase	1.00%	
Consolidated* Paybill		£1,000,000	£909,000	Net paybill reduction	-9.10%	
All figures exclude employer NIC and superannuation costs						
*For this illustration is assumed to include all consolidated and non-consolidated paybill payments not covered by PRP pot.						
The figures above give:						

Baseline Remuneration cost		£900,000	ie Remuneration cost of year 2 staff complement before any salary and pay cost changes.						
Projected Remuneration Cost		£909,000	ie Remuneration cost of year 2 complement after applying salary and pay cost changes.						
Increase in Remuneration Cost		£9,000							
Increase in Remuneration Cost as a % of baseline		1.00%							
The Increase in Remuneration Cost reflects the fact that ABC has increased pay in line with the 1% pay award, even though its total paybill is reduced by 9.1% due to workforce reductions.									
2 - Including PRP pot fixed at 1 % of consolidated paybill, before PRP pot adjustment.									
PRP pot (1%)		£10,000	£9,000	PRP pot is fixed at 1% of consolidated baseline pay-bill. Year 1 baseline paybill is assumed equal to actual pay-bill					
Total Paybill before PRP adjustment	£1,010,000	£918,000	Consolidated paybill plus PRP pot						
Average Salary cost per employee	£10,100	£10,200	Average Salary increase	0.99%					

3(a)- PRP pot adjustment, assuming 100% of PRP pot reduction is offset.									
PRP pot (0.5%)			£4,500	In year 2 dept switches 50% of PRP pot to consolidated pay.					
Baseline Remuneration Cost			£900,000						
Projected Remuneration Cost			£909,000	ie Consolidated PRC (+£909,000) plus half PRP pot (+£4,500) less reduction in PRP pot (-£4,500).					
Increase in Remuneration Cost			£9,000						

Increase in Remuneration Cost as a % of baseline		1.00%	
Consolidated Paybill after adjustment	£1,000,000	£913,500	ie including additional funding offset by PRP pot reduction.
Total Paybill after adjustment	£1,010,000	£918,000	Consolidated paybill plus PRP pot after adjustment.
In 3(a), Increase in consolidatd pay is exactly offset by reduction in PRP pot., leaving projected paybill unchanged and IRC at 1%.			
3(b)- PRP pot adjustment, assuming 85% of PRP pot reduction is offset.			
PRP pot (0.5%)		£4,500	In year 2 dept switches 50% of PRP pot to consolidared pay.
Baseline Remuneration Cost		£900,000	
Projected Remuneration Cost		£908,325	ie Consolidated PRC (+£909,000) plus 85% of half PRP pot (+£3,825) less reduction in PRP pot (-£4,500).
Increase in Remuneration Cost		£8,325	
Increase in Remuneration Cost as a % of baseline		0.93%	
Consolidated Paybill after adjustment	£1,000,000	£912,825	ie including additional funding offset by PRP pot reduction.
Total Paybill after adjustment	£1,010,000	£917,325	Consolidated paybill plus PRP pot after adjustment.
In 3(b), increase in cosolidated pay is capped at 85% of PRP pot reduction to offset additional pension liabilities and NIC costs arising from net increase in consolidated pay. IRC is below 1% because reduction in PRP pot is not fully offset by increase in consolidated pay.			
Note: This example is for illustrative purposes only. Departments should refer to the Civil Service Pay Guidance and address any queries to WPR@hmtreasury.gov.uk			