



Office of Manpower
Economics

Stewardship Report 2013-14

© **Crown copyright 2014**

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/ or email PSI@nationalarchives.gsi.gov.uk

This publication is available at
<https://www.gov.uk/government/collections/ome-stewardship-reports>

Any enquiries regarding this publication should be sent to us at:
Office of Manpower Economics
8th Floor
Fleetbank House
2-6 Salisbury Square
London EC4Y 8JX
steven.mokogwu@bis.gsi.gov.uk

Foreword by the Director, Office of Manpower Economics

The last year has been one of considerable challenges for the Office of Manpower Economics (OME), on both the policy and the administrative fronts.

On the former, the Government's continuing tight public sector pay policy again limited the scope within which the Review Bodies, for which OME provides the Secretariats, could operate, although each Review Body undertook a pay round, and in some cases wider remits. For example the School Teachers' Review Body undertook a further substantive reform remit. For the first time in many years, the UK Government rejected the main recommendations of two of the Review Bodies – those dealing with National Health Service staff and Doctors and Dentists in England – and imposed a two year pay settlement. We successfully completed a major project to set up a new Review Body, dealing with the National Crime Agency (and next year the Police); the first new Review Body for over ten years. This shows the Review Body system supported by OME is still relevant and useful in dealing with the pay of sensitive public sector groups.

Another feature of the year was the Triennial Review of four of the Review Bodies. In each case, the resulting reports endorsed their continuing role and made only very minor recommendations for change. OME staff can take pride in this, since it is, in part at least, an endorsement of the way in which we have supported these bodies over the years. Staff morale remains high, with the 2013 annual staff survey showing OME staff to be highly engaged and motivated.

On the latter, OME staff have been affected by many changes made by our parent Department, Business, Innovation and Skills, to systems and processes. These include the need to plan for a new IT system, and for a shift in our location from Victoria House, Holborn to Fleetbank House, off Fleet Street. This move will reduce our annual accommodation cost whilst still offering "fit for purpose" accommodation for review body meetings and stakeholders presenting evidence.

On a personal note, this will be my last Stewardship Report as I retire from the Civil Service at the end of September 2014. It has been a pleasure and a privilege to work with such talented and committed staff, and of course with our pay body Chairs and Members who provide such effective service to the public at very modest cost. I wish them and all our customers well for the future.

Geoff Dart
Director, OME
September 2014

Contents

	Page
Foreword	1
The Office of Manpower Economics (OME)	3
The Public Sector Pay Review Bodies	4
Chapter 1 About the OME	5
Budget and efficiency	5
Staff	5
Values and behaviours	6
Training and development	7
Staff engagement	8
Working with BIS	8
The Freedom of Information Act 2000	8
Chapter 2 The Work of the Teams	9
Overview	10
The financial year 2013-14: context and Government pay policy	15
Armed Forces' Pay Review Body (AFPRB) Secretariat	16
Review Body on Doctors' and Dentists' Remuneration (DDRB) Secretariat	17
National Crime Agency Remuneration Review Body (NCARRB) Secretariat	18
NHS Pay Review Body (NHSPRB) Secretariat	19
Prison Service Pay Review Body (PSPRB) Secretariat	20
School Teachers' Review Body (STRB) Secretariat	21
Review Body on Senior Salaries (SSRB) Secretariat	23
Police Negotiating Board Secretariat	24
Police Advisory Board for England and Wales	24
Research and Analysis Group	24
Review Body appointments	25
Triennial reviews	25
Annex A OME Staff Resources 2013-14	27
Annex B Review Body Secretariat Work Volumes 2013-14	28
Annex C Research commissioned and managed by the OME 2013-14	29

The Office of Manpower Economics (OME)

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

The OME's 2013-14 aim:

“Through the quality, timeliness, efficiency and rigour of its work, to support the Pay Review Bodies in offering evidence-based independent advice on public sector pay and conditions, in accordance with their terms of reference, and in making a positive contribution to public sector reform and delivery. Similarly, to support the Police Negotiating Board and the Police Advisory Board for England and Wales in the activities defined by their constitutions”.

The OME sought to do this by:

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

The OME provides the Review Bodies and Police Boards with access to a range of independent expertise in economics, statistics, pay and labour market issues as well as policy, stakeholder management and high level secretariat skills. It also has a small Management Support Unit, responsible for the management, finance, human resources and other services required to support OME's operations.

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

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

The Public Sector Pay Review Bodies

The OME provides an independent secretariat for each of the seven Public Sector Pay Review Bodies, as well as the Police Negotiating Board and the Police Advisory Board for England and Wales. The independent Review Bodies advise the Prime Minister, relevant Secretaries of State and the devolved administrations on remuneration matters referred to them, including annual recommendations about pay levels.

Although the Review Bodies operate independently of each other, their procedures are broadly similar. During the autumn, each body receives written and oral evidence from both the Government and representative organisations about pay issues for the relevant workgroups. Other interested parties may also submit evidence. The Review Bodies weigh the evidence and their own independent research to formulate recommendations on the remuneration of their remit groups. They submit their recommendations to the Prime Minister and Secretaries of State, and where appropriate to the devolved administrations, early in each new year.

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

The work undertaken by each Review Body is set out fully in their published reports. These are available on the OME pages of GOV.UK, and are therefore summarised rather than reported in detail here.

Chapter 1: About the OME

- 1.1 The purpose of the OME is to provide its pay bodies with the support they require to fulfil their respective terms of reference in making pay and related recommendations for public sector workers. Like other government departments, we receive public funds to carry out this function. Holding a secretariat role, this means our function is mainly the annual activity and process as described in Chapter 2.
- 1.2 This report provides an account of our use of public funds in terms of the OME budget and the work for which it pays.

Budget and efficiency

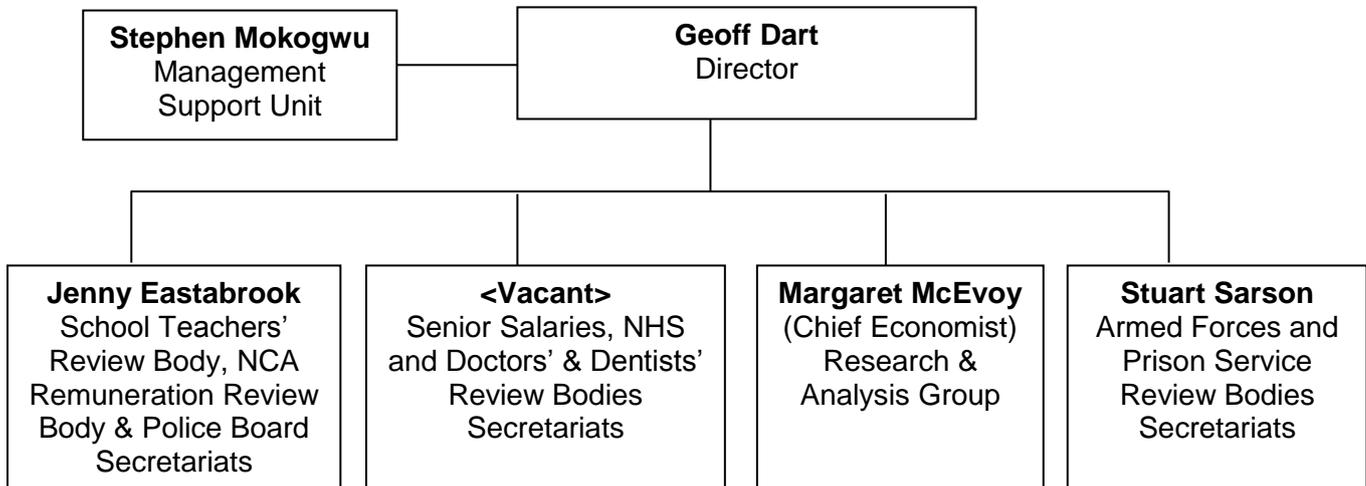
- 1.3 The OME's net budget for 2013-14 was £2,601,000. In the light of the Government's continuing policy of public sector pay restraint, we decided to reduce the normal research programme. This, together with the impact of a range of efficiency measures, led to a planned budget under-spend. This allowed us to return £150,000, or almost 6 per cent of the budget to BIS.
- 1.4 We continue to look for further efficiency gains, for example from:
 - Planning a move from Victoria House to Fleetbank House, which will reduce accommodation costs (this took place in August 2014).
 - Sharing back-office costs with the Low Pay Commission, with which OME is – and will continue to be – co-located.
 - Making increased and continued use of in-house and on the job training.
 - Keeping staff numbers and workload under review.
 - Promoting flexible and innovative ways of working.
 - Bearing down on costs, for example, of publications, travel and photocopying.
 - Using the BIS shared services programme.
 - Rigorous assessment of business cases and effective procurement practice for research spending.

Staff

- 1.5 The OME ended the year with 33 staff (full time equivalent of 30.8) around a third of whom joined during the year. The numbers (both headcount and full-time equivalent) by grade are given at Annex A. The senior management team saw the arrival of one new member, the retirement of another and a move to part time working by a third member. In addition, work responsibilities were changed and the financial year ended with a vacancy established (successfully filled in summer 2014).

1.6 We provided secretariat support for seven Review Bodies and two other pay bodies – the Police Negotiating Board and Advisory Board – across the year.

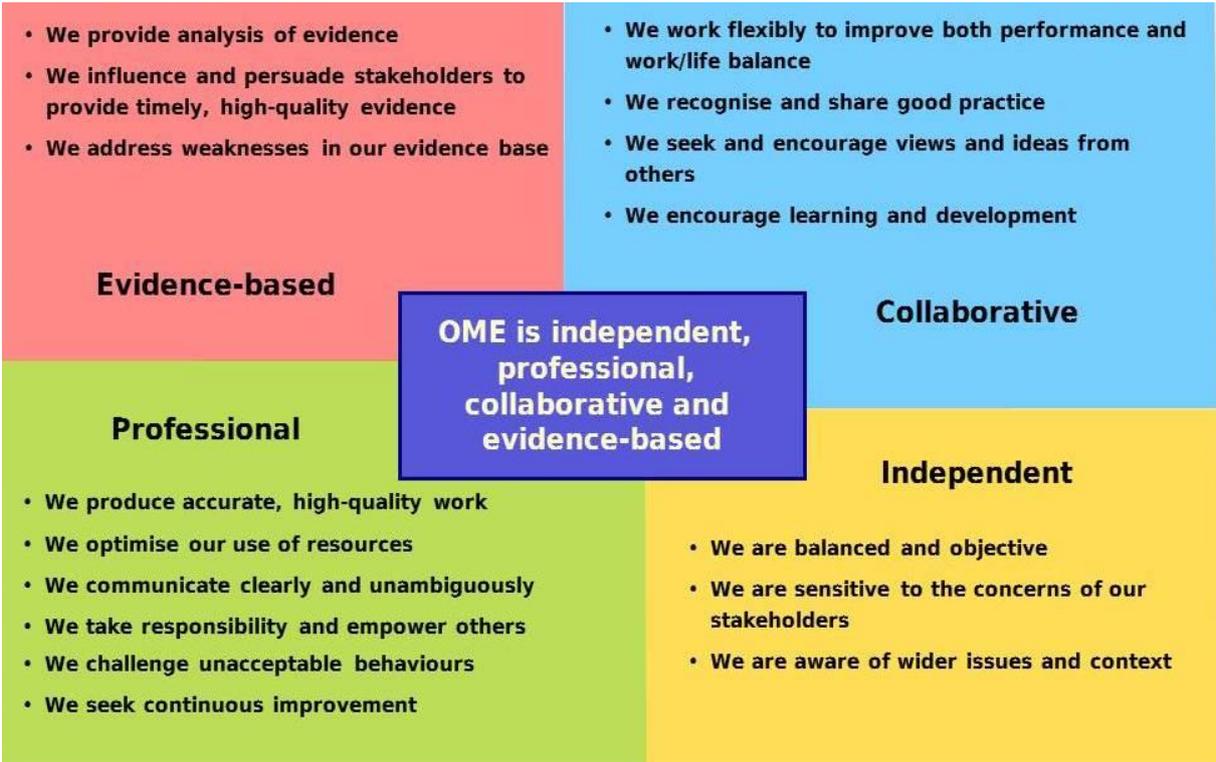
Figure 1: The OME Organisational Chart as at 31 March 2014



Values and behaviours

1.7 We continued to use the OME values and behaviours to ensure that our work for the pay bodies was independent, professional, collaborative and evidence-based. These values and behaviours are shown on the next page.

Figure 2: The OME values and behaviours



Training and development

1.8 The OME’s training and development activities focused on:

- Promoting best practice across teams to ensure we offer the best possible support to pay bodies.
- Developing individuals to improve their performance and enable them to operate flexibly across OME.
- Encouraging individuals to develop key professional skills for the relevant OME competences. As part of this, ensuring analysts (which comprise a third of OME staff) comply with Continuous Professional Development requirements for the Government Statistical Service and the Government Economic Service as appropriate.

1.9 Our approach used a range of tools, including a programme of in-house seminars, coaching, mentoring, short-term attachments and shadowing, as well as formal training courses (including e-learning). During 2013-14 a significant proportion of our training spend was again devoted to increasing knowledge through attending specialist conferences and acquiring specific skills.

Staff engagement

- 1.10 The annual BIS People Survey for 2013 (which is part of the wider Civil Service People Survey which measures employee engagement) showed the OME's engagement index at 72 per cent. This was 18 percentage points higher than the average for our parent Department, BIS, and compared favourably with the highest scoring units in the Civil Service.

Working with BIS

- 1.11 The OME is a small department and BIS provides our IT, accommodation, HR and finance services. Consequently, staff members are usually considered to be part of the BIS "family" for pay purposes and logistical issues. However, as a department, OME maintains policy and operational independence and the pay bodies have no relationship with BIS.
- 1.12 In 2013-14 we were involved in most of the key BIS initiatives, surveys and other work, including:
- Participating in the transition of HR and finance services to the new UK shared services hub.
 - Participating in the annual BIS People Survey.
 - Participating in the BIS professional networks for Economists and Statisticians.
 - Participating in many BIS staff events and BIS training programmes, including learning and development network meetings and the new Buddy scheme.
 - Preparing to migrate to the new *Evo/ve* IT system.

The Freedom of Information Act 2000

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

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

Chapter 2: The Work of the Teams



Overview

- 2.1 The work of OME staff is directed by the requirement of the pay bodies that we support. The Review Bodies receive annual remits to recommend on pay for the groups that they represent. In 2013-14, the National Crime Agency Remuneration Review Body came into being. This new Review Body will recommend on pay and allowances for National Crime Agency officers designated with operational powers below Deputy Director.
- 2.2 From time to time, the Review Bodies receive additional remits. In 2013-14, this included one which covered setting pay for school leaders, allowances, safeguarding and teachers' non-pay conditions and also a remit for considering an allowance for Northern Ireland prison staff to reflect the security situation they operated within.
- 2.3 Secretariats' work falls into a number of phases:
- Organising and supporting Members across an extensive visit programme of information gathering.
 - Commissioning research and survey work (for example, pay comparability). Also, collecting any data or analyses that the Review Body requests. These can include information about the remit group (such as on recruitment and retention) and more general information about the economy drawn from a variety of sources.
 - Liaising with the parties (such as Government departments and unions). This is to ensure that written evidence is provided to the Review Body on time and that subsequent oral hearings with the major parties are arranged and supported.
 - Scheduling, arranging and supporting all meetings.
 - Preparing briefing and technical papers on the written evidence and responses from both the Government and the other parties to assist the Review Bodies in their consideration of the remits from Government.
 - Drafting the reports following the evidence sessions and the Review Body decision-making process. This involves a considerable amount of background briefing and clearance of technical detail.
 - Informal discussions with the parties about the outcome of the last round and likely points for the future.
- 2.4 The exact nature of the work varies between secretariats. Timetables and submission dates depend on when the annual pay increases are applied (for example, changes to teachers' pay apply from 1 September but most other groups, including the Armed Forces and NHS staff, have awards and changes applying from 1 April each year). The Review Bodies are independent of each other as well as of Government.
- 2.5 See Table 1 for information about the Review Bodies and Table 2 for information about the other two pay bodies, the Police Boards.

Table 1: Review Bodies Supported by the OME

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
Armed Forces' Pay Review Body	Non Statutory	Ministry of Defence	Members of the Armed Forces up to and including the rank of Brigadier (one star) and equivalents	Ministry of Defence, Service Families' Federations, Reserve Forces' and Cadets' Association, British Medical Association and British Dental Association.	166 (headcount)	£8 billion	United Kingdom
Review Body on Doctors' and Dentists' Remuneration	Non Statutory	Department of Health	Hospital doctors and dentists; general medical practitioners; ophthalmic medical practitioners; general dental practitioners; and doctors and dentists in public health, community health, and salaried primary dental care services	Department of Health, Welsh Assembly Government, Scottish Executive Health Department, Department of Health, Social Services and Public Safety in Northern Ireland, NHS Employers, NHS England, British Medical Association, British Dental Association, Advisory Committee on Clinical Excellence Awards, Scottish Advisory Committee on Distinction Awards, Foundation Trust Network and Health Education England.	211 (headcount including GMPs & GDPs) 199 (FTE)	£18 billion	United Kingdom
National Crime Agency Remuneration Review Body	Non Statutory	Home Office	National Crime Agency officers designated with operational powers	Home Office, National Crime Agency, Public and Commercial Services Union (PCS), the National Crime Officers' Association (NCOA), FDA	1.9 (headcount) 1.9 (FTE)	£67 million	United Kingdom

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
NHS Pay Review Body	Non Statutory	Department of Health	All staff employed in the NHS, and paid under Agenda for Change. This covers all NHS staff, with the exception of doctors, dentists and very senior managers.	Department of Health, England; Department of Health, Social Services and Children, Wales; Department of Health, Social Services and Public Safety, Northern Ireland; Scottish Government Health and Social Care Directorates; NHS Employers; Northern Ireland Public Service Alliance; the Joint Staff Side and its individual staff bodies, which are: British Association of Occupational Therapists; British Dietetic Association; British Orthotic Society; Chartered Society of Physiotherapists; Community and District Nursing Association; Federation of Clinical Scientists; GMB; Royal College of Midwives; Royal College of Nursing; Society of Chiropractors and Podiatrists; Society of Radiographers; Union of Construction, Allied Trades and Technicians; Unison; and Unite.	1,363 (headcount) 1,177 (FTE)	£42 billion	United Kingdom
Prison Service Pay Review Body	Statutory	Ministry of Justice (England and Wales)	Governing governors, other operational managers, prison officers and operational support grades in the England and Wales Prison Service.	National Offender Management Service, POA, Prison Governors' Association and Public and Commercial Services Union.	25 (headcount) (England and Wales) 24 (FTE)	£930 million (England and Wales)	England and Wales
		Department of Justice (Northern Ireland)	Governor, officer and support grades (and equivalents) in the Northern Ireland Prison Service.	Northern Ireland Prison Service, POA (Northern Ireland) and Prison Governors' Association (Northern Ireland)	1.4 (headcount) (Northern Ireland)	£62 million (Northern Ireland)	Northern Ireland

Review Body	Status	Sponsoring department	Remit group	Consultees	No. within Remit Group (000s)	Annual paybill	National coverage
School Teachers' Review Body	Statutory	Department for Education	Teachers, including head teachers, in maintained schools and services in England and Wales	<p>Department for Education, the Welsh Government. Association of local authorities: National Employers' Organisation for School Teachers.</p> <p>Organisations representing teachers: Association of School and College Leaders, Association of Teachers and Lecturers, British Association of Teachers of the Deaf, National Association of Head Teachers, National Association of Schoolmasters Union of Women Teachers, National Union of Teachers, Undeb Cenedlaethol Athrawon Cymru, Voice.</p> <p>Organisations representing governors: Governors Wales, National Governors' Association.</p>	540 (headcount) 476 (FTE)	£22 billion	England and Wales
Review Body on Senior Salaries	Non Statutory	Cabinet Office, Ministry of Justice, the Ministry of Defence, the Department of Health and the Home Office	Senior Civil Servants, the Judiciary, Senior Military Officers, certain Very Senior Managers in the NHS (VSMs) and Police and Crime Commissioners (PCCs).	Cabinet Office, Ministry of Justice, Ministry of Defence, Department of Health, Home Office, Association of Police and Crime Commissioners, Civil Service Commission, FDA, Prospect, Managers in Partnership, Lord Chief Justice, Lord President of the Court of Session (Scotland), Lord Chief Justice of Northern Ireland, Judicial Appointments Commission (England and Wales), Judicial Appointments Board for Scotland and Northern Ireland Judicial Appointments Commission, members of the remit groups	Judiciary 2.2; VSMs 0.4; Senior military 0.1; SCS 3.7; PCCs 0.04. (All headcount)	Judiciary: £391 million; VSMs: £60 million; Senior Military: £24 million; SCS: £395 million; PCCs: £3 million.	Judiciary and senior military: UK; SCS: GB; PCCs: England and Wales; VSMs: England.

Notes:

1. The figures above are OME estimates made in autumn 2014 (most refer to March 2014). They give a general indication of orders of magnitude but have not been compiled on a wholly consistent basis due to the nature of the data sources and different methodology and time frame approaches.
2. DDRB figures include GMPs and GDPs as well as salaried staff.
3. Please contact OME (see front of this report) if you would expect to be included in the list of consultees.

Table 2: Police Boards Supported by OME

Police Board	Status	Sponsoring Department	Remit Group	Consultees	No. within Remit Group 000s	Annual Paybill	National Coverage
Police Advisory Board for England & Wales	Statutory	Home Office	All ranks in police forces in England and Wales.	Representatives from the Association of Police and Crime Commissioners (APCC), Chief Officers, Police Staff Associations, HM Inspectorate of Constabulary, Home Office.	N/A	N/A	England & Wales
Police Negotiating Board	Statutory	Home Office	All ranks in Home Departments' police forces in the UK.	Representatives from Association of Police and Crime Commissioners (APCC), ACPO & ACPOS, Home Office, Scottish Executive and Northern Ireland Office, APA, COSLA, Police Federation, CPOSA and the Superintendents Associations	155 (headcount) 152 (FTE)	£8 billion	United Kingdom

Note: The figures above are OME estimates made in autumn 2014 (most refer to March 2014). They give a general indication of orders of magnitude but have not been compiled on a wholly consistent basis due to the nature of the data sources.

The financial year 2013-14: context and Government pay policy

- 2.6 Following the General Election, the incoming Coalition Government announced a two year pay freeze for public sector workers earning over £21,000 per annum in its June 2010 Budget. Those earning less were to receive an uplift of at least £250. Similar approaches were also adopted by the devolved administrations. The pay freeze has been followed by a period of pay restraint, under which Government has restricted pay rises to an average of one per cent. Pay rounds since 2010 have therefore taken place within the context of a policy of public sector pay restraint which has placed restrictions on the ability of the Review Bodies to make recommendations on pay.
- 2.7 In the course of 2013-14 the secretariats helped the Review Bodies to produce nine reports which were submitted to the appropriate UK Governments and are published on the OME website. To support these, OME produced a large body of work including summaries and analysis of the evidence, reports on issues raised on visits, statistical and economic briefing, updates on pay and labour market issues and setting out the details of possible options that the Review Bodies considered. Secretariats arranged visits to enable Review Bodies Members to meet the staff and managers affected by their recommendations and to discuss the key issues with them. This complements the formal evidence received from employers and staff representatives.
- 2.8 The following pages set out the main work of each secretariat, including the Review Body reports produced in the year and their main recommendations. The total number of visits, meetings and reports for each Review Body is at Annex B.
- 2.9 The final part of this chapter covers the police boards, the Research and Analysis Group and the appointments process in which OME has some involvement. Also, there is a short section on the Triennial Reviews of four of the Review Bodies that took place during the year.

Armed Forces' Pay Review Body (AFPRB) Secretariat

The AFPRB secretariat supports its Review Body in providing independent advice on the pay and charges for members of the Naval, Military and Air Forces of the Crown (stationed both within and outside the United Kingdom).

In 2013-14, the AFPRB secretariat supported the Review Body through its usual annual remit which covered pay and allowances but also accommodation and food charges. In addition, the AFPRB commissioned independent research into pay comparability and a review of the components of X-Factor to assess their suitability for making comparisons between modern military and civilian life.

The AFPRB submitted its main (43rd) annual report on 31 January 2014. Its main recommendations were:

- An increase of one per cent in base pay.
- A one per cent increase in most rates of Recruitment and Retention Pay (RRP), compensatory allowances and Reserves Bounties.
- A one per cent increase in all levels of Long Separation Allowance with the addition of two extra levels at the top end of the scale.
- A one per cent increase in all levels of Unpleasant Living Allowance.
- An increase of 2.2 per cent to all grades of Service Family Accommodation rental charges in line with the rental component of RPI.
- Increases of 2.2 per cent to grade 1, 1.5 per cent to grade 2, 0.7 per cent to grade 3 and zero to grade 4 for Single Living Accommodation rental charges.
- A Daily Food Charge of £4.72 (an increase of 29 pence, or 6.5 per cent).

The Government accepted the AFPRB's recommendations and the report was published on 13 March 2014.

Following submission of the main report, the Review Body began its normal supplementary work on Service Medical and Dental Officers' pay. The resulting supplementary report was submitted to Government on 27 March 2014. An overall recommendation of one per cent was accepted by the Government on 6 May 2014.

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

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

In 2013-14, the DDRB secretariat supported the Review Body through its usual annual remit covering pay and allowances. Reflecting the different public sector pay policies across the four countries of the United Kingdom, the DDRB's remit covered all salaried doctors and dentists, independent contractor general medical practitioners and general dental practitioners.

The DDRB submitted its (42nd) annual report in February 2014. Government published the report in March 2014. The central recommendations in the report were:

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

The recommendations on salaried doctors and dentists were accepted only by the Scottish Government, whilst the UK Government imposed a freeze on all salary points in England, with Wales and Northern Ireland following England's approach, arguing that increments would suffice for pay increases. Only those salaried staff at the top of their incremental pay scales received a non-consolidated payment worth one per cent of their basic pay. The increases in net income for independent contractor general medical and dental practitioners were broadly accepted, although the four countries differed in how they translated this into an uplift in gross income.

National Crime Agency Remuneration Review Body (NCARRB) Secretariat

From August 2013, the OME secretariat has supported the establishment, set up and running of the NCARRB. The NCARRB was established in Regulations on 29 August 2013 and will recommend on pay and allowances for National Crime Agency (NCA) officers designated with operational powers below Deputy Director. The remit group does not include officers without operational powers.

The NCA came into operation on the 7 October 2013 under the Crime and Courts Act 2013 and is a Non-Ministerial Government Department with operational independence from Ministers. The Act placed restrictions on strike action by NCA officers designated with operational powers and also allowed the Home Secretary to provide for the establishment, maintenance and operation of procedures for the determination of the rates of pay and allowances.

Therefore the NCARRB was set up with terms of reference requiring it to have regard to:

- The operational crime-fighting role of NCA officers.
- The prohibition on NCA officers with operational powers taking strike action.
- The need to recruit, retain and motivate suitably able and qualified officers.
- The funds available to the NCA, as set out in the Government's departmental expenditure limits.
- The Government's wider public sector pay policy and the Government's policies for improving public services.
- The Government's inflation target.
- Relevant legal obligations on the NCA in England, Wales, Scotland and Northern Ireland, including the Equality Act 2010.

In 2013-14, the OME secretariat supported the introduction of the new Review Body through: the appointment and induction of a Chair and five Members from January 2014; an inaugural meeting in February 2014; liaison with interested parties on the process and evidence requirements; three further meetings to consider written and oral evidence; and two visits to the NCA. This enabled the NCARRB to submit its first report to the Government on the 23 May 2014.

The implementation of the Anti-social Behaviour, Crime and Policing Act 2014 will lead to the abolition of the Police Negotiating Board (PNB) in 2014 and the establishment of the Police Remuneration Review Body (PRRB) from September 2014. The Home Office will consider whether to merge the PRRB with the existing NCARRB.

NHS Pay Review Body (NHSPRB) Secretariat

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

The NHSPRB submitted its (28th) annual report on 25 February 2014.

The central recommendations in the report were:

- A one per cent increase to all *Agenda for Change* pay points.
- A one per cent increase to the high cost area supplement minima and maxima from 1 April 2014.

It also contained key messages on whether to tie a pay award to progress on reform of *Agenda for Change*, recruitment, retention and motivation, incremental progression, the diverging approach of the four countries of the United Kingdom, transformational change in the NHS and outcomes for patients.

The conclusions and recommendations were considered by the UK Government. It rejected the recommendations and made a one per cent non-consolidated payment to staff at the top of the pay band. Other staff will receive an increase of at least one per cent through incremental progression. These measures were applied to staff in England.

The Scottish Government accepted the recommendations with additional payments made to staff earning under £21,000.

The Welsh Government considered the recommendations and decided to award a non-consolidated flat cash sum of £160 to all staff. This award is in addition to measures for lower-paid staff and specific pay points equated to their equivalents in England.

The Northern Ireland Executive is still considering the recommendations and has not made a decision as of September 2014.

Prison Service Pay Review Body (PSPRB) Secretariat

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

In 2013-14, the PSPRB secretariat supported the Review Body through an additional remit for Northern Ireland on an additional allowance to reflect the security situation in that jurisdiction. The Review Body recommended all staff in grades created after 2002 received a £1,320 supplementary risk allowance to be reviewed every two years or when there is a significant change in the security climate. The report was submitted in December 2013 and was accepted by the Northern Ireland Executive.

The PSPRB submitted its (13th) annual report on England and Wales in February. There were eight recommendations in total. All eight recommendations related to pay, pay structures and allowances:

- A consolidated one per cent rise to all spine points on the Bands 2-5 *Fair and Sustainable* grades and their closed grade equivalents.
- Support for proposals from the National Offender Management Service to amend the *Fair and Sustainable* structure for Bands 7-11, which also includes performance-related, non-contractual progression.
- A one per cent increase to Bands 2-5 *Fair and Sustainable* equivalent staff on G4S grades at HMP Wolds.
- A one per cent increase in the Tornado allowance for staff called out to prison disturbances.

The report was accepted by the Government in March 2014.

The round in Northern Ireland was different from normal for 2013-14. The Northern Ireland Prison Service (NIPS), along with the two trade unions, reached a joint agreement. The Review Body noted the agreement and therefore no report was submitted in 2014. The main areas of the agreement covered:

- A consolidated one per cent increase to all prison staff in new and closed grades and all staff in the Prisoner Escorting and Court Custody Service.
- New scales for senior officers and the new governor grades.
- Changes to the custody prison officer scale and abolishing the offender supervisor grade.
- An increase in the supplementary risk allowance to £2,000.

The agreement was accepted by the Northern Ireland Executive in May 2014.

School Teachers' Review Body (STRB) Secretariat

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

The STRB submitted its (22nd) annual report in May 2013, recommending an increase of one per cent from September 2013 in the values of:

- All points on the unqualified, main and upper pay scales for classroom teachers (including main scale points which were to be discretionary reference points for pay decisions thereafter).
- The minimum and maximum of the pay range for leading practitioners and all pay ranges for individual posts set before taking account of the September 2013 uplift.
- All points on the leadership pay spine.
- Any individual allowances in payment and to the minima and maxima of the ranges of all teacher allowances.

The Government accepted all the recommendations and published the report in June 2013.

The STRB secretariat subsequently supported the Review Body through a major reform remit which covered setting pay for school leaders, allowances, safeguarding and teachers' non-pay conditions. The STRB submitted its (23rd) report in January 2014 recommending:

Leadership pay

- Clear prompts to guide governing bodies in setting leadership pay, taking account of school size, context and challenge. These will help incentivise able leaders to take on the most challenging schools and allow schools to respond to changing markets.
- Removal of complex and unnecessary rigidities (spine points, rules on progression and fixed differentials) whilst retaining broad bands and individual judgements on performance-based progression.
- Formalised headroom above the current leadership maximum to reward leadership responsibilities for the largest multiple schools (not envisaged when the current framework was designed) and to signal opportunities and challenges in teaching comparable with other professions.
- The Department for Education to explore options for local benchmarking data for Governing Bodies and an auditable record of decisions to support responsible decision making.

Allowances and safeguarding

- Retain TLRs and SEN allowances but remove TLR differentials providing further flexibility.
- Retain safeguarding provisions, which Heads value as making restructuring easier; and which offer reassurance to staff.
- Abolish the Chartered London Teacher scheme, which predated better London pay, and roll Heads' allowances into base pay, but other allowances to be retained.

Non-pay conditions

- Retain core principles, which are not unlike those in other professions.
- Remove the list of proscribed clerical tasks and Section 4 guidance on changes resulting from National Agreement; centralised guidance on principles which need to be applied in the circumstances of individual schools and pupils run counter to the autonomy and good judgement of professional teachers.

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

In October 2013 the Secretary of State gave the Review Body a remit to consider and make recommendations on an average one per cent pay award for teachers and school leaders, to report by 16 May 2014.

Review Body on Senior Salaries (SSRB) Secretariat

The SSRB secretariat supports its Review Body in providing independent advice on the pay of senior civil servants in Great Britain, the judiciary in the United Kingdom, senior officers of the armed forces of the Crown (stationed both within and outside the United Kingdom), certain Very Senior Managers (VSMs) in the NHS in England and, from 2013-14, Police and Crime Commissioners (PCCs) in England and Wales.

The SSRB submitted its (36th) annual report in February 2014. Its main recommendations were:

- A uniform increase equivalent to one per cent of base pay for the senior military, judiciary, VSMs and the SCS (apart from those in the bottom 10 per cent of the SCS performance distribution) and no pay increase for PCCs.
- The Government address all the outstanding recommendations from the 2011 major review of the judicial salary structure by 2015.

In March 2014, the Government accepted the recommendations for pay increases averaging one per cent for the senior military, judiciary and SCS and no change to PCC pay. On the SCS the Government also accepted recommendations amending the principles for the SCS reward system, increasing pay minima and conducting exit interviews. The Government again noted the recommendations on the judiciary and the 2011 major review, but said that continuing fiscal challenge and broader public sector pay policy meant it was not appropriate to respond at this time. It rejected the recommendation to increase VSM pay by one per cent.

Police Negotiating Board Secretariat

2.10 The Police Negotiating Board (PNB) covers the police services in all parts of the United Kingdom and is a negotiating rather than a review body. OME provides both the independent secretariat, which supports the Independent Chair and Deputy Independent Chair, and administrative support for meetings which are mostly held in OME's offices. The implementation of the Anti-social Behaviour, Crime and Policing Act 2014 will lead to the abolition of PNB on 31 August 2014. PNB will be replaced by a new review body, the Police Remuneration Review Body (PRRB).

Police Advisory Board for England and Wales

2.11 The Police Advisory Board (PABEW) advises the Home Secretary on general questions affecting the police in England and Wales. It works in parallel with the PNB, dealing with issues that fall outside the PNB remit, but which affect the working lives of police officers. The Board shares a secretariat with the PNB and has a number of Members in common, including the Independent Chair and Deputy Independent Chair. A new Independent Chair was appointed in February 2014.

2.12 In 2013-14, OME arranged and supported 54 meetings of PNB and PABEW.

Research and Analysis Group

2.13 Members of the Research and Analysis Group provide advice and analysis to the seven Review Bodies and their secretariats on the economy, the labour market and on pay. As required, the Group contributes to external research projects commissioned on behalf of individual Review Bodies, as well as commissioning research of relevance across the Review Bodies and to OME as a whole. In carrying out its work, the Research and Analysis Group, which comprises specialists in economics, statistics and remuneration, draws on the expertise and knowledge of the ten Review Body Economist Members.

2.14 In 2013-14 the Research and Analysis Group undertook in-house analysis, offered targeted statistical quality assurance, and provided guidance on procuring research to support other OME teams. The research projects that OME commissioned during the year are set out in Annex C. Research findings are cited in Review Body reports and are normally published on the OME website. Research spending for the year came to around £250,000. During the year the Group also engaged with the academic community in supporting successful bids for funds from the Economic and Social Research Council to undertake research on issues relevant to Review Body remits. This included specific projects looking into: labour supply and incentives in the medical profession and an investigation into total reward for public sector workers. The Group also contributed to an expert reference group for a project on public sector pay in the UK by the Institute for Fiscal Studies and funded by the

Joseph Rowntree Foundation. These projects are scheduled to report in future years.

- 2.15 The Research and Analysis Group helps to increase the knowledge and skills of OME staff in specialist areas by organising a range of presentations and seminars, some involving external speakers. Feedback on these events, consistently demonstrates that they usefully contribute to maintaining and refreshing OME staff knowledge and skills in relation to pay and related Review Body matters. Members of the Group also keep up to date with external developments on the labour market and pay, via professional networks within and outside Government, and in other ways. Finally the Group contributes to corporate initiatives which in 2013-14 included updating the OME Competence Framework to support staff appraisal and objective setting.

Review Body appointments

- 2.16 The OME does not appoint pay body Chairs and Members; this is the responsibility of the sponsoring Departments. However, the secretariats support the process; for example, they check that adverts and candidate packs contain up-to-date information about the roles. In addition, the OME Director takes part in the interviews.
- 2.17 During the course of the year, 12 new Members joined the Review Bodies. New Chairs were recruited for AFPRB and NCARRB. OME secretariats organised induction programmes for the new Chairs and Members.
- 2.18 There were also a small number of re-appointments of existing Members for a further term. OME provided advice to the sponsoring Departments to support these reappointments processes.

Triennial reviews

- 2.19 During 2013-14 OME supported the triennial reviews of four of the Review Bodies namely AFPRB, PSPRB, STRB and SSRB. While the reviews were carried out by the sponsoring Departments, in order to ensure a consistent approach, OME provided a wide range of detailed information on the role and functions of the Review Bodies and its secretariat services. The reviews concluded that Review Bodies carry out an important role and should be retained (with minor recommendations on processes) as well as recognising that OME exploits the synergies and economies of scale while ensuring independence of the Review Bodies.

November 2014

OME Staff Resources 2013-14

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

Range	As at 1 April 2013		As at 31 March 2014	
	Headcount	<i>Full-Time Equivalent</i>	Headcount	<i>Full-Time Equivalent</i>
SCS	4	3.8	4	3.3
Grade 6	1	1.0	1	1.0
Grade 7	10	9.3	12	11.3
SEO	0	0.0	0	0.0
HEO	7	7.0	8	7.8
EO	1	1.0	3	3.0
AO	4	4.0	5	4.4
Total	27	26.1	33	30.8

Note: Staffing for 2014 includes the creation of additional team to support the National Crime Agency Remuneration Review Body and preparation for the new Police Remuneration Review Body.

Annex B

Review Body Secretariat Work Volumes 2013-14

Secretariat	Visits	Meetings	Reports
AFPRB	24	18	2
DDRB	6	11	1
NCARRB	2	4	0
NHSPRB	8	14	1
PSPRB	11	16	2
STRB	2	38	2
SSRB	7	11	1
Total	60	112	9

Research commissioned and managed by the OME 2013-14

Research title	Pay Body / all OME	Aim and weblink (where available)
Pension valuation for Review Body remit groups	OME	To provide information about the value to illustrative individuals of the pension benefits provided by current public sector pension schemes and by their successor schemes from April 2015. https://www.gov.uk/government/publications/comparative-pension-valuation-for-review-body-remit-groups
Performance-related pay in the public sector: literature review	OME	To provide an up-to-date, comprehensive, and credible assessment of the relevant academic and other literature on the effectiveness of performance related pay in the delivery of public services. <i>[Final report had not been published at time of writing]</i>
Armed forces' pay comparability 2013	AFPRB	To provide AFPRB with the best available information on the pay levels and movements of civilian comparators, primarily in the private sector, to inform its judgement on the appropriate level of the pay recommendation. https://www.gov.uk/government/publications/comparison-of-pay-in-the-armed-forces-and-the-civilian-sector
X-factor review	AFPRB	To provide AFPRB with the best available guidance on the appropriateness of each of the individual X-Factor components, to allow valid comparisons of military versus civilian life. https://www.gov.uk/government/publications/a-review-of-the-x-factor-components-february-2014
2013 PNB Census of Earnings, Hours & Length of Service	PNB	To inform PNB deliberations on pay and related issues.
School Leadership comparator	STRB	To secure up to date information on the requirements of, and reward arrangements for, suitable comparators for school leaders. https://www.gov.uk/government/publications/strb-research-2013-school-leadership-comparator-studies
International case studies on rewarding school leadership	STRB	To learn about arrangements in other countries for pay and non-pay conditions of school leadership to inform STRB's recent remit in this area. https://www.gov.uk/government/publications/strb-research-2013-international-study-into-pay-and-non-pay-conditions-in-schools
On-demand pay expertise	STRB	To enable STRB to look at alternative models for a school leaders' pay system and to ensure that any proposed new pay structure delivers its objectives and is in line with current best practice.
Teacher labour market data analysis	STRB	To provide STRB with a robust, up-to-date view of the state of the teacher labour market.