



Prison Service
Pay Review Body

Prison Service Pay Review Body

Twentieth Report on
England and Wales 2021

Chair: Tim Flesher CB



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on

England and Wales

2021

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**Presented to Parliament by the
Prime Minister and the Lord Chancellor and Secretary of State
for Justice by Command of Her Majesty
October 2021**



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Prison Service Pay Review Body

Standing terms of reference

The role of the Prison Service Pay Review Body is to provide independent advice on the remuneration of governing governors and operational managers, prison officers and support grades in the England and Wales Prison Service. The Review Body will also provide independent advice on the remuneration of prison governors, prison officers and support grades in the Northern Ireland Prison Service.

In reaching its recommendations the Review Body is to take into account the following:

- The need to recruit, retain and motivate suitably able and qualified staff taking into account the specific needs of the Prison Service in England and Wales and the Northern Ireland Prison Service;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Relevant legal obligations on the Prison Service in England and Wales and the Northern Ireland Prison Service, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability;
- Government policies for improving the public services, including the requirement to meet Prison Service output targets for the delivery of services;
- The funds available to the Prison Service in England and Wales and the Northern Ireland Prison Service as set out in the Government's departmental expenditure limits; and
- The Government's inflation target.

The Review Body shall also take account of the competitiveness of the Prison Service in England and Wales with the private sector, and any differences in terms and conditions of employment between the public and private sectors taking account of the broad employment package including relative job security.

The Review Body may also be asked to consider other specific issues.

The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, staff and professional representatives and others.

Reports and recommendations for the Prison Service in England and Wales should be submitted to the Prime Minister and the Lord Chancellor and Secretary of State for Justice. Reports and recommendations for the Northern Ireland Prison Service will be submitted to the Minister of Justice, Northern Ireland.

The members of the Review Body are:

Tim Flesher CB (*Chair*)
Mary Carter
Luke Corkill
Judith Gillespie CBE
Leslie Manasseh MBE
Paul West QPM DL

The secretariat is provided by the Office of Manpower Economics.

The International Labour Organization 336th Report of the Committee on Freedom of Association

The POAⁱ took a complaint to the International Labour Organization (ILO) in August 2004, alleging that legislation deprived Prison Officers of the right to take industrial action and that they did not enjoy adequate compensation guarantees to protect their interests in the absence of the right to strike. In its 336th Report of the Committee on Freedom of Association (March 2005) the ILO noted that the POA saw the Prison Service Pay Review Body (PSPRB) as an inadequate compensatory mechanism because it had no powers to make binding recommendations, only to report and recommend, and there was no duty on the Minister to implement the award promptly or at all.

The Government stated that the establishment of the PSPRB in England and Wales, and Northern Ireland was inextricably linked to the introduction of voluntary agreements in that the Prison Service gave up the right to set pay increases in exchange for the POA's agreement not to organise industrial action. The Government stated that recommendations of the PSPRB are not binding in law, but in practice they would only be departed from in exceptional circumstances and are complied with in practice.

The Committee recommended that the Government continued to ensure that the awards of the PSPRB are binding on the parties and may be departed from only in exceptional circumstances.

ⁱ The professional trades union for prison, correctional and secure psychiatric workers.

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Glossary of Terms

ACH	Additional Committed Hours
ACHP	Pensionable Additional Committed Hours
ASHE	Annual Survey of Hours and Earnings
AWE	Average weekly earnings
BAME	Black, Asian and Minority Ethnic
CJRS	Coronavirus Job Retention Scheme
CPIH	Consumer Prices Index including owner occupiers' housing costs
C&R	Control and Restraint
EAP	Employee Assistance Programme
EU	European Union
FTE	Full-time equivalents
GDP	Gross Domestic Product
HMIP	Her Majesty's Inspectorate of Prisons
HMP	Her Majesty's Prison
HMPPS	Her Majesty's Prison and Probation Service (or the Prison Service)
HMT	Her Majesty's Treasury
HSE	Health and Safety Executive
IDR	Incomes Data Research
ILO	International Labour Organization
LPA	Locality Pay Allowance (refers to the closed rates in Appendix E)
MoJ	Ministry of Justice
NHS	National Health Service
NLW	National Living Wage
NTRG	National Tactical Response Group
ONS	Office for National Statistics
OSG	Operational Support Grade
PCS	Public and Commercial Services Union
PGA	Prison Governors' Association
PAYE	Pay As You Earn
POA	The professional trades union for prison, correctional and secure psychiatric workers
PPE	Personal protective equipment
PSPRB	Prison Service Pay Review Body
RHA	Required Hours Addition (allowance)
RRI	Relative Rate Index
SOC	Standard Occupational Classification
SSV	Short scrutiny visit
TOIL	Time off in lieu
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom

YCS Youth Custody Service
YOI Young Offender Institution

Her Majesty's Prison and Probation Service in England and Wales and our remit group

Her Majesty's Prison and Probation Service (HMPPS) is responsible for adult and young offender management services for England and Wales within the framework set by the Government. It is an Executive Agency of the Ministry of Justice. The agency currently manages Her Majesty's Prison Service and the Probation Service. In addition, it oversees privately run prisons and services such as the prisoner escort service and electronic tagging. Its role is to commission and provide offender management services in the community and in custody, ensuring best value for money from public resources. It works to protect the public and reduce reoffending by delivering the punishments and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

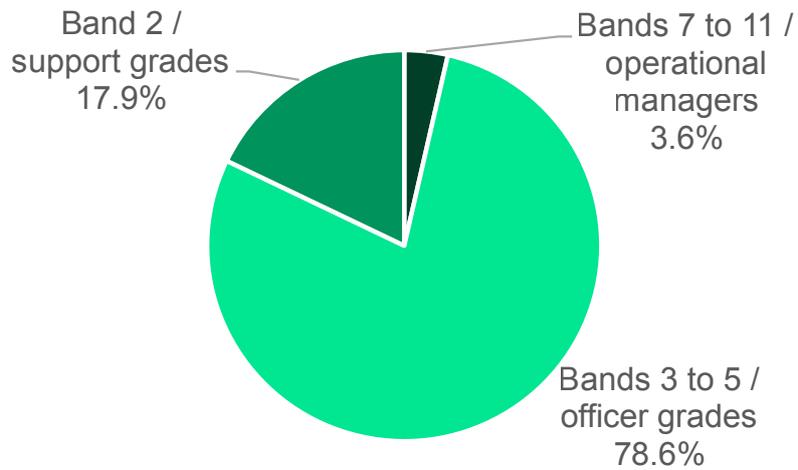
On 30 April 2021, the prisoner population across both the public and private sector estates was 77,859 (3.7% lower than a year earlier)ⁱⁱ.

HMPPS's paybill costs relating to the remit group were approximately £1.2 billion in 2019-20 (including employer National Insurance and other pension costs).

At the end of December 2020 there were 27,443 full-time equivalent staff (FTE) in our remit, down from 27,762 a year earlier (a decrease of 1.1%). The composition is below.

ⁱⁱ Her Majesty's Prison and Probation Service, (2021). *Prison population figures: 2021*. (online) Available at: <https://www.gov.uk/government/statistics/prison-population-figures-2021> [accessed on 19 July 2021].

Our remit group (FTE staff) in England and Wales, at 31 December 2020ⁱⁱⁱ



Grade	FTE staff
Bands 7 to 11 / operational managers	979
Bands 3 to 5 / officer grades	21,564
Band 2 / support grades	4,900

ⁱⁱⁱ Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty's Prison and Probation Service, (2020). *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 19 July 2021].

Prison Service Pay Review Body 2021 report on England and Wales

Summary

Our recommendations for 2021 are:

Recommendation 1: We recommend that Her Majesty's Prison and Probation Service provide to us its comprehensive pay strategy, including short-, medium- and long-term objectives, for the next pay round to address the structural issues in the pay system. This should incorporate Recommendation 3 from our 2020 report, modified as necessary by the developing evidence.

Recommendation 2: All those identified by Her Majesty's Prison and Probation Service as being eligible should receive the Government's £250 pay uplift, or an award to remain compliant with the National Living Wage from 1 April 2021.

Recommendation 3: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2021 progress by one pay point, effective from 1 April 2021.

Recommendation 4: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2021 receive a consolidated and pensionable progression increase of 4%, capped at the 2021 band maximum.

Recommendation 5: We recommend that all the allowances in Appendix F (except closed grade specialism allowances) are increased in future years by the headline percentage pay award. We also recommend that in future years all allowances are considered as part of a fixed rolling review with individual allowances considered every five years (as per Appendix G).

Introduction

i. This report sets out our recommendations on pay and allowances for operational prison staff from 1 April 2021. We again find ourselves writing our report during a significantly challenging and difficult period for the Prison Service. It is still providing a vital but largely unseen public service, whilst dealing with the effects of the coronavirus pandemic (Covid-19) and maintaining the stability in prisons. We continue to remain impressed by the dedication and professionalism of staff in their response to Covid-19 and how they have kept the prisoners in their care safe whilst maintaining the effective running of the Prison Service.

Our role and remit for this year

ii. The Prison Service Pay Review Body (PSPRB) was established under statute in 2001 to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales, and in Northern

Ireland. The PSPRB was set up by the Government as a compensatory mechanism for the remit group's loss of the right to take industrial action of any form. This was reinforced in the 336th report of the International Labour Organization in 2005, in which the Government gave a clear and unequivocal commitment to depart from the PSPRB's recommendations only in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. In oral evidence this year, the Prisons Minister, Alex Chalk MP, confirmed that the Government stood by this commitment.

iii. On 16 December 2020, the then Minister of State for Prisons and Probation, Lucy Frazer QC MP, wrote to us asking us to commence our work for the 2021-22 pay round. The letter restricted our remit and did not ask for a recommendation on a headline pay award, citing the Government's pay policy. Instead, the Government only sought our advice on the implementation of its headline £250 pay uplift for those earning a full-time equivalent base salary of under £24,000, along with other issues such as pay progression and performance awards, and allowance rates.

iv. The Secretary of State has the power to restrict our remit under the PSPRB Regulations 2001 and the legal advice received by our secretariat indicated that we were thereby legally precluded from making a recommendation on a headline pay award this year. We consider this restriction to be incompatible with the role of an independent Pay Review Body and a compensatory mechanism, which is to make evidence-based recommendations, and as such prevents us from performing that role.

Analysis and pay strategy

v. We maintain that the evidence continues to point strongly to the conclusion that we reached in our report last year, that additional investment needs to be targeted at the *Fair and Sustainable* Band 3 Prison Officer scale which ranks poorly against comparator occupations and to improve recruitment and retention.

vi. In analysing the Annual Survey of Hours and Earnings data this year, we note that Band 3 pay has continued to deteriorate when compared to economy-wide earnings. The 2019-20 Band 3 Prison Officer pay range again fell below median earnings in all regions, even when the market supplements were factored in. The 2019-20 Band 2 spot rate fell below the 25th percentile of earnings in all regions.

vii. We again examined leaving rates for Bands 2 and 3 this year. Leaving rates are still too high, although they have improved slightly. In our view, this is likely to be only a temporary improvement caused by the impact of Covid-19 on the labour market. The Government's plans to increase the prison estate by 18,000 places could place further recruitment and retention pressures on the Service. In addition, both the Border Force and Police, which evidence shows compete for Prison Service staff, are continuing with large scale recruitment campaigns.

viii. This reconsideration of the evidence still leads us to the conclusion that, had we not been precluded by the Secretary of State from doing so, we would once again be making Recommendation 3 from our 2020 report. We have recommended implementation of the £250 uplift for those earning under £24,000 base pay but we recognise that this does not begin to address the structural issues which led us to last year's Recommendation 3.

ix. As we have noted in previous reports, we believe that Her Majesty's Prison and Probation Service (HMPPS) needs to present to us a pay strategy to deal with the structural issues across all grades and pay structures. HMPPS has expressed its desire to create a pay system that has a coherent structure and takes account of the labour market. We agree.

x. We therefore recommend that HMPPS bring forward for the next pay round a pay strategy that reflects its desire to move to a modernised and coherent pay structure, and which is underpinned by Recommendation 3 we made last year, in order to improve its retention rates, attract a larger pool of suitable candidates and reduce the significant costs associated with high turnover rates.

xi. This year we have also made recommendations on pay progression for Bands 3 to 5 and Bands 7 to 11 as requested. We have recommended that staff in Bands 3 to 5 progress by one pay point, except those on formal poor performance procedures, and Bands 7 to 11 by 4%, except those on formal poor performance procedures. This will ensure that all staff continue to progress from the minima to maxima of pay scales and ranges within HMPPS's preferred five-to-six-year timeframe for all grades. We have also made a recommendation on allowances this year to ensure a proper evidence-based approach to this issue. In the future, we recommend that cash allowances should be increased by the percentage headline award and all allowances should be considered fully as part of a fixed rolling review over a five year period. These reviews will need to consider both the purpose and effectiveness of the allowance on the basis of the evidence.

Looking ahead

xii. The rejection of our main recommendation last year and the restriction of our remit this year has raised questions about the purpose of the Review Body. While we welcome the Government's reiterated commitment to the Review Body process and to our role as a compensatory mechanism, we expect that, for future rounds there should be no further constraints placed on what we can and cannot recommend.

xiii. There are a number of issues on which we have specifically requested data and evidence for our next report. We have repeatedly commented in our recent reports that we believe there were issues with the current performance management system and how it was working. This led us not to support pay-related performance progression and performance awards being linked to the performance management system for all grades in our remit group. HMPPS has temporarily suspended its current system whilst it develops a new system based on that used in the Ministry of Justice. We have some serious concerns about the applicability of this to an operational service. We look forward to receiving data and evidence from the parties on the new system and how it has addressed the biases and issues that we, and others, have identified in relation to the previous system.

xiv. We also make a number of other requests for information, some of which were first made as far back as 2018. As an evidence-based body we need this information so that we may consider all the evidence and discharge our duty as a statutory body.

Conclusion

xv. This has been a very unusual and difficult pay round set against the background of Covid-19 and its economic impact, along with the rejection of our main recommendation last year and the restrictions on our remit for this year. Nevertheless, we continue to believe strongly in the value of an unfettered, independent, evidence-based Review Body and important compensatory mechanism. We need to be able to move forward next year on a much firmer foundation than has been possible this year.

Tim Flesher CB (*Chair*)

Mary Carter

Luke Corkill

Judith Gillespie CBE

Leslie Manasseh MBE

Paul West QPM DL

Chapter 1: Introduction

Our role

1.1 The Prison Service Pay Review Body (PSPRB) was established in 2001 under statute⁴ to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales and in Northern Ireland.

1.2 We were created as a compensatory mechanism for our remit group's loss of the right to take industrial action of any form. This was outlined in the 336th report⁵ (2005) by the International Labour Organization (ILO), in which the Government gave a clear and unequivocal commitment only to depart from the PSPRB's recommendations in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This pledge by the Government has not been rescinded. This therefore places a particular responsibility on us, and it is one that we take very seriously when formulating our recommendations. Given this context, we consider that, if the Government rejects any of our recommendations, the remit group should receive a full explanation of the "exceptional circumstances" that have led to that decision.

1.3 We were pleased that in oral evidence the current Prisons Minister, Alex Chalk MP, confirmed that this undertaking to the ILO had not been rescinded by the Government.

1.4 We also have standing terms of reference. They emphasise that we should provide independent advice based on the range of evidence available to us. There are several elements in our terms of reference which we are asked to take account of when making our independent recommendations to Government, these are:

- Recruitment and retention factors. For example, whether the Service can recruit and retain the numbers of suitably able staff that it requires;
- Remit group morale;
- Labour market issues, including regional and local data, and the effects on recruitment and retention;
- The legal obligations placed on the Prison Service;
- Affordability of our proposals, which includes the Government's inflation target, and the funds available to the Prison Service;
- The competitiveness of the Prison Service with the private sector, along with any differences in terms and conditions and taking account of the broad employment package; and

⁴ The Prison Service (Pay Review Body) Regulations 2001 (SI 2001 No. 1161). Available at: http://www.legislation.gov.uk/ukxi/2001/1161/pdfs/ukxi_20011161_en.pdf [accessed on 19 July 2021]. The PSPRB covers England and Wales, and Northern Ireland; the Scottish Prison Service is outside our remit.

⁵ The International Labour Organization, (2005). *336th Report of the Committee on Freedom of Association*. (online) Available at: [https://www.ilo.org/public/libdoc/ilo/P/09604/09604\(2005-88-series-B\).pdf](https://www.ilo.org/public/libdoc/ilo/P/09604/09604(2005-88-series-B).pdf) [accessed on 19 July 2021].

- The economic and other evidence submitted by the Government, staff, professional associations and others.

1.5 Over the last 12 months, our remit group has faced an exceptionally challenging year dealing with the coronavirus pandemic (Covid-19) within prisons. Operational Prison Service staff, of whom the vast majority cannot work from home, have carried out their duty of running prisons and keeping prisoners safe whilst dealing with the continuing threat of Covid-19. We take this opportunity to place formally on record our admiration for the dedication, courage and professionalism of our remit group, at every level.

Outcome of our last report

1.6 In our 2020 report for England and Wales, we made recommendations relating to staff on both the *Fair and Sustainable* and closed pay structures. In that report we recommended a headline award of 2.5% for all *Fair and Sustainable* and closed grade staff. We also recommended (Recommendation 3) that the National Band 3 base pay points should increase by £2,564 offering a combined total and pensionable award of £3,000 when including the 17% unsocial hours payment. Corresponding downward adjustments were made to the market supplements received by Band 3 Prison Officers at the market supplement sites. We also made other recommendations relating to pay progression and increasing the London pay differentials by 2.5%.

1.7 Our 2020 report recommendations were accepted by the Government with one exception, Recommendation 3. The then Prisons Minister announced⁶ in Parliament that Recommendation 3 was being rejected because “sufficient savings required to offer value for money could not be achieved, meaning the recommendation remained unaffordable”. Our Chair wrote to the Lord Chancellor and Secretary of State for Justice following this rejection to express our disappointment and to emphasise that our recommendation was reached based on the weight of evidence (at Appendix A). The recommendations that were accepted were implemented in Autumn 2020 and backdated to 1 April 2020. In Chapter 2 of this report, we reference the areas where data requests from Chapter 5 of our 2020 report remain outstanding. As we have previously noted, without this data our ability to make fully evidence-based decisions is undoubtedly impaired.

Our remit this year

1.8 As part of the Government’s Spending Review 2020, it revised its approach to public sector pay⁷ and it stated that in order to protect jobs and ensure fairness, pay rises in the public sector would be “restrained and targeted in 2021-22”. The Government would continue to provide pay rises for National Health Service (NHS) workers from recommendations made by the NHS Pay Review Body and the Review Body on Doctors’ and Dentists’. However, for other public sector staff, including those falling within the remit of the other public sector Pay Review Bodies, awards would

⁶ UK Parliament, (2020). *Update to Government response to the Prison Service Pay Review Body recommendations 20/21*. (online) Available at: <https://questions-statements.parliament.uk/written-statements/detail/2020-12-10/hcws638> [accessed on 19 July 2021].

⁷ HM Treasury, (2020). *Spending Review 2020*. (online) Available at: <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020#economic-and-fiscal-context-1> [accessed on 19 July 2021].

be prioritised for those earning less than £24,000 base pay; these staff would receive a minimum £250 increase. We return to this year's pay policy in more detail in Chapter 2.

1.9 The former Minister of State for Prisons and Probation, Lucy Frazer QC MP, wrote to our Chair on 16 December 2020 asking us to commence our work for the 2021-22 pay round. The letter (see Appendix B) sought to restrict our remit to a £250 award for those earning under £24,000 base pay, although it noted that the pay pause would not apply to other matters, for example, pay progression, overtime and allowances. We return to the issue of a restricted remit in Chapters 4 and 5.

Our timetable

1.10 In order for our remit group to receive their pay award by the contractual date of 1 April, we need to receive written evidence, including evidence from the trade unions, at the beginning of October each year so that we can submit our report in mid-February. Regrettably, due to repeated delays in receipt of evidence from the Government this timetable has not been followed since 2016-17. We find it unacceptable that staff within our remit group routinely receive their annual pay award long after 1 April pay effective date and have any pay increases backdated. We press the Government to submit its evidence to us for the 2022 report in accordance with our standard timetable to ensure that staff are paid in time for the 1 April 2022 pay effective date.

1.11 In the Minister's remit letter, dated 16 December 2020, we were asked to submit our report to the Government by mid-May 2021. When setting our timetable this year, we took note that the receipt of the Government's evidence would be delayed due to the Spending Review. In consultation with the parties, we set a revised deadline of 19 February 2021 for written evidence submissions which, despite being considered optimistic by Her Majesty's Prison and Probation Service (HMPPS), was agreed. The trade unions submitted evidence to us by 22 February. The Government missed the revised deadline and submitted evidence two months late on 20 April 2021. As a result, we were not able to meet the mid-May deadline set out in the Minister's remit letter. The delay in the submission of Government's evidence is a continuing source of frustration, particularly given that it has a direct and negative impact on our remit group. It is very unsatisfactory that the pay round continues to run late.

Our evidence base

1.12 Following receipt of the Minister's remit letter, our secretariat invited all the parties to submit written evidence and we were pleased that the POA decided to re-engage with us for this year. Following this, we held oral evidence sessions via video and telephone conferencing facilities, due to Covid-19 restrictions, with:

- Parliamentary Under Secretary of State for the Ministry of Justice, Alex Chalk MP, and HMPPS officials led by its Director General for Prisons, Phil Copple.
- The POA, represented by Mark Fairhurst, National Chair, and Steve Gillan, General Secretary, alongside other POA National officials.
- The Prison Governors' Association (PGA), led by Andrea Albutt, PGA President, and members of the PGA National Executive Committee.

- The Public and Commercial Services (PCS) union, represented by Kev Newton, PCS HMPPS Branch Chair, and Adam Verinder, PCS Full-Time Officer.

1.13 We base our recommendations in this report on evidence from a range of independent sources. These include:

- Written and oral evidence from the parties (as above);
- Economic data from a number of sources, including the Office for National Statistics and the Annual Survey of Hours and Earnings;
- Statistical data provided by HMPPS on the composition of our remit group and its pay, which we shared with all the parties, along with publicly available data published on its website;
- The Incomes Data Research 2020 report on prison staff pay comparability;
- The 2020 Civil Service People Survey results for HMPPS as a whole and separately for the Prison Service;
- Information gathered during our 2021 virtual prison visits (see below); and
- Her Majesty's Inspectorate of Prisons' (HMIP) inspection reports and the HMIP 2019-20 annual report.

Visits

1.14 Our visits this year were affected by Covid-19, which resulted in them being held with staff via telephone conferencing. Clearly, we would have preferred face-to-face visits, which we hope to return to for our next report. However, the virtual space did provide one benefit in that we could speak to staff and local trade union officials from a greater number of prisons. We were unable to see the working conditions first hand as we usually do during our tours of establishments. However, despite being virtual, the evidence we received from discussion groups was very useful. We received feedback on a variety of issues relating to: Covid-19 and working conditions plus their impact on morale and motivation, recruitment and retention; remuneration and the 2020 pay award, including the decision of the Government to reject Recommendation 3; progression and performance management; and other matters that were highlighted through discussion groups. A summary of the main points can be found in Chapter 2.

1.15 Our visits are an integral part of our process and enable us to engage directly with staff to gain a valuable insight into their experiences of working in a prison and to understand their current concerns. They provide important context with which to test the other written and oral evidence received and provide their own unique, direct evidence base. We are grateful for those staff who took the time and volunteered to speak to us.

Our 2021 report

1.16 The format follows that of last year's report. Chapter 2 sets out the current economic, financial and environmental context, and summarises the evidence we received. In Chapter 3, we set out detailed information on our remit group, including data on the composition of our remit group and recruitment and retention. Chapter 4 sets out our analysis of the evidence and our recommendations for 2021. Finally, in Chapter 5 we comment on several critically important areas that we believe the parties should be giving further attention to in advance of our 2022 report.

Chapter 2: Context and the parties' proposals

Introduction

2.1 This chapter sets out the context for our recommendations. It provides information on the economic situation and describes the financial and environmental context in which Her Majesty's Prison and Probation Service (HMPPS) made its proposals and how these informed the recommendations we have made. The chapter concludes with a summary of the main points that arose from our virtual staff discussion groups in March 2021 and the parties' proposals to us this year.

Economic context

2.2 Each year we consider our recommendations in the context of the current and expected economic climate. As a result of the coronavirus pandemic (Covid-19) and the measures taken to address it, we report at a time of rapid change and uncertainty in the economy. In 2020, the imposition and relaxation of economic restrictions led to the sharpest swings in Gross Domestic Product (GDP) in over 300 years, causing significant disruption in the labour market. While most forecasts point to a strong economic recovery this year and next, the outlook remains uncertain. The long-term economic impact of the United Kingdom's (UK) exit from the European Union (EU) will also remain unknown for some time.

Economic growth

2.3 The UK economy saw its largest ever contraction in 2020, of 9.8%, as a result of restrictions put in place in response to Covid-19. The economy saw a strong bounce back in the second half of 2020, but further restrictions depressed activity through the winter, and it will be some time before the economy regains its previous size. The economy is subject to significant disruption, with different sectors showing widely diverging growth rates. The path for 2021 is dependent on the recovery from the lockdown in the first half of the year and the success of measures taken to protect public health.

2.4 The Bank of England, in its May 2021 Monetary Policy Report, said that it expected GDP to recover strongly to pre-Covid-19 levels throughout 2021, in the absence of further restrictions on economic activity. After growth of 7.3% in 2021, it expects the pace of GDP growth to slow to 5.8% in 2022. In March, the Office for Budget Responsibility forecast growth of 4.0% overall in 2021 and 7.3% in 2022. Over the longer term, it expected the economy to be some 3.0% smaller than under its pre-pandemic path.

Inflation

2.5 Inflation, as measured by the Consumer Prices Index, was at 1.5% in April 2021. This was a large increase on the average 0.6% seen over the previous 12 months. Price rises for petrol, energy and clothing are expected to push up inflation for the rest of 2021, but it is expected to remain close to 2.0% over the medium-term. In April 2021, Consumer Prices Index including owner occupiers' housing costs inflation was 1.6% and the Retail Prices Index rate was 2.9%.

Employment

2.6 Employers have made widescale use of the Government's Coronavirus Job Retention Scheme (CJRS), which was announced in March 2020. Since the start of the scheme to the middle of April 2021, a total of 11.5 million jobs have been supported by the CJRS. The number of employees furloughed under the scheme was around 3.5 million by the end of April 2021⁸. This means that the effect of the economic contraction on employment and unemployment has so far been muted. However, unemployment is expected to rise once support schemes are removed.

2.7 The high number of furloughed employees has been strongly reflected in the number of overall hours worked in the economy. The total number of hours worked fell by 20% between the three months to February 2020 and the three months to June 2020. Working hours have since recovered to an extent and increased by 14% between June 2020 and April 2021⁹.

2.8 The number of job vacancies fell sharply in the first half of 2020, as employers cut back on hiring. There was some recovery after May 2020, but the number of vacancies in the three months to March 2021 was still 21% lower than a year earlier. The number of vacancies then increased between March and April 2021. The number of redundancies increased to 395,000 in late 2020, a record high. However, the number of redundancies fell back rapidly during early 2021 to 111,000 in the three months to April 2021.

2.9 Covid-19 has had varying impacts on different sectors of the economy. Whilst the Accommodation and food services sector have been worst hit, substantial falls in employment have also been seen in the following sectors: Arts, entertainment and recreation, Wholesale and retail, and Manufacturing. However, certain sectors, in particular Health and social work, have seen expanding employment. In the year to April 2021, the Health and social work sector saw an increase of 161,000 payrolled employees¹⁰. Other sectors have seen more modest increases in the number of payrolled employees, for example, Construction, with a 7,000 increase.

2.10 The proportion of employees furloughed has varied by sector throughout Covid-19. From 19 April to 2 May 2021, the proportion ranged from 34% in the Arts, entertainment, and recreation industry to 1% in Human health and social work activities. Working patterns have also changed across sectors and over the same period, the proportion working remotely instead of at their normal place of work ranged from 81% in Information and communication to 8% in Accommodation and food service activities¹¹.

⁸ HM Revenue and Customs, (2021). *Coronavirus Job Retention Scheme statistics: 1 July 2021*. (online) Available at: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-1-july-2021/coronavirus-job-retention-scheme-statistics-1-july-2021> [accessed on 19 July 2021].

⁹ Office of Manpower Economics analysis of Office for National Statistics, (2021). *Employment in the UK: June 2021*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/latest> [accessed on 19 July 2021].

¹⁰ Office of Manpower Economics analysis of Office for National Statistics, (2021). *Earnings and employment from Pay As You Earn Real Time Information, UK: May 2021*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimeinformationuk/may2021> [accessed on 1 July 2021].

¹¹ Office for National Statistics, (2021). *Business insights and impact on the UK economy: 20 May 2021*. (online) Available at: <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/businessinsightsandimpactontheukeconomy/20may2021> [accessed on 19 July 2021].

Earnings growth

2.11 According to the average weekly earnings (AWE) series, the level of private sector average earnings dropped sharply between February and April 2020 as the first lockdown began, reaching a low of -2.6% in June 2020¹². It has since recovered, with private sector average earnings growth of 5.8% in the year to April 2021. Public sector average earnings growth was strong throughout 2020 and was at 5.0% in the year to April 2021. Whole economy average earnings grew by 5.6% over the same period.

2.12 Pay as You Earn (PAYE) data is an alternate source for earnings statistics, aside from the AWE; the PAYE data focus on median estimates, whereas the AWE focuses on averages. Due to different methodologies these two data sources are not directly comparable. For April 2021, PAYE data indicated that median monthly pay increased by 9.9% over the year to £1,971¹³. This large increase can be partly attributed to lower rates of inflows to employment over the year. Whilst pay growth is dominated by those continually employed, the mean pay of inflows tend to be some 40% lower than for those continually employed. As there were fewer inflows over the year, average pay and average pay growth were inflated. A further explanatory factor is that median pay for April 2020 was relatively low, due to Covid-19. The measure of median monthly pay will also have been affected by the number of hours worked, so may reflect increased working hours, rather than a change in base pay.

2.13 According to data from XpertHR, which covers a sample of public and private sectors, most employers have continued to award pay increases over the last year. The median pay settlement for 2021 pay reviews was 1.5% by April, with 28% of pay reviews so far in 2021 resulting in freezes¹⁴. In 2020, the median pay review recorded by XpertHR was 2.0%, and 26% of pay reviews were freezes.

National Living Wage

2.14 The National Living Wage (NLW) increased from £8.72 to £8.91 an hour from 1 April 2021, an increase of 2.2%¹⁵. The age at which the NLW applied also decreased from 25 years and over and now applies to those aged 23 years and over. This decrease in age and uplift in the NLW was part of the Government's target for the NLW to reach two-thirds of median earnings by 2024 for workers aged over 21 years, economic conditions permitting.

¹² Office of Manpower Economics analysis of Office for National Statistics, (2021). *Labour market statistics time series*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatistics> [accessed on 19 July 2021].

¹³ Office for National Statistics, (2021). *Earnings and employment from Pay As You Earn Real Time Information, UK Earnings and employment from Pay As You Earn Real Time Information, UK: June 2021*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/earningsandemploymentfrompayasyouearnrealtimetypeinformationuk/june2021> [accessed on 19 July 2021].

¹⁴ Office of Manpower Economics analysis of unpublished XpertHR data.

¹⁵ GOV.uk, (2021). *National Minimum Wage and National Living Wage rates*. (online) Available at: <https://www.gov.uk/national-minimum-wage-rates> [accessed on 19 July 2021].

Financial context

The Spending Review

2.15 The Spending Review 2020, setting out the Government's spending plans for 2021-22, was presented to Parliament by the Chancellor of the Exchequer in November 2020¹⁶. It stated that the Spending Review 2020 would provide funding to support the Government's response to Covid-19, along with day-to-day spending increasing 3.8% a year in real terms from 2019-20 to 2021-22. The Ministry of Justice's (MoJ) settlement included:

- £145 million cash increase in core resource funding from 2020-21 to 2021-22, delivering a 3.3% average real terms increase per year since 2019-20;
- More than £4 billion capital funding over the next four years to make significant progress in delivering 18,000 additional prison places in England and Wales by the mid-2020s;
- £315 million capital funding to improve the condition of the existing prison estate;
- £337 million additional funds for the criminal justice system in England and Wales, of which £275 million is to manage the downstream demand of recruiting 20,000 additional Police Officers and reducing court backlogs; and
- Continued funding to support the ongoing reform of the probation system.

2.16 The Spending Review committed an extra £400 million additional funding to continue the recruitment of 20,000 additional Police Officers by 2023. This will fund the recruitment of an additional 6,000 Police Officers in 2021-22 and is in addition to the £750 million provided last year. There was an additional £363 million resource funding to maintain law enforcement cooperation with EU member states and to recruit additional Border Force staff to deliver transit customs arrangements following the UK leaving the EU on 1 January 2021. We note this additional resourcing for the Home Office, and in particular for Border Force and Police recruitment. Staff frequently inform us on our visits that Prison Officers often resign to join one of these services.

Approach to public sector pay

2.17 As part of the Spending Review 2020, the Chancellor of the Exchequer announced that pay rises in the public sector would be "restrained and targeted in 2021-22", except for workers in the National Health Service. Public sector workers earning less than £24,000 in base pay would receive a minimum £250 increase. The Chancellor said those in the public sector earning over £24,000 in base pay would see pay rises paused for 2021-22, in order to protect jobs and investment in public services and to respond to spending pressures resulting from Covid-19.

2.18 This year, we received a letter from the Minister of State for Justice, Lucy Frazer QC MP, which specified a restriction in our remit in line with the public sector pay

¹⁶ Her Majesty's Treasury, (2020). *Spending Review 2020*. (online) Available at: <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020> [accessed on 19 July 2021].

policy referred to above. This letter noted that Covid-19 had significantly impacted the economy, labour market and the fiscal position, suppressing earnings growth and increasing redundancies in the private sector. The Minister said it was therefore right to temporarily pause pay awards for the majority of the public sector while the Government assessed the impact of Covid-19 on the wider economy and labour market.

2.19 The Minister said that the Government would not be seeking a recommendation from us for any general headline pay uplifts for those earning over £24,000 base pay but would like our view on how the £250 pay uplifts, or the NLW, for those earning under £24,000 should be implemented. The remit letter also provided a number of definitions that clarified the pay policy:

- The £24,000 threshold related to basic salary of a full-time equivalent (FTE) employee using the standard number of hours per week for the Prison Service. Pro-rata for part-time staff based on the FTE salary.
- The calculation of the £24,000 basic salary did not include: overtime; performance pay (including pay progression) or bonuses; any regular payments or allowances such as London weighting; recruitment and retention premia; or other allowances.
- Recommendations should ensure that the uplift minimised any distortions of existing pay spines or for other structural reasons such as leapfrogging¹⁷. In those circumstances, higher awards could be considered.
- Higher awards as necessary to uplift basic salary to the NLW.

Affordability

2.20 In its evidence to us, HMPPS stated that its proposals this year offered maximum value for money, addressed the most critical need for structural reform, while balancing this against departmental funding pressures and falling in line with the wider public sector pay pause. It said its proposals had been informed by its longer term pay strategy, whilst accepting what it could achieve this year was limited. HMPPS considered that this approach laid important foundations and was the best deal available for staff as it looked forward to economic recovery. HMPPS said it continues to operate under severe budgetary pressures and that any recommendations above its proposals would be unfunded, creating significant affordability issues for itself and the MoJ.

2.21 HMPPS costed its proposals for our remit group for 2021-22 at approximately £16.2 million (including progression)¹⁸. As we have stated consistently in past years, we do not consider progression within a pay scale to be part of the annual award. Progression is an integral part of a fully functioning pay system, that evens itself out over time through staff movements between grades and in and out of the Service. On that basis we note that the pay award component of HMPPS's proposals (excluding progression) costs £7.1 million. HMPPS said its proposals were aligned to departmental affordability and the Government's public sector pay policy.

¹⁷ Leapfrogging in this situation refers to a lower pay point being increased to a value higher than the pay point directly above it or impacting on the grade above.

¹⁸ This figure also includes on-costs, such as employer pension and National Insurance contributions.

Environmental context

Covid-19

2.22 We again find ourselves writing our report in the context of a continuing global Covid-19 pandemic. Since March 2020, the Prison Service and our remit group have worked extremely hard to maintain a fundamental but largely unseen element of the criminal justice system, against a backdrop of unprecedented challenge and risk. As we noted in our last report, the Prison Service took several contingency measures to slow the spread of Covid-19 in prisons. One of the main measures was the restriction of prison regimes which saw prisoners spending longer locked in cells.

2.23 During oral evidence, the trade unions commented that the Prison Service's response to Covid-19 had been positive overall and there had been good working relations between HMPPS's senior leadership and the trade unions. This latter point was also echoed by HMPPS. The POA also provided us with a study¹⁹ from the Centre for the Study of Emotion and Law which looked at working in UK prisons and secure hospitals during Covid-19. Staff on visits had mixed views but there was a general consensus that whilst the Prison Service might not have always got things completely right, it had genuinely tried its best in the most testing of circumstances. Officer and support grades on our visits said it was important to note that they were not able to benefit from working at home, unlike other grades in the Prison Service, so were at a greater exposure to Covid-19.

2.24 As part of its response to Covid-19 the Prison Service offered a number of payments under the Covid-19 Special Payment Schemes, which ran from March to June 2020. These included:

- A Payment Plus Bonus Scheme for staff in Bands 3 to 5 for those committing to an additional nine hours Payment Plus a week, for four or 12 week commitments. A one-off bonus of £500 for four weeks and £1,750 for 12 weeks was paid in addition to the usual £22 per hour Payment Plus rate.
- An Operational Support Grade (OSG) and Non-Operational Prison Staff Special Bonus Scheme for staff in Band 2 and all non-operational staff for those committing to an additional nine hours overtime a week for four or 12 week commitments. A one-off bonus of £400 for four weeks and £1,500 for 12 weeks was paid in addition to the usual hourly overtime rate.
- A Covid-19 Escorts and Bedwatch Special Bonus Payment of £20 per shift for those staff covering an escort or bedwatch for a prisoner believed to be infected with Covid-19.
- A Special Circumstances Payment of £150 a month for staff who worked in a prisoner facing role.
- The Prison Operational Manager Special Bonus Scheme for Bands 7 to 11 to recognise that operational managers would be working additional hours on a regular basis. This was paid at £1,500 per month.

¹⁹ POA, (2021). *Working in UK prisons and secure hospitals during the Covid-19 pandemic*. (online) Available at: <https://www.poauk.org.uk/news-events/news-room/posts/2021/june/working-in-uk-prisons-and-secure-hospitals-during-the-covid-19-pandemic/> [accessed on 19 July 2021].

2.25 HMPPS released data relating to the impact of Covid-19 on prisoners²⁰. This showed that from the start of the pandemic (March 2020) to 30 April 2021 there were 16,676 prisoners and children in custody who had tested positive for Covid-19. The Minister and HMPPS officials told us in oral evidence that under Public Health England projections, Covid-19 could have resulted in the deaths of around 2,500 prisoners. Whilst we acknowledge that every death of a prisoner is tragic and distressing, in particular for families but also for HMPPS staff, by the end of April 2021 this figure was substantially below these projections at 193 prisoners²¹. Without the swift and decisive action by HMPPS, along with the dedication and professionalism of staff in response to Covid-19 the number of deaths would undoubtedly have been higher.

2.26 HMPPS published experimental statistics in 2021, alongside its usual workforce data, which provided information on the impact of Covid-19 on its staff, in respect of staff deaths, positive cases and sickness absence²². Since the start of Covid-19 in March 2020 to 30 April 2021 the key findings were:

- Up to April 2021, there were 15,387 directly and non-directly employed staff who had tested positive for Covid-19, with 11,288 directly employed staff in prisons and the Youth Custody Service (YCS) testing positive over the same period.
- 45 HMPPS staff had died, having tested positive for Covid-19 28 days or fewer before death or where there was a clinical assessment that Covid-19 was (or was suspected to be) a contributory factor in their death. Of these 45 staff, 18 were directly employed²³ in the Prison Service and YCS.
- The data also showed that there were 194 directly employed staff in prisons and the YCS absent due to Covid-19 sickness on 30 April 2021. The peak in the data set was on 29 January 2021 when 1,534 staff were absent due to Covid-19 sickness.

2.27 As Covid-19 restrictions for the general public start to be relaxed, HMPPS will use its five stage National Framework for Prisons²⁴ policy to begin the process of returning to normal prison regimes. As of 29 March 2021, prisons that achieved stage three under this policy are now able to consider and explore the resumption of external social visits. The Service said that the return to a greater sense of normality would be a slow and cautious process.

²⁰ Her Majesty's Prison and Probation Service, (2021). *HMPPS COVID-19 statistics: April 2021*. (online) Available at: <https://www.gov.uk/government/statistics/hmpps-covid-19-statistics-april-2021> [accessed on 19 July 2021].

²¹ This figure denotes the cumulative number of deaths related to Covid-19 and includes prisoners, children in custody, and supervised individuals.

²² This does not include staff who were absent from work and who were not showing any symptoms but had to isolate due to contact with a positive case. Her Majesty's Prison and Probation Service, (2021). *HMPPS COVID-19 experimental statistics annex: 30 April 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021/hmpps-covid-19-experimental-statistics-annex-30-april-2021> [accessed on 19 July 2021].

²³ Staff members are recorded as directly employed if they are included in the Headquarters, National Probation Service or Approved Premises data collection. Staff members recorded in the data collection from both public and private prisons are recorded as directly employed if they have been flagged as directly employed within the dataset.

²⁴ Her Majesty's Prison and Probation Service, (2020). *COVID-19: National Framework for Prison Regimes and Services*. (online) Available at: <https://www.gov.uk/government/publications/covid-19-national-framework-for-prison-regimes-and-services> [accessed on 19 July 2021].

Prison population

2.28 The prison population at 30 April 2021, across the public and private sector was 77,900, a decrease of around 3,000 prisoners from the previous year²⁵. The useable operational capacity²⁶ across the estate in England and Wales at that time was 80,900. Whilst the total population has reduced, the remand population has increased throughout Covid-19, mainly due to the challenges of holding Crown Court trials over this period. The operational capacity²⁷ has also been reduced from last year, as part of HMPPS's efforts to limit the spread of the virus²⁸. HMPPS said in evidence that it expected the prison population to increase as Her Majesty's Courts and Tribunals Service began to address the backlog of cases throughout the court system.

Her Majesty's Inspectorate of Prisons annual report

2.29 Her Majesty's Inspectorate of Prisons (HMIP) is an Arm's Length Body of the MoJ, whose purpose is to "provide independent scrutiny of the conditions for and treatment of prisoners and other detainees and report on our findings"²⁹. In 2019-20, HMIP published 95 inspection and thematic reports. Of the 95 reports, 67 covered those establishments in our remit in England and Wales.

2.30 In the HMIP 2019-20 Annual Report³⁰, the Chief Inspector commented that many prisoners felt unsafe. Prisoners continued to live in shared, overcrowded, and unsanitary cells, but there had been some improved living conditions at certain prisons. There were good levels of care in female prisons and a particular strength seen in inspections was the relationships between staff and prisoners. The Chief Inspector expressed deep concerns about the performance and lack of clarity in relation to the custody arrangements for children. Overall, there had been some slight improvements across the prison estate but there remained much to remedy. Again, the Chief Inspector said he was impressed by the "commitment, care, empathy and professionalism" of staff working in prisons.

2.31 The HMIP 2019-20 Annual Report also included an annex that contained its initial findings from April to June 2020 that took account of the beginning of Covid-19. The Inspectorate developed a one-day short scrutiny visit (SSV) programme with 21 of these reports published on prisons and three on Immigration Removal Centres up to the end of June 2020. The Chief Inspector noted that the swift measures that the Prison Service had implemented had helped contain Covid-19 outbreaks and reduce deaths. However, the latter SSVs in June 2020 found prisoners were increasingly frustrated about the restricted nature of prison regimes. HMIP noted that there had been attempts at social distancing, but this had been made difficult in those prisons with

²⁵ Ministry of Justice, (2021). *Prison population figures: 2021*. (online) Available at:

<https://www.gov.uk/government/statistics/prison-population-figures-2021> [accessed on 19 July 2021].

²⁶ The useable operational capacity of the estate is the sum of all establishments' operational capacity less 3,000 places.

²⁷ The operational capacity of a prison is the total number of prisoners that an establishment can hold taking into account control, security and the proper operation of the planned regime.

²⁸ Her Majesty's Prison and Probation Service, (2020). *COVID-19 statistics: April 2021*. (online) Available at: <https://www.gov.uk/government/statistics/hmppps-covid-19-statistics-april-2021> [accessed on 19 July 2021].

²⁹ Her Majesty's Inspectorate of Prisons, (2020). *What we do*. (online) Available at: <https://www.justiceinspectores.gov.uk/hmiprison/about-hmi-prisons/> [accessed on 19 July 2021].

³⁰ Her Majesty's Inspectorate of Prisons, (2020). *Annual report 2019-20*. (online) Available at: <https://www.justiceinspectores.gov.uk/hmiprison/inspections/annual-report-2019-20/> [accessed on 19 July 2021].

narrow corridors. The Inspectorate found that personal protective equipment (PPE) was available at most prisons visited.

2.32 In January 2021, the Criminal Justice Joint Inspection³¹ published its report, *Impact of the pandemic on the Criminal Justice System*³², which found that the Prison Service had responded swiftly and decisively to keep prisoners safe whilst containing the spread of the virus. It was noted that during the first months of Covid-19 only the fundamental aspects of prison life were maintained: the provision of food; medication; showers; and daily exercise. The report noted that the number of remand prisoners had increased significantly as a proportion of the prison population which could have a future destabilising effect on prisons. The report concluded that as the criminal justice system exited the current Covid-19 restrictions, it had a significant backlog of cases which posed a threat to its proper functioning.

Safety in custody

2.33 Data from HMPPS show that levels of violence had started to decrease in the twelve months to December 2019, the first fall for several years. However, levels of violence remained historically high³³. In the year to December 2020, there were large decreases in the number of prisoner-on-prisoner and prisoner-on-staff assaults. Over this period there were 7,979 assaults on staff, down 20% from the previous year. The number of serious assaults on staff also decreased by 22% to 748. Whilst these figures have fallen, they are still much higher than a decade ago (2,848 assaults and 302 serious assaults respectively in the year to December 2010) and it is important to treat these data with caution, given the Prison Service has been operating restricted prison regimes due to Covid-19.

2.34 The number of self-harm incidents across all establishments reduced to 55,542 incidents in the year to December 2020 from 63,622 incidents the previous year. However, whilst there was a decrease in the rate of self-harm incidents per 1,000 prisoners across male establishments, the rate of incidents increased across female establishments to the highest on record. In the year to March 2021 there was an increase in deaths in prison custody, up 42% from the previous year. This increase corresponds to deaths related to Covid-19 and we note that there was a decrease in the number of self-inflicted deaths, down 4% from the previous year. As stated previously it is important to treat these data with caution due to the restricted prison regimes in place and the exceptional context of Covid-19 on prisons.

2.35 In its written evidence, HMPPS acknowledged that Covid-19 had caused enormous disruption across the prison estate which had brought new and different risks to safety. The Service said that due to a loss of resourcing, with staff redeployed to support its Covid-19 response, a significant number of prison safety projects had been paused. The rollout of PAVA (synthetic pepper spray) would now be completed in 2021-22 and

³¹ The Criminal Justice Joint Inspection comprised of Her Majesty's Crown Prosecution Service Inspectorate, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, Her Majesty's Inspectorate of Prisons and Her Majesty's Inspectorate of Probations.

³² Criminal Justice Joint Inspection, (2021). *Impact of the pandemic on the Criminal Justice System*. (online) Available at: <https://www.justiceinspectors.gov.uk/cjji/inspections/impact-of-the-pandemic-on-the-criminal-justice-system/> [accessed on 19 July 2021].

³³ Office of Manpower Economics analysis of HMPPS statistics. Her Majesty's Prison and Probation Service, (2020). *Safety in custody: quarterly update to December 2020*. (online) Available at: <https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-december-2020> [accessed on 19 July 2021].

HMPPS hoped by the end of 2021 all prisons would be using the Challenge, Support and Intervention plan to challenge violent prisoners. The Service said it was moving forward with its £100 million prison safety programme, which included the rolling out of x-ray body scanners and gate security at 50 priority sites.

2.36 In its written evidence the POA reported that prison staff had been dealing with unprecedented levels of violence prior to Covid-19. However, it accepted that since the introduction of Covid-19 restricted regimes, where smaller groups of prisoners were unlocked at a time, levels of violence had decreased. In oral evidence, it said there were important lessons that needed to be taken forward in respect of prison regimes as levels of violence could not be allowed to return to pre-Covid-19 levels. It, and the other trade unions, shared concerns that Band 3 Prison Officers recruited during Covid-19 or just before, had a false sense of the reality of what it is like to work in a prison compared to pre-Covid-19 conditions.

Evidence from visits

2.37 Due to Covid-19 restrictions we were unable to hold our usual in person prison visits this year. Instead, we undertook a series of "virtual" discussion groups with staff using telephone conferencing (see Appendix C for details). Staff from across the entire prison estate were offered the chance to volunteer to speak to us in grade specific discussion groups. We held 14 discussion groups with staff from Band 2 up to Band 11. We would like to thank those staff that took the time to speak to us. As we have done in previous years, we shared the main themes raised during these discussions with the parties. The main cross-cutting themes and issues have been grouped into categories for ease of reference.

2.38 The main issues and themes that were raised in relation to Covid-19 were:

- Staff and prisoners had died from Covid-19 and this had placed a significant emotional demand on prison staff. Staff said they were anxious, exhausted and scared at having to deal with a pandemic inside a closed environment like a prison.
- Staff were concerned that they might take Covid-19 home to their families.
- Staff had to deal with caring and childcare responsibilities during Covid-19, but shift patterns were not always flexible enough. Achieving work-life balance was made harder by staff shortages.
- There had been a significant increase in staff absence due to Covid-19. Staff reported that some establishments had significant absence levels which had needed to be covered by officers working on Detached Duty.
- Generally, staff felt that they had been forgotten during the pandemic and the focus had been on other public sector workers despite the considerable risks and conditions inside prisons.
- The Prison Service was praised by staff for its high-level response to Covid-19, but some staff felt there were many areas where it had been less robust in its approach. There were mixed views on how individual prisons had handled outbreaks.

- Staff reported that receiving PPE had been challenging at the start of the pandemic, leading some staff to obtain their own. It was felt that the quality of PPE had been poor and did not provide adequate protection.
- Staff reported that Covid-19 restricted regimes had produced some positives, such as a decrease in violence and self-harm, plus more meaningful staff time spent with prisoners. There was also felt to be less bullying amongst prisoners and fewer drugs available.

2.39 The main pay and allowances issues raised with us on our virtual visits were:

- Staff welcomed Recommendation 3 from our last report. However, they were unhappy and disappointed that the Government had rejected this recommendation, feeling that this demonstrated how little value the Government placed on the role of a Prison Officer.
- On the 2.5% headline award staff were generally positive, although it had not made up for previous years of low pay awards and pay restraint.
- Pay parity between the two pay structures at the Band 3 and closed grade Prison Officer level was important and needed to be addressed.
- There was significant frustration about another pay freeze, especially given the expectation of working throughout Covid-19.
- The buying power of take-home pay had significantly reduced compared to 10 years ago, particularly when tax, pension, and National Insurance contribution increases were factored in.
- There was some significant confusion and hearsay around the HMPPS review into the 'amber'³⁴ and 'red'³⁵ site market supplements. Staff routinely said they would leave the Service if these were removed.
- Band 2 OSGs reported that they were working, in some cases, 40% to 60% of their hours unsocially but only received the same 17% unsocial hours payment as those grades working fewer unsocial hours. It was felt that the unsocial hours payment for OSGs should either be increased from the current 17% to a higher level or the number of unsocial hours they worked should reduce.
- The pay differentials between Bands 3, 4 and 5 should be increased to incentivise promotion. Operational managers said Band 5 staff could earn more, once Payment Plus was taken into account, than a substantive Band 7. There also needed to be incentives to promote from officer to operational manager grades.
- Operational managers in particular stated that they were permanently on-call, working well beyond their contracted 37 hours and they were not adequately remunerated for this. Staff felt that we should recommend the introduction of an operational allowance to compensate for these extra hours.

³⁴ The 'amber' sites are: HMPs Belmarsh, Brixton, Chelmsford, Erlestoke, Guys Marsh, Isis, Lewes, Littlehey, Pentonville, Rochester, Wandsworth, Whitemoor and Wormwood Scrubs.

³⁵ The 'red' sites are: HMPs Aylesbury, Bedford, Bullingdon, Coldingley, Cookham Wood, Downview, Elmley, Feltham, Grendon/Springhill, High Down, Highpoint, Huntercombe, Send, Standford Hill, Swaleside, The Mount, Winchester, Woodhill and also Medway Secure Training Centre (now closed).

2.40 The main issues raised on recruitment and retention were:

- Staff continued to note the high number of Band 3 Prison Officers leaving which they felt was due to more competitive pay outside the Prison Service.
- Staff said Band 3 Prison Officers were ideal candidates for the Border Force and Police, both of which paid higher salaries. Staff also referenced several other external private and public employers that Band 3 Prison Officers were leaving to join.
- Covid-19 restricted regimes had given those Band 3 Prison Officers recruited in the last 12 months an unrealistic view of what it was like to work in a prison. Staff expressed the view that many would leave once regimes returned to “normal” conditions.
- There was a concern about the quality of the recruitment process. It was felt that too many new recruits were not suited to the Prison Service.
- The Service needed to pay a salary that also attracted those looking for second careers and who had life skills and experience, such as the military.
- Recruitment for Governing Governor roles was becoming more difficult, with it being reported that some posts attracted no or very few applicants.
- There was a concern that the McCloud pension judgement would see significant numbers of operational managers expedite their retirement plans.
- Increasing pay rates across the Service would encourage better retention and stop the Service being used as a stepping stone to financially better jobs.

2.41 The main motivation and morale issues raised were:

- Morale varied between prisons, although most staff felt there was generally a good sense of camaraderie with immediate prison colleagues.
- Colleagues had died or become seriously ill with Covid-19; this took a toll on staff.
- Having two pay structures was demoralising for staff. It was hard to feel motivated when some staff earned significantly more for the same job.
- Staff again commented that the Prison Service was the forgotten service and their work was not valued by the Government. This lack of value had been felt more acutely during Covid-19 but had been present for some time.
- The pay freeze (pause) was described as a “kick in the teeth” for prison staff, who had been working hard and putting themselves at increased risk during Covid-19.
- Operational managers said their long working weeks and being on-call adversely affected their home lives. They said they were demoralised at being on the same base pay as non-operational staff who had better work life balances, could work from home facing less risk, and could take time off for additional hours worked.

- Operational managers said they were responsible for the welfare of the staff and prisoners in their prisons. The emotional demands associated with this had increased significantly during Covid-19.

2.42 Other issues raised were:

- The independence of the Review Body was questioned. Staff felt the Recommendation 3 rejection showed that the Review Body was not able fully to fulfil its role as a compensatory mechanism for the loss of the right to take industrial action.
- Operational managers said that it was unfair that the Required Hours Allowance (RHA) was paid to those working in headquarters. It should be removed until staff returned to an operational prison role.
- Promotions were decided depending on the individual or the prison, “if the face fits”. Temporary cover was considered to be a cheaper way of covering vacancies rather than filling these substantively.
- Some staff felt job descriptions were too broad and not sufficiently focused. There had been a perceived “creep” of work being pushed down to more junior grades.
- Staff felt the Job Evaluation Scheme needed to be revisited as there were concerns about non-operational roles being banded the same as operational roles. The full range of demands on operational staff and the skills required to work effectively in a prison had not been fully or adequately captured by the scheme.
- Communication in the Prison Service was felt to be generally poor.
- Operational managers expressed frustration at being affected by pension taxation issues, with some receiving large tax demands.

The parties’ proposals

2.43 As we have noted in Chapter 1, the pay round for this year continues to run late due to the delays in the Government’s submission of evidence. We received the written evidence from the trade unions by 22 February 2021 and from HMPPS on 20 April 2021. The key points from each of the parties’ written evidence we received are summarised below.

2.44 HMPPS made the following proposals in its written evidence to us:

Headline award

- The Band 2 National spot rate to be increased by £250.
- The Band 3 National pay points to be increased by £250 and the pay points in Bands 4 and 5 to remain at current levels with no proposed increase.
- No headline base pay increases for Bands 7 to 11.
- The salaries for closed grade OSG, former G4S Security Officer and Prison Officer 2 grades to be increased by £250.

- The salary for Night Patrol to be increased by £436 and Prison Auxiliary by £387 to remain compliant with the NLW.
- Introduction of *Fair and Sustainable* Band 12 from 1 April 2021.

Pay progression and performance awards

- Eligible staff in Bands 3 to 5 who are not subject to formal poor performance measures to progress to the next pay point following any pay uplifts.
- Eligible staff in Bands 7 to 11 who are not subject to formal poor performance measures to progress by 4% (subject to maxima).
- The 2% annual non-consolidated awards paid to closed grade operational managers at scale maxima to be consolidated into 31 March 2021 salary levels.

Locality pay

- No changes to the current locality pay zonal structure.
- The differential between National and the Inner and Outer London maxima rates to be applied consistently across all bands.

Allowances and payments

- No allowances or payments to have a cash or percentage increase.
- Closed grade operational manager RHA rate to remain at 1 April 2020 level.
- No recommendations to be made on Notional Rents and that these will cease from 1 April 2024. Thereafter managed by MoJ Estates in line with Government rent-setting policies for local authority housing.

Opt in to *Fair and Sustainable*

- To enable closed grade Principal Officer specialists who opt in to move directly to the *Fair and Sustainable* Band 5 maximum.
- To enable closed grade Prison Officer specialists who opt in to move directly to the *Fair and Sustainable* Band 4 maximum.
- Normal opt in policy to apply for all other grades.

2.45 The Prison Governors' Association (PGA) made the following proposals in its written evidence:

- The *Fair and Sustainable* Bands 7 to 11 pay ranges to be increased by 15% to match the average of the comparators listed in the Incomes Data Research (IDR) 2020 prison staff pay comparability report, phased in over three years.
- A consolidated and pensionable progression increase of 10% for *Fair and Sustainable* Bands 7 to 11.

- Progression from the minima to maxima of the open Bands 7 to 11 pay ranges within four years. Progression then to be reviewed in future years to reduce this to three years with a longer-term aspiration of setting a single rate for remit group grades that reflects IDR comparators and Office for National Statistics Annual Survey of Hours and Earnings data.
- Research to be commissioned that evaluates the total reward package for each pay band in HMPPS.

2.46 We were pleased to receive written evidence this year from the POA for the first time since 2015. The POA made the following proposals in its written evidence:

- A £3,000 pay increase for all *Fair and Sustainable* Bands 2 to 5 and closed grade equivalents.
- Recommendation 3 from the 2020 England and Wales report should be resubmitted to Government and implemented prior to the implementation of the proposal above.
- All uniformed grades to receive a 5% bonus to recognise their work during Covid-19.
- The number of pay points for *Fair and Sustainable* Bands 3 to 5 should be reduced from five to two.
- At those establishments where Band 3 are in receipt of the 'amber' and 'red' market supplements, these should be extended and apply to all operational staff in Bands 2 to 5.
- Unsocial hours payments for *Fair and Sustainable* Bands 2 to 5 should be increased from 17% of base pay to 25% of base pay.
- An increase in the rate of Payment Plus from £22 per hour to £30 per hour. This allowance to be made pensionable.
- The single rate for the Care and Maintenance of Dogs be increased to £2,000 a year. The multiple dog rate to be replaced by an additional £500 payment for each additional dog cared for.
- The Tornado payment to be increased from £24.86 to £35 per hour for officer grades, and from £19 to £30 per hour for OSGs.
- Dirty Protest rates to be increased from £10 to £15 per day for under four hours and from £20 to £30 per day for over four hours.
- Overtime rates for OSGs to be increased to time-and-two-thirds for 'green' hours (07.00-19.00 weekdays) and double-time for 'red' hours (19.00-07.00 weekdays and all-day weekends and public holidays). This should be made pensionable.
- Staff who volunteer to undertake specialist duties should be paid a £500 a year specialisms allowance for the following tasks: negotiator; Assessment Care in Custody and Teamwork assessor; control and restraint (C&R) assessor; C&R Tornado; first aid; mentor; local response team; care team; mental health allies;

OSG drivers (including Tornado and category A/high security); ECR/control room; separation centres; and discreet high security estate units.

- Staff on temporary cover should receive the same pay as those working at the higher grade and this should be pensionable.
- There should be a pension age of 60 for uniformed Prison Service grades. The Review Body should also look at whether the reduction in pension benefits has had an impact on the Service's ability to recruit, retain and motivate staff.

2.47 The Public and Commercial Services union's HMPPS branch made the following proposals in its written evidence:

- A 10% consolidated award which reflected the union's national position. This award to be for all staff, including those on closed grades.
- All pay scale and bands to be reviewed and revised to match the IDR prison staff pay comparability report. Base pay to be matched to the highest-grade maxima for each comparator or at least the maxima of the private sector prison comparators.
- A new pay scale for Bands 3 and 4 to be introduced, having a 20% spread from minima to maxima and 10% pay differential between the two pay bands. Band 3 to be a three point scale and Band 4 a four point scale. All other bands to be revalorised.
- Any pay award to be at least in line with average pay growth (3.6%) or an inflationary pay increase.
- The HMPPS 'amber' and 'red' market supplements to be consolidated into base pay and all staff uplifted on to the same salary.

Request for evidence

2.48 In our 2020 report, we asked the parties to address several issues in written evidence so that we could consider them fully for this report. The information we request is important to us so that we may consider as wide range of issues as possible. As an evidence-based body we need to have the most up to date data. We take our responsibilities seriously as a body and will continue to challenge HMPPS and other stakeholders as necessary.

2.49 We appreciate this year that several requests we made for further evidence were not able to be fulfilled and were put on hold due to the impact of Covid-19. However, we are disappointed to note that a number of these requests pre-date Covid-19 and are yet to be resolved, with the Band 4 Advanced Prison Officer role first being noted in our 2018 report. HMPPS told us that the following areas where we had asked for evidence for this 2021 report had been placed on hold and would be returned to once the Service had greater stability following Covid-19.

- Information on the proposed new performance management system, including how it will operate, how learning from the previous system will be included,

how performance will be measured and moderated, and the timeframes for implementing the new system.

- Evidence on how the new performance management system will be fair, inclusive, comprehensive and consistent for all grades, enjoying the confidence and participation of all staff and in particular, those with protected characteristics.
- An update on how effective specific new initiatives have been, particularly:
 - The recruitment and introduction of 3,000 new Advanced Prison Officer and YCS roles at Band 4 (HMPPS provided evidence on the latter);
 - The establishment of additional Band 5 Custodial Manager posts through the implementation of the Offender Management in Custody model; and
 - The changes in the hours available under the permanent contracted hours system and the associated decrease in the use of Payment Plus.
- An update from HMPPS on the work being undertaken to reduce the number of average working days lost each year through sickness.

2.50 Listed below, reproduced from our 2020 report, is the information we requested that was not provided in evidence or where further detailed evidence would have been useful this year. As we have noted in previous reports, we request this evidence in order that we can discharge our statutory duty and so that we can fully consider all the issues. Not providing information affects our ability to make fully considered evidence-based recommendations, potentially to the detriment of our remit group.

- Staff in the National Tactical Response Group (NTRG) raised the issue of an increased rate of Tornado payment. We ask HMPPS for further data on the NTRG, including trends in calls-outs and further detail about the role of NTRG during operational incidents. We would welcome from all parties their views on the appropriateness of and level for an enhanced Tornado rate and any additional feedback on the introduction last year of a NTRG annual on-call allowance. We would also require information on the composition of staff in the NTRG, including by protected characteristics.
- We note that a number of allowances listed in Appendix F (of our 2020 report, Appendix F of this report) have not been increased for some time, some for over a decade. We ask the parties to consider whether any of these allowances should be changed for our next report, providing data and evidence as appropriate. We will also require data from HMPPS on the composition of staff in receipt of these allowances, including by protected characteristics.
- In recent years, the PGA has raised the issue of operational manager grades being covered using temporary cover. This distorts the number of vacancies. We therefore require accurate data for all grades, including officer grades, on the numbers of vacancies being filled by temporary cover and over what periods, including whether these are establishment or headquarters based. We would also like this data to include a breakdown by protected characteristics (we note that HMPPS publishes this data). We would want to see a reduction in the numbers of staff on temporary cover arrangements.

- As per our terms of reference, motivation and morale are important elements of our remit. We acknowledge that motivation and morale are abstract concepts which can be difficult to measure, but there are many proxy indicators which, taken together, can provide an overall assessment of the organisational position. It was disappointing that we received limited evidence on this area this year. We therefore ask the parties to provide us evidence next year on the levels of motivation and morale in the Prison Service, along with any plans to improve them.
- We were concerned to note from the HMPPS results from the 2019 Civil Service People Survey that 16% of those who completed the survey reported that they had been bullied, harassed or discriminated against in the last 12 months. We ask that HMPPS provides us with its plan to address this issue in its written evidence next year.

2.51 In Chapter 5 we again make requests for further information and draw the parties' attention to our requirements which should form part of written evidence submissions to us next year. We expect the parties to look at this carefully and provide us with the data and their views, including the evidence that supports those views.

Chapter 3: Our Remit Group

Introduction

3.1 This chapter sets out the evidence we have received on our remit group staff. We present data on the composition of our remit group and report on the issues of recruitment and retention, motivation and morale, equality and diversity, and the competitiveness of Prison Service pay in England and Wales.

3.2 We receive data on the Prison Service from Her Majesty's Prison and Probation Service (HMPPS) annually and use these figures when formulating our recommendations. This year the dataset was provided to us in early 2021 but generally refers to the 12 month period to 31 March 2020. We have also used more recent, publicly available workforce data to strengthen our evidence base. Where we have used more up-to-date figures in our analyses, the time period has been referenced.

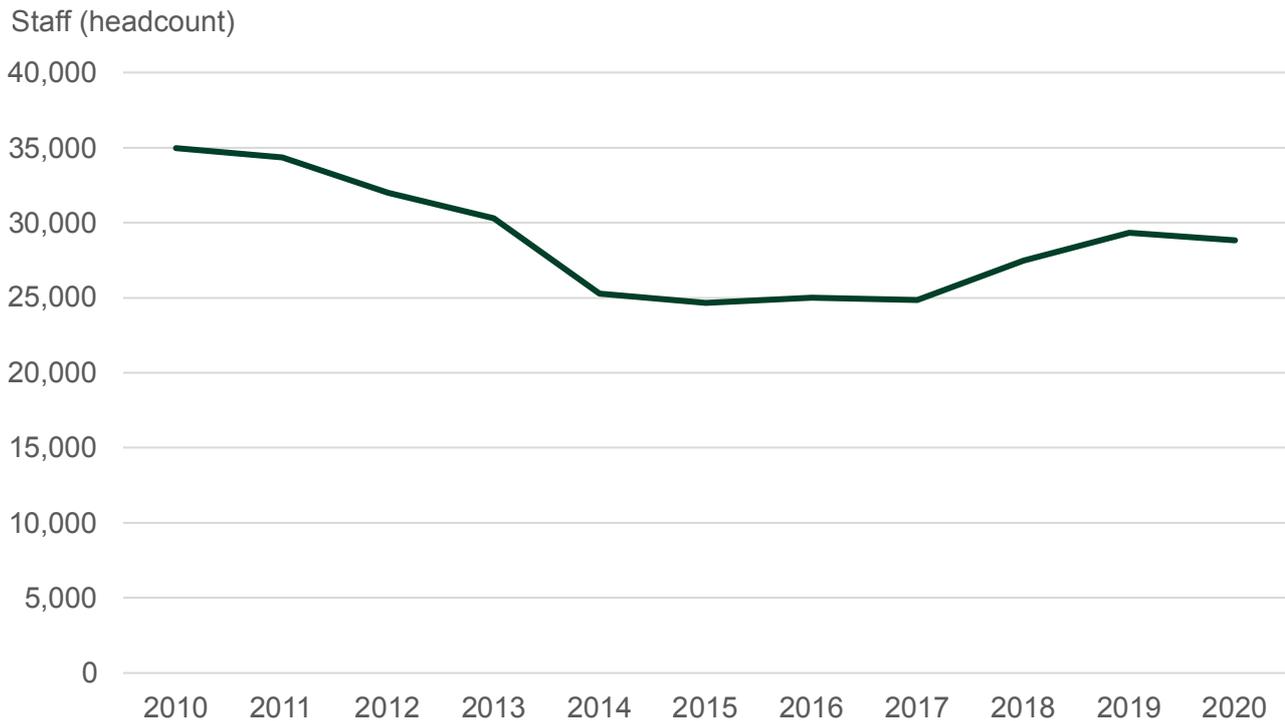
The composition of our remit group

Staff numbers

3.3 There were 28,811³⁶ staff in our remit group at 31 March 2020, a decrease of 1.8% since March 2019. Figure 3.1 shows the remit group size from 2010 to 2020. The period 2011 to 2014 saw a large decrease in staff numbers, mainly as a result of staff exiting the Service through Voluntary Early Departure Schemes. From 2014 to 2017, the headcount of the remit group remained at around 25,000, the lowest it had been since the establishment of the Prison Service Pay Review Body in 2001. There was an increase in the size of the remit group from 2018, mainly due to increased recruitment of Bands 3 to 4 Prison Officers (including specialists) in particular. However, between April 2019 and March 2020 our remit group headcount fell for the first time since 2017.

³⁶ This is headcount.

Figure 3.1 – Remit group size, at 31 March 2010 to 2020³⁷.



3.4 Table 3.1 shows the number of remit group staff in post by grade at 31 March each year from 2015 to 2020. At 31 March 2020, all grade groups had seen an increase from the previous year with the exception of Bands 3 to 5 officers, which was driven by a decline in the number of Band 3 Prison Officers:

- Band 2 / support grades – an increase of 89 staff or 1.8%;
- Bands 3 to 5 / officers – a decrease of 657 staff or 2.8%; and
- Bands 7 to 11 / operational managers – an increase of 39 staff or 4.1%.

³⁷ Office of Manpower Economics analysis of HMPPS workforce data.

Table 3.1 – Headcount of remit group staff in post, at 31 March 2015 to 2020³⁸.

Broad staff group	2015	2016	2017	2018	2019	2020	Change 2019 to 2020	Change 2019 to 2020 (%)
Bands 7 to 11 / Operational manager grades	958	964	934	903	945	984	39	4.1%
Band 5s / Principal Officers	1,385	1,368	1,407	1,428	1,560	1,770	210	13.5%
Band 4s / Senior Officers/ Specialists	2,669	2,735	2,737	2,922	3,057	3,116	59	1.9%
Band 3s / Prison Officers	14,904	14,986	15,030	17,471	18,841	17,915	-926	-4.9%
Band 2s / Operational Support Grades	4,754	4,950	4,760	4,736	4,937	5,026	89	1.8%
Total Band 3-5 prison officer grades	18,958	19,089	19,174	21,821	23,458	22,801	-657	-2.8%
Total (remit group)	24,670	25,003	24,868	27,460	29,340	28,811	-529	-1.8%

3.5 Table 3.1 shows that whilst there was a modest 2.8% decrease in the number of Bands 3 to 5 officers as a group, there was a greater degree of change between the individual grades in the year to March 2020. Band 5 saw a large increase of 13.5% (210 staff) driven by HMPPS's desire to recruit more at this grade. However, Band 3 Prison Officer numbers decreased by 4.9% (926 staff), which is concerning to us. We discuss recruitment and retention later in this chapter.

3.6 More recent full-time equivalent (FTE) data show that the number of Bands 3 to 5 officer grades decreased between 31 March 2020 and 31 December 2020 from 21,928 to 21,564 (-1.7%). Again, this was mainly driven by a fall in the number of Bands 3 to 4 Prison Officers (including specialists) from 18,317 to 17,994 (-1.8%). During the same time period, the number of Band 2 support grades increased from 4,733 to 4,900 (3.5%) while the number of Bands 7 to 11 operational managers increased from 966 to 979 (1.4%).

3.7 The Prison Governors' Association (PGA) again raised in oral evidence its concerns about the increases seen in the number of operational managers being due to recruitment of operational managers to non-prison facing roles. It repeated its concerns from previous years that increases in the number of operational managers

³⁸ Office of Manpower Economics analysis of HMPPS workforce data.

in headquarters and regional structures were masking operational manager vacancies in prisons.

Staff characteristics

3.8 Like other public bodies, we have a public sector equality duty and are required by our standing terms of reference to consider, as a minimum, the relevant legal obligations on the Prison Service with regard to equality and diversity. We continue to monitor the data supplied by HMPPS on diversity of our remit group. We recognise that creating and sustaining an inclusive and diverse workforce which promotes employee wellbeing, mutual respect, understanding, and engagement is an important responsibility of any employer.

3.9 With regard to ethnicity statistics, the various sources used in this report take differing approaches to terminology and classifications of ethnic groups. Whilst the Office for National Statistics (ONS) recommends using the term 'ethnic minorities' over 'Black, Asian, and Minority Ethnic (BAME)'³⁹, we have used the specific term that each source refers to within this report. We note that HMPPS's statistics use the term BAME⁴⁰.

3.10 At 31 March 2020, 49% of Operational Support Grades (OSGs) were aged 50 or over. At the same date, around 27% of Bands 3 to 5 officers were aged under 30. This proportion has increased over time, it was only 10% in 2015. Conversely, there were proportionally fewer Bands 3 to 5 officers aged between 40 and 49 in 2020 than in previous years. The proportion of operational managers that were aged 50 and over has increased since 2012, from 29% to 54% in 2020.

3.11 At 31 March 2020, some 32% of the remit group were female, up one percentage point from 2019. The gender split of our remit group varied by grade: 46% of OSGs were female, 28% of officer grades were female, and 36% of operational managers were female. Whilst there have been increases in the proportion of female staff at all grades over the past decade, the proportion does not reach half in any of the *Fair and Sustainable* grades.

3.12 In terms of ethnicity data, at 31 March 2020, 8.1% of our remit group (excluding staff who did not wish to declare their ethnicity) were from a BAME background, an increase from 7.3% in 2019. We note that the percentage of staff from a BAME background appears to decrease as seniority increases. For example, in 2020, whilst 10.1% of operational support grades were from a BAME background, the corresponding figures were 7.7% for officers and 5.9% for operational managers. According to the 2011 Census, 14% of the population of England and Wales were from an ethnic minority background (excluding White minorities)⁴¹.

³⁹ Office for National Statistics. *Language and Spelling*. (online) Available at:

<https://style.ons.gov.uk/category/house-style/language-and-spelling/> [accessed on 19 July 2021].

⁴⁰ This includes the following groups: Arab, Other Ethnic Background, Asian – Bangladeshi, Asian – Indian, Asian – Pakistani, Black – African, Black – Caribbean, Chinese, Mixed Asian and White, Mixed Black African and White, Mixed Black Caribbean and White, Other Asian Background, Other Black Background, Other Mixed Ethnic Background. It excludes the following category: White.

⁴¹ This includes the categories Asian, Black, Mixed and Other. Office for National Statistics, (2020). *Population of England and Wales*. (online) Available at: <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/population-of-england-and-wales/latest> [accessed on 19 July 2021].

3.13 HMPPS states that its equality objective is to “treat all people fairly” and to “treat our staff with respect and offer equal opportunities to everyone we work with”⁴². It said in its written evidence that it was working hard to boost diversity in prisons and would use the following to assist in this objective:

- Insights from staff surveys and focus groups to track views and understand barriers around recruitment and progression in different staff groupings;
- Ad tracking to see what media were most effective at bringing in applications from ethnic minorities;
- Using case studies of staff from ethnic minority groups to show diversity in the workforce across all media outputs;
- Monitoring selection processes to assess impacts on different groups and adjusting when necessary; and
- Community engagement and regional activity that focuses on those establishments that do not have a representative workforce, with several locations identified as requiring initial attention.

3.14 In its written evidence HMPPS said it was committed to recommendation 28 of the Lammy Review⁴³, to ensure it recruited 14% of staff from a BAME background by December 2020. We return to this later in this chapter and we continue to encourage HMPPS to increase its percentage of Prison Officers from a BAME background to reach its Lammy Review commitment.

3.15 There also remain several issues in relation to equality and diversity on which we would like to receive meaningful data for our next report, including breakdowns by protected characteristics. These include: the number of staff working in specialist units (such as dog handlers and the National Tactical Response Group), breakdowns of those staff in receipt of allowances and length of time on temporary promotion. Whilst we acknowledge that HMPPS needs to ensure it complies with equality legislation and its public sector duty, we are also required to ensure that we have the right granularity and up-to-date equality and diversity data on all areas of our remit.

Two-tier pay structure

3.16 *Fair and Sustainable* was introduced in 2012 and since then there have been staff who occupy either the *Fair and Sustainable* or the closed grade pay structures. Staff on the closed grade pay structure who would benefit financially from opting in to *Fair and Sustainable* are given the opportunity to do so each year. HMPPS provides each staff member with personalised information about what the move would mean for them financially. However, due to the coronavirus pandemic (Covid-19) this process was not run exactly as in previous years.

⁴² Her Majesty's Prison and Probation Service, (2019). *Equality and diversity*. (online) Available at: <https://www.gov.uk/government/organisations/her-majestys-prison-and-probation-service/about/equality-and-diversity> [accessed on 19 July 2021].

⁴³ GOV.uk, (2017). *Lammy Review: Final Report*. (online) Available at: <https://www.gov.uk/government/publications/lammy-review-final-report> [accessed on 19 July 2021].

3.17 At 30 September 2020, 78% of our remit group were on the *Fair and Sustainable* pay structure, this is an increase of four percentage points from the previous year. However, there remain some groups of staff (mainly closed grade Prison Officers) who are unable to benefit financially from opting in to *Fair and Sustainable* due to the substantial pay differential with the Band 3 equivalent. There are also those closed grade staff who are in receipt of legacy Locality Pay Allowances (LPAs), which are not paid under *Fair and Sustainable* and for whom opting in would result in a reduction of pay. There are a significant number of closed grade staff, mainly OSGs who, despite financially benefiting from opting in, choose not to do so. On visits these staff tell us that they distrust HMPPS and are concerned that HMPPS will remove the unsocial hours payments at a future date because under *Fair and Sustainable* it is paid as a separate allowance rather than part of base pay. We note however, that HMPPS has made written assurances this will not be removed so long as staff continue to work in roles that demand unsocial hours working.

3.18 There are 239 FTE staff who are on former G4S grades following the transfer of HMPs The Wolds (2013) and Birmingham (2018) to the public sector. These staff are on a more complex set of pay and benefit arrangements which means that it may not be financially beneficial for them to opt in to *Fair and Sustainable*. We treat these staff as being in the closed grades when making recommendations.

3.19 In its written and oral evidence, HMPPS stated that since the introduction of *Fair and Sustainable* in 2012 it has been its ambition to target investment in the *Fair and Sustainable* pay structure over a 15 year period until the gap with the closed grades is closed. HMPPS added that this ambition had been adversely affected by pay restraint and recent non targeted pay awards which had limited progress. HMPPS accepted that our recommendation last year (Recommendation 3) would have significantly closed the gap but, due to exceptional affordability challenges, it stated it was not able to implement that recommendation.

3.20 The POA noted in its evidence that our Recommendation 3 last year would have significantly reduced the pay differential between the two pay structures. The union said it was ready to engage with HMPPS to agree a time-bound plan to remove the two-tier pay system. The Public and Commercial Services (PCS) union added in its written evidence that austerity and pay restraint had resulted in prolonged pay disparities and a two-tier pay system.

3.21 In our last three reports, we have made recommendations that would have seen more investment in those *Fair and Sustainable* grades where pay differentials continue to exist. In our 2018 report we recommended a differentiated award for Bands 3 to 4, which the Government rejected and instead implemented a uniform pay award. Our recommendation for a higher award for Band 3 in our 2019 report was accepted, closing the pay differential marginally. However, the significant recommendation in our 2020 report that would have seen the differential between Band 3 and the closed grade equivalent reduced by £3,000, was rejected.

HMPPS workforce strategy

3.22 In 2019, HMPPS published its Business Strategy⁴⁴. The strategy is centred on four key principles: enabling people to be their best; building an open, learning culture; transforming through partnerships; and modernising the prison estate and technology. This strategy also sets out HMPPS's ambition to develop a longer-term strategic plan, detailing what it wants to achieve over the next four, seven and ten years.

3.23 In its written evidence, HMPPS stated that pay and reward serves as an enabler to achieve its Business Strategy and is critical for delivering wider organisational objectives. HMPPS said its medium- to long-term pay strategy comprised: upgrading the *Fair and Sustainable* pay structure; recruitment and retention; and enabling a modern and flexible employer. However, it noted that uncertainties in departmental affordability and the economic situation meant the duration of the strategy was unclear. HMPPS reported it wanted to achieve a clear, modernised and coherent pay structure across all grades, which allowed sufficient headroom to incentivise progression, along with taking account of the rates of pay in the labour market it operates within.

3.24 In previous years, HMPPS told us that the Band 4 Advanced Prison Officer role was part of its plans for workforce reform and it hoped this would also encourage closed grade Prison Officers to move to *Fair and Sustainable* terms. We note however, that progress has been halted due to Covid-19, but that HMPPS wants to resume its discussions with the POA shortly. We look forward to hearing the outcome of these discussions for our next report.

Pay comparability

3.25 As part of our evidence base last year, we asked the Office of Manpower Economics to commission the Prison Pay Comparability Study which was completed by Incomes Data Research (IDR)⁴⁵. The report by IDR, despite the specific working environment of our remit group, produced several comparator roles at similar skill levels and responsibility within broadly comparable disciplines or working environments. These remain useful benchmarks for pay comparison purposes.

3.26 We have not updated this research this year, given pay awards for the majority of the comparators identified may not have changed materially. It is our intention to update this work for future pay rounds however, the report continues to provide a useful addition to our evidence base.

Allowances

3.27 In the last six years the Prison Service has seen its spending on allowances increase significantly from around £84.5 million in the year to 31 March 2015, to just over £200 million in the year to 31 March 2020, which accounts for a significant proportion of paybill spend. We note that a substantial contributory factor is the unsocial hours payments under *Fair and Sustainable* which are paid as a separate allowance, rather than as part of base pay, in contrast to the position for the closed grades. Total

⁴⁴ Her Majesty's Prison and Probation Service, (2019). *HMPPS Business Strategy: Shaping our Future*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-business-strategy-shaping-our-future> [accessed on 19 July 2021].

⁴⁵ Incomes Data Research, (2019). *Prison Pay Comparability Study*. (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 19 July 2021].

spending on allowances in the year to 31 March 2020 increased by around £13 million (7%) from the previous year. Allowance spending on the closed grades in the year to 31 March 2020 decreased by 19% as the number of closed grades reduced but allowances for *Fair and Sustainable* grades increased by 13% in the same period.

3.28 Payment Plus remains one of the costliest allowances in terms of expenditure for HMPPS. In our 2019 report we noted that this had reached a high of just over £50 million in the year to 31 March 2018 but had reduced to £36 million in the year to 31 March 2019. It is positive that the cost of this allowance has further decreased to under £33 million in 2019-20, a decrease of around 35% from the historic high seen in 2017-18. HMPPS previously said that its additional contracted hours and higher recruitment volumes would reduce the need for Payment Plus, and the data suggests this might be the case. However, the data is up to 31 March 2020, so will not include any possible impact of Covid-19 on Payment Plus expenditure over 2020-21.

3.29 In our 2020 report, we noted that we wanted to review allowances as part of this current pay round. We note that some of the other allowances we make recommendations on have seen changes in expenditure. The cost of the Dirty Protest allowance has increased to the highest level seen since our series began in 2013-14, to just over £1 million in the year to 31 March 2020, an increase of 22% on the previous year. Expenditure on overtime decreased again in the year to 31 March 2020 by 4%, although is still high compared to pre-2017 levels. We note that expenditure on overtime for OSGs and Band 2s was particularly high compared to other grades. Expenditure on Tornado payments in the year to 31 March 2020 increased by 4% from the previous year but is 21% below the record high in 2017-18.

3.30 Time off in lieu (TOIL) is a debt HMPPS accrues of time owed to staff who have carried out additional, unpaid hours of work. This needs to be repaid in future by allowing the relevant staff time off. The outstanding TOIL balance at 31 March 2020 for staff in Bands 2 to 5 / support grades and officers was reported to be 366,086 hours across all establishments, an increase of 24,874 hours since last year. The total TOIL hours per officer increased from 12.0 hours at 31 March 2019 to 13.2 hours at 31 March 2020.

3.31 TOIL hours had been on a downward trend since 2015 but in the last two years the absolute number of TOIL hours increased for all grades of staff. However, there are variations between the grades in relation to the number of hours per officer. Band 5 / Principal Officers have the highest TOIL hours per officer, at 37.7 in 2020, despite a reduction from 2019. All other officer and support grades saw an increase in the number of TOIL hours per officer. For Bands 3 to 4 / Prison and Senior Officers this could be due to a reduction in the numbers of staff at those grades, whereas Band 2 / OSGs have seen an increase in staffing numbers and a reduction in overtime costs. It is important to note that the data on TOIL is up to 31 March 2020 so will not fully reflect any impact that Covid-19 might have had. In oral evidence the POA stated that TOIL balances should be repaid to staff at the Payment Plus rate of £22 per hour.

3.32 At 31 March 2020, there were 1,437 staff (headcount) in receipt of a temporary cover payment. Whilst this is a reduction of 18% from the previous year, it is the third highest figure since 2005. The number of officer grades on temporary cover reduced by 19% in the 12 months to 31 March 2020, but the number of operational managers in receipt of a temporary cover payment increased by 3% over the same period. This increase for operational managers is surprising given the number of Bands

7 to 11 operational managers increased over the 24 month period to 31 March 2020. We continued to hear from staff on visits that some temporary cover periods were lasting longer than 12 months.

3.33 The POA reported that there was a reliance on temporary cover and said that officer grades could earn more by undertaking temporary cover and additional Payment Plus hours than by substantive promotion. The union said it felt that the different bands should have greater pay differentials to incentivise promotion. In previous years, the PGA has reported its concerns about the data from HMPPS on temporary cover. During oral evidence, the PGA also said it was more financially beneficial for a Band 5 to remain on temporary cover and undertake Payment Plus than it was to apply for substantive promotion to Band 7. This was a structural issue in *Fair and Sustainable* that the union said needed to be addressed.

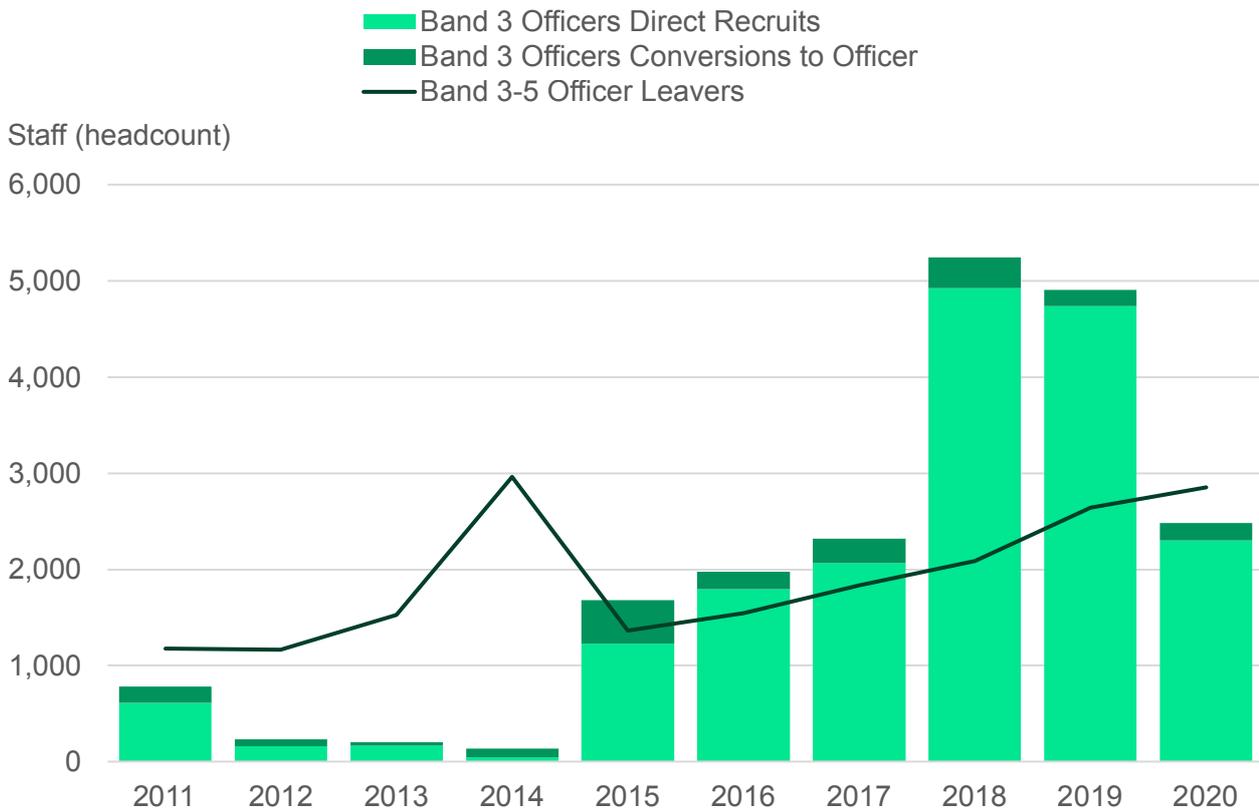
3.34 Whilst it is positive that temporary cover payments have started to reduce, they remain higher than we would like. We believe the pay structure should incentivise staff to remain in the Service and develop their careers should they wish to do so, including applying for promotion.

Recruitment and retention

3.35 When reaching our recommendations, our terms of reference require us to take account when reaching our recommendations, of the ability of the Prison Service to recruit, retain and motivate suitably able and qualified staff. In its written evidence, HMPPS stated it would need to recruit a significant number of additional staff in the coming years to meet the demands of the criminal justice system, in particular the proposed increase in the size of the prison estate by creating 18,000 additional places, spread across the private and public sector. The Government's commitment to recruit an additional 20,000 Police Officers and any consequences arising from Covid-19 are also likely to have an adverse effect on both recruitment and retention of prison staff.

3.36 Since 2015 the Service has been recruiting significant numbers of Band 3 Prison Officers, the Service recruited just over 10,000 new Band 3 Prison Officers in 2017-18 and 2018-19. In the year to March 2020, there were 2,483 new Band 3 Prison Officers, of which 2,301 were new recruits to the Service and 182 were conversions from other Prison Service grades. These figures are significantly lower than in 2017-18 and 2018-19 but still marginally higher than in 2014-15 to 2016-17. It is positive the Service is still able to recruit but, as we note later in this chapter, retention is still a significant issue for the Service. It is concerning that for the first time since the large scale Voluntary Early Departure Scheme run in 2014, the number of Bands 3 to 5 leavers exceeded the number of new Band 3 recruits. Figure 3.2 shows the number of Band 3 recruits and conversions, and Bands 3 to 5 leavers, from 2011 to 2020.

Figure 3.2 – Band 3 Prison Officer recruits and conversions, and Bands 3 to 5 leavers, year to March 2011 to 2020⁴⁶.



3.37 HMPPS told us that recruitment was suspended between March and August 2020 due to Covid-19. The Service began to increase recruitment from September 2020 onwards starting with its Band 2 fast-track scheme. It commented that the pandemic had forced it to develop a new fully online assessment centre (except for in-person medical and fitness tests) from November 2020 to reduce face-to-face assessments. This had enabled HMPPS to increase capacity in its recruitment pipeline. We have some reservations about fully online assessment centres and what impact these could have on obtaining suitable recruits. HMPPS said its Prison Officer Entry Level Training apprenticeship that was due to be implemented from May 2020 would now be scheduled for implementation in 2021.

3.38 In terms of recruitment diversity, HMPPS’s experimental statistics provide a measure of the proportion of new recruits who are from BAME backgrounds⁴⁷. These statistics are set in the context of HMPPS’s public commitment, following the Lammy Review, that 14% of all new recruits would come from BAME backgrounds by December 2020. Between January 2019 and December 2020, there were some 128,600 applicants for Prison Officer recruitment campaigns, of which some 124,100 were for Public Sector Prisons and 4,500 were for Youth Custody Service (YCS) campaigns.

⁴⁶ Office of Manpower Economics analysis of HMPPS workforce data.

⁴⁷ These diversity statistics are based on self-declared ethnicity information which applicants provided. Those applicants who did not declare their information are excluded from the analysis (typically less than 2% of applicants). Her Majesty’s Prison and Probation Service, (2021). *Recruitment diversity experimental statistics Q1 2019 to Q4 2020*. (online) Available at: [Recruitment diversity experimental statistics Q1 2019 to Q4 2020 – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/recruitment-diversity-experimental-statistics-q1-2019-to-q4-2020) [accessed on 19 July 2021].

BAME candidates accounted for 20% of all Prison Officer applicants and 12% of formal offers accepted.

3.39 HMPPS noted that the proportion of BAME applicants is dependent on the geographic location and therefore composition of the local population where the recruitment campaign is taking place. For example, in the first quarter of 2019, only 16% were BAME applicants, however, in the third quarter (Q3) of 2020, 37% were BAME applicants. This increase is likely to be due to nearly a third of all applicants in Q3 2020 being for posts in London prisons. Furthermore, the percentage of Prison Officers with formal offers accepted between January 2019 and December 2020 who were from a BAME background to the YCS was 25.6%⁴⁸. This higher proportion may be because YCS establishments tend to be located in areas where ethnic minority representation is higher within the local population.

3.40 Although BAME representation varied by quarter, the proportion of disabled candidates throughout the 24 month period January 2019 to 31 December 2020 remained broadly stable. Over this period disabled candidates accounted for 3.3% of Prison Officer applicants and 2.5% of formal offers accepted. Female representation was also broadly stable over the same period, with female candidates accounting for around 46% of applicants and 36% of formal offers accepted.

3.41 In terms of OSG recruitment from January 2019 to December 2020, BAME candidates made up 18.7% of applicants and 13.4% of formal offers accepted. Disabled candidates made up 4.4% of all OSG applicants, and 3.6% of formal offers accepted over the same period. Female representation was higher for OSG than for Band 3 Prison Officer candidates, with females accounting for 51.9% of all OSG applicants and 55.9% of formal offers.

3.42 Within these experimental statistics, the ethnicity Relative Rate Index (RRI) was a metric used to measure any disparity in outcomes on recruitment by diversity characteristic. Based on the RRI there was statistically significant evidence of a disparity in outcomes when comparing: BAME applicants to White applicants (for both Prison Officer and OSG posts); and female Prison Officer applicants to male Prison Officer applicants. We consider that HMPPS needs to further analyse and understand all these data to ensure there is no conscious or unconscious bias at any stage of the recruitment process.

3.43 We noted in our last report that the Government announced funding in September 2019 for the Home Office to recruit an additional 20,000 Police Officers⁴⁹. The Home Office said that this was the biggest police recruitment drive in decades and would see up to 6,000 Police Officers recruited across 43 forces over the first year. The remaining 14,000 Police Officers would be recruited in the following two years. We noted last year that HMPPS did not consider that all potential or current prison staff would be keen or able to join the Police. However, we continue to hear routinely on visits anecdotal evidence that recent recruits are leaving the Prison Service to become Police Officers.

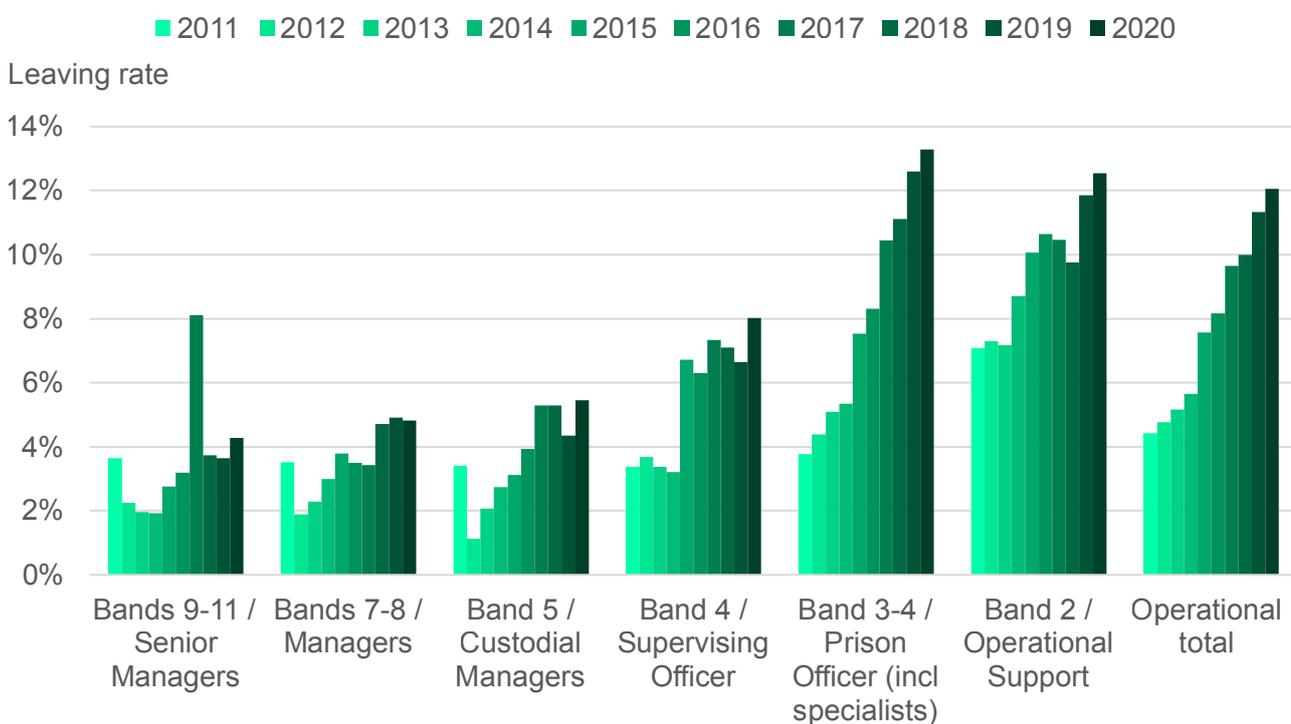
⁴⁸ Her Majesty's Prison and Probation Service, (2021). *Recruitment diversity experimental statistics Q1 2019 to Q4 2020*. (online) Available at: [Recruitment diversity experimental statistics Q1 2019 to Q4 2020 – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97848/recruitment-diversity-experimental-statistics-q1-2019-to-q4-2020.pdf) [accessed on 19 July 2021].

⁴⁹ Home Office, (2019). *National campaign to recruit 20,000 police officers launches today*. (online) Available at: <https://www.gov.uk/government/news/national-campaign-to-recruit-20000-police-officers-launches-today> [accessed on 19 July 2021].

3.44 Figure 3.3 shows percentage leaving rates for the 10 years ending 31 March 2020. In the year to March 2020, the overall leaving rate for all grades across the Prison Service increased to 12.0%, up from 11.3% a year earlier. The leaving rates of permanent staff by grade were:

- 12.5% for Band 2 support grades, up from 11.8% the previous year.
- 13.3% for Band 3 Prison Officers (including Band 4 specialists) and equivalent, up from 12.6% the previous year.
- 8.0% for Band 4 Supervising Officers and equivalent, up from 6.6% the previous year.
- 5.4% for Band 5 Custodial Managers and equivalent, up from 4.3% the previous year.
- 4.8% for Bands 7 to 8 operational managers and equivalents, down slightly from 4.9% the previous year.
- 4.3% for Bands 9 to 11 senior operational managers and equivalents, up slightly from 3.7% the previous year.

Figure 3.3 Leaving rates of permanent remit group staff, by grade, 31 March 2011 to 2020⁵⁰.



3.45 As can be seen in Figure 3.3, the operational total leaving rate is heavily weighted towards Band 2 / support grades and Bands 3 to 4 / Prison Officers (including specialists), who had the highest leaving rates in 2020. During oral evidence HMPPS said it was

⁵⁰ Office of Manpower Economics analysis of HMPPS workforce data. Leaving rate is defined as number of leavers in the reference year as a percentage of the average number of staff in post.

important to consider resignation rates which were lower than turnover rates. It also said there were some significant vacancy levels at Band 2. It accepted that the pool of candidates for some Band 11 Governor posts was not as strong as it would like and was investigating how it could solve this issue.

3.46 HMPPS also provided us with data on leaving rates for Bands 3 to 4 Prison Officers (including specialists) by establishment. The data cover the years ending 31 March 2015 to the year ending 31 December 2020. A key point to note is that the headline leaving rate for Bands 3 to 4 Prison Officers (including specialists) declined from 13.2% in the year to 31 December 2019, to 10.3% in the year to 31 December 2020.

3.47 The overall leaving rate can be further broken down by 'amber' and 'red' sites. We note that for the same periods, the total leaving rate for 'amber' and 'red' sites combined has been higher than for non-market supplement sites combined. However, across years, leaving rates varied greatly by individual establishment and the data show that some non-market supplement sites had higher leaving rates than some 'amber' and 'red' sites.

3.48 In its written evidence HMPPS noted that it would need to recruit a significant number of additional staff in the coming years to meet demand. This was partly driven by pressure arising from the Government's commitment to recruit 20,000 Police Officers and to respond to changes brought about by Covid-19. In oral evidence HMPPS suggested that the Border Force and Police drew from the same candidate pool as the Prison Service and therefore competitiveness of Prison Officer pay was likely to be driven more by public sector pay policy than the wider labour market. HMPPS said it had rolled out a fast-track scheme for OSGs to apply for Band 3 Prison Officer roles and said in oral evidence that this had attracted a significant number of Band 2 conversions to Band 3.

3.49 HMPPS said it was closely monitoring turnover rates given the uncertainties caused by Covid-19 in the labour market, which it considered was one of the primary factors for the decrease in the number of resignations over the year to 31 December 2020. HMPPS did, however, accept that it would need to address retention, so it was not faced with increasing leaving rates when the labour market became more competitive and the economy recovered.

3.50 In our report last year, we asked that HMPPS consider conducting exit interviews to better understand the reasons why staff leave, particularly at Band 3 Prison Officer level. In its evidence this year, HMPPS said its HR function was now being asked to conduct exit interviews for every leaver and local prison HR were provided a resignation report every day to enable follow up of those who were resigning. HMPPS said it had set up a retention board in January 2020 and one of its functions was to produce a new exit survey. However, due to Covid-19, resources were diverted and the project is still at a development stage. HMPPS said an initial pilot demonstrated that there were more localised issues than anticipated on why staff left the Service. Going forward, exit interviews would be supported by Ministry of Justice (MoJ) HR and attrition reviewed at prison and Prison Group Director level. We welcome this work being undertaken and return to this issue in Chapter 5.

3.51 The POA said in its evidence that the most recent recruitment campaign had recruited fewer Band 3 Prison Officers than those who had left the Service and referred

to the Service as “only ever keeping the leaky bucket half full”. The POA also said the constant pipeline of new recruits had a detrimental effect on experienced officers who had to deliver their own functions but also support less experienced recruits. This was made even more difficult due to there being a reducing number of experienced Prison Officers. It noted that retention remained a significant issue and risk for HMPPS, which had been exacerbated by competing recruitment competition from, among others, the Border Force and Police Service. The POA pointed to retention issues not at just Band 3, but also at Band 2 OSG level. In oral evidence the POA commented that there needed to be better and more competitive pay ranges and financial incentives to encourage uniformed staff to remain in the Service.

3.52 The PCS union noted in its evidence that this year had again seen an insufficient improvement in retention, leading to a costly cycle of recruitment. The union also noted that leaving rates were higher for BAME staff compared to White staff. In oral evidence the PCS said that Covid-19 would make comparing recruitment and retention data more difficult due to the more unstable labour market. It reiterated that operational Band 3 Prison Officers left for the Border Force and the Police Service, or for roles with lower pay but less stress and violence. The Prison Service was seen as a stepping stone and not a career.

3.53 In its written evidence the PGA said retention continued to remain an issue and was an unsustainable cost to the taxpayer, particularly when factoring in the cost of recruiting and training high numbers of Prison Officers. It was concerned that the current McCloud court judgement on public sector pensions could result in a significant number of operational managers opting to leave the Service. In oral evidence the PGA again questioned HMPPS’s vacancy data for operational managers, indicating that the expansion of headquarters and area functions was masking a shortfall of operational managers in prisons. The union said many Bands 8 and 9 staff were leaving prisons to take on roles in headquarters with better hours and work life balance. It felt that the pay structure for Bands 7 to 11 needed to better incentivise promotion, particularly for Band 5s promoting to Band 7.

3.54 A common concern expressed by all the unions in oral evidence and by staff on visits this year was that restricted regimes created a false impression of prison work. All felt that when regimes returned to “normal” and greater numbers of prisoners were unlocked for longer periods, new officers would face much more demanding challenges, including increasing levels of violence. They expected many newly recruited Band 3 Prison Officers to leave when the reality of what it was like to work in a prison under normal conditions became apparent. Both staff and unions said that they expected levels of violence to increase when regimes returned to normal.

Fair and Sustainable analysis

3.55 This year, we have continued to examine a range of data to determine the state of the labour market for Prison Officers. In the context of relative pay, we used ONS’s Annual Survey of Hours and Earnings (ASHE) data to assess the relative position of Prison Officer pay. To assess the wider labour market position, we drew on the latest publicly available HMPPS workforce data to explore various aspects of recruitment and retention (these data cover the period to 31 March 2021).

ASHE analysis

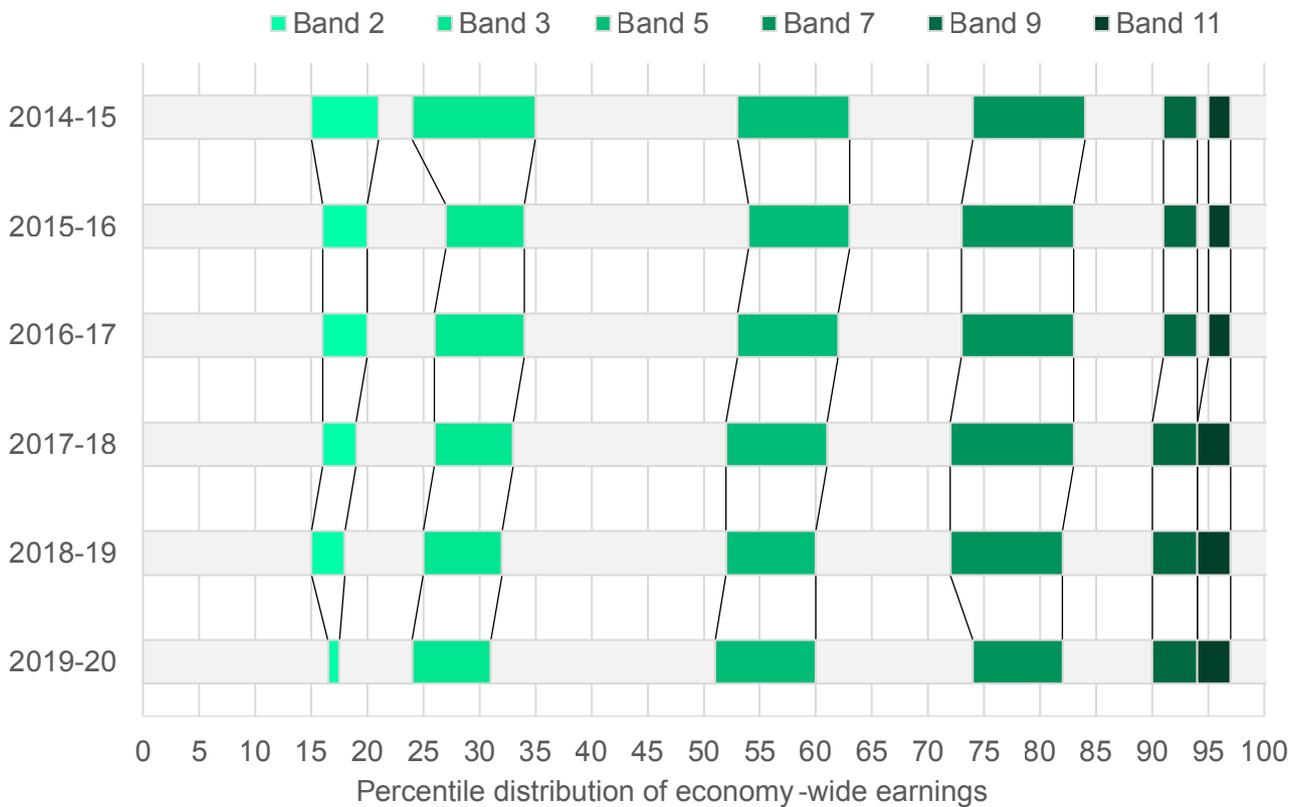
3.56 We have examined the relative position of Prison Officer pay at selected grades in the wider distribution of earnings, in terms of annual gross pay. The ASHE data used in this analysis are annual pay estimates based on financial years. The latest ASHE 2019-20 data cover the year to 5 April 2020 and were therefore compared against Prison Officer pay values from 1 April 2019. Unlike the weekly ASHE pay data, the annual pay data were largely unaffected by Covid-19. However, the ASHE data for 2019-20 are subject to more uncertainty than usual⁵¹.

3.57 Figure 3.4 shows where selected Prison Officer pay ranges fall in the economy-wide distribution of earnings over time, from 2014-15 to 2019-20. During this period, the relative position of the range maxima fell for all bands except Bands 9 and 11.

3.58 From 2018-19 to 2019-20, the only improvement in relative position across grades was for the Band 7 minimum, however this was due to the shortening of the pay range, following Recommendation 11 in our 2019 report. Over the same period, the relative positions of Bands 8 to 11 have remained stable but the relative positions of the pay ranges for Bands 3 to 5 have deteriorated. In 2019-20, the relative position of the Band 2 spot rate was lower than the position of the pay range maximum in 2018-19.

⁵¹ ASHE data for 2019-20 is provisional and may be subject to change. Office for National Statistics, (2020). *Employee earnings in the UK: 2020*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2020#measuring-the-data> [assessed on 19 July 2021].

Figure 3.4 – Position of national F&S Bands 2, 3, 5, 7, 9 and 11 (from 1 April 2019) in the percentile distribution of ASHE economy-wide earnings, England and Wales, financial year, 2014-15 to 2019-20⁵².



3.59 We have assessed the relative position of Band 3 pay against both economy-wide earnings and against several other occupations defined by ONS as being in the same Standard Occupational Classification (SOC) group as Prison Officers⁵³.

3.60 Figure 3.5 shows the position of the 2019-20 Band 3 pay range relative to the 25th, 50th (median) and 75th percentiles of economy-wide earnings, by region. It shows:

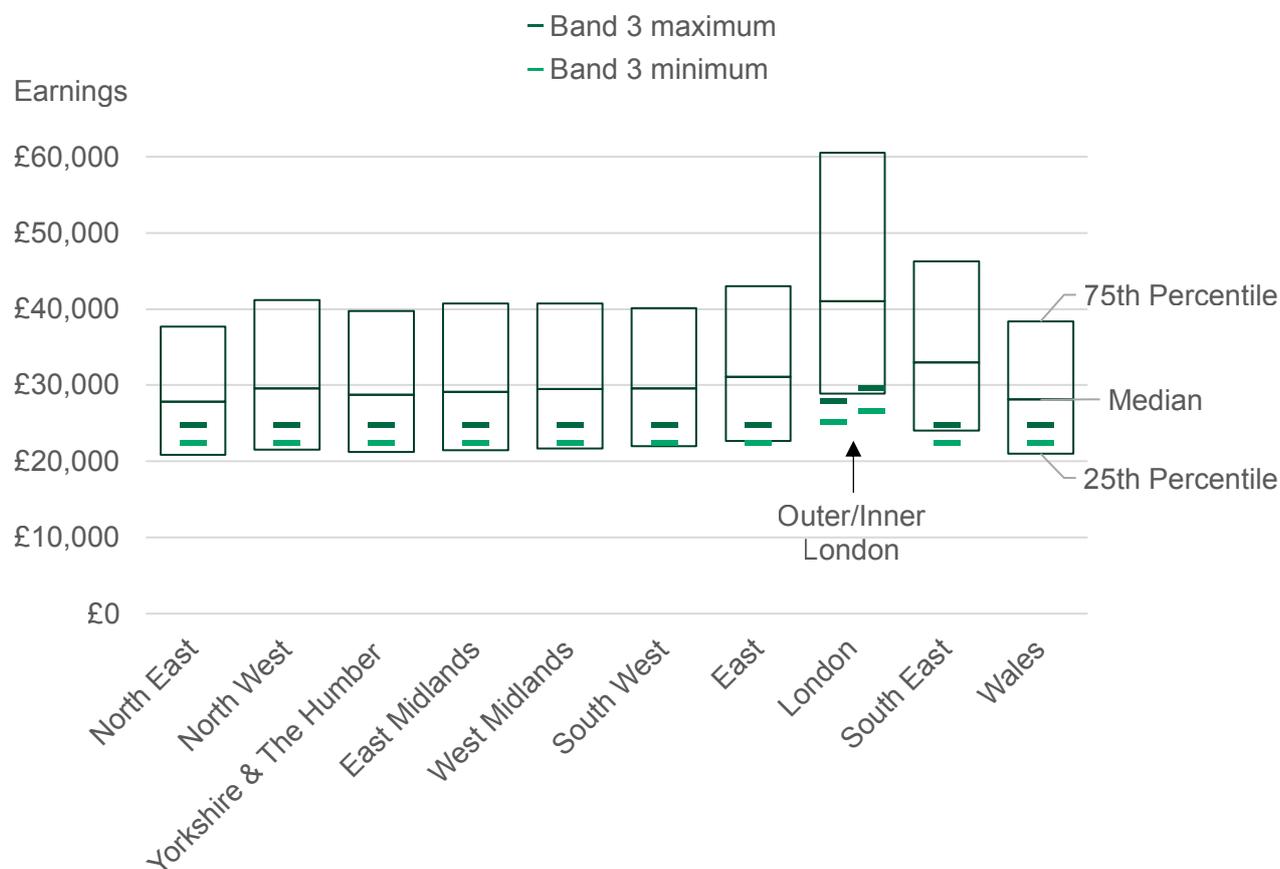
- The Band 3 maximum fell below median earnings in all regions, as was the case in 2018-19. The largest gaps were in London (where the Band 3 scales were compared to London-wide comparator earnings) and the South East.
- The application of market supplements, whilst not shown in the chart, improved the relative position of Band 3 pay although still left the enhanced Band 3 maxima below the median earnings in all regions.

3.61 It should be noted that the closed grade Prison Officer maximum (£30,877) matched or exceeded the comparator median earnings in all regions, except London and the South East. Closed grade locality rates could increase this maximum salary by £250 to £4,250, depending on region.

⁵² Office of Manpower Economics analysis of unpublished ASHE data. Bands 4, 8 and 10 are excluded from the chart as they overlap with other grades.

⁵³ The Standard Occupational Classification classifies jobs into groups according to the concept of 'skill level' and 'skill specialisation'. Standard Occupational Classification Group 3 (*Associate professional and technical occupations*) includes Prison Officers.

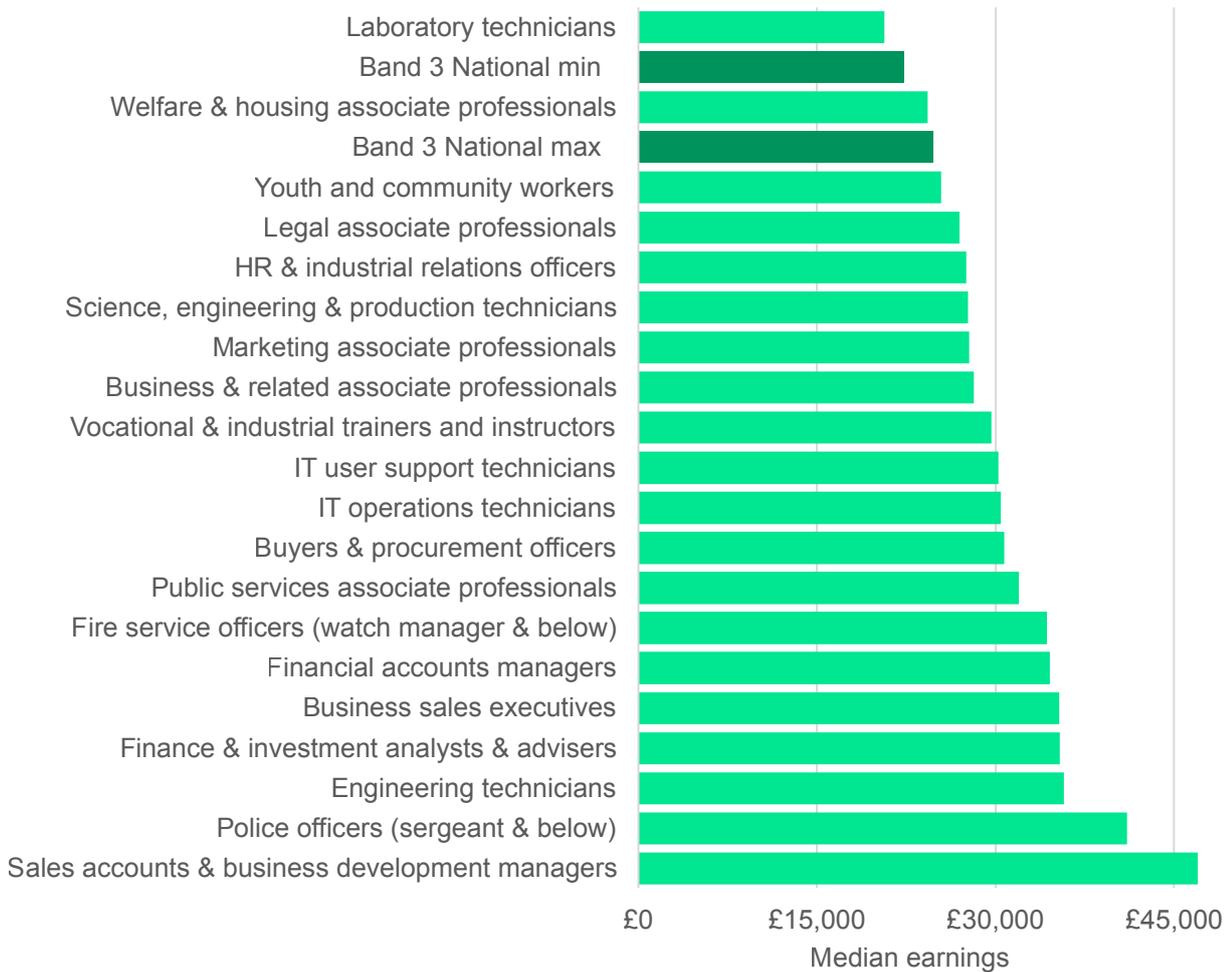
Figure 3.5 – Band 3 pay range (from 1 April 2019) minimum and maximum compared to ASHE full-time economy-wide earnings by region (25th, median, and 75th percentiles), financial year, 2019-20⁵⁴.



3.62 Figure 3.6 shows the position of the 2019-20 National Band 3 pay range relative to the earnings of the most populous occupational groups located in the SOC Group 3 (associate professional and technical occupations). This group includes Prison Officers. The chart shows that both the Band 3 minimum and maximum were lower than median earnings in the vast majority of other SOC3 occupations. This was also the case when the Band 3 Outer/Inner London pay ranges were compared to median salaries in London. Overall, the findings were broadly unchanged from our analysis last year.

⁵⁴ Prison Officer Band 3: 37 hours plus unsocial hours. Comparator earnings based on Office of Manpower Economics analysis of unpublished Office for National Statistics Annual Survey of Hours and Earnings data (annual gross earnings).

Figure 3.6 – Band 3 (National) pay (from 1 April 2019) compared to the ASHE median earnings of other SOC3 occupations (outside London), financial year, 2019-20⁵⁵.



Recent trends: HMPPS workforce data

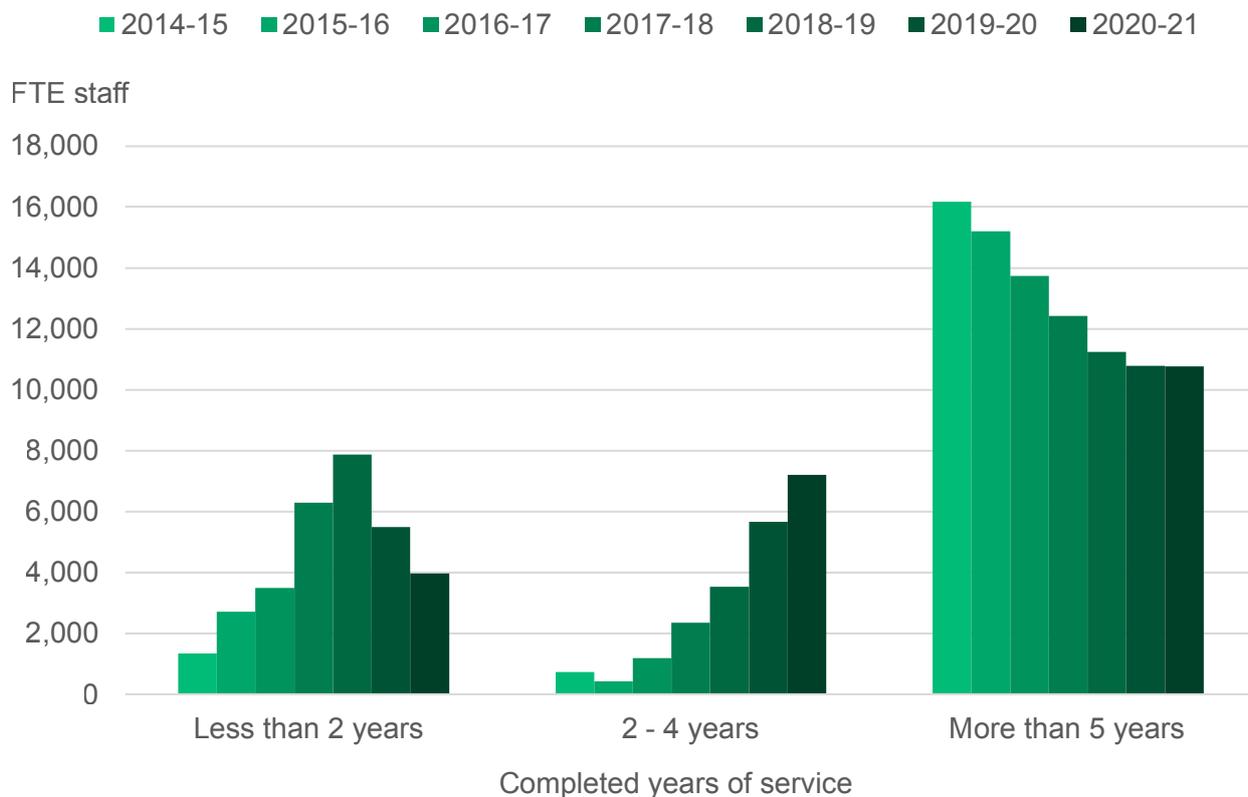
3.63 We also drew on the latest publicly available HMPPS workforce data to examine recent trends across a number of indicators⁵⁶. Here we focus on Band 3, given it is the most populous grade within the Prison Service. This latest data cover the period to March 2021 therefore taking the effect of Covid-19 into account. As such, the latest trends seen in the data may be subject to considerable uncertainty in the future.

3.64 Figure 3.7 shows the FTE number of serving Bands 3 to 5 officers by completed years of service. The chart highlights the decrease in the number of experienced officers. The number of officers with more than five years of experience has fallen from around 16,000 in 2015 to around 11,000 in 2021. The proportion of Bands 3 to 5 staff with more than five years’ experience has decreased over the same period, from 89% to 49%.

⁵⁵ Prison Officer Band 3: 37 hours plus unsocial hours. Comparator earnings based on Office of Manpower Economics analysis of unpublished ONS ASHE data.

⁵⁶ Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty’s Prison and Probation Service, (2021). *Her Majesty’s Prison and Probation Service workforce quarterly: March 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021> [accessed on 19 July 2021].

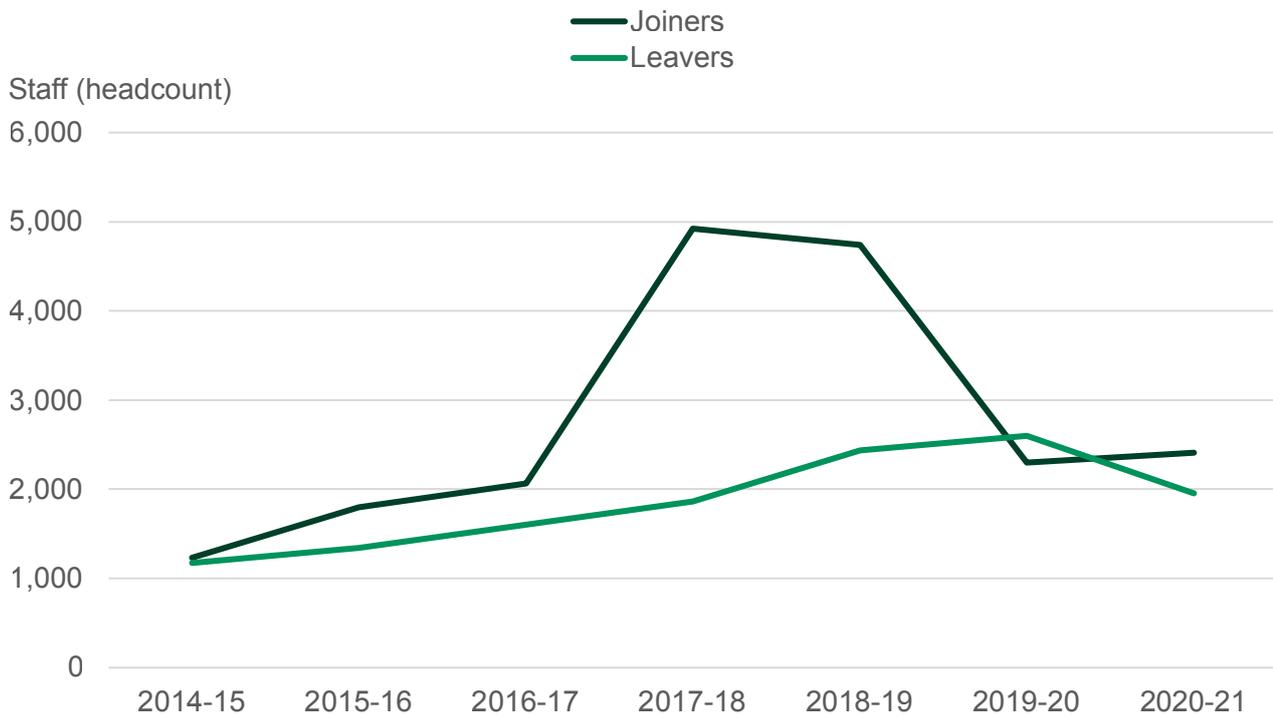
Figure 3.7 – Bands 3 to 5 FTE staff in post by length of service, year to March 2015 to 2021⁵⁷.



3.65 Figure 3.8 shows the numbers of Bands 3 to 4 Prison Officer (including specialists) joiners and leavers since 2014-15 to 2020-21. The chart shows that while the numbers of joiners exceeded leavers in the years from 2014-15 to 2018-19, this was reversed in 2019-20 when the number of recruits fell to 2,301 (compared to 4,738 for 2018-19). In the year to March 2021, the number of joiners marginally increased to 2,409 and was higher than the number of leavers (1,950). We note that the number of leavers fell by 25% in the year to March 2021 compared to the previous year; this may be due to the effect of Covid-19.

⁵⁷ Her Majesty's Prison and Probation Service, (2021). *Her Majesty's Prison and Probation Service workforce quarterly: March 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021> [accessed on 19 July 2021].

Figure 3.8 – Bands 3 to 4 Prison Officers (including specialists) joiners and leavers. Year to March 2015 to 2021⁵⁸.



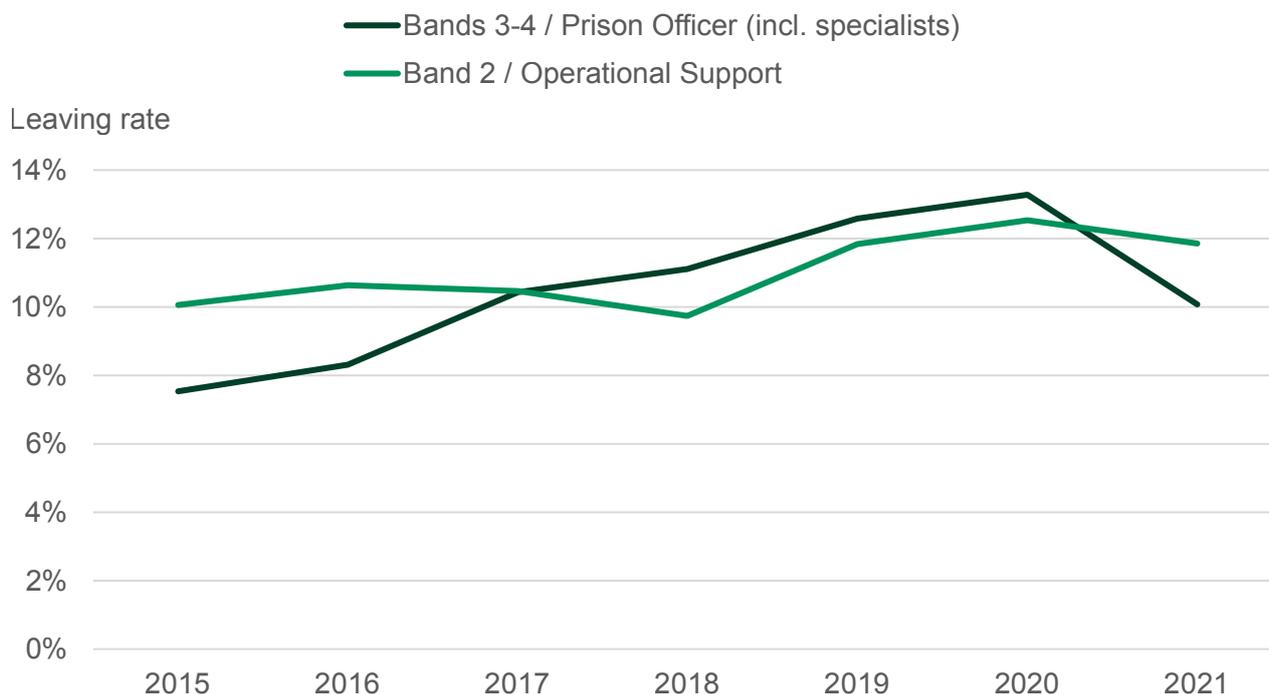
3.66 Across all operational grades, in the year to March 2021, the number of joiners exceeded the numbers of leavers, at 3,549 and 2,779, respectively. Although the number of Band 2 and Band 3 joiners and leavers heavily influence the overall picture.

3.67 In our report last year, we commented on how the Prison Service was losing high numbers of officers with less than two years’ experience (i.e. of its new recruits). Although the number of Bands 3 to 5 officers with 0 or 1 years’ experience leaving increased from 2015 to 31 March 2020, the number decreased over the twelve month period to 31 March 2021.

3.68 Figure 3.9 shows that the Bands 3 to 4 Prison Officer (including specialists) leaving rate increased year on year from 31 March 2015 to 2020, reaching a high of 13.3%. However, in the year to 31 March 2021, the leaving rate decreased to 10.1%. The leaving rate for Band 2s was 12.5% at 31 March 2020 and decreased to 11.9% in 2021, as shown in Figure 3.9. The leaving rate for Band 4s / Supervising Officers has been slightly lower than for Band 3s and decreased from 8.0% at 31 March 2020 to 4.4% in 2021. Leaving rates for Bands 5 to 11 staff are considerably lower than for Bands 2 and 3 and have ranged between 3.7% and 5.4% since 2018.

⁵⁸ Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty’s Prison and Probation Service, (2021). *Her Majesty’s Prison and Probation Service workforce quarterly: March 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021> [accessed on 19 July 2021].

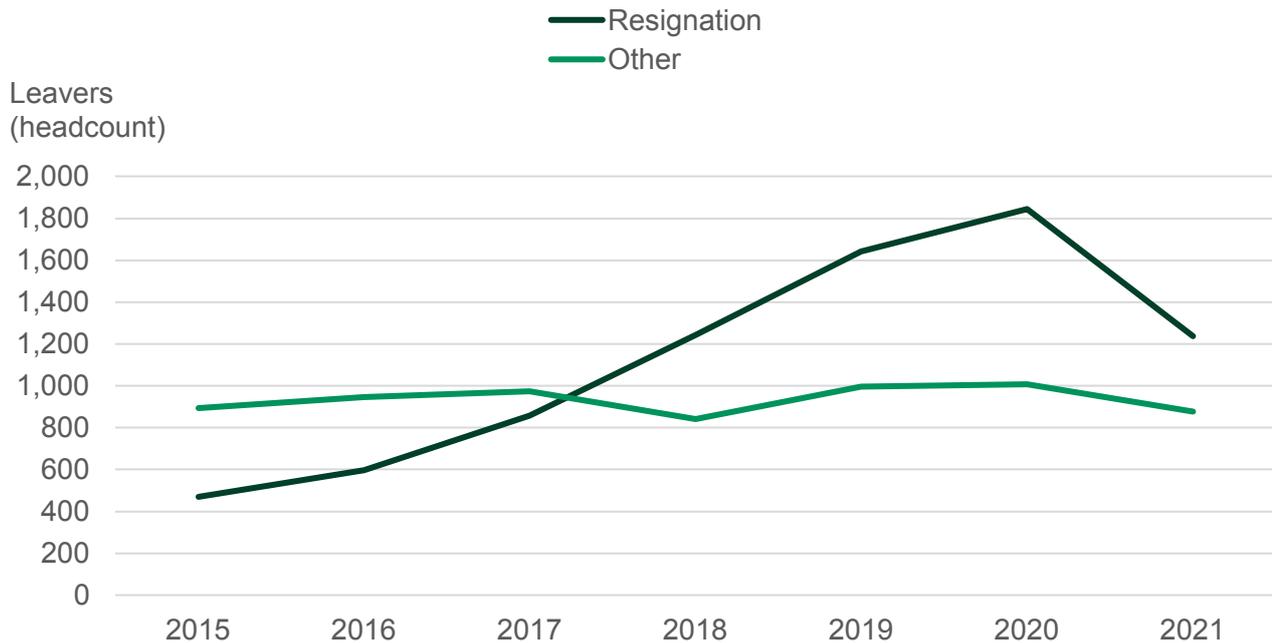
Figure 3.9 – Leaving rate of Band 2 / Operational Support Grades and Bands 3 to 4 (including specialists) permanent staff, 31 March 2015 to 2021⁵⁹.



3.69 The decrease in leaving rates from 31 March 2020 to 2021, which was seen across several grades, was driven by a decrease in resignations. Figure 3.10 shows how the number of resignations increased for Bands 3 to 5 staff from 31 March 2015 to 2020, then declined from 31 March 2020 to 2021. In contrast, the number of leavers in the 'other' category, which encompasses any reason for leaving other than resignation, has remained broadly stable from 31 March 2015 to 2021.

⁵⁹ Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty's Prison and Probation Service, (2021). *Her Majesty's Prison and Probation Service workforce quarterly: March 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021> [accessed on 19 July 2021].

Figure 3.10 – Bands 3 to 5 leavers by reason for leaving, year to 31 March 2015 to 2021⁶⁰.



Fair and Sustainable analysis summary

3.70 The key points we drew from our analysis were:

- The Band 3 maximum falls below median economy-wide earnings in all regions even when market supplements are factored in.
- The relative positions of pay for Bands 2, 3, 5 and 7 have deteriorated since 2014-15, compared to wider-economy earnings. However, the relative positions of the Band 2 and 3 maxima have deteriorated the most compared to other grades.
- The Band 3 maximum from 1 April 2019, falls below median salaries of most other professional and technical occupations (in our comparator group) in 2019-20.
- The proportion of Bands 3 to 5 officers with five or more years of experience has fallen markedly, from 89% in the year to March 2015 to 49% in the year to March 2021.
- The Bands 3 to 4 (including specialists) leaving rate has been steadily increasing in recent years and reached a peak of 13% in the year to March 2020. However, Covid-19 appears to have caused leaving rates to decline for Bands 3 to 4 in 2020-21.

3.71 We comment further on the findings in Chapter 4.

⁶⁰ Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty’s Prison and Probation Service, (2021). *Her Majesty’s Prison and Probation Service workforce quarterly: March 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021> [accessed on 19 July 2021].

Locality pay and market supplements

3.72 Two different sets of locality pay arrangements apply to staff in our remit group. Staff in the closed grades at certain establishments continue to qualify for one of six rates of LPA ranging from £250 to £4,250 per year (see Appendix E). Under these old arrangements, the same LPA was paid to all staff at these locations, irrespective of the extent of recruitment and retention difficulties for their particular grade. With the introduction of *Fair and Sustainable* in 2012, LPAs were replaced with three pay zones: a basic 'National' pay range and enhanced ranges for those working in 'Outer London' and 'Inner London' establishments and headquarters.

3.73 In February 2017, HMPPS introduced its 'amber' and 'red' market supplements across England and Wales at around 26% of the public sector prison estate for a period of four years. These are sites which HMPPS consider have, or have had, recruitment and retention issues – 'amber' sites where recruitment is still possible but difficult and 'red' sites where the Service is unable to recruit the staff it requires despite significant efforts. HMPPS added HMP & YOI Winchester as an additional 'red' market supplement site in 2019. Medway Secure Training Centre was closed in 2020. At 30 September 2020, there were 2,379 Band 3 Prison Officers eligible for the 'red' site (£5,000) market supplement and 2,000 Band 3 Prison Officers eligible for the 'amber' site (£3,000) market supplement. An additional 629 Band 2 staff were eligible for a 'red' site market supplement (£875 for an Outer London 'red' site or £900 for a National 'red' site).

3.74 On 31 March 2021, the four year period for which the market supplements were initially due to apply, expired. HMPPS entered negotiations with Her Majesty's Treasury (HMT) on agreeing an extension to continuing paying, which was granted but only for a further year until 31 March 2022. HMPPS told us that it would again need to have discussions with HMT if it wished to extend these supplements beyond 31 March 2022. We find it disappointing those discussions with HMT were protracted and a decision was made late. The decision to extend for only one year provides little certainty for approximately 4,500 staff who are in receipt of the market supplements.

3.75 In its evidence to us this year, HMPPS said that recruitment continued to remain challenging at several locations which is why it was continuing with targeted investment using the market supplements. Furthermore, market supplements remained a key aspect of its strategy to support establishments with the greatest recruitment challenges. HMPPS said these would also mitigate the risks of losing experienced staff to large Border Force and Police recruitment drives, which offered higher pay.

3.76 In our last report we noted HMPPS's review of its market supplements which stated that ceasing the market supplements would "unilaterally work against our need to retain experienced staff and compete across the public sector and local labour markets". The review also noted that retaining experienced prison staff remains a challenge, with dissatisfaction about pay emerging as a "constant and consistent" reason for why staff leave. At the time HMPPS stated it was also looking at possibly expanding the number of sites.

3.77 Last year we recommended that the 'amber' market supplement be consolidated into the pay for all Band 3 Prison Officers resulting in their total pensionable pay increasing by £3,000. Consolidating the 'amber' market supplement would both ensure

that Band 3 Prison Officer pay was more competitive and market-facing, and be a major step in closing the pay gap and eliminating the two-tier pay system.

3.78 This year, we heard on visits from a range of staff, including Governing Governors, that this year's review with HMT had caused some concerns and apprehension from staff that the market supplements would be removed. This was not helped by a perceived lack of clear communication from HMPPS and its HR Shared Services provider. Staff again told us on visits that if the supplements were removed then it would not be financially viable to remain in the Service and they would leave. We heard that some new recruits had initially been told that they would receive the supplement but when, after training, job offers were made without the supplement they left the Service.

3.79 In its written evidence and at oral evidence, the POA stated that the market supplements should be paid to all uniformed grades at the supplement sites. In oral evidence it said the uncertainty over the permanency of the supplements affected staff's ability to qualify for loans and mortgages. In addition, any attempt to remove the market supplements was very likely to cause existing staff to leave. During oral evidence, the PGA noted that the market supplements had caused a "ripple effect" of recruitment and retention issues at those prisons not in receipt of the supplement but nearby to those that received them.

Performance management

3.80 Until the most recent 2020-21 performance year, HMPPS had in operation a performance system that saw pay in *Fair and Sustainable*, and some closed grades, linked to the performance management system. Prior to Covid-19, other Government Departments had completed the process of moving to a newer system for performance management which included regular and informal meetings with managers, in-year bonus pots and ending the link between performance marking and progression awards. HMPPS however, has only just started the process of designing a new system, based on that in operation in the MoJ.

3.81 In our 2019 and again in our 2020 reports, we made it clear that if we did not receive evidence to demonstrate that the performance management system was sufficiently robust, credible and fair, then we would be unlikely to continue to recommend performance-related pay progression or performance awards for any grades. We did not receive sufficiently robust evidence in 2020 and came to the view that we could not make recommendations on performance related pay progression or performance awards for any grade. Instead, we recommended that all staff received pay progression except those on formal poor performance procedures. We accepted that this meant some staff would lose out, but we believe that it was the appropriate action to take.

3.82 As we noted last year, HMPPS "scaled back" the 2019-20 system due to Covid-19, requiring only those staff considered 'Outstanding' having their performance making recorded on the system. Data from HMPPS indicated that for that performance year, whilst the number of Bands 7 to 11 operational manager grades receiving an 'Outstanding' performance award had decreased, it was still very high at 31.9%. This compared to 6.0% for Bands 3 to 5 officer grades and 2.1% for Band 2 OSGs. The data showed that Bands 7 to 11 also received a higher number of in-year awards at 27.8 per 100 staff and totalling higher average amounts. For Bands 3 to 5 this was 3.2 per 100

staff and for Band 2s only 0.4 per 100 staff. We believe this continues to support the decision we reached in our 2020 report.

3.83 HMPPS noted in its 2020 Annual Staff Equalities report⁶¹ that in 2019-20 the proportion of 'Outstanding' performance markings were:

- 12.9% for female compared to 7.6% for male staff;
- By age the awards were more variable with under 30s and over 60s less likely to receive an 'Outstanding' performance marking, 6.1% and 5.3% respectively, versus the highest, 13.4% for staff aged 40-49;
- 7.5% for BAME staff compared to 11.4% for White staff. The lowest was for Black staff at 4.7%;
- Disabled staff also received a lower proportion at 8.3% compared to 11.4% for non-disabled staff; and
- 12.0% of those staff that identified as Lesbian, Gay, Bisexual and Other versus 11.4% for those that identified as Heterosexual.

3.84 Due to Covid-19, HMPPS has removed the appraisal marking system for 2020-21 and beyond which removes the link between pay progression and end of year performance markings. HMPPS noted that this was temporary, and it was in the process of developing a new performance management system that would be aligned with the wider Civil Service and MoJ.

3.85 HMPPS said the development of its new system had been delayed by Covid-19 and it hoped to have the new system operational in late summer or autumn 2021. We note that this implementation will be after the start of the 2021-22 performance year and therefore it is likely to be difficult for us to consider how the system has bedded in, how the confidence of staff has been won, and how well the apparent biases noted above and in previous reports have been mitigated. HMPPS said in oral evidence that it had started to use the MoJ's in-year reward scheme, which sees staff receive smaller but more frequent awards for specific pieces of work. The trade unions in oral evidence said there had been limited discussions to date on the proposed replacement for the performance management system.

3.86 The POA said in oral evidence that harmonising HMPPS's performance management system with the MoJ's was not appropriate and the Prison Service should have its own bespoke system suitable for an operational service. The evidence also leads us to have reservations about whether a system that covers such a wide range of different organisational elements and roles in the MoJ would work effectively and fairly in the Prison Service.

3.87 The PGA noted in oral evidence that the MoJ's in-year reward system still discriminated against staff with certain protected characteristics. We note from HMPPS's 2020 Annual Staff Equalities report that special bonuses in 2019-20 were higher for

⁶¹ Her Majesty's Prison and Probation Service, (2020). *HM Prison and Probation Service annual staff equalities report: 2019 to 2020*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-annual-staff-equalities-report-2019-to-2020> [accessed 19 July 2021].

males, white staff and non-disabled staff. As noted in paragraph 3.82, HMPPS's own in-year awards favoured Bands 7 to 11. This is not something we would want to see embedded in the new performance management system.

Motivation and morale

Civil Service People Survey

3.88 HMPPS is part of the Civil Service and therefore staff are eligible to take part in the 2020 Civil Service People Survey. HMPPS carried out its survey in the autumn of 2020. The response rate in the Prison Service continues to be very low; 23% completed the survey (the corresponding figure was 28% in 2019). We therefore treat the results from this survey with some degree of caution.

3.89 There are three main questions that relate to pay and remuneration in the Civil Service People Survey which we track each year. This year there were slight, but statistically significant, improvements in scores on the three questions that relate to pay and remuneration for the Prison Service:

- 31% of respondents were satisfied with their total benefits package (up from 27%). The Civil Service benchmark was 47%;
- 28% of respondents felt that their pay adequately reflected their performance (up from 25%). The Civil Service benchmark was 40%; and
- 26% of respondents considered their pay was reasonable when compared to others doing similar jobs in other organisations (up from 23%). The wider Civil Service comparable benchmark was 33%.

3.90 This year, HMPPS provided in its evidence further and more granular data by *Fair and Sustainable* band on the 2020 People Survey results. This showed in respect of pay and benefits, that scores for Band 3 Prison Officers were 11 percentage points below the Prison Service average, a statistically significant difference. Whilst scores for Band 2s were similar to the Prison Service average, scores for Bands 5 to 11 were generally above the Prison Service average.

3.91 In its written evidence HMPPS said the 2020 Civil Service People Survey was an opportunity to gather meaningful data on every aspect of working life, although it noted the response rate was low compared to other MoJ business areas. It also stated that whilst there were practical limitations for prison officers to complete the survey it was working hard to address these.

Sickness absence

3.92 Sickness absence levels are important. Not only do they impact on staffing numbers, but high levels of sickness absence can also be an indicator of low motivation and morale. Below we cover sickness absence rates prior to and during Covid-19.

3.93 In the year to 31 March 2020, the average number of working days lost for the remit group increased from 9.9 days to 10.8 days per person⁶². This is below the peak

⁶² Average working days lost per member of staff is calculated as number of working days lost to sickness divided by the average number of full-time equivalent staff for a year.

of 12.1 days in 2014-15. Average working days lost are much lower for Bands 7 to 11 / operational manager grades, although the number has increased in the year to 31 March 2020 to 5.4 days per person, the highest since 2007-08. It remains the case that sickness absence rates tend to be highest amongst Bands 3 to 5 officer grades, followed by Band 2 support grades. HMPPS told us that around half of its staff took no sickness absence days in the 12 months to 31 March 2020.

3.94 Whilst there are data available on the number of working days lost for the year to March 2021, this data excludes days lost due to Covid-19. Therefore, we have considered HMPPS's experimental statistics relating to data on Covid-19 amongst staff⁶³. These data are provisional and are subject to change. At 30 April 2021:

- 270 HMPPS staff were absent due to Covid-19 sickness⁶⁴. This was the lowest monthly figure since August 2020. Of these 270 staff, 194 were directly employed in prisons and YCS.
- The number of HMPPS staff absent due to Covid-19 sickness reached a peak of 1,961 in January 2021 and has been declining through to April 2021. Of these 1,961 staff, 1,534 were directly employed in prisons and YCS.

3.95 In its written evidence HMPPS said it had strongly encouraged all staff to complete the Public Health England Covid-19: Psychological First Aid training course. HMPPS said it had a good level of engagement and positive feedback from staff. It said it was continuing to provide its Employee Assistance Programme (EAP) and was finalising new EAP and Occupational Health contracts which it said would improve support and interventions available to staff. HMPPS said it had also rolled out its Mental Health Allies scheme across the prison estate and was currently in the process of creating a network of trauma informed staff.

Evidence from the parties

3.96 In its written evidence HMPPS stated that it recognised that motivation and morale were important both to it and to us. In oral evidence HMPPS said Covid-19 had negative effects, but some positive reflections could be drawn. It said morale was variable over the year, although it believed morale had worsened during the second wave of Covid-19 (December 2020 to March 2021). HMPPS accepted that staff were currently feeling exhausted and that some Covid-19 restrictions, such as on the movement of prisoners, had made staff feel safer.

3.97 The POA said in its written evidence that morale had been undermined by previous recommendations around pay, the current public sector pay policy and the Government's rejection of Recommendation 3 from our 2020 report. It also highlighted several of our previous reports where it was noted that morale had been adversely affected by changes to pensions, National Insurance contribution rates and reductions in take-home pay. The POA said in oral evidence that Covid-19 had left staff "burnt out" and the Prison Service continued to feel like the forgotten service, with little positive media coverage.

⁶³ Her Majesty's Prison and Probation Service, (2020). *HMPPS COVID-19 experimental statistics annex: 30 April 2021*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2021/hmpps-covid-19-experimental-statistics-annex-30-april-2021> [accessed on 19 July 2021].

⁶⁴ This does not include staff who were absent from work and who were not showing any symptoms but had to isolate due to contact with a positive case.

3.98 As part of its written evidence, the POA also submitted a survey of Work-Related Wellbeing⁶⁵ by Professor Gail Kinman and Dr Andrew Clements. The survey covered staff in all three UK Prison Service jurisdictions, along with, private prisons, the National Health Service and Immigration Services, where POA members also work. Around 99% of the 1,956 respondents worked in public sector prisons, with 85% of respondents working in England and a further 2% in Wales. The report noted:

- Whilst there had been some improvements since the 2014 survey, POA members reported lower wellbeing than average for all the Health and Safety Executive's (HSE) work stressor categories.
- Levels of wellbeing for HSE work stressor categories were lower than those found in many other emergency and safety critical services.
- The proportion of POA members reporting that they had been assaulted since 2014 had increased, with half described as moderate or serious assaults.
- Mental health of POA members was reported as being poorer than for other occupational groups.
- Reported work-life balance was poor and there were difficulties spending time with family and friends.

3.99 The PGA noted in its written evidence that HMPPS's Civil Service People Survey results demonstrated a concerning reduction in engagement of staff, with a lower completion rate this year. The last year had been exhausting for operational managers who had been in "command mode" for most of that time, with strong emotional demands being placed on staff. In oral evidence the PGA highlighted that staff felt unrecognised for their work during Covid-19. The working week was again raised as an issue for operational managers, including the Duty Governor role and the levels of assurance and related administrative tasks required by headquarters and regional structures.

3.100 The PCS stated in its written evidence that staff were exhausted physically and mentally from having to deal with Covid-19, noting they were the "forgotten heroes". Given the difficult year, PCS said staff felt demoralised by the prospect of further pay restraint. In addition to the 2020 Civil Service People Survey results reported in paragraph 3.89, the union noted these results showed: 8% of staff wanted to leave HMPPS as soon as possible, with 20% saying they would stay for 12 months; 51% said Covid-19 had impacted negatively on their mental health and 30% on their physical health; and only 5% of staff had been able to combine working from home and establishment working.

⁶⁵ POA, (2020). *Survey of Work-Related Wellbeing*. (online) Available at: www.poauk.org.uk/media/1888/poa-survey-of-work-related-wellbeing-1.pdf [accessed on 19 July 2021].

Chapter 4: Our recommendations on pay

Introduction

4.1 This chapter summarises our analysis of the evidence and sets out our recommendations.

4.2 As noted in Chapter 2, the Government set out a pay pause and limited increases to base pay to £250 for those earning full-time equivalent (FTE) of under £24,000 or to bring the base pay into line with the National Living Wage (NLW), whichever is higher. The letter from the Minister asked us to provide recommendations on the implementation of its £250 uplift to base pay to minimise distortions of existing pay spines and to address structural issues such as leapfrogging. The letter specified that other payments such as pay progression, overtime and special allowances should be considered in the usual way.

4.3 All three trade unions asked us to make recommendations in respect of all grades of our remit group. The POA noted in its written evidence that, “our members and officials face financial sanctions and potential imprisonment if they adopt any industrial response, including withdrawal from voluntary work, and to that extent they rely solely on the Prison Service Pay Review Body (PSPRB) to act independently of Government economic interference”. The Prison Governors’ Association (PGA) said, “we feel the independence of the PSPRB should be respected and any recommendations of a pay increase should also be respected if one is made”.

4.4 Our secretariat received legal advice that stated under the PSPRB Regulations 2001, the Secretary of State had the powers to restrict the matters referred to us in this round, which he did on the headline pay uplift. This advice further indicated that, as a statutory body, we could not lawfully make a recommendation on a headline pay uplift this year. We find this both incompatible with our independence as a Review Body and in conflict with our role as a compensatory mechanism for Prison Service staff’s loss of the right to take industrial action of any form, a role endorsed by the Government in its response to the International Labour Organization. We shall return to this issue in Chapter 5.

4.5 We are, however, able to make recommendations on a number of matters this year, including progression and allowances, and we also make a recommendation on the development of a pay strategy for next year and beyond.

Summary of headline recommended pay award

All those identified by Her Majesty’s Prison and Probation Service as being eligible should receive the Government’s £250 pay uplift, or an award to remain compliant with the National Living Wage from 1 April 2021.

Analysis

4.6 In our report last year, we provided substantial analysis and evidence on the pay for Band 3 Prison Officers, which led to our Recommendation 3 in that report. We were extremely disappointed that the Government rejected this recommendation, especially since it has not yet provided an alternative narrative or evidence underpinning their decision, other than unsupported assertions. Indeed, in oral evidence, the Government accepted that in large part, the evidence we provided on the market position of *Fair and Sustainable* Band 3 Prison Officers was correct. For this report we have considered additional analysis which we summarise in Chapter 3. We also considered the pay of *Fair and Sustainable* Band 2, about which we also expressed concerns last year. We return to our updated analysis later in this chapter.

4.7 The Prison Service has been operating in an extremely challenging environment over the last 16 months in its response to the coronavirus pandemic (Covid-19). Staff have continued to provide a stable prison system in the face of unprecedented risks and difficulties. We take this opportunity once again to commend the hard work, dedication and professionalism of staff at all levels and we acknowledge that stability has come at a cost in terms of the impact on the prison population.

4.8 Published safety in custody data (12 months to December 2020) showed that the number of assaults on staff had decreased by around 20% and the number of serious assaults on staff by around 22%. Despite this, violence against staff remains over double what it was a decade ago. Staff on our visits told us that this large decrease in violence was due to Covid-19 restrictions in prisons which meant prisoners were out of cells less often and for shorter periods, with more staff supervising fewer prisoners. The concern was expressed that those levels of violence would start to increase once Covid-19 restrictions within prisons were eased.

4.9 Staff told us that they were exhausted and there was a feeling of burnout, with morale being seen as generally low. As we have identified in previous years, staff continue to tell us that they feel like the “forgotten service”. Staff said Covid-19 had amplified this due to a feeling of lower or no public appreciation for their response to Covid-19 than that seen towards other public sector organisations, such as the National Health Service or Police.

4.10 As we note in Chapter 2, the economic impact of Covid-19 has, again, made it difficult to consider fully the key economic indicators when making decisions. There remains a significant level of uncertainty in economic predictors for the coming year. At the time we considered our recommendations the Consumer Prices Index including owner occupier’s housing costs (CPIH) rate of inflation was 1.6%⁶⁶. The Bank of England said it expected Gross Domestic Product to recover strongly throughout 2021, with growth of 7.3% in 2021 and 5.8% in 2022. The Office for Budget Responsibility expected the economy over the longer term to be 3.0% smaller than under its pre-Covid-19 path.

4.11 We note that the Ministry of Justice (MoJ) received an increase of £145 million in core resource funding from 2020-21 to 2021-22 as part of the 2020 Spending Review. In respect of prisons, there was a further £4 billion committed over the next four years to progress the delivery of an additional 18,000 prison places by the mid-2020s. Her

⁶⁶ The CPIH rate of inflation as of April 2021.

Majesty's Prison and Probation Service (HMPPS) received £315 million to improve the condition of the existing prison estate. The latter is particularly welcome as both staff and external analysts have commented in recent years on the need to improve the physical environment and fabric of the prison estate.

4.12 HMPPS said the Government's target for an additional 18,000 prison places will be delivered through a combination of building new prisons and expanding existing prison sites. HMPPS said these would be run by both the private and public sectors. We asked HMPPS to provide us with the number of additional Band 3 Prison Officers required to staff these additional prison places; however, it was not able to provide us with a definitive or indicative number. We recognise that HMPPS will continue to need to recruit significant numbers of new Prison Officers each year both to replace those leaving the Service and to staff an expanded prison estate.

4.13 HMPPS told us in evidence for our 2020 report that the cost to recruit and train a new Band 3 Prison Officer was around £13,000. We noted that those leaving in the first two years of Service, when factoring in the salary costs that would have been paid in those two years, was costing HMPPS around £30 million a year. If wastage rates remain constant or increase, then HMPPS will again find itself spending significant sums to ensure a constant and substantial recruitment pipeline. This cost could increase further as the Prison Service needs more Prison Officers to staff an expanded prison estate. We note that an additional 18,000 places are approximately 22% of the current 80,665 useable operational capacity⁶⁷, a significant expansion.

4.14 In respect of pay comparability, our analysis this year showed that the 2019-20 Band 2 spot rate fell below the 25th percentile in the 2020 Annual Survey of Hours and Earnings data in all regions. When compared to economy-wide earnings the relative position of Band 2 pay in England had deteriorated over time. For Band 3, the position of the 2019-20 pay range fell below median earnings in all regions even when market supplements were factored in. The relative position of Band 3 pay had also further deteriorated when compared to the distribution of economy-wide earnings.

4.15 The leaving rate for Band 2 decreased slightly from 12.5% at 31 March 2020 to 11.9% at 31 March 2021. The leaving rate for Band 3 decreased from 13.3% at 31 March 2020 to 10.1% at 31 March 2021. We note that the total number of Bands 3 to 4 Prison Officers (including specialists) at 31 March 2021 was still 4% lower than the high seen at 31 March 2019.

4.16 Whilst it is positive that leaving rates have decreased according to the most recent data, there is every reason to believe that this decrease is temporary and most likely driven by Covid-19 and the resultant uncertainties in the labour market. Staff continue to inform us on visits that Band 3 Prison Officers are leaving to join the Border Force and Police Service, both of which pay higher salaries and are continuing with large scale recruitment campaigns, despite the economic uncertainties. We regularly hear, particularly for Band 2, that staff leave for a range of other jobs for either slightly lower or similar salaries, but better working conditions and hours. We also share the concern raised by staff and the unions that, once restricted regimes are lifted, staff recruited just prior to or during Covid-19 may leave in increasing numbers when the realities of

⁶⁷ Useable operational capacity of the estate is the sum of all establishments' operational capacity less 3000 places. Useable operational capacity at 28 May 2021.

working in a normal prison environment become more apparent. This could then create further pressure and adversely affect upon retention rates.

4.17 Given our overall assessment we see no reason to suggest that Recommendation 3 from our 2020 report should be withdrawn, nor does it seem any less valid this year. We believe that implementing this recommendation would: improve retention figures in the long-term; improve and widen the pool of candidates who apply for the role of Prison Officer; make the Band 3 pay scale more competitive against comparator occupations; make Prison Officer pay market facing against the wider economy; and reduce the time and expenditure involved in running such a substantial and constant stream of recruitment and training. We believe our recommendation still represents value for money even against the economic backdrop to which the remit letter refers. This recommendation also makes significant progress to closing the pay gap between closed and *Fair and Sustainable* grades which would boost morale and contribute to resolving the equal pay issue.

4.18 Were we not precluded from doing so by the remit letter, we would, on the basis of the available evidence, certainly have repeated last year's Recommendation 3 again (which can be found reproduced in full at Appendix I).

Pay strategy

4.19 In previous reports we have made several requests for HMPPS to provide us with a pay strategy that brings together the two pay structures currently in operation in the Prison Service. This remains our view and indeed HMPPS shares this aspiration, although nine years after the introduction of *Fair and Sustainable*, it remains a considerable way off. The POA told us in evidence that it regarded *Fair and Sustainable* as broken and believed all staff should be on a single unified pay scale. We agree, but given the challenges, this will only be achieved by a strategic, longer term approach to pay rather than the short-term approach of recent years.

4.20 In its written evidence HMPPS said, "in the longer term, we want to achieve a clear, modernised and coherent pay structure across all grades, where there is sufficient headroom between the pay bands to incentivise progression through the pay scale". It also said that "*Fair and Sustainable* as a market facing approach to pay must take into account the rates of pay in the labour market that the Prison Service operates – and this will form part of the strategy alongside affordability and an evidence-based approach to understanding what drives recruitment and retention". We find these words encouraging as we did the Minister's assertion in oral evidence that in the future the Prison Service must take into account market comparators. It is evident from our analysis that this is far from the case at present especially with regard to *Fair and Sustainable* Bands 2 and 3.

4.21 One issue that HMPPS's pay strategy needs to address is the future of the 'amber' and 'red' market supplements. The introduction of these supplements has caused a significant distortion in the pay structure. They are also paid to a significant proportion of Band 3 Prison Officers, at nearly a third of the prison estate. The 'red' market supplements (£5,000 a year) equate to almost 25% of Band 3 base pay. The present approach of reviewing these supplements on a year-by-year basis causes significant uncertainty for staff and makes it much more difficult for management, whether national or local, to plan sensibly.

4.22 As we have argued in this chapter HMPPS urgently needs a pay strategy across all grades which addresses the structural issues set out above for the shorter, medium and longer terms. But let us be very clear: the issues we identified in our report last year arising from the market position of Band 3 Prison Officers and their impact on recruitment and retention remain as compelling, if not more so, than they were a year ago and, in our judgement, will persist unless significant action is taken to address them.

4.23 If our remit had not been legally constrained as far as this year's headline rate was concerned, we would certainly have repeated last year's Recommendation 3 given the evidence that supports it. However, we wish to stress that we still regard Recommendation 3 as critical if the Government wishes to address the serious risks inherent in the underpayment of Band 3 Prison Officers. We welcome the intent of HMPPS to move to a modernised and coherent pay structure and we believe that our proposals in last year's Recommendation 3 should underpin that approach. We recommend accordingly that HMPPS should bring forward a strategy for Prison Service pay in time for next year's round which incorporates Recommendation 3 modified as necessary by the developing evidence.

Recommendation 1: We recommend that Her Majesty's Prison and Probation Service provide to us its comprehensive pay strategy, including short-, medium- and long-term objectives, for the next pay round to address the structural issues in the pay system. This should incorporate Recommendation 3 from our 2020 report, modified as necessary by the developing evidence.

Headline pay award

4.24 HMPPS proposals for the headline award were in line with the Government's pay policy. HMPPS clarified that base pay for the purposes of the pay policy was the 37 hour National *Fair and Sustainable* base pay rate for each grade. It also confirmed that for the purposes of determining eligibility for the proposed £250 pay award, the unsocial hours allowance and the Inner and Outer London differentials were not part of the £24,000 threshold.

4.25 HMPPS stated that several grades would benefit from the £250 pay increase this year. Those grades were: *Fair and Sustainable* Bands 2 and 3, the closed grade Operational Support Grade, former G4S Security Officer and Prison Officer 2. In addition, it proposed that, to be in line with the NLW, the Night Patrol spot rate would be increased by £436, and the Prison Auxiliary spot rate increased by £387. It proposed no headline award for the other grades in our remit, namely *Fair and Sustainable* Bands 4 and 5, and 7 to 11 and closed grade equivalents, or for the closed grade Prison Officer.

4.26 The POA proposed that all Bands 2 to 5 and closed grade equivalents should receive a pay uplift of £3,000 which would improve morale and motivation, reverse the erosion of pay, and compensate staff for working in challenging conditions. It also said this would improve the current high levels of turnover, particularly at Band 3 Prison Officer level.

4.27 The PGA proposed that pay for Bands 7 to 11 should increase to match the mean average of comparator groups for operational managers in the Incomes Data Research (IDR) 2020 report, therefore seeing the Bands 7 to 11 minima and maxima increase by 15%.

4.28 The Public and Commercial Services union proposed that all pay points and ranges should increase by 10% to meet its national pay claim for Civil Service pay.

4.29 We see no evidence that the implementation of this £250 award would cause distortions in the pay structure. We wish to put no barriers in the way of staff receiving this award so we recommend that all those *Fair and Sustainable* and closed grades (including former G4S grades) identified as earning the FTE base pay of under £24,000 should see all pay points and spot rates increased by a consolidated and pensionable £250, or by an amount to ensure compliance with the NLW, whichever is higher. To set this in context, however, had the Government accepted our Recommendation 3 last year, it is important to note that the Band 3 Prison Officer base pay scale (excluding the maximum) would still be considered as falling into the category of the lowest paid public sector workers which the Government's 2021 pay policy affects. The National Band 3 maximum would have only been £277 above the £24,000 threshold.

Recommendation 2: All those identified by Her Majesty's Prison and Probation Service as being eligible should receive the Government's £250 pay uplift, or an award to remain compliant with the National Living Wage from 1 April 2021.

Fair and Sustainable Band 12

4.30 HMPPS has introduced *Fair and Sustainable* Band 12 for Prison Group Directors and some other very specific senior operationally facing roles. HMPPS asked us to make no recommendations on the pay levels for these staff and that these would formally enter the remit for us to consider next year. We note that HMPPS has introduced Band 12 and it will be part of our remit for our next report.

Pay progression and performance awards

4.31 In our last report, we made the decision not to recommend performance-related pay progression or performance awards for any grade of staff. We took the view that the performance management system was neither working effectively for any staff, nor was it robust, credible or fair.

4.32 HMPPS said in its evidence that for the 2020-21 performance year and while it was still developing a new performance management system, there would be no link between end of year performance and pay progression. It therefore proposed that all staff should progress except for those on formal poor performance procedures.

4.33 In oral evidence, HMPPS said it was keen to have a competency-based performance management system. This would allow it to be aligned with the wider Civil Service. The expectation was that the new performance management system would be running at the end of summer or autumn 2021. HMPPS said that it was currently using the MoJ reward and recognition scheme to provide staff with more immediate, more frequent, but smaller rewards.

4.34 Due to the impact of Covid-19, HMPPS reported that implementation of the new performance management system had been delayed and it still needed to have discussions with the trade unions. We asked HMPPS to provide us with information for this report on the new performance management system it was developing and how it would be fair, inclusive, comprehensive and consistent for all grades. We have yet to receive this.

4.35 The POA commented in oral evidence that it did not believe harmonising the HMPPS performance management system with that of the MoJ was appropriate for an operational service and the Prison Service needed a bespoke system. The union also said it was not in favour of performance-related awards due to inherent unfairness and biases. The PGA expressed concern about how the new system would operate as it had only seen very few details. In oral evidence, all three unions commented that they had not yet had the opportunity to engage with HMPPS on the new performance management system.

4.36 The evidence and feedback we have received leads us to have some serious concerns about the appropriateness of using the MoJ's system – which covers mainly non-operational roles or those working in offices or courts – for a frontline operational service with a unique operating environment and set of challenges. For us to make performance-related pay progression or performance awards, we would need to see details of the new system and evidence that it was robust and operating fairly. We return to this matter in Chapter 5.

Support and officer grades

4.37 We make annual recommendations on progression for staff in *Fair and Sustainable* Bands 3 to 5 as they do not have contractual pay progression. Band 2 is a spot rate so has no progression. As discussed, HMPPS has removed the link between performance management and progression for all staff this year. It therefore proposed that all officer grades should progress by one pay point, following the pay uplift, unless on formal poor performance procedures.

4.38 We note that HMPPS's position is consistent with the position we took last year for staff on *Fair and Sustainable* Bands 3 to 5. We therefore recommend that all staff not already on the maxima progress to the next pay point unless they are subject to formal poor performance procedures.

Recommendation 3: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2021 progress by one pay point, effective from 1 April 2021.

4.39 Support and officer grades on the closed pay scales are all on pay scale maxima and are therefore not entitled to any further contractual pay progression. Some officer and support grades on G4S terms may be entitled to contractual pay progression.

Operational managers

4.40 Last year we removed performance related pay progression and performance awards from Band 7 to 11 operational managers for the first time following our

concerns about the performance management system. HMPPS proposed pay progression for all operational managers of 4% this year, excluding those on formal poor performance procedures. HMPPS said this would also support it in its aim for staff to reach their pay maxima in a reasonable timeframe. In its written evidence, the PGA said progression should be 10% this year partly to offset the pay freeze and in recognition of what staff had achieved in a “remarkable year”. It also said that the time it took staff to progress from band minima to maxima should be reduced to four years.

4.41 This year, we recommend a 4% progression increase for *Fair and Sustainable* Bands 7 to 11 operational managers. This will continue to see operational managers progress through their respective pay ranges from minima to maxima within HMPPS’s preferred five to six years.

Recommendation 4: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2021 receive a consolidated and pensionable progression increase of 4%, capped at the 2021 band maximum.

4.42 All closed grade operational managers are at pay scale maxima and are not entitled to further contractual pay progression. However, staff on respective maxima are entitled to a contractual non-consolidated but pensionable award depending on performance⁶⁸. HMPPS proposed this year that the 2% contractual and pensionable payment be consolidated into the closed grade base pay because, following the move to a new performance management system, these payments would no longer be made. HMPPS said this change would be cost neutral because the closed grade Required Hours Addition (RHA) would not increase and the payment was already pensionable and therefore consolidation would not incur additional on-costs. We note HMPPS’s proposal.

Locality pay

4.43 We make no recommendation on either the legacy Locality Pay Allowance rates, the *Fair and Sustainable* Inner and Outer London differentials or market supplement rates this year.

Allowances and payments

4.44 In our report last year, we noted that there were several allowances (see Appendix F) that had not been considered or changed for some considerable time. Overall, we are concerned at the complexity of allowances in use across the remit group. Many appear to be historic. In our view the scale and complexity are excessive, giving further indication that a more fundamental review of the reward architecture maybe necessary. We return to this in Chapter 5.

4.45 Ahead of this, and any proposals for simplification, we ask the parties to provide data and evidence to us on whether any of these allowances should be increased. HMPPS said in its evidence that all allowances should remain at current rates as there was no evidence these needed to be increased, although it provided a very limited

⁶⁸ Operational managers in the closed grades are entitled to a contractual non-consolidated but pensionable award of 1% for ‘Improvement Required’ and 2% for a ‘Good’ or ‘Outstanding’ performance marking.

rationale. In oral evidence, HMPPS said that it would want any significant changes to be part of wider discussions with the unions on workforce reforms and said its current proposals reflected what it believed was the best value. It accepted that allowances had often been overlooked due to other priorities and that the Care and Maintenance of Dogs allowance in particular needed reviewing. Given that this allowance has remained unchanged since 2006, it clearly needs updating and we urge HMPPS and the POA to enter discussions with a view to reaching an agreed outcome.

4.46 The POA proposed that a significant number of allowances should be increased and made proposals accordingly (as set out in Chapter 2), which also included the introduction of several new specialism allowances. In oral evidence the POA said there were some duties that the Service was now finding it more difficult to find volunteers for and that staff should be rewarded fairly for undertaking additional duties.

4.47 This year we considered all the evidence presented to us on allowances and observe that many have not been considered for some time or only sporadically. Despite some notable increases and decreases in allowance expenditure, there was little or no analysis regarding these variances over time. We are an evidence-based body and in the absence of sufficient evidence on the purpose of each allowance and whether or not it is achieving its purpose, we could not reach rational conclusions. We believe there should be a more systematic way of uprating and reviewing allowances. This is because they are very important to staff and also because the complex myriad of allowances makes the aspiration of a clear and rational pay structure significantly more difficult to achieve.

4.48 We considered how best allowances should be reviewed in future years. In our discussions, we concluded that there are broadly two types of allowance paid to staff in our remit:

- Firstly, most allowances in our remit have a fixed cash value that compensate staff for undertaking a particular duty throughout the year or for a specific time-bound task.
- Secondly, there are those allowances that are calculated as a percentage of base pay and that change in cash value following any uplift to base pay, but the percentage value remains the same.

4.49 We then considered how best we should address allowances as part of our annual pay remit. It is wrong, in our view that an allowance should simply be left unchanged in cash terms for many years while declining in real value. We concluded that those allowances that have a cash value should simply be increased by the headline pay award each year (except for the closed grade specialist allowances which are only open to a small number of existing closed grade staff). To ensure they are subject to more regular rigorous review; we also propose that all allowances should be considered in more depth via a fixed rolling review over a five year period when we would consider whether more fundamental changes are needed. We believe that this is a more sustainable, proportionate and pragmatic way of looking at allowances in the Prison Service.

4.50 To properly consider allowances during the fixed rolling review we will need HMPPS to provide the following information: a clear indication of the purpose of the allowance; data on the number of staff in receipt (including by protected

characteristics); information on any recruitment and retention difficulties such as any issues with the numbers of volunteers; and any external comparator information on similar allowances paid in other organisations. Put simply, what is the allowance for and is it achieving its objective? We will also expect a clear rationale from the parties that supports their proposals, including if proposing no changes. Our timetable for consideration of the allowances can be found at Appendix G. This will begin next year with the unsocial hours allowances in *Fair and Sustainable* (including RHA) and the Care and Maintenance of Dogs allowance.

4.51 We therefore recommend that all allowances should increase by the headline pay uplift, with all allowances subject to a fixed rolling review. Although, we note this year that the effect of the Government's pay policy will mean allowances will remain at current rates.

Recommendation 5: We recommend that all the allowances in Appendix F (except closed grade specialism allowances) are increased in future years by the headline percentage pay award. We also recommend that in future years all allowances are considered as part of a fixed rolling review with individual allowances considered every five years (as per Appendix G).

Notional rents

4.52 Last year HMPPS requested that notional rents be removed from our remit. It again requested this year that these should be removed from our remit because these rents were a transitional arrangement made in 1989 and the notional rents were now insufficient to cover the cost of maintenance. HMPPS evidence noted that the number of staff currently occupying quarters was 27 of which 19 were remit group staff.

4.53 The POA said in oral evidence that notional rents applied to such a small number of staff that it should be left as it is. It was not a priority.

4.54 Although we agree with the POA's point on priorities, we concluded that this was a matter for HMPPS and we agree notional rents should be removed from our remit next year. We accordingly make no recommendation on the notional rent rates this year.

Duty Governor allowance

4.55 In previous years we have been asked by the PGA to introduce a Duty Governor allowance, something HMPPS has said it did not think was appropriate. It said it preferred an increase in the number of operational managers should the outcome of the workload management tool indicate this was needed. HMPPS said in evidence this year that it planned to increase the number of operational managers at some prisons and standardise the Duty Governor role across all prisons.

4.56 The PGA said in its supplementary written evidence that it welcomed the increase in the number of operational managers but said managers should not be spending more than 20% of their time outside of their function on other tasks, which included the Duty Governor role. It noted that some functions could be staffed by an operational or non-operational member of staff, with the latter not having to complete Duty Governor duties, adding pressure on the operational managers.

4.57 Having considered the issue, we continue to believe that the best way forward is for HMPPS and the PGA to continue to talk about the Duty Governor role to find a solution that is acceptable to both parties. We furthermore request evidence for our next report from HMPPS and the PGA on how the increase in the number of operational managers is progressing and if this is reducing the average burden of Duty Governor responsibilities which fall on individual operational managers.

Affordability and cost of our recommendations

4.58 HMPPS costed its proposals for the remit group for 2021-22 at approximately £16.2 million (including progression and on-costs), £7.1 million when not including progression which we consider to be the appropriate metric. The £7.1 million represents around 0.15% of HMPPS's £5 billion budget for operational expenditure as of 2019-20⁶⁹. HMPPS said in its written evidence that it continues to operate under severe budgetary pressures and its proposals were aligned to departmental affordability and the public sector pay policy.

4.59 The recommendations we have made are in line with what HMPPS told us was affordable and do not differ from its costings noted above.

⁶⁹ Her Majesty's Prison and Probation Service, (2020). *HMPPS Annual Reports and Accounts 2019-20*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2019-20> [accessed on 19 July 2021]. At the time of writing our report the Annual Reports and Accounts for 2020-21 had not been published.

Chapter 5: Looking ahead

Introduction

5.1 In this final chapter we offer our thoughts and comments on a range of issues and highlight several points that we believe need to be addressed for our next report.

The role of the Prison Service Pay Review Body

5.2 The circumstances of recent Prison Service Pay Review Body (PSPRB) reports and their outcome have called into question the purpose of the Review Body itself. The PSPRB was established as a compensatory mechanism for our remit group's loss of the right to take industrial action of any form. We place great importance on this when arriving at our recommendations. Regrettably, last year the Government rejected one of our key recommendations despite the significant weight of evidence put forward by us. We were therefore pleased this year that in oral evidence the Prisons Minister, Alex Chalk MP, in oral evidence reconfirmed the Government's commitment to the International Labour Organization (ILO) that it would only depart from our recommendations in exceptional circumstances. Similarly, we also welcome the Government's repeated public commitment to the value of the Review Body itself.

5.3 However, the weight which can be placed on those commitments is significantly undermined as last year our key recommendation is rejected and, as this year, when the Government seeks to constrain, via a restricted remit letter, what we can and cannot recommend. The legal advice received by our secretariat indicates that the Government has the power to do this. Nevertheless, this seems to us to be incompatible with the role of an independent Pay Review Body, which is to make evidence-based recommendations. The Government has every right to seek to persuade us with the evidence it submits, including on affordability, and successive PSPRB reports have indicated that we have listened closely to that evidence in making our recommendations. But to limit in advance what those recommendations should be seems to us wholly inconsistent with the warm words of support that Ministers give to the Pay Review Body process. We hope very much that for next year's round we can revert to a position in which we are constrained only by the evidence we receive. We hope too that the Government will live up to its commitment to the ILO as a restricted remit makes it not possible for us to fully fulfil our role. The real test of that commitment lies in the acceptance of unwelcome recommendations so long as they are evidence based rather than rejecting or proscribing them in advance.

5.4 In oral evidence Her Majesty's Prison and Probation Service (HMPPS) told us it would want any significant changes to allowances to be part of wider discussions with the trade unions on workforce reforms. It took a similar approach to our Recommendation 3 last year. We believe this is a misunderstanding of the role of the Review Body. It is always open to HMPPS to enter collective bargaining with the unions and, indeed, we welcome agreements which arise from that process. But HMPPS cannot have it both ways. Once the Review Body has made a recommendation based on evidence from all parties, it should not be treated as simply a proposal or the starting point of a negotiation; it should be treated on its merits in line with the Government's commitments to the Review Body process and the ILO.

Our timetable

5.5 We again find ourselves submitting our report long after the 1 April pay effective date. This means any pay uplift will be received many months after it should have been paid. We have continued to highlight our frustration at the delayed letter from the Minister starting our round and the significant delays in receiving HMPPS's written evidence. This year its evidence arrived later than any previous year – some 11 weeks after a provisional deadline was agreed with all the parties: despite the Minister asking for an accelerated timetable. This is unfair to our remit group and the other parties involved in the process. In the past, it has been possible to submit our reports in time for any changes to be implemented before 1 April, and we see no reason why we should not return to those arrangements.

Pay strategy

5.6 We have recommended as part of this report that HMPPS provide us with a pay strategy which not only addresses the significant difference between the two pay structures at Band 3, but also incorporates Recommendation 3 from our 2020 report. We would like to see HMPPS include its plans to make *Fair and Sustainable* market facing and more aligned to market comparators, especially at Bands 2 and 3, along with its plans for incentivising promotion and how it sees the future use of the market supplements.

Allowances

5.7 As we note in Chapter 4, we have proposed what we consider a more sustainable, proportionate and pragmatic way of looking at Prison Service allowances, rather than reviewing all allowances every year. The first two allowances that we propose to consider fully for our 2022 report are unsocial working hours allowances (for Bands 2 to 5 and 7 to 11) and the Care and Maintenance of Dogs allowance.

5.8 As we note in Chapter 4, for us to consider these two allowances next year we require HMPPS to provide the following information: indicating exactly what the purpose of the allowance is; data on the number of staff in receipt (including by protected characteristics); information on any recruitment and retention difficulties such as any issues with the numbers of volunteers; and any external comparator information on similar allowances paid in other organisations. In addition, we would like views from all parties on the appropriateness of the current allowance level along with a clear rationale for their proposals for any changes to us.

Request for evidence

5.9 For our 2022 report we want to receive the following information from the parties:

- From HMPPS on the performance management system:
 - Details of the new performance management system, including how it will operate, how it will measure performance and our role within this new system.

- Information on performance marking distributions broken down by grade and protected characteristics if these are available.
- Evidence on how the new system will be fair, inclusive, comprehensive and consistent for all grades and how it will win the confidence and participation of all staff and, in particular, those with protected characteristics.
- Data on reward and recognition payments (in-year awards) over the 2020-21 performance year by grade, including by protected characteristics.

We would also like comments and evidence from the unions on the new performance management system.

- Evidence from HMPPS on how its new exit interview process is developing along with any early data and emerging themes, including by protected characteristics.
- Feedback on the impact of increasing the number of operational managers at those prisons identified by HMPPS.
- Information on any further discussions between HMPPS and the Prison Governors' Association on the Duty Governor role and whether the standardisation of this role has produced any meaningful positive impact on the workload of operational managers.
- Workforce statistics on Band 12 staff along with information on the types of roles they undertake.
- We request evidence from HMPPS on its plans for flexible working in operational roles and how this can be achieved and monitored. Again, we would also welcome feedback from the unions.
- We would wish to see the Band 4 Advanced Prison Officer discussions concluded and the decision/outcome communicated to us in written evidence for our next report. We would also welcome comment from the POA on this matter.

5.10 We repeat the additional outstanding requests made in our 2020 and previous reports for the following information:

- An update on how effective specific new initiatives have been, particularly:
 - The establishment of additional Band 5 Custodial Manager posts through the implementation of the Offender Management in Custody model; and
 - The changes in the hours available under the permanent contracted hours system and what the effect of this is on Payment Plus costs.
- An update from HMPPS on the work being undertaken to reduce the number of average working days lost each year through sickness.
- Accurate data for those on temporary cover, including whether these are establishment or headquarters based. This data should also include details of the length of time individuals spend on temporary cover.

- We ask the parties to provide us evidence next year on the levels of motivation and morale in the Prison Service, along with plans to improve them.
- HMPPS's plans to address bullying, harassment and discrimination given the percentage of staff reporting this in the Civil Service People Survey.

Equality and diversity

5.11 We are required by our standing terms of reference to consider the relevant legal obligations on the Prison Service regarding equality and diversity. We note that HMPPS has a public sector equality duty which underpins the work it does. This year we were directed to public sources of data on equality and diversity by HMPPS, most notably its Annual Staff Equalities report, which we were pleased to receive this year. However, the data on equality and diversity continues to remain variable. In order that we can have full regard to the equality and diversity obligations when making our recommendations, we require the necessary data and evidence.

5.12 We have noted in this chapter where we require further evidence to include diversity and equality data. We asked last year that the Service provided us with information on its progress on implementing the Lammy Report recommendations on Black, Asian and Minority Ethnic representation in the prison workforce. We were pleased to receive an update on this from HMPPS which showed, whilst not currently reaching the Lammy targets, the Service was making good progress on this issue. However, as we note in Chapter 3, there were disparities in the recruitment data, particularly in outcomes for ethnic minority and female applicants. We therefore ask HMPPS to further analyse this data to ensure there is no conscious or unconscious bias at any stage of the recruitment process.

Conclusion

5.13 The staff in our remit group provide a vital public service which is critical to community safety, but which is and largely unseen by the general public. This year more than ever staff in our remit group have continued to provide this service in an extremely challenging operational context. The PSPRB is an important compensatory mechanism for these staff, who are prevented by law from taking any form of industrial action. We have expressed our disappointment at our restricted remit and its incompatibility with both the Government's ILO commitment and with our independence. We have been legally restricted in what we can recommend on any headline pay awards this year. However, most importantly we believe all of the evidence supports our recommendation for a comprehensive pay strategy, incorporating our Recommendation 3 from last year. We believe this will enable the establishment of long-term, coherent and sustainable pay arrangements for the Prison Service which will attract, retain and appropriately value and reward staff at all levels in our remit group.

Appendix A: Letter from PSPRB Chair to Secretary of State for Justice regarding rejection of 2020 report Recommendation 3



**Office of Manpower
Economics**

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LONDON EC4Y 8JX

E-mail PSPRB@beis.gov.uk

<https://www.gov.uk/government/organisations/prison-services-pay-review-body>

The Rt Hon Robert Buckland MP
Lord Chancellor & Secretary of State for Justice
Ministry of Justice
102 Petty France
London
SW1H 9AJ

15 December 2020

Dear Lord Chancellor,

PRISON SERVICE PAY REVIEW BODY 2020 ENGLAND AND WALES REPORT

Thank you for your letter dated 9 December, regarding the Government's decision to reject the Prison Service Pay Review Body's (PSPRB) recommendation on the £3,000 increase in pensionable pay for *Fair and Sustainable* Band 3 Prison Officers.

I wish to put on record the disappointment of the PSPRB at this outcome and that, despite the commitment you made in July, no discussions with the trade unions have taken place. As I set out in my letter to you in July, the PSPRB is an evidence-based body and we made recommendation 3 based on the weight of evidence about the market position of Band 3 Prison Officer pay. Neither our terms of reference, nor the Government's activation letter, require us to align our recommendations to pay awards across the public sector. Indeed, to do so would restrict our ability to make objective judgements based on the evidence about current and future problems within the Prison Service pay structure.

The data we received clearly demonstrated insufficiently competitive levels of pay for Band 3 Prison Officers, a factor we believe is the main contributor to the excessively high, and therefore very costly, leaving rates – especially among new recruits. In recent years, we have raised concerns to HMPPS that the addition of the 'red' and 'amber' market supplements has introduced more tiers to an already complex and unequal pay system and this year we were presented with evidence that showed this was having unintended consequences for other nearby prisons. Our overwhelming conclusion was that additional investment needed to be targeted at Band 3 to start to improve the relative market position of Band 3 pay. By consolidating the 'amber' market supplement,

anomalies in the pay system would start to be addressed while also reducing the gap between the *Fair and Sustainable* and closed grades by two thirds.

Although you state in your letter that this recommendation holds 'exceptional costs' we believe that with leadership ambition these could be largely offset by a number of productivity savings, including: reduced recruitment costs; improved retention rates; and increased effectiveness and productivity of Prison Officers. We highlighted in our report that the 'red' and 'amber' market supplements are already paid to 38% of Band 3 officers, which substantially reduces the upfront costs for HMPPS.

I note that in your letter, you write that the context in which we made our recommendations has changed. The report in which we made these recommendations was for a pay review with effect from 1 April 2020. The continued delays by the Government both in submitting written evidence to us and reaching a decision on recommendation 3, have inevitably meant that circumstances have changed. However, we have been presented with no evidence to support the assertion that the Prison Service labour market has changed or indeed that the long-term fundamental issues with the Prison Service pay structure will have significantly altered before the next pay round.

Looking ahead, I believe we each have a responsibility to ensure that engagement between the PSPRB, HMPPS and the Ministry of Justice improves so that we may actively build a more open and trusting relationship, which is essential for future pay rounds.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer and to the organisations that represent our remit group – the POA, Prison Governors' Association and Public and Commercial Services Union.

Yours sincerely

Tim Flesher
Chair, Prison Service Pay Review Body

Appendix B: Minister's activation letter



Ministry
of Justice

Lucy Frazer QC MP
Minister of State for Justice

Tim Flesher
Prison Service Pay Review Body
8th Floor
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

MoJ ref: SUB 084161

16 December 2020

Dear Tim,

PRISON SERVICE PAY REVIEW BODY REMIT 2021/22

I would first of all like to offer my thanks to the Prison Service Pay Review Body (PSPRB) for their hard work, insight and rigour through which they developed their report for prison service pay for the past year. While the Government was not able to accept the entirety of the recommendations for 2020/21, we value the independent expert advice and contribution that the PSPRB makes.

The timing of the Spending Review announcement, as well as the need to conclude the past year's pay round, has unfortunately delayed the commencement of Pay Round 2021/22. I am writing now to set out how the Government proposes working with the PSPRB in relation to the 2021/22 pay round and to formally begin the Review Body process.

You will have seen that the Chancellor of the Exchequer announced that pay rises in the public sector will be restrained and targeted in 2021/22 at the Spending Review. As the Chancellor set out, Covid-19 is significantly impacting the economy, labour market and the fiscal position and has suppressed earnings growth and increased redundancies in the private sector. Public sector pay has, so far, been shielded from the pandemic's economic effects. In the six months to September, the private sector has seen a pay cut of nearly 1% on the year, yet public sector earnings were up by almost 4%. Since March, the number of people in employment in the UK fell by 782,000, whilst over a similar period of time public sector employment increased.

It is right to temporarily pause pay awards for the majority of the public sector as we assess the impact Covid-19 has had on the wider economy and labour market. This approach will also allow us to protect public sector jobs and investment in public services as Covid-19 continues to have an impact. We will be able to reassess this position ahead of pay round 2022/23.

No member of the workforce will face a cut to their existing reward package and the pause will apply to headline pay uplifts only – other payments such as progression pay, overtime and special allowances will continue as before.

HM Treasury will set out the justification and evidence for this policy in more detail in the upcoming informal economic discussion, which will be followed by the publication of the official economic evidence paper.

Accordingly, whilst we will not be seeking a recommendation from PSPRB for any general Prison Service pay uplifts in 2021/22, we would still very much welcome the PSPRB's views on the following:

For those earning the full time equivalent of gross earnings of less than £24,000, we propose to put in place pay uplifts for 2021/22 at a value of £250 or the National Living Wage increase, whichever is higher. We will look to the PSPRB to provide recommendations on the implementation of these uplifts for this group of workers and I have provided further guidance on this in the annex of this letter. My department will submit evidence for this group in the usual way, covering the usual factors and in line with the pay policy announced at the Spending Review. Though the remit is restricted this year, I ask that you pay particular regard to the state of the wider labour market, economic forecasts and affordability in making your recommendation this year.

More detail on the policy can be seen in the SR document. We will very shortly submit our economic evidence to you with further detail on our economic rationale. As usual, this will be followed by an oral evidence session. Given your restricted remit, we are hoping that the process may be expedited somewhat this year, while acknowledging that the PSPRB will want to gather evidence from a wide range of sources and parties in the usual way. I ask therefore that you submit your report by early May, subject to further discussion with OME to determine the most appropriate timetable.

Thank you for your continued hard work and contribution to prison service pay policy. I look forward to continuing our dialogue in the future.

Yours sincerely

LUCY FRAZER QC MP

Annex to letter: Treatment of employees earning less than £24,000

Definition of employees earning less than £24,000:

- This should be determined on the basis of basic salary of a full-time equivalent employee, pro-rated on the basis of hours worked, using the standard number of hours per week for that organisation.
- Part-time workers with an FTE salary of less than £24,000 should receive a pro-rata increase on the basis of the number of hours worked
- The £24,000 is based on the normal interpretation of basic salary and does not include overtime, performance pay or bonuses, nor any regular payments or allowances such as London weighting, recruitment or retention premia or other allowances.

Furloughed employees should be eligible for the £250 payment only when their unreduced, FTE basic pay falls below the threshold.

Size of increase:

We are asking the Review Bodies to recommend how the uplift should be implemented in a way that minimises distortion of existing pay spines, or for other structural reasons such as leapfrogging: Government will consider higher awards to accommodate these factors. Higher awards should also be implemented where necessary to accommodate National Living Wage (NLW) policy, although employees should receive the higher of NLW or £250 (but not both). When considering their recommendation, Review Bodies may want to consider:

- The level of progression pay provided to the workforce
- Affordability
- NLW increases
- How best to avoid 'leapfrogging' of those earning just under £24,000 with those earning just over £24,000. Government will consider modest, necessary awards in excess of the £24,000 threshold to avoid structural issues such as leapfrogging, if there is a strong case.

Appendix C: Discussion groups held in 2020-21

Our 2020-21 visit programme was conducted with staff via telephone conferencing and as such no establishments were visited due to Covid-19 restrictions on visiting prisons. We held the following discussion groups⁷⁰ with staff who volunteered from across most regions of the Prison Service with staff in both the *Fair and Sustainable* and the closed grades⁷¹.

Governors (Bands 10 and 11)

One discussion group

Deputy Governors and Heads of Function (Bands 7 to 9)

Three discussion groups

Custodial Managers and Supervising / Specialist Officers (Bands 4 and 5)

Three discussion groups

Prison Officers (Band 3)

Four discussion groups

Operational Support Grades (Band 2)

One discussion group

Local POA representatives

One discussion group

Local Public and Commercial Services Union representatives

One discussion group

⁷⁰ We have used the *Fair and Sustainable* job titles for each operational grade, however these groups also included closed grade equivalents. For example, Custodial Manager will have also included closed grade Principal Officer.

⁷¹ Five discussion groups were scheduled for Prison Officers and two discussion groups Operational Support Grades. However, due to lack of volunteers some sessions did not take place.

Appendix D: Current and recommended pay levels

Current and recommended pay levels for *Fair and Sustainable* grades⁷²

Fair and Sustainable ranges – National

Band 7 to 12 – National

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

Grade/Pay Band	37 hour base pay	37 hour inc 17% RHA
Prison Group Director (Band 12) (spot rate)	103,000	–
Governor (Band 11) Max	81,584	95,453
Governor (Band 11) Min	67,987	79,545
Governor (Band 10) Max	72,127	84,389
Governor (Band 10) Min	60,102	70,319
Deputy Governor (Band 9) Max	65,518	76,656
Deputy Governor (Band 9) Min	54,599	63,881
Deputy Governor / Head of Function (Band 8) Max	51,154	59,850
Deputy Governor / Head of Function (Band 8) Min	42,626	49,872
Head of Function (Band 7) Max	43,870	51,328
Head of Function (Band 7) Min	38,149	44,634

Notes:

1. The Bands 7 to 11 ranges do not have fixed incremental pay points.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with Required Hours Addition (RHA) is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.

⁷² Salaries for the Operational Graduate Custodial Manager and Operational Graduate Prison Officer have been excluded this year as there were no staff on these pay rates.

Appendix D

Custodial Manager (Band 5) – National

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
31,176	36,476	38,161
30,453	35,630	37,276
29,748	34,805	36,413
29,058	33,998	35,569
27,697	32,405	33,902

Supervising / Specialist officers (Band 4) – National

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
27,381	32,036	33,516
26,852	31,417	32,868
26,334	30,811	32,234
25,826	30,216	31,612
24,619	28,804	30,135

Notes:

1. Base pay for Bands 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
2. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those including Pensionable Additional Committed Hours (ACHP) are rounded to the nearest £ at the end of the calculation.

Prison Officer (Band 3) – National

Current and recommended pay (£ per annum)

Current pay ranges			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
21,713	25,404	26,812	21,963	25,697	27,122
21,297	24,917	26,298	21,547	25,210	26,608
20,887	24,438	25,793	21,137	24,730	26,101
20,487	23,970	25,299	20,737	24,262	25,607
19,531	22,851	24,118	19,781	23,144	24,427

Operational Support Grade (Band 2) – National

Current and recommended pay (£ per annum)

Current pay ranges			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
17,605	20,598	21,550	17,855	20,890	21,855

Notes:

1. Base pay for Bands 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
2. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those ACHP or Additional Committed Hours ((ACH) – not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

Fair and Sustainable ranges – Outer London

Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

Band 7 to 12 – Outer London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

Grade/Pay Band	37 hour base pay	37 hour inc 17% RHA
Prison Group Director (Band 12) ⁷³	103,000	–
Governor (Band 11) Max	84,310	98,643
Governor (Band 11) Min	70,258	82,202
Governor (Band 10) Max	74,853	87,578
Governor (Band 10) Min	62,374	72,978
Deputy Governor (Band 9) Max	68,244	79,845
Deputy Governor (Band 9) Min	56,871	66,539
Deputy Governor / Head of Function (Band 8) Max	53,880	63,040
Deputy Governor / Head of Function (Band 8) Min	44,898	52,531
Head of Function (Band 7) Max	46,596	54,517
Head of Function (Band 7) Min	40,520	47,408

Notes:

1. The Band 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £2,726 for 2021-22, unchanged from the previous year. Minima are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.

⁷³ The London Prison Group Director (Band 12) is eligible for a £5,000 non-consolidated, non-pensionable allowance for working in London.

Custodial Manager (Band 5) – Outer London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
33,902	39,665	41,498
33,117	38,747	40,537
32,352	37,852	39,601
31,603	36,976	38,684
30,124	35,245	36,873

Supervising / Specialist officers (Band 4) – Outer London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
30,107	35,225	36,852
29,526	34,545	36,141
28,957	33,880	35,445
28,399	33,227	34,762
27,072	31,674	33,137

Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £2,726 for 2021-22, unchanged from the previous year. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

Appendix D

Prison officer (Band 3) – Outer London

Current and recommended pay (£ per annum)

Current pay ranges			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
24,439	28,594	30,179	24,689	28,886	30,487
23,971	28,046	29,601	24,222	28,340	29,911
23,510	27,507	29,032	23,762	27,802	29,343
23,060	26,980	28,476	23,313	27,276	28,788
21,985	25,722	27,148	22,239	26,020	27,463

Operational Support Grade (Band 2) – Outer London

Current and recommended pay (£ per annum)

Current pay ranges			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
20,331	23,787	24,886	20,581	24,080	25,192

Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £2,726 for 2021-22, unchanged from the previous year. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those including ACHP (pensionable) are rounded to the nearest £ at the end of the calculation.

Fair and Sustainable ranges – Inner London

Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

Band 7 to 12 – Inner London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

Grade/Pay Band	37 hour base pay	37 hour inc 17% RHA
Prison Group Director (Band 12) ⁷⁴	103,000	–
Governor (Band 11) Max	85,732	100,306
Governor (Band 11) Min	71,443	83,588
Governor (Band 10) Max	76,275	89,242
Governor (Band 10) Min	63,599	74,364
Deputy Governor (Band 9) Max	69,666	81,509
Deputy Governor (Band 9) Min	58,055	67,924
Deputy Governor / Head of Function (Band 8) Max	55,302	64,703
Deputy Governor / Head of Function (Band 8) Min	46,082	53,916
Head of Function (Band 7) Max	48,018	56,181
Head of Function (Band 7) Min	41,756	48,855

Notes:

1. The Band 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential – £4,148 for 2021-22, unchanged from the previous year. Minima are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.

⁷⁴ The London Prison Group Director (Band 12) is eligible for a £5,000 non-consolidated, non-pensionable allowance for working in London.

Appendix D

Custodial Manager (Band 5) – Inner London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
35,324	41,329	43,238
34,506	40,372	42,237
33,708	39,438	41,260
32,927	38,525	40,305
31,385	36,720	38,416

Supervising / Specialist officers (Band 4) – Inner London

Current and recommended pay (£ per annum) from 1 April 2021
(unchanged from 1 April 2020)

37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
31,529	36,889	38,593
30,920	36,176	37,847
30,324	35,479	37,118
29,740	34,796	36,404
28,351	33,171	34,703

Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential – £4,148 for 2021-22, unchanged from the previous year. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those including ACHP (pensionable) are rounded to the nearest £ at the end of the calculation.

Prison officer (Band 3) – Inner London
Current and recommended pay (£ per annum)

Current pay ranges			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
25,861	30,257	31,934	26,111	30,550	32,244
25,366	29,678	31,323	25,617	29,972	31,634
24,878	29,107	30,721	25,130	29,402	31,032
24,402	28,550	30,133	24,655	28,846	30,445
23,264	27,219	28,728	23,519	27,517	29,043

Operational Support Grade (Band 2) – Inner London
Current and recommended pay (£ per annum)

Current spot rate			From 1 April 2021		
37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
21,753	25,451	26,627	22,003	25,744	26,933

Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential – £4,148 for 2021-22, unchanged from the previous year. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17% which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17% unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

Appendix D

Pay levels for non-Fair and Sustainable grades

Only 1 April 2021 pay points occupied by staff are shown.

Non-Fair and Sustainable operational manager scales

Current and recommended pay (£ per annum)⁷⁵

Grade	Current pay	Pay From 1 April 2021
Senior Manager A	89,456	91,246
Senior Manager B	86,830	88,567
Senior Manager C ⁷⁶	78,198	79,762
Senior Manager D (pre-2009 scale) (RHA inclusive) ⁷⁷	71,840	73,277
Senior Manager D (post-2009 scale)	65,872	67,310
Manager E	49,670	50,664
Manager F	42,134	42,977
Required Hours Addition (pensionable) ⁷⁸	5,967	5,967

⁷⁵ We understand that former HMP Wolds and Medway Secure Training Centre operational manager grades previously run by G4S are on individual salaries.

⁷⁶ No staff within our remit group occupy this pay scale, however HMPPS may still employ non-operational staff on this pay scale.

⁷⁷ No staff within our remit group occupy this pay scale, however HMPPS may still employ non-operational staff on this pay scale.

⁷⁸ This applies to the following grades: post-2009 Senior Manager D, Manager E, Manager F.

Non-Fair and Sustainable support and officer grades
Current and recommended pay (£ per annum)

Grade ⁷⁹	Current pay	Pay From 1 April 2021
Principal Officer	36,622	36,622
Senior Officer	34,066	34,066
Prison Officer	31,649	31,649
Prison Officer 2 ⁸⁰	18,775	19,025
G4S Prison Custody Officer ⁸¹	26,370	26,370
Operational Support Grade	20,670	20,920
Night Patrol ⁸²	20,030	20,464
Prison Auxiliary ⁸³	17,752	18,139
G4S Security Officer ⁸⁴	20,368	20,618

Non-Fair and Sustainable HMP Birmingham grades

Following the transfer of HMP Birmingham back to HMPPS, staff TUPE transferred on G4S pay and grading arrangements. Staff are therefore on several different pay scales and individually negotiated rates of pay, therefore no pay rates will be covered in this appendix. Staff will be treated as closed non-Fair and Sustainable grades and are entitled to any pay award applied to the non-Fair and Sustainable closed grades as recommended in this report. Those staff that have opted in to Fair and Sustainable will be covered under the National Fair and Sustainable rates of pay.

⁷⁹ The pay shown in this table is based on a 39 hour week, except for the Prison Officer 2 and Night Patrol grades. Only those pay points occupied are show.

⁸⁰ 37 hour base pay shown. Those at this grade may also work and qualify for an additional unsocial hours payment of 17%.

⁸¹ This grade was formerly part of HMP Wolds run by G4S.

⁸² 44 hour base pay shown. Pay uplifted to the National Living Wage, rather than £250.

⁸³ Uplifted to the National Living Wage, rather than £250.

⁸⁴ This grade was formerly part of HMP Wolds run by G4S.

Appendix E: Locality Pay Allowance rates

We recommend no change to legacy Locality Pay Allowance (LPA) rates for the closed, pre-*Fair and Sustainable* grades so the rates remain as below. These rates are pensionable and are only payable to those staff in post at 31 March 2012.

Rating structure	£ a year	Establishments / sites covered:
Rate 1	4,250	Brixton, Pentonville, Wandsworth and Wormwood Scrubs
Rate 2	4,000	Feltham, Huntercombe, The Mount and Westminster headquarters
Rate 3	3,100	Belmarsh, Bronzefield ⁸⁵ , Coldingley, Downview, High Down, Isis and Send
Rate 4	2,600	Aylesbury, Bedford, Bullingdon, Chelmsford, Grendon/Springhill and Woodhill
Rate 5	1,100	Lewes and Winchester
Rate 6	250	Birmingham ⁸⁶ , Bristol, Littlehey, Long Lartin and Onley

⁸⁵ Payable to eligible staff in the controller's office at this establishment.

⁸⁶ There may be a number of former HMPPS staff that were TUPE transferred to G4S at this establishment who have now TUPE transferred back to HMPPS, that may also be in receipt of this LPA rate.

Appendix F: Allowances and payments

We make no changes to allowances and payments. Below are the continuing rates from 1 April 2021.

<i>Allowances and payments</i>	<i>Closed grades From 1 April 2021</i>	<i>Fair and Sustainable grades From 1 April 2021</i>
Care and Maintenance of Dogs ⁸⁷ Rate 1 – single dog	£1,526 a year	£1,526 a year
Care and Maintenance of Dogs Rate 2 – multiple dogs	£1,908 a year	£1,908 a year
Specialist allowance (pensionable): Healthcare Officers	£1,296 a year	Not applicable
Specialist allowance (pensionable): Caterers, Patrol and Search Dog Handlers, Librarians, Physical Education Instructors, Trade Instructors and Works Officers	£1,200 a year	Not applicable
National Tactical Response Group allowance	£6,670 a year	£6,670 a year
National Dog and Technical Support Group allowance	£6,670 a year	£6,670 a year
Operation Tornado payment (officers)	£24.86 per hour	£24.86 per hour
Operation Tornado payment (OSG)	£19.00 per hour	£19.00 per hour
Payment Plus	£22.00 per hour	£22.00 per hour
Dirty Protest allowance: four hours or less per day	£10.00 per day	£10.00 per day
Dirty Protest allowance: over four hours per day	£20.00 per day	£20.00 per day
On-call (radio pager): Weekdays	£5.67 per period of more than 12 hours	Not applicable

⁸⁷ We introduced a second rate for the Care and Maintenance of Dogs allowance in our 2016 report. This means there are now two rates – one for care of a single dog (amount is £1,526 a year) and one for care of multiple dogs (amount is 25% more than the single rate – £1,908 a year).

Appendix F

<i>Allowances and payments</i>	<i>Closed grades From 1 April 2021</i>	<i>Fair and Sustainable grades From 1 April 2021</i>
On-call (radio pager): weekends and privilege holidays	£16.13 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
On-call (radio pager): public and bank holidays	£20.41 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
On-call (home): weekdays	£7.09 per period of more than 12 hours	Not applicable
On-call (home): weekends and privilege holidays	£20.17 per 24 hour period or proportionately or periods of less than 24 hours	Not applicable
On-call (home): public and bank holidays	£25.47 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
On-call (home) ⁸⁸ : weekdays and privilege holidays	Not applicable	£9.00 per period of 12 hours or more
On-call (home) weekends and public holidays	Not applicable	£25.00 per period of 24 hours or more or proportionately for periods of less than 24 hours
On-call (home) (hourly rate)	Not applicable	(£1.04 per hour whilst on call outside of normal office hours)
Stand by (office): weekdays	£13.43 per period of more than 12 hours	Not applicable

⁸⁸ For staff on *Fair and Sustainable* grades the on-call payments are payable as two rates only: (a) work days and (b) rest days or weekends and bank or public holidays.

<i>Allowances and payments</i>	<i>Closed grades From 1 April 2021</i>	<i>Fair and Sustainable grades From 1 April 2021</i>
Stand by (office): weekends and privilege holidays	£38.46 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
Stand by (office): public and bank holidays	£48.26 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable

Appendix G: Rolling review programme for Prison Service staff allowances

The table below outlines our rolling review programme and which allowances will be considered in detail in which report and year.

PSPRB Report	Allowances to be considered
Twenty First (2022)	Unsocial hours payments in <i>Fair and Sustainable</i> Care and Maintenance of Dogs
Twenty Second (2023)	Payment Plus OSG overtime
Twenty Third (2024)	Operation Tornado payments Dirty Protest payments
Twenty Fourth (2025)	National Tactical Response Group National Dog and Technical Support Group
Twenty Fifth (2026)	Closed grade specialist allowances On-call allowances (both pay structures)

Appendix H: Notional rent

We make no recommendation on notional rents which remain as set out below. However, we agree that these are removed from our remit and rates for prison quarters will be managed by the Ministry of Justice's Estates team going forward. Notional rents will be removed from the Appendices in our next report.

Notional rent for quarters	Current level
former Governor I	£3,804 a year
former Governor II	£3,762 a year
former Governor III	£3,615 a year
former Governors IV/V	£2,516 a year
Prison officers / support grades	£1,675 a year

Appendix I: Recommendations from the 2020 England and Wales report

- From 1 April 2020 the *Fair and Sustainable* National Band 2 spot rate and the National Bands 3 to 5 base pay points, along with the closed support and officer grade spot rates and base pay points, be increased by 2.5%. This award to be consolidated and pensionable for all staff.
- From 1 April 2020 the consolidated, pensionable salary for Prison Auxiliary and Night Patrol staff be increased to the National Living Wage or by 2.5%, whichever gives the greater amount.
- From 1 September 2020 the *Fair and Sustainable* National Band 3 base pay points increase by £2,564 giving a total consolidated and pensionable award of £3,000 when the 17% unsocial hours payment is included. On 1 September 2020, this replaces the 'amber' market supplement and £3,000 of the 'red' market supplement for those Band 3 staff who currently receive them.
- From 1 April 2020 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager pay scales (including the closed grade Required Hours Addition cash element) be increased by 2.5%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.5% so that they remain at the same relative position in the 2020 pay range. This award to be consolidated and pensionable for all staff.
- All staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2020 progress by one pay point effective from 1 April 2020.
- All staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2020 receive a consolidated and pensionable progression increase of five%, capped at the new 2020 band maximum.
- From 1 April 2020 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.5% and continue to be applied consistently across all bands, positioning maxima at £2,726 and £4,148 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

Appendix J: Summary of PSPRB headline pay award recommendations from 2014 to 2019

- **2019** – a consolidated 2.2% increase for all *Fair and Sustainable* and closed grades, except *Fair and Sustainable* Band 3, which was recommended a 3.0% consolidated pay increase.
- **2018** – a consolidated 2.75% increase for all *Fair and Sustainable* and closed grades, except *Fair and Sustainable* Band 3 and 4, which were recommended increases of 5.25% and 3.5% respectively. Rejected by the Government and reduced to a 2.0% consolidated and 0.75% non-consolidated award for all *Fair and Sustainable* and closed grades.
- **2017** – a consolidated flat cash award of £400 to all uniformed grades (both those on *Fair and Sustainable* and closed grades) and an increase of 1% to the maxima of the *Fair and Sustainable* National Bands 7 to 11.
- **2016** – an increase of 1% to the maxima of the *Fair and Sustainable* National bands and non-consolidated awards of £300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers.
- **2015** – an increase of 1.8% to the maxima of the *Fair and Sustainable* National bands but no recommended pay awards for those on closed grades. The Government then provided non-consolidated retention bonus payments (£300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers) shortly after the publication of our 2015 report.
- **2014** – a 1% consolidated pay increase for all officers and support staff on all pay structures and changes to some *Fair and Sustainable* National Band 7 to 11 pay structures to provide 2% to staff who opted in.

