

Police Remuneration Review Body

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Eighth Report England and Wales 2022

Chair: Zoë Billingham CBE



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Presented to Parliament by the Secretary of State for the Home Department by Command of Her Majesty

July 2022



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www.gov.uk/ome

ISBN 978-1-5286-3365-9

E02751563 07/22

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office

#### Police Remuneration Review Body

#### Terms of reference<sup>1</sup>

The Police Remuneration Review Body<sup>2</sup> (PRRB) provides independent recommendations to the Home Secretary and to the Northern Ireland Minister of Justice on the hours of duty, leave, pay, allowances and the issue, use and return of police clothing, personal equipment and accoutrements for police officers of or below the rank of chief superintendent and police cadets in England and Wales, and Northern Ireland respectively.

In reaching its recommendations the Review Body must have regard to the following considerations:

- the particular frontline role and nature of the office of constable in British policing;
- the prohibition on police officers being members of a trade union or withdrawing their labour;
- the need to recruit, retain and motivate suitably able and qualified officers;
- the funds available to the Home Office, as set out in the Government's departmental expenditure limits, and the representations of police and crime commissioners and the Northern Ireland Policing Board in respect of local funding issues;
- the Government's wider public sector pay policy;
- the Government's policies for improving public services;
- the work of the College of Policing;
- the work of police and crime commissioners;
- relevant legal obligations on the police service in England and Wales and Northern Ireland, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief, and disability;
- the operating environments of different forces, including consideration of the specific challenges of policing in rural or large metropolitan areas and in Northern Ireland, as well as any specific national roles which forces may have;
- any relevant legislative changes to employment law which do not automatically apply to police officers;
- that the remuneration of the remit group relates coherently to that of chief officer ranks.

<sup>&</sup>lt;sup>1</sup> The terms of reference were set by the Home Office following a public consultation – Implementing a Police Pay Review Body – The Government's Response, April 2013.

<sup>&</sup>lt;sup>2</sup> The Police Remuneration Review Body was established by the Anti-social Behaviour, Crime and Policing Act 2014, and became operational in September 2014.

The Review Body should also be required to consider other specific issues as directed by the Home Secretary and/or the Northern Ireland Minister of Justice, and should be required to take account of the economic and other evidence submitted by the Government, professional representatives and others.

It is also important for the Review Body to be mindful of developments in police officer pensions to ensure that there is a consistent, strategic and holistic approach to police pay and conditions.

Reports and recommendations of the Review Body should be submitted to the Home Secretary, the Prime Minister and the Minister of Justice (Northern Ireland), and they should be published.

#### Members<sup>3</sup> of the Review Body

Zoë Billingham CBE (Chair) Andrew Bliss QPM Professor Monojit Chatterji Richard Childs QPM Kathryn Gray Mark Hoble JP Patrick McCartan CBE Trevor Reaney CBE

The secretariat is provided by the Office of Manpower Economics.

<sup>&</sup>lt;sup>3</sup> Members of the Review Body are appointed through an open competition adhering to the Commissioner for Public Appointments' Code of Practice. Available at: <u>https://www.gov.uk/government/uploads/system/uploads/</u> <u>attachment\_data/file/578090/Public\_Appointments\_Governance\_Code\_.pdf</u> [Accessed on 26 May 2022]

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## List of abbreviations

APCC	Association of Police and Crime Commissioners
ASHE	Annual Survey of Hours and Earnings
AWE	Average Weekly Earnings
CARE	Career Average Revalued Earnings
CoLP	City of London Police
COVID-19	Coronavirus Disease 2019
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs
CPOSA	Chief Police Officers' Staff Association
FTA	Fixed-Term Appointment
FTE	Full-time Equivalent
FYE	Financial Year Ending
GDP	Gross Domestic Product
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
IDR	Incomes Data Research
IOPC	Independent Office for Police Conduct
IPLDP	Initial Policing Learning and Development Programme
LFS	Labour Force Survey
LRD	Labour Research Department
MPS	Metropolitan Police Service
NHS	National Health Service
NPCC	National Police Chiefs' Council
NRT	National Reward Team
OBR	Office for Budget Responsibility
OME	Office of Manpower Economics
ONS	Office for National Statistics
PAYE	Pay As You Earn
PCC	Police and Crime Commissioner
PCDA	Police Constable Degree Apprentice
PCF	Police Consultative Forum
PDR	Performance Development Review
PFEW	Police Federation of England and Wales

- PPS Pay Progression Standard
- PRRB Police Remuneration Review Body
- PSA Police Superintendents' Association
- RPI Retail Prices Index
- RTI Real Time Information
- TVP Targeted Variable Pay
- UK United Kingdom

## Foreword

This is our Eighth Report to the Home Secretary. The Home Secretary's remit letter of 2 December 2021 asked us to make a formal recommendation on the police officer pay award for 2022/23 to all ranks including chief police officers.

In previous years, we have had the benefit of evidence from the Police Federation of England and Wales and the Police Superintendents' Association. We regret that these two important bodies withdrew from the Police Remuneration Review Body process in 2021. We hope to hear from them next year.

This is an extraordinary year in terms of the economic climate. Events in Ukraine and elsewhere have delivered further shocks to the economy as it fights to recover from the effects of the coronavirus (COVID-19) pandemic. During our visits programme in late 2021, where we heard from almost 400 officers, we were told about reports of lower paid officers in debt and of many struggling to meet basic fuel and food costs. The financial pressures they face have increased since then and energy prices are now at unprecedented levels.

At the same time, unemployment rates and levels are the lowest for nearly fifty years. The Uplift Programme was on track at the end of its second year, but the evidence we have received about the prospects for meeting its third-year targets has been mixed. The police service needs a workforce equipped with the skills to meet the challenges of the 21st century and to restore and retain public trust and serve our diverse communities effectively. The next generation of officers must have the capabilities and attitudes to deal with the changing nature of the increasing complexity of demand driven by both technology and changing social attitudes. The need to be able to recruit and retain in policing high calibre individuals who are insightful, diverse, digitally competent and have the right motivation has never been greater. A coherent pay and reward structure is a key part of this. There are concerns about securing and retaining recruits with the skills and qualities the police service needs, and that police starting salaries are too low.

Given the exceptional economic circumstances this year, there are very strong arguments in favour of a sharply differentiated approach that provides those at the bottom of the pay scale with some protection against rising household bills. We explored options that delivered a substantial uplift to the lowest paid officers in the police service. Given affordability considerations, our analysis of recruitment, retention, motivation and morale, and developments in private sector pay, we concluded that a pay uplift with an overall cost of 5% was appropriate. We recommend that this should take the form of a consolidated increase of  $\pounds 1,900$  for all officers which has the effect of giving the lowest paid police officers an uplift close to the rising cost of living. Part-time officers will receive a pro-rated award.

We judge this will address some of the immediate issues facing officers but further action is need on entry level starting salaries. The proposals we have seen so far lack ambition. Changes to pay structures should be part of a coherent national programme of reform that considers the whole pay and reward package for the police service. Our report highlights the risks of a fragmented approach. The Metropolitan Police Service's proposal to use Targeted Variable Pay to enhance this year's pay award to its officers, while suggested for understandable reasons, has implications for the police service as a whole.

Our report makes it clear that the recent pay reform programme did not grasp the opportunity to fully address some of the issues facing the police service. Systems to assess performance should be robust, rigorous and challenging. Once the Uplift Programme is completed, a framework for a fresh programme of pay reform is needed to sustain the drive for improved policing through the quality and commitment of its people and to enable the service to deliver the Policing Vision 2025 and meet the challenges beyond. We look forward to receiving evidence on this and a strategic workforce plan in the years ahead.

In advance of that, any proposals we receive for changes to the pay structures of those who lead the police service must have been considered by a process that is truly independent. Proposals for changes to pay for the highest earners have to be seen to have been considered by an open and transparent process.

Zoë Billingham (Chair) Andrew Bliss Monojit Chatterji Richard Childs Kathryn Gray Mark Hoble Patrick McCartan Trevor Reaney

31 May 2022

## POLICE REMUNERATION REVIEW BODY

### England and Wales Eighth Report 2022

#### **Executive Summary**

Our 2022/23 recommendations (from 1 September 2022):

- A one-year award for police officers in 2022/23.
- A consolidated increase of £1,900 to all police officer pay points for all ranks.
- The Police Constable Degree Apprentice (PCDA) minimum should be raised to pay point 0 (£23,556 from 1 September 2022).
- London Weighting and the Dog Handlers' Allowance should be uplifted by 5%.
- Parties should review the requirement and appropriate level for the Dog Handlers' Allowance.
- 1. The Police Remuneration Review Body (PRRB) became operational in September 2014 and our terms of reference relate to pay, allowances and certain other conditions of service of police officers in England and Wales.
- 2. We would like to offer our thanks to all those parties who have contributed during the pay round, either by the submission of written evidence, attendance at oral evidence sessions, or by participation at our various visits. In previous years, we have had the benefit of evidence from the Police Federation of England and Wales (PFEW) and the Police Superintendents' Association (PSA). We regret that these two important bodies withdrew from the PRRB process in 2021. We hope to hear from them next year.
- 3. As at 31 March 2022, there were around 142,526 police officers in England and Wales in our remit group<sup>4</sup> spread over 43 independent police forces.

#### Our remit

- 4. This is our Eighth Report to the Home Secretary. The Home Secretary's remit letter of 2 December asked us to make a formal recommendation on the police officer pay award for 2022/23 to all ranks including chief police officers. The Home Secretary asked us to consider our recommendations in the context of the Government's commitment to an increase of 20,000 officers over three years. (Paragraphs 1.1 and 1.4)
- 5. The letter also asked us to provide commentary and observations on the National Police Chiefs' Council's (NPCC) reference document providing a detailed explanation of: the methodologies used for benchmarking the

<sup>&</sup>lt;sup>4</sup> Home Office (April 2022), *Police officer uplift, quarterly update to March 2022*. Available at <u>https://www.gov.uk/</u> <u>government/statistics/police-officer-uplift-quarterly-update-to-march-2022</u> [Accessed on 26 May 2022]

pay of all ranks including chief officers; the factors used to determine the P-factor and the methodology used to value it; the interaction of benchmarking and the P-factor; its overall purpose; and example calculations, addressing the points raised in our last report. (Paragraph 1.5)

#### Response to last year's report

6. Our Seventh Report was submitted to the Home Secretary in June 2021. The Home Secretary responded to this on 21 July 2021 by accepting our recommendations in full. (Paragraphs 1.2 to 1.3)

#### The environment for this year's report

- 7. This is our third report that has been completed during the coronavirus (COVID-19) pandemic. The work of police officers is important, difficult, complex and often dangerous in the ordinary course of events. As one of the groups working on the frontline of the response, the pandemic has continued to add further pressures and personal risk to their challenging role. Therefore, we would again like to acknowledge our remit group for their particular contribution this year. (Paragraphs 1.17 to 1.18)
- 8. The ongoing Uplift Programme, launched in 2019, to recruit 20,000 extra police officers by March 2023 has again provided an important context for our deliberations this year. The need for forces to implement workforce uplift alongside pay reform, and the importance of recruitment and retention to enable the programme, continued to be important factors this year. (Paragraph 1.19)

#### Pay reform

#### Strategy for pay reform

9. The achievement of a modernised police service able to meet the challenges it faces needs to be a high priority for police reform. We wish to express disappointment that the recent workforce and pay reform programme did not achieve all that it could and that the opportunity to support police transformation was not fully grasped. Instead, our expectation is that we will receive in evidence next year the overarching strategy, purpose and objectives for the next phase of police workforce and pay reform. (Paragraphs 2.8 and 2.9)

#### Reform proposals and implementation

10. The Home Secretary's remit letter requests our updated views on force readiness to implement the Pay Progression Standard (PPS). We have found it difficult to judge forces' readiness for this on the basis of the limited evidence received. We were encouraged by the National Reward Team's autumn 2021 survey findings that all forces were confident of implementing a robust and fair PPS by the timescales set. However, we were also concerned by the results on perceptions of force readiness from the PSA members' survey. (Paragraph 2.30)

- 11. We are concerned about the lack of rigour or challenge in the criteria set for achieving the PPS in its current form. We request in next year's evidence a detailed update on what an officer is required to have achieved in order to attain the PPS. (Paragraphs 2.31 to 2.32)
- 12. The Home Office observed that the police service now prefers the use of Targeted Variable Pay (TVP) to the benchmarking proposals set out in 2018 which looked to vary base pay according to competence and skills. We therefore request clarification on how exactly pay benchmarking is to be used in the pay-setting process for the police and a definition of its ultimate purpose. Furthermore, we seek reassurance that pay benchmarking will have an indicative role rather than provide exact numerical answers or drive demand on pay levels. This is important in the context of both the high-level police reward policy that the NPCC tells us is under consideration this year and the ongoing review of chief officer remuneration. (Paragraph 2.43)
- 13. Last year we said it was vital for the methodology for reaching the 13% valuation of the P-factor to be fully evidenced and to demonstrate that it was sound and robust. These aspects have not been adequately addressed. (Paragraph 2.53)
- 14. As we stated last year, the chosen NPCC methodology on the interaction of the P-factor with the benchmarking process varies from the widely accepted approach to calculating a pay premium. The NPCC methodology has the effect of artificially depressing the underlying police salary used for making comparisons, meaning that a bigger pay uplift would be required in order to match comparators' salaries. We therefore seek clarity on how the P-factor will be applied across the ranks in future. It is vital that this is done before further proposals from the review of chief officer remuneration are submitted for consideration. Furthermore, it remains important to publish a clear and transparent statement of the methodology adopted and example calculations for the interaction of benchmarking with the P-factor. This is so parties can refer back to an authoritative source document in future. (Paragraphs 2.55 and 2.56)
- 15. We are not convinced that the arrangements at national level for monitoring of the use of TVP are adequate, particularly in the context of oversight on equality and diversity. We seek further evidence on this matter next year. (Paragraph 2.75)
- 16. If the Metropolitan Police Service (MPS) was to apply TVP to supplement the 2022/23 pay award in the widespread and unconditional way that it seems to be considering, this would appear to be outwith the stated purpose and intention of TVP. Our concern is that the MPS' plan on TVP not only has implications for neighbouring forces but could also lead to geographically differentiated pay and the unravelling of the national system for police pay and reward. (Paragraph 2.76)
- 17. We observe that a complicated and fragmented decision-making infrastructure containing both statutory and non-statutory bodies surrounds police workforce and pay reform. We ask for this wider

architecture to be clarified and simplified and the need for coherence in decision-making processes at the national level on police workforce and pay reform to be prioritised. (Paragraph 2.85)

18. Once the Uplift Programme has concluded in March 2023, an opportunity will arise for the police pay reform agenda to be refreshed. We encourage the policing parties in England and Wales to start preparing now the overarching strategy, purpose and objectives for the next phase of police pay reform. We suggest that this should focus on encouraging police forces to embrace pay reform as a lever for achieving the transformation of policing as set out in the Policing Vision 2025. We also support the work of the College of Policing in developing leadership at every level and strategic capability, as well as its intent to associate the professionalism of police officers closely with workforce and pay reform. (Paragraph 2.86)

#### The evidence

- 19. The main points relating to our standing terms of reference that we noted from the evidence are as follows:
  - Policing Environment Public confidence in the police service has been undermined recently by a series of tragic and highly concerning incidents including, but not limited to: the murder of Sarah Everard by a serving police officer; the misconduct of officers and shortcomings in the handling of the case following the murders of Bibaa Henry and Nicole Smallman; significant concerns across England and Wales about abuse of power by some police officers for sexual gain; and the Independent Office for Police Conduct's (IOPC) publication of a report on a toxic culture in the MPS. We are concerned about the declining levels of public trust and recognise the challenges that forces across the country face in rebuilding that trust among their communities. Having the right pay and reward structures will play an important role in attracting recruits with the right motivations, and in creating a strong ethical culture within forces. These incidents have in many ways overshadowed the good work done by the vast majority of police officers in difficult circumstances. The police service has played a crucial role during the pandemic, but we heard on our visits to forces that officers do not feel the challenges they faced have been fully recognised. The demand on the police has changed significantly over the last decade and the complexity of demand has increased as a result of technological advancements and changing social attitudes. (Paragraphs 3.16 to 3.18)
  - Government pay policy and affordability Our remit letter asks us to make affordability a major consideration so that police forces are, in addition to other priorities, able to maximise the number of additional officers they can recruit in order to meet the targets set by the Uplift Programme. This is not straightforward – if recruitment targets are at risk, a competitive level of pay is an important tool at forces' disposal for attracting and retaining new officers. Pay issues

are often expressed in the form of a balanced choice between increasing pay or increasing the number of officers, but in practice there are degrees of flexibility at every level in how budgets can be constructed or how money is spent. Overall police funding for 2022/23 has increased by up to 5.8%, although the size of individual force budgets is determined by a number of factors, and spending decisions in each force are affected by local priorities. We do not make overall recommendations based upon an individual assessment of affordability in each of the 43 forces as it is neither realistic nor feasible for us to take account of the range of flexibilities and priorities which each force will assign to police pay. There is a tension for any Review Body between determining pay uplifts based upon workforcerelated factors, such as morale, motivation, recruitment and retention, and taking a strictly budget-based approach. We would not properly discharge our remit if we were to base our recommendations on predetermined budgetary considerations alone rather than the needs of the police service, including the other, sometimes competing, factors set out in our terms of reference. (Paragraphs 3.30 to 3.34)

- The economy and labour market Inflation has risen sharply over the last year as a result of rising energy and petrol prices and shortages of some traded goods. The Consumer Prices Index measure of inflation was 9.0% in the year to April 2022 and the Bank of England's May 2022 Monetary Policy Report<sup>5</sup> expected it to peak at slightly over 10% in the fourth quarter of 2022. Gross domestic product was estimated to have grown by 7.4% in 2021, but the Bank of England's May 2022 Monetary Policy Report expected growth to slow during 2022 and to fall in the fourth quarter of 2022. The number of employees on payrolls in March 2022 was 29.5 million, 1.9% higher than the pre-pandemic peak, and the unemployment rate in the three months to March 2022 was the lowest since 1974 (3.7%).
- Annual growth in average weekly earnings excluding bonuses was 4.2% in the whole economy and 4.8% in the private sector in the three months to March 2022, and median pay settlements ranged from 3.5% to 4% in the three months to April 2022. (Paragraphs 3.46 and 3.47)
- Policing earnings We used data from the Annual Survey of Hours and Earnings to compare the earnings of police officers with those of: the whole economy; associate professional and technical occupations; and professional occupations. This showed that the differentials between median police earnings and the median earnings of these comparator groups have generally been decreasing since 2011. Decreasing pay differentials over the long term with a comparator group, such as professional occupations, has potentially negative implications for the morale and motivation of officers and for recruitment and retention as the aspirations of the workforce increasingly mirror those of graduate professions. (Paragraph 3.57)

<sup>&</sup>lt;sup>5</sup> Bank of England (May 2022), *Monetary Policy Report*. Available at <u>https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022</u> [Accessed on 26 May 2022]

- *Recruitment* Recruitment during the second year of the Uplift Programme was on track overall. However, the evidence we have received about the prospects for the final year of the Uplift Programme, in which the recruitment challenge is steeper, has been mixed. Some forces are already close to meeting their final targets, but we are concerned by the evidence from the MPS and the NPCC showing that recruitment pipelines to meet the targets are under pressure as the economy has become more buoyant. (Paragraphs 3.85 and 3.86)
- *Retention* Retention of officers is as much a feature of the Uplift Programme as recruitment. The number of officers leaving the service fell sharply in the financial year ending 2021. This is likely to be a temporary effect driven by a variety of factors relating to the pandemic and the MPS has reported that attrition was starting to climb back towards pre-pandemic levels. Overall voluntary resignation rates are low, but one-third occur in the first twelve months of service and half within the first two years. (Paragraph 3.87)
- Workforce diversity The proportions of female and ethnic minority officers have continued to increase but remain below levels representative of the communities served by police forces. We are particularly concerned by the evidence we have seen that ethnic minority officers and females have consistently higher rates of voluntary resignation than their white and male counterparts especially in the first five years of service. (Paragraph 3.88)
- Overall workforce Support for new officers is crucial both in terms of managing increasing levels of inexperience within the service and to maximise retention. The ratio of constables to sergeants increased over the year to March 2021 as sergeant numbers increased by a lower rate than constables. We remain concerned by the potential for the increase in officer numbers under the Uplift Programme, combined with budgetary pressures, to lead to a reversal of recent trends which have seen many police roles civilianised. (Paragraphs 3.89 and 3.90)
- Police officer motivation and morale We are concerned by the low levels of morale compared with previous years shown in staff association surveys. The combination of COVID-19, the public sector pay pause, intense media interest, and declining levels of public trust and confidence in the police have adversely affected police morale. (Paragraphs 3.101 to 3.104)
- Pensions We remain concerned by the number of officers opting out of the police pension schemes despite a fall in the opt-out rate. By doing so officers are forfeiting their right to deferred pay, significant employer pension contributions (31%), and death-in-service benefits. The 2015 pension scheme continues to compare favourably with many other public sector schemes. We welcome the NPCC work to improve communication with forces to help officers understand

the implications of the remedy to the McCloud/Sargeant ruling and ask parties to keep us updated on the impact of the remedy's implementation. (Paragraphs 3.109 to 3.112)

• Legal obligations – We remain in favour of changes that encourage retention and diversity, and are grateful to the parties for updating us on work that has been progressed on pay and conditions of service. (Paragraph 3.116)

#### Chief police officers

- 20. We have again been invited by the Home Secretary to consider matters relating to chief police officers as part of our pay round. (Paragraph 4.1)
- 21. The evidence we received highlighted the intense public and media scrutiny chief officers have experienced this year and the challenges they face across the country in rebuilding the trust among their communities. In previous reports we highlighted the leadership issues posed by COVID-19; those restrictions have now eased but the evidence highlights the challenges that ongoing changes to workforce trends and expectations for increased flexibility continue to present to the senior leadership of the service. That, combined with concerns around declining public trust, the need to deliver pay reform, the Uplift Programme and the growing complexity of policing as a result of social change and technology have placed pressure on chief officers to deliver significant change in a difficult environment. (Paragraphs 4.7 to 4.9)
- 22. Our analysis shows that between March 2020 and March 2021 the gap between the proportion of female chief officers and the overall proportion of female officers has almost closed, but the proportion of ethnic minority chief officers remains substantially lower than the overall proportion of ethnic minority officers. This remains of concern and we will monitor these trends with interest. (Paragraph 4.16)
- 23. We recognise the concerns expressed by parties about the number of experienced officers leaving the service and the small number of applicants for some chief officer roles. The evidence we have seen identifies a number of barriers to recruitment at chief officer rank. We anticipate that some of these might be addressed by the implementation of the recommendations from the 2021 review of chief officer remuneration. (Paragraph 4.17)
- 24. We have been updated on the work to take forward recommendations on pay groups and base pay from the review of chief officer remuneration and understand that proposals will be brought forward to us in 2023. The evidence we have seen suggests that the increases to some chief officers' pay could be substantial. Therefore, we reiterate that increasing chief officer pay could have a negative effect on the morale of lower ranks especially given increases in the cost of living. We again ask that parties be mindful of this when planning the implementation of such changes. (Paragraphs 4.45 to 4.48)

- 25. We are concerned about the current governance arrangements for taking forward the proposals on chief officer remuneration. We acknowledge the independence of the chair of the steering group but urge parties to consider whether there are other steps they can take to increase the independence of the steering group and the transparency of the process. Our strong view is that the majority of members should be independent of policing. Once the pay proposals have been drafted by this independent group, they should be submitted to us as part of the pay review process. (Paragraph 4.49)
- 26. We remain concerned by the continued lack of consensus around both the removal of fixed-term appointments for deputy chief constables and the extension of relocation allowances. There is a strong argument for reviewing the current relocation allowances to reduce the barriers to recruitment and progression in chief officer ranks. There would be advantages in such an exercise including the relocation allowances available to chief superintendents to ensure they support mobility and recruitment to chief officer ranks. Any proposals for change to relocation allowances should be reviewed by the restructured steering group on chief officer remuneration before being submitted to us for consideration. (Paragraph 4.50 and 4.51)

#### Basic pay recommendations for 2022/23

- 27. We received a number of base pay proposals from the parties this year. Our remit letter asked us to make a pay award for 2022/23, but the NPCC and the Association of Police and Crime Commissioners both proposed slightly different three-year awards. We can see the benefits of such awards in principle including the certainty it gives to forces in terms of financial planning and they can be a useful component of a modernisation plan. However, the proposal for a pay award covering 2022/23 to 2024/25 does not appear to be supporting a modernisation programme and the economic situation has changed considerably since the proposals were formulated. Throughout our report, we have drawn attention to the volatility of the economic situation and the uncertainty surrounding medium-term economic forecasts. In addition, we have not been able to explore with the PFEW and the PSA their views on a three-year agreement. (Paragraphs 5.19 to 5.21)
- 28. We are conscious that a key driver behind the proposal for a three-year award giving police officers 8% over three years is a desire to boost morale and recognise the contribution officers made on the frontline during the COVID-19 pandemic. However, given the scale of the economic instability it would be unwise to enter an agreement that seeks now to lock the service into specific uplifts for 2023/24 and 2024/25. Therefore, we recommend a one-year pay award for police officers in 2022/23. (Paragraph 5.22)
- 29. The key factors we took into account in reaching our main pay award recommendation were:

- The continued high demand on the police service and the increasing complexity of cases and the additional challenges the service faced in the pandemic. (Paragraphs 5.23 to 5.25)
- The priority being given to the Uplift Programme and the need for pay to facilitate both recruitment and the retention of experienced officers in support of this, especially given some evidence we have seen suggesting that targets for the final year of the programme are at risk. (Paragraphs 5.26 and 5.27)
- Starting salaries and the need to recognise the responsibilities and risks faced by new officers on the front line and attract individuals of the right calibre. (Paragraph 5.28)
- The state of police morale, and that a long-term decline in morale will eventually impact on recruitment and retention. (Paragraph 5.29)
- The evidence provided on affordability noting that overall police funding for 2022/23 has increased by up to 5.8% and that within individual police force budgets there will be some flexibility as to how any award is funded. (Paragraphs 5.32 and 5.33)
- The state of the wider economy, including inflation and indicators of pay settlements. Given HM Treasury guidance, we have given particular weight to median pay settlements which are ranging from 3.5% to 4% in the three months to April 2022 and annual growth in average weekly earnings, excluding bonuses, which was 4.8% in the private sector in the three months to March 2022. (Paragraphs 5.30 and 5.31)
- Targeting: in our view this is an extraordinary year in terms of the economic climate. We are deeply concerned about the impact on the lowest paid police officers of the substantial increase in the cost of living and the ongoing economic volatility. A rise in the cost of living has a greater impact on the lower paid than those on higher salaries. Therefore, there are very strong arguments in favour of a sharply differentiated approach that provides those at the bottom of the pay scale with some protection against the cost of basic necessities and the unprecedented increases in energy prices. Given this, we concluded that a consolidated flat award which has the effect of giving the lowest paid police officers an uplift close to the rising cost of living was most appropriate. We note the Government's announcements on 26 May 2022 regarding a package of support to help the most vulnerable households with the rising cost of living. There is no exact data available, but it is likely that the majority of police officers will only benefit from the universal payments to help with energy bills. While this provision is welcome, we judge from the evidence we have heard that those at the bottom of the police pay scale will still struggle to meet rising household bills. (Paragraphs 5.34 to 5.35)
- 30. After taking the above factors into account and in particular affordability considerations, our analysis of recruitment, retention, motivation and morale, and pay developments in the private sector, we concluded that a

pay uplift with an overall cost of 5% was appropriate. Given our concerns about the lowest paid police officers we recommend that this should take the form of a consolidated increase of £1,900 to all police officer pay points for all ranks from 1 September 2022. (Paragraph 5.36)

31. The table below sets out the implications of the consolidated increase in percentage terms for each rank.

Rank	FTE officers (at 31 March 2021)	Percentage award at minimum	Percentage award at maximum
Constable	106,790	8.8%	4.6%
Sergeant	19,211	4.3%	4.1%
Inspector	5,941	3.6%	3.3%
Chief Inspector	1,846	3.3%	3.1%
Superintendent	970	2.7%	2.3%
Chief Superintendent	307	2.2%	2.1%
Chief Police Officers	236	1.8%	0.6%

#### Table 1: Percentage value of £1,900 award, by rank.

Note: Constable minimum excludes the PCDA minimum.

#### Chief superintendent pay scales

32. We remain concerned about requests to look at individual pay reform measures, such as increasing the top pay point of chief superintendents, in isolation. Targeted interventions of this kind, particularly for senior ranks have to be seen to have been considered by an open and transparent process. Moreover, we have not been able to discuss the proposal with the PSA this year, but we would hope to do so in 2023/24. We invite the steering group overseeing the work on chief officer remuneration to consider an uplift to pay point 3 of the chief superintendent pay scale alongside its proposals for chief officer pay. (Paragraphs 5.44 to 5.48)

#### Entry level pay

33. Following a proposal we received from the NPCC, we recommend that the PCDA minimum should be raised to pay point 0. However, given the changing nature of policing and the new skills officers will need, we question whether this proposal is sufficiently ambitious. The police service needs officers with the right skills and aptitude to meet the challenges of the next decades. Therefore, we invite parties to consider further measures to improve entry level starting salaries. (Paragraphs 5.54 to 5.58)

#### Allowances

34. We recommend that London Weighting and the Dog Handlers' Allowance should be uplifted by 5% from 1 September 2022. The Dog Handlers' Allowance is to compensate dog handlers for looking after their dog on their rest days and public holidays. We observe that we have not received any substantive evidence in recent years in support of an increase to the Dog Handlers' Allowance. Therefore, we recommend that the parties review the requirement and appropriate level for this allowance. We do not plan to make any further increases to the Dog Handlers' Allowance until we have received the conclusions of such a review. (Paragraphs 5.64 to 5.68)

#### Forward look

- 35. We will continue to monitor the longer-term effects of COVID-19 on our remit group, as data becomes available. We will be interested to receive updates on the Uplift Programme over its final year. We would also like next year's evidence to set out thinking on building the police workforce in the years beyond the Uplift Programme and in particular the use of direct entry and the competitiveness of entry level pay. (Paragraphs 6.2 to 6.4)
- 36. The architecture for decision-making on police workforce and pay reform is complex and seems fragmented and incoherent. We would like to hear from the parties next time on how this can be streamlined. (Paragraph 6.5)
- 37. We consider that multi-year pay agreements are most beneficial during periods of economic stability. If we were to be asked again to consider a multi-year award then we would prefer for it to have been something already considered by all the parties and for it to be set out in our remit letter. In a climate where officers are facing unprecedented cost-of-living pressures, it is vital that pay awards are thought about imaginatively. Next year, we would like evidence from parties on their consideration of different approaches to pay awards. (Paragraphs 6.6 and 6.7)
- 38. It would be better for us to consider policing remuneration in the round. We invite the Home Office to provide evidence next year that will enable us to consider police allowances more broadly. We have also asked for a review of the Dog Handlers' Allowance. (Paragraph 6.8)
- 39. This year we were again invited by the Home Secretary to consider matters relating to chief police officers as part of our pay round. We note that chief police officers are formally part of the standing terms of reference of the Senior Salaries Review Body. In the interests of ensuring the overall coherence of the pay structure, our view is that we should continue to deal with all ranks of the police service including chief police officers. Progress towards the implementation of recommendations from the review of chief officer remuneration will be a key topic for next year's review. Any proposals must be accompanied by assurances that the recommending body formulating the proposals has been sufficiently independent, and has considered robust evidence to justify the proposals, alongside a clear explanation of how they will be funded and how the changes will be communicated to the police service. (Paragraph 6.12)
- 40. The Uplift Programme will conclude in March 2023 and this will bring an opportunity to refresh the police pay reform agenda. We encourage the policing parties in England and Wales to be ready by that point with the overarching strategy, purpose and objectives for the next phase of police pay reform. We also request in next year's evidence a detailed update on what an officer is required to have achieved in order to attain the PPS. (Paragraphs 6.9 and 6.10)

41. We continue to highlight the importance of a robust evidence base to inform and enable the evaluation of pay and workforce reform. Where we have identified gaps in evidence, we encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data. (Paragraphs 6.13 and 6.14)

## CHAPTER 1 – INTRODUCTION

#### Introduction

1.1 This is our Eighth Report to the Home Secretary following our establishment in 2014, and in it we make observations and recommendations on the matters referred to us by the Home Secretary in our remit letter. It is the fifth year in which our report covers chief police officers.

#### **Our 2021 Police Remuneration Review Body Report**

- 1.2 Our Seventh Report was submitted to the Home Secretary on 21 June 2021 (Appendix A). Our remit for 2021/22 had been restricted by the Government's announcement of a public sector pay pause. In this context we recommended that the minimum rates for Police Constable Degree Apprentice (PCDA) starting pay and pay point 0 of the constable scale were uplifted by £250. We also recommended that all officers with a basic salary above these minima but below £24,000 (on a full-time equivalent basis) should receive a consolidated pay award of £250.
- 1.3 The Home Secretary responded to our report on 21 July 2021 by accepting our recommendation.

#### The 2022/23 remit

- 1.4 The Home Secretary's remit letter of 2 December 2021 (Appendix B) set the context for our 2022/23 review. It asked us to make a formal recommendation on the police officer pay award for 2022/23 to all ranks, including chief officers, in the context of the Government's commitment to increase police officer numbers by 20,000 over three years.
- 1.5 The letter also asked us to provide commentary and observations on the National Police Chiefs' Council's detailed explanation of: the methodologies used for benchmarking the pay of all ranks including chief officers; the factors used to determine the P-factor and the methodology used to value it; the interaction of benchmarking and the P-factor; its overall purpose; and example calculations, addressing the points raised in our last report.
- 1.6 The Home Secretary also requested an update on our views on force readiness to implement the Pay Progression Standard. She asked that all our recommendations and observations be considered in the context of the Government's commitment to increase police officer numbers by 20,000 over three years.
- 1.7 The Home Secretary's remit letter provides a primary focus for the Review Body. However, it is open to us to consider any issues that fall within the broad scope of our formal Terms of Reference and this year we have considered issues raised directly with us by officers during visits we

undertook in the autumn of 2021 and issues raised with us by the Chief Police Officers' Staff Association (CPOSA) including their proposal for changes to relocation allowances.

#### Our approach to the 2022/23 pay round

1.8 We have reached recommendations and made observations this year following our close examination of evidence from a range of sources. These include not only the written and oral evidence submissions from the parties and the Home Secretary's remit letter but also our analyses of police workforce and pay statistics, the economic and labour market context and external independent reports.

#### Our visits

- 1.9 We conducted our visits programme in autumn and winter 2021/22, through a combination of virtual and physical meetings. We met police officers of all ranks in seven police forces: City of London, Durham, Kent, the Metropolitan Police Service, Northamptonshire, South Wales, and West Mercia. We also held a discussion group with new recruits from a mixture of forces across England and Wales. In all, we heard from almost 400 officers. We are grateful to all those who organised and took part in our visits.
- 1.10 Our visits enabled us to hear from a range of police officers in a variety of roles. There were a number of recurring themes. These included the lack of earnings growth given the rise in inflation and concerns about funding such growth. Officers felt undervalued. We were told about the demoralising effect of the public sector pay pause. Those we met said they had put their lives at risk during the pandemic, particularly as the police service had not been prioritised for Personal Protective Equipment or vaccinations, but unlike other emergency workers they had not received a pay increase in 2021. We heard that there were an increasing number of reports about officers in debt and the challenges they faced in meeting day to day expenses. We were told that some officers were 'on the breadline'. Pension uncertainty, a concern for longer serving officers, was also causing damage to morale. Officers at all ranks told us that the police starting salary was too low given their workload and the level of personal risk they carried. Some observed that the low salaries made it challenging to attract high quality recruits when they could earn more as train, bus or lorry drivers.
- 1.11 Our attention was also drawn to the growing responsibilities of inspecting ranks and their level of pay in comparison with both sergeants and superintendents. We were told that salaries for inspectors were not commensurate with the growing risks and responsibilities they handled. Those in the superintending ranks painted a similar picture. While they recognised that the responsibilities of chief officers were very significant, those of the superintending ranks were growing. They had taken on some responsibilities that had previously fallen to chief officers.

1.12 Officers also highlighted the challenges presented by an increasingly inexperienced workforce particularly in response roles as a result of the influx of new recruits under the Uplift Programme. Concerns were expressed about experience levels in the police service. Some sergeants reported that 10 years ago 80% of their constables would be experienced whereas now 80% were inexperienced. Long hours were a concern to inspectors and the superintending ranks. An inspector told us of 50-to-60-hour weeks. There was continuing pressure on tutor constables as a result of the Uplift Programme.

#### Parties giving evidence

- 1.13 In February 2022 we received written evidence from the parties listed below. This is available through the links in Appendix C:
  - the Home Office;
  - HM Treasury;
  - the National Police Chiefs' Council (NPCC);
  - the Association of Police and Crime Commissioners (APCC);
  - the Metropolitan Police Service (MPS);
  - the Chief Police Officers' Staff Association (CPOSA).
- 1.14 We also received a written submission from an individual police officer on a range of pay and workforce related matters.
- 1.15 We held a series of oral evidence sessions with the parties in March and April 2022. These were attended by the Minister for Crime and Policing (accompanied by Home Office officials), the chief executive officer of the College of Policing, and representatives from the NPCC, APCC, MPS and CPOSA.
- 1.16 We regret that the Police Federation of England and Wales (PFEW) and the Police Superintendents' Association (PSA) did not submit written evidence or attend oral evidence sessions following their withdrawal from the Police Remuneration Review Body (PRRB) process in 2021. The PFEW and the PSA cited concern over the lack of independence in the process following the announcement of the public sector pay pause and the 2021 pay award. The PSA did, however, send us their published 2021 Pay and Morale Survey and we have also been able to draw on survey results published by the PFEW. Our visits programme enabled us to hear directly from officers about their concerns.

#### **Environment for our considerations**

1.17 This is our third report that has been completed during the coronavirus (COVID-19) pandemic. Over the last year restrictions imposed to reduce the spread of COVID-19 have eased and we have received some evidence on the implications for the police service of new ways of working.

- 1.18 In Chapter 3 we consider the implications of the broader policing environment, government pay policy, and the performance of the wider economy and labour market, before examining the indicators on changes in the policing workforce and police recruitment, retention, motivation, and morale. The work of police officers is important, difficult, complex and often dangerous in the ordinary course of events. Consequently, we would like to acknowledge our remit group for their contribution this year.
- 1.19 The national Uplift Programme to recruit 20,000 extra police officers over a three-year period to March 2023 continues to provide an important context for our deliberations this year. Last year, we noted the need for forces to implement workforce uplift alongside pay reform, and the importance of recruitment and retention to enable the programme, and these continue to be important factors this year.

#### Structure of this report

- 1.20 In Chapter 3 we summarise the main evidence from the parties in relation to our standing terms of reference and matters referred to us by the Home Secretary. Chapter 2 contains our observations and commentary on the evidence we have received on progress in police workforce and pay reform. In Chapter 4 we highlight a number of specific issues concerning chief police officers.
- 1.21 We set out our recommendations on pay in Chapter 5, and in Chapter 6 we look ahead to the possible context for the next pay round and highlight issues that are likely to be of interest to us in future.

## CHAPTER 2 – POLICE WORKFORCE AND PAY REFORM

#### Introduction

2.1 In this chapter, we comment on the evidence that we received on police workforce and pay reform as it relates to our standing terms of reference.

#### Aspects of pay reform in this year's remit letter

- 2.2 This year, the Home Secretary's remit letter invited us to provide commentary and observations on a reference document from the NPCC. This NPCC document would provide a detailed explanation of:
  - the methodologies used to benchmark the pay of all ranks including chief officers;
  - the factors used to determine the P-factor and the methodology used to value it;
  - the interaction of benchmarking and the P-factor;
  - the overall purpose of benchmarking and the P-factor; and
  - example calculations, addressing the points raised in our last report.
- 2.3 The letter also requested our updated views on force readiness to implement the Pay Progression Standard (PPS).

#### Our previous commentary on workforce and pay reform

- 2.4 Our 2021 Report was the seventh in which we considered evidence on progress in police workforce and pay reform. While we had welcomed the refocusing of police pay reform in order to prioritise delivery of the Uplift Programme, we observed that this had constrained the pay reform agenda. We assessed the risks to police pay reform against all the evidence received and, despite the progress made, particularly on the PPS, we concluded that a focus still needed to be maintained on:
  - assessing the likely impacts of funding and ensuring that the individual components of reform are properly resourced;
  - safeguarding the national, professional resources required to drive pay reform forward throughout the programme;
  - oversight and monitoring of pay reform, particularly to uphold the principles of fairness and equality;
  - regulating the constant tension between local flexibility and national control;
  - undertaking timely and comprehensive consultation and communication with all stakeholders, particularly on the purpose of pay reform;
  - reviewing the readiness of forces for implementation;

- understanding and managing the capacity of forces to deliver pay reform alongside the Uplift Programme;
- confirming the future breadth and scope of pay reform and making a commitment to deliver a comprehensive programme within a reasonable timeframe; and
- ensuring that all the components of the revised programme remain coherent and consistent with the overall vision for reform.

#### Pay and workforce reform in 2022

- 2.5 The **Home Office** said in its 2022 evidence submission that the Government was clear that progress had to be made on reform of police officer pay.
- 2.6 The **NPCC** reaffirmed that by March 2022 it would deliver pay reform, albeit in a reduced form. It said that this comprised the four core elements of: the PPS; pay benchmarking; the P-factor; and Targeted Variable Pay (TVP). The NPCC said that these would work together to give forces the rigour, fairness, and flexibility necessary to deliver an effective and productive workforce.
- 2.7 The NPCC added that the pay reform programme would conclude in March 2022. It said that as the programme moved to closure, its National Reward Team (NRT) would absorb the remaining activities into business as usual, and:
  - continue to support forces in their implementation of the new policies;
  - communicate changes (the NRT would establish a communication platform to publish changes to the reward policy, advice and guidance); and
  - gather data centrally to monitor the use of TVP and implementation by forces of the PPS and share it via the Police Consultative Forum (PCF).

#### Our comment on pay and workforce reform in 2022

- 2.8 Delivery of the Uplift Programme continued to be the focus for policing this year. Achieving a modernised police service able to meet the challenges it faces will be a high priority for police reform.
- 2.9 We wish to express disappointment that the recent workforce and pay reform programme did not achieve all that it could and that the opportunity to support police transformation was not fully grasped. Our expectation is that we will receive in evidence next year the overarching strategy, purpose and objectives for the next phase of police workforce and pay reform.

#### Pay Progression Standard

- 2.10 The Home Secretary's remit letter requested our updated views on force readiness to implement the PPS. The **Home Office** called the proposals submitted by the NPCC in the last pay round to introduce a PPS a positive step forward that would help to drive up the importance of Performance Development Reviews (PDRs), line management and effective supervision, and officer development. The Home Office acknowledged that our last report noted concerns around force readiness for the PPS and said the NPCC had continued to engage with forces to ensure they were aware of the PPS requirements and implementation dates.
- 2.11 In addition, the Home Office advised us that the NPCC was conducting a Strategic Assessment of Workforce to better understand the composition of the current workforce, where there were skills gaps, and identify how they were best addressed. The Home Office said that this would help to ensure that forces were able to respond effectively to demands and provide an evidence base for future growth and workforce priorities.
- 2.12 The NPCC told us that the PPS was one of the foundation stones of the pay reform programme, that it strengthened the link between performance and pay progression and was consequently in keeping with the police service's ongoing commitment to provide a highly capable workforce that focused on support and professional development. The NPCC said the PPS ensured that a positive and conscious decision was made before progression and that it would help to ensure that regular appraisals and development conversations took place and that essential training was provided. The NPCC added that this type of pay progression was similar to that already in place in the NHS and other public sector organisations. It clarified that there was a presumption that the majority of officers would meet the requirements of the PPS.
- 2.13 The NPCC explained that the PPS consisted of three elements:
  - Completion of an annual Performance Development Review (PDR) or appraisal in accordance with the existing force process, and for officers up to and including the rank of chief superintendent, at the date of confirming compliance with the standard, no formal capability procedure<sup>6</sup> is in place.
  - Training Statutory and mandatory training has been completed where appropriate; and
  - Officers who manage others have completed PDRs and made PPS decisions on behalf of those they directly manage.
- 2.14 The NPCC told us that the PPS would apply to all officers whose base pay was determined by an incremental pay scale, from constable to assistant chief constable. However, an officer would be excluded from the PPS if they had achieved the top pay point of their relevant scale, as well as constables in their probationary period.

<sup>&</sup>lt;sup>6</sup> These are the Unsatisfactory Performance Procedure and the Unsatisfactory Attendance Procedure as defined in Annex F of the Police (Performance) Regulations 2020.

- 2.15 The NPCC explained that it had been agreed and endorsed by the College of Policing that the PDR was not the most appropriate tool on which to base pay progression. It added that the PPS was separate but complementary to the PDR process and that the PPS required a PDR or appraisal to have been completed in accordance with the existing force process and a performance rating recorded on the force PDR/appraisal records within the last twelve-month period. The NPCC told us that forces had the flexibility to determine the exact format of the relevant documentation and that any grading on the PDR was acceptable, as long as an officer was not subject to a formal capability process.
- 2.16 The NPCC also advised us that, at the time of an officer's PPS confirmation date, they could not be subject to the Unsatisfactory Performance Procedure or the Unsatisfactory Attendance Procedure, under the Police (Performance) Regulations 2020 and that the formal process would need to have commenced for this provision to apply. The NPCC explained that this part of the standard applied to officers up to and including the rank of chief superintendent because regulations governing unsatisfactory performance and attendance proceedings applied only to the rank of chief superintendent and below. As there was no regulation dealing with performance at the assistant chief constable/ commander rank, this element of the PPS could not apply. The NPCC told us that this was considered acceptable by policing stakeholders because these officers had risen through six ranks, passing the relevant exams and gaining expertise.
- 2.17 The NPCC clarified that statutory and mandatory training meant Personal Safety and First Aid training, where it was a force requirement<sup>7</sup>. It told us that forces could also add two other local training priorities to the PPS requirement at the discretion of a chief officer and in accordance with local need. However, the NRT's June 2021 survey had indicated that forces were unlikely to do so, at least in the first year. The NPCC said that forces were advised to liaise with their local staff association when establishing their local training requirement. It confirmed that successful completion of mandatory training in line with local policy was required for the PPS.
- 2.18 The NPCC said that the PPS remained on track to commence in forces from 1 April 2022. It added that although it would take effect from that date, the first individual officer assessments would take place from 1 April 2023. This was to enable officers to have a twelve-month assessment period prior to their first PPS assessment.
- 2.19 The NPCC told us that all forces would be required to have local systems and processes in place by January 2023 and to have fully briefed all officers on the local processes by 31 March 2023. Furthermore, first PPS assessments and confirmations were to be completed between 1 April 2023 and 31 March 2024, with the first PPS applied by 1 April 2024.

<sup>&</sup>lt;sup>7</sup> We were subsequently advised that, following consultation with policing partners, the nationally mandated requirement for Personal Safety and First Aid training had been removed because of a risk of indirect discrimination, and for other reasons. Any training requirement as part of the PPS would instead be at the discretion of the local chief officer.

- 2.20 The NPCC told us that the PPS was intended to be applied with consistency and fairness and with due regard to the Equality Act 2010. It said that the NRT had completed a high-level Equality Risk Assessment. It added that this had determined that the policy would pose a low risk of discrimination and that a summary of legal advice received had been shared with the PCF.
- The NPCC told us that the risk of indirect discrimination would depend on 2.21 how a relevant policy or procedure was applied by a force and that each force would need to fulfil its Public Sector Equality Duty pertaining to the elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. The NPCC added that forces would have their own procedures for completing Equality Impact Assessments and that they would need to gather information during the process and monitor outcomes to avoid or identify potential discrimination, harassment and victimisation. This would involve consultation with local staff associations and other relevant stakeholders and would help identify any negative – or positive – effects in relation to protected characteristics and consideration of remedial action. The NPCC said that in accordance with the NRT's pay reform equality policy statement, it would help forces consider and manage their equality assessment responsibilities. The NPCC added that an Equality Impact Assessment completed by the Home Office on the proposed legislative changes had been shared with the PCF.
- 2.22 The NPCC explained that it would gather information from forces to assist them in implementing the PPS consistently and fairly and to monitor any impact on protected characteristics. It said that the required datasets and timeframe would be agreed with PCF members in good time for when the first PPS assessments would begin to be carried out. All data would be shared with PCF members, including the Home Office, and was likely to include:
  - Number of officers and protected characteristics of those subject to the PPS.
  - Number of officers and protected characteristics of those not granted pay progression and the reasons why.
  - Number of officers and protected characteristics of those appealing a decision not to grant pay progression and the reasons why, and the outcome of the appeal.
  - Number of officers and protected characteristics of those exempt from the PPS and the reasons why.
- 2.23 The NPCC added that for the first year of the PPS the NRT would also assess forces' implementation of the PPS and if necessary update the national guidance.
- 2.24 The NPCC stated that all forces had reported that they were confident of implementing a robust and fair PPS by April 2022. When surveyed in June 2021, all forces reported that they could brief officers on the PPS by the end of March 2022 and have PPS systems and processes in place by

January 2023 (in readiness for 1 April 2023 when the first assessments would begin to take place). In the autumn 2021, the NRT's annual survey reported that forces still remained confident that they could implement a robust and fair PPS by the timescales set.

- 2.25 The **MPS** said that it continued to prepare for implementation of the PPS between April 2022 and April 2023. It told us that PPS aligned with its plans to refresh the MPS approach to career development discussions and PDRs. It confirmed that it was currently on target for delivery in April 2023 but did not underestimate the challenges of delivering PPS with minimal bureaucracy.
- 2.26 However, the **PSA** Pay Survey 2021, which had a 68% response rate, found that 63% of respondents felt their force would not be ready from a practical perspective to implement the PPS by March 2022 (compared with 41% in 2020). In addition, 74% of respondents said their force would not be ready from a cultural perspective (up from 59% in 2020).
- 2.27 Furthermore, 54% of respondents to the Pay Survey (up from 42% in 2020) said they felt personally that they would not have sufficient time and capacity to ensure PDRs were implemented effectively within their department or command, while 32% of respondents said that they would.
- 2.28 In oral evidence, the **College of Policing** emphasised to us the part that the PDR could play in supporting professionalism in policing and linking it to pay. It said that pay could be linked to a more rigorous PDR system with much greater recognition of specialisms, capability and achievement. It said that it was a weakness of policing that it had not been good at linking professional training standards that could be moderated and evaluated to police pay and reward.
- 2.29 The College added that pay and reward linked to accreditation was a powerful lever but that some levers became problematic when PDRs were inconsistently applied or absent. However, the new National Leadership Centre would promote consistency of approach.

#### Our comment on the Pay Progression Standard

- 2.30 The Home Secretary's remit letter requests our updated views on force readiness to implement the PPS. We have found it difficult to judge forces' readiness for this on the basis of the limited evidence received. We were encouraged by the NRT survey findings that all forces were confident of implementing a robust and fair PPS by the timescales set. However, we were also concerned by the results on perceptions of force readiness from the PSA members' survey.
- 2.31 The NPCC advised us that any PDR grading will be acceptable to pass the PPS, as long as an individual officer has completed any necessary training and is not subject to formal unsatisfactory performance or attendance procedures. The lack of rigour or challenge in the current

criteria for achieving the PPS is of great concern to us. We request in next year's evidence a detailed update on what an officer is required to have achieved in order to attain the PPS.

2.32 Following implementation of the PPS, it will be important to assess its impact on police performance over the longer term. We ask the NPCC about the plan for doing this, including how the results will be reported.

#### Pay benchmarking

- 2.33 The Home Secretary's remit letter invited us to provide commentary and observations on the NPCC's reference document that would provide a detailed explanation of the methodologies used to benchmark the pay of all ranks including chief officers.
- 2.34 The **Home Office** told us that a document called Workforce Transformation in the Police Service published in January 2018 by the NPCC and College of Policing had set out an ambition for base pay to be determined according to officer rank and to the level of competence and skills, rather than time served. The document had stated that a mechanism for benchmarking pay would be determined, based on comparable roles with one or more similar skills or qualifications, building on professional profiles developed by the College of Policing. However, the Home Office added that it understood that there was now no appetite among chief constables to vary base pay in this way and that instead they favoured the use of Targeted Variable Pay.
- 2.35 The NPCC told us that in police benchmarking each rank was compared against market data for similar roles from one or more sources of pay benchmarking data. It added that the sources agreed with the staff associations were currently the Korn Ferry salary database, Incomes Data Research (IDR) surveys and Office for National Statistics (ONS) data. The NPCC said it also received pay data from other frontline public sector organisations, including the National Crime Agency, the NHS, the Ministry of Defence, Police Scotland and other policing bodies. It informed us that relevant comparators for constables were teachers, nurses and social workers.
- 2.36 The NPCC reminded us that benchmarking exercises across all police ranks had already been completed and the results published in three reports in 2019, on the federated ranks, superintending ranks and chief officers. The NPCC told us in 2020 that the findings indicated an overall need to reform the pay framework for all ranks. The NPCC said it had formally accepted and agreed the benchmarking conclusions and had carried the findings over into NPCC benchmarking policy for future use, in an approach agreed with the staff associations.
- 2.37 The NPCC told us that since 2019 it had continued to monitor pay using Korn Ferry data. It said that the lowest pay point for each rank was critical to attracting new applicants and that adjustment might be needed if: the differential between the rank below and the first pay point was insufficient (as with the removal of the first pay point for sergeants);

or applicant calibre or numbers were insufficient; or there was general upward movement in starting salaries (for example, the Uplift Programme had recommended an increase in the apprenticeship starting rate). In addition, it advised that the top pay point for all ranks was critical as it represented the full rate for the role at which the majority of officers would be paid.

- 2.38 The NPCC added that progression to the mid-scale and top pay points for each police rank would, from April 2023, be linked to the PPS. It stated that the bottom pay point was regarded as the joining rate discounted to reflect that an officer was new to the rank but that they would grow into the role as they gained experience and expertise.
- 2.39 The NPCC explained that each police rank had been evaluated by Korn Ferry using job evaluation scores based on rank profiles agreed with the College of Policing. The NPCC said these rank profiles were reviewed regularly by Korn Ferry and that such an exercise was currently taking place.
- 2.40 The NPCC told us that Korn Ferry had assigned each rank to a specific level or levels according to the scoring conducted for the three 2019 benchmarking reports using job evaluation. The criteria used for this were:
  - Know-how every relevant type of knowledge; used to recognise specialisation and requirement for depth of knowledge.
  - Problem-solving deals with the intensity of the mental process using know-how to identify and solve problems; the amount and nature of thinking required in the form of analysing, reasoning, evaluating and creating, using judgement, forming hypotheses, drawing inferences and reaching conclusions.
  - Accountability assesses the extent to which a role is answerable for actions and consequences; measures the effect of the role on end results.
- 2.41 The NPCC explained that the resultant scores for each aspect of the role were quantified and aligned to scores within the Korn Ferry pay database. Appropriate level data were then downloaded from the database (top, 90<sup>th</sup> percentile, upper quartile, median, lower quartile, 10<sup>th</sup> percentile, bottom and mean average). The NPCC told us that, with guidance from Korn Ferry, it had focused on quartile data, which had shown that police pay ranged from above the median to below the lower quartile. Furthermore, the top pay points of the constable, sergeant and superintendent ranks were paid between the median and upper quartile, while inspector, chief inspector and chief superintendent were below this. The NPCC explained that paying below the lower quartile in terms of base pay was inequitable and that further discussion would take place on this topic when a high-level reward policy was discussed in 2022.

2.42 The NPCC also explained that changes to police pay would be led by requirements and overlaid with affordability considerations. It said that benchmarking was part of the decision-making criteria that provided evidence and reassurance that the changes were appropriate and not excessive in the UK pay and conditions context.

#### Our comment on pay benchmarking

2.43 The Home Office has observed that the police service now prefers the use of Targeted Variable Pay to the benchmarking proposals set out in 2018 which looked to vary base pay according to competence and skills. We therefore request clarification from the NPCC on how exactly pay benchmarking is to be used in the pay-setting process for the police. We also seek a definition of its ultimate purpose. Furthermore, we seek reassurance that pay benchmarking is to have an indicative role, rather than provide exact numerical answers or drive demand on pay levels. This is important in the context of both the high-level police reward policy that the NPCC tells us is under consideration this year and the ongoing review of chief officer remuneration.

#### **P-factor**

- 2.44 A succession of police pay reviews concluded that there should be an element of police basic pay that reflected the responsibilities, obligations, constraints, expectations and terms and conditions that are unique to a police officer's work and the office of constable. The P-factor was subsequently developed. Its purpose is to describe the combination of factors<sup>8</sup> which apply exclusively to those holding the office of constable that are not captured by pay benchmarking. It is intended to apply to all police officers at all ranks to reflect the fact that they can be redeployed at any time, to any place, into any role, when required by the chief constable.
- 2.45 The P-factor was developed from the original methodology included in the Winsor Review of Police Officer and Staff Remuneration and Conditions published in March 2012. The constituent factors and valuation of the P-factor (capped at 13% of the top constable pay point) were subsequently agreed by the NPCC with policing stakeholders, including the staff associations.

<sup>&</sup>lt;sup>8</sup> Banded under four headings, these are: Physical: uniquely confrontational and high risk of physical harm and expectation of assault. Psychological: trauma of exposure to distressing incidents and materials and level of scrutiny. Legal: non-feasance, the failure to perform an act that is required by law; exposure to risk; accountability and scrutiny; membership of trade unions and limited political activity. Social/economic: use of social media; victimisation based on profession; disruption to family life and associates and business activity.
- 2.46 The P-factor differs in a number of ways from the X-Factor, the equivalent payment in the armed forces. One difference is that the P-factor is not tapered at the highest police ranks<sup>9</sup>. Furthermore, the method by which the P-factor interacts with pay benchmarking differs from the conventional approach applied to the X-Factor. The P-factor awaits implementation.
- 2.47 The **Home Office** observed that we had provided updated commentary and observations on benchmarking and valuation of the P-factor in our last Report. It told us that it agreed with our comments that the overall purpose of the valuation of the P-factor had to be defined, and the methodologies made clear, transparent and robust. It added that these matters had to be illustrated and described in a way that was accessible to all police officers.
- 2.48 The **NPCC** sought our comments and observations on: benchmarking and the P-factor; their interaction; and examples of how they have, and would, be used to inform NPCC pay proposals.
- 2.49 The NPCC clarified the reasons for following the approach implemented by Winsor, rather than the armed forces' one where the percentage was added. It provided the following explanation:
  - It followed the agreed Winsor approach in terms of the calculation.
  - It was a way to explain and justify pay levels. Their salary represented 100% of what police officers were paid, versus the armed forces methodology whereby individuals would be paid 113% in total (base pay plus P-factor).
  - If the NPCC determined to increase the percentage it would not be able to reflect this in base pay, as this would be dependent on affordability. (The NPCC said that when the armed forces raised the rate they increased total pay and noted this on pay slips.)
  - The armed forces had started at a low percentage, to which they had added gradually over the last 50 years (it now stood at 14.5%). By starting at a low percentage, they were able to add and increase the value.
- 2.50 The NPCC told us that the two alternative methods gave different overall values, albeit that the percentage remained the same. It confirmed that it deducted 13% from the current level of base pay to arrive at a net amount for comparison purposes.
- 2.51 The **MPS** told us that the intensification of demand, the challenges faced in policing protests safely and professionally, and underfunding, had all created a difficult balance between resourcing international and

<sup>&</sup>lt;sup>9</sup> In the armed forces, the tapering of X-Factor starts at the OF-5 rank (captain, colonel and group captain). They receive 75% of the cash value of X-Factor at the top of the OF-4 scale (commander, lieutenant colonel and wing commander). The OF-6 rank (1-star officers or commodore, brigadier and air commodore) receives an amount equivalent to 50% of X-Factor at the top of the OF-4 scale. The OF-7 rank (2-star officers or rear admiral, major general and air vice-marshal) and OF-8 rank (3-star officers or vice admiral, lieutenant general, air marshal) receive an amount equivalent to 25% of X-Factor at the top of the OF-4 scale. Officers at OF-9 rank (4-star officers or admiral, general and air chief marshal) and above do not receive X-Factor.

national demand, and addressing local risk and violent crime. It said that for officers and staff, it could mean an excessive number of cancelled rest days, being called from one job to the next, the frustration of being spread thinly, and higher stress and increased risk.

2.52 The MPS explained that these daily pressures were accurately captured in the P-factor descriptors and that they fully conveyed the risks regularly faced by officers and the environment in which they now operated. The MPS said that this was why it was firmly of the view that this aspect of the job should continue to be properly recognised within pay.

#### Our comment on the P-factor

2.53 Last year, we said it was vital for the methodology for reaching the 13% valuation of the P-factor to be fully evidenced and to demonstrate that it was sound and robust. These aspects have not been adequately addressed.

## Interaction between benchmarking and the P-factor

2.54 The **NPCC** said that when it considered benchmarking data it took the value of the P-factor off pay points when comparing to base pay data. It added that in broad terms the distribution showed that some ranks were paid relatively better than others. It told us that the shape of the Korn Ferry data was similar to that seen in previous years, in which the constable, sergeant and superintendent ranks were paid closest to the median, while the inspector and chief inspector ranks were paid below the median, and the chief superintending rank was furthest away.

#### Our comment on the interaction between benchmarking and the P-factor

- 2.55 As we stated last year, the chosen NPCC methodology on the interaction of the P-factor with the benchmarking process varies from the widely accepted approach to calculating a pay premium. The NPCC proposes assigning a proportion of each pay point as the P-factor and excluding this when making pay comparisons. In contrast, the conventional method would add the P-factor proportion after the comparison with other salaries has been made. The NPCC methodology has the effect of artificially depressing the underlying police salary used for making comparisons, meaning that a bigger pay uplift would be required in order to match comparators' salaries<sup>10</sup>. We therefore seek a clear and transparent statement on how the P-factor will be applied across all ranks in future.
- 2.56 We underline again the importance of rectifying this problem concerning the robustness and credibility of pay data. It needs to be resolved so that reliable decisions can be secured from the interaction of the P-factor with pay benchmarking through the use of the conventional method,

<sup>&</sup>lt;sup>10</sup> It also means inflating the value of the P-factor. Using the chosen NPCC methodology, the P-factor would currently be capped at £5,347. However, if the P-factor was calculated according to the conventional method, the amount would be capped at £4,732.

as used in the armed forces. It is vital that this is done before further proposals from the review of chief officer remuneration are submitted for consideration.

2.57 Furthermore, as we said last year about the interaction of benchmarking and the P-factor, it remains important to publish a clear and transparent statement of the methodology adopted and example calculations. This is so that in future years parties can refer back to an authoritative source document.

## **Targeted Variable Pay**

- 2.58 The **Home Office** reminded us that in 2019 it had introduced timelimited targeted payments of up to £4,000 a year to help attract and retain officers in hard-to-fill roles in the federated ranks and demanding superintending roles. It added that, in the 2020/21 pay round, the NPCC had submitted proposals to us to make them a permanent discretionary pay lever, to increase their value and to widen their use.
- 2.59 The Home Office explained that, in July 2021, amendments to determinations made under the Police Regulations 2003 took effect to provide chief constables with flexibility to make payments of up to £5,000 a year in addition to basic pay. It told us that the purpose of these was to recruit and retain officers in service-critical roles (where the role required a skill set that was in demonstrably short supply or was hard to fill) or demanding roles.
- 2.60 The Home Office said that the payments had been introduced for an initial period of two years. It added that it expected close monitoring of the use of the payments, the collection of robust data on how they were used, and a formal review of the payments, both locally and nationally. The Home Office told us that it was also clear on the importance of collecting data on roles defined as service-critical and demanding and the associated vacancy rates, so that the effectiveness of TVP to address recruitment and retention pressures could be fully assessed.
- 2.61 The Home Office said it was necessary to ensure that TVP was used in a way that was consistent and fair. It stated that roles should be assessed or evaluated to determine what the appropriate levels of pay should be, based on the skills, qualifications and levels of expertise required to ensure consistency in approach both within and across forces. The Home Office added that it had set out its expectation that these types of allowances should be subject to consistent, national processes that allowed objective decisions to be made, rather than being entirely at chief officer discretion. It said that this should be considered during the initial two-year period that TVP was in place.
- 2.62 The Home Office explained that it recognised that recruitment and retention issues would vary across forces and that chief officers would welcome flexibility to determine how payments were made. It observed

that discretionary payments had been available since 2019 but that there continued to be anecdotal evidence about recruitment difficulties and increased attrition rates for some specialist roles.

- 2.63 The Home Office said it welcomed views from the PRRB on whether these discretionary payments were the most appropriate tool to recruit and retain officers into these roles, or whether there was evidence to suggest that further targeted interventions were required. It added that it was keen for forces to consider a range of strategies to understand and address issues with recruiting and retaining officers into hard-to-fill, service-critical and demanding roles. It also emphasised the importance of culture and leadership in tackling those issues and said it recognised that pay was unlikely to be the primary factor.
- 2.64 The **NPCC** said that it was seeking our comments and observations on the implementation of TVP to help forces address critical operational demands. It explained that 14 forces had paid TVP to 3,751 officers in the second quarter of 2021/22, and that 17 forces had made 3,384 payments in the third quarter of 2021/22.
- 2.65 The NPCC said that the majority of officers receiving TVP were in detective or investigative roles, followed by those in firearms roles. The NPCC explained that the data did not represent all the payments made across forces as officers could be categorised as receiving a bonus under other regulations. In addition, TVP was received by officers in other roles, including constable tutors working with new officers, detective tutors, those working in public protection and those in demanding superintending roles.
- 2.66 The NPCC informed us that the PCF regularly considered the implementation of TVP across forces, to ensure consistency of application across the service. It said that the data collected by the NRT was on the protected characteristics of the officers receiving payments, the types of roles receiving payments and the reasons for the payments plus their values.
- 2.67 The NPCC said the criteria for TVP were:
  - A critical skills payment up to £5,000 if the role in question was hard to fill and financial incentivisation was considered necessary to either attract or retain those skills or to fill the role in question. Hard to fill meant i) it was not possible to fill the role despite advertising or posting attempts and this had resulted in an ongoing and unacceptably high vacancy rate; ii) past levels of officer retention in the role had been poor or this situation could be reasonably predicted; or iii) for retention purposes, officers undertaking the role had been prevented from voluntarily applying for alternative roles. The criteria were met for this payment where the specific policing role in question required a skill set that was essential to the delivery of an effective policing service, those skills were in demonstrably short supply and financial incentivisation was considered necessary to attract or retain those skills.

- A payment to an officer of the superintending ranks of up to £5,000 and known as a recognition of workload payment, where the demands placed on the officer exceeded those usually placed on other officers of the same rank. The role was to involve at least one of a number of criteria, including: unusually frequent antisocial hours, high levels of out-of-hours contact or disruption, exceptionally high operational demand of continuing intensity, geographical size and/or officer and staff headcount deemed high, having regard to local norms.
- 2.68 The **MPS** told us that it continued to have a range of roles that were harder to fill and had made use of TVP. It said that in addition to the changing labour market and challenges with attraction, the MPS continued to focus on how best to attract and retain officers in certain roles historically seen as hard to fill. The MPS stated that it welcomed the TVP arrangements currently in place and remained strong advocates of the revised TVP mechanism. It stressed that it was still firmly of the view that greater local flexibility was required to deal with modern workforce challenges. The MPS added that TVP, used appropriately, represented a suite of discretionary pay levers that could bring operational benefits in a cost-effective way.
- 2.69 The MPS reported that detective recruitment had improved over the previous twelve months and that TVP had helped with this. It said that, as of October 2021, the MPS had 5,089 detective constables against a design of 5,373 and was fast approaching a position where its numbers would match its establishment for the first time in over 10 years. It stressed that this was significant progress, driven by high volumes of external detective constable recruitment alongside an improving internal pipeline. The MPS added that it was difficult to quantify how big a part the hard-to-fill payment had made but said it was reasonable to assume that it had increased the level of incentivisation.
- 2.70 The MPS added that it had introduced TVP for those in demanding roles in the superintending ranks in May 2019. It told us that 33 chief superintendent positions had met the criteria and were eligible to receive the payment. The MPS said the need for variable payments was regularly reviewed, that it was convinced they had a role as a discretionary pay lever with operational benefits, and that it would continue to use them.
- 2.71 The MPS said it had provided data to inform the NPCC submission to the PRRB showing that TVP use was reasonably well spread across protected characteristics. The MPS said it supported the continued availability of TVP into the future.
- 2.72 The MPS also explained that for 2022/23, in addition to a consolidated pay award, it would explore the potential use of TVP to provide a further, non-consolidated increase if at all affordable. It said that a 3.5% consolidated award would not adequately recognise the contribution made by officers in London or the impact at this time on living standards. It stated that those at the top of their pay scale had felt pay austerity most and would suffer more due to additional financial pressures expected this

year. The MPS added that it had to recognise the particular pressures it faced due to its location and size. It advised that it would decide on the nature of an additional non-consolidated payment once the PRRB's pay recommendations for 2022/23 were known.

- 2.73 In oral evidence the MPS said it was continuing to explore the scope for a 5% pay award overall. The MPS explained further that, in current circumstances, the only way to augment the pay award for 2022/23 seemed to be by using TVP. It added that the TVP would not go to all officers and that the degree of targeting was still a matter for internal discussion. The MPS also told us that it would prefer to pay the additional amount as a single lump sum rather than as a monthly payment to make it meaningful for officers. It said this payment presented no risk to surrounding forces because it was a recognition and retention payment rather than an attraction payment.
- 2.74 The MPS stressed that it did not want to make recruitment and retention harder for other forces. It offered to explain to us how it could provide the recognition and retention payment in a way that would not encourage officers to leave surrounding forces.

#### Our comment on Targeted Variable Pay

- 2.75 We are not convinced that the arrangements at national level for monitoring of the use of TVP are adequate, particularly in the context of oversight on equality and diversity. We seek further evidence on this matter next year.
- 2.76 If the MPS was to apply TVP to supplement the 2022/23 pay award in the way that it seems to be considering, this would appear to be outwith the stated purpose and intention of TVP. Our concern is that the MPS plan on TVP not only has implications for neighbouring forces but could also lead to geographically differentiated pay and the unravelling of the national system for police pay and reward.

## Overview of police pay reform

- 2.77 The **Home Office** told us that workforce reform remained an important element of ensuring the police had the right people and skills and was a key strand of work in the Policing Vision 2025 agreed by Police and Crime Commissioners (PCCs) and chief constables. It observed that workforce reform would ensure that the policing system had the capability, capacity and wellbeing support to meet the challenges of emerging and changing types of crime efficiently and effectively.
- 2.78 The **NPCC** told us that the Policing Vision 2025 recognised that the service was critically reliant on the quality of its people, who needed to be equipped with the skills and capabilities necessary for policing in the 21<sup>st</sup> century. It said this had to be taken into account with the workforce model and the supporting police education and professional development frameworks. These had been developed to ensure the police service attracted a representative mix of people with the right skills, knowledge,

potential, behaviours and values to deliver the policing vision. It advised that the current employment model needed to provide the right reward and recognition outcomes for police officers and staff as well as be affordable for communities.

- 2.79 The NPCC explained that the reward framework was now in a position to deliver against Policing Vision 2025 by providing appropriate flexibility for forces and reward competence and skills within an affordable financial envelope. It said that the new reward framework, which would deliver pay reform by March 2022, had been sequenced and prioritised to underpin the successful delivery of the Uplift Programme, which remained a high government priority. The NPCC added that the reward framework had been negotiated with staff associations, and planned with forces in the context of other major changes such as the introduction of the Policing Education Qualifications Framework (PEQF), the work on the pensions remedy, as well as the complexities of policing in the pandemic. The NPCC said that it would continue to consider the police reward policy in 2022, in discussion with stakeholders.
- 2.80 The NPCC also observed that pay remained a lever which could underpin strong policing performance and address operational priorities helping to bring more criminals to justice, reduce crime, and increase community confidence. It acknowledged that other measures to attract and retain talent and motivate people to continuously improve were a necessary corollary to enable a more holistic through-career management policy.
- 2.81 The **College of Policing** explained that its primary aim was to boost the professionalism of the service. It said that as a principle it wanted the development of skills and capabilities to be embedded in police pay and conditions. However, it was important to think carefully how to apply in practice the connection between personal development and pay.
- 2.82 The College said that pay and reward could be used much more imaginatively to help meet the challenges of policing in the 21<sup>st</sup> century. It added that to achieve this would take real collective will across the leadership of the service at every level, truly collaborative work with stakeholders and a strong link to policing culture.
- 2.83 The College added that the imaginative use of pay and reward should be supported by a central workforce planning capability. It supported the use of police pay reform to transform the service and improve delivery for the public. It said that while the College could provide some of the answers on the imaginative use of pay and reward, it could not lead on this work.
- 2.84 The College wanted to connect its work to all parts of the service, including to new recruits so that they would know how to use the College throughout their career to boost their professionalism. The College also had an ambition to create a national leadership centre for policing. Leadership was the single most important element that would improve the police service and it was vital for it to develop outstanding, ethical, resilient individuals that the workforce trusted.

#### Our comment on the overview of police pay reform

- 2.85 We observe that a complicated and fragmented decision-making infrastructure containing both statutory and non-statutory bodies surrounds police workforce and pay reform. For instance, the PCF is a voluntary body. One of its roles is to enable the co-ordination of priorities, positions and areas of agreement both before the establishment of the PRRB remit and after the call for evidence has been issued. Matters on which the PCF has reached agreement are communicated to the Home Secretary and, as appropriate, forces or PCCs. We ask for this wider architecture to be clarified and simplified and the need for coherence in decision-making processes at the national level on police workforce and pay reform to be prioritised.
- 2.86 The Uplift Programme will conclude in March 2023 and this will bring the opportunity to refresh the police pay reform agenda. We encourage the policing parties in England and Wales to be ready by that point with the overarching strategy, purpose and objectives for the next phase of police pay reform. We suggest that this should focus on encouraging police forces to embrace pay reform as a lever for achieving the transformation of policing as set out in the Policing Vision 2025. We also support the work of the College of Policing in developing leadership at every level and strategic capability and its intent to associate the professionalism of police officers closely with workforce and pay reform.

## CHAPTER 3 – ANALYSIS OF THE 2022/23 EVIDENCE

## Introduction

3.1 In this chapter we analyse the key points from the evidence as they relate to our standing terms of reference and matters referred to us by the Home Secretary. Evidence directly concerned with the pay and workforce reform project was covered in Chapter 2, and evidence relating to chief police officers is covered in Chapter 4. Our conclusions from the analysis in this chapter are carried forward to our consideration of pay proposals in Chapter 5 and our forward look in Chapter 6.

## **Police environment**

- 3.2 The **Home Office** said that the Government recognised the determination and commitment shown by police officers across the country. It said that officers had played a crucial role in helping stop the spread of COVID-19 by working to enforce COVID-19 regulations while continuing with investigations and keeping the streets safe.
- 3.3 The Home Office highlighted that cutting crime was a priority for the Government and was central to the mission of levelling up the country. The Government had set out its strategic approach to cutting crime in its Beating Crime Plan. The Home Office told us that the Beating Crime Plan spanned work across the police, courts, prison and probation service to drive down and prevent crime, improve confidence in the criminal justice system and rehabilitate offenders.
- 3.4 The Home Office explained that patterns of crime in the year ending June 2021 had been significantly affected by COVID-19 and Government instructions to limit social contact. However, while there had been a significant drop in many types of crime as offenders' movements were limited, there had been increased demand on police to enforce lockdown restrictions and there had been an increase in fraud and computer misuse.
- 3.5 The NPCC told us that the pandemic had strongly affected policing in terms of crime levels and trends, and that emergency calls were at a higher level than pre-pandemic. It reported increases in: domestic abuse; sexual offences; mental health safeguarding demand; and more complex offending such as stalking, harassment and cyber-crime. The NPCC said that investigations continued to become ever more complex, with an ever-stronger digital dimension to most investigations. It observed that the 2021 Crown Prosecution Service Director's Guidance on charging and disclosure had increased that complexity.
- 3.6 The NPCC highlighted that fraud was significantly affected by underreporting. It pointed out that the Crime Survey of England and Wales indicated a 24% rise in fraud offences against individuals in 2020/21, compared with 2018/19. The NPCC reported that there had been a 16% increase in homicides from 2020 to 2021. It said that a significant effort was being put into homicide prevention by the NPCC, College of Policing,

National Crime Agency, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and the Home Office to bring the number of homicides down from 2022 and beyond.

- 3.7 The NPCC reported that it had launched its Diversity, Equality, and Inclusion Strategy in 2018 aligned to the 2025 Policing Vision. It described the contents of the Strategy and told us that policing had yet to achieve a workforce that was representative of the communities it served. The NPCC explained that the Strategy articulated the link between workforce representation and police legitimacy: 'Policing by consent is the most fundamental building block in the provision of policing services. This can only be achieved by retaining legitimacy within the communities we serve through transparency, engagement and an ethical and fair application of the law by a workforce that reflects the people it serves.' The NPCC informed us that the mid-period review of the Strategy was underway and included the development of an outcome framework.
- 3.8 The **MPS** said that, with the continuation of the COVID-19 pandemic in the UK in 2021, alongside the opening up of society and the return of some offences that had decreased during lockdowns, the last twelve months had put continued pressures on the police. MPS officers had shown commitment and courage when carrying out their duties, often with depleted support due to COVID-related absence.
- 3.9 The MPS reported that the additional responsibilities taken on by the police to support health efforts to reduce the transmission of COVID-19 and protect the NHS had often more than made up for any temporary reduction in traditional demand. Traditional demand had returned once more following the lifting of lockdown regulations.
- 3.10 The MPS highlighted that in some areas the volume of demand itself was not unprecedented, but the real step change had come in its growing complexity. There were a number of drivers adding to complexity. Social attitudes, new legislation and the continued focus on safeguarding the vulnerable all featured highly, but the greatest driver had been the rapid growth in, and the use of, technology. Online crime had been there for some time but the exponential increase in smartphone ownership and the use of social media was having a significant impact.
- 3.11 The MPS went on to add that technology had also created opportunities in pursuing offenders, but this required a substantial amount of training for all officers. Technology caused significant demand as almost all serious crimes and investigations now involved exploring and/or securing digital evidence. Multiple steps were involved in seizing devices, downloading and reviewing content, exhibiting relevant content and establishing what needed to be disclosed. Processing time for more complex analysis could be long, which impacted on the wider investigation process. Complexity of data, the use of encryption and the volume of data on mobile devices were also significant challenges.

- 3.12 The **CPOSA** said that demands placed on policing were significant. It had been reported in July 2021 that there had been more than 100,000 calls to the emergency line every day for over a month, compared with an expectation of 90,000 on an average day. This had placed significant pressure on control rooms and the extra demand had filtered through to the whole organisation. The CPOSA also highlighted that assaults on police officers in England and Wales had increased by 20% compared with the previous financial year.
- 3.13 The CPOSA highlighted that, in November 2021, the Ipsos MORI Veracity Index had shown that trust in the police had fallen by 13 percentage points in two years. Furthermore, a recent YouGov poll had shown that, for the first time, more people were 'unconfident' in local police dealing with crime than were confident. The CPOSA considered that these were unfortunate trends which were exacerbated by continuous reports of controversies and scandals involving the police. The CPOSA reported that the NPCC Chair had warned that the police service faced a defining challenge about its legitimacy in terms of the trust and confidence of the public. The CPOSA said that this challenge to legitimacy was also felt personally and deeply by everybody who worked in policing.

## HMICFRS State of Policing Report<sup>11</sup>

- 3.14 The annual report on the State of Policing in 2021 by HMICFRS highlighted that over the last ten years, demand on the police had changed and continued to change very significantly. Economic crime was far more widespread than previously, and had four principal distinguishing features: complexity, encryption, volume and speed. Online crime was now by far the most prevalent type of crime and, by means of the internet, fraud had exploded; in volume, it eclipsed everything. Demand relating to cases of mental ill health had also increased. The report flagged that the police service could not meet all the demand it faced and that as a result the police's political and operational leaders had to make difficult decisions. These decisions often involved considerable trade-offs between aspects of demand that were to be prioritised and those that were not.
- 3.15 The HMICFRS report also said that the continued progress made in technology over the past ten years had been a prominent aspect of change in policing. People lived more of their lives online, but this had been accompanied by the advancement of sophisticated tools used by criminals. In some respects, the police had struggled and continued to struggle to keep up with the demands which the digital world placed on them.

<sup>&</sup>lt;sup>11</sup> HMICFRS (March 2022), State of Policing 2021. Available at: <u>https://www.justiceinspectorates.gov.uk/hmicfrs/publications/state-of-policing-the-annual-assessment-of-policing-in-england-and-wales-2021/</u> [Accessed on 26 May 2022]

#### Our comment on the police environment

- 3.16 We continue to be grateful to the parties for their evidence on the policing environment. Public confidence in the police service has been undermined recently by a series of tragic and highly concerning incidents including, but not limited to: the murder of Sarah Everard by a serving police officer; the misconduct of officers and shortcomings in the handling of the case following the murders of Bibaa Henry and Nicole Smallman; significant concerns across England and Wales about abuse of power by some police officers for sexual gain; and the Independent Office for Police Conduct's (IOPC) publication of a report on a toxic culture in the MPS. We share parties' concerns about the declining levels of public trust and recognise the challenges that forces across the country face in rebuilding that trust among their communities. We judge that forces will need support to help them meet this challenge, and that having the right pay and reward structures will play an important role in attracting recruits with the right motivations, and in creating a strong ethical culture within forces. We note the NPCC's work on its Diversity, Equality, and Inclusion Strategy and that a mid-period review of the strategy is underway, and we ask that parties provide an update next year.
- These incidents have in many ways overshadowed the good work done 3.17 by the vast majority of police officers in difficult circumstances. As in previous years, we recognise the crucial role the police service played during the pandemic and we note the return of some offences that had decreased during lockdowns and the increase in the number of assaults on police officers this year. We are conscious of the additional responsibilities taken on by the police to support health efforts to reduce the transmission of COVID-19 and to protect the NHS. Talking to officers during our visits to forces in late 2021, we were made aware of the strong feeling among some officers that the challenges they faced during the pandemic have not been fully recognised and they saw the application of the public sector pay pause to the police service as a symptom of that. We were told that threats from offenders to infect officers were frequent and that, in some cases, officers had been spat at. We recognise that many officers continue to feel exposed to high levels of personal risk.
- 3.18 We note the observation in the HMICFRS State of Policing report in 2021 that over the last ten years, demand on the police has changed significantly. We observe that this has been reflected in the evidence we have received from other parties which has described the increasing complexity of demand driven by both technology and changing social attitudes. We note with concern HMICFRS' conclusion that the police service is not able to meet all the demand it faces and that as a result the police's political and operational leaders have to make difficult decisions about priorities.

## Government pay policy and affordability

- 3.19 **HM Treasury** told us that the Government's targeted public sector pay policy for 2021/22 had been announced in the face of significant uncertainty due to COVID-19. It had helped to protect jobs and to ensure fairness between the private and public sectors. In the 2021 Spending Review, the Chancellor had announced that the public sector would see pay rises over the next three years as the recovery in the economy and labour market allowed a return to a normal pay setting process.
- 3.20 HM Treasury added that public sector earnings growth over the next three years should retain broad parity with the private sector and continue to be affordable. HM Treasury considered it imperative that Pay Review Bodies had regard to the Government's objective for price stability given that inflation was expected to temporarily peak at its highest rate in over a decade. HM Treasury explained that if public sector pay increases were to exacerbate temporary inflationary pressure, for instance through spilling over into higher wage demands across the economy or contributing to higher inflation expectations, then short-term inflationary pressures would become more sustained. In turn, this would exacerbate cost-of-living pressures, as higher pay awards were offset by higher inflation, and would require significantly tighter monetary policy to address, which would also harm growth.
- 3.21 HM Treasury said that pay awards above affordability could materially affect the Government's ability to deliver on commitments to increase public service activity as there was a direct trade-off between recruiting more staff, investing in public services and giving higher pay rises. Recommendations above departments' specified affordability would also represent a significant fiscal cost and would increase the cost of any pay deals in the later years of the Spending Review period.
- 3.22 HM Treasury reported that the Government had compensated departments and other public sector employers for the increased cost of employer National Insurance contributions resulting from the Health and Social Care Levy. However, it highlighted that accounting for the employee element in public sector pay awards would result in a reduction in revenue from the Levy and would also result in differential treatment for public sector workers compared with those in the private sector.
- 3.23 The **Home Office** said that the Government had to balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. It also considered that the affordability of a pay award must be taken into account so that police forces were able to maximise the number of additional officers that they could recruit to ensure the ambition of recruiting 20,000 officers by March 2023 was met.
- 3.24 The Home Office explained that as part of the Spending Review settlement, the Government would expect to see over £100 million of cashable efficiency savings delivered from force budgets by 2024/25. The funding settlement for 2022/23 had reflected an expectation of

£80 million of efficiency savings. The Government also expected to see an increase in productivity following greater investment in modern technology infrastructure and interoperable systems.

- 3.25 The **NPCC** told us that in December 2021, the Government had proposed a total police funding settlement of up to £16.9 billion for policing in 2022/23. Under this settlement, overall funding available to PCCs had been increased by up to £796 million, an increase of up to 5.8% when compared with the 2021/22 funding settlement. This relied on PCCs making full use of their flexibility to increase the precept, which had been set at a maximum of £10 for a Band D property in both 2022/23 and 2023/24.
- 3.26 The NPCC also highlighted that in October 2021, the Home Office settlement from the Spending Review had allowed for average departmental real-term growth of 2.5% per annum during 2022/23 to 2024/25.
- 3.27 The NPCC said that there continued to be underlying cost pressures for forces in terms of increasing service demand costs, information and communication technology costs, employment related costs (including pensions and employers' National Insurance costs), as well as the need to adequately fund capital programmes. The NPCC reported that the police service remained committed to working collectively and imaginatively to increase productivity and achieve policing outcomes while addressing these cost pressures.
- 3.28 The **MPS** told us that its pay inflation assumptions for this year were based on a 2% consolidated award, and this had been reflected in its Spending Review bid and commensurate funding agreement. The MPS' preferred option was for the Government to provide the necessary additional funding for any pay award above this. If this proved not to be the case the MPS would have to make difficult choices elsewhere in its budget to drive out the necessary savings to fund the increase. Additional Government funding would be essential for any pay award above 3.5%.
- 3.29 The **APCC** explained that the police funding settlement was based on the delivery and maintenance of the numbers of police officers linked to the Uplift Programme. It said that higher than anticipated pay awards would significantly hamper the ability of police forces to attain and maintain the higher levels of police officer numbers linked to the Uplift Programme. They may also lead to the unwanted consequence of 'decivilianisation', where police staff numbers diminish to accommodate greater police officer numbers. This would significantly reduce the positive impact of the Uplift Programme as officers would be deployed into roles potentially better suited to civilian staff.

#### Our comment on Government pay policy and affordability

3.30 We note that HM Treasury has told us that public sector earnings growth over the next three years should retain broad parity with the private sector. We observe that given the volatility of the current economic

climate there is a greater degree of uncertainty around likely earnings growth than in many previous years. We also note both HM Treasury's warning that if public sector pay increases were to exacerbate temporary inflationary pressure then short-term inflationary pressures would become more sustained, and its assertion that there is a direct trade-off between recruiting more staff, investing in public services and giving higher pay rises.

- 3.31 We begin by observing that the proposition that we take affordability into consideration so that polices forces are able to maximise the number of additional officers they can recruit is not straightforward. If recruitment targets are at risk, a competitive level of pay is an important tool at forces' disposal for attracting and retaining new officers. We will return to starting salaries later in the report.
- 3.32 As we have noted in previous reports, pay issues are often expressed in the form of a balanced choice between increasing pay or increasing the number of officers. In practice however, there are degrees of flexibility at every level in how budgets can be constructed or how money is spent. Force budgets will include an assumption for pay but budget elements will not necessarily be ringfenced. The same is true of central government budgets.
- 3.33 Overall police funding for 2022/23 has increased by up to 5.8%. However, the size of individual force budgets is determined by a number of factors and spending decisions in each force are affected by local priorities. Decisions made within each force on how to spend the available money are influential in how affordable any pay recommendation is at force level. An important part of police funding is represented by money from council tax precepts. The money available to forces from council tax precepts does not represent a uniform proportion of each force's funding. It varies significantly between forces and is, therefore, more beneficial to some forces than others.
- We reiterate again this year that we do not make overall recommendations 3.34 based upon separate assessments of affordability in each of the 43 forces. We have concluded in previous years that, and the same applies this year, it is neither realistic nor feasible for us to take account of the possible range of flexibilities and priorities which each force will assign to police pay, or to take account of the potential trade-offs that might exist between pay and other possible expenditures. Furthermore, we have received limited evidence on the detail of the choices forces are likely to face in funding an award of 3.5% or above. In addition, as we have noted previously there is a tension for any Review Body between determining pay uplifts based upon workforce-related factors, such as morale, motivation, recruitment and retention, and taking a strictly budget-based approach. We would not properly discharge our remit if we were to base our recommendations on pre-determined budgetary considerations alone rather than the needs of the police service, including the other, sometimes competing, factors set out in our terms of reference.

## The economy and labour market

- 3.35 HM Treasury published its economic evidence in December 2021 and the parties submitted their written evidence for this report in February 2022. In this section we summarise the information that has been provided to us by HM Treasury and the main headlines from the evidence that the parties supplied on the economy and labour market. Our assessment at the end of this section includes the latest data available to us at the time of finalising our recommendations.
- 3.36 **HM Treasury** made the following main points:
  - The UK had experienced a stronger than previously anticipated recovery in economic activity and labour market thanks to the effort of the Government. Both the Organisation for Economic Co-operation and Development and International Monetary Fund were forecasting that the UK would have the highest annual growth among G7 countries in 2021.
  - As the global economy had reopened, demand for goods had recovered more quickly than could be immediately met leading to a higher inflation rate. This helped explain why inflation was above the UK Government target of 2%.
  - Consumer Prices Index (CPI) inflation had been 4.2% in the twelve months to September, compared with a low of 0.4% in February 2021. For this reason, the Government was taking action to support those most acutely affected by recent increases in the cost of living.
  - Both the Office for Budget Responsibility (OBR) and the Bank of England expected that the rate of inflation would peak in 2022 before falling back materially over 2023 due to the adjustment of global markets.
  - The public sector remuneration premium was most apparent at lower grades (public sector average hourly wage over 20% higher at lower percentiles). The 6.6% increase in the National Living Wage for 2022/23 would also protect those public sector workers at the bottom of the income distribution.
  - Average weekly earnings (AWE) regular pay growth had been 4.9% for the three months to September 2021. The ONS emphasised that headline earnings data had been inflated by a base effect from annual comparisons to a period in 2020 when wages were deflated by furlough. Using two-year annualised growth and projecting forward earnings using pre-pandemic trends in AWE, growth in AWE regular pay could be between 3.4% and 4.9% in the latest data for the three months to September 2021.
  - Latest forecasts for whole economy pay growth suggested that growth in average earnings would be in line with the pre-pandemic period over the coming years, as the base effects unwound.

- The expected temporary increase in inflation had not led to increases in economy-wide wage growth. Data on posted salaries from Indeed showed that the average advertised salary increased by just 1.9% across all postings between January and October 2021.
- 3.37 The **NPCC** said that the ONS had reported CPI inflation of 5.4% for the twelve months to December 2021. Inflation was expected to peak in the current financial year, rising to around 7% in the spring 2022, and then fall back. The OBR forecast inflation to be 2.6% in 2023/24, and 2.2% in 2024/25. The Bank of England anticipated that inflation would not return to its target level of 2% until the first quarter of 2025.
- 3.38 The NPCC reported that labour supply issues had begun to emerge with the re-opening of the economy after COVID-19 restrictions. Significant shortages in some key infrastructure roles, like road haulage, had highlighted that the employment market was changing significantly to one where employees could expect and demand higher wages.
- 3.39 The NPCC cited IDR data showing the median of pay awards in three months to November 2021 was 2.3%. The NPCC said that pay awards were rising in reaction to the uplift in the economy and the lack of candidates. The median expected pay award in 2022 was 3.0%.
- 3.40 The **MPS** said the effect of COVID-19 on the UK economy continued to be significant despite recent signs of recovery. The Bank of England now predicted more gradual growth in the economy towards pre-pandemic levels. Government borrowing was high, and the value of the pound remained volatile because of continued uncertainty regarding the UK's Exit from the European Union.
- 3.41 The MPS reported that inflation was running well above the Government target of 2% and the CPI for December 2021 was 5.4%. For the same month, the Consumer Prices Index including owner occupiers' housing costs (CPIH) was at 4.8% and the Retail Prices Index (RPI) was at 7.5%. Inflation was expected to rise through spring 2022 and then decrease. Unemployment continued to fall, but was still higher than prepandemic levels.
- 3.42 The MPS cited XpertHR figures showing that, in the three-month period ending November 2021, the UK had a median pay award of 2.2% (an identical figure was obtained by IDR for the period August-October 2021). This had increased from 1% over the last twelve months and was based on over 500 notified pay awards.
- 3.43 The MPS pointed to Annual Survey of Hours and Earnings (ASHE) data, that reported median gross weekly earnings for full-time employees had grown by 5.3% in the UK and by 1.1% in London. These figures were up from 0% and 0.6% in 2020, but were heavily influenced by COVID-19.
- 3.44 The **APCC** highlighted that inflation had reached 5.5% and there were forecasts that it was likely to increase even higher in the next few months before falling back. This was being widely described as a cost-of-living

crisis, and the potential for increased home energy bills and increases in National Insurance contributions in April 2022 would contribute to pressures on household budgets in the forthcoming months.

3.45 The **CPOSA** highlighted that the rate of inflation had been 5.4% in the twelve months to December 2021, and the Bank of England was anticipating a 7% inflation rate in 2022, reducing down to 2% by 2024.

## Our comment on the economy and labour market

- 3.46 There have been significant and mostly adverse changes to the economic context since the parties submitted their evidence to us. We set out below the latest economic and labour market indicators (summarised in Table 3.1) as at 25 May 2022, available to us when finalising our Report:
  - *Inflation*. The rate of inflation has risen sharply over the last year. In April 2022, the CPI rate was 9.0%, the CPIH rate was 7.8% and the RPI rate was 11.1%.
  - The largest upward contributions to the annual rate of inflation in April 2022 came from energy prices and petrol. Following the increases in the energy price cap from October 2021 and April 2022, the CPI showed that domestic electricity prices increased by 53.5% over the year to April 2022 and domestic gas prices by 95.5%. Average petrol prices in the CPI increased by 28.9% over the year to April 2022.
  - In its March 2022 Economic and Fiscal Outlook<sup>12</sup>, the OBR expected CPI inflation to rise to 7.7% in the second quarter of 2022, and then peak at 8.7% in the fourth quarter of 2022, as a further rise in the energy price cap is implemented in October 2022. The OBR expected CPI inflation to average 7.4% in 2022, and 4.0% in 2023.
  - In its May 2022 Monetary Policy Report<sup>13</sup>, the Bank of England expected inflation to peak at slightly over 10% in the fourth quarter of 2022. This projected peak was around 3 percentage points higher than it expected in February 2022 and reflected: higher household energy prices following the large rise in the Ofgem price cap in April and a projected further large increase in October; and, to a lesser extent, higher food and goods prices following the war in Ukraine. After the peak in the fourth quarter of 2022, the Bank expected the upward pressure on CPI inflation to dissipate rapidly.
  - *Economic growth*. UK gross domestic product (GDP) was estimated to have increased by 7.4% in 2021, following a 9.3% contraction in 2020. The first quarterly estimate of GDP by the ONS showed that GDP in the first quarter of 2022 was 0.8% higher than the previous quarter, 8.7% higher than a year earlier and 0.7% higher than the

<sup>&</sup>lt;sup>12</sup> Office for Budget Responsibility (March 2022), *Economic and Fiscal Outlook*. Available at: <u>https://obr.uk/efo/economic-and-fiscal-outlook-march-2022/</u> [Accessed on 26 May 2022]

<sup>&</sup>lt;sup>13</sup> Bank of England (May 2022), Monetary Policy Report. Available at <u>https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022</u> [Accessed on 26 May 2022]

pre-pandemic level (in the fourth quarter of 2019). However, monthly estimates of GDP showed there had been no growth in February 2022 and a fall of 0.1% in March 2022.

- In March, the OBR revised down its estimate for 2022 growth from 6.0% to 3.8%. The reasons for this included Russia's invasion of Ukraine and the consequent impact for global economic growth; and a reduction in real household disposable incomes from inflation and tax increases which would reduce consumer spending.
- In May, the Bank of England estimated that growth would slow during 2022 due to the adverse effect of higher global commodity and tradable goods prices on UK demand. It expected GDP to fall in the fourth quarter of 2022, driven largely by a decline in households' real incomes.
- Labour market. Pay As You Earn (PAYE) Real Time Information (RTI) data indicate that the number of employees on payrolls in April 2022 was 29.5 million, 1.9% higher than the pre-pandemic peak of 29.0 million in January 2020. According to the Labour Force Survey (LFS), total employment was 444,000 (1.3%) lower in the three months to March 2022 than in the three months to March 2020. This was driven by a fall in self-employment; the number of employees had increased by 336,000 (1.2%) over the same period. The LFS unemployment rate (for those aged 16 and over) was 3.7% in the three months to March 2022, 1.2 percentage points lower than a year earlier and at the lowest rate since 1974. The ONS recorded a record 1.3 million job vacancies in the three months to April 2022.
- Average earnings. In the three months to March 2022, whole economy AWE total pay annual growth was 7.0% and regular pay annual growth (excluding bonuses) was 4.2%. Strong average earnings growth rates in 2021 were pushed upwards by base and compositional effects, but the ONS has advised that these temporary factors have largely worked their way out.
- Public sector AWE annual growth (excluding financial services) was at 1.7% in the three months to March 2022. Private sector AWE total pay annual growth was at 8.2%, but regular pay annual growth (excluding bonuses) was 4.8%.
- *Pay settlements*. Our analysis of XpertHR data indicates that around three-quarters of pay awards so far in 2022 were at 3% or above, and nearly half (47%) were at 4% or above, compared with 18% and 8% respectively in 2021. The latest estimates for median pay settlements in the three months to April 2022 ranged from 3.5% to 4%.

Indicator	Figure
Inflation indicators	
Annual CPIH inflation	7.8%
Annual CPI inflation	9.0%
Annual RPI inflation	11.1%
Pay and earnings indicators	
Annual growth in AWE – public sector (excluding financial services)	1.7%
Labour Research Department (LRD) median pay settlements	3.2%
IDR median pay settlements	3.5%
XpertHR median pay settlements	4.0%
Annual growth in AWE – whole economy excluding bonuses	4.2%
Annual growth in AWE – private sector excluding bonuses	4.8%
Annual growth in AWE – whole economy	7.0%
Annual growth in AWE – private sector	8.2%
Labour market indicators	
LFS annual employment growth	1.2%
LFS unemployment rate (aged 16 and over)	3.7%
Claimant count rate	4.1%
PAYE employees on payroll annual growth	4.2%
LFS employment rate (aged 16 to 64)	75.7%

#### Table 3.1: Latest economic and labour market indicators, as at 25 May 2022

Source: ONS - Labour Market Overview<sup>14</sup>, Consumer Price Inflation<sup>15</sup>, Claimant Count (Experimental Statistics)<sup>16</sup>, and Earnings and Employment from PAYE RTI (Experimental Statistics)<sup>17</sup>; XpertHR<sup>18</sup>; IDR<sup>19</sup>; and LRD<sup>20</sup>.

Note: The employment rate measures the proportion of the population (aged 16 to 64) in employment; the unemployment rate gives the number of unemployed people as a proportion of the total number of people (aged 16 and over) either in work or unemployed; and the claimant count rate is the number of people claiming unemployment benefits as a proportion of the total number of workforce jobs and claimants of unemployment benefits.

3.47 We observe that the rate of inflation is at its highest level since estimates began in January 1989 on the CPI measure and is expected to rise further. This has been driven by domestic energy and petrol prices so will have a significant impact on the day-to-day cost of living faced by officers within our remit group. We note that the Bank of England expects inflationary pressures to fall in 2023, but we caution that there is considerable uncertainty around forecasts in the current economic climate.

## Police earnings

#### Our analysis of police earnings

- 3.48 We have set out our full analysis of police earnings data in Appendix D. However, we set out some of the key points below.
- <sup>14</sup> https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/ uklabourmarket/may2022 [Accessed on 26 May 2022]

<sup>15</sup> <u>https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2022</u> [Accessed on 26 May 2022]

- <sup>16</sup> https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/outofworkbenefits/datasets/ claimantcountcla01/current [Accessed on 26 May 2022]
- <sup>17</sup> https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ realtimeinformationstatisticsreferencetableseasonallyadjusted/current [Accessed on 26 May 2022]
- <sup>18</sup> <u>https://www.xperthr.co.uk/</u> [Accessed on 26 May 2022]
- <sup>19</sup> <u>https://www.incomesdataresearch.co.uk</u> [Accessed on 26 May 2022]
- <sup>20</sup> <u>http://www.lrd.org.uk/index.php?pagid=29</u> [Accessed on 26 May 2022]

3.49 We used ASHE data to compare the earnings of police officers (constables and sergeants) with: the whole economy; the associate professional and technical occupations group (the occupational group which includes police officers); and professional occupations (which tend to be graduate professions). The pay differentials<sup>21</sup> between median police earnings and the median earnings of these comparator groups have been generally declining since the financial year ending (FYE) 2011 (Chart 3.1).

#### Chart 3.1: Differentials between police officer full-time median gross annual earnings and those of other groups, England and Wales, FYE 2004 – 2021



Source: Office of Manpower Economics (OME) analysis of Annual Survey of Hours and Earnings, ONS. Notes:

- There are discontinuities in the series due to changes in sampling methodology (in FYE 2006) and to the Standard Occupational Classification (in FYE 2011).
- Data for the latest year are provisional.
- 3.50 The rank of superintendent was the only one to have fewer than half of officers at the pay scale maximum (Table 3.2). Just over two-fifths of constables were on the new pay scale in March 2021, but just 1% of all constables were on pay point 0 of the new scale.

<sup>&</sup>lt;sup>21</sup> A pay differential is a basic measure of the premium that police pay has over a comparator group. However, is does not take account of any differences in characteristics between police officers and workers in the comparator group.

	Constable Constable			Chief			
Pay point	(old scale) (r	new scale)	Sergeant	Inspector	Inspector	Supt. Cl	nief Supt.
0*		1%		18%	_	_	_
1		9%	-	15%	22%	20%	20%
2		10%	23%	15%	22%	22%	25%
3		6%	11%	52%	56%	18%	55%
4		5%	66%	-	-	39%	-
5		5%	_	-	-	-	-
6*		3%	_	-	-	-	-
7*	1%	10%	-	-	-	-	-
8		-	-	-	-	-	-
10	49%	-	-	-	-	-	-
Total	51%	49%	100%	100%	100%	100%	100%

# Table 3.2: Distribution of officers on pay scales, England and Wales, March 2021

Source: OME analysis of Police Earnings Census data, Home Office. Notes:

- Percentages represent proportions of all officers in each rank – where there are two pay scales for a rank, percentages have been calculated based on the total number of officers across both pay scales.

- '..' represents a non-zero percentage less than 0.5%.

- '-' represents non-applicable pay points.

\* Pay points 6, 7 and 9 were removed from the old constable pay scale on 1 April 2014, 2015 and 2016 respectively. Pay point 0 was removed from the sergeant pay scale on 1 April 2014.

#### Evidence from the parties on police earnings

- 3.51 The **Home Office** highlighted that the pay progression received by officers in the federated and superintending ranks who had not reached the top of their pay scale, was worth at least 2% of salary, and often 4-6%, in addition to annual pay awards. This was dependent upon an officer's performance having been graded as satisfactory or above in their annual appraisal, and it was anticipated that from 1 April 2022 incremental pay would be dependent on officers meeting the Pay Progression Standard.
- 3.52 The Home Office said that, as the Uplift Programme entered its final year in 2022/23, it was important that the total pay and reward package remained competitive against other apprentice and graduate labour markets. This was to ensure that the ambitious target to recruit 8,000 additional officers was met.
- 3.53 The **NPCC** calculated that the pay rate of police officers had fallen by approximately 8.6% in real terms between 2010 and the present.
- 3.54 The **MPS** highlighted that average pay in the UK and London was higher than that for a new police constable and it would take an officer around five years to match the London average. The MPS explained that this was a particular concern for recruits who were changing careers and could often face an initial pay cut.

## PFEW Pay and Morale survey<sup>22</sup>

- 3.55 The majority of respondents to the 2021 PFEW Pay and Morale Survey expressed dissatisfaction with pay: 82% were dissatisfied with basic pay, 69% with allowances, and 79% with overall remuneration (pay and allowances). All these proportions were higher than in 2020. There were also increases in the proportions of officers who reported that they did not feel fairly paid considering: the stresses and strains of their job (92%); the hazards they faced within their job (86%); and the amount of experience and training they had (84%). In a new question following the COVID-19 pandemic, two-thirds of respondents did not feel fairly paid compared with other key workers (66%).
- 3.56 The proportion of respondents who said that they were never or almost never able to cover their monthly essentials was 14%, up from 7% in 2020, but among probationers this proportion increased to 17%. Just under half of respondents (45%) said they worried about money every day or almost every day, up from 37% in 2020; again this figure was higher among probationers (51%). Nearly three-quarters of respondents said that they felt worse off financially compared with both five years ago (74%) and twelve months ago (73%).

## Our comment on police earnings

3.57 We compared the earnings of police officers with those of: the whole economy; associate professional and technical occupations; and professional occupations. This showed that the differentials between median police earnings and the median earnings of these comparator groups have generally been declining since 2011. As in our previous reports, we do not make any judgement on what the correct level of these differentials should be but note that decreasing differentials over the long term with a comparator group, such as professional occupations, has potentially negative implications for the morale and motivation of officers and for recruitment and retention as the aspirations of the police workforce increasingly mirror those of graduate professions.

## Police workforce, diversity, recruitment and retention

Our analysis of police workforce, diversity, recruitment and retention

- 3.58 We have set out our full analysis of police workforce data in Appendix D. However, we set out some of the key points below.
- 3.59 Police officers account for around three-fifths of the police workforce. Since 2018 officer numbers have increased by 12,900 full-time equivalents (FTE) or 11% (Chart 3.2). At the end of March 2021 there were 135,300 police officers, the highest number since March 2011.

<sup>&</sup>lt;sup>22</sup> PFEW (February 2022), Pay and Morale Survey 2021 – Headline Report. Available at: <u>https://www.polfed.org/media/17481/pplusm2021\_headlinereport\_180122\_v011-2.pdf</u> [Accessed on 26 May 2022]

Chart 3.2: Strength of police workforce and number of police officers (FTE), England and Wales, March 2003 – March 2021



Source: Police Workforce Statistics, Home Office.

3.60 The proportion of officers who were female<sup>23</sup> (Chart 3.3) increased from 29% to 32% between 2016 and 2021, but the proportion of female officers was lower than the overall proportion for ranks above constable. The proportion of ethnic minority<sup>24</sup> officers (Chart 3.4) increased from 5.9% to 7.6% between 2016 and 2021, continuing a steadily upward path over the past decade, but again the proportion of ethnic minority officers was lower than the overall proportion for ranks above constable. These indicators show improvement in diversity across the officer workforce in recent years, but remain below levels representative of the communities served by the police.

<sup>&</sup>lt;sup>23</sup> Proportions of female officers exclude officers who did not state their gender from the denominator.

<sup>&</sup>lt;sup>24</sup> Proportions of BME officers exclude officers who did not state their ethnicity from the denominator.

Chart 3.3: Percentage of female officers (FTE), by rank, England and Wales, March 2016 – March 2021



Source: OME analysis of Police Workforce Statistics, Home Office. Note: Officers who did not state their gender are excluded from calculations.



Chart 3.4 Percentage of ethnic minority officers (FTE), by rank, England



Source: OME analysis of Police Workforce Statistics, Home Office.

Note: Officers who did not state their ethnicity are excluded from calculations.

3.61 The announcement of the Uplift Programme in 2019 led to a 54% increase in the number of police officer joiners in FYE 2020 (Chart 3.5). There were around 13,300 joiners in FYE 2021, 8% (1,200 FTE) lower than the previous year but still the second highest level since the data series began in FYE 2003. Provisional Home Office figures released in April 2022<sup>25</sup> showed that between the start of November 2019 and the end of March 2022, 13,576 additional officers (on a headcount rather than FTE basis) had been recruited to police forces in England and Wales under the Uplift Programme<sup>26</sup>. All forces except four (City of London Police, Derbyshire Constabulary, Greater Manchester Police and the Metropolitan Police Service) had met or exceeded their recruitment allocation up to FYE 2022.



Chart 3.5: Police officer joiners (FTE), England and Wales, FYE 2003 – 2021

Source: Police Workforce Statistics, Home Office.

3.62 The number of officers leaving police forces<sup>27</sup> (Chart 3.6) in FYE 2021 was 7,000 FTE. This represented a sharp fall of 18%, (1,500 FTE officers) compared with the previous year, and was the lowest level since FYE 2014. The attrition rate<sup>28</sup> dropped to 5.5% in FYE 2021. Omitting those leavers who transferred to other forces within England and Wales rather than leaving the service altogether, the attrition rate was 4.7% in FYE

<sup>&</sup>lt;sup>25</sup> Home Office (March 2022), Police officer uplift, quarterly update to March 2022. Available at <u>https://www.gov.uk/</u> government/statistics/police-officer-uplift-quarterly-update-to-march-2022 [Accessed on 26 May 2022]

<sup>&</sup>lt;sup>26</sup> That is the number of new recruits less officers recruited through other funding streams (such as local council precept) and less the number of officers leaving. It should be noted that as there is a flow of officers joining and leaving the police service each month, the number of officers counting towards uplift can both increase and decrease over the course of a year.

<sup>&</sup>lt;sup>27</sup> Including officers transferring between forces.

<sup>&</sup>lt;sup>28</sup> The total number of police officers leaving forces in the financial year as a proportion of the total officers in post in the March just before the financial year began.

2021. Half of police leavers in FYE 2021 were normal retirements<sup>29</sup> and just over a quarter were voluntary resignations. The number of voluntary resignations in FYE 2021 was 16% lower than the previous year.



Chart 3.6: Police officer leavers and attrition rates (FTE), England and Wales, FYE 2004 – 2021

Source: OME analysis of Police Workforce Statistics, Home Office.

#### Evidence from the parties on police workforce, diversity, recruitment and retention

- 3.63 The **Home Office** considered that overall entry level recruitment remained strong, with enough officers being recruited to backfill vacancies and deliver Uplift Programme targets. It added that some forces were also delivering on plans to recruit officers outside of the Uplift Programme through the local council tax precept.
- 3.64 The Home Office reflected anecdotal evidence about recruitment difficulties and increased attrition rates for some specialist roles, but said it had not received robust evidence on the nature of the problem and whether pay was a contributory factor. The Home Office welcomed the NPCC's strategic assessment of workforce that would help to better understand the composition of the workforce and where there were skills gaps.
- 3.65 The Home Office explained that wellbeing, pay and working conditions had been cited as the primary reasons for difficulties in retaining detectives that had been reported by many forces. However, there were positive signs that the new Detective Degree Holder Entry Programme and general intake from the Uplift Programme had the potential to improve the situation over the next two to three years.

<sup>&</sup>lt;sup>29</sup> Individuals who have retired, not on ill-health grounds.

- 3.66 The Home Office said that retaining both new and experienced officers was integral to the Uplift Programme. It had worked with the NPCC and College of Policing on designing and conducting an onboarding survey that would provide insights into the experience of new officers and be used to inform relevant and tailored retention activity. The Home Office also welcomed NPCC work to improve understanding of the factors that prompted officers to resign, which would inform the development of initiatives to help retain skilled and experienced officers.
- 3.67 The Home Office told us that police forces that reflected the communities they served were crucial to tackling crime and maintaining public trust and confidence in a modern diverse society, and that diversity was an important part of operational effectiveness. The Home Office highlighted that rates of voluntary resignations and dismissals were higher among ethnic minority officers, and was working with the College of Policing and forces to develop vital understanding of why this disparity existed.
- 3.68 The **NPCC** reported that the Uplift Programme would result in an anticipated recruitment of over 45,000 officers (based on current attrition levels), as well as a smaller increase in police staff roles (estimates of around 6,000). Forces were on track to deliver the initial 12,000 additional officers by March 2022. This equated to a turnover of a third of the officer workforce, which affected the shape of the service in terms of skills, experience and age, as well as providing an opportunity for forces to reshape their operating models and accelerate workforce representation.
- 3.69 The NPCC explained that the effects of the Uplift Programme would mean that the proportion of the officer workforce with less than five years' experience would grow over the next few years, returning to pre-Uplift levels after 2029. This shift in the service profile would have an impact on key roles including front-line supervision, tutors and assessors. Forces had undertaken a review of tutor capacity and measures in place to meet local demand, but were reporting challenges in recruitment. Further work was ongoing to build their capabilities and identify best models for delivery, including those for assessors.
- 3.70 The NPCC said that as part of an Uplift Capability Review in August 2021, forces had been asked to indicate future changes to core functions, key roles, police staff and first-line supervision roles for 2021/22 and 2022/23. Responses had been received from 33 forces, but the data for 2022/23 had been insufficient to assess. The returns indicated that 70% of them aimed to increase detectives, and the majority of forces were anticipating civilian staff numbers staying the same or increasing in 2021/22. However, 14% of forces reported anticipating decreases in civilian staff investigator roles and 9% reported anticipating decreases in police community support officers. The NPCC stated that this could be signalling a slowing down in workforce transformation and the impact of grant conditions linked to the Uplift Programme.

- 3.71 The NPCC told us that forces were reporting that the numbers of applicants had dropped compared with 2020/21. This was of particular concern, since the recruitment challenge was even steeper in the third year of the Uplift Programme.
- 3.72 The NPCC reported that insight gathered through research with the public, engaging with new and serving officers, and conversations with stakeholders had identified four overarching thematic barriers to joining the police: family and community; religion; 'The Institution'; and safety and wellbeing. The NPCC explained that selection processes had been shown to be having an adverse impact on candidates, specifically for Black and Asian applicants. There was no standard selection process at present which affected the ability to analyse and mitigate factors. Work was ongoing to standardise the selection process and ensure data was monitored. The Online Assessment Process had been introduced in April 2020, which had a lower adverse impact than previous processes across all protected characteristics.
- 3.73 The NPCC explained that approximately 7,000 officers left the service each year, the majority on retirement. Voluntary resignations were the second highest reason for leaving, accounting for a third of all leavers, and had increased in number since 2011/12. There had been a fall in the number of leavers during 2020/21, including in the number of voluntary resignations.
- 3.74 The NPCC said that data over the last twelve months had shown that a third of all voluntary resignations occurred in the first twelve months of service, and half within the first two years. Ethnic minority officers and females had consistently higher rates of voluntary resignations than their white and male counterparts.
- 3.75 The NPCC explained that research indicated that reasons for resigning were cumulative and built over time (six months). Drivers focussed on management support (the immediate supervisor playing a key role), perceived lack of opportunities for development (promotion and/or diversification), the culture of the organisation, internal bureaucracy and paperwork, as well as quality-of-life issues and family responsibilities.
- 3.76 The NPCC reported that there were more ethnic minority officers than ever before, but that nationally policing was only halfway to having representation across ethnic minority groups. Although progress was being made, preliminary modelling suggested that at current rates of promotion, waiting for representation improvements seen at the constable level to 'flow through' to chief inspector level and above meant forces were unlikely to cross the threshold of population representation before 2050.
- 3.77 The **MPS** said that while recruitment and retention had been good last year, and mainstream recruitment activity this year had attracted the number of suitable applicants required, the position was rapidly becoming more challenging. The changing position regarding the COVID-19 pandemic on the wider economy and a more buoyant

employment market were starting to have an impact on the comparative attractiveness of police officer roles. Although measures were in place, or being considered, to bolster the recruiting pipeline, there was a real risk that the MPS may not be able to achieve its recruitment targets.

- 3.78 The MPS reported that attrition had fluctuated over the last year and had been starting to climb back towards pre-pandemic levels before the effect of the Omicron variant. Retaining skilled and experienced officers was essential as only experienced officers could fill the more demanding and complex roles within specialist commands, and provide the coaching and guidance that new recruits required.
- 3.79 The MPS told us that retirements were the biggest contributor to attrition levels, but that resignations in the first five years of service accounted for over two-thirds of all resignations.
- 3.80 The MPS explained that as the economy, and therefore the job market had become more buoyant following COVID-19, it expected spikes in the level of officers retiring. There was a growing concern that officers who sought stability would now be tempted by the improving job market to leave. The MPS said this could be compounded by some of the unintended consequences of pension reform and the remedy to the unlawful discrimination identified through the McCloud/Sargeant legal cases. This was already leading to an increase in retirements before those on legacy pension schemes migrated to the 2015 scheme in April 2022.
- 3.81 The MPS said that it was making progress against its diversity aspirations and was bringing in higher numbers of officers from underrepresented groups than it was losing. However, its ability to deliver on these aspirations was affected by the fact that ethnic minority officers were almost twice as likely to resign during their first twelve months' service than non-ethnic minority officers.
- 3.82 The **CPOSA** reported that there were a large number of officers retiring or due to retire, as officers who joined during a period of significant recruitment from 1990 to 1994 reached 30 years' service. The CPOSA said that recruitment to replace retiring officers was ongoing but that a significant skills gap in leadership and investigation could be expected.
- 3.83 The CPOSA highlighted that the police service had a shortage of 5,000 detectives and a shortage of specialist investigatory and digital skills. It said that such skilled role vacancies would not be filled by the Uplift Programme which was predominantly focused on entry level constables.
- 3.84 The **College of Policing** told us that:
  - Recruitment to meet the Uplift Programme was a substantial undertaking, which had stretched demand significantly.
  - There was evidence that forces were now finding it hard to meet recruitment targets as the number of recruits was drying up.

- Surveys of a total of 4,000 officers in 2021 had shown notably higher positive responses about course satisfaction and readiness to serve from officers recruited through PEQF entry routes, than from those on the old Initial Policing Learning and Development Programme (IPLDP) entry route.
- The early attrition rate on the PEQF entry routes was 5% whereas it had been 10% on the IPLDP.
- Research showed that the new routes into policing were not deterring applicants.

## Our comment on police workforce, diversity, recruitment and retention

- 3.85 We note that overall recruitment during the second year of the Uplift Programme was on track, although four forces did not meet their allocation up to FYE 2022. Inevitably, that programme will create challenges for the police service as the proportion of the officer workforce with less than five years' experience grows over the next few years, but we agree with parties that this provides an opportunity for forces to both reshape their operating models and accelerate workforce representation.
- 3.86 The parties have highlighted the recruitment challenge is steeper in the third year of the Uplift Programme. The evidence we have received about the prospects for the final year of the Uplift Programme has been mixed. We have heard that some forces are already close to meeting their final targets, but we are concerned by the evidence from the MPS and the NPCC showing that recruitment pipelines to meet the targets are under pressure as the labour market has become more buoyant.
- 3.87 We continue to recognise that the retention of officers is as much a feature of the Uplift Programme as recruitment. Our analysis showed the number of officers leaving the service in FYE 2021 fell sharply compared with the previous year and was at its lowest level since FYE 2014. We recognise that this is likely to be a temporary effect driven by a variety of factors relating to the pandemic and the MPS has reported that attrition was starting to climb back towards pre-pandemic levels. We observe that overall voluntary resignation rates from the police service are low. However, we note with concern that one-third of those resignations occur in the first twelve months of service and half within the first two years. We also recognise the concerns of forces regarding the retention of experienced officers and the implications of changes to pension arrangements.
- 3.88 We note again this year that most indicators of diversity have shown some improvement across the officer workforce in recent years, and that new recruits tend to be more diverse than the existing workforce. However, the number of female officers and ethnic minority officers continues to remain below levels representative of the communities served by police forces. We, therefore, welcome work being done to encourage more applications from underrepresented groups. We are struck by the evidence we have seen that ethnic minority officers and females have

consistently higher rates of voluntary resignations than their white and male counterparts particularly in the first five years of service. We agree that diversity is an important part of operational effectiveness, and we would like an update next year on work by the College of Policing and others to understand and tackle the disparity.

- 3.89 We reiterate that effective support for new officers is crucial both in terms of managing increasing levels of inexperience within the service and to maximise retention. We have noted that sergeant numbers increased over the year to March 2021, but observe that this was by a lower proportion than the increase in constables, so the ratio of constables to sergeants has increased. We ask that parties update us next year on the work to review tutor constable capacity and build capabilities. We ask that next year the parties provide us with data on the number of tutor constables and evidence on whether there are any recruitment or retention difficulties for sergeants and tutor constable roles.
- 3.90 In previous reports we have expressed concern that an unintended consequence of the increase in officer numbers under the Uplift Programme, combined with budgetary pressures, would be a reversal of recent trends which have seen many police roles civilianised. We note the evidence that the majority of forces were anticipating civilian staff numbers either staying the same or increasing in 2021/22, but that some forces were reporting anticipated decreases in civilian staff investigator roles and police community support officers.

## Police motivation and morale

- 3.91 The **Home Office** said that the Government continued to fund the National Police Wellbeing Service and had introduced a Police Covenant as part of the Police, Crime, Sentencing and Courts Bill 2021. This was intended to recognise the bravery and commitment of serving and former police officers, and would ensure they received the support and protection they needed. The initial priorities for the Covenant would be health and wellbeing, physical protection and support for families.
- 3.92 The **NPCC** told us that 1.5% of police officers were on long-term sick leave as at 31 March 2021, the lowest proportion since 2014. The NPCC explained that wellbeing was a key driver for retention and a growing lever for the new generation of staff and officers joining policing. The 2020 NPCC National Police Wellbeing Survey had shown levels of job and life satisfaction remained moderately high for police officers and police staff, with moderately low levels for those indicating they wanted to leave policing.
- 3.93 The NPCC reported that early findings from around 3,500 respondents to the Survey had shown that around a third of officers felt that tension and stress from work adversely affected the rest of their life. A quarter of officers ignored needs in their personal life due to work strain.

- 3.94 The **APCC** said while other recent example of pay freezes and restraint had been unwelcome to police officers, they had been largely applied across the board in the public sector. However, the most recent public sector pay pause had been inconsistently applied, with the NHS, firefighters and local government all receiving pay awards and offers despite the pay policy applied elsewhere in the public sector. As a result, the PFEW had reported that the pay freeze was contributing to falling morale among officers.
- 3.95 The **MPS** reported that 16,864 police officers (totalling 51% of officers) had responded to its annual attitude survey in October 2021, a decrease from the 18,757 officers who had completed the previous annual survey. The results of the survey included:
  - There had been a decrease of 12 percentage points in the proportion of officers who were proud to work for the MPS. This reflected the effect on officers of recent events which had called into question the MPS' culture and professionalism, and the overall impact on morale.
  - The number of respondents who disagreed or strongly disagreed that their pay was reasonable had increased from 2020 by 10 percentage points from 47% to 57%.
  - The proportion of officers who were satisfied with the benefits package was 5 percentage points down, compared with 2020. However, the number of officers disagreeing (including strongly) had risen by 6 percentage points to 53%.
- 3.96 The **CPOSA** reflected that policing was a stressful career in which officers regularly saw and dealt with traumatic incidents, which could have a negative effect on their mental health. It highlighted the number of officers the service lost through suicide, which was higher than the number of officers who died while on duty.
- 3.97 Results from the **PSA** 2021 Pay Survey showed:
  - 29% of respondents said that their morale was currently low; this was a higher proportion of respondents reporting low morale than in any previous year that the survey had taken place.
  - Almost half of respondents said that their morale was lower now than it had been last year.
  - The proportion of respondents who said that morale was low in their department/command was also higher than in any other year of the survey.
  - Respondents were asked to indicate what factors had a negative or positive impact upon their morale. From the list of options provided, respondents were most likely to say that how the police were treated by the Government, uncertainty regarding their pension, and taxation policies, had a negative impact upon their morale.

- A majority of respondents (57%) said that their personal motivation was currently high; however, the proportion of respondents who said that their personal motivation was high was the lowest seen in any year of the survey to date.
- More than one-third of respondents said that their personal motivation was lower than it had been twelve months previously.
- The proportion of respondents who said that uncertainty regarding their pension had negatively affected their morale had increased each year since this question was introduced into the Pay Survey in 2019, and in 2021 nine out of ten respondents said that pension uncertainty had negatively affected their morale. There had also been a notable jump in the proportion of respondents who said that their pay had negatively affected their morale up from 29% of respondents in 2020 to 43% in 2021.
- The proportion of respondents who said they would recommend joining the police service to other people was 39%, down from 54% the previous year. The proportion who said that they felt valued in the police was 41%, down 13 percentage points since 2020.

## PFEW Pay and Morale survey

- 3.98 The PFEW's 2021 Pay and Morale Survey showed that the proportion of respondents reporting low morale had increased compared with the previous year:
  - 58% had reported low personal morale up from 48% in 2020 and 57% in 2019;
  - 84% had reported low force morale up from 75% in 2020 but below the 2019 level of 87%; and
  - 88% had reported low morale in the police service as a whole up from 85% in 2020 but below the 2019 level of 93%.
- 3.99 When asked what was having a negative impact upon their morale, the most common responses were: how the police were treated by the Government (selected by 95% of respondents); how the police were treated by the public (84%); pay (84%); and their pension (73%). 93% of respondents said they did not feel that police officers were respected by the government and 78% did not feel that police officers were respected by the public.
- 3.100 The proportion of respondents who indicated that they intended to resign from the police (either within the next two years or as soon as possible) increased slightly from 10% in 2020 to 12% in 2021. Among those respondents who intended to leave, the top factors having a major effect on that intention were:
  - personal morale (82%);
  - how the police were treated by the government (77%);

- the impact of the job on psychological health and wellbeing (73%); and
- pay (69%).

## Our comment on police motivation and morale

- 3.101 We note with concern the results from staff association surveys showing low levels of morale in comparison with previous years. Common issues raised by respondents to these surveys regarding matters that had negative impacts on morale included how the police are treated by the Government, their pension, pay, taxation policies and a lack of public respect. We also heard on our visits to forces that the intense media interest in the police this year, and declining levels of public trust and confidence in the police, which we discuss in the sections above, had adversely affected morale.
- 3.102 We acknowledge that COVID-19 had a negative effect on morale and motivation. We recognise that police officers were out in communities enforcing the relevant regulations in the interest of public safely during lockdown. We heard on our force visits in late 2021 that officers felt that the most recent public sector pay pause had been inconsistently applied, with the NHS, firefighters and local government all receiving pay awards and offers despite the pay policy applied elsewhere in the public sector.
- 3.103 We continue to depend on the staff associations and the MPS for the results from their surveys regarding motivation and morale. The NPCC has shared with us the results of its National Police Wellbeing Survey 2020 but we continue to urge it, as we have done over a number of years, to consider what other data it can commission or otherwise make available to us to aid our future deliberations. The absence of national 'employer' evidence on the matter continues to hamper our assessment of motivation and morale.
- 3.104 We again note the data provided on long-term sickness levels among officers. We accept that sickness levels are influenced by a range of factors and among them morale and motivation. Last year, we asked for any data on the number and proportion of working days lost to sickness for next year's round. We request that parties consider what data it might make available next year.

## Pensions

3.105 The **Home Office** explained that it published a consultation in November 2021 on pension scheme regulation changes needed to enact the prospective remedy to the unlawful discrimination identified through the McCloud/Sargeant legal cases. The prospective remedy included moving all members to the reformed 2015 pension scheme from 1 April 2022, and closing the legacy schemes to future accrual from 31 March 2022. The Home Office said this would mean all members receiving equal treatment on pensionable service from 31 March 2022. It added that there would be a further consultation to address the elements of
the remedy that would be retrospective in effect (that is relating to the remedy period, 1 April 2015 to 31 March 2022). The Government intended to implement the provisions for the deferred choice underpin by 1 October 2023.

- 3.106 The **NPCC** said that changes to pension schemes had been highly controversial and adversarial, and had resulted in staff associations initiating action on behalf of their members in relation to a number of discriminatory aspects of the changes. Around 100,000 individuals (including pensioners and deferred members) were in scope for the pensions remedy, which had created a climate of mistrust and suspicion around pension reform and had negatively affected morale.
- 3.107 The NPCC told us that its pensions team was working on improving communication, both with forces and with individual members. A pensions calculator had been developed to assist members in understanding how their pension would be affected by the changes. In addition, the Home Office and the NPCC had produced a range of communication tools to assist forces in providing information for members about the changes and how they affected benefits.
- 3.108 The **PSA** Pay Survey 2021 results highlighted its members' concerns over the Annual Allowance tax charges. These included:
  - This year, 52% of survey respondents said that they incurred an Annual Allowance tax charge in the previous financial year. This figure had increased year-on-year.
  - The average amount by which respondents breached the Annual Allowance threshold had also increased compared with previous years. The average amount by which respondents breached the Annual Allowance threshold was £24,355, but a quarter of respondents had breached the threshold by £40,000 or more.
  - Respondents' normal pay increment was the most common reason given for breaching the Annual Allowance threshold (48%); 26% cited promotion to superintendent, 14% promotion from superintendent to chief superintendent, and 12% inflationary pay increases.

#### Our comment on pensions

- 3.109 We remain concerned by the number of officers opting out of the police pension schemes, although data from the Police Earnings Census shows that in FYE 2021 the opt-out rate, among officers for whom pension information was provided, was 5% which represented a 4-percentage point decrease on the previous year and was 1 percentage point lower than in 2019. Most officers who had opted out were constables and around 40% had less than five years' service.
- 3.110 We assess that for officers in the early years of service the decision to opt out is likely to be driven by affordability concerns, but we remain concerned that by opting out, officers are forfeiting their right to deferred pay (an important part of the remuneration package), significant

employer pension contributions (31%), and death-in-service benefits. We are aware that within the wider economy a higher proportion of the population does not have a pension. Once again, we ask that parties keep us updated in future evidence submissions on the levels and drivers of pension opt outs, and any work being done to reduce the level of opt outs.

- 3.111 We also repeat our observation from previous years that the police career average (CARE) pension scheme compares favourably with many other public sector schemes.
- 3.112 We welcome the work that continues to be undertaken by the NPCC to improve communication with forces to help officers understand what the McCloud remedy means for them. We note that the remedy included moving all members to the reformed 2015 pension scheme from 1 April 2022 and closing the legacy schemes to future accrual from 31 March 2022. We ask parties to keep us updated on the impact of implementation including on retention of experienced police officers.

# Legal obligations on the police service in England and Wales and relevant changes to employment law

- 3.113 The **NPCC** reported that in 2021/22 its NRT had continued to make progress on a number of work strands relating to pay and conditions of service. These included:
  - providing guidance to assist forces who provided officers on mutual aid to the G7 summit and UN Climate Change Conference events;
  - providing service-wide advice on pay and related conditions to support forces during their response to the COVID-19 pandemic;
  - identifying and sharing good practice among forces to aid retention initiatives;
  - reviewing the 2020 Memorandum of Understanding on Working Time Regulations;
  - reviewing wider parental leave policies with an aim to improve them so that policing was seen as a more family-friendly employer;
  - reviewing existing practice on injury awards and ill-health retirements policy;
  - providing policy advice on location-based allowances and temporary promotion; and
  - providing national oversight of MPS' flexible working review that aimed to improve flexible working policies.
- 3.114 The NPCC also said that the Pay and Conditions of Service Board had agreed to revisit three items at a future date based on the strength of evidence. These were: payment of honoraria to federated ranks; buy back of annual leave; and voluntary exit scheme.

3.115 The NPCC informed us that ONS data showed that the national gender pay gap for constables and sergeants was 3.3%. The gap for senior officers was slightly lower at 1.3%.

Our comment on legal obligations on the police service in England and Wales and relevant changes to employment law

3.116 We are grateful to the parties for providing updates on work that has been progressed on pay and conditions of service. We remain in favour of changes that encourage retention and diversity.

## CHAPTER 4 – CHIEF POLICE OFFICERS

## Introduction

4.1 We have again been invited by the Home Secretary to consider the pay of chief police officers as part of our pay round. This is the fifth year that we have looked at the pay of the senior leaders in policing. We have also considered the progress update on the proposals from the 2021 review of chief officer remuneration, as well as evidence relating to our standing terms of reference as it pertains to chief officers.

## **Operating environment**

- 4.2 The **Home Office** said that a focus on ensuring strong leadership was one of the key factors in the retention of new and experienced officers which was integral to the Uplift Programme. That was why, the Home Office explained, it had provided the College of Policing with over £1 million to develop a National Leadership Centre to set clear standards for all forces.
- 4.3 The **CPOSA** reported that it had been another unprecedented period in relation to the challenging and often controversial role that the police had been required to undertake in response to the circumstances surrounding race and inclusion, violence against women and girls, and the COVID-19 pandemic. These factors and the introduction of homeworking into the policing landscape due to COVID-19 regulations had caused immense pressures for those in police leadership. This was in addition to the pressure on budgets to fund ever increasing demands caused by cyberand fraud-related crimes and increased mental ill health. All of those pressures had an impact upon the leadership of the organisation.
- 4.4 The CPOSA said that as a result of the reports of controversies and scandals involving the police, chief officers across the country were being scrutinised individually regarding their leadership, and they continued to deal with the challenges of rebuilding legitimacy and trust among the communities they served. At the same time, police leaders had to carefully navigate a new system of 'national crime and policing measures' and local changes in governance and priorities, following the May 2021 elections for Mayors and PCCs.

#### HMICFRS State of Policing Report

4.5 The annual report by HMICFRS on the State of Policing in 2021 stated that the operational independence of chief constables was crucial. The report observed that too many chief constables appeared to have a lack of confidence in the position and the resilience of the boundary between democratic accountability established in legislation, and the extent of their operational independence. HMICFRS reported that, before the 2021 elections of PCCs, in some parts of the country there was an atmosphere of mistrust and fear, especially among chief constables whose fixed-term contracts did not take them to full pension entitlement. The report observed that some PCCs appeared to believe that their police

and crime plans were orders for the chief constable, and were thought to apply improper pressure to see that they were carried out. Uncertain of their true constitutional positions, some chief constables yielded to that pressure. The report advised that the Home Office should use its powers and influence to provide much greater guidance to PCCs and chief constables about the constitutional positions of each.

4.6 The HMICFRS report also summarised its investigation into police engagement with women and girls, set up after the murder of Sarah Everard. It concluded that violence against women and girls needed to be made a greater priority and the police needed to have the capacity and capability to tackle it effectively. It highlighted little consistency or clear co-ordination in the police response and major gaps in local and national information on offences of violence against women and girls. These factors did not allow for proper oversight or accountability. The need to tackle these issues is another challenge facing chief officers.

#### Our comment on the chief officer operating environment

- 4.7 The evidence we have received has highlighted the intense public scrutiny chief officers have faced this year. We note that the Director General of the IOPC has commented on a watershed moment for the police after the murder of Sarah Everard and that in two years the IOPC has seen 394 referrals where abuse of power for sexual gain by police officers was a factor<sup>30</sup>. We observe that media attention has focused on high profile cases such Bibaa Henry and Nicole Smallman but the IOPC has pursued cases across the country including in West Mercia, Thames Valley and Gwent. Chief constables, in particular, can have a high media profile as the public face of their force, as indeed do many Chief Executives in all sectors, but all chief officers carry significant levels of risk and accountability. We also note, with concern, evidence of the decline in levels of public trust and the challenges chief officers across the country face in rebuilding the trust among their communities.
- 4.8 We have noted in previous reports that chief constables have a specific role in providing long-term direction for their force as well as national and regional roles in addition to their force responsibilities. During 2020 and 2021, COVID-19 meant chief police officers had to determine an appropriate policing response to an emergency situation in which restrictions were placed on individual freedom. Those restrictions have now eased but the need to deliver pay reform, the Uplift Programme and the growing complexity of policing as a result of social change and technology has placed pressure on chief police officers to deliver significant change in a challenging environment. We note the Home Office's decision to provide the College of Policing with funding to develop a National Leadership Centre to set clear standards for all forces. We consider that the new leadership Programme should help

<sup>&</sup>lt;sup>30</sup> The Times Editorial (October 2021), It's now or never for policing to change. Reproduced on IOPC website at <u>https://www.policeconduct.gov.uk/news/times-editorial-it%E2%80%99s-now-or-never-policing-change</u>. [Accessed on 26 May 2022]

strengthen leadership at all levels of the police service and assist chief officers with the challenges they face in leading their forces. We would welcome an update on that next year.

4.9 We note with concern the observation in the HMICFRS report that the boundary of operational independence between some PCCs and chief constables was sometimes put under pressure. In our view, this will add to the pressures chief constables are facing. We welcome HMICFRS' suggestion that the Home Office should provide more guidance to PCCs and chief constables about the constitutional positions of each.

#### Workforce, recruitment, retention and motivation

- 4.10 We have set out our analysis of chief officer workforce data in Appendix D.
- 4.11 The **Home Office** reported that the College of Policing would undertake an independent review of progression to chief officer ranks. The Home Office told us that the review would pay particular attention to increasing the pipeline and diversity of those qualified to be appointed as chief officers by ensuring appropriate assessment and development models to support progression to chief officer. The Home Office said the review would also explore the role of the College and forces in preparing candidates for the assessment process. The College would complete the review by summer 2022 and the transformational recommendations would be implemented by 2023.
- 4.12 The **CPOSA** highlighted evidence from the College of Policing's Senior Leaders' hub data (unpublished) which showed that in December 2021, there were 68 chief officer vacancies being undertaken by temporary appointments due either to the lack of qualified individuals or the lack of applicants for posts. The CPOSA said that this was 20% of the leadership of policing across the country. The average number of applicants was estimated to be three per role, but there were many examples of only one applicant per role in the past year. The CPOSA reminded us that the results of the College of Policing's Chief Officer Appointments survey, published in February 2018, identified a number of factors contributing to low numbers of applications for some chief officer roles.
- 4.13 The CPOSA cited results from their members' staff survey in August 2021. 198 responses were received, which was a 60.4% response rate. Key points included:
  - 52% of respondents stated that their work had changed dramatically or to a great extent as a result of COVID-19.
  - 85% had not taken all of their leave in the past twelve months and 73% had not taken their allocated rest days in the past twelve months. The excessive breadth and depth of responsibility carried by chief officers was reported as the main reason for working excessive hours and being unable to take the necessary leave and rest days to support their wellbeing.

- Pension scheme changes and tax implications were cited as a significant cause of stress and featured in the top reasons for career and retirement choices at chief officer level.
- 4.14 The CPOSA also provided results from the wider NPCC chief officer pay and morale survey from November 2021. There were responses from 34 of the 43 forces and a 20% response rate. Highlighted results included:
  - 80% of respondents at assistant chief constable or commander rank were intending to apply for, or were interested in, becoming a deputy chief constable.
  - 65% of respondents said they would consider applying for promotion or to a force that attracted a higher salary.
  - With regards to relocation, 60% of respondents stated that they would not consider moving forces at all.
- 4.15 The CPOSA reminded us that from 1990 to 1994 there had been significant police recruitment so, having reached 30 years' service, those officers were now leaving the service. With many of the most skilled and experienced officers leaving the service the resultant skills gap was affecting chief officer ranks where, according to the most recent NPCC chief officer pay and morale survey from January 2022, most chief officers had served less than a year in their current rank.

#### Our comment on chief officer workforce, recruitment, retention and motivation

- We acknowledge that the chief officer workforce has only 236 officers<sup>31</sup> 4.16 and therefore even a small change in personnel can have a relatively large effect on the percentage of officers in any subgroup such as race or gender. We noted last year that the number of ethnic minority chief officers had decreased and we therefore welcome the increase between March 2020 and March 2021. We also welcome the continued increase in the number of female chief officers over the same period. Our analysis shows that while the gap between the proportion of female chief officers with the overall proportion of female officers has almost closed, the proportion of ethnic minority chief officers remains substantially lower than the overall proportion of ethnic minority officers. We note the College of Policing's plan to undertake an independent review of the progression to chief officer rank and its focus on increasing diversity of those gualified to be appointed as chief officers. We would welcome an update on progress as part of next year's round.
- 4.17 We recognise the concerns expressed by parties about the number of experienced officers leaving the service and the small number of applicants for some chief officer roles. The evidence we have received over a number of years identifies a range of barriers to recruitment at chief officer rank including disruption to family life and, for certain chief officer roles, job insecurity.

<sup>&</sup>lt;sup>31</sup> As at 31 March 2021

4.18 We also note the recent HMICFRS State of Policing report which described the complex and not always positive relationship that exists between chief constables and PCCs and the implications for the police service. We have received no evidence from parties about the likely impact of such problems on the recruitment of chief officers but we would welcome evidence on this issue in future rounds.

## Earnings and chief officer pay and conditions

- 4.19 We have set out our analysis of chief officer earnings data in Appendix D.
- 4.20 The **CPOSA** provided data from the NPCC chief officer survey, undertaken in November 2021. This showed that 20% of the chief officers surveyed reported being dissatisfied with their base pay and 20% of assistant chief constables and commanders reported dissatisfaction with the value of incremental progression, an increase from 12% the previous year. With regard to pensions, 42% of chief office rs were dissatisfied with their pension benefits, an increase of 10% from 2020. Concerns were raised by respondents to the NPCC survey that changes to pensions acted as a disincentive to those seeking promotion and that the value of pensions would continue to reduce over time. This meant that some chief officers might, for financial reasons alone, decide to retire when they approached their lifetime allowance even though they would otherwise have preferred to remain in the service.
- 4.21 The CPOSA said that the pension was a significant part of the overall remuneration package and the benefit had been eroded. In April 2022, every officer would transfer onto the 2015 CARE pension scheme. This would bring a significant reduction in benefits in comparison with the 1987 pension scheme to which most chief officers belonged. In addition, the tax implications of the Annual Allowance and Lifetime Allowance meant that chief officers were disproportionately affected. In oral evidence, the CPOSA said that chief officers were more concerned about pensions than base pay.

#### Our comment on earnings and chief officer pay and conditions

4.22 Chief officer pay and conditions have recently been considered by the review of chief officer remuneration. We consider work to take forward the proposals that came out of that review in the next section. Although outside our remit, we note the impact that changes in pension arrangements are likely to have on morale. We request that parties track the impact of the pension changes that came into force in April 2022 on retention and recruitment in the chief officer ranks.

## **Review of chief officer remuneration**

4.23 The **Home Office** said it welcomed the continued work by the NPCC and APCC to review chief officer remuneration. It noted that a working group had been established to develop a standardised contract for chief officers which it hoped would increase transparency and ensure a consistent approach was taken across the country. The Home Office emphasised that

any proposals to implement new pay bands for chief officers should be presented as a coherent package for all ranks, fully costed and supported by a robust evidence base.

- 4.24 The Home Office reported that there continued to be a disagreement between parties on whether deputy chief constables' contractual arrangements should be amended from fixed-term appointments (FTAs) to the same status as all other ranks (excluding chief constables). It said that parties needed to reach consensus and ensure that the impact of maintaining or changing the current position was supported by robust evidence.
- 4.25 The **NPCC** stated that no recommendations were being proposed in 2022 on the outcome of the review of chief officer remuneration. Work was continuing and proposals would be presented to us in 2023.
- 4.26 The NPCC reminded us that the review of chief officer remuneration was overseen by a steering group comprising the APCC, NPCC and CPOSA, with some involvement from the PSA. The NPCC explained that the main driver for the review was a shared belief that the current arrangements neither encouraged nor facilitated the flow of talent into chief officer ranks. This had been the conclusion reached by a series of roundtable discussions facilitated by the College of Policing and borne out by the results of recent CPOSA and PSA surveys.
- 4.27 The NPCC said that in its 2021 evidence to us it had set out the 12 recommendations upon which the steering group had reached consensus. The steering group report had also explained that following the announcement of the public sector pay pause, members had agreed that it would be inappropriate for chief police officers to benefit from changes in base pay rates at this time. The steering group therefore agreed that reform of the base pay structure should not be implemented until the public sector pay pause ended.
- 4.28 The NPCC told us that over the past year, the proposals relating to the number of pay groups and the pay rates for chief constables and deputy chief constables had been progressed by an NRT working group. The NPCC set out in detail the methodology behind the recommendations to move to three pay groups for chief constables and deputy chief constables and the review and development of base rate options.
- 4.29 The NPCC recalled that in 2020, Korn Ferry had advised reducing the chief constable and deputy chief constable pay groups from 12 to 4. The NPCC described in detail how the NRT reviewed the Korn Ferry conclusions by considering several datasets that provided an appropriate indication of job size. For each dataset, the positions of the 41 forces were compared and observed. The NPCC told us that this work had shown that forces could be divided into 3 clusters and as a result the steering group had provisionally agreed that chief constable and deputy chief constable pay groups should be reduced from 12 to 3. The NPCC said that the steering group would review that decision once the proposals on pay rates had been developed.

- 4.30 The NPCC reported that two options had been developed for deputy chief constable and chief constable pay rates. These were either to migrate each pay group to the top nationally-set pay rate in that group, or migrate each pay group to the average pay rate in that group. The NPCC told us that over the past year, the pay rates for both options had been defined for three pay groups and, as a comparator, for four pay groups.
- 4.31 The NPCC explained that a set of base pay rate principles had been established to identify the preferred option. These were:
  - Minimal overlap between the deputy chief constable and chief constable ranks in order to encourage chief officer advancement from deputy chief constable to chief constable rank.
  - Sufficient pay differentials between pay rates to incentivise movement from the smaller chief constable roles to the larger ones.
  - All deputy chief constables to be paid 82.5% of the chief constable rate.
  - A sufficient pay gap between the deputy chief constable and the top of the assistant chief constable scale to encourage progression.
  - No reduction in current salary rates to avoid having an adverse impact on morale.
  - Any changes to be funded from within force budgets.
- 4.32 The NPCC said that both options were being assessed against these principles, based on both three and four pay groups. The steering group would choose its preferred option later this year to present to us. The NPCC added that the steering group would also consider implementation in the context of existing financial pressures. The NPCC suggested that the changes could be funded by using the annual uplift to apply different percentage increases to different chief officers depending on their position in relation to the new rates. The pay rate would be raised to align with the new force banding only for chief officers below the new rate for their force, while the percentage increase would be limited for those already at the recommended pay rate. The NPCC observed that this could take place over more than one year and that the steering group would adapt its implementation plans to take account of whether we recommended a single-year or multi-year pay settlement. The steering group would also consider whether the change should be introduced at the same time as pay rates were normally uplifted in September or at a different point to reduce and spread overall costs.
- 4.33 The **APCC** told us that it had continued work with the NPCC and CPOSA on the proposals for the reduction of the number of pay points for deputy chief constables and chief constables and that it hoped to bring forward proposals in 2023. The APCC said that a review of the pay structures for chief officers, which had been in place since 2003, was overdue. In oral evidence, the APCC explained that it was satisfied with the independence of the review process as the chair of the steering group had been

independent, the APCC (as the employer and accountable to the public) had been involved, and the review had relied on data from Korn Ferry. However, it offered to explore involving the PFEW in the process.

- 4.34 The APCC said in oral evidence that the development of an alternative relocation package for chief officers had been considered during the review of chief officer remuneration but no agreement had been reached. The APCC suggested it would work with the CPOSA to develop a new proposition to take back to PCCs.
- 4.35 The **CPOSA** also confirmed that no recommendations were being put forward in 2022 on the outcome of the review of chief officer remuneration. Work was continuing and proposals would be brought forward to us in 2023. The CPOSA described the work undertaken over the past year in identical terms to the NPCC. In oral evidence, the CPOSA said the independence of the steering group overseeing the work was ensured by the independent chair.
- 4.36 The CPOSA said that two outstanding issues from the review of chief officer remuneration had yet to be agreed. These were the contractual position for deputy chief constables and more flexible relocation packages for those moving forces beyond a commutable distance from their current home. The CPOSA told us that both issues were still being consulted on with relevant stakeholders and through the PCF.
- 4.37 The CPOSA said that the extension to service created by the new 2015 pension scheme meant that assistant chief constables were more reluctant to apply for a post on a FTA if they had a significant period of service remaining before reaching pensionable age. The CPOSA said that this was evident from the results of the 2021 NPCC survey of chief officers. In the survey, 15% of respondents at assistant chief constable, deputy chief constable, commander and deputy assistant commissioner ranks had stated that they were less likely to apply for a chief constable role due to the risks posed by a fixed-term contract. In addition, 50% of respondents had said that they would be more likely to apply for a deputy chief constable role if it were a permanent appointment rather than an FTA.
- 4.38 The CPOSA explained that, as an officer had to complete the Strategic Command Course to become an assistant chief constable or deputy chief constable, there was a limited pool of people eligible to apply for deputy chief constable posts. This was further limited if most were not willing to apply due to the FTA status of a deputy chief constable contract. In future, individuals eligible to apply for deputy chief constable positions would increasingly be on the 2015 pension scheme, so the CPOSA urged that this barrier be addressed now, rather than wait for the issue to escalate.
- 4.39 The CPOSA said it understood that the APCC was concerned that fewer officers would apply for chief constable posts if it was the only rank on an FTA. The CPOSA reiterated that this was not supported by the results of the 2020 CPOSA chief officer pay and morale survey, although only assistant chief constables and commanders had been involved in that part of the survey. The CPOSA explained that when eligible chief officers were

asked if they would be more likely to apply for a chief's role if deputy chief constables were also FTA (i.e. the same risk), 77% (or 23 individuals) replied that they would not. The CPOSA said that this indicated that retaining deputy chief constables on FTAs provided little advantage in attracting individuals to apply for a chief constable position. The CPOSA stated that it would continue to work with stakeholders to progress agreement on the contractual position of deputy chief constables.

- 4.40 The CPOSA sought our observations on proposals to expand the flexibility of relocation packages to remove blockages to the movement of chief officers across the service. The CPOSA explained that the current regulations afforded 26 weeks' rent while the sale/purchase of a property was facilitated but this was not afforded to those who had no intention of moving house. The CPOSA advised that an exemption could be applied through individual application to the Home Secretary which had been granted to two individuals already. The CPOSA considered that this indicated that the Home Office supported this type of flexibility in the regulations.
- 4.41 The CPOSA said that some forces and PCCs already operated outside of the regulations. It said that the MPS and Police Scotland had terms and conditions which included the cost of accommodation as an alternative to moving. The CPOSA proposed that the regulations should be amended so that chief officers upon appointment to a force where they could not be reasonably expected to commute would be afforded alternative expenses. These would include the cost of rent and associated expenses as per the current 26-week arrangement without the caveat of having to be in the process of moving house.
- 4.42 The CPOSA informed us that chief officer surveys, focus groups, and feedback from those eligible to apply for posts across the country had revealed that one of the blockages was the lack of provision for families to remain in their current home location and for the officer to rent a property in their new work location instead of claiming the moving allowances. Furthermore, the CPOSA explained that the HMICFRS Leadership Review, published in 2019, had proposed that chief officers should serve in at least two forces and should not be able to seek promotion to chief constable in a force if they had not served as a chief officer in at least one other force. The CPOSA said this would compound the current situation regarding a lack of viable applicants for posts.
- 4.43 The CPOSA told us that its proposal would remove one of the major blockages to such movement. It provided supporting evidence from the 2020 NPCC chief officer survey, in which 72% of respondents had stated that they would be prepared to move to posts that were not commutable if there was a package available that provided accommodation. That proportion had fallen to 55% in 2021 but in oral evidence, the CPOSA explained that was probably because of the large number of current vacancies.

4.44 The CPOSA explained that the current relocation allowance included a significant reimbursement package that on some occasions had amounted to up to £40,000 per individual. The CPOSA stated that the inclusion of an alternative option within the standardised contract would enable the employer to manage costs more effectively than under current regulations. The CPOSA considered that its proposal was likely, therefore, to be cost neutral to the service. The CPOSA added that the measure, along with other aspects of the standardised contract agreed during the review of chief officer remuneration, would provide flexibility for policing to attract a wider pool of candidates for posts. It would also be in line with the contractual arrangements of many other executive posts in the labour market.

#### Our comment on the review of chief officer pay and conditions

- 4.45 We recall that in 2021, we received evidence on the recommendations from the review of chief officer remuneration. That evidence outlined 12 recommendations on which the steering group had reached consensus. We were also told that following the announcements of the public sector pay pause, steering group members had agreed that the reform of base pay structure should not be implemented until the public sector pay pause had come to an end.
- 4.46 We note that we have not been asked to make recommendations on proposals to reform the base pay structure of chief officers this year and we understand that parties will bring forward proposals in 2023.
- 4.47 We have considered the detailed explanation we have received in this year's evidence of the recommendation to move to fewer pay groups and the provisional agreement of the steering group to support a move from 12 groups to 3 groups. In examining the methodology underpinning the proposed three pay groups, we were struck by the positioning of some seemingly quite dissimilar forces in the same groups. Given, as the evidence to us acknowledges, Korn Ferry had originally proposed that four new pay groups should be established, we welcome work underway to validate that provisional decision.
- 4.48 We note the options that have been developed for deputy chief constable and chief constable pay rates and that the principles against which those options will be assessed have been articulated. We welcome the steering group's intention to consider how implementation could be designed to assist affordability. The evidence we have seen suggests that the increases to some chief officers' pay could be substantial. Therefore, we reiterate that increasing chief officer pay could have a negative effect on morale of lower ranks. Given that increases in the cost of living affect lower paid officers more than the higher ranks, we are unconvinced by the argument that the concern of other ranks will be mitigated by the use of the same benchmarking process for chief officers that was applied to other ranks. Therefore, we again ask that parties be mindful of this when planning the implementation of such changes.

- 4.49 We are concerned about the current governance arrangements for taking forward the proposals on pay. According to external best practice, recommending bodies of this kind should be independent. We acknowledge the independence of the chair of the steering group but we urge parties to consider whether there are other steps they can take to increase the independence of the steering group and the transparency of the process. Our strong view is that the majority of members should be entirely independent of policing. Once the pay proposals have been drafted by this independent group, they should be submitted to us as part of the pay review process.
- 4.50 We remain concerned by the continued lack of consensus around both the removal of FTAs for deputy chief constables and the extension of relocation allowances. We were particularly struck by the evidence we heard about barriers to relocation. We agree that the police service and the regulations under which it operates should recognise that in a modern society the careers, responsibilities and needs of all parties in a relationship or family unit need to be considered.
- 4.51 There is a strong argument for reviewing the current relocation allowances to reduce the barriers to recruitment and progression in chief officer ranks. There would be advantages in such an exercise including the relocation allowances available to chief superintendents to ensure they support mobility and recruitment to chief officer ranks. Any proposals for changes to relocation allowances should be reviewed by the restructured steering group on chief officer remuneration (paragraph 4.49) before being submitted to us for consideration.

## CHAPTER 5 – PAY PROPOSALS AND RECOMMENDATIONS FOR 2022/23

### Introduction

- 5.1 In this chapter we make recommendations on police officer pay and allowances for the 2022/23 pay year.
- 5.2 In our remit letter, the Home Secretary asked us for a recommendation on how to apply the police officer pay award for 2022/23 for all ranks, including chief officers, in the context of the Government's commitment to an increase of 20,000 police officers over three years.

#### Basic pay award

- 5.3 The **Home Office** said that it was important that the total pay and reward package for the police remained competitive against other apprentice and graduate labour markets to ensure the target to recruit 8,000 additional officers was met. The Home Office stated that the police funding settlement for 2022/23 represented an increase of up to 5.8% compared with 2021/22, and provided funding for a pay uplift of at least 2% in the 2022/23 financial year. The Home Office said that if the NPCC and APCC assessed that funding for an award above 2% was available, they would need to make a strong case on affordability.
- 5.4 The Home Office reported that it had not received robust evidence about recruitment difficulties or increased attrition rates for some specialist roles. Therefore, it advised that the same pay uplift should be applied to all ranks and pay points in 2022/23.
- 5.5 The NPCC explained that its approach to developing pay proposals was determined by affordability, and within the envelope of affordability it assessed a broad range of data to consider appropriate pay proposals. The NPCC identified that there was strong inbuilt pressure to allocate the large majority of funds equably across all ranks. This allowed for clarity and simplicity of communication to the workforce, and was perceived as a fair approach since all ranks had been affected by austerity, the public sector pay pause in 2021, and an unprecedented rise in the cost of living. However, the NPCC also reviewed each rank against a broader range of data to ensure that the pay system covering all ranks was both fair and consistent, and suitable for delivering policing outcomes and priorities.
- 5.6 The NPCC advocated a multi-year pay award for 2022/23 to 2024/25 of 3.5% for 2022/23; 2.5% for 2023/24; and 2% for 2024/25 for all officers. The NPCC said that a multi-year arrangement on pay was essential to enable forces to plan effectively to afford a meaningful, credible award. It acknowledged that its recommendation would present a financial challenge to forces, but considered that there was merit in the deal being front loaded. The NPCC explained that an award of above 2.5% in the

first year would recognise the effect of the unprecedented rising costs of living on officers and the fact that officers' pay was currently 9% lower in real terms than in 2010.

- 5.7 The NPCC recommended that chief officers should receive a cost-of-living uplift of 3.5% for 2022/23 in line with the first year of the proposed three-year deal for other officers. The NPCC explained that the second and third years of the proposed multi-year deal would be at a time when the NPCC would wish to take account of the proposed band changes for chief officers from the review of chief officer remuneration. Therefore, its 2023 submission to the PRRB would include recommendations on chief officer pay and funding implications for 2023/24 and 2024/25 in line with the review of chief officer remuneration.
- 5.8 The APCC proposed that police officers up to and including the rank of chief superintendent should receive a multi-year pay award covering 2022/23 to 2024/25. However, the APCC told us that it was concerned about the affordability of front loading a three year pay award and it was therefore advocating awards of 3% in 2022/23, and 2.5% in both 2023/24 and 2024/25. The APCC explained that it would be easier for forces to plan for the uplift in pay under this proposal than under the NPCC proposal. The APCC observed that their proposal would still deliver an 8% increase over the three-year settlement period while providing an element of front loading in recognition of the increased cost of living in 2022.
- 5.9 The APCC advised us that a frontloaded multi-year pay award benefited both police officers and the police service. It said that although 8% over three years was more than had been initially anticipated, it provided the police service with financial certainty in respect of pay awards and therefore allowed for better financial planning. The APCC admitted that there was not universal support for a front-loaded multi-year deal among PCCs and that some questioned the affordability of the front loading in year one.
- 5.10 The APCC said that chief officers should receive a single year pay award for 2022/23 in view of the potential for more significant chief officer pay reform proposals in 2023/24.
- 5.11 The **MPS** explained to us that it was a priority for it to recognise its officers in these challenging times. It highlighted ongoing operational demands, cost-of-living pressures, and increasing recruitment and retention challenges as the economy recovered after the pandemic. The MPS advised us that anything short of a 5% pay award was unlikely to maintain the current value of a police officer's salary.
- 5.12 The MPS supported the NPCC recommendations for a multi-year deal of 3.5% in 2022/23, 2.5% in 2023/24 and 2% in 2024/25, but expressed reservations in oral evidence about a multi-year settlement without additional Government funding given the economic climate. The MPS explained that 3.5% was the highest amount forces nationally could agree was affordable. It said that 3.5% was beyond its original budget

assumptions of 2% for 2022/23, and there were also gaps in its budget for subsequent years. While the MPS considered that anything above 2% should be funded by Government, it committed to finding a way to afford 3.5% if such funding was not forthcoming. The MPS accepted that difficult choices would have to be made to achieve this. The MPS stressed that any consolidated increase above 3.5% would definitely require additional funding.

- 5.13 The MPS recognised that for many officers, particularly those on the top pay points who did not benefit from an annual pay increment, 3.5% would represent a real-term pay reduction. The MPS told us it would like to see all its officers receive an increase in cash terms during 2022/23 of closer to 5% through a combination of a consolidated pay award, annual pay increments (where applicable) and local TVP. Therefore, the MPS said that once the PRRB had made recommendations, it might augment the award by exploring the scope for an additional, local, non-consolidated payment for its officers, perhaps targeted only on those at the top of their pay scale. In oral evidence, the MPS emphasised that keeping experienced officers was a key driver.
- 5.14 The MPS added that if a multi-year deal was not recommended, it supported a consolidated pay award of 3.5% for 2022/23.
- 5.15 The **CPOSA** proposed that chief officers should receive a pay increase in line with the multi-year award recommendation from the NPCC for officers in the federated and superintending ranks. The CPOSA calculated that chief officer salaries in September 2024 under the proposed threeyear award would still be below where they would have been in 2021 if pay awards had matched inflation between 2004 (when the current chief officer pay structure was implemented) and 2021, and below the current forecast for future inflation. The CPOSA reported that the proposed pay awards had been factored into the budgets of police forces in their Medium-Term Financial Plans.
- 5.16 The **PSA** 2021 Pay Survey showed a drop compared with the previous year in the proportion of respondents who were satisfied with their basic pay, with their allowances, and with their overall remuneration. Less than half of respondents said that they were satisfied with their basic pay and less than one-third said they were satisfied with their overall remuneration. Respondents towards the top of their rank's pay scale were more likely to be dissatisfied with their basic pay than those towards the bottom of the pay scale. However, the survey found no clear evidence this year to suggest that the amount of time respondents had spent at the top of their pay scale was directly linked to their dissatisfaction with their basic pay.
- 5.17 During our visit programme, officers told us there were increasing reports of officers being in debt. Various proposals for a 2022/23 pay award were put to us including an award that matched inflation and a 5-10% uplift. At the time the visits took place, inflation had started to rise but had not

reached its current rates. Officers mentioned the need to address the realterm pay cut experienced since 2010, and officers at all ranks thought the police starting salary was too low.

#### Our comment and recommendations on the basic pay award

5.18 In making our pay award recommendations we considered a number of factors which we discuss below.

#### Timeframe for the award

- 5.19 We began our consideration of the pay uplift for 2022/23 by examining the proposals we received from the parties in their evidence for a three-year pay award. We can see the benefits of such awards in principle including the certainty it gives to forces in terms of financial planning. Multi-year agreements can provide an extended period to bed down a major restructuring of terms and conditions or changes to working practices. For instance, in the NHS long-term agreements have been an important part of jointly agreed 'modernisation' packages, such as the major Agenda for Change deal.
- 5.20 However, given that the NPCC's pay reform programme came to an end in March 2022, the proposal for a pay award covering 2022/23-2024/25 does not, in our view, appear to be supporting a modernisation programme. Indeed, there is no evidence of a clear understanding between the Government and the NPCC over what changes, such as improved productivity, would underpin the agreement.
- 5.21 Our view is that multi-year agreements are most beneficial during periods of economic stability and when all parties involved support the arrangements. Throughout our report, we have drawn attention to the rapidly changing economic situation and the uncertainty surrounding medium-term economic forecasts. The economic climate has become more volatile since the NPCC and the APCC formulated their proposals. In addition, we have not been able to explore with the PFEW and PSA their views on a three-year agreement.
- 5.22 If the Review Body were to be asked to look at a multi-year award proposal, our preference would have been to receive something already considered by all the parties and for it to be set out in the remit letter. The remit letter we received from the Home Secretary in December 2021 asked us to make recommendations on a pay award for 2022/23. We would also want the award's relationship to a modernisation or reform programme to be clearly articulated. We are conscious that a key driver behind the proposal for a three-year award giving police officers 8% over three years is a desire to boost morale and recognise the contribution officers made on the frontline during the COVID-19 pandemic. However, given the scale of the economic instability we are uneasy about an agreement that seeks now to lock the service into specific uplifts for 2023/24 and 2024/25. Our view is that there may be attempts to reopen such a deal in the second or third year.

#### **Policing Environment**

- 5.23 This has been a challenging year for the police service. We recognise the challenge that forces across the country face in rebuilding the trust among their communities. Talking to officers during our visits to forces in late 2021, we were made aware of the strong feeling among some officers that the challenges they faced during the pandemic have not been fully recognised.
- 5.24 We were struck by HMICFRS' observations that the police service is not able to meet all the demand it faces and that as a result the police's political and operational leaders have to make difficult decisions about priorities. We concluded that demand remains high and the complexity of cases is increasing.
- 5.25 We note the comments by the Director General of the IOPC regarding a watershed moment for the police after the murder of Sarah Everard and that in two years the IOPC had seen 394 referrals where abuse of power for sexual gain by police officers was a factor. The IOPC has pursued cases across the country. There is a significant cultural challenge ahead for senior leaders in the police service. Nevertheless, the cases involve a very small number of officers. The work of the police is important, difficult, complex and often dangerous and it is vital that we recognise that contribution. In addition, pay and reward plays an important role in building the right culture in a modern police service.

#### The Uplift Programme

- 5.26 In their evidence, all parties emphasised the priority being given to the Uplift Programme. We have been asked in our remit letter to make our recommendations and observations in the context of the Government's commitment to increase police numbers by 20,000 over three years.
- 5.27 The evidence we have received shows that recruitment was on track during the second year of the programme but we have received mixed evidence about the prospects for the final year. We discuss this in detail in other parts of the report but there is some evidence to suggest that Uplift Programme targets are at risk. In that context, we recognise the need for pay to facilitate both the recruitment and retention of experienced officers.

#### **Starting Salaries**

5.28 Starting salaries need to be at the right level to recognise the responsibilities and risks faced by new officers on the front line and attract individuals of the right calibre. The next generation of officers must have the capabilities and attitudes to deal with the changing nature of the increasing complexity of demand driven by both technology and

changing social attitudes. We were particularly struck by the difference between starting salaries in England and Wales and the situation in Scotland.

#### Morale and Motivation

5.29 We are concerned about a possible decline in levels of morale. We observe that the combination of COVID-19, the public sector pay pause and a number of high profile cases of police misconduct have, among other factors, led to a decline in levels of public trust and have had a negative impact on police morale. At this stage, it is unclear what the long-term effect of these and other factors on morale will be but in addition to rebuilding public trust, the police service must also address the effect of these events on their own officers. We have noted in previous years that police productivity depends partly on the goodwill and discretionary effort of its officers which requires officers to be appropriately motivated. A long-term decline in morale will eventually impact on recruitment and retention.

#### **Economic Factors**

- 5.30 The wider economy including the level of pay settlements and the cost of living are factors in our deliberations. As set out in Chapter 3, there is significant uncertainty about the economic climate. CPI inflation was 9.0% in the year to April 2022 and the Bank of England expects it to peak at slightly over 10% in the fourth quarter of 2022. The number of employees on payrolls is above the pre-pandemic peak and the unemployment rate in the three months to March 2022 is the lowest since 1974.
- 5.31 Given HM Treasury guidance, we have given particular weight in our considerations to developments in private sector pay. Annual growth in average weekly earnings excluding bonuses was 4.2% in the whole economy and 4.8% in the private sector in the three months to March 2022, and median pay settlements ranged from 3.5% to 4% in the three months to April 2022.

#### Affordability

- 5.32 Our remit letter this year and the evidence we received from the Home Office stressed that the Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. It also emphasised that the affordability of a pay award must be taken into consideration so that police forces were able to maximise the number of additional officers that they could recruit. We set out our approach to this elsewhere in the report in more detail.
- 5.33 In summary, the Home Office informed us that there was funding in the budget for a pay award of at least 2%. The NPCC have admitted that anything above 2% would be a financial stretch for forces but have proposed an award as part of 3-year agreement of 3.5%, 2.5% and 2%. They described 3.5% as a 'sweetspot' for most forces. The APCC,

proposed, on affordability grounds, a slightly different award of 3%, 2.5% and 2.5% again as part of a three-year award. We have received limited evidence on the detail of the choices forces are likely to face in funding an award of 3.5% or above. Moreover, we note that overall police funding for 2022/23 has increased by up to 5.8% and as we explained in Chapter 3, we consider that within individual police force budgets there will be some flexibility as to how any award is funded and our recommendation this year is made in that context.

#### Targeting

- 5.34 We have considered the case for recommending a targeted differential award this year. We note the process used by the NPCC to determine their proposal for a basic pay award this year which they recommended should be applied to all ranks. The NPCC told us that after years of austerity, the pay pause in 2021 and the rise in the cost of living, there was a strong pressure to allocate the large majority of funds equitably. We are not convinced that their proposal is equitable or fair.
- 5.35 In our view this is an extraordinary year in terms of the economic climate. We are deeply concerned about the impact on the lowest paid police officers of the substantial increase in the cost of living and the ongoing economic volatility. A rise in the cost of living has a greater impact on the lower paid than those on higher salaries. Therefore, there are very strong arguments in favour of a sharply differentiated approach that provides those at the bottom of the pay scale with some protection against the rising cost of basic necessities and unprecedented increases in energy prices. We are also mindful of the evidence that suggests that recruiting officers will be more challenging in the final year of the Uplift Programme. In these exceptional circumstances, we explored options that delivered a substantial uplift to the lowest paid in the police service. We concluded that a consolidated flat award which has the effect of giving the lowest paid police officers an uplift close to the rising cost of living was most appropriate. We note the Government's announcements on 26 May 2022 regarding a package of support to help the most vulnerable households with the rising cost of living. There is no exact data available, but it is likely that the majority of police officers will only benefit from the universal payments to help with energy bills. While this provision is welcome, we judge from the evidence we have heard that those at the bottom of the police pay scale will still struggle to meet rising household bills.

Pay recommendation

5.36 After taking the above factors into account and in particular affordability considerations, our analysis of recruitment, retention, motivation and morale, and pay trends in the private sector, we concluded that a pay uplift with an overall cost of 5% was appropriate. Given our concerns about the lowest paid police officers, we recommend that this should

take the form of a consolidated increase of  $\pounds$ 1,900 to all police officer pay points for all ranks from 1 September 2022. The recommend rates of pay are given in Appendices D and E.

<u>Recommendation 2.</u> We recommend a consolidated increase of £1,900 to all police officer pay points for all ranks from 1 September 2022.

5.37 The table below sets out the implications of the consolidated increase in percentage terms for each rank. Part-time officers will receive a prorated award. Based on the information available to us, we estimate that the award will require a 5% uplift to the overall basic pay bill in 2022/23. Our estimates show around 37,500 constables will receive an increase of more than 7%.

Rank	FTE officers (at 31 March 2021)	Percentage award at minimum	Percentage award at maximum
Constable	106,790	8.8%	4.6%
Sergeant	19,211	4.3%	4.1%
Inspector	5,941	3.6%	3.3%
Chief Inspector	1,846	3.3%	3.1%
Superintendent	970	2.7%	2.3%
Chief Superintendent	307	2.2%	2.1%
Chief Police Officers	236	1.8%	0.6%

#### Table 5.1: Percentage value of £1,900 award, by rank

Note: Constable minimum excludes the PCDA minimum.

## Chief superintendent pay scale

- 5.38 The **Home Office** stated that it expected to see proposals for changes to the pay structure presented as a coherent package for all ranks, fully costed and supported by a robust evidence base. It recognised that there may be benefits to delivering changes as an incremental approach, but it was important that a consistent approach was taken across all ranks and that the effects of any measures applied to specific pay points were fully considered.
- 5.39 The NPCC reminded us that last year it had endorsed the recommendation of a working party, consisting of the NPCC, PSA, APCC and PFEW, that pay point 3 of the chief superintendent scale should in principle be increased by £5,675. The NPCC said that the size of the role had increased significantly following the Winsor Review, due to an increase in the spans of control and a reduction in the number of chief superintendents by 34% since 2010. The NPCC explained that the working party had noted concerns that the level of problem solving for some chief superintendents was now comparable to that of assistant chief constables. In oral evidence, the NPCC noted that more superintendents now received TVP because of the size of their job.

- 5.40 The NPCC reiterated that the working party proposal, which would bring chief superintendents in line with the public sector benchmarking of assistant chief constables, had been informed by a Korn Ferry report. That report had identified that chief superintendents remained the most disadvantaged of all ranks against Korn Ferry data: the top of the scale was 97% of the public sector median and total remuneration at top of scale was only slightly above the public sector median. The NPCC proposed that the additional £5,675 would be added to pay point 3 as a fixed sum after applying the agreed annual increase for 2022/23.
- 5.41 The NPCC explained that the additional costs would be met by forces. The benefits, outlined by the NPCC included: the recognition of the recent changes to the role of chief superintendent and the skills required; encouraging career progression; and improved retention and morale.
- 5.42 The **APCC** said in oral evidence that it supported the proposal to uplift pay point 3 of the chief superintendents' scale. It explained that the work undertaken by Korn Ferry had demonstrated that the additional workload carried out by chief superintendents justified the uplift. The reduction in the numbers of chief superintendents meant that many of them had assumed some of the responsibilities of chief officers. The APCC told us that it did not expect the proposed increase to pay point three to create any upward pressure on chief officer pay. It also reported that the police service was not experiencing difficulties recruiting chief superintendents.
- 5.43 The **MPS** said it supported the NPCC's proposed change to pay point 3 on the chief superintendents' pay scale. The MPS noted that the proposed change was the highest priority for the PSA.

#### *Our comment on the chief superintendent pay scales*

- 5.44 We first considered proposals for changes to superintendent pay in 2019 when the PSA advocated an additional 'contributory pay point' at the top of each pay scale for superintendents and chief superintendents and the NPCC told us that superintending pay was a priority for pay reform. We noted the PSA's case for additional pay, particularly in view of the overall reduction in the number of officers in the superintending ranks and the increased levels of risk associated with the acquisition of greater responsibilities and accountabilities. We asked to see a rationale for the amounts proposed for each new pay point and we suggested that the NPCC work with the PSA to develop a joint proposal.
- 5.45 Last year, when we received an update on the outcome of the joint NPCC, PSA, CPOSA, APCC and PFEW working party which had agreed that pay point 3 of the chief superintendents' scale should be uplifted, we expressed our concern about requests to consider pay reform measures relating to individual ranks in isolation. We advised that to limit any unintended consequences, we would like to see a more coherent co-ordinated approach to support reviewing the proposal in conjunction with other areas of pay. In addition, the NPCC told us it was deferring implementation of the proposal until the end of the pay pause in the public sector.

- 5.46 We note that in its evidence this year, the NPCC has provided additional information explaining how, in general terms, it considers the implications of proposals like this one in relation to other ranks. However, the evidence did not directly address the implications of the reduction of the gap between chief superintendent pay and the assistant chief constable pay scale. We were told that the uplift to pay point 3 was likely to encourage more officers to reach the rank of chief superintendent and therefore throughput to assistant chief constable thus improving retention. However, we have seen no evidence to support that assertion. Moreover, the APCC confirmed to us that the police service was not experiencing difficulties recruiting chief superintendents, so we have no evidence that the current level of pay is having a negative effect on the recruitment or retention of chief superintendents. In addition, our perception is that the police service has not considered increasing the numbers of chief superintendents as an alternative to increasing pay levels.
- 5.47 We remain concerned both about considering this proposal in isolation and how such a change could affect the morale and motivation of lower ranks at a time when there has been a significant increase in the cost of living. We note, for instance, that pay anomalies relating to the rank of chief inspector have yet to be addressed. Targeted interventions of this kind, particularly for senior ranks, have to be seen to have been considered by an open and transparent process. Moreover, we have not been able to discuss the proposal with the PSA this year, but we hope to do so in 2023/24.
- 5.48 We will want to consider the proposal on chief superintendent pay alongside the future pay reforms for chief officers. We invite the steering group overseeing the work on chief officer remuneration to consider an uplift to pay point 3 of the chief superintendent's scale alongside its proposals for chief officer pay and give us its view. The proposals, which we discussed in Chapter 4, are due to be presented to us in 2023.

## Entry level pay

- 5.49 The **Home Office** stated that it expected to see proposals for changes to the pay structure presented as a coherent package for all ranks, fully costed and supported by a robust evidence base. It recognised that there may be benefits to delivering changes as an incremental approach, but it was important that a consistent approach was taken across all ranks and that the effect of any measures applied to specific pay points were fully considered.
- 5.50 The **NPCC** proposed the removal of the PCDA minimum pay point of £19,164 so that all PCDA entrants would start at a minimum of £21,654. The NPCC explained that the changing employment market in the past 12 to 18 months had increased the challenge of meeting recruitment targets to deliver the Uplift Programme. The NPCC said that forces were looking at a range of interventions in addition to pay to ensure that they

attracted and recruited a strong and diverse workforce, but that removal of the lowest pay point would help to boost the profile and attractiveness of policing.

- 5.51 The NPCC reported that only a very small number of forces paid the lower PCDA rates, and all new entrants reached pay point 1 within twelve months. Therefore, it assessed that implementation costs were likely to be minimal (around £1,700 per officer affected in those forces). The NPCC also considered that all officers joining the service should be seen to earn more than the National Living Wage.
- 5.52 The **MPS** supported the NPCC proposal to remove the lowest pay point for PCDA entrants. It explained that the starting salary for MPS entrants was already higher than the proposed minimum amount, but it recognised the intent to support national recruiting. The MPS added that it would continue to regularly review its own starting salaries in light of the emerging risk to recruitment.
- 5.53 In oral evidence, the College of Policing told us it supported the abolition of the PCDA minimum pay point as the Uplift Programme was increasingly finding it hard to attract individuals of the right quality.

#### Our comment and recommendation on entry level pay

- 5.54 Our strong view is that the police service needs a workforce equipped with the skills to meet the changing nature of the increasing complexity of demand driven by both technology and changing social attitudes. Pay must support this. We are particularly concerned that during our visits programme in the autumn of 2022, officers at all ranks told us that the police starting salary was too low. We note that forces are able to use their discretion to set starting salaries between pay point 0 and pay point 1 but this discretion is not always used.
- 5.55 We recall that the removal of the PCDA minimum and pay point 0 was proposed by the PFEW and PSA last year and that we suggested that parties revisited the proposal once the economic outlook had improved. We accept that the PCDA minimum is used by only a very small number of forces and that all new entrants go to pay point 1 within twelve months. We agree that the implementation costs of removing the PCDA minimum should be low.
- 5.56 We also commented last year that the differential between the starting salary for PCDA officers and the National Living Wage should be reviewed as part of benchmarking pay work (while noting that the National Living Wage only becomes a legal requirement for apprentices after the first year of their apprenticeship if they are aged 23 or above). Under the NPCC proposal the new minimum for PCDA recruits would be £21,654, based on 2021/22 pay scales, which is £1,840 higher than the National Living Wage for a 40-hour week. We, therefore, recognise the concern of the NPCC that all officers joining the police service should earn more than the National Living Wage, especially given evidence suggesting

that recruitment pipelines to meet the uplift target are under pressure as the economy has become more buoyant as COVID-19 restrictions have been eased.

- 5.57 Our analysis of advertised degree apprenticeship roles on the GOV.UK Find an Apprenticeship search engine and research by IDR<sup>32</sup> on pay for degree apprentices indicates that the minimum PCDA starting salary is competitive relative to other degree apprenticeships. Nevertheless, given the changing nature of policing and the new skills officers will need, we question whether this proposal is sufficiently ambitious. The police service needs officers with the right skills and aptitude to meet the challenges of the next decades.
- 5.58 Therefore, we recommend that the Police Constable Degree Apprentice (PCDA) minimum should be raised to pay point 0. We do not envisage any changes to PCDA progression.

<u>Recommendation 3.</u> We recommend the PCDA minimum should be raised to pay point 0 (£23,556) from 1 September 2022.

5.59 However, to ensure the next generation of officers have the capabilities and attitudes to deal with the changing nature of the increasing complexity of demand driven by both technology and changing social attitudes, we judge further work is needed on starting salaries. So, in addition, we invite parties to consider further measures to improve entry level starting salaries.

#### **Regional allowances and Dog Handlers' Allowance**

- 5.60 The **Home Office** said that, except for London Weighting and the Dog Handlers' Allowance, it was not seeking the PRRB's recommendations on whether allowances should be increased. The Home Office asked us to consider the evidence put forward by policing partners on whether there was a case for increasing these allowances in 2022/23.
- 5.61 The NPCC reported that, following the change to London Allowance in 2020, no forces had raised any specific concerns on regional allowances. The NPCC explained that it had asked forces in 2021 whether the use of existing regional allowances combined with TVP to address local specific issues was sufficient to deal with any location-based recruitment and retention issues. The majority of forces that had responded supported the view that the existing allowances and structure were appropriate and flexible enough to enable them to mitigate local issues. The NPCC would continue to monitor the local/regional issues identified by a few forces.
- 5.62 The **MPS** stated that there were no specific grounds to break the historic link that uprated London Weighting and Dog Handlers' Allowance with the annual pay award. Therefore, it proposed that they should be increased in the same way this year.

<sup>&</sup>lt;sup>32</sup> Incomes Data Research (July 2021), Graduate and Apprentice Pay 2021. Available at: <u>https://www.</u> incomesdataresearch.co.uk/reports/graduate-and-apprentice-pay-2021 [Accessed on 26 May 2022, note this report is behind a pay wall]

5.63 In the **PSA** 2021 Pay Survey, more than two-thirds of respondents in forces in London and the South East were dissatisfied with regional allowances, and 71% were dissatisfied with the amount of London Weighting. The levels of dissatisfaction with regional allowances were relatively similar among recipients of London Allowance and both rates of the South East Allowance.

## Our comment and recommendation on regional allowances and Dog Handlers' Allowance

- 5.64 We note again this year that we have been invited by the Home Office to consider London Weighting and the Dog Handlers' Allowance. Our view is that it would be better for us to consider policing remuneration in the round. We invite the Home Office to provide evidence next year that will enable us to consider police allowances more broadly.
- 5.65 We are aware of the levels of dissatisfaction with allowances revealed by recent staff surveys and have previously commented that police geographical allowances are complicated and lack coherence. We are, therefore, disappointed that forces have been reluctant to conduct a review of allowances as part of the NPCC's reform programme.
- 5.66 We observe that the MPS proposed that the rates of London Weighting and Dog Handlers' Allowance should be increased in line with our recommendations on annual pay awards.
- 5.67 In previous years, we have recommended uplifts to London Weighting in line with our recommended uplift to the basic pay award. Our pay award recommendation for 2022/23 will require around a 5% uplift to the pay bill. To maintain the ratio of pay between officers in London and those in other forces we recommend that London Weighting should be uplifted by 5% in 2022/23.
- 5.68 We note that the Dog Handlers' Allowance is to compensate dog handlers for looking after their dog on their rest days and public holidays. We observe that we have not received any substantive evidence in recent years in support of an increase to this allowance. Therefore, we recommend that the parties review the requirement and appropriate level for this allowance. We do not plan to make any further increases to the Dog Handlers' Allowance until we have received the conclusions of such a review.

<u>Recommendation 4.</u> We recommend that London Weighting and the Dog Handlers' Allowance should be uplifted by 5% from 1 September 2022.

<u>Recommendation 5.</u> We recommend that the parties review the requirement and appropriate level for the Dog Handlers' Allowance.

## CHAPTER 6 – FORWARD LOOK

## Introduction

6.1 It will be for Government to set the remit for the next pay round. However, the core of the report will be driven by our standing terms of reference. In this chapter, we aim to give the parties who provide evidence, and the remit group more generally, some indication of areas which are likely to be of continuing interest to us in future pay rounds.

## COVID-19

6.2 COVID-19 has played a powerful role in driving changes to policing, the policing environment and ways of working. We would like next year's evidence to continue to cover the longer-term effects of the pandemic on the policing environment, ways of working and any implications for the recruitment, retention, morale and motivation of officers.

## The Uplift Programme and beyond

- 6.3 Recruitment during the first two years of the Uplift Programme has been on track but, in this year's evidence, parties reported pressures on recruitment as the economy recovered from the effects of COVID-19 restrictions and the labour market became more buoyant. We will look forward to receiving updates on the progress of the Uplift Programme over the final year.
- 6.4 Looking ahead, we would also like next year's evidence to set out thinking on building the police workforce in the years beyond the Uplift Programme. In particular, we are interested in the use of direct entry and the competitiveness of entry level pay, especially given the fall in pay differentials between the police and comparator groups, as set out in paragraph 3.57.

## Architecture for decisions on police workforce and pay reform

6.5 We observe that there is a complicated and fragmented decision-making infrastructure containing both statutory and non-statutory bodies surrounding police workforce and pay reform. We ask for this wider architecture to be clarified and simplified and the need for coherence in decision-making processes at the national level on police workforce and pay reform to be prioritised.

#### Multi-year agreements

6.6 In principle we can see the benefits of a multi-year agreement. However, if the Review Body were to be asked to look at a multi-year award proposal, our preference would have been to receive something already considered by all the parties and for it to be set out in the remit letter. We would also want the award's relationship to a modernisation or reform programme to be clearly articulated. However, our view remains that multi-year agreements are most beneficial during periods of economic stability.

## Shape of the pay award

6.7 We have commented on the volatility of the economic situation throughout the report. It is unclear whether this will continue, but in a climate where officers are facing unprecedented cost-of-living pressures and the Government is anxious about the affordability of pay settlements, it is vital pay awards are thought about imaginatively. Next year, we would like evidence from parties on their consideration of different approaches to pay awards.

### Allowances

6.8 We note that again this year we have been invited by the Home Office to consider London Weighting and the Dog Handlers' Allowance. We observe that we have not received any substantive evidence in recent years in support of an increase to the Dog Handlers' Allowance. We have invited parties to review the requirement and appropriate level for this allowance and we look forward to receiving an update next year. Our view is that it would be better for us to consider policing remuneration in the round. We invite the Home Office to provide evidence next year that will enable us to consider police allowances more broadly.

## Pay reform

- 6.9 The Uplift Programme will conclude in March 2023 and this will bring an opportunity to refresh the police pay reform agenda. We encourage the policing parties in England and Wales to be ready by that point with the overarching strategy, purpose and objectives for the next phase of police pay reform. We suggest that this should focus on encouraging police forces to embrace pay reform as a lever for achieving the transformation of policing as set out in the Policing Vision 2025. We also support the work of the College of Policing to build leadership and strategic capability and its connection with pay reform in future.
- 6.10 We also request in next year's evidence a detailed update on what an officer is required to have achieved in order to attain the Pay Progression Standard.

## **Engagement with parties**

6.11 We regret that the PFEW and the PSA withdrew from the PRRB process in 2021. It made our consideration of key issues more complex. We would have valued their evidence particularly in relation to the proposal for a multi-year agreement and targeted interventions such as entry level salaries and changes to the chief superintendent pay scale. We hope to hear from all parties in 2022/23.

## **Chief police officers**

6.12 This year we were again invited by the Home Secretary to consider matters relating to chief police officers as part of our pay round. We note that chief police officers are formally part of the standing terms of

reference of the Senior Salaries Review Body. However, in the interests of ensuring the overall coherence of the pay structure, our view is that we should continue to deal with all ranks of the police service including chief police officers. Progress towards the implementation of recommendations from the review of chief officer remuneration will be a key topic for our review next year. Parties have told us that they plan to present proposals on new pay groups and base pay rates for chief officers to us in 2022/23. Any proposals for change must be accompanied by assurances that the recommending body formulating the proposals has been sufficiently independent, robust evidence to justify the proposals, a clear explanation of how they will be funded and how the changes will be communicated to the police service.

#### Evidence gaps and data limitations

- 6.13 We appreciate the parties' continuing efforts to improve the evidence base and the additional information that has been provided to us for this pay round in response to the requests in our last report. We have commented in this report on the following specific issues:
  - data on the number of tutor constables, and provide evidence on whether there are any recruitment or retention difficulties for sergeants and tutor constable roles; (Paragraph 3.89)
  - 'employer' evidence relating to the morale and motivation of officers on a national basis; (Paragraph 3.103)
  - data on the number and proportion of working days lost to sickness; (Paragraph 3.104) and
  - evidence on the levels and drivers of pension opt outs, and any work being done to reduce the level of opt outs. (Paragraph 3.110)
- 6.14 We encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data in these areas.

## **APPENDIX A – OUR PREVIOUS REPORTS**

## 2021 Report

We submitted our 2021 Report on 21 June 2021 and the Government responded to the recommendation on 21 July 2021<sup>33</sup>. The recommendation was as follows:

Our 2021/22 recommendation (from 1 September 2021)

• The minimum rates for Police Constable Degree Apprentice starting pay and pay point 0 of the constable scale are uplifted by £250, and that all officers with a basic salary above these minima but below £24,000 (on a full-time equivalent basis) should receive a consolidated pay award of £250.

## **Previous recommendations**

All of our previous recommendations, along with the Government responses, are set out below.

Report	Recommendation	Government response
1st (2015)	A consolidated increase of 1% to all pay points for federated and superintending ranks from 1 September 2015.	Accepted
	A 1% increase to London Weighting (from 1 July 2015) and Dog Handlers' Allowance (from 1 September 2015).	Accepted
	The London inspecting lead retained for now.	Accepted
2nd (2016)	A consolidated increase of 1% to all pay points for federated and superintending ranks from 1 September 2016.	Accepted
	A 1% increase to London Weighting and Dog Handlers' Allowance from 1 September 2016.	Accepted
	The maxima for South East Allowances to be increased to £2,000 and £3,000 respectively from 1 September 2016.	Accepted
	Motor Vehicle Allowances mileage rates for federated and superintending ranks should be the prevailing HM Revenue & Customs rates for essential and casual users from 1 September 2016. The current structure and values for the essential users' lump sums should remain.	Accepted
3rd (2017)	A consolidated increase of 2% to all pay points for federated and superintending ranks from 1 September 2017.	Increased consolidated pay by 1% and, for 2017/18 only, provided a 1% non-consolidated pay award
	London Weighting and Dog Handlers' Allowance to be uprated by 2% from 1 September 2017.	Increased London Weighting and Dog Handlers' Allowance by 1%
	The introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard-to-fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020.	The Home Secretary welcomed this recommendation

<sup>&</sup>lt;sup>33</sup> House of Commons (July 2021), Police Pay: Written statement – HCWS230. Available at: <u>https://questions-statements.</u> parliament.uk/written-statements/detail/2021-07-21/hcws230 [Accessed on 31 May 2022]

Report	Recommendation	Government response
	In order to support our consideration of pay and reward, the Home Office, NPCC and CoP should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.	The Home Secretary looked to the CoP and the NPCC to take forward this work
4th (2018)	The time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 to be consolidated onto all pay points for officers at these ranks with effect from 1 September 2018.	Rejected
	In addition to and following the first recommendation, a consolidated increase of 2% to all police officer pay points at all ranks from 1 September 2018.	Increased pay by 2%
	London Weighting and Dog Handlers' Allowance to be uprated by 2% from 1 September 2018.	Accepted
	Police forces to appoint apprentice constables on a starting salary of between £18,000 and pay point 1.	Accepted
	Following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables to move to the next pay point on the existing police constable pay scale.	Accepted
5th (2019)	A one-year pay award for all police officers in 2019/20.	Accepted
	A consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2019.	Accepted
	Subject to further review in the next pay round, no change to the current arrangements for apprentice progression, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.	Accepted
	Dog Handlers' Allowance should be uprated by 2.5% from 1 September 2019.	Accepted
	London Weighting should be uprated by 2.5% from 1 September 2019.	Accepted
	An increase in the On-call Allowance from $\pm 15$ to $\pm 20$ from 1 September 2019.	Accepted
6th (2020)	A consolidated increase of 2.5% to all police officer pay points at all ranks from 1 September 2020.	Accepted
	The removal of the lowest point of the sergeants' pay scale from 1 September 2020.	Accepted
	Dog Handlers' Allowance should increase by 2.5% from 1 September 2020.	Accepted
	London Weighting should increase by 2.5% from 1 September 2020.	Accepted
	The maximum rate of London Allowance should increase by £1,000 to £5,338 a year for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance.	Accepted
7th (2021)	The minimum rates for Police Constable Degree Apprentice starting pay and pay point 0 of the constable scale are uplifted by £250, and that all officers with a basic salary above these minima but below £24,000 (on a full-time equivalent basis) should receive a consolidated pay award of £250.	Accepted

## APPENDIX B – HOME SECRETARY'S REMIT LETTER



Home Secretary

2 Marsham Street London SW1P 4DF www.gov.uk/home-office

Andy Bliss QPM Interim Chair Police Remuneration Review Body Office of Manpower Economics 3rd Floor Windsor House 50 Victoria Street London SW1H 0TL

BY EMAIL ONLY

2<sup>nd</sup> December 2021

Dear Andy

#### Police Remuneration Review Body Remit 2022/23

I would like to offer my thanks to the Police Remuneration Review Body (PRRB) for your work in the last pay round and for your considered and thoughtful observations on police officer pay in your 2021 report.

The PRRB will continue to have a key role to play in advising the Government on pay and conditions, and on proposals for pay reform. Your independent and expert advice in these matters is most valued.

I refer to the PRRB the following matters in the 2022/23 pay round:

- How to apply the pay award for 2022/23 for police officers of all ranks, including chief officers.
- To provide commentary and observations on the National Police Chiefs' Council's
  reference document that will provide a detailed explanation of: the methodologies used
  to benchmark the pay of all ranks including chief officers; the factors used to determine
  the P-factor and the methodology used to value it; the interaction of benchmarking and
  the P-factor; its overall purpose; and example calculations, addressing the points
  raised in your last report.
- To provide updated views on force readiness to implement the pay progression standard.
I ask that your recommendations and observations are considered in the context of the Government's commitment to increase police officer numbers by 20,000 over three years.

The Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. We must ensure that the affordability of a pay award is taken into consideration so that police forces are able to maximise the number of additional officers that they can recruit.

In considering the appropriate level of pay for police officers I would also ask you to have regard to the standing terms of reference as set out in previous remit letters.

Thank you for your hard work in this important area. I look forward to receiving your report in May 2022.



**Rt Hon Priti Patel MP** 

## **APPENDIX C – THE PARTIES' WEBSITE ADDRESSES**

The parties' written evidence should be available through these websites.

Home Office	https://www.gov.uk/government/publications/home- office-evidence-to-the-police-remuneration-review-body- 2022-to-2023
HM Treasury	https://www.gov.uk/government/publications/hmt- economic-evidence-to-review-bodies-2021
National Police Chiefs' Council	https://www.npcc.police.uk/2022/Final%20sub.pdf
Metropolitan Police Service	https://www.met.police.uk/SysSiteAssets/foi-media/ metropolitan-police/priorities_and_how_we_are_doing/ corporate/written-evidence-to-the-police-remuneration- review-body-prrbfebruary2022.pdf
Association of Police and Crime Commissioners	http://www.apccs.police.uk/
Chief Police Officers' Staff Association	https://cposa.uk/
Police Superintendents' Association Pay Survey	https://police-superintendents.herokuapp.com/rails/ active_storage/blobs/eyJfcmFpbHMiOnsibWVzc2FnZSI 6lkJBaHBBb2dCliwiZXhwljpudWxsLCJwdXliOiJibG9iX2 lkIn19de9ddc1e4760d4626a5b97457a2452409ba2 babd/PSA%20SANI%20Pay%20Survey%202021%20 headline%20report%20-%2016-02-22.pdf

## APPENDIX D – OUR ANALYSIS OF POLICE EARNINGS AND WORKFORCE DATA

#### **Police earnings**

Sources

- D.1 We have examined the annual earnings of police officers using results for the annual Survey of Hours and Earnings (ASHE) run by the Office for National Statistics (ONS), and the Police Earnings Census run by the Home Office.
- D.2 The ASHE is a sample survey of employers covering 1% of employees on Pay As You Earn tax schemes. The results provide earnings estimates by a number of breakdowns, including gender, age, occupation, industry and region.
- D.3 Our analysis of ASHE focuses on the earnings of police officers and how they compare with other occupations across the economy. There are two occupational groups relating to police officers: the first covers constables and sergeants, while the second covers the inspecting, superintending and chief officer ranks. Our analysis focuses on the first group (constables and sergeants) as smaller sample sizes for the second group mean the uncertainty around earnings estimates is higher, and for some years the data are suppressed due to the level of uncertainty.
- D.4 The effects of the coronavirus (COVID-19) pandemic on the labour market, in particular wages and hours worked are likely to affect the growth rates in annual ASHE data for the financial year ending (FYE) 2021, and the ONS advises focusing on long-term trends rather than year-on-year changes. In addition, COVID-19 created data collection challenges which resulted in lower than usual response rates in 2020 and 2021, meaning ASHE estimates for these years are subject to more uncertainty than usual.
- D.5 The Police Earnings Census, conducted in its present form since FYE 2011, covers all police officers and permits detailed analysis of their earnings. The data provide a useful insight into the range of earnings received within and across ranks, and the take-up and value of individual pay components.
- D.6 In our analyses of both these sources we focus on median<sup>34</sup> full-time<sup>35</sup> gross<sup>36</sup> annual earnings.

<sup>&</sup>lt;sup>34</sup> The median is the value below which 50% of workers fall. It gives a better indication of typical pay than the mean as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings.

<sup>&</sup>lt;sup>35</sup> We focus on full-time earnings to control for any differences caused by different mixes of full- and part-time workers over time and between occupations.

<sup>&</sup>lt;sup>36</sup> That is before deductions for tax, National Insurance, pension contributions and any other deductions imposed by the employer.

#### Analysis

- D.7 We used ASHE data to compare the earnings of police officers (constables and sergeants) with: the whole economy; the associate professional and technical occupations group (the occupational group which includes police officers); and professional occupations (which tend to be graduate professions).
- D.8 Our analysis showed that in the FYE 2021 the median full-time gross annual earnings of police officers increased by 1.0% (£400, Chart D.1). This followed a fall of 0.2% (£100) in FYE 2020. In FYE 2021, median fulltime gross annual earnings rose for professional occupations (by 1.5%), but fell for the whole economy and associate professional and technical occupations (by 0.8% and 1.5% respectively).



Chart D.1: Median full-time gross annual earnings, England and Wales, FYE 2004 – 2021

Source: OME analysis of Annual Survey of Hours and Earnings, ONS. Notes:

- There are discontinuities in the series due to changes in sampling methodology (in FYE 2006) and to the Standard Occupational Classification (in FYE 2011).
- Data for the latest year are provisional.
- D.9 Median full-time gross annual earnings for police officers in FYE 2021 were 33% higher than in the whole economy (Chart D.2), 2 percentage points more than in FYE 2020, but 2 percentage points less than in FYE 2019 and 17 percentage points below its FYE 2012 level. In FYE 2021, median full-time gross annual earnings for police officers were 26% higher than associate professional and technical occupations (up from 23% in FYE 2020), and 1% higher than professional occupations (down from 2% in FYE 2020).

Chart D.2: Differentials between police officer full-time median gross annual earnings and those of other groups, England and Wales, FYE 2004 – 2021



Source: OME analysis of Annual Survey of Hours and Earnings, ONS. Notes:

- There are discontinuities in the series due to changes in sampling methodology (in FYE 2006) and to the Standard Occupational Classification (in FYE 2011).
- Data for the latest year are provisional.
- D.10 For a detailed analysis of police earnings we used the latest available Police Earnings Census data (covering FYE 2021). Median basic pay for full-time federated and superintending officers ranged from £40,700 for constables to £90,800 for chief superintendents (Chart D.3). Inspectors and chief inspectors are the only ranks to have different basic pay scales in London from elsewhere in England and Wales, resulting in higher median basic pay for those ranks in London.
- D.11 Median total earnings for full-time federated and superintending officers ranged from £41,700 for constables to £93,000 for chief superintendents outside London and from £48,400 to £98,500 in London (Chart D.3). Median total earnings are higher in London than the rest of England and Wales for all federated and superintending ranks, due to London-based officers receiving London Weighting and higher rates of location and replacement allowances.



Chart D.3: Median basic pay and total earnings, by rank, full-time officers, England and Wales, FYE 2021

Source: OME analysis of Police Earnings Census data, Home Office.

Note: Pay scales are from September 2020. The new pay scales are shown for constables and superintendents. The old pay scales are contained within the ranges of the new pay scales.

D.12 Median basic pay in FYE 2021 was close to the pay scale maxima for all the federated ranks. This is as a result of at least half of officers being at the top of their respective pay scales (Table D.1). Just over two-fifths of constables were on the new pay scale in March 2021, but just 1% of all constables were on pay point 0 of the new scale. Superintendent was the only rank to have fewer than half of officers at the pay scale maximum.

	Constable	Constable			Chief		Chief
Pay point	(old scale)	(new scale)	Sergeant	Inspector	Inspector	Supt.	Supt.
0*		1%		18%	_	_	_
1		9%	-	15%	22%	20%	20%
2		10%	23%	15%	22%	22%	25%
3		6%	11%	52%	56%	18%	55%
4		5%	66%	-	_	39%	-
5		5%	-	-	_	-	-
6*		3%	-	-	_	-	-
7*	1%	10%	-	-	_	_	-
8		-	-	-	_	_	-
10	49%	-	-	-	-	-	-
Total	51%	49%	100%	100%	100%	100%	100%

## Table D.1: Distribution of officers on pay scales, England and Wales, March 2021

Source: OME analysis of Police Earnings Census data, Home Office. Notes:

- Percentages represent proportions of all officers in each rank – where there are two pay scales for a rank, percentages have been calculated based on the total number of officers across both pay scales.

- '..' represents a non-zero percentage less than 0.5%.

- '-' represents non-applicable pay points.

\* Pay points 6, 7 and 9 were removed from the old constable pay scale on 1 April 2014, 2015 and 2016 respectively. Pay point 0 was removed from the sergeant pay scale on 1 April 2014.

- D.13 Our assessment of police earnings included the proportion of full-time officers in receipt of specific allowances and overtime (Table D.2) and the median annual values of those payments for officers in receipt of the particular payments (Table D.3). Key observations include:
  - The vast majority of eligible officers received Unsocial Hours Allowance (90% at the constable rank) and overtime payments (91% of constables and 90% of sergeants), although the proportions decreased as rank increased.
  - The proportion of officers receiving overtime was slightly lower than the previous year for constables (down 0.5 percentage points) but slightly higher for sergeants (up 0.5 percentage points). The median amount of overtime for constables was around £60 (3%) lower than in FYE 2020.
  - A significant percentage of officers in the higher ranks (e.g. 39% of chief superintendents) received Replacement Allowance (available to officers who joined the police before September 1994), but only 3% of constables. All ranks saw a decrease in the proportion of officers in receipt of Replacement Allowance compared with the previous year.
  - The percentages of officers receiving Location Allowances and London Weighting reflected the proportions of officers working in London and the South East (excluding those receiving Replacement Allowance in South East forces); and
  - Very few officers received Away from Home Overnight and Hardship Allowances.

				Chief		Chief
Pay component	Constable	Sergeant	Inspector	Inspector	Supt.	Supt.
Location Allowance	44%	43%	42%	34%	36%	34%
London Weighting	28%	28%	27%	18%	25%	24%
Replacement Allowance	3%	10%	20%	24%	36%	39%
Unsocial Hours Allowance	90%	87%	78%	64%	_	-
Away from Home Overnight Allowance	3%	2%	1%	-	_	_
Hardship Allowance	0.2%	0.2%	-	_	_	-
On-call Allowance	8%	17%	36%	63%	83%	73%
Overtime	91%	90%	_	_	_	-
Other payments (e.g. Dog Handlers', secondment allowances)	26%	32%	32%	44%	53%	57%

## Table D.2: Percentage of full-time officers in receipt of additional pay components, by rank, England and Wales, FYE 2021

Source: OME analysis of Police Earnings Census data, Home Office.

Note: Percentages relating to fewer than 30 officers are suppressed.

## Table D.3: Median value of additional pay components, full-time officers in receipt of relevant payments, by rank, England and Wales, FYE 2021

				Chief		Chief
Pay component	Constable	Sergeant	Inspector	Inspector	Supt.	Supt.
Location Allowance	£4,338	£4,338	£4,338	£2,000	£2,000	£2,000
London Weighting	£2,542	£2,542	£2,542	£2,542	£2,542	£2,542
Replacement Allowance	£2,692	£2,780	£2,845	£2,633	£2,780	£2,745
Unsocial Hours Allowance	£598	£595	£290	£80	-	-
Away from Home Overnight Allowance	£200	£150	£225	-	_	-
Hardship Allowance	£60	£60	_	-	-	-
On-call Allowance	£660	£780	£760	£820	£1,118	£1,050
Overtime	£1,925	£2,795	-	-	-	-
Other payments (e.g. Dog Handlers', secondment allowances)	£174	£336	£266	£1,239	£1,239	£1,639

Source: OME analysis of Police Earnings Census data, Home Office.

Note: Estimates relating to fewer than 30 officers are suppressed. Zero allowances are ignored in calculation of the medians. Estimated overtime values exclude forces where one or more components of overtime pay were missing from the Police Earnings Census.

### Workforce, diversity, recruitment and retention

D.14 We have examined the police workforce, and diversity, recruitment and retention using the Police Workforce Statistics published by the Home Office<sup>37</sup>.

<sup>&</sup>lt;sup>37</sup> Home Office (July 2021), *Police workforce, England and Wales: 31 March 2021*. Available at: <u>https://www.gov.uk/</u> <u>government/statistics/police-workforce-england-and-wales-31-march-2021</u> [Accessed on 26 May 2022]

#### Overall workforce

- D.15 The overall police workforce (Chart D.4) peaked in 2010 at 244,500 fulltime equivalents (FTE) before falling by 19% (45,800 FTE) to 198,700 FTE in March 2017, a similar level to that seen in March 2003. Between March 2017 and March 2021, workforce strength has increased by a total of 11% (21,800 FTE) to 220,500.
- D.16 Police officers account for around three-fifths of the police workforce. The number of officers fell every year from a peak at 143,800 FTE in March 2009 to 122,400 FTE in March 2018, a 15% drop. Since 2018, officer numbers have increased by 12,900 FTE (11%). At the end of March 2021 there were 135,300 police officers, the highest number since March 2011.





Source: Police Workforce Statistics, Home Office.

D.17 In March 2021, nearly four-fifths (79%) of police officers were constables (Chart D.5), and just 7% of officers were in the ranks above sergeant. The proportions in each rank have been relatively stable since 2003 (when comparable data start).

#### Chief Supt. Supt. Chief Officer Chief Inspector 307 970 236 1,846 0.2% 0.7% 0.2% 1.4% Inspector 5,941 4.4% Sergeant 19,211 14.2% Constable 106,790 78.9%

#### Chart D.5: Breakdown of police officers by rank, England and Wales, March 2021

Source: Police Workforce Statistics, Home Office.

- D.18 Between March 2020 and March 2021, there were increases in the number of officers in all ranks except chief superintendent (where numbers fell by 8 FTE or 3%). In absolute terms, the largest increase was in the number of constables (up 5,400) while in percentage terms chief inspectors saw the largest uplift (7%).
- D.19 Since March 2010 (Chart D.6), chief superintendents have seen the largest proportional decrease (35%) but the greatest absolute decreases have been for sergeants (approximately 3,900 officers) and constables (approximately 2,900 officers). The number of chief officers has risen for two consecutive years and is now 5% (12 FTE) higher than in 2010.



Chart D.6: Percentage change in the number of police officers (FTE) between March 2010 and March 2021, by rank, England and Wales

Source: OME analysis of Police Workforce Statistics, Home Office.

- D.20 HMICFRS assigns the work of police officers to three broad roles frontline, frontline support, and business support (Table D.4). Between March 2010 and March 2016, the numbers of officers in all roles fell. However, the proportion of officers in frontline roles increased over this period from 91.0% to 93.4%, as a result of proportionally lower reductions in these roles.
- D.21 The number of business support roles has been increasing each year since March 2016 and by March 2021 was above the March 2010 level. The number of frontline support roles increased substantially in the latest year and are now at the highest level since March 2014. The number of officers in frontline roles continued to fall between March 2016 and March 2019, but saw substantial increases in the latest two years to reach the highest level since March 2012. The proportion of officers in frontline roles has fallen from its peak of 93.4% in March 2016 to 91.6% in March 2021.

				Full-time equivalent
	Frontline	Frontline Support	Business Support	Proportion of officers in frontline roles
2010	123,384	6,499	5,670	91.0%
2011	119,729	6,469	4,912	91.3%
2012	116,122	5,971	4,161	92.0%
2013	113,009	5,215	3,762	92.6%
2014	111,383	4,706	3,309	93.3%
2015	110,853	4,324	3,528	93.4%
2016	106,411	4,087	3,401	93.4%
2017	105,502	4,114	3,471	93.3%
2018	103,837	4,348	4,428	92.2%
2019	103,347	4,176	4,645	92.1%
2020	108,856	4,140	4,846	92.4%
2021	113,645	4,677	5,749	91.6%
2010 – 2021	-7.9%	-28.0%	1.4%	
2010 – 2016	-13.8%	-37.1%	-40.0%	
2016 – 2021	6.8%	14.5%	69.0%	

#### Table D.4: Number of police officers by role (FTE), England and Wales, March 2010 – March 2021

Source: Police Workforce Statistics, Home Office. Notes:

Data for 2010 to 2014 were collected on a different basis to those for 2015 onwards. The figures presented for these
years have been estimated based on a parallel running year (2015) where data were collected on both bases.

- Officers who are classified as being in 'National Policing' or 'Other' roles are excluded.

#### Workforce diversity

D.22 The proportion of officers who were female<sup>38</sup> (Chart D.7) increased from 29% to 32% between 2016 and 2021, but the proportion of female officers was lower than the overall proportion for ranks above constable. The proportion of ethnic minority<sup>39</sup> officers (Chart D.8) increased from 5.9% to 7.6% between 2016 and 2021, continuing a steadily upward path over the past decade, but again the proportion of ethnic minority officers was lower than the overall proportion for ranks above constable. These indicators show improvement in diversity across the officer workforce in recent years, but remain below levels representative of the communities served by the police.

<sup>&</sup>lt;sup>38</sup> Proportions of female officers exclude officers who did not state their gender from the denominator.

<sup>&</sup>lt;sup>39</sup> Proportions of BME officers exclude officers who did not state their ethnicity from the denominator.

Chart D.7: Percentage of female officers (FTE), by rank, England and Wales, March 2016 – March 2021



Source: OME analysis of Police Workforce Statistics, Home Office. Note: Officers who did not state their gender are excluded from calculations.



Chart D.8: Percentage of ethnic minority officers (FTE), by rank, England and Wales, March 2016 – March 2021

Source: OME analysis of Police Workforce Statistics, Home Office.

Note: Officers who did not state their ethnicity are excluded from calculations.

D.23 Just over half (56%) of all police officers (by headcount) were aged 40 or under on 31 March 2021, with 10% of all officers aged under 26 (Chart D.9). The proportion of officers aged under 40 decreases as rank increases: 63% of constables were under 40, but only 1% of chief officers.



Chart D.9: Age breakdown of police officers (headcount basis), by rank, England and Wales, March 2021

Source: OME analysis of Police Workforce Statistics, Home Office.

D.24 Looking at change over time (Chart D.10), the overall proportion of officers aged 40 and under has risen from 52% in March 2016 to 56% in March 2021. The ranks of sergeant, inspector, superintendent and chief officer saw decreases in the proportions of officers in this age group during the latest year.



Chart D.10: Proportion of police officers aged 40 and under (headcount basis), by rank, England and Wales, March 2016 – March 2021

Source: OME analysis of Police Workforce Statistics, Home Office.

#### Recruitment

D.25 The FTE number of police officer joiners (Chart D.11) fell sharply after FYE 2009, with fewer than 2,500 joiners annually between FYE 2011 and 2013 (due to most forces freezing recruitment as a response to public sector austerity). The number of joiners then increased in most years from FYE 2014 to 2019, before the announcement of the Uplift Programme in 2019 led to a 54% increase in FYE 2020. There were around 13,300 joiners in FYE 2021, 8% (1,200 FTE) lower than the previous year but the second highest level since the data series began in FYE 2003.



Chart D.11: Police officer joiners (FTE), England and Wales, FYE 2003 – 2021

Source: Police Workforce Statistics, Home Office.

- D.26 In FYE 2021, 85% of joiners (around 11,400 FTE) were new recruits joining as an officer for the first time (Chart D.12). This was a slightly higher proportion than had been seen in previous years (usually 70-80%, but around 60% in FYE 2013 and 2014, and 82% in FYE 2020).
- D.27 Since April 2020, the Home Office has been publishing quarterly updates on progress towards the recruitment of an additional 20,000 police officers in England and Wales by March 2023. Provisional figures released in April 2022<sup>40</sup> showed that between the start of November 2019 and the end of March 2022, 13,576 additional officers (on a headcount rather than FTE basis) had been recruited to police forces in England and Wales under the Uplift Programme<sup>41</sup>. All forces except four (City of London Police, Derbyshire Constabulary, Greater Manchester Police and the Metropolitan Police Service) had met or exceeded their recruitment allocation up to year ending March 2022.
- D.28 The number of officers re-joining the police service in England and Wales fell significantly in 2011 (from around 370 FTE the previous year to around 80 FTE) and had remained below 100 FTE a year until FYE 2019. However, since the announcement of the Uplift Programme, the number of re-joiners has been increasing, and in FYE 2021 stood at 340 FTE officers.
- D.29 The number of transfers between forces fell from a peak of 1,630 in FYE 2008 to around 240 in FYE 2012, before slowly recovering to 1,630 in FYE 2020. In FYE 2021 transfers fell by 29% to 1,150.

<sup>&</sup>lt;sup>40</sup> Home Office (April 2022), *Police officer uplift, quarterly update to March 2022*. Available at <u>https://www.gov.uk/</u> <u>government/statistics/police-officer-uplift-quarterly-update-to-march-2022</u> [Accessed on 26 May 2022]

<sup>&</sup>lt;sup>41</sup> That is the number of new recruits less officers recruited through other funding streams (such as local council precept) and less the number of officers leaving. It should be noted that as there is a flow of officers joining and leaving the police service each month, the number of officers counting towards uplift can both increase and decrease over the course of a year.



## Chart D.12: Police officer joiners (FTE), by route of entry, England and Wales, FYE 2007 – 2021

Source: Police Workforce Statistics, Home Office.

Note Standard direct recruit includes officers joining via Direct Entry, Fast Track and Police Now schemes.

#### Retention and attrition rates

D.30 The number of officers leaving police forces<sup>42</sup> (Chart D.13) in FYE 2021 was 7,000 FTE. This represented a sharp fall of 18%, (1,500) FTE officers) compared with the previous year, and was the lowest level since FYE 2014. The attrition rate<sup>43</sup> rose each year from 4.6% in FYE 2011 to 7.1% in FYE 2019, but had dropped to 5.5% by FYE 2021, with most of this fall coming in the latest year. Omitting those leavers who transferred to other forces within England and Wales rather than leaving the service altogether, the attrition rate was 4.7% in FYE 2021.

<sup>&</sup>lt;sup>42</sup> Including officers transferring between forces.

<sup>&</sup>lt;sup>43</sup> The total number of police officers leaving forces in the financial year as a proportion of the total officers in post in the March just before the financial year began.



Chart D.13: Police officer leavers and attrition rates (FTE), England and Wales, FYE 2004 – 2021

Source: OME analysis of Police Workforce Statistics, Home Office.

D.31 Half (49%) of police leavers in FYE 2021 were normal retirements<sup>44</sup> and just over a quarter (28%) were voluntary resignations (Chart D.14). The number of voluntary resignations had been increasing since FYE 2012, but fell by 16% in the latest year.

<sup>&</sup>lt;sup>44</sup> Individuals who have retired, not on ill-health grounds.



Chart D.14: Police officer leavers (FTE), by leaver type, England and Wales, FYE 2007 – 2021

Source: Police Workforce Statistics, Home Office.

### **Chief officers**

#### Chief officer workforce

- D.32 Chief officers account for just 0.2% of all police officers in England and Wales. This proportion has been relatively stable since 2003.
- D.33 The number of chief police officers in England and Wales peaked in March 2010 at 224 full-time equivalent (FTE), before falling to 196 in March 2016 (Chart D.15). Numbers have since increased and as at March 2021, there were 236 chief police officers, 5 (2%) more than in March 2020 and 12 (5%) more than in 2010. The reductions in chief officers after 2010 were proportionally lower than for other police ranks (overall police officer numbers in March 2021 were 6% lower than in March 2010), mainly as a result of legal requirements for each force to have a minimum number of chief officers.



Chart D.15: Chief police officer numbers (FTE), England and Wales, March 2003 – March 2021

Source: Police Workforce Statistics, Home Office.

#### Chief officer diversity

D.34 Chief police officer diversity figures (Chart D.16) show that:

- 75 chief officers were female in March 2021, 7 more than a year earlier;
- the proportion of female chief officers in March 2021 (32%) was 1 percentage point lower than the female proportion of all officers;
- the proportion of chief officers who are female has increased every year since March 2010 (when it was 15%), but the rate of increase has slowed since March 2017;
- 2 out of 43 police forces in England and Wales had no female chief officers in March 2021, 4 fewer than a year earlier;
- there were 10 ethnic minority chief officers in March 2021, 6 more than a year earlier;
- ethnic minority chief officers represented 5% of those who stated their ethnicity, substantially lower than the proportion for all officers (8%).





Source: OME analysis of Police Workforce Statistics, Home Office.

#### Recruitment and retention of chief officers

- D.35 Data on joiners and leavers at chief officer level (Table D.5) need to be treated with caution as they include officers moving from a chief officer role in one force to a chief officer role in another, and there are limitations to the joiners and promotions data<sup>45</sup>. Nevertheless, the data provide some limited use in comparing the demand for chief officers with the supply.
- D.36 There were 21 promotions (measured by headcount rather than FTE) to the chief officer ranks during FYE 2021 (4 fewer than the previous year)<sup>46</sup>. There were also 29 officers (measured by FTE) who joined a force as a chief officer, up 3 from the previous year<sup>47</sup>.
- D.37 During FYE 2021, 41 chief officers left their force (18% of the number at the start of the financial year), up from 32 (15%) in FYE 2020 (as set out in Table 4.1). When transfers between forces are excluded there were 29 leavers in FYE 2021, an increase of 8 on FYE 2020.

<sup>&</sup>lt;sup>45</sup> As explained in the footnotes to Table D.5.

<sup>&</sup>lt;sup>46</sup> Promotions only cover officers promoted within their force, not those promoted on transfer to a different force. Not all forces have been able to supply promotion figures for all years, most notably the MPS did not supply data for FYE 2018 to 2020.

<sup>&</sup>lt;sup>47</sup> The joiner figures exclude promotions where the officer has not changed force.

## Table D.5: Chief police officer promotions (headcount), joiners and leavers (FTE), England and Wales, FYE 2014 – 2021

Financial year ending	2014	2015	2016	2017	2018	2019	2020	2021
Promotions (headcount)	34	18	19	23	30	28	25	21
Joiners	28	18	29	30	35	25	26	29
Leavers	52	38	51	46	44	47	32	41
Leavers exc transfers	41	28	41	31	38	39	21	29
Joiners (%)	14%	9%	15%	14%	16%	12%	11%	12%
Leavers (%)	26%	19%	26%	24%	21%	22%	15%	18%
Leavers exc transfers (%)	20%	14%	21%	16%	18%	18%	10%	13%

Source: OME analysis of Police Workforce Statistics, Home Office.

Notes:

 Data on promotions are on a headcount basis and only cover officers promoted within a force. Figures for Dorset are only included from FYE 2017 onwards, and the figures for FYE 2018 – 2020 do not include the MPS.

 Data on joiners exclude individuals promoted to chief officer from within the same force but include those who move from another chief officer role in a different force. The figures generally represent an underestimate of the number of officers becoming chief officers in the given year.

- Data on leavers also include individuals who move to another chief officer role in a different force. The figures therefore represent an overestimate of the number of chief officer leavers in the given year.

- The joiner rate is based on the strength at the end of the period, while the leaver rate is based on the strength at the start of the period, in line with the methodology used in the Home Office Police Workforce Statistics.
- D.38 The majority of chief police officers who leave the police service take normal retirement (Chart D.17). The number of officers voluntarily resigning spiked in FYE 2019 (at 7 FTE) but was 2 FTE in FYE 2021.





Source: OME analysis of Police Workforce Statistics, Home Office.

Notes: The 'other' category includes deaths, dismissals, and medical retirement.

#### Chief officer earnings

D.39 Using data from the Police Earnings Census, Chart D.18 shows that in FYE 2021 (the latest year for which data are available), median basic pay ranged from £116,700 for assistant chief constables to £166,900 for chief constables. Median total earnings ranged from £119,200 for assistant chief constables to £170,700 for chief constables.



## Chart D.18: Chief police officer median basic pay and total earnings, by rank, England and Wales, FYE 2021

Source: OME analysis of Police Earnings Census data, Home Office. Note: Assistant chief constable includes commanders from the MPS and City of London Police (CoLP); deputy chief constable includes deputy assistant commissioners from the MPS and assistant commissioners from CoLP; chief constable includes assistant commissioners from MPS and the commissioner from CoLP.

- D.40 The median value of additional allowances for chief police officers was around £4,600 in FYE 2021, and the median proportion of total pay accounted for by allowances was 3.5%. In FYE 2021, these allowances included<sup>48</sup>:
  - Replacement allowance: 65 chief police officers received a median value of around just under £3,400.
  - London Weighting: 26 chief police officers were paid a median value of £2,542 in London Weighting.
  - Location Allowances: there were 37 chief police officers, mostly within London, receiving a median payment of £2,000.
  - Other allowances: 72 chief police officers received 'other allowances' with a median value of around  $\pounds$ 7,700.

<sup>&</sup>lt;sup>48</sup> These figures are based on 150 chief police officers within the Police Earnings Census for FYE 2021 who were not flagged as having unusual circumstances within the year (such as having been promoted or temporarily promoted, changing working hours, or having had some form of unpaid leave).

## APPENDIX E – RECOMMENDED CHANGES TO POLICE OFFICER PAY SCALES AND ALLOWANCES FROM 1 SEPTEMBER 2022

### Salary scales

The salary scales for the federated and superintending ranks in effect from 1 September 2021 are set out below along with our recommendations for effect from 1 September 2022.

Rank	Pay point	With effect from 1 September 2021	Recommended for effect from 1 September 2022	Notes
Constable	0 and PCDA minimum	£21,654	£23,556	a-g
(appointed on or	1	£24,780	£26,682	h
after 1 April 2013)	2	£25,902	£27,804	i
	3	£27,030	£28,932	
	4	£28,158	£30,060	
	5	£30,411	£32,313	
	6	£34,950	£36,852	
	7	£41,130	£43,032	
Constable	On commencing service	£26,199	£28,101	
(appointed before	On completion of initial training	£29,241	£31,143	
1 April 2013)	2	£30,933	£32,835	j
	3	£32,826	£34,728	
	4	£33,861	£35,763	
	5	£34,950	£36,852	
	6	£38,022	£39,924	
	7	£41,130	£43,032	
Sergeant	1	removed	removed	
	2	£43,965	£45,867	
	3	£44,901	£46,803	
	4	£46,227	£48,129	

Rank	Pay point	With effect from 1 September 2021	Recommended for effect from 1 September 2022	Notes
Inspector	0	£52,698	£54,600	
	1	£54,186	£56,088	
	2	£55,671	£57,573	
	3	£57,162	£59,064	
Inspector	0	£55,005	£56,907	
(London)	1	£56,496	£58,398	
	2	£57,993	£59,895	
	3	£59,490	£61,392	
Chief Inspector	1	£58,332	£60,234	k
	2	£59,502	£61,404	
	3	£60,732	£62,634	
	In post 31 August 1994	£61,725	£63,627	
Chief Inspector	1	£60,654	£62,556	k
(London)	2	£61,824	£63,726	
	3	£63,048	£64,950	
	In post 31 August 1994	£64,032	£65,934	
Superintendent	1	£70,173	£72,075	
(promoted to rank on or after	2	£73,833	£75,735	
1 April 2014)	3	£77,691	£79,593	
. ,	4	£82,881	£84,783	
Superintendent	1	£70,173	£72,075	
(promoted to rank	2	£73,065	£74,967	
before 1 April 2014)	3	£75,957	£77,859	
	4	£78,855	£80,757	
	5	£81,753	£83,655	
Chief	1	£86,970	£88,872	
Superintendent	2	£89,910	£91,812	
	3	£91,749	£93,651	

#### Allowances

The recommended revised values of allowances from 1 September 2022 are set out below:

London Weighting	£2,697	per annum
Dog Handlers' Allowance	£2,520	per annum

The values of all other allowances and payments remain unchanged.

#### Notes:

- a. Subject to note (b), the chief officer of police must determine the starting salary of any member of their police force who is appointed on a police constable degree apprenticeship scheme (a 'PCDA constable'), and the starting salary of a PCDA constable must be an amount from £23,556 to pay point 1 on the constables' pay scale.
- b. The chief officer of police must determine the starting salary of any member of their police force who is a PCDA constable as pay point 1 on the constables' scale where that PCDA constable:
  - possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
  - was, prior to appointment, serving as a special constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;
  - was, prior to appointment, serving as a police community support officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- c. The chief officer of police must take into account, in making their determination under note (a):
  - the views of the local policing body;
  - local recruitment needs; and
  - whether the PCDA constable holds a policing qualification or relevant experience other than those specified in note (b) above.
- d. The PCDA constable will continue to receive their starting salary for the subsequent twelve months of their service from the date of their appointment as a PCDA constable. After twelve months, service, and subject to satisfactory completion of Year 1 of their apprenticeship, the PCDA constable's salary is to be calculated in accordance with the prevailing police constable pay scale, the relevant pay point being determined as follows:
  - For PCDA constables being paid an amount equal to pay point 1 on the prevailing constable pay scale during their first twelve months of service, they will be moved to pay point 2.
  - For all other PCDA constables, they will be moved to pay point 1.
- e. Where a PCDA constable's first twelve months of service has not been satisfactory, they will remain on the same salary as applied when they entered service as a PCDA constable.
- f. Entry point for an officer appointed in the rank of constable, unless either of sub-paragraphs (i) or (ii) applies:

- (i) The chief officer of police may, after consultation with the local policing body, assign any officer to pay point 1 on the basis of local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of this note; and
- (ii) The chief officer of police shall assign to pay point 1 any officer who:
  - 1. Possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
  - 2. Was, prior to appointment, serving as a special constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;
  - 3. Was, prior to appointment, serving as a police community support officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- g. The salary paid to an officer at pay point 0 shall be between £23,556 and £26,682 as determined by the chief officer of police, after consultation with the local policing body, based on local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of note (f) above.
- h. On completion of initial training, an officer who entered at pay point 0 will move to pay point 1.
- i. All officers will move to pay point 2 after twelve months at pay point 1 and progression will continue to be at a rate of one pay point per twelve months of service thereafter with the exception of pay point 4 which is subject to note (j) below.
- j. All officers move to this salary point on completion of two years' service as a constable.
- k. Entry point for an officer appointed to the rank, unless the chief officer of police assigns the officer to a higher point.

Incremental progression through the pay scale will be dependent upon an officer's performance having been graded as either 'satisfactory' or above in the relevant PDR. In the absence of a PDR, an officer's performance will be assumed to have been 'satisfactory'.

## APPENDIX F – RECOMMENDED CHANGES TO CHIEF POLICE OFFICER PAY FROM 1 SEPTEMBER 2022

### Chief Constable and Deputy Chief Constable Salaries

		Chief Co	nstables	Deputy Chief Constable		
Force Weighting	Force	With effect from 1 September 2020	Recommended for effect from 1 September 2022	With effect from 1 September 2020	Recommended for effect from 1 September 2022	
10.0	West Midlands Greater Manchester	£204,372	£206,274	£156,693	£158,595	
8.0	West Yorkshire	£190,752	£192,654	£152,601	£154,503	
6.5	Thames Valley	£180,534	£182,436	£148,941	£150,843	
6.0	Merseyside Northumbria	£177,120	£179,022	£146,130	£148,032	
5.5	Hampshire	£173,712	£175,614	£143,319	£145,221	
5.0	Kent Lancashire Devon & Cornwall	£170,316	£172,218	£140,502	£142,404	
4.5	South Yorkshire Essex Avon & Somerset Sussex South Wales	£166,911	£168,813	£137,703	£139,605	
3.5	Nottinghamshire	£160,098	£162,000	£132,081	£133,983	
3.0	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire Derbyshire	£156,693	£158,595	£129,264	£131,166	
2.5	Surrey Norfolk	£153,282	£155,184	£126,459	£128,361	
2.0	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire Bedfordshire	£149,913	£151,815	£123,648	£125,550	
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	£146,469	£148,371	£122,628	£124,530	

A PCC may, on appointing a Chief Constable, set the Chief Constable's salary at a rate up to 10% above or below the rate set out in the table above.

## **Metropolitan Police Service Salaries**

	With effect from 1 September 2020	Recommended for effect from 1 September 2022
Commissioner	£292,938	£294,840
Deputy Commissioner	£241,842	£243,744
Assistant Commissioner	£204,372	£206,274
Deputy Assistant Commissioner	£156,693	£158,595

### **City of London Salaries**

	With effect from 1 September 2020	Recommended for effect from 1 September 2022
Commissioner	£181,221	£183,123
Assistant Commissioner	£149,475	£151,377

### Assistant Chief Constable and Commander Pay Scale

Pay point	With effect from 1 September 2020	Recommended for effect from 1 September 2022
1	£105,600	£107,502
2	£112,404	£114,306
3	£119,220	£121,122

Incremental progression will follow upon twelve months' reckonable service on each pay point, on the basis of satisfactory performance.

# APPENDIX G – CHIEF POLICE OFFICER RANKS IN ENGLAND AND WALES 2021

England and Wales (outside London)	Metropolitan Police	City of London
	Commissioner	
	Deputy Commissioner	
Chief Constable	Assistant Commissioner	Commissioner
Deputy Chief Constable	Deputy Assistant Commissioner	Assistant Commissioner
Assistant Chief Constable	Commander	Commander

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