

1 Introduction

- 1.1 This document is the Chief Police Officers' Staff Association (CPOSA) initial submission to the consultation process being undertaken as part of the Independent Review of Police Officers' and Staff Remuneration and Conditions of Service.
- 1.2 Following on from CPOSA's initial meeting with Tom Winsor on 27 October 2010 we aim to provide supplementary information and evidence in addition to this initial submission. In the time available to date, we have sought to consult with our members and this submission represents the Executive Committee's assessment of the major issues that concern them. This process of membership consultation is ongoing and we aim to ensure that all of our members have a full opportunity to highlight the breadth of issues facing them and to offer potential solutions within the tight timescales that have been set.
- 1.3 In particular, the 2010 Annual General Meeting of CPOSA is taking place on 10 November, after which we hope to be in a position to submit further detailed information to Mr Winsor prior to the follow up meeting he has scheduled with Chief Constable Paul West and ACC Nick Ingram on 16 November 2010.
- 1.4 CPOSA is a membership association comprising the Chief Police Officers (Assistant Chief Constables, Assistant Chief Officers, Commanders and above) from all of the police forces of England, Wales and Northern Ireland. It shares a common membership with the Association of Chief Police Officers, with approximately 350 members.
- 1.5 As chief police officers we believe that it is vitally important for us to separate out those issues upon which we are able to speak as the professional voice of the police service (ACPO) from those matters of a staff association nature that affect us on an individual and collective basis (CPOSA).
- 1.6 This submission is written from that staff association perspective, focusing on the following areas and highlighting a number of key issues for further development:-
 - Current pay arrangements
 - Working practices and additional allowances
 - Pensions and exit routes
 - Pay machinery
 - A suggested way forward.

2 Context

- 2.1 The members of our Association have responsibilities for leading organisations that deliver policing services dealing with issues ranging from anti-social behaviour to serious and organised crime and from minor criminal damage to counter terrorism. Ours are multi-million pound operations incorporating a variety of staff such as solicitors, accountants, human resource professionals and media specialists as well as police officers and police staff, who perform a variety of roles from call handling to forensic recovery. The media spotlight is never far away from policing with chief officers performing critical roles in responding to and managing a range of high profile public interest incidents, at times with

national and international implications. The role of the police in helping to create an environment free from crime and disorder makes a significant contribution towards social cohesion and promoting economic growth.

- 2.2 The ECHR (European Convention on Human Rights) Article 2 responsibilities involved in managing firearms, public order and counter terrorists operations represent just one element of the complex and demanding role that chief police officers perform on behalf of the public. To ensure that senior command is available for such eventualities, chief officers often have to provide cover for upwards of 50% of their non-duty time, which represents a considerable limitation on private and family life. In addition to discharging their local responsibilities on a day to day basis, many chief officers perform national roles on behalf of ACPO and the wider police service on a voluntary basis.
- 2.3 We recognise that we need to be mindful of cost but believe it is important to argue in favour of a reward mechanism that is designed to attract and retain the best possible talent at chief officer level, and to facilitate easy movement for promotion and development into some of the most demanding of senior public sector roles.
- 2.4 In terms of our own ranks, CPOSA supports direct entry of police staff colleagues into Assistant Chief Officer positions within specialised disciplines that support Chief Constables in providing leadership to forces. This is evidenced in appointments into such posts as Directors of Finance, Human Resources and Corporate Services, demonstrating an integration of senior professionals into the highest levels of police leadership.
- 2.5 Overall, our desire is for a fair and equitable reward package for chief officers relative to other public sector senior leaders, and one that acknowledges the specific high risk and high profile nature of our role.

3 Current Pay Arrangements

- 3.1 The current national pay arrangements for chief police officers were settled upon in the Chief Officers' Committee of the Police Negotiation Board on 12th February 2004 following a review of senior pay within the service. No further systematic review of our pay and conditions has been undertaken since and we therefore welcome the current Independent Review. The main aims of the 2004 agreement were:-
 - To improve the coherence of the pay structure and, where appropriate, to encourage officers to seek promotion.
 - To relate the basic pay of chief constables to a range of policing measures, in place of the reliance, until then, on population alone.
 - To introduce significant bonus payments, relative to force performance.
 - To enable faster progression through the ACCs/Commanders' pay scale for those whose performance is rated 'exceptional' in their annual performance and development review (PDR).

3.2 The agreement provided for:-

- Progression through the ACCs/Commanders' pay scale according to PDR ratings with effect from 1 April 2005.
- Introduction of a bonus scheme with payments starting from 1 April 2006, based upon performance in 2005/06. Participation in this scheme was to be voluntary for chief officers in post at 1 April 2004 but mandatory for those appointed subsequently.
- Severance arrangements and compensation on a UK-wide basis, with an accompanying protocol for implementing Sections 30-33 of the Police Reform Act 2002 in respect of England and Wales.

3.3 Fixed Term Appointments (FTAs) for chief officers were first introduced in the mid-1990s and, at that time, governed appointments to all chief officer ranks. Subsequently, legislative changes that took effect in April 2004 abolished FTAs for Assistant Chief Constables and Commanders. Consequently, FTAs (initially for a maximum of 5 years, renewable on the first occasion for up to 3 years and subsequently limited to 1 year at a time) now only apply to Chief Constable and Deputy Chief Constable positions (and Metropolitan Police equivalents).

3.4 The performance related bonus scheme for chief officers is operated by the Police Authorities in consultation with HMIC and provides for non-pensionable bonuses of up to 15% of pensionable pay for CCs, up to 12.5% for DCCs and up to 10% for ACCs, with the same ceilings applying for equivalent London ranks. The scheme remains voluntary for those chief officers who were in post on 1 April 2004 but otherwise is mandatory. In practice, virtually all chief officers currently serving are now subject to the bonus scheme.

3.5 A recent independent survey conducted as part of ongoing Police Negotiation Board (PNB) pay negotiations has indicated that more than half of eligible CPOSA members have received some form of bonus within the last 12 months, whilst others, for personal reasons, have chosen to decline to accept what they are entitled to.

3.6 In recent years the agreed CPOSA position has consistently been that a private sector style pay structure including performance related bonuses does nothing to motivate chief police officers and is incompatible with the public service ethos of policing. This has been our shared view since long before bonus payments fell into general disrepute in other employment sectors.

3.7 Our proposal for some time within PNB has been that the bonus scheme should be abolished in favour of a modest uplift to basic chief officer pay.

Key Issue 1

Pay structures should be nationally agreed and adhered to by Police Authorities (and in the future by Police and Crime Commissioners). Remuneration for chief officers should reflect the complexity of command and the very substantial demands placed on our members.

Performance related bonus payments for chief officers should be withdrawn, in favour of a modest uplift in basic salary

The pay structure should be transparent, consistent, equitable and covered by an appropriate Code of Practice

4 Working practices and additional allowances

- 4.1 Over time, there have been signs that the 2004 nationally negotiated pay agreement for chief officers has begun to break down. For example, it is widely known that some Police Authorities in smaller force areas enhance the national pay scales with some very substantial additional allowances. A variety of local arrangements have developed, which have undermined the credibility of the 2004 national pay agreement and have resulted in a number of less demanding roles being rewarded at a significantly higher rate than many more challenging ones, leaving the police service open to public criticism.
- 4.2 There has been widespread concern expressed for some time by ACPO, CPOSA and the APA in relation to the increasing number of these locally negotiated special allowances being paid to chief officers. We believe that the wide differences in terms and conditions of appointment that currently exist should be subject to a process of standardization and regularization, subject to an agreed Code of Practice.
- 4.3 Terms and conditions of appointment should include explicit reference to relocation packages, all of which should include compensation for tax liabilities resulting from house moves, so as to level the marketplace and facilitate moving home on a cost neutral basis. Current relocation packages vary hugely, with a large variance apparent in what can and cannot be claimed.
- 4.4 There is also variation in pay rates between senior police staff colleagues in Assistant Chief Officer roles. For example, in one force it is approximately 5% less than ACC pay yet in a neighbouring force it is equivalent. In another neighbouring force it exceeds ACC pay by a significant margin. All three of these forces are in the same police region.

Key issue 2

A minimum appointment package should be established for all chief officers to ensure that successful candidates are not financially disadvantaged in taking up a new post.

A wide variety of relocation packages exist at present, many of which fail to provide adequate financial security. This can lead to significant welfare concerns for CPOSA members and is a situation that requires Police Authorities (and Police and Crime Commissioners of the future) to be cognisant of their duty of care responsibilities.

CPOSA advocates a consistent basic relocation package containing elements such as:

- **Compensating for all tax liabilities incurred in house sale and purchase**
- **options to purchase the chief officer's 'old' home if required**
- **facilities to support family commitments such as professional fees, assistance in finding partner employment, etc.**

5 Pensions and exit routes

- 5.1 Entitlement to a police pension has always been regarded as a key element of the remuneration of police officers. Equally however, it should be recognized that, at 11% (in the "closed" scheme), the employee pension contributions made by police officers are significantly higher than those made by any other public sector employees (with the exception of fire fighters).
- 5.2 The arrangements under the Police Pension Scheme 1987 and the New Police Pension Scheme 2006 are such that they have always offered a reasonable expectation of a range of benefits that provide financial security both in the time up to retirement and beyond. Both schemes are controlled by formal regulations. Although they are being addressed as part of Lord Hutton's ongoing public sector pensions review, police pensions should also be considered as part of the overall remuneration package within this Independent Review. Regrettably, the recent proposals from the Treasury in relation to restricting pensions tax relief by adjusting annual allowances, flat factor multipliers and the lifetime allowance pose some very substantial financial threats to chief police officers, exacerbated by the double accrual system that operates in the Police Pensions Scheme after 20 years of service. There is a very real possibility that the combination of the Treasury proposals and Lord Hutton's pensions review could risk shrinking the pool of talented individuals prepared to put themselves forward for chief officer posts in the future.
- 5.3 With regard to exit schemes, the only severance arrangements that currently exist arose out of the 2004 PNB agreement, to address the situation that prevails when a FTA is not renewed and the chief officer concerned has not yet reached full pensionable service. Whilst the gross figures involved appear, on face value, to be reasonable, they are subject to high rates of tax, which can create a hugely disproportionate net penalty for officers having to leave the service just short of 30 years service. On account of ACCs not being subject to FTAs, no severance arrangements exist for them. We believe that consideration should be given to introducing a recognized voluntary early retirement scheme for all chief officer ranks, framed around a similar financial basis to FTA non- renewals, although allowing appropriately for the impact of taxation on such payments.
- 5.4 Proposed reforms in England and Wales concerning the appointment of Police and Crime Commissioners (PCC) raise issues of concern for the terms and conditions of chief officers. This has been subject to a separate recent

consultation response to the Home Office and is available for consideration by the Independent Review team, but several key elements deserve special mention in this document.

- 5.5 The PCC will be able to appoint and dismiss the Chief Constable, with a similar responsibility for the appointment and dismissal of the senior team (Assistant Chief Constables/Commanders and Deputy Chief Constables/Deputy Assistant Commissioners) passing to Chief Constables/Commissioners. This changed arrangement (at present all chief police officers are appointed and, if necessary, disciplined by Police Authorities) raises a number of concerns for our members.
- 5.6 Current legislation governing the dismissal of chief officers has checks and balances built in involving the Secretary of State, to guarantee due process and ensure that dismissal is in the interests of the “efficiency or effectiveness” of the service. This safeguard may be insufficiently strong or clear in the new environment involving PCCs. It is vital that dismissal, or for that matter failure to renew a FTA in circumstances where an officer is not in a position to immediately access their full pension, should be a step of last resort based upon a clear, evidenced, defensible and fair process.
- 5.7 It will be particularly crucial to have a modern, “fit for purpose” compensation scheme in place to cater for cases where the future of a chief officer who has not yet reached either full pensionable service or their protected pension age (PPA) is under consideration.
- 5.8 CPOSA members have also questioned what might happen within the proposed new arrangements when a PCC recruits a new Chief Constable who then inherits an existing Chief Officer team? Will there be an expectation that (as has traditionally been the case in the USA) the newly appointed Chief Constable should have the freedom and flexibility to be able to replace the incumbent chief officers with his or her own appointees? If that is not to be the case (and CPOSA urges strongly that it should not be) then clear provisions must be put in place, to overcome any prospect of chief officers being removed from office in such circumstances for anything other than reasons of unsatisfactory performance or misconduct.
- 5.9 In terms of appointments within the chief officers’ ranks, CPOSA believes that the PCC proposals provide an opportunity for change in relation to FTAs.
- 5.10 Given the clear separation intended between the process to be applied in ‘hiring’ Chief Constables (by PCCs) and all other chief officers (by Chief Constables), it would seem wholly inappropriate for CC’s to be in the position of appointing Assistant Chief Constables and Assistant Chief Officers on an open-ended basis, whilst appointing DCCs on short term FTAs. Logic would therefore dictate that FTAs for Deputy Chief Constables should be removed under the new arrangements.

Key Issue 3

The appointment and removal/exit processes for all chief officer posts need to be reviewed, with appropriate checks and balances being put in place prior to the introduction of Police and Crime Commissioners in May 2012.

CPOSA advocates the end of FTAs for Deputy Chief Constables.

6 Pay machinery

- 6.1 Currently, police officer pay for all ranks is negotiated within the Police Negotiating Board (PNB) machinery and police staff pay is negotiated by the Police Staff Council (PSC). Sir Clive Booth reviewed the police pay negotiating machinery in 2007. At the time he recommended replacing PNB with a Pay Review Body, whilst retaining the PSC for police staff pay arrangements (accepting that a few forces are not members and have their own separate negotiating arrangements). The Home Secretary of the day delayed implementation of the Pay Review Body in light of the 3-year pay deal that was subsequently negotiated and agreed.
- 6.2 When consulted for the Booth Review in 2007, CPOSA members were unsure whether collective bargaining through the PNB was preferable to a Pay Review Body. It is worth noting that since 2007 some of the major decisions involving PNB, eg: pay award and on-call allowance, have been resolved by the Police Arbitration Tribunal. Arguably therefore, the PNB, as a negotiating mechanism that aims to reach agreement and make decisions in its own right, has not operated as effectively as it should have done in recent years.
- 6.3 Earlier this year CPOSA members were greatly encouraged when the Senior Salaries Review Body (SSRB) undertook a review of senior public sector pay. Amongst other groups, this review incorporated both chief police officers and local authority chief executives within its terms of reference. The SSRB review produced an interim report with a number of recommendations but since the general election its initial work has not been further pursued. This is a matter of regret for CPOSA members as we believe that its conclusions would have assisted us in deciding whether our future inclusion in a Senior Salaries Review Body (with a wider remit than the traditional one) would have been in our members best interests.

Key Issue 4

CPOSA's current desire is to remain within the existing PNB structure, subject to its methods of operating being reviewed and modernised. An alternative arrangement might be to have PNB replaced by with an effective police-sector specific Pay Review Body.

Either way, the concept of binding arbitration for both sides (without any scope for Ministerial over-rule) is essential to the concept of fairness in any

future arrangements, especially given the unique status of police officers and our inability to withdraw our labour.

7 A suggested way forward

- 7.1 In seeking to identify a route map to create modern, equitable and transparent remuneration arrangements for chief officers which take into account the realities of the current economic climate, CPOSA has previously sought to gather valid benchmarking material to support our negotiating position.
- 7.2 Following lengthy discussions, in June 2009 Incomes Data Services (IDS) was commissioned by both sides of PNB to provide data on pay and related arrangements for senior public sector staff in order to inform ongoing pay negotiations within the PNB Chief Officers' Committee. The report from IDS was completed in October 2009.
- 7.3 We are supportive of the benchmarking approach being taken by the Independent Review and would wish to offer up the IDS data as a starting point in relation to chief officer remuneration packages.
- 7.4 In undertaking this benchmarking exercise there also needs to be a review of the existing chief officer pay ranges to ensure that they are still fit for purpose and take into account the changed policing landscape since 2004, having regard to the weight and responsibility of the various posts concerned. Current pay scales do not, for example, take account of the new counter terrorism and collaboration landscape.
- 7.5 Some CPOSA members also believe it is time to reconsider the calculation of ACC/Commander's pay arguing that it should be linked by a percentage figure to the Chief Constable's salary, in the same way as it is for the DCC/DAC, rather than being a fixed salary for all forces as at present.
- 7.6 Looking to the future, whatever the outcome of this Independent Review, we believe that a first essential step in ensuring consistency of application of any national agreements should be the adoption of a Code of Practice for setting the terms and conditions of chief officer pay. The review of senior public sector pay by the Senior Salaries Review Body (SSRB) that reported in March 2010 set out a draft Code of Practice on top-level reward in the public sector. They foresaw the following benefits if such a Code were to be implemented:-
- clear rules applying to all highly paid public sector workers
 - a clear framework of accountability; organisations will have to say what this framework is and how it will work in practice;
 - if organisations need to make an exception, they will have to seek special approval and say why;
 - organisations will have to disclose in full what they are paying their senior people – all aspects of the reward package, not just headline salary;
 - explicit checks to stop one-off or premium arrangements becoming the norm;

- reward packages will have to be properly approved before they are advertised or offered.
- 7.7 Such a Code of Practice could form the basis of a new approach to the total reward package for chief officers and provide for standardisation and protection from the vagaries of individual Police Authorities, PCC's or indeed Chief Constables of the future. It could also form the basis of a standardised format of terms and conditions of appointment for all chief officer ranks and roles.
- 7.8 Any new national arrangements would still require an oversight body, be it a reformed Police Negotiating Board or a new Police Pay Review body.

8 Summary

- 8.1 CPOSA contends that the quality of chief officer leadership that the police service has enjoyed in recent years is as good as it has ever been. We also believe that there are ample capable and talented colleagues within the current superintending and federated ranks to ensure that the necessary quality of leadership will be available to the police service for the foreseeable future.
- 8.2 The presence of police staff chief officer colleagues, many of whom have experienced direct entry into senior positions, has further enhanced the collective strategic and leadership skills of the service in recent years, especially in key specialist areas.
- 8.3 However, we are fearful that uncertainty on several fronts (including pensions taxation and many of the other issues discussed in this submission) may make colleagues less than enthusiastic about seeking promotion to the rank of Assistant Chief Constable/ Commander and beyond in the future.
- 8.4 Furthermore, in an age of devolved administrations, any movement away from UK-wide agreements on terms and conditions would see limited movement of chief officers across services and jurisdictions, to the overall detriment of UK policing.

Key Issue 5

We are concerned about the potential cumulative adverse effect upon our members of:

- **Lord Hutton's Independent Public Service Pensions Commission,**
- **HM Treasury decision on restriction of pensions tax relief (to which CPOSA made a detailed submission)**
- **Proposed two year police pay freeze**
- **Proposed increased pension contributions**

We believe that the overall impact of these proposals will present a significant leadership challenge to the service in the following areas:

- **Potential future recruitment to ACC from the superintending ranks**
- **The number of current chief officers who may seek further promotion**
- **The ability and/or preparedness of suitable candidates to apply for vacancies that will require them to move house**

CPOSA supports the notion of a fair and transparent pay and rewards structure as a key means of maintaining high standards of police leadership.

- 8.5 CPOSA members are clear that police officers of all ranks, and certainly the chief police officers for whom we can speak, are not predominantly motivated by financial reward. However, promotion to and within the chief officer ranks often leads to disrupted family life, uncertainty over children's schooling, limitations on spouse's careers and expensive house moves. At the very least, therefore, the total remuneration and removal packages on offer to chief officers on promotion, especially in relation to those most challenging leadership roles, should be structured in such a way as to make the resultant transition as attractive and pain-free as possible, both for the chief officers themselves and also, where relevant, for their families.