

# Supplement to the Thirty-Ninth Annual Report on Senior Salaries 2017

REPORT No. 88

Chief police officers in England, Wales and Northern Ireland

Chair: Dr Martin Read, CBE



# Review Body on Senior Salaries

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Presented to Parliament by the Secretary of State for the Home Department by Command of Her Majesty September 2017



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# Strategic priorities

- **Total reward**: In making pay recommendations, the SSRB needs to consider a range of factors alongside basic pay and bonuses, including pensions, relative job security and the value of benefits in kind.
- Pay and workforce strategy: Departments need to be clear about their long-term
  objectives, their future operating model and the pay and workforce strategy required to
  support them. Annual changes to pay need to be linked to longer-term strategy.
- **Focus on outcomes**: There should be more focus on maximising outcomes for lowest cost and less fixation on limiting basic pay increases across the board.
- Action on poor performance: Greater analysis is required of where value is being added and action taken where it is not.
- **Performance management and pay**: There needs to be demonstrable evidence that appraisal systems and performance management arrangements exist and are effective, and of a robust approach to reward structure and career development.
- **Better data**: Better decision-making requires better data, particularly in respect of recruitment, retention and attrition. Emerging issues and pressures need to be identified promptly and accurately so that appropriate action can be taken.
- **Feeder groups**: The feeder groups that will supply the next generation of senior public sector leaders must be closely monitored. The data relating to them needs careful scrutiny for early warning signs of impending problems.
- **Targeting**: Where evidence supports it, pay increases should be targeted according to factors such as the level of responsibility, job performance, skill shortages and location.
- Central versus devolved tensions: Tensions that exist in the system that hinder the development of a coherent workforce policy, such as between national and local control, need to be explicitly recognised and actively managed.
- **Diversity**: The senior workforces within our remit groups need to better reflect the society they serve and the broader workforce for which they are responsible.

# **Chapter 1**

#### Introduction and recommendations

#### General findings and recommendations for all of our remit groups

- 1.1 Historically, the government's main expectation of the SSRB, and the SSRB's main focus, has been the production of annual recommendations on increases in basic pay. In our recent reports we have taken a more strategic approach, which aims to lift everybody's sights above this single issue.
- 1.2 This year, in our main report, we reiterated a number of strategic priorities set out for the first time in our 2016 report against which departments need to take action in relation to their senior workforces. These are listed in the box at the beginning of this report and apply equally to chief police officers. Generally, progress has been disappointing.
- 1.3 We also highlighted the following general points about the remit groups considered in our main 2017 report<sup>1</sup>. Again, they also relate to chief police officers.
  - Our remit group members continue to believe that their jobs are important and
    worthwhile. However, many are frustrated and demotivated. One common cause
    relates to changes to pension tax, which are having adverse impacts on recruitment,
    retention and motivation. The remit groups also believe that they are undervalued.
    Low motivation could already be damaging workforce performance and be a
    warning sign of future recruitment and retention problems.
  - We recognise the pressing need to improve the public finances. However, the manner in which the 1 per cent public sector pay policy has been implemented (as described later in this chapter) is holding back necessary pay and reward reforms. We are seeing very little evidence of pay being linked to workforce strategy or outcomes. Instead, pay policy for our remit groups has been characterised by long periods of rigidity, followed by reactive responses to specific pressures.
  - We believe employers need to develop innovative pay and workforce proposals, even within current budgetary constraints. These should be focused on long-term outcomes, rather than simply on limiting basic pay increases across the board and then reacting in an ad hoc manner when action becomes unavoidable.
- 1.4 Consequently, we made two general recommendations for all of the remit groups considered in our main report. As the evidence and analysis set out here confirm, they also apply to chief police officers.
- 1.5 Firstly, we believe that innovative pay and workforce proposals should be developed for chief police officers which focus on long-term outcomes and are implemented consistently. The SSRB awaits the development of a new workforce strategy and pay and reward structure for the police and would like to help ensure that both are designed in support of the long-term objectives of the police service and its future operating model.

Recommendation 1: We recommend that all employers of our remit groups give active consideration to developing genuinely innovative pay and workforce proposals that are focused on maximising outcomes for lowest cost rather than limiting basic pay increases across the board (this repeats Recommendation 1 from our main report).

The Senior Civil Service, senior officers in the armed forces, the judiciary and Executive and Senior Managers in the Department of Health's Arm's Length Bodies.

1.6 Secondly, we believe consideration should be given to greater pension flexibility. This is particularly because of the risks to recruitment, retention and motivation resulting from recent changes to pension taxation.

Recommendation 2: Public sector employers should closely examine the options for making pension packages more flexible and take action where appropriate (this repeats Recommendation 3 from our main report).

1.7 In addition, we have been told that uncertainty and confusion around pension taxation is deterring talented individuals from seeking promotion on the grounds that it is not seen, correctly or otherwise, as financially worthwhile to do so. We therefore believe that the Association of Police and Crime Commissioners (APCC) and the National Police Chiefs' Council (NPCC) should consider how individuals can access specialist pension advice in future, should they require it.

#### Recruitment, retention and motivation of chief police officers

- 1.8 We believe that the recruitment and retention position is fragile and needs to be closely monitored, particularly in the feeder group. There are problems with competitions for chief police officer roles receiving low numbers of applicants, a lack of candidates from other forces and difficulties in filling posts. We also received two reports this year of chief police officer vacancies being left unfilled.
- 1.9 Fragile morale within the remit group and the feeder group is also a matter for concern. It is driven by a number of factors including the risk of adverse media attention, insecurity of employment at Chief Constable and Deputy Chief Constable levels and pension taxation.
- 1.10 We continue to believe that there is a lack of clarity around how the national control of chief police officers' pay aligns with local pay flexibility and the determination of allowances. In particular, we believe that inconsistent and unclear practice in respect of allowances is having an adverse impact on the mobility of chief police officers across forces. We believe that the APCC and the NPCC should give serious thought to how the system could achieve improved equity and fairness and strike a better balance between local accountability and central control.

#### Pay recommendations

1.11 Pay is only one of a number of factors affecting chief police officers. Nevertheless, we believe that the general recruitment, retention and motivation position justifies full use of the 1 per cent of pay budget that has been made available for pay rises this year. Failure to use the full available budget would itself be demotivating.

Recommendation 3: We recommend, with effect from 1 September 2017, a consolidated increase in basic pay of 1 per cent for all chief police officer ranks at all pay points in England, Wales and Northern Ireland.

1.12 We have seen no evidence that London Weighting or the Northern Ireland Transitional Allowance (NITA) for chief police officers should change by anything other than the rate for all other police ranks.

Recommendation 4: We recommend an increase in London Weighting and in the Northern Ireland Transitional Allowance in line with that recommended for the non-chief police officer ranks.

#### Data and evidence recommendations

- 1.13 Three years have passed since the SSRB was first asked to provide independent advice to the government on the pay of chief police officers. We remain very concerned that we are still unable to reach proper evidence-based recommendations on the remit group or feeder groups because of highly fragmented, poor quality and incomplete data. Good data are a pre-requisite for effective workforce management and making evidence-based pay recommendations.
- 1.14 Last year, we asked all the main parties to work with each other and with the SSRB secretariat to ensure that much better data were collected and provided on a consistent basis across police forces. The data improved in some respects this year, for example the data on allowances which we were able to collate ourselves from the Police Census. However, overall the data we received were still poor and significant gaps remain. In addition, there was apparent confusion between the parties over who would provide what, resulting in less information being presented to us this year in some areas of direct relevance to our terms of reference, such as recruitment.
- 1.15 The root cause of the data problem lies in the absence of a central coordinating body taking overall responsibility for commissioning, collating, analysing and presenting available information to us in an effective and timely way. Apparently, some of the relevant data actually exist, for example in police force and Police and Crime Commissioner (PCC) annual reports and accounts. However, the data are not collated in a manner that supports national-level workforce planning. As we have stated previously, we believe that the Home Office, as the body that commissions independent pay review body advice, is ultimately responsible for ensuring that the SSRB receives the data it requires.

Recommendation 5: We recommend that the Home Office works with the other main parties and mandates police forces to ensure that the SSRB is provided with reliable, consistent and comparable data in accordance with our stated evidence requirements and terms of reference.

- 1.16 In the case of Northern Ireland, we recognise that the contingent of chief police officers is relatively small. Nevertheless, the same principle of needing reliable, consistent and comparable data applies.
- 1.17 We were also concerned to learn that not all PCCs and Chief Constables are publishing a full breakdown of chief police officer pay and benefits as they are required to do by 30 September each year.

Recommendation 6: We recommend that the Association of Police and Crime Commissioners and the National Police Chiefs' Council work together to ensure that information on chief police officer pay and benefits is published in an open and transparent manner.

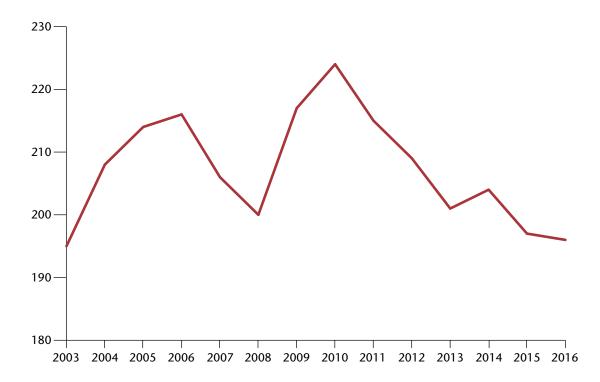
# **Chapter 2**

# Policy and workforce overview and proposals

#### The remit group

- 2.1 Our chief police officer remit covers England, Wales and Northern Ireland. The relevant police ranks are set out in Appendix K.
- 2.2 There are 43 police forces in England and Wales and one in Northern Ireland. At the end of March 2016, each force had at least three chief police officers. The forces with the largest complement were the Metropolitan Police Service with 29, followed by West Yorkshire with 7, and Greater Manchester and the West Midlands with 6 each.
- 2.3 In 2016, there were 196 chief police officers in England and Wales and 6 in Northern Ireland. Chief police officer numbers in England and Wales over the period 2003 to 2016 are shown in Figure 2.1. After peaking in 2010 at 224, the 2016 total of 196 (reduced from 197 in 2015) was the lowest number since 2003. This constitutes a 12 per cent fall in the chief police officer complement since 2010. The size of the overall police force in England and Wales fell by 14 per cent over the same period.

Figure 2.1: Chief police officer numbers in England and Wales between 2003 and 2016



Source: Police Workforce Statistics, Home Office.

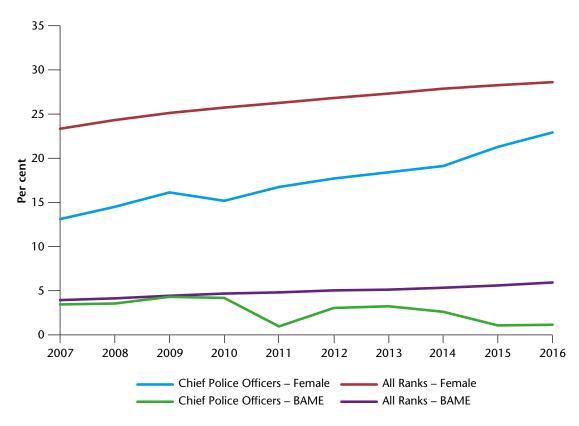
Notes: Figures are as of 31 March each year. Figures for 2017 will not be available until July 2017.

- 2.4 In terms of diversity, the Home Office Police Workforce Statistics showed that the position on 31 March 2016<sup>2</sup> was as follows:
  - Overall, there were 45 female chief police officers, which was 23 per cent of the total.

The figures for 31 March 2017 will be available in July 2017, which is after we have submitted this report.

- The proportion of chief police officers who were female has increased each year since 2010, when 15 per cent were female.
- 13 police forces had no female chief police officers. Only South Yorkshire had a majority of such officers.
- Two chief police officers, just 1 per cent of the total, were from ethnic minorities. Neither were at Chief Constable rank. The share has not been above 5 per cent in any year since 2007.
- 2.5 Data taken from police force websites showed that, at the end of April 2017, just five female police officers were head of their force.
- 2.6 Trends in chief police officer numbers by gender and ethnicity, compared to the wider police force, are provided in Figure 2.2.

Figure 2.2: Chief police officers in England and Wales by gender and ethnicity between 2007 and 2016



Source: Office of Manpower Economics analysis of Police Workforce Statistics, Home Office. Notes: BAME stands for Black, Asian and Minority Ethnic.

#### Pay and the pay system

2.7 The core components of the chief police officer reward package (pay, pension and allowances and benefits in kind in some cases) are set nationally. In addition, some chief police officers receive adjustments to pay, allowances and benefits in kind by local arrangement.

#### Chief Constables and Deputy Chief Constables

2.8 Since September 2003, Chief Constables and Deputy Chief Constables have received spot rate salaries with no incremental progression. These are contained in the national pay structure which is set out in Appendix L. Salaries according to police area are, for Chief

- Constables and Deputy Chief Constables, affected by a force weighting. This is, in turn, determined by a set of eight weighted measures<sup>3</sup>. Weightings were last reviewed in 2003. In 2011, the Winsor Review of Police Pay and Conditions<sup>4</sup> recommended retention of this pay system 'in the short term', 'unless and until a more advanced system is devised'.
- 2.9 PCCs are responsible for appointing and replacing Chief Constables. They also have the discretion to set the Chief Constable's salary at between 10 per cent above and 10 per cent below the rate for the post on appointment. However, PCCs cannot alter that salary after appointment<sup>5</sup>. This year, the APCC provided data on the pay of 10 Chief Constables appointed since the May 2016 PCC elections on whom data was available. This showed that 6 were paid the spot salary, 3 were paid 10 per cent more and 1 was paid 5 per cent less<sup>6</sup>.
- 2.10 Chief Constables and Deputy Chief Constables are unusual in the SSRB's remit in being appointed for a fixed term. Under the Police Regulations 2003, the initial fixed term is set for up to five years, then for three years and, beyond that, one year. There is no limit on the number of renewals. For chief police officers whose fixed-term appointment is not renewed before they reach full pension eligibility, a compensation scheme exists. This comprises a minimum of six months' notice and, depending on age and length of service, a possible lump sum payment in lieu of pension.

#### Assistant Chief Constables and those of equivalent rank

2.11 Assistant Chief Constables (and Commanders in the Metropolitan Police Service and the City of London Police) have a national incremental pay scale and move up a pay point each year. Before June 2014, this was a six point scale but it was gradually reduced down to three points, reaching that level on 1 June 2016. Currently, eligible Assistant Chief Constables will receive incremental pay increases of just over 6 per cent. The pay scale for Assistant Chief Constables is set out in Appendix L.

#### Performance-related pay

- 2.12 Individual performance-related bonuses<sup>7</sup> were introduced for the remit group in 2004. The Winsor Review found opposition to performance-related pay arrangements within the police and they were abolished from April 2013 for chief police officers. There was concern that simplistic performance measures were inappropriate, created perverse incentives and were inimical to effective team-working.
- 2.13 The Winsor Review said that in the medium term, it was only fair for there to be differentiation between competent, high-performing and weaker performers. However, it also that it was not right for high-performing chief police officers to receive additional payments for exceptional performance. Instead, it said that high performance should be expected from police leaders, and that their basic pay assumed it. It added that those who performed exceptionally should be differentiated from average performers through promotion and non-financial recognition.

The eight weighted measures are: six management areas (calls, crime, traffic, public order and reassurance, community policing and patrol); security-related expenditure; and the sparsity of the population in the police area.

<sup>&</sup>lt;sup>4</sup> Sir Tom Winsor was commissioned by the Home Secretary in 2010 to conduct an independent review of police officer and staff remuneration and conditions. Part one was published in March 2011 and part two was published in March 2012

<sup>&</sup>lt;sup>5</sup> PCCs do not have the power to vary the salaries of other chief police officer ranks.

<sup>&</sup>lt;sup>6</sup> Some of these data were provided late on in the process. We had data on 7 Chief Constables at the point when we agreed our recommendations.

These awards had been up to 15 per cent of basic pay for Chief Constables, up to 12.5 per cent for Deputy Chief Constables and up to 10 per cent for Assistant Chief Constables. Performance-related double increments for Assistant Chief Constables were abolished in April 2014.

#### Pension

- 2.14 There are three police pension schemes to which members of our remit group can belong: the 1987 Police Pension Scheme; the 2006 New Police Pension Scheme; and the 2015 Police Pension Scheme.
- 2.15 We were told by the Home Office that the great majority of the current remit group belongs to the 1987 Scheme. This is a final salary pension scheme and members make personal contributions which have risen over time, to 15.05 per cent of earnings from 2015. The retirement age for this scheme is 50 and 30 years' service is required to qualify for a maximum pension. The scheme contains a 'dual accrual' rate (1/60th of final pay for the first 20 years and 2/60ths for the final ten years, up to a limit of 40/60ths).
- 2.16 The pension scheme to which future chief police officers will generally belong is the 2015 Police Pension Scheme. This is a career-average pension scheme with a single accrual rate of 1/55.3 and a contribution rate of 13.78 per cent of earnings. The retirement age for this pension is 60.

#### Pension taxation

- 2.17 Pension taxation rules for chief police officers are the same as those which apply to our other remit groups, the wider public sector and the private sector. The value of pension benefits is taxed if it increases by more than a certain amount in a given period, currently £40,000 in a single year. The overall value of the 'pension pot' is also taxed if it exceeds a certain threshold, currently £1 million.
- 2.18 The Annual Allowance is the limit determining the maximum increase in the value of benefits that a scheme member can earn over a particular tax year without incurring a tax charge. The Allowance was reduced from £255,000 to £50,000 from April 2011, and further reduced to £40,000 with effect from 2014-15. In the Summer Budget 2015, the Chancellor announced that, from April 2016, the Allowance would be tapered at a rate of £1 for every £2 of income received over £150,000, down to £10,000 for those with income over £210,000. This final change affects those in our remit groups if they are paid more than £110,000 a year and see an increase in their pension benefits of more than £40,000 in a given year.
- 2.19 The Lifetime Allowance is the maximum amount of pension savings an individual can build up over their life from all registered pension schemes without incurring a tax liability. Between April 2012 and April 2014, the Allowance was progressively reduced from £1.8 million to £1.25 million, and then reduced further to £1.0 million from April 2016.

#### Allowances and benefits in kind

- 2.20 A range of allowances and benefits in kind for chief police officers are provided for in national regulations dating from 2003. The Home Office told us that allowances can only be paid as provided for in the relevant regulations or determinations, or as approved by the Home Secretary. Responsibility lies with PCCs for ensuring that allowances are legally compliant and set at an appropriate level. PCCs' decisions are then available for scrutiny by Police and Crime Panels<sup>8</sup>.
- 2.21 The Winsor Review said that any benefits provided must be connected with the officer's duties and justified by the needs of the police force and the protection and efficiency of the officer. The Home Office said it continued to endorse the Review's recommendation that all benefits should be published in order to demonstrate that they were justified. It told us that all PCCs are required to publish a full breakdown of chief police officer pay and benefits in an open, transparent and consistent format by 30 September each year. However, we were also told by the Home Office that this does not always happen.

<sup>&</sup>lt;sup>8</sup> Police and Crime Panels are responsible for scrutinising the PCC in each police force area in England and Wales.

- 2.22 We provide an overview of chief police officers' allowances and benefits in kind in Appendix M. They include Replacement Allowance<sup>9</sup> and geographically-based allowances, such as the pensionable London Weighting and the non-pensionable London and South East Allowances, to reflect the cost of living or special circumstances. The Chief Constable may also be provided with a dedicated car as a motor vehicle allowance, at a value decided by the PCC.
- 2.23 PCCs also have the power to allow certain payments to or benefits for chief police officers not specified by the regulations, such as private medical screening.
- 2.24 We have been told that the provision of allowances and benefits to our remit group members varies greatly across police forces. The 2012 Winsor Review found that chief police officers received additional payments worth on average 21 per cent of basic pay for Chief Constables, 14 per cent for Deputy Chief Constables and 10 per cent for Assistant Chief Constables.
- 2.25 We said in our report last year that it is very important that we understand the current value of these benefits. This year, we have obtained from the 2016 Police Census more details of what is received where. We set this out in Chapter 3. It suggests that the value of chief police officers' allowances, as a proportion of basic pay, has reduced significantly in the last four years.

#### Government response to our 2016 recommendations

2.26 The UK and Northern Ireland governments accepted in full the SSRB's recommendations for 1 per cent increases in: the base pay of all chief police officers in England, Wales and Northern Ireland; London Weighting; and the Northern Ireland Transitional Allowance.

#### **Policy context**

- 2.27 This year, the government said that where circumstances were appropriate, pay increases for our remit groups should be targeted according to factors such as the level of responsibility, job performance, skill shortages and location. A letter from the Chief Secretary to the Treasury of 13 July 2016 to the Chair of the SSRB said: 'As I set out to you in my letter last year, I expect to see targeted pay awards, in order to support the continued delivery of public services, and to address recruitment and retention pressures. This may mean that some workers could receive more than 1 per cent whilst others receive less, and there should be no expectation that every worker will receive a 1 per cent pay award. I am aware that this requires you to receive good, evidence-based propositions to consider.' This letter can be found in Appendix C.
- 2.28 The Policing and Crime Act 2017 received Royal Assent on 31 January 2017. The Act includes a number of provisions on police workforce reform, including an enabling measure to reduce the number of police ranks from nine to five.
- 2.29 Other police workforce reform measures in the 2017 Act of particular relevance to our chief police officer remit group include the following:
  - Enabling PCCs, where a local case is made, to take on and delegate responsibility for fire and rescue services to a single chief officer from either the police or fire services. This means that, for the first time, a Chief Fire Officer could become a Chief Constable, or vice versa.
  - Increasing PCC responsibility for the local police complaints process. This includes making PCCs the appellate body for police complaint appeals, which are currently heard by Chief Constables.

<sup>&</sup>lt;sup>9</sup> This Allowance replaces the following former allowances: Housing Allowance; Compensatory Grant; Transitional Rent Allowance; and Compensatory Allowance.

- Extending the police disciplinary process to police officers who have already resigned or retired.
- Requiring a new Office for Police Conduct (formerly the Independent Police Complaints Commission) to investigate all chief officer misconduct allegations, including gross misconduct.
- 2.30 The Police Reform and Social Responsibility Act 2011 required those applying for the role of Chief Constable to have served as a Constable in the UK. Two exceptions now exist. The first is for Chief Fire Officers, as discussed above. The second exemption, which has been in place since 2014, is for chief police officers from specified overseas forces<sup>10</sup>.
- 2.31 The government is proposing to widen the 2011 Act to provide that a person is eligible for appointment as the head of a police force if they have not served as a Constable, but have instead undertaken training specified by the College of Policing in relation to policing matters.
- 2.32 On 22 March 2017, the Home Office wrote to the Chairs of the SSRB and the Police Remuneration Review Body (PRRB), and to other parties to the pay process, to consult them on a proposal to remove chief police officers from the SSRB's remit in future years. The letter from the Home Office is included at Appendix H and the SSRB Chair's reply is at Appendix J. We discuss this matter further in Chapter 5.

#### **Proposals for England and Wales**

- 2.33 All the main parties the Home Office, the APCC, the NPCC and the Chief Police Officers' Staff Association (CPOSA) proposed a 1 per cent consolidated increase in basic pay at all pay points and for all chief officer ranks. In addition, the main parties all proposed a 1 per cent increase in London Weighting.
- 2.34 The Home Office also asked us to consider any short-term proposals we received to address recruitment and retention pressures through pay, but within an average uplift of 1 per cent. However, none of the other parties proposed any such measures this year.

#### **Proposals for Northern Ireland**

2.35 The Department of Justice for Northern Ireland (DoJNI) was supportive, subject to affordability and public sector pay policy, of an award for all chief police officers in Northern Ireland of up to an average of 1 per cent. It also supported an increase to the NITA in line with the pay award. The Police Service of Northern Ireland (PSNI) and the Northern Ireland Policing Board (NIPB) proposed a 1 per cent consolidated increase in basic pay at all pay points and in the NITA.

<sup>&</sup>lt;sup>10</sup>The Appointment of Chief Officers of Police (Overseas Police Forces) Regulations 2014 list the approved ranks within police forces in the United States of America, Australia, Canada and New Zealand that can apply for Chief Constable posts in England and Wales. http://www.legislation.gov.uk/uksi/2014/2376/pdfs/uksi\_20142376\_en.pdf

# **Chapter 3**

#### **Evidence**

#### Introduction

#### **England and Wales**

- 3.1 We received written evidence from:
  - the Home Office;
  - the APCC;
  - the NPCC;
  - CPOSA; and
  - the College of Policing.
- 3.2 The Home Office is the government department responsible for chief police officers in England and Wales. The APCC represents PCCs who are the employers of Chief Constables. The NPCC represents Chief Constables and the chief police officers employed by the Chief Constables (Deputy Chief Constables and Assistant Chief Constables and their equivalents). CPOSA represents the chief police officer ranks in England, Wales and Northern Ireland. The College of Policing is the statutory professional body for policing in England and Wales.
- 3.3 We also took oral evidence from all of the above parties on 12 January 2017, with the exception of the Home Office. The Minister of State for Policing and the Fire Service had been due to provide oral evidence on that date but could not attend after all. The Home Office was unable to provide dates for a rearranged session. It offered to send an official in place of the Minister. However, as we stated in our report on chief police officers last year, we believe it is important that we hear the perspective of the most senior decision-makers in the Home Office on chief police officer pay. Therefore, we declined the offer from the Home Office. We return to this matter in Chapter 5.

#### Northern Ireland

- 3.4 We received written evidence from:
  - the DoJNI;
  - the PSNI; and
  - the NIPB.
- 3.5 The DoJNI is responsible for human resources policy for the chief police officer remit group in Northern Ireland, while the PSNI is the single Northern Ireland police force. The NIPB is the body responsible for appointing chief police officers in Northern Ireland. We took oral evidence from all of the above on 19 January 2017.

#### Discussion groups

- 3.6 We also held discussions with:
  - a small group of Strategic Command Course delegates (potential future chief police officers); and
  - chief police officers and PCCs in the Yorkshire and Humber region.

#### Pay

- 3.7 The Home Secretary's remit letter to the SSRB for the current round said that proposals for a broader review of the chief police officer pay structure would be presented to us in 2018-19. This letter can be found in Appendix F. The NPCC said that as part of police workforce reform, following implementation of the new five-level police rank structure, a longer-term pay strategy would be developed. From this, a new pay and reward structure for the police would be devised and implemented in full by 2019-2020.
- 3.8 The Home Office explained that the development of the longer-term pay strategy would involve future changes to pay and conditions requiring amendments to legislation. It would also include consideration of which reward elements to set nationally, or determine locally, within a national framework.
- 3.9 The NPCC, which was leading on police reform and the design of the new police reward framework, confirmed that all aspects of chief police officer pay arrangements would be reviewed, including the differential between Chief Constable and Deputy Chief Constable posts. It predicted an end to incremental pay progression and envisaged some Assistant Chief Constables in larger forces being paid more than those in smaller forces.
- 3.10 In written evidence, the APCC said that the plans for a full review of the chief officer pay and benefits package in the next round meant that they were content for now with current pay arrangements, particularly given the flexibility already available to PCCs around Chief Constables' starting salaries. However, in subsequent oral evidence, the APCC lead for pay and conditions said that the introduction of a new police reward structure would be subject to delay and so a review of the existing national pay framework was required.
- 3.11 We were surprised when CPOSA told us that it was not involved in the plans to develop a new police reward structure. It said there was no evidence that the existing national pay framework needed to be altered. We return to this matter in Chapter 5.
- 3.12 CPOSA also informed us that at least two police forces the Metropolitan Police Service and Wiltshire Police were already removing certain chief police officer ranks. CPOSA said that they were opposed to unilateral structural changes within forces. The APCC also expressed concern on this issue. We share these concerns, as piecemeal changes of this nature are likely to undermine the development of a coherent national pay and workforce strategy.
- 3.13 For Northern Ireland, we were told that there was no plan to review the rank structure. However, as the Minister of Justice for Northern Ireland stated in her 2017-18 remit letter to the SSRB, consideration would need to be given to the ongoing reforms in England and Wales to determine their impact on policing in Northern Ireland. This letter can be found in Appendix G.
- 3.14 In oral evidence with the parties and in our discussions with members of the remit group and PCCs, we found that none regarded basic pay as a significant problem in comparison with other aspects of total reward. This was borne out by the findings of the College of Policing survey in 2016 on the barriers to recruitment of chief police officers which is covered later in this report.

#### **Allowances**

3.15 The 2016 Police Census provided information on the allowances paid to chief police officers. Across all forces, these allowances were found to average 5 per cent of basic salary. However, the impact varied by location. For the London police forces, the payments averaged 8 per cent. In Northern Ireland, the corresponding figure was 7 per cent. For all other forces combined, the value of such payments averaged 4 per cent of basic salary<sup>11</sup>. This latest information suggests that chief police officers' allowances

<sup>&</sup>lt;sup>11</sup>While we are comparing allowances with basic salary, it is important to bear in mind that basic salary is consolidated while allowances are not.

are now worth less as a proportion of basic salary than they were at the time of the Winsor Review in 2012. This Review found that they were worth up to 21 per cent. Chapter 2 above provides further details. The Home Office attributed this reduction in recent years to the abolition of bonuses in 2013 and to other factors such as reductions in vehicle allowances and a wider rationalisation of police spending.

- 3.16 Some details on specific allowances paid to chief police officers are set out below. All figures apply to the year 2015-16:
  - Replacement Allowance<sup>12</sup>: 171 chief police officers were paid a total of £825,000 in such allowances, an average of a little under £5,000 per receiving officer.
  - London Weighting: 35 chief police officers were paid a total of £79,000 in London Weighting. This covers chief police officers in the Metropolitan Police Service and City of London Police, most of whom were paid £2,339.
  - Location allowances: 41 chief police officers were paid a total of £58,000. These included all six Northern Ireland chief police officers paid the £3,149 NITA. Most of the remainder were chief police officers with the Metropolitan Police Service or City of London Police, each receiving payments of either £1,011 or £2,011.
  - Other allowances: 35 chief police officers were paid a total of £139,000 in 'other allowances' 13.
- 3.17 The Home Office told us that it had collated remuneration data on chief police officers from the published statements of accounts for police forces for 2015-16. It said it shortly hoped to publish the data which had been verified with individual forces. The Home Office said it would form a national register of chief police officer pay and benefits and that it was working with partners to explore how to collect and present the data in future years. We strongly welcome this initiative.
- 3.18 CPOSA has previously shared with us the results of its annual survey of members. This year it did not conduct such a survey. However, the Home Office commented on the 2016 CPOSA survey responses. It said they appeared to show some chief police officers receiving allowances 'outside the national agreement'. Nevertheless, it also acknowledged that the proportion reporting these had reduced in comparison with the previous year (down from 35 per cent to 22 per cent between 2015 and 2016). In our view, Home Office-led governance arrangements should be in place to monitor all aspects of chief police officer remuneration and check for any breaches of the existing rules. Furthermore, it is important for the relevant data to be published regularly and in a timely way in the interests of transparency.

#### **Relocation expenses**

- 3.19 The NPCC told us that relocation packages were one way of encouraging movement between police forces. However, it then said that chief police officers risked media criticism if they took up such an offer.
- 3.20 The cost of relocating when taking up a new post in a different police area was cited as a significant barrier to recruitment by both Chief Constables and potential applicants for chief police officer roles in the College of Policing survey covered later in this chapter. It was a factor identified by half the Chief Constables and over half the potential applicants as having an impact on their decision to apply for posts.

<sup>&</sup>lt;sup>12</sup>This Allowance replaces the following former allowances: Housing Allowance; Compensatory Grant; Transitional Rent Allowance; and Compensatory Allowance. Payments of Replacement Allowance range from £300 to £18,000, the latter being for the Chief Constable in Northern Ireland (the Northern Ireland Transitional Allowance would be paid in addition).

<sup>&</sup>lt;sup>13</sup> For example, vehicle or uniform allowance.

- 3.21 In the discussion with chief police officers in the Yorkshire and Humber region, some officers confirmed that they rented accommodation locally while retaining their original family home. They related this to the job insecurity associated with fixed-term appointments which did not encourage them to uproot their families.
- 3.22 The PCCs we spoke to also observed that it was becoming rarer for Chief Constables to move their main or family home on appointment. The PCCs also asked for much greater clarity on what moving costs chief police officers were actually entitled to under national regulations and which aspects they could negotiate locally. However, they also feared that greater transparency on the matter would then intensify media scrutiny of relocation expenses and thus worsen the recruitment situation. We heard last year that some PCCs were over-ruling the regulations on the payment of reasonable moving costs and applying a fixed ceiling instead. We comment further on this matter in Chapter 4.
- 3.23 The Northern Ireland parties confirmed that the PSNI did not provide a standard relocation package even though it was an option provided for within certain officers' terms and conditions of employment. Instead, the advice was given to negotiate on relocation costs once appointed. This was described as an unsatisfactory arrangement by one Northern Ireland chief police officer. We agree with that view, because all aspects of the package should be understood prior to appointment and a lack of clarity on these matters will lead to increased recruitment difficulties.

#### Pensions and total financial reward

- 3.24 We discussed pensions and total financial reward for our remit groups in detail in Chapter 2 of our main 2017 report. This included discussion of several methods of benchmarking the pay, pensions and total reward of our remit groups against appropriate private sector comparators.
- 3.25 In support of that work this year, we commissioned data from Korn Ferry Hay Group (KFHG), which holds a database that contains remuneration data on around 800,000 jobs spread over 800 organisations in the public and private sectors. KFHG identifies jobs on the database with similar characteristics to our remit groups and compares the salary and total remuneration available in each case. The methodology used and results for our remit groups are discussed in more detail in Chapter 2 of our main report. A summary of relevant findings is as follows:
  - For our remit groups generally, base pay (excluding bonuses) is behind private sector jobs with a similar job score: it ranges from below 50 per cent of private sector pay for some roles, to up to 90 per cent for others.
  - For chief police officers specifically, base pay ranges from just above 50 per cent of private sector pay for Chief Constables to just below 80 per cent for Assistant Chief Constables.
  - The above calculation can be repeated using a broader definition of total remuneration<sup>14</sup> excluding pensions. This significantly worsens the position of chief police officers relative to the private sector, compared to looking at base pay alone.
  - Pensions can also be added to the calculation. This slightly improves the position of chief police officers relative to the private sector, compared to looking at total remuneration excluding pensions.
- 3.26 It is important to note that the nature of the jobs of those in our remit groups mean that comparisons are often made against those doing very different jobs, despite KFHG identifying them as having similar job scores. Therefore, we should be careful not to place too much weight on this analysis. Ideally, we would prefer to conduct comparisons with jobs that our separate remit groups are moving into or out of.
- 3.27 The NPCC told us that concerns about pension taxation were a major factor in deterring applications to chief police officer roles. The APCC told us that uncertainty about the impact of pension taxation was the cause of 'consternation across the board'.

<sup>&</sup>lt;sup>14</sup> Base salary, plus short-term variable payments such as performance bonuses and share-based long-term incentive awards and benefits.

- 3.28 This was supported by the findings of the College of Policing survey on barriers to recruitment covered later in this chapter. Both Chief Constables and potential applicants expressed concern at the lack of understanding, advice and guidance on how a promotion would affect their allowances and pensions and how to manage the impact. Both Chief Constables and potential applicants for chief police officer roles reported a need for independent financial advice and guidance throughout their career. Knowing how to access specialist pension advice is clearly vital for this and our other remit groups.
- 3.29 In our discussion groups, chief police officers confirmed that the taxation of pensions was an issue, especially for those with double accrual in the 1987 Police Pension Scheme. One chief police officer described exceeding the Annual Allowance threshold because of being promoted from Assistant Chief Constable to Chief Constable. The pension had subsequently been reduced through 'Scheme Pays' 15. In addition, the participants felt that as the government had already changed its policy on pensions more than once, there was an ever-present risk of further changes.
- 3.30 CPOSA said that the tapering of the Annual Allowance threshold would cost a Chief Constable an additional £17,500 and that the impact of pension taxation typically amounted to a 5 to 10 per cent reduction in salary. However, they also told us that it was still financially beneficial overall for their members to take opportunities for advancement. CPOSA also observed that pension taxation would be less of an issue when all police officers were members of the 2015 career-average Police Pension Scheme.

#### Performance pay and performance management

3.31 We did not receive any evidence linking pay to performance or contribution for chief police officers from the main parties this year. As discussed in Chapter 2, there has been no performance pay system in place for chief police officers since the previous system was abolished in 2013. Nevertheless, it is clear from the evidence we have gathered that PCCs play a strong role in providing accountability for chief police officers. However, there is a lack of evidence that these arrangements are sufficiently consistent or effective in terms of managing the performance and supporting the career development of chief police officers.

#### Recruitment and retention

3.32 Data on the numbers joining and leaving at all ranks within the remit group over the period 2009-10 to 2015-16, as provided by the 43 police forces in England and Wales, are set out in Table 3.1.

Table 3.1: Data on joiners to and leavers from the chief police officer remit group in England and Wales between 2009-10 and 2015-16

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Joiners	31	29	18	22	28	18	27
Leavers	45	39	38	50	52	38	51
Joiners (%)	14	13	9	11	14	9	14
Leavers (%)	21	17	18	24	26	19	26

Source: Police Workforce Statistics, Home Office.

Notes: The numbers of joiners and leavers are to 31 March each year. Data on joiners exclude individuals promoted into the remit group from within the same force. They therefore represent an underestimate of the total number of officers entering the remit group in the given year. Data on leavers also exclude individuals promoted within the same force (for instance, from Deputy Chief Constable to Chief Constable) but include individuals who move to another chief police officer role within a different force. They therefore represent an overestimate of the total number of officers exiting the remit group in the given year. The joiners' rate is based on the strength at the end of the period and the leavers' rate is based on the strength at the start of the period, in line with the methodology used in the Police Workforce Statistics, Home Office.

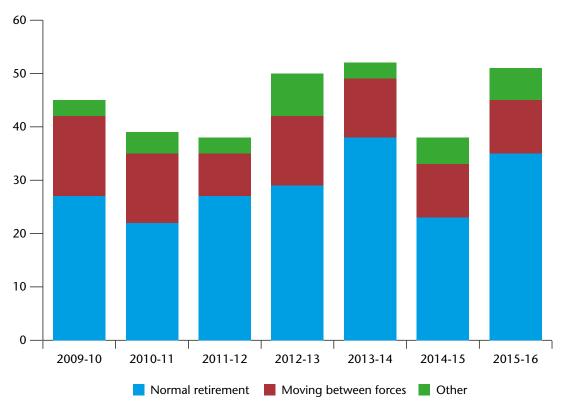
<sup>&</sup>lt;sup>15</sup> Scheme Pays is a mechanism that allows the pension scheme administrator to pay any tax charge due. In return, the pension administrator will apply a reduction to the individual's pension benefit in line with factors set out by the Government Actuary's Department. These factors include the individual's age, pension scheme and normal retirement age.

- 3.33 It is important to note that the data on joiners in Table 3.1 underestimate the number entering the remit group as they do not include those who are promoted into a post within their current force. The data on leavers also overestimate the numbers exiting the remit group, as some will be leaving to take up a chief police officer role in another force. These data are, therefore, of very limited use in comparing the demand for chief police officers with the supply. They are presented here predominantly to illustrate how the available data are not fit for purpose.
- 3.34 Nevertheless, we observe that the data in each year show a greater number of leavers than joiners. Between 2009-10 and 2015-16, the number of 'leavers' averaged 45 per year and the number of 'joiners' averaged 25.

#### Retention

3.35 A more detailed breakdown of the retention statistics is provided in Figure 3.1 and shows that the majority of those leaving are taking retirement.

Figure 3.1: Chief police officer outflow from forces in England and Wales between 2009-10 and 2015-16



Source: Police Workforce Statistics, Home Office.

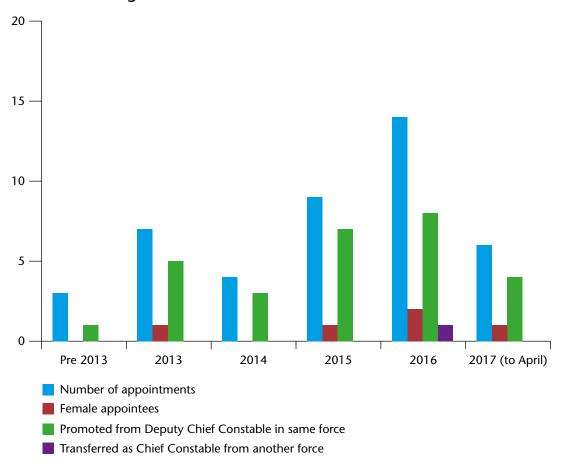
Notes: Figures are for the year to 31 March each year. The 'other' category includes early or medical retirements, deaths, dismissals and voluntary resignations.

- 3.36 In Northern Ireland, one Assistant Chief Constable left on a 12-month secondment in January 2017.
- 3.37 Since the PCC elections in May 2016, 14 forces have replaced the Chief Constable. In oral evidence, CPOSA described the departure of approximately one third of Chief Constables in 2016 as a one-off event marking completion of 30 years' service for those individuals. However, the APCC linked this turnover largely to the election of new PCCs in May 2016. The Home Office did not address the matter in their written evidence. We would have liked to have raised it in an oral evidence session with the Policing and Fire Service Minister but this did not take place.

#### Recruitment

- 3.38 By 30 April 2017, of the 14 forces where the PCC appointed a new Chief Constable<sup>16</sup> since May 2016, 9 were on promotion from within the same force. This continued the trend, shown in Figure 3.2, for most positions to be filled internally.
- 3.39 The gender of current Chief Constables is also shown in Figure 3.2. As of the end of April 2017, the number of female appointees remained low.

Figure 3.2: Date of appointment and characteristics of current Chief Constables in England and Wales



Source: Office of Manpower Economics analysis of police force websites in England and Wales. Notes: The pre-2013 data cover the period 2009-2012. The 2017 data cover the period until 30 April. Data for Chief Constables transferred in from another force do not include officers transferring on promotion. The total of the three right-hand bars does not add up to the left-hand bar, because some Chief Constables are not included in the right-hand bars and some are counted more than once.

- 3.40 In addition, in February 2017, Cressida Dick was named as the first female Metropolitan Police Commissioner. Although this was not covered in the evidence to us, it was widely reported that while she had been offered the same annual salary as her predecessor, she had chosen to take a salary around £40,000 less, of £230,000.
- 3.41 We were told that in Northern Ireland, in the latest Deputy Chief Constable and Assistant Chief Constable competitions, there had been no external candidates.
- 3.42 The NPCC told us that the Metropolitan Police Service planned to remove the rank of Commander because it was unable to recruit to fill the posts. It also reported that the Hertfordshire Constabulary had been unable to fill two Assistant Chief Constable posts.

<sup>&</sup>lt;sup>16</sup> At the time of writing, two of the posts were filled temporarily. In addition to the 14 Chief Constables, a new Metropolitan Police Service Commissioner was appointed.

3.43 The SSRB believes that the feeder groups that will supply the next generation of public sector leaders should be closely monitored in addition to the current remit group. The Strategic Command Course is a compulsory course for those in the feeder group seeking promotion to the chief police officer remit group. There were 35 participants in the Strategic Command Course this year, a figure slightly higher than those in the previous five years. The numbers are given in Table 3.2. These figures show no sign of a decline in the number of new chief police officers coming through the ranks. However, we are unable to compare the number of delegates to forecasts of chief police officer vacancies, because we were not provided with the relevant data.

Table 3.2: Strategic Command Course participants between 2012 and 2017

	2012	2013	2014	2015	2016	2017
Course participants	24	31	22	29	32	35

Source: College of Policing.

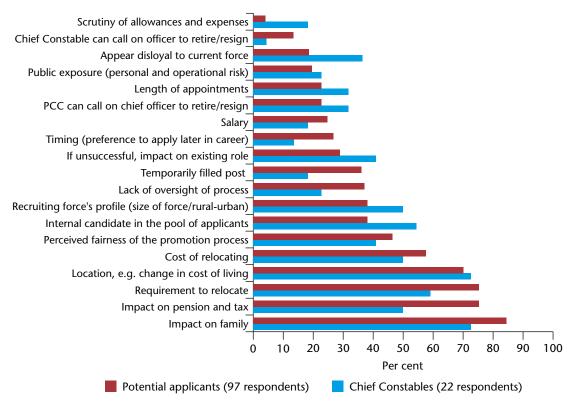
- 3.44 In February 2017, the College of Policing published the results of a Chief Officer Appointments Survey of chief police officers, potential chief police officers and PCCs that it had conducted in 2016<sup>17</sup>. Seventy-three per cent of PCCs and 81 per cent of Chief Constables who responded reported that they received too few applicants for chief police officer posts.
- 3.45 The survey asked Chief Constables and potential applicants separately about barriers to seeking promotion. Factors cited in their responses are set out below in Figure 3.3. Some of the findings are as follows<sup>18</sup>:
  - Overall, 40 per cent of potential applicants had seen a chief police officer vacancy that they had chosen not to apply for.
  - Location was a common concern, with impact on family (e.g. children moving schools or partner's job) the barrier most commonly cited by both groups. This reason was identified by 73 per cent of Chief Constables and 85 per cent of potential candidates.
  - Other factors most commonly cited were the requirement to relocate (59 per cent of Chief Constables and 75 per cent of potential applicants), locational factors such as the change in the cost of living (73 per cent and 70 per cent) and the cost of relocating (50 per cent and 58 per cent).
  - The appointments process was also frequently cited. The most important such factor for Chief Constables was the presence of an internal candidate in the pool of applicants (55 per cent). Among potential applicants, 46 per cent identified perceived fairness of the recruitment process as a barrier.
  - The impact of pension tax was also highly cited by both groups 50 per cent of Chief Constables and 75 per cent of potential applicants.
  - The other most common factor was the profile of the recruiting force<sup>19</sup>. This was cited by 50 per cent of Chief Constables and 38 per cent of potential applicants.

http://www.college.police.uk/News/College-news/Pages/Chief\_officer\_survey\_results.aspx. Questionnaires were designed which were aimed at Police and Crime Commissioners (receiving 24 responses in total), Chief Constables (23 responses in total) and potential applicants (124 responses in total) including Deputy Chief Constables, Assistant Chief Constables, Chief Superintendents and Superintendents. These totals are for all those who contributed responses to the survey but who did not necessarily answer every question. The questionnaire asked about how forces currently advertise and organise selection, as well as considering common barriers to applying for promotion and seeking feedback on potential ways to widen the applicant pool for chief officer positions.

<sup>&</sup>lt;sup>18</sup>Respondents were asked both about impacts on their own decision to apply and the impact on other people's decisions to apply. Findings reported in the text relate to the former.

<sup>&</sup>lt;sup>19</sup> For example, the size of force or urban/rural location.

Figure 3.3: Factors cited as barriers to chief police officer recruitment by potential applicants and Chief Constables



Source: College of Policing.

Notes: The findings presented relate to potential applicants' own decisions on whether to seek promotion. The numbers of respondents here differ from the total numbers of respondents to the College of Policing survey as a whole because not every respondent answered every question in the survey.

- 3.46 On publication of the survey, the College announced that it would:
  - work with police leaders to develop proposals for a national hub for the development and selection of senior police leaders;
  - consult on the experience and qualifications required for chief officers in future; and
  - launch a simultaneous review of the Senior Police National Assessment Centre and Strategic Command Course, which UK police officers aspiring to chief officer roles must successfully complete.
- 3.47 The College added that it had also taken on an informal 'executive search' function for a number of recruitment exercises at the request of individual PCCs and had produced 'above average numbers' for each field. However, it did not provide supporting data.

#### Morale and motivation

- 3.48 For England and Wales, we were told that the number of police forces participating in the workforce engagement survey run in partnership with Durham University Business School had increased to 23 out of 43. However, the results were not collated centrally so there was no attempt to make them fully representative, or to measure them against a common standard. Moreover, there was no plan to extract and analyse separately the survey results from chief police officers. Therefore, we had no quantitative data on morale and motivation for chief police officers this year.
- 3.49 In oral evidence, the NPCC told us that chief police officers were highly motivated to do a good job. They said that the factors affecting morale tended to be issues such as conduct investigations, media intrusion and the relationship with the PCC, rather than pay. The APCC confirmed that the morale of Chief Constables was damaged by being 'pilloried' in attacks by the media. The APCC told us anecdotally that they had seen an

- increasing number of potential recruits not wanting to take on the top jobs because of media treatment.
- 3.50 A CPOSA representative told us how he enjoyed his job, was paid well, and intended to stay beyond the years of service required to qualify for a full pension. However, he also identified a number of factors damaging the remit group's morale:
  - Home Office criticism outweighing support (for example in press pre-briefings) and negative media reporting.
  - The number of investigations involving chief police officers and changes to misconduct proceedings.
  - The impact of pension taxation.
- 3.51 In our discussion with chief police officers, they told us that the fragility of their position, increased levels of operational risk and the taxation of pensions were key preoccupations. They explained that longevity in post was heavily dependent on the relationship with the PCC and expressed concern that they could be removed from a Chief Constable post even if an inspection confirmed that their force was performing well.
- 3.52 In Northern Ireland, the chief police officer cohort which numbers six is too small for an anonymous survey to apply. However, in an oral evidence session with the main parties in Northern Ireland we were told of concerns about the effects on the group of ongoing political and financial uncertainty, the continuing security situation and new demands on policing, for example, from dealing increasingly with people with 'chaotic lifestyles'.

#### The feeder group

3.53 We again held a discussion with Strategic Command Course delegates this year. Five individuals took part this time. As mentioned earlier in this chapter, there were 35 delegates from England, Wales and Northern Ireland, the highest number for six years.

#### Pay

3.54 Participants did not highlight basic pay as a particular issue. However, they did say that the differential between Chief Superintendent and Assistant Chief Constable pay was too small to encourage promotion. In addition, they told us that chief police officers should be rewarded through pay for taking on national-level responsibilities beyond their own forces.

#### Allowances and relocation expenses

3.55 The participants echoed the remit group members when they told us that a factor impacting negatively on mobility was heavy media criticism of chief police officers taking relocation packages. Delegates believed that, if a move involved uprooting home and family, it was only reasonable to take the package to which chief police officers were entitled, in order to offset the cost. However, doing so risked adverse public attention. This, therefore, provided a disincentive to moving between forces. Delegates said that the relocation packages varied from force to force and were not transparent. They said that moving without a relocation package was a de facto pay cut.

#### Pensions and total financial reward

3.56 Strategic Command Course delegates told us that pension and pension taxation were very complex matters. They added that while it was unclear whether people would be worse off if they took promotion to the chief police officer ranks, the issue was certainly deterring applicants. They spoke of one chief police officer's £90,000 tax bill. They also said that pension taxation took away the incentive to continue beyond 30 years' service.

#### Recruitment and retention

- 3.57 CPOSA told us that it was noticeable that more members of the feeder group were leaving and finding other opportunities. However, this was an anecdotal observation and no data were provided on the matter.
- 3.58 The Strategic Command Course delegates said that they expected the number of available chief police officer posts to exceed the number of course participants. However, a number of factors were impacting negatively on mobility between forces. Many of these were borne out by the findings of the College of Policing survey referred to earlier in this report. On the appeal of more senior roles, the participants observed that fixed-term appointments in particular made Assistant Chief Constables reluctant to apply for Deputy Chief Constable posts if the length of appointment was shorter than the amount of time left to serve before qualifying for a full pension.

#### Morale and motivation

3.59 The feeder group members we met were clearly motivated and determined to succeed, but overall the morale of the feeder group appeared fragile. The delegates told us of having little confidence in Home Office backing if they took promotion to the remit group. They hoped for, rather than expected, support for doing a difficult job and feared that the Home Office was more likely to echo rather than rebuff any media criticism. They said that moving from Chief Superintendent to Assistant Chief Constable was a 'big step' that included more public exposure and no 'top cover'. In addition, the level of individual risk and liability was high and could stretch indefinitely into the future. These factors highlighted to us how fear of job insecurity has the potential to damage recruitment to the chief police officer ranks.

# **Chapter 4**

#### Recommendations

#### **General recommendations**

- 4.1 This year, in our main report, we reiterated a number of strategic priorities where departments need to take action in relation to their senior workforces. These are listed in the box at the beginning of this report and apply equally to chief police officers. Generally, progress has been disappointing.
- 4.2 We also highlighted the following general points about the remit groups considered in our main 2017 report<sup>20</sup>. Again, they also relate to chief police officers.
  - Our remit group members continue to believe that their jobs are important and
    worthwhile. However, many are frustrated and demotivated. One common cause
    relates to changes to pension tax, which are having adverse impacts on recruitment,
    retention and motivation. The remit groups also believe that they are undervalued.
    Low motivation could already be damaging workforce performance and be a
    warning sign of future recruitment and retention problems.
  - We recognise the pressing need to improve the public finances. However, the manner in which the 1 per cent public sector pay policy has been implemented is holding back necessary pay and reward reforms. We are seeing very little evidence of pay being linked to workforce strategy or outcomes. Instead, pay policy for our remit groups has been characterised by long periods of rigidity, followed by reactive responses to specific pressures.
  - We believe employers need to develop innovative pay and workforce proposals, even within current budgetary constraints. These should be focused on long-term outcomes, rather than simply on limiting basic pay increases across the board and then reacting in an ad hoc manner when action becomes unavoidable.
- 4.3 Consequently, we made two general recommendations for all of the remit groups considered in our main report. As the evidence and analysis set out here confirm, they also apply to chief police officers.
- 4.4 Firstly, we believe that innovative pay and workforce proposals need to be developed for chief police officers which focus on long-term outcomes and which are implemented consistently across the 44 police forces in our remit. The current inconsistent approach may be deterring promising officers from seeking to join the chief police officer ranks. It is also creating a disincentive to the geographical movement of existing chief police officers, meaning that opportunities for fresh thinking and transfer of best practice are not being maximised. We await the development of a new workforce strategy and pay and reward structure for the police. We would like to help ensure that both are designed in support of the long-term objectives of the police service and its future operating model.

Recommendation 1: We recommend that all employers of our remit groups give active consideration to developing genuinely innovative pay and workforce proposals that are focused on maximising outcomes for lowest cost rather than limiting basic pay increases across the board (this repeats Recommendation 1 from our main report).

<sup>&</sup>lt;sup>20</sup>The Senior Civil Service, senior officers in the armed forces, the judiciary and Executive and Senior Managers in the Department of Health's Arm's Length Bodies.

4.5 Secondly, we believe consideration should be given to greater pension flexibility. This is particularly because of the risks to recruitment, retention and motivation resulting from recent changes to pension taxation.

Recommendation 2: Public sector employers should closely examine the options for making pension packages more flexible and take action where appropriate (this repeats Recommendation 3 from our main report).

4.6 In addition, we have been told that uncertainty and confusion around pension taxation is deterring talented individuals from seeking promotion on the grounds that it is not seen, correctly or otherwise, as financially worthwhile to do so. Furthermore, the survey of chief police officer mobility conducted by the College of Policing found that the unknown scale of the financial impact and possible future changes in pension taxation, alongside a reported lack of advice, support and understanding on how to manage the financial impact, were deterring individuals from applying for senior posts. We therefore believe that the APCC and the NPCC should consider how individuals can access specialist pension advice in future, should they require it.

#### Pay recommendations

- 4.7 This year, we expressed the view in our main report that the current recruitment, retention and motivation position justified full use of the 1 per cent of pay budget made available for pay awards. This applied to all of the remit groups reviewed in that report.
- 4.8 The evidence we have considered for this report has led us to the same conclusion for chief police officers. We believe that the recruitment and retention position for this remit group is fragile and needs to be closely monitored, particularly in the feeder group. There are problems with competitions for chief police officer roles receiving low numbers of applicants, a lack of candidates from other forces and difficulties in filling posts. We also received two reports this year of chief police officer vacancies being left unfilled.
- 4.9 Fragile morale within the remit group and the feeder group is also a matter for concern. It is driven by a number of factors including the risk of adverse media attention, insecurity of employment at Chief Constable and Deputy Chief Constable levels and pension taxation.
- 4.10 Pay is only one of a number of factors affecting chief police officers. Nevertheless, we believe that the general recruitment, retention and motivation position justifies full use of the 1 per cent of pay budget that has been made available for pay rises this year. Failure to use the full available budget would itself be demotivating.

Recommendation 3: We recommend, with effect from 1 September 2017, a consolidated increase in basic pay of 1 per cent for all chief police officer ranks at all pay points in England, Wales and Northern Ireland.

4.11 We have seen no evidence that London Weighting or the Northern Ireland Transitional Allowance for chief police officers should change by anything other than the rate for all other police ranks.

Recommendation 4: We recommend an increase in London Weighting and in the Northern Ireland Transitional Allowance in line with that recommended for the non-chief police officer ranks.

#### Data and evidence recommendations

- 4.12 Three years have passed since the SSRB was first asked to provide independent advice to the government on the pay of chief police officers. We remain very concerned that we are still unable to reach proper evidence-based recommendations on the remit group or feeder groups because of highly fragmented, poor quality and incomplete data. Good data are a pre-requisite for effective workforce management and making evidence-based pay recommendations.
- 4.13 Last year, we asked all the main parties to work with each other and with the SSRB secretariat to ensure that much better data were collected and provided on a consistent basis across police forces. The data improved in some respects this year, for example the data on allowances which we were able to collate ourselves from the Police Census. However, overall the data we received were still poor and significant gaps remain.
- 4.14 In addition, there was apparent confusion between the parties over who would provide what, resulting in less information being presented to us in some areas of direct relevance to our terms of reference, such as recruitment. While the evidence was augmented this year by the College of Policing surveys on chief officer appointments and by a complete Police Census, we received less data on fundamental matters such as the numbers of applicants for chief police officer vacancies and whether they were internal or from other forces.
- 4.15 The root cause of the data problem lies in the absence of a central coordinating body taking overall responsibility for effectively commissioning, collating, analysing and presenting available information to us in an effective and timely way. Apparently, some of the relevant data actually exist, for example in police force and PCC annual reports and accounts. However, the data are not collated in a manner that supports national-level workforce planning. As we have stated previously, we believe that the Home Office, as the body that commissions independent pay review body advice, is ultimately responsible for ensuring that the SSRB receives the data it requires.
- 4.16 As we said last year, there are precedents for the government mandating the collection and publication of data without owning that process. We gave the example of the Higher Education Statistics Agency (HESA), a body owned and controlled by the higher education sector and not by government, in an arrangement that meets the data requirement while preserving independence.

Recommendation 5: We recommend that the Home Office works with the other main parties and mandates police forces to ensure that the SSRB is provided with reliable, consistent and comparable data in accordance with our stated evidence requirements and terms of reference.

- 4.17 In the case of Northern Ireland, we recognise that the contingent of chief police officers is relatively small. Nevertheless, the same principle of needing reliable, consistent and comparable data applies.
- 4.18 We were also concerned to learn that not all PCCs and Chief Constables are publishing a full breakdown of chief police officer pay and benefits as they are required to do by 30 September each year.

Recommendation 6: We recommend that the Association of Police and Crime Commissioners and the National Police Chiefs' Council work together to ensure that information on chief police officer pay and benefits is published in an open and transparent manner.

- 4.19 Particular areas where we need up-to-date and more comprehensive data for chief police officers are:
  - unfilled vacancies and temporary appointments;
  - forecast future demand for, and supply of, chief police officers by rank taking into account factors such as the demographic profile of the workforce;
  - the number and calibre of applicants for chief police officer vacancies and whether internal or from other forces;
  - the source and destination of chief police officers joining and leaving police forces (both organisational positions and geographical locations);
  - full details of chief police officers' reward packages;
  - turnover by rank, including from the feeder group ranks (Superintendent and Chief Superintendent) and early retirement;
  - reasons for leaving as given in exit interviews or surveys of the remit and feeder groups, and length of service; and
  - sickness absence and proportion of leave taken.
- 4.20 We were encouraged by the appointment of a new National Coordinator for Police Pay and Conditions. However, we heard that there was still no structure established for data collection across forces or responsible individuals identified. Furthermore, we understand that the Coordinator appointment is for a maximum of 12 months. We ask the NPCC to consider options for arrangements beyond that date.
- 4.21 We welcome the Home Office collation of remuneration data on chief police officers from the published statements of accounts for police forces for 2015-16, as discussed in Chapter 3. We hope they publish it soon and agree with partners ahead of the start of the next round on how to collect and present the data on an annual basis in future. We ask for this to become part of the annual evidence submission to the SSRB.

#### Other observations

- 4.22 Last year, we questioned whether the current pay arrangements sufficiently incentivised the mobility and progression of Assistant Chief Constables and Commanders. We said then that weighting Assistant Chief Constable pay by police force, in accordance with the national pay structure for Chief Constables and Deputy Chief Constables, should be considered. In view of the further anecdotal evidence this year about recruitment difficulties at that rank (and in particular the planned removal of the entire Commander rank from the Metropolitan Police Service), we believe that this issue has become an urgent priority in the development of a future reward strategy for chief police officers.
- 4.23 Further evidence was provided to us this year of the fixed-term appointment regime for the Chief Constable and Deputy Chief Constable ranks acting as a significant deterrent to recruitment. We therefore also advise prioritising this matter as part of the future workforce strategy and potential changes to pay and conditions.
- 4.24 We continue to believe that there is a lack of clarity around how the national control of chief police officers' pay aligns with local pay flexibility and the determination of allowances. In particular, we believe that inconsistent and unclear practice in respect of allowances is having an adverse impact on the mobility of chief police officers across forces. We believe that the APCC and the NPCC should give serious thought to how the system could achieve improved equity and fairness and strike a better balance between local accountability and central control.

- 4.25 As set out in Chapter 3, we received evidence this year on how reimbursement of relocation expenses was not provided on a consistent basis and constituted a barrier to recruitment. We would expect the APCC and NPCC to work together to determine a standard relocation package, with the Home Office actively supporting that process and holding the parties to account.
- 4.26 We also ask the Northern Ireland parties to consider the provision of a standard relocation package.
- 4.27 For pay review body remit groups, central government departments normally consider, make and implement decisions about workforce reform. They also ensure that workforce policy is aligned with broader government policy. We can see that delegating responsibility and accountability to individual police forces and PCCs has some merits. However, doing so while trying to retain inflexible central control of pay decisions creates confusion and makes it difficult to deliver coherent workforce reform. Moreover, such decentralisation makes it harder for the SSRB to play a meaningful role when its advice is sought from, and provided to, a single point in government.
- 4.28 As mentioned in Chapter 3, the Home Office told us this year that it would be particularly helpful if the SSRB would assist in determining, as part of the review of the chief police officer pay and reward package, which elements subject to potential legislative changes should be set nationally or locally within a national framework. We welcome the opportunity to be involved in resolving tensions between central control and devolved responsibility as we regard them as a major hindrance to the development of a coherent pay and workforce policy. However, we will require some evidence-based propositions to address this and we ask the Home Office to give this matter careful consideration in advance of seeking our advice.

# **Chapter 5**

# Looking ahead

#### Review of chief police officer pay and benefits

- 5.1 We are concerned that the timetable to implement a new pay and benefits framework for chief police officers by 2019-2020 will not be met. There are two major milestones to pass beforehand: the development of a workforce strategy and the design of a pay and reward structure. Our concern is that more forces will make ad hoc changes in the interim, which will undermine any efforts to develop a coherent strategy.
- 5.2 The SSRB is very willing to assist on the review of chief police officer pay and benefits. We believe the core considerations should include:
  - how to measure and reflect in total reward the contribution, responsibilities, competence, skills and experience of all chief police officers;
  - the aspects of total reward to be controlled centrally or decided locally;
  - the impact on recruitment, retention, morale and motivation of the fixed-term appointment system for Chief Constables and Deputy Chief Constables;
  - updating the pay level relativities for Chief Constables and Deputy Chief Constables in the context of current data and workforce strategy; and
  - investigating the option of weighting Assistant Chief Constable pay by police force rather than continuing with the existing pay scale that applies equally across all forces.

#### Performance management

5.3 In our main reports in 2016 and 2017, we said that a renewed focus on staff and career management is required for our remit groups, particularly in respect of performance management and career development. In our 2017 report we explained that, in the private sector, there has been an increased emphasis on performance pay systems in recent years. As discussed in Chapter 2, since the abolition of the previous system in 2013, there has been no performance pay system for chief police officers. We would like to receive evidence from the parties on performance-related, or contribution-related, pay next year. This should relate specifically to chief police officers rather than to the police as a whole. This is especially in the context of the workforce strategy to be developed for the new police rank and grading structure.

#### Home Office oral evidence

- 5.4 This year, we sought the presence of the most senior decision-makers in the Home Office on chief police officer pay. Therefore, we were pleased when the Policing and Fire Service Minister accepted our invitation to attend oral evidence and were correspondingly disappointed when he had to cancel his attendance and was not able to put forward an alternative date to attend. Consequently, we have still not secured an oral evidence session with the most senior decision-makers in the Home Office on chief police officer pay even though three years have passed since we first received statutory responsibility for providing advice to the government on this group.
- 5.5 It is important that the government representative who gives evidence to us has real influence over workforce decisions and visible accountability to the individuals affected, as well as personal ownership of the broader strategic direction of policy.

### Progress against the SSRB's strategic priorities

In our main report this year, we highlighted progress against the SSRB's strategic priorities as set out previously in our 2016 report for all of the remit groups we have reviewed this year. Our assessment of the position for chief police officers is provided in Table 5.1. We hope this will be helpful to the Home Office and other parties to the review body process in considering strategic workforce priorities for the future and we ask that these topics are covered in future evidence to the SSRB.

Table 5.1: Assessment of position for remit groups against the SSRB's strategic priorities

K	ey Green: Area of little concern	↑: Improving trajectory
	Amber: Area of some concern	↔: Stable trajectory
	Red: Area of significant concern	↓: Declining trajectory

SSRB priority in 2016 report	Assessment of position for chief police officers in 2017
Pay and workforce strategy: Departments need to be clear about their long-term objectives, their future operating model and the pay and workforce strategy required to support them. Annual changes to pay need to be linked to longer-term strategy.	New police rank structure being developed and a new reward framework planned.
Focus on outcomes: There should be more focus on maximising outcomes for lowest cost and less fixation on limiting basic pay increases across the board.	No proposals made.
Action on poor performance: Greater analysis is required of where value is being added and action taken where it is not.	No evidence that it is an issue, but no evidence presented. ←→
Performance management and pay: There needs to be demonstrable evidence that appraisal systems and performance management arrangements exist and are effective, and of a robust approach to reward structure and career development.	No evidence that it is an issue, but no evidence presented.
Better data: Better decision making requires better data, particularly in respect of attrition, retention and recruitment. Emerging issues and pressures need to be identified promptly and accurately so that appropriate action can be taken.	Data remain of poor quality with major gaps.
Feeder Groups: The feeder groups that will supply the next generation of senior public sector leaders must be closely monitored. The data relating to them needs careful scrutiny for early warning signs of impending problems.	Limited data available. Appear to be sufficient numbers coming through system at present, but situation is fragile.
Targeting: Where evidence supports it, pay increases should be targeted according to factors such as the level of responsibility, job performance, skill shortages and location.	A non-targeted pay award is proposed.  ←→
Central versus devolved tensions: Tensions that exist in the system that hinder the development of a coherent workforce policy, such as between national and local control, need to be explicitly recognised and actively managed.	Tension between central and local control is creating motivation problems and presents a future recruitment risk.
<b>Diversity:</b> The senior workforces within our remit groups need to better reflect the society they serve and the broader workforce for which they are responsible.	Poor performance on gender and ethnicity.

#### Future pay review arrangements for chief police officers

- 5.7 As mentioned in Chapter 3, the Home Office consulted us and other stakeholders this year on a proposal to transfer statutory responsibility for chief police officers from the SSRB to the PRRB. The Home Office said this would facilitate a consistent approach to new police pay and reward frameworks and ensure proper consideration of the longer-term impact of reforms across all ranks.
- 5.8 Our general view is that it would be preferable to maintain the SSRB's remit, for the following reasons:
  - We believe it is important to assess the pay of chief police officers in relation to pay for other senior public servants and to have it reviewed by a body specialising in senior pay, pensions and allowances.
  - Most large organisations have an executive remuneration committee or similar body reviewing senior pay.
  - This separate consideration is important in the case of the police, given the visibility and sensitivity surrounding the remuneration of its most senior officers. Issues that need appropriate attention include the impact of the media and taxation on recruitment, retention and motivation and the unique relationship between the most senior officers and PCCs. New approaches to combining chief officer responsibilities for policing and fire services and amended rules on external recruitment are also distinct issues that uniquely relate to the most senior ranks.
  - Combining the consideration of senior pay with the rest of the workforce is not a
    pre-requisite for an efficient and consistent approach to remuneration. In the case
    of the Armed Forces, for example, a divided process has served all parties well over
    many years.
- 5.9 We await the outcome of the Home Office consultation. The relevant correspondence can be found in Appendices H and J.

## Appendix A

## Background information on the setting of police pay and the Terms of Reference of the SSRB

Following the Winsor Review<sup>21</sup> and the passing of the Anti-social Behaviour, Crime and Policing Act 2014, chief police officers (Chief Constables, Deputy Chief Constables and Assistant Chief Constables) in England, Wales and Northern Ireland were moved from the Police Negotiating Board (PNB) to the SSRB's remit<sup>22</sup>. The Act also established the Police Remuneration Review Body (PRRB) to consider the pay of all police ranks up to and including Chief Superintendent.

The Review Body on Senior Salaries (previously known as the Review Body on Top Salaries) was formed in 1971 and is appointed by the Government to provide it with independent advice.

The Government wrote to us in September 2014 to confirm changes to the SSRB's terms of reference to reflect:

- the transfer of responsibility for MPs' pay, allowances and pensions from the SSRB to the Independent Parliamentary Standards Authority following the 2009 Parliamentary Standards Act;
- the addition of Police and Crime Commissioners to the SSRB's remit in 2013;
- the addition of senior police officers in England, Wales and Northern Ireland to the SSRB's remit from 2014; and
- the removal of the requirement to maintain broad linkage between the remuneration of the SCS, judiciary and senior military.

Our terms of reference are now as follows:

http://www.legislation.gov.uk/ukpga/2014/12/section/134

The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor, the Home Secretary, the Secretary of State for Defence, the Secretary of State for Health and the Minister of Justice for Northern Ireland on the remuneration of holders of judicial office; senior civil servants; senior officers of the armed forces; very senior managers in the NHS<sup>23</sup>; police and crime commissioners, chief police officers in England, Wales and Northern Ireland; and other such public appointments as may from time to time be specified.

<sup>&</sup>lt;sup>21</sup> In 2012, Part 2 of the Winsor Review of Police Pay and Conditions recommended abolition of the PNB system because it 'proved itself incapable of ensuring that the two sides reach agreement on the most significant matters of contention efficiently and in a timely way'. The Review found the PNB to be adversarial, cumbersome and inefficient. It recommended the establishment of an independent police officer pay review body to consider the pay of all ranks up to and including Chief Superintendent, and that the Senior Salaries Review Body recommend on the pay of chief police officers (Chief Constables, Deputy Chief Constables and Assistant Chief Constables).

For England and Wales: Part 11, Section 133, subsection 3a of the Anti-social Behaviour, Crime and Policing Act 2014 states: "In the case of regulations under section 50 concerning members of police forces above the rank of chief superintendent, before making the regulations the Secretary of State shall (subject to subsection (5)) – (a) consider advice on the matter from the Senior Salaries Review Body". http://www.legislation.gov.uk/ukpga/2014/12/section/133

For Northern Ireland: Part 11, Section 134, subsection 3a of the Act states: "in the case of regulations concerning officers above the rank of chief superintendent, before making the regulations the Department of Justice shall (subject to subsection (5)) – (a) consider advice on the matter from the Senior Salaries Review Body".

NHS Very Senior Managers in England are chief executives, executive directors (except medical directors), and other senior managers. The SSRB's remit group is now called Executive and Senior Managers in the Department of Health's Arm's Length Bodies.

The Review Body may, if requested, also advise the Prime Minister from time to time on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975. If asked to do so by the Presiding Officer and the First Minister of the Scottish Parliament jointly; or by the Speaker of the Northern Ireland Assembly; or by the Presiding Officer of the National Assembly for Wales; or by the Mayor of London and the Chair of the Greater London Assembly jointly; the Review Body also from time to time advises those bodies on the pay, pensions and allowances of their members and office holders.

*In reaching its recommendations, the Review Body is to have regard to the following considerations:* 

- the need to recruit, retain, motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

In making recommendations, the Review Body shall consider any factors that the Government and other witnesses may draw to its attention. In particular, it shall have regard to:

- differences in terms and conditions of employment between the public and private sector and between the remit groups, taking account of relative job security and the value of benefits in kind;
- changes in national pay systems, including flexibility and the reward of success; and job weight in differentiating the remuneration of particular posts;
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

The Review Body may make other recommendations as it sees fit:

- to ensure that, as appropriate, the remuneration of the remit groups relates coherently
  to that of their subordinates, encourages efficiency and effectiveness, and takes account
  of the different management and organisational structures that may be in place from
  time to time;
- to relate reward to performance where appropriate;
- to maintain the confidence of those covered by the Review Body's remit that its recommendations have been properly and fairly determined;
- to ensure that the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.

The Review Body will take account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Members of the Review Body are:

Dr Martin Read CBE, *Chair*Margaret Edwards
Sir Adrian Johns KCB CBE DL
David Lebrecht<sup>24</sup>
John Steele<sup>25</sup>
Dr Peter Westaway
Sharon Witherspoon

The Secretariat is provided by the Office of Manpower Economics.

<sup>&</sup>lt;sup>24</sup>Ex Officio: Chair Police Remuneration Review Body.

<sup>&</sup>lt;sup>25</sup> Ex Officio: Chair Armed Forces' Pay Review Body.

## Appendix B

## Website references for publications

This SSRB report can be found at:

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

Evidence submitted to the SSRB by the Home Office:

https://www.gov.uk/government/publications/home-office-evidence-to-the-senior-salaries-review-body-2017-to-2018

Evidence submitted to the SSRB by the Association of Police and Crime Commissioners: http://www.apccs.police.uk/wp-content/uploads/2016/11/APCC-SSRB-Submission-2017-final.pdf

Evidence submitted to the SSRB by the National Police Chiefs' Council: http://www.npcc.police.uk/documents/Final%20SSRB%20report%202017%20v2.pdf

Evidence submitted to the SSRB by the Department of Justice for Northern Ireland: https://www.justice-ni.gov.uk/publications

Evidence submitted to the SSRB by the Northern Ireland Policing Board: https://www.nipolicingboard.org.uk/sites/nipb/files/media-files/nipb-submission-to-the-srrb-nov-2016.pdf

Evidence submitted to the SSRB by the Police Service of Northern Ireland: https://www.psni.police.uk/globalassets/advice--information/our-publications/documents/ssrb-submission-2017-2018.pdf

## **Appendix C**

# Letter from the Chief Secretary to the Treasury to the Chair of the SSRB of 13 July 2016



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Dr Martin Read Chair of the SSRB c/o Office of Manpower Economics Fleetbank House 2-6 Salisbury House EC4Y 8JX

3th July 2016

#### PUBLIC SECTOR PAY 2017-18

- Thank you for your work on the 2015-17 pay round. The Pay Review Bodies continue to play an invaluable role in making independent, evidence-based recommendations on public sector pay awards, as well as continuing to provide high-quality advice on wider reforms to pay and allowances policy. I am extremely grateful to you and your colleagues for your considered work. Over the remainder of the Parliament I look forward to the Pay Review Bodies continuing to advise the Government on how best to achieve pay reforms and deliver fair and sustainable pay awards for public sector workforces
- 2. As you know the fiscal context remains very challenging following the outcome of the EU referendum vote. However, the Government's public sector pay policy, announced at Summer Budget 2015 and reaffirmed in the Autumn Statement and Spending Review 2015, was intended to enable prudent long-term planning while protecting jobs, and I can confirm that this policy remains in place. We will fund public sector workforces for pay awards of an average of 1 per cent a year, up to 2019/20.
- As I set out in my letter to you last year, I expect to see targeted pay awards, in order to support the continued delivery of public services, and to address

**OFFICIAL** 



recruitment and retention pressures. This may mean that some workers could receive more than 1 per cent whilst others receive less, and there should be no expectation that every worker will receive a 1 per cent pay award. I am aware that this requires you to receive good, evidence-based propositions to consider.

4. Relevant Secretaries of State will write to you shortly with their remit letters, as and where needed. Relevant departments will submit their proposals covering the specific needs of their workforces in their evidence to you in the early autumn. I look forward to your 2017-18 recommendations.

**GREG HANDS** 

## Appendix D

# Letter from Home Secretary to the Chair of the Senior Salaries Review Body of 6 July 2016



Home Secretary 2 Marsham Street London SW1P 4DF www.homeoffice.gov.uk

Dr Martin Read CBE Chair, Senior Salaries Review Body Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

6 July 2016

Dear Martin.

## SENIOR SALARIES REVIEW BODY: REPORT ON CHIEF POLICE OFFICERS 2016

Thank you for your letter of 14 June and for enclosing your report, making pay recommendations for chief police officers in England and Wales.

I am pleased to inform you that I will accept your recommendation in full.

I welcome the longer term focus on a full review of pay structures for chief officers, which will be part of the work following the College of Policing's Leadership Review. As you are aware, work on recommendation 2 of the review is being taken forward by chief constables, with input from the College of Policing, and I look forward to seeing your views on their proposals in due course.

Six years after the Government was first elected, we now have a framework of institutions and processes to ensure policing is more accountable, more effective, and more professional than ever before. As I have consistently made clear, it is right that the next stage of workforce reform is led by the police and I am confident that there are strong governance structures in place to ensure that the pace of reform continues.

You ask in your report that the evidence round is brought forward slightly this year. I would be happy to agree to this and I have asked officials to work towards a December date for the submission of evidence for the 2017/18 pay round.

I am grateful to you and the members of the Body for your work this year. I will make a written statement to Parliament to reflect my decision and to highlight the publication of your report.

The Rt Hon Theresa May MP

## Appendix E

## Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 20 June 2016

FROM THE OFFICE OF THE JUSTICE MINISTER



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Minister's Office Block B,
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Belfast
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Tel: 028 9052 8121
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Our ref: COR-1076-2016

Dr Martin Read CBE Chair Senior Salaries Review Body Fleetbank House 2-6 Salisbury Square LONDON EC4Y 8JX

2016 June 2016

Martin

SUPPLEMENT TO THE THIRTY EIGHTH ANNUAL REPORT ON SENIOR SALARIES 2016

Thank you for your letter of 14 June, and the report and recommendations of the Senior Salaries Review Body in relation to the pay of the senior police officers in the PSNI.

I am pleased to confirm that, following due consideration, I am content to accept all recommendations put forward in your report; namely an increase of one per cent on all senior officers' pay points and the Northern Ireland Transitional Allowance.

In line with normal procedures relating to public sector pay in Northern Ireland, the Finance Minister will be required to approve and sign-off on these proposals. My officials are liaising with the Department of Finance in this regard with the aim of any pay award being effective from 1 September. As you are aware we will not be able to publicise these decisions until after the Finance Minister has approved the associated pay remits.

Thank you for your work on these important matters and I look forward to developing our relationship during my time in office.

CLAIRE SUCTION MLA Minister of Justice

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## Appendix F

## Letter from the Home Secretary to the Chair of the Senior Salaries Review Body of 18 October 2016



**Home Secretary** 

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

Dr Martin Read CBE Chair Senior Salaries Review Body Office of Manpower Economics Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

18 October 2016

Dear Mr Read CBE.

#### Senior Salaries Review Body 2017/18 Remit (Senior Police Officers)

I write following the previous Chief Secretary to the Treasury's letter of 13 July, which set out the context for the police pay round for 2017/18.

The Government's position is that we are keen to support police leaders by giving them the tools they need to increase flexibility; allow movement in and out of policing; increase and introduce skills; and achieve a more diverse workforce mix as well as growing a culture of innovation and challenge. I will be particularly interested to see further police-led proposals on how a fair and sustainable reward structure can be achieved in future.

The expertise of SSRB's members will be vital in addressing workforce pressures in 2017/18. They will also be able to provide a valuable independent view on the progress being made on longer term reforms and how the risks and challenges of a new reward structure are being addressed.

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

#### I refer to the SSRB the following matters for recommendation for 2017/18:

- how to apply the pay award for 2017/18 for senior police officers, in accordance with CST's letter:
- this includes how best to apply short-term, targeted measures to address any recruitment and retention pressures, pending a full review of the chief officer pay and benefits package in the next pay round.

I have limited these matters to the most immediate short-term issues to be addressed in the 2017/18 pay year in light of the fact that proposals for a broader review of the chief police officer pay structure will be put forward in 2018/19. These wider proposals, which are for the longer term, will build on workforce reform work currently being led by the College of Policing and chief constables that takes forward the recommendations of the Leadership Review and other policy work. In particular, this includes:

- work by the College of Policing to better understand the barriers to chief officer applications and to design the new Police Professional Framework and the Policing Education, Standards and Qualifications Framework;
- plans being developed by chief constables to implement a new five-level organisational structure to improve decision making;
- the potential for some forces to adopt a single employer model for policing and fire after 2018;
- development of the direct entry programme and the effect on the pipeline of chief officer candidates for the future, which builds on the efforts to offer PCCs more choice by allowing overseas appointments for chief constable posts.

This body of work will help to inform the further development of the longer-term pay strategy, as outlined to the SSRB in the previous evidence round. Consequently, I would ask the SSRB to consider the matters for recommendation listed above in the context of this emerging workforce reform picture. We expect the detail of these sector-led initiatives to be developed further in the coming months and I am sure that police partners will keep you informed of their progress.

I place great value on the independent advice of both police pay review bodies and look forward to receiving your recommendations no later than 19 May 2017.

The Rt Hon Amber Rudd MP

Juhr Glass

## Appendix G

## Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 19 September 2016

FROM THE OFFICE OF THE JUSTICE MINISTER



Minister's Office Block B, Castle Buildings Stormont Estate Ballymiscaw Belfast BT4 3SG Tel: 028 9052 8121

private.office@justice-ni.x.gsi.cov.uk

Our ref: SUB/1354/2016

Dr Martin Read CBE SSRB Chairman c/o Office of Manpower Economics Level 8 Fleetwood House 2-6 Salisbury Square LONDON EC4Y 8JX

19 September 2016

Dr Read,

#### POLICE SERVICE OF NORTHERN IRELAND - PAY REMIT LETTER

Thank you for your 2016 report and recommendations for the senior police officers in the Police Service of Northern Ireland (PSNI). Processes are underway to apply the changes recommended, in full.

I am pleased to provide the Senior Salaries Review Body with my remit letter for this year to allow the review of the remuneration for senior police officers serving in the PSNI.

#### Public Sector Pay Policy

The Northern Ireland Executive has not yet agreed pay policy for the public sector for Northern Ireland for 2017/18. However, in general terms it has endorsed the principle of adherence to the UK Government's public sector pay policies and public sector pay growth limits.

I am aware that the Chief Secretary to the Treasury wrote to the pay review bodies' chairmen on 13 July. In the absence of a settled policy for Northern Ireland, I would suggest that the Body operates within the parameters set out therein, noting that these may be subject to further restraint. The Executive's position will be provided in evidential submissions as the position becomes clearer.

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#### FROM THE OFFICE OF THE JUSTICE MINISTER



#### For 2017/18 review

I would welcome the views of the Review Body on:

- the application of any pay award for senior police officers, within the guidelines set by Treasury;
- whether any increase should be applied to the Northern Ireland Transitional Allowance; and
- initial thoughts in respect of including the PSNI in the wider review of senior officers' pay to be carried out for England and Wales.

Parties in Northern Ireland are keen to ensure that the application of any award does not hinder the ability of senior officers to enter and leave the PSNI, and that pay and allowances are not a barrier to appointment at the most senior ranks. On this basis it would be helpful if a consistent approach is adopted on key aspects of pay across all ranks, as well as with England and Wales.

I am conscious that consideration will also have to be given to the ongoing reforms being taken forward in the College of Policing, to ascertain what impact any further developments might have on policing in Northern Ireland, particularly in light of the leadership review. I ask that you consider these ongoing areas of work in the context of policing in Northern Ireland when reviewing remuneration.

I trust that this letter is helpful to the Body as you undertake this year's assessments. I can confirm that input has been sought from the Chief Police Officers' Staff Association, the Northern Ireland Policing Board and the PSNI on matters they would wish to see referred to you, all of which have been incorporated in this remit letter.

I look forward to receiving your recommendations in due course.

CLAIRE SUGDEN MLA Minister of Justice

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## Appendix H

# Letter from the Home Office to the Chair of the Senior Salaries Review Body of 22 March 2016



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22 March 2017

Dr Martin Read CBE Chair, SSRB

David Lebrecht Chair, PRRB

Office of Manpower Economics Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

Dear Martin,

#### Consultation on proposed changes to the police pay machinery

I am writing to seek your views on proposals to legislate to further streamline the police pay machinery in England and Wales.

Specifically, we propose to remove chief police officers from the remit of the Senior Salaries Review Body (SSRB). In its place, the Police Remuneration Review Body (PRRB) would advise the Home Secretary on the pay and conditions of service of officers of all ranks.

As you are aware, the policing sector is engaged in a wide programme of workforce reforms, including changes to police pay and reward frameworks. In this context, we must ensure that pay advisory structures are configured in the most efficient way to support this process. Consolidation of the police officer remit groups would enable a consistent approach to be taken to new pay and reward frameworks and would ensure that the longer term impact of reforms can be properly considered across all ranks over time.

Consideration will be given to making a similar change in Northern Ireland. Your views on this matter would also be welcomed.

I would be grateful for responses by 10 April 2017.

Yours sincerely,

Rabel R

Rachel Watson

Head of Police Workforce and Professionalism Unit

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## Appendix J

## Letter from the Chair of the Senior Salaries Review Body to the Minister of State for Policing and the Fire Service of 12 April 2017



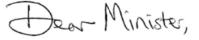
SENIOR SALARIES REVIEW BODY FLEETBANK HOUSE 2-6 SALISBURY SQUARE LONDON EC4Y 8JX

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The Right Honourable Brandon Lewis MP
Minister of State for Policing and the Fire Service
2 Marsham Street
London
SW1P 4DF

12 April 2017



#### CONSULTATION ON PROPOSED CHANGES TO THE POLICE PAY MACHINERY

Thank you for your telephone call on 16 March and for the letter of 22 March sent by Rachel Watson about the Home Office's proposals to legislate to remove responsibility for chief police officers from the SSRB's remit and to transfer it to the Police Remuneration Review Body (PRRB). I have consulted my fellow members of the SSRB in preparing this reply.

Our general view is that it would be preferable to maintain the SSRB's remit, for the following reasons:

 We believe it is important to assess the pay of chief police officers in relation to pay for other senior public servants and to have it reviewed by a body specialising in advising on senior pay, pensions and allowances.







- Most large organisations have an executive remuneration committee or similar body reviewing senior pay. They do take account of their wider workforces, but there is also recognition that senior pay needs to be considered separately and in the context of similar roles externally.
- This separate consideration is important in the case of the police, given the visibility and sensitivity surrounding the remuneration of its most senior officers. Issues that need appropriate attention include the impact of the media and taxation on recruitment, retention and motivation and the unique relationship between the most senior officers and Police and Crime Commissioners. New approaches to combining chief officer responsibilities for policing and fire services and amended rules on external recruitment are also distinct issues that uniquely relate to the most senior ranks.
- Combining the consideration of senior pay with the rest of the workforce is not
  a pre-requisite for an efficient and consistent approach to remuneration. In the
  case of the Armed Forces, for example, a divided process has served all
  parties well over many years.

We would also like to make it clear that some of the issues the SSRB has encountered in reviewing chief police officers will not be resolved simply by a transfer of responsibilities to another review body. In particular, we would highlight two issues, which we set out in our report on chief police officers last year:

- The data that have been available on chief police officers are highly fragmented, of poor quality and contain major gaps and inconsistencies.
   These data are a pre-requisite for effective workforce management and making evidence-based pay recommendations.
- We believe there is a lack of clarity around how the Home Office's desire for the national control of chief police officers' pay aligns with local pay flexibility and the determination of allowances. In particular, we believe that inconsistent and unclear practice in respect of allowances is having an adverse impact on







the mobility of chief police officers across forces. Serious thought needs to be given as to how the system could achieve improved equity and fairness and strike a better balance between local accountability and central control.

Finally, we urge cross-government consideration of this issue. The SSRB is a longestablished body that was set up specifically to advise on senior pay. Changes to its remit should be considered in the context of the wider role the government wishes it to play.

I would be happy to elaborate further on these issues if that would be helpful.

I am sending copies of this letter to the Chief Secretary to the Treasury, the Minister for the Cabinet Office and Paymaster General and Rachel Watson, Head of the Police Workforce and Professionalism Unit, the Home Office

Dr Martin Read CBE

Chair

Senior Salaries Review Body

## Appendix K

# Chief police officer ranks in England, Wales and Northern Ireland 2016

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

## Appendix L

## Chief police officer pay structure from 1 September 2016

Force Weighting	Forces	Chief Constable Salary 2016 (£)	Deputy Chief Constable Salary 2016 (£)
10.0	West Midlands Greater Manchester	188,823	144,768
8.0	West Yorkshire	176,238	140,991
6.5	Thames Valley	166,797	137,607
6.0	Merseyside Northumbria	163,644	135,012
5.5	Hampshire	160,494	132,414
5.0	Kent Lancashire Devon & Cornwall	157,353	129,813
4.5	South Yorkshire Essex Avon & Somerset Sussex South Wales	154,212	127,224
3.5	Nottinghamshire	147,915	122,028
3.0	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire Derbyshire	144,768	119,430
2.5	Surrey Norfolk	141,618	116,838
2.0	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire Bedfordshire	138,504	114,240
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	135,324	113,295
	Northern Ireland	201,408	163,641

Force	Salary (£)
Metropolitan Police Service	
Commissioner	270,648
Deputy Commissioner	223,440
Assistant Commissioner	188,823
Deputy Assistant Commissioner	144,768
City of London	
Commissioner	167,436
Assistant Commissioner	138,102
Assistant Chief Constables and Commanders in Englan	d, Wales and Northern Ireland
Salaries (£) (annual incremental pay points)	
97,563	
103,851	
_110,148	

Notes: Pay progression is awarded on the basis of satisfactory performance.

## Appendix M

# Overview of allowances and benefits in kind received by chief police officers in 2016-17

#### **England and Wales:**

This is a summary and not intended to be a definitive list.

#### National

- Relocation and removal expenses: PCCs and chief police officers are required to pay all
  reasonable costs arising from the sale and purchase of a chief police officer's house,
  and all tax liabilities arising from any relocation package, so that the individual
  concerned is not placed at any personal financial disadvantage. Removal expenses
  are to be paid when a chief police officer moves home when joining a police force.
- The Motor Vehicle Allowance: All police officers have the option of a Motor Vehicle Allowance.

#### Geographical

- London Weighting and London Allowance: Police officers in the Metropolitan and City of London areas receive a pensionable London Weighting (currently £2,373 per annum) and a non-pensionable London Allowance.
- South East England Allowances: are applicable in: Bedfordshire, Essex, Hampshire, Hertfordshire, Kent, Surrey, Sussex and Thames Valley.

#### Locally agreed

- Some instances of provision of private healthcare schemes or medical insurance.
- Provision of access to a car pool or dedicated car at a value determined locally.
- PCCs can agree to cover the reactive element of legal protection insurance.

#### Northern Ireland

- Northern Ireland Transitional Allowance (NITA): Police officers in Northern Ireland receive £3,195 per annum to take account of the extraordinary circumstances they face there and the special difficulties which their job entails for them and their families.
- Rent/Housing Allowance maximum: Chief Constable: £18,000; Deputy Chief Constable and Assistant Chief Constables: £4,710

Broadband Allowance: £360

Car Allowance: £8,895

• Healthcare Allowance: £600

## Appendix N

## Glossary of terms and abbreviations

Accrual rate The rate at which future benefits in a defined-benefit pension scheme

accumulate.

APCC Association of Police and Crime Commissioners.

Base or basic pay

Basic salary, excluding non-consolidated bonuses, allowances, value of

pensions, etc.

Chief police officers The chief police officer ranks are:

• Commissioner – Metropolitan Police Service (MPS)

• Deputy Commissioner – MPS

 Chief Constable (or Assistant Commissioner in the MPS and City of London Police)

 Deputy Chief Constable (or Deputy Commissioner in the MPS and Assistant Commissioner in the City of London

Police)

 Assistant Chief Constable (or Commander in the MPS and City of London Police)

City of London Police).

College of Policing The College of Policing is the professional body for all officers and staff

who work in policing in England and Wales.

CPOSA Chief Police Officers' Staff Association

DoJNI Department of Justice for Northern Ireland

MPS Metropolitan Police Service
NIPB Northern Ireland Policing Board

NPCC National Police Chiefs' Council (formerly ACPO)

PCC Police and Crime Commissioner
PRRB Police Remuneration Review Body
PSNI Police Service of Northern Ireland

Spot rate Chief Constables and Deputy Chief Constables are all paid a set

amount (spot rate) within a national pay structure. This contrasts with Assistant Chief Constables whose base pay is a specific point within a

pay scale.

Winsor Review An independent review of police officer and staff remuneration and

conditions in England and Wales chaired by Sir Tom Winsor. Part 1 was published in March 2011 and the Final Report was published in

March 2012.

