



Police
Remuneration Review Body

Police Remuneration Review Body

Third Report
England and Wales 2017

Chair: David Lebrecht
Executive Summary

Police Remuneration Review Body

Terms of reference¹

The Police Remuneration Review Body² (PRRB) provides independent recommendations to the Home Secretary and to the Northern Ireland Minister of Justice on the hours of duty, leave, pay, allowances and the issue, use and return of police clothing, personal equipment and accoutrements for police officers of or below the rank of chief superintendent and police cadets in England and Wales, and Northern Ireland respectively.

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

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

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

² The Police Remuneration Review Body was established by the Anti-social Behaviour, Crime and Policing Act 2014, and became operational in September 2014.

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

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

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

Members³ of the Review Body⁴

David Lebrecht (Chair)

Dr Brian Bell

Elizabeth Bell

Anita Bharucha

Paul Leighton

Christopher Pilgrim

Patrick Stayt

The secretariat is provided by the Office of Manpower Economics.

³ Members of the Review Body are appointed through an open competition adhering to the Commissioner for Public Appointments' Code of Practice. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578090/Public_Appointments_Governance_Code_.pdf

⁴ Heather Baily resigned from the Review Body in March 2017.

POLICE REMUNERATION REVIEW BODY

England and Wales Third Report 2017

Executive Summary

Our 2017/18 recommendations (from 1 September 2017)

- A consolidated increase of 2% to all pay points for federated and superintending ranks.
- London Weighting and Dog Handlers' Allowance to be updated by 2%.
- The introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard to fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020.
- In order to support our consideration of pay and reward, the Home Office, National Police Chiefs' Council (NPCC) and College of Policing should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.

Remit

1. This report covers our recommendations for 2017/18 on police officer pay and allowances in the federated and superintending ranks. The Chief Secretary to the Treasury confirmed that the Government's public sector pay policy remained in place with public sector workforces funded for pay awards of an average of 1%, with an expectation of targeted pay awards to support the continued delivery of public services and to address recruitment and retention pressures. The Home Secretary asked us to consider: (i) how to apply the pay award for 2017/18 including how best to apply short term targeted measures; (ii) observations on proposals to introduce police officer apprenticeships; and (iii) views on the longer term reforms and how the risks and challenges of a new reward structure were being addressed as plans developed. (Paragraphs 1.2 to 1.3)

Our analysis of the 2017/18 evidence

2. We conclude from the evidence:
 - Policing environment – the Policing Vision 2025 places an emphasis on delivery by a professional workforce with the necessary skills and capabilities. The required developments to meet the changing nature of policing will feature in the workforce reforms. However, recent reports from Her Majesty's Inspectorate of Constabulary (HMIC), surveys by the Police Federation of England and Wales (PFEW), and our visits showed clear evidence that changed demand and workforce reductions have fed into increased individual officers' workload in terms of complexity, responsibility, risk and scrutiny. These relate directly to the particular frontline role and accountability of the office of constable; (Paragraphs 2.3 to 2.18)
 - Government pay policy and affordability – we understand that the pay policy helps reduce the budget deficit and achieve fiscal consolidation, and that the 1% figure was justified in 2015 on the basis of continued low inflation. In our view, the Government should take a longer term view on police pay as the economy changes. Following a policy of pay restraint over a long period, police pay needs

to take reasonable account of developments in the wider economy, including the increasing rate of inflation and the impact on cost of living, which put pressure on the sustainability of the pay policy; (Paragraphs 2.28 to 2.31)

- Affordability considerations in policing are complex, depending on a series of choices for the Government, police and crime commissioners, and chief officers. However, the evidence this year did not indicate how vigorously potential sources of savings are being pursued. The cumulative effect of pay policies and affordability choices, in support of achieving desired public expenditure savings, is a sustained reduction in police officer real pay levels over several years; (Paragraphs 2.33 to 2.34)
- Economy and labour market – Consumer Prices Index (CPI) inflation rose during the latter part of 2016 reaching 2.3% at March 2017 and was forecast to rise slightly throughout 2017. Average earnings growth was 2.3% and pay settlements were at 2.0% in the three months to February 2017. The labour market has seen employment growth and falls in unemployment; (Paragraphs 2.35 to 2.40)
- Police earnings – significant proportions of police officers are at the top of their pay scales (and therefore not in receipt of increments). Overall, police officer earnings have been broadly flat since 2011/12, but in the year to March 2016 police officers saw a decrease in median full-time earnings of 0.5%. Differentials between police earnings and the earnings of other groups have been narrowing since 2011/12, and we draw particular attention to the comparative position in relation to professional occupations; (Paragraphs 2.41 to 2.49)
- Police workforce – officer numbers have decreased by 14% since 2010 and by 2.5% between 2015 and 2016. NPCC data from 29 police forces suggested issues recruiting detectives, firearms officers and custody officers. The HMIC PEEL: Police Effectiveness 2016 Report concluded that the severe shortage of investigators such as detectives was a national crisis and the HMIC State of Policing Report reiterated that the recruitment and retention of specialists was a problem for many forces; (Paragraphs 2.50 to 2.55 and 2.72 to 2.81)
- Recruitment and retention – the numbers of joiners significantly reduced in 2015/16, although police forces did not report any concerns about the quality of applicants. Retention rates are generally stable. Our conclusions on retention should be seen in the light of policing as a vocational career with, in effect, a single employer. Those who have a vocation to join the police cannot fulfil that vocation if they leave for other employment; (Paragraphs 2.56 to 2.75 and 2.82 to 2.86)
- Motivation and morale – the evidence is limited and makes it difficult to disaggregate whether pay is a driver, although officers on our visits cited influencing factors including pay restraint, the real terms pay drop, workforce reductions, workload and pension changes. Staff associations’ surveys consistently report low morale for federated ranks. There are risks to police forces and wider society should officer motivation and morale weaken. (Paragraphs 2.87 to 2.100)

Basic pay proposals and recommendations for 2017/18

3. The Home Office, NPCC and Association of Police and Crime Commissioners recommended a 1% consolidated uplift for all police officers. The staff associations recommended a 2.8% increase in line with the average projected Retail Prices Index increase for 2017. We considered a range of options for the basic pay uplift, and there was no evidence of a consistent picture across police forces to target police officers through basic pay awards.
4. Our recommendation on basic pay seeks to balance all the factors raised in evidence to arrive at our independent judgement. The key factors are:
 - The economic position has changed over the last year, with increasing CPI inflation pointing to a rising cost of living, although we note that private sector wage growth remains relatively subdued;
 - The rising demands on policing (as evidenced in recent HMIC reports, a PFEW survey and on our visits), in the context of reducing workforce numbers, directly impacting on the particular frontline role and accountability of the office of constable;
 - The prolonged pay restraint experienced by police officers;
 - Affordability concerns across the police service, particularly as 79% of the police budget is spent on pay and related costs for the whole workforce;
 - The potential for further efficiencies to be gained both within and through collaboration between forces; and
 - The fact that police officers, unlike many other occupations, are prohibited from being members of a trade union or withdrawing their labour.
5. These factors lead us to the following conclusions:
 - The time has come for the Government to take a longer term view on police pay in the light of changing economic circumstances;
 - The level of police funding is a matter for Government and is a choice;
 - The burden of generating savings within policing should not solely or disproportionately be borne by police officer pay; and
 - That many police officers view their work as a vocation, which they cannot fulfil if they leave for other employment, and while there are no serious problems with recruitment and retention this commitment should not be taken for granted.
6. Taking these factors and conclusions into account, our judgement is that an increase to basic pay of beyond 1% is required. In reaching our judgement on the level of recommended increase we have in particular noted: the increases to the cost of living; the increasing demands on police officers; and the persisting affordability concerns across police forces. **We therefore recommend a consolidated increase of 2% to all pay points for federated and superintending ranks from 1 September 2017.** (Paragraphs 3.2 to 3.22)

Allowances and other remit matters

7. We note the NPCC's intention to review allowances as part of a future reward framework. From our visits and the staff associations' evidence, we understand that the On-call Allowance is a source of dissatisfaction among police officers and should be reviewed as a priority. **We recommend that London Weighting and Dog Handlers' Allowance should be uprated by 2% from 1 September 2017.** (Paragraphs 3.23 to 3.25)
8. The implications for pay arrangements of introducing **police officer apprenticeships** are unclear and we received no specific proposals. If the first cohorts start within the 2017/18 pay year we stand ready to make recommendations and we set out our evidence requirements in Chapter 3. Apprenticeships also have implications for designing a reward framework including comparisons with the graduate labour market. (Paragraphs 3.29 to 3.41)
9. **Hard to fill roles and superintending ranks** – the NPCC evidence and the HMIC PEEL Effectiveness Report provide an evidence base for hard to fill roles, and there is a consistent case to differentiate reward for superintending ranks. We support a targeted pay mechanism, which is for the NPCC to design in consultation through the Police Consultative Forum, accompanied by detailed guidance for chief officers including their assessment of local affordability. **We recommend the introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard to fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020.** (Paragraphs 3.42 to 3.57)

Police workforce and pay reform

10. Our overall conclusion is that the reform agenda remains challenging and the strands of reform will need substantial cultural and organisational change within police forces (paragraph 4.40). **In order to support our consideration of pay and reward, we recommend that the Home Office, NPCC and College of Policing publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy** (paragraph 4.31). We also conclude that:
 - Consideration is needed of how basic pay might apply to the five-level organisational model including pay progression, lateral development and specialists/higher skills; (Paragraph 4.33)
 - Consideration is needed of the pay arrangements to support the Policing Education Qualifications Framework (paragraph 4.34) and Advanced Practitioners following pilot schemes (paragraph 4.36); and
 - The NPCC should produce a plan (for the 2018/19 pay round) setting out the key activities, timelines and resources to deliver a new pay structure. We highlight the challenges and risks of developing a new reward framework and stress the importance of the NPCC securing sufficient resources and ensuring effective engagement with the staff associations and the workforce as a whole. (Paragraphs 4.37 to 4.39)

Forward look

11. We were in the process of completing our final deliberations when the General Election was called. The Government which will consider our 2017/18 recommendations will also be conscious of the implications for the next pay round including its approach to policing and to public sector pay. The environment for the 2018/19 pay round could

be challenging with prevailing economic and labour market conditions, but could also present opportunities for the parties to take a more flexible approach to police officer pay awards with a view to workforce and pay reform in the longer term. We also highlight the need to ensure continuing development of the evidence base. Given our strategic role, we stand ready to play our part in developing an effective police officer package that supports delivering the service to the public. (Chapter 5)

David Lebrecht (*Chair*)

Dr Brian Bell

Elizabeth Bell

Anita Bharucha

Paul Leighton

Christopher Pilgrim

Patrick Stayt

19 May 2017