

Police Remuneration Review Body

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Fourth Report England and Wales 2018

Chair: David Lebrecht

Cm 9655



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

July 2018

# OGL

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## **Police Remuneration Review Body**

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

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

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

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

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

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

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

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

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

#### Members<sup>3</sup> of the Review Body<sup>4</sup>

David Lebrecht (Chair) Elizabeth Bell Anita Bharucha Monojit Chatterji Paul Leighton Christopher Pilgrim Patrick Stayt

The secretariat is provided by the Office of Manpower Economics.

<sup>&</sup>lt;sup>3</sup> Members of the Review Body are appointed through an open competition adhering to the Commissioner for Public Appointments' Governance Code on Public Appointments. Available at: https://www.gov.uk/government/uploads/ system/uploads/attachment\_data/file/578090/Public\_Appointments\_Governance\_Code\_.pdf. [Accessed on 22 May 2018]

<sup>&</sup>lt;sup>4</sup> Monojit Chatterji joined the Review Body in March 2018.

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## POLICE REMUNERATION REVIEW BODY

## England and Wales Fourth Report 2018

## **Executive Summary**

1. Policing is a key component of the UK's law enforcement, public safety and homeland security activity. The total police workforce in England and Wales is just under 200,000 and includes police officers, of which there are currently just over 120,000, together with various other groups such as police staff and community support officers. Our terms of reference for this report relate to the pay and certain other conditions of service of police officers in England and Wales only, and do not extend to police staff and other groups. The cost of this police officer pay remit group is around £6.23 billion.

## Our remit

- 2. In the remit letter we received, dated 7 December 2017, the then Home Secretary asked for our recommendations on how to apply the pay award in 2018/19 for police officers of all ranks in England and Wales, and on National Police Chiefs' Council (NPCC) proposals for police officer apprenticeship pay. We were also asked to review final NPCC proposals for time-limited targeted payments to address specific recruitment and retention pressures, and for observations on NPCC reform proposals, including the timetable. At the request of the Home Secretary, we were asked to take into account this year, and for the first time, the position of chief police officers, whose pay was previously the subject of advice from the Senior Salaries Review Body (SSRB).
- 3. As part of our response to this remit, and as requested, we provided to the Home Secretary on 30 April 2018 a letter in advance of the main report supplying our views and recommendations regarding police apprentice pay. That letter can be found at Appendix C.

### Observations on pay reform proposals

- 4. This is the fourth year in which the Review Body has been asked to look at evidence regarding the progress of workforce and pay reform in policing. Our role in this process is that of a commentator. It is not for us to determine how the work should be carried out or the objectives to be achieved.
- 5. This year, as in previous years, we were not shown anything that convinced us that significant progress had been made. This is not a reflection on the efforts of those individuals carrying out the work. It is rather an observation on the difficulties of progressing, within policing, a project of this scale and ambition with the resources available. We could still find no consensus among the parties about what the ultimate vision of the reform project should be, nor how or when it would be reached.
- 6. We note that there are inherent structural problems in having to secure the necessary commitment from each of the 43 separate and independent police forces. And, to the extent that the NPCC is in a position to supply the collective leadership required in order to deliver the vision, we were not convinced that there was a willingness to exercise the necessary authority to drive the work forward. If the current level of ambition is to be maintained, then we suggest that the Home Office should become more involved in this work, alongside the NPCC and the College of Policing, driving forward the development of the timetable, and ensuring that the work is appropriately resourced.

- 7. To provide one example of an area where little progress has been made, in the last pay round we recommended, at the request of the NPCC, the introduction of local flexibility for chief officers to make additional payments to police officers in hard to fill roles and superintending ranks. We note that, despite evidence this year indicating that shortage roles continue to exist, this recommendation has yet to be implemented.
- 8. An alternative to the current approach would be to pursue a less ambitious but more immediately practicable strategy. This would involve the various components of the current reform plan being examined in order to determine which of them need to be treated as priorities, and to make those areas the focus for the time being. The resulting individual pieces of work will need to be resourced and driven forward appropriately.
- 9. From the work we have done in this pay round, we would signal two areas which we feel are candidates for early and priority attention. One concerns the definition of the future entry routes, for apprentices and graduates, into policing, which was not fully defined when we provided recommendations on apprentice pay. The other relates to a review of chief police officer pay and conditions of service, reflecting the concerns we have, and those that the SSRB previously expressed, on recruitment difficulties at these ranks. We believe that these two areas have become sufficiently urgent that they should both be at the top of any priority list, albeit that other priorities might be added.

## The evidence

- 10. The main points which we noted from the evidence are as follows:
  - *Policing environment* the parties have provided a constant message, throughout their evidence, that policing is making increasing demands on individual officers' time. This was having a significant impact on the decisions officers of all ranks were making about their career, and impacting on their ability to maintain a reasonable work-life balance; (Paragraphs 3.14 to 3.17)
  - Affordability we noted that a 2% pay award is viewed by many of the parties on the employer side as at the limit of affordability. We considered this alongside the efficiencies that police forces have made and the drive to achieve further efficiencies; (Paragraphs 3.34 to 3.40)
  - *Economic factors* while inflation is reducing and expected to reduce further from a high of 3.1% in November 2017, there are signs of a stronger labour market with increasing pay settlements and higher average earnings growth; (Paragraphs 3.48 to 3.49)
  - Workforce, recruitment, retention and shortage groups the number of full-time equivalent police officers is 0.7% lower than last year. We noted that, in the federated and superintending ranks, there does not appear to be an issue, at any rate for the time being, with the recruitment and retention of police officers. However, we continue to monitor the upward trend in attrition rates. The picture on shortage groups remains similar to that reported in our last report; (Paragraphs 3.101 to 3.105 and 3.108)
  - *Morale and motivation* the evidence in relation to this factor remains limited. However, from the evidence that was presented to us it is clear that officers of all ranks remain committed to undertake a good job, and that professional pride plays a large part in this. However, at a personal level, police officer morale is low, and this is a cause for concern for many within policing and for us; (Paragraphs 3.114 to 3.116)

• Chief police officers – we had concerns about the position on recruitment for chief police officer posts. The evidence we have received demonstrated that there is an issue in attracting a sufficient number of applicants. There is no single reason for this, however, there are questions about the mobility of the workforce, and the impact of promotion upon an individual's pension, foremost among the explanations provided. (Paragraphs 3.106 to 3.107)

### Basic pay recommendations for 2018/19

- 11. We received a number of different proposals for a basic pay uplift this year, ranging between 2% to 3.4% and with some of these proposals being supplemented with the consolidation of the 1% non-consolidated pay award that the federated and superintending ranks received last year.
- 12. The key factors we took into account in reaching our main pay recommendations were:
  - the increasing demand on policing, as demonstrated by the evidence we received, at a time when police numbers on a national basis are reducing; (Paragraphs 4.10 and 4.22)
  - the clear view provided on affordability regarding the main pay award; (Paragraph 4.23)
  - the increasing efficiency of police forces as measured by the qualitative evidence available; (Paragraphs 4.20 to 4.22)
  - the economic factors, such as CPI inflation and pay settlements, and the strengthening of the labour market; (Paragraph 4.24)
  - the risks for police forces and wider society should the morale and motivation of police officers weaken; (Paragraph 4.26)
  - the problems with attracting significant numbers of applicants for chief police officer roles, and the extent to which pay has a role in addressing these issues; (Paragraphs 4.27 to 4.33) and
  - the absence for police officers of full industrial rights, and the significance of this for the role of the Review Body in relation to police officer pay. (Paragraph 4.9)
- 13. The police officer pay award for the previous year, 2017/18, for federated and superintending ranks, included a 1% non-consolidated element which, if no other action is taken, will cease at the end of August 2018. This would be equivalent to a pay cut. We consider that this 1% non-consolidated element should now be consolidated, before addressing the uplift required for the main pay award of 2018/19. Therefore, we recommend that, with effect from 1 September 2018, the time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18, should be consolidated onto all pay points for officers at these ranks.
- 14. We further recommend that, *in addition to and following* the consolidation from
   1 September 2018 of the 1% non-consolidated pay award for 2017/18, a 2%
   consolidated increase should be made to all police officer pay points at all ranks,
   from 1 September 2018.

#### Allowances

- 15. In our previous reports, we have recommended uplifts to London Weighting and Dog Handlers' Allowance in line with our recommended uplift to the basic pay award. We have reached the same conclusion this year and we recommend that London Weighting and Dog Handlers' Allowance are both uprated by 2%.
- 16. The Metropolitan Police Service requested that we recommend the provision of flexibility so that they could uplift London Allowance 2. This proposal, and a review of On-call Allowance, should be covered by a wider review of allowances.

#### Forward look

- 17. We have noted at various points problems with the adequacy of existing data, and the difficulties in carrying out our work with the evidence base we have been able to assemble. We have set out the areas where work still needs to be done on data, and we look forward to working with the parties on securing improvements in these areas.
- 18. The remainder of the year ahead will be crucial regarding workforce and pay reform. Decisions must be taken on the direction of workforce and pay reform. There must be commitment, underpinned by sufficient resources, to take forward an agreed vision for the future of the police workforce and pay reforms or an alternative should be considered. If this cannot be achieved, we suggest a focus be provided on aspects of the workforce or pay reforms that will offer the most benefit, or are in urgent need of addressing, and as such should be prioritised.

#### Our 2018/19 recommendations (from 1 September 2018)

- We recommend that the time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 should be consolidated onto all pay points for officers at these ranks.
- In addition to and following our previous recommendation, we recommend a consolidated increase of 2% to all police officer pay points at all ranks.
- We recommend that London Weighting and Dog Handlers' Allowance should be uprated by 2%.

David Lebrecht *(Chair)* Anita Bharucha Elizabeth Bell Monojit Chatterji Paul Leighton Christopher Pilgrim Patrick Stayt

25 May 2018

## **CHAPTER 1 – INTRODUCTION**

## Introduction

1.1 This is the fourth report to the Home Secretary following our establishment in 2014, and in it we make recommendations in relation to the pay of police officers of all ranks, which this year for the first time includes chief police officers<sup>5</sup>. In addition we consider the other matters in our remit letter as identified in more detail below. As in previous pay rounds we have been guided throughout the process by our standing terms of reference and the remit letter we received from the Home Secretary of 7 December 2017.

## **Our 2017 Police Remuneration Review Body Report**

- 1.2 Our third report was submitted to the Home Secretary on 19 May 2017, setting out our recommendations on police officer pay and allowances. The recommendations were:
  - A consolidated increase of 2% to all pay points for federated and superintending ranks;
  - London Weighting and Dog Handlers' Allowance to be uprated 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 the superintending ranks. This interim measure should be time limited through to September 2020; and
  - In order to support our consideration of pay and reward, the Home Office, National Police Chiefs' Council (NPCC) and College of Policing (CoP) should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.
- 1.3 The then Home Secretary responded to the recommendations on 12 September 2017 by awarding police officers at federated and superintending ranks in England and Wales a 1% consolidated increase, to all pay points, and a non-consolidated pay award, for 2017/18 only, worth 1% to officers at federated and superintending ranks. The Home Secretary also increased London Weighting and Dog Handlers' Allowance by 1%.
- 1.4 In a letter dated 12 September 2017, to the Chair of the Police Remuneration Review Body (PRRB), the Home Secretary expanded upon her reasoning and provided her view on the two latter recommendations from the PRRB report, welcoming the recommendation for the introduction of arrangements for locally targeted payments, following appropriate consultation, and indicating that the publication of an integrated workforce and pay plan was underway and being led by the CoP and national policing leads.

<sup>5</sup> This consists of the ranks of: chief constable, deputy chief constable and assistant chief constable in English or Welsh police forces outside London; commissioner, deputy commissioner, assistant commissioner, deputy assistant commissioner and commander in the Metropolitan Police Service; and, commissioner, assistant commissioner and commander in the City of London police.

## The 2018/19 remit

## Chief Secretary to the Treasury's letter

1.5 The Chief Secretary to the Treasury (CST) wrote to us on 21 September 2017 (see Appendix A). She said that the 2015 Spending Review had budgeted for a 1% average increase in basic pay and progression pay awards for specific workforces and that there would still be a need for pay discipline over the coming years, to ensure the affordability of the public services and the sustainability of public sector employment. However, she also stated that the Government recognised that in some parts of the public sector, particularly in areas of skill shortage, more flexibility might be required to deliver world class public services, in return for improvements to public sector productivity.

### Home Secretary's remit letter

- 1.6 The then Home Secretary's remit letter of 7 December 2017 emphasised that she had added chief police officers to our remit for 2018/19 to ensure that a consistent approach was taken across all ranks during the transition to a new pay structure.
- 1.7 The Home Secretary's remit letter set the context for our 2018/19 review (see Appendix B). It referred the following matters to us for recommendation:
  - How to apply the pay award for 2018/19 for police officers of all ranks, including chief officers, in accordance with the CST's letter and in the context of how it will support overarching NPCC proposals and timetable for a new pay structure;
  - PRRB observations by the end of April 2018 on NPCC proposals for police officer apprenticeship pay;
  - To review final NPCC proposals for time-limited, targeted payments to address specific recruitment and retention pressures; and
  - To provide observations on NPCC reform proposals, including the timetable.

## Our approach to the 2018/19 pay round

- 1.8 We use an independent, critical approach to scrutinise the evidence we receive and to reach recommendations based on the submissions provided to us as well as evidence identified from other sources. We visited police forces and listened to the thoughts of police officers ahead of the formal pay round, when we draw on several different sources of evidence such as: the context provided in the remit letters we received; the written and oral evidence submissions; the economic and labour market context; police workforce and pay statistics and our analyses of these; and external independent reports.
- 1.9 As this was the first time we had to consider chief police officers, we needed to determine our approach to this addition to our remit group. We concluded that it would be sensible to consider them primarily alongside the other ranks in our regular remit group. This enabled us to take a consistent approach across all police officer ranks. However, we also took into account the differing nature of the labour market and the work environment in which chief police officers operate.
- 1.10 Part of our remit asked for our recommendations and observations, by the end of April 2018 and ahead of our main report, on NPCC proposals for police officer apprenticeship pay. We submitted our response in a letter on 30 April 2018 to the Home Secretary and we have attached this letter at Appendix C.

### Our visits

- 1.11 We conducted visits to the police forces in West Yorkshire, Avon and Somerset and Leicestershire in autumn 2017 and to the Metropolitan Police Service (MPS) in January 2018. We were able to meet police officers at all ranks, including probationers. Recurring themes in our discussions were the 2017 pay award and the impact on officers of the increase in volume and complexity of demand on police services.
- 1.12 These visits are a crucial part of our decision-making process. They enable us to hear directly from our remit group on a range of workforce and pay issues and enhance our understanding of the challenges that police officers face. We are grateful to those who organised and participated in these visits and look forward to visiting a range of other forces in the coming year.

## Parties giving evidence

- 1.13 In February 2018, we received written evidence from the parties listed below. This is available through the links in Appendix D:
  - The Home Office (including economic evidence from HM Treasury);
  - The National Police Chiefs' Council (NPCC);
  - The Association of Police and Crime Commissioners (APCC);
  - The Metropolitan Police Service (MPS);
  - The Police Federation of England and Wales (PFEW);
  - The Police Superintendents' Association (PSA)<sup>6</sup>; and
  - The Chief Police Officers' Staff Association (CPOSA).
- 1.14 We also received a written submission from an individual police officer on a range of pay and workforce-related matters.
- 1.15 We held a series of oral evidence sessions with the parties in March 2018. The Minister of State for Policing and the Fire Service attended (accompanied by Home Office and HM Treasury officials) as well as representatives from NPCC, APCC, MPS, PFEW, PSA and CPOSA.
- 1.16 We are grateful to all those who provided written evidence and attended oral evidence.

## **Environment for our considerations**

- 1.17 In previous reports, we have looked at progress on the work being done on workforce and pay reform within the police service. The same theme recurs this year. The reforms have the potential to change significantly how the police workforce is organised and how forces deliver services to the public. The Home Secretary asked us to consider the latest proposals and we set out the evidence we received in relation to these in Chapter 2, alongside our conclusions on the information we were provided with.
- 1.18 The response to our recommendations last year continues to influence this year's pay round: both in the evidence that we received from the parties and the environment in which we make our recommendations. We consider the evidence we have received in this pay round in Chapter 3 before turning to demonstrate how we relate them to our pay recommendations in Chapter 4.

<sup>6</sup> The PFEW and the PSA provided a joint submission for written evidence. The PSA also provided a further submission jointly with the Superintendents' Association of Northern Ireland.

## CHAPTER 2 – POLICE WORKFORCE AND PAY REFORM

## Introduction

2.1 In this chapter we comment on the evidence we received in relation to the police workforce and pay reform work undertaken so far, and as planned for the future.

## Police workforce and pay reform

## Our previous commentary on workforce and pay reform

- 2.2 We have commented on the prospect of police workforce and pay reform in all of our reports to date. By the time of our 2016 report, the work had progressed to the review of the rank and grading structures in policing, the new employment model and the Policing Education Qualifications Framework (PEQF).
- 2.3 At the time, we highlighted the degree of fragility and risk in taking this work forward. However, we considered that there was a willingness from all parties to engage with and contribute to the workforce and pay reforms and a recognition of the rationale for the reforms. We suggested that the communications work that would need to be undertaken would set out prospective timings for key milestones.
- 2.4 We noted a collaborative approach would be needed across all 43 forces for the reforms to be effective, and that police and crime commissioners (PCCs) would need to play a key part in ensuring that chief constables were supported in taking the work forward.
- 2.5 When we reported in 2017, we recommended that an integrated plan be produced that could assist in co-ordinating the reform work. At that point we had still not seen a clear and complete vision for the workforce and pay reforms, including how these changes would support officers in meeting the challenges that they faced. However, we did note that progress was being made on a number of strands of work, notably the five-level organisational model, the PEQF, Advanced Practitioners and the principles for a reward framework.

### Police workforce and pay reform – parties' evidence

- 2.6 In their evidence for this round the **NPCC** said that the police were operating in an increasingly competitive market-place and that their strategies for attraction and recruitment needed to adapt accordingly, and that the status of policing as a rewarding professional vocation needed to be maintained and developed. The NPCC added that the new officer reward framework needed to be fully integrated, and complement the programme of work in relation to establishing new entry routes into policing.
- 2.7 One of the key deliverables of workforce transformation, according to the NPCC, was that those working in policing should see themselves as members of a profession. In their view the infrastructure to support this did not yet exist. However, the NPCC said that national initiatives were underway to facilitate formal recognition and accreditation of the complex roles and responsibilities of those working in the policing environment. The NPCC had also considered providing individuals with an improved, broader range of professional routes and avenues for them to develop and utilise their skills. This in turn would mean the service would reap the benefits of improved performance.

- 2.8 The NPCC referred to the Policing Vision 2025, which recognised that the current employment model needed to provide the right reward and recognition outcomes for police officers and staff, as well as to be affordable for communities. The NPCC said it aimed to ensure, working in collaboration with police representative bodies, that police forces were able to recruit and retain the right people.
- 2.9 The NPCC told us they had begun to set out a methodology to implement workforce and pay reform. They intended to start a consultative process with stakeholders so they could provide definitive proposals for their 2019 evidence submission, with final implementation from 2020. They said there was a significant amount of work to do, and that, by the time of their evidence submission for this round, no formal proposal had yet been made or discussed with the members of the Police Consultative Forum (PCF). However, the CoP timetable for its work in relation to the workforce streams had been made publicly available and would be updated regularly.
- 2.10 The NPCC indicated that they expected to establish two new working parties for the development of the new reward framework, and for continual consultation with stakeholders. The NPCC expected these working groups to be active over the next year and the work to include: principles of benchmarking; benchmarking of ranks; p-factor – relevance and usage; apprenticeships and other entry routes; variable payments; impact of lateral career pathways; London Weighting and regional allowances; and a communications programme.
- 2.11 The NPCC said that work regarding the role profiles would continue into 2019, with several outstanding items still to be addressed. They intended to share a final proposal for Advanced Practitioners with key policing groups, and by 30 May 2018 to seek a final agreement to proceed.
- 2.12 The **Home Office** said they were committed to ending progression pay based on time served, and replacing it with what they considered to be a fairer and more transparent structure, with pay bands based on levels of accountability and risk, and on the level of competence and skills required for different roles. The Home Office expected key measures to be implemented in 2018/19 to begin the transition process to new structures. These measures would be aligned to and support the wider professionalism agenda. The Home Office said it expected chief constables and PCCs to set out in their evidence a clear case for an affordable pay award which would support moving policing towards reform and transformation.
- 2.13 The **MPS** considered that police Regulations were too prescriptive on matters of pay and conditions and out of step with modern employment practices. Chief officers required flexibility and the normal discretions available to chief executives in almost all other employments, whether private or public sector.
- 2.14 The MPS were supportive of the NPCC submission to the Review Body in relation to pay and workforce reform. The MPS told us that, in anticipation of potential longer-term reforms to the police officer reward framework, it had slowed progress on some MPS-specific change proposals, particularly the reform of London Weighting and allowances. In particular, in 2017 the MPS had reversed its decision to remove the chief inspector and commander ranks, motivated by a desire on the part of the Commissioner to ensure the MPS remained in line with national policing on factors such as ranks and pay structures.
- 2.15 The **APCC** viewed workforce reform as playing a key role in achieving the joint APCC/ NPCC 2025 Policing Vision. PCCs were keen to see the workforce reforms that would help achieve that vision brought forward and saw an important role for themselves in holding chief constables to account in this regard.

- 2.16 The **PFEW** and the **PSA** were unable to comment in their written evidence on reform proposals or a timetable, as they had not been provided with the required detail ahead of the date of their evidence submission deadline. They considered that the prospect of workforce and pay reform should not be used as an argument to prevent officers receiving a pay increase this year. The PFEW and the PSA said that, at the time of their evidence submission, they had been aware of data collection, which had been carried out to support the reform work only, and not invited to engage in consultation over the use of such data, or what conclusions might be drawn from it. They said that nothing had been brought to the formal meetings between the NPCC, the General Secretary of PFEW and Secretary of PSA, and other key stakeholders such as the APCC.
- 2.17 The PSA considered that there had been little qualitative engagement by the CoP or the NPCC regarding the professional role profiles and therefore the PSA were unable to agree these profiles. The PSA have requested that the CoP undertake further qualitative and quantitative research regarding this.
- 2.18 The PSA commented that they were aware of numerous national workstreams on workforce reform and were concerned about insufficient engagement by these groups with the staff associations. From the PSA's perspective the numerous workstreams appeared to be operating in isolation, and the links to pay, regulations and discipline were often missed or overlooked. The PSA were concerned that issues were not being resolved, and that these omissions might be to the detriment of the workforce. The PSA also had concerns as to whether the 2020 timetable for reform suggested by the NPCC would be achieved.

## **Our comment**

- 2.19 When we considered the policing reform agenda in our 2016 report<sup>7</sup>, we highlighted four themes that we considered to be key in taking this work forward. These were:
  - Clarity of vision;
  - Leadership and consensus;
  - Funding and resources for pay reform; and
  - Effective engagement.
- 2.20 These themes remain valid considerations in our view.

### Clarity of vision

- 2.21 We would stress, as we did in our 2017 report<sup>8</sup>, the desirability of an integrated and co-ordinated plan for workforce and pay reform. Such a plan would enable those delivering this work to identify where the areas of overlap and interplay are, and to plan accordingly. It would also allow other parties to see where they could become involved. In our view, such a plan would assist greatly in the successful delivery of this work.
- 2.22 In order to effectively undertake workforce and pay reform, a clear vision is required that is communicated to both police officers and other relevant stakeholders. We have not been presented with such a vision. It may be that the ambition articulated in Policing

<sup>&</sup>lt;sup>7</sup> Police Remuneration Review Body (July 2016), 2016 England and Wales Report. Available at: https://www.gov.uk/government/publications/police-remuneration-review-body-2nd-report-2016-england-andwales. [Accessed on 22 May 2018]

<sup>&</sup>lt;sup>8</sup> Police Remuneration Review Body (September 2017), 2017 England and Wales Report. Available at: https://www.gov.uk/government/publications/police-remuneration-review-body-report-2017. [Accessed on 22 May 2018]

Vision 2025<sup>9</sup> is the endpoint for workforce and pay reform. If so, this point has not been made clear to us, despite the fact that this is the fourth time we have addressed this issue. It is important for our work, but even more important for policing, for there to be a better developed understanding of what the parties are all working towards.

#### Leadership and consensus

- 2.23 If the work currently envisaged is to succeed, and to be led within existing structures, the NPCC needs to provide clear and strong leadership. The pace of work and the resource committed need to increase if the intended implementation dates are to be reached successfully. This is complicated by the NPCC's governance structure, which aims to balance the needs of 43 independent organisations.
- 2.24 Given the structural difficulties which face the NPCC in trying to progress this work, and if a consistent approach on a national basis is desired in policing, then the Home Office, the NPCC and the CoP all need to consider the best and most effective method by which to take reforms forward. In this situation the individual members of the NPCC collectively must give the workforce and pay reform project the necessary level of attention, authority, resourcing and priority if it is to be successfully delivered.
- 2.25 One aspect of reform, which the Home Office drew attention to, is the move towards a pay system based on performance or competency. However, as the PEEL: Police leadership 2017 report<sup>10</sup> from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) noted, only three police forces could demonstrate that between 1 August 2015 and 31 January 2017 *all* their officers and staff had been through a performance and development review process. We recognise that this is a high test: we doubt there are many organisations that could furnish proof that every single one of their employees has been through a performance and development review. However, the point remains valid. This issue needs to be addressed, and at a national level, if any new pay structure linked to performance is to be effective.

### Funding and resources for pay reform

2.26 We commented in our third report on the inherent complexity of the reform that was being attempted. To deliver what is an ambitious reform agenda across a national workforce, at pace and in a co-ordinated manner, would, in our view, require a level of resource significantly above what has been committed to date. An increased headcount in the team dedicated to pay and workforce reform work, with a focus on bringing in individuals to undertake specific roles, would be necessary to the successful delivery of even a much-reduced scale of reform.

### Effective engagement

2.27 We noted that a number of relevant stakeholders did not consider themselves adequately engaged in the process. It was suggested to us that there was a difference between engagement and formal consultation. In this context we have heard anecdotal reports from the parties that reform is seen by officers as an avenue to lower pay. The lack of a suitable engagement plan will reduce the ability of the NPCC to use key stakeholders as a means of ensuring that individual police officers, who are ultimately the people on whom the reforms will have the greatest impact, are aware of, understand and accept the changes.

<sup>&</sup>lt;sup>9</sup> NPCC (November 2016), *Policing Vision 2025*. Available at:

http://www.npcc.police.uk/documents/Policing%20Vision.pdf. [Accessed on 22 May 2018]

<sup>&</sup>lt;sup>10</sup> HMICFRS (February 2018), PEEL: Police leadership 2017 – a national overview. Available at: https://www.justiceinspectorates.gov.uk/hmicfrs/publications/peel-police-leadership-2017/. [Accessed on 22 May 2018]

### Timetable

2.28 We were also asked for our views on the timetable for NPCC reform proposals. We did not receive a developed and integrated timetable in relation to workforce and pay reform by way of written evidence. The NPCC did provide in their oral evidence a headline timetable regarding aspects of pay reform, and they also pointed us in the direction of a timetable<sup>11</sup>, on the workforce strands of reform work, which the CoP had produced and placed on the CoP website.

## Observations

- 2.29 If the various requirements suggested above cannot be met, an alternative might be to adjust the level of ambition in the workforce and pay reform planning, and put a greater focus on a smaller number of core elements such as performance management in all police forces and on implementing discrete aspects or projects that will provide clear and identifiable benefits for police forces and the service they provide to the public. From the evidence we have received in this pay round we believe that an emphasis on developing complete proposals for all the entry routes for police officers, including apprentices and graduates, and a review of chief police officer pay and conditions of service, are required urgently. Consequently, we would suggest a concentration of effort on these two issues, alongside an appropriate level of resource and focus to deliver them.
- 2.30 Alternatively, if the current level of ambition is to be maintained, then we suggest that the Home Office as well as the NPCC and the CoP should collaborate in developing the timetable and all associated documentation, and in ensuring the work is appropriately resourced. This may help to raise the level of stakeholder confidence that the interests of stakeholders will be considered in the process.

<sup>&</sup>lt;sup>11</sup> College of Policing, Workforce Transformation in the Police Service – an introduction. Available at: http://www.college.police.uk/About/Workforce-Transformation/Pages/Workforce-Transformation.aspx. [Accessed on 22 May 2018]

## CHAPTER 3 – OUR ANALYSIS OF THE 2018/19 EVIDENCE

## Introduction

3.1 This chapter reviews evidence received relating to matters which form part of our standing terms of reference, outside of workforce and pay reform activity.

## **Policing environment**

- 3.2 One consistent theme throughout much of the evidence we received was the way policing is being challenged by rising demand, and by new and more complex types of crime. Police officers are increasingly finding themselves having to deal with problems created by the inability of other agencies to fill the gap<sup>12</sup>.
- 3.3 The **Home Office** said that meeting the changing crime challenge required a police workforce that was flexible, capable and professional. Such a workforce would be able to manage increases in demand in a more productive and efficient way.
- 3.4 The Home Office said that there had been material changes in the demands on policing since the 2015 Spending Review, and that the latest funding settlement reflected this. The demand on the police in respect of numbers of crimes reported to them had grown and shifted to more complex and resource intensive work. The Home Office believed that the 24% growth in recorded crime since 2014/15 was due to more victims having the confidence to come forward and report previously hidden crimes, better recording practices, and increases in violent crime. They also pointed out that crime, as measured by the Independent Crime Survey for England and Wales, was down by more than a third since 2010 and 70% since its peak in 1995.
- 3.5 The **NPCC** also told us about the challenges of new and emerging types of crime and the increasing complexity, sophistication and diversity required to deliver an effective, ethically based, professional and accountable service to the public. In their view, the police service needed to change and adapt to this new modern policing environment.
- 3.6 The NPCC considered that 2017 was a particularly challenging year for the police. Policing was stretched with new demand from complex and serious threats, such as terrorism and organised crime, and increases in more traditional crimes, together with additional associated investigating demands and a rising number of calls. At the same time the service needed to invest in problem solving and preventative measures. The NPCC considered that crime was now on the increase: after a long period of decline, police recorded crime in 2016/17 had increased by 10% on 2015/16 and by 8% on the previous year. In their view, significant increases had occurred in types of crime that were not properly recorded in official crime statistics and which, due to rising complexity, were becoming considerably more costly to solve. Non-crime demand had also increased with the impact of austerity on other public services, which meant the public relied more than ever on police officers.
- 3.7 In the annual staff survey for the **MPS**, many respondents provided negative feedback on workload and stress. There were strong signs that a lack of resources was having a worrying impact on morale, and that staffing levels were impacting on officer co-operation, evidenced for example by teams being too busy to help each other.

<sup>&</sup>lt;sup>12</sup>We commented on this in our third report. PRRB (September 2017), *Third Report England and Wales 2017*, paragraphs 2.17 and 2.18. Available at: https://www.gov.uk/government/publications/police-remuneration-review-body-report-2017. [Accessed on 22 May 2018]

- 3.8 The **PFEW** and the **PSA** noted that officers suffered physical threat, harrowing experiences, and often long-term welfare effects in the course of their duties. 72.2% of respondents to the PFEW survey stated that their workload had increased. 71.5% said that their responsibilities had increased. Over 75% of respondents to the PSA survey reported that their workload was too high and that their responsibilities had increased over the past year. The proportion of PSA respondents who said they found it difficult to maintain a work-life balance increased to 66% in 2017 from 63% in 2016.
- 3.9 According to the PSA, the reduction in the number of superintending ranks since 2011 had required changes in the roles and responsibilities of the superintending ranks. This had resulted in increased spans of command, levels of risk, responsibility and complexity, and in the view of the PSA, these changes had not been recognised.
- 3.10 **CPOSA** highlighted the changing landscape in policing, including globalisation and digitisation. Police forces were now working together more collaboratively in order to tackle the challenges. The added complexity of crime had seen international, national, regional and multi-force solutions, while accountability had remained local through the relationship between the PCC and the chief constable.

### HMICFRS PEEL: Police Efficiency 2017 Report<sup>13</sup>

3.11 The findings of the PEEL efficiency report were broadly positive, as most police forces were able to demonstrate improved operational efficiency. However, HMICFRS expressed concern that forces were not making optimum use of personnel to respond efficiently to demand. In the view of HMICFRS, this was because police forces did not yet recognise sufficiently the important connection between understanding demand and building the capability of the force. It said that any consideration of the police's ability to manage resources must consider forces' ability to manage their workforces, particularly as over the coming year, and across the 43 forces, police officer numbers were expected to fall.

### HMICFRS PEEL: Police Effectiveness 2017 Report<sup>14</sup>

- 3.12 The main findings of this report were that most forces were effective at keeping people safe and reducing crime, and that two-thirds of forces were performing at a good standard overall. However, HMICFRS also had significant concerns about a quarter of forces being overwhelmed by demand and, as a consequence, vulnerable people being put at serious risk of harm.
- 3.13 The HMICFRS also observed in this report a 17% shortfall (the equivalent of more than 5,000 individuals) in qualified detectives and other investigators<sup>15</sup> across forces in England and Wales, which it regarded as a continuing national crisis.

### Our comment

3.14 We continue to welcome evidence from parties regarding the policing environment and the demands on policing. This year parties have provided a consistent message through their evidence – that of a workforce handling increased demands on their time. Whether this was due to increased levels of work, or work of increasing complexity which requires more time to undertake, the message we received was clear and unambiguous, and

<sup>&</sup>lt;sup>13</sup> HMICFRS (November 2017), PEEL: Police efficiency 2017. Available at: https://www.justiceinspectorates.gov.uk/ hmicfrs/publications/peel-police-efficiency-2017/. [Available at 22 May 2018]

<sup>&</sup>lt;sup>14</sup> HMICFRS (March 2018), PEEL: Police effectiveness 2017. Available at: https://www.justiceinspectorates.gov.uk/hmicfrs/ publications/peel-police-effectiveness-2017/. [Accessed at 22 May 2018]

<sup>&</sup>lt;sup>15</sup> HMICFRS count police officers and police staff in this assessment.

echoed by the officers we met on our visits to police forces. While we acknowledge that the level of crime is inherently difficult to measure, we also note the increasing number of violent offences such as gun and knife crime<sup>16</sup>.

- 3.15 We note also the messages from the results of the staff associations' surveys. The ability to maintain a satisfactory work life balance was becoming increasingly difficult. The surveys highlighted officers' perceptions of the level of work that they are undertaking, the risks involved, and that the demand on the officers was feeding through into their career decisions, and had become a factor for them when considering their future.
- 3.16 Whilst the HMICFRS reports present a broadly positive picture, demonstrating that police forces are being increasingly efficient in light of reducing numbers, HMICFRS also highlighted some areas of concern. We were particularly concerned regarding the shortage of investigators across England and Wales, which will limit forces' ability to respond to increasing demand in this area. We continue to believe that implementing the recommendation<sup>17</sup> we made last year, which we note has not yet been done, might be able to assist.
- 3.17 The workforce and pay reforms are aimed, in part, at delivering the skills, capabilities and flexibility to respond to an ever-changing policing environment. The increasing demand on officers emphasises the need to get this right.

## Government pay policy and affordability

- 3.18 The Home Office noted that the last Spending Review had budgeted for a 1% average increase in basic pay and progression pay awards for specific workforces, but that there would still be a need for pay discipline over the coming years, to ensure the affordability of public services and the sustainability of public sector employment.
- 3.19 The Home Office said the police officer pay bill for 2017/18 was around £6.23 billion. The Government had set out the police funding settlement for 2018/19 and made clear that police leaders must plan to fund the pay settlement out of the funds available to them for that year. The Home Office were clear that no more central funding would be made available, but said that they proposed to increase total investment in the police system by up to £450 million. This was to be achieved by allowing PCCs to increase their Band D precept by up to £12 per household, which could raise up to £270 million in 2018/19.
- 3.20 In the view of the Home Office, it was not possible to manage increased demand through additional funding alone, and the settlement provided should be matched by a commitment from PCCs and chief constables to reform and improve productivity and efficiency, in order to deliver a better, more transparent service to the public that could meet the demands faced today and in the future.
- 3.21 **HM Treasury (HMT)** set out that in 2017 the Government announced a more flexible approach to public sector pay, to address areas of skills shortages and in return for improvements to public sector productivity. HMT said that the Government would continue to ensure that the overall package for public sector workers was fair to them and ensured that Government can deliver world class public services, while also being affordable within the public finances and fair to taxpayers as a whole.

<sup>&</sup>lt;sup>16</sup>Office for National Statistics (January 2018), Crime in England and Wales: year ending September 2017. Available at: https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/ yearendingseptember2017. [Accessed on 22 May 2018]

<sup>&</sup>lt;sup>17</sup> In our third report we recommended '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'.

- 3.22 The NPCC recognised that with the removal of the public sector pay cap, an annual rise of more than 1% should be considered. The NPCC acknowledged that funding for forces would increase in 2018/19. However, the effect of the increase would vary across forces, from between 1.6% to a maximum of 3.6%, with 2.5% as the force median. The NPCC felt that the effect of these increases was not sufficient for the majority of forces to fund more than a 2% increase in pay for officers. The NPCC also observed that forces would face other inflationary and operational demands for additional investment. The NPCC observed that each 1% uplift in pay would cost in the region of £47.5 million.
- 3.23 The NPCC also set out their commitment to modernisation and efficiency, saying that forces had reported savings of around £1.6 billion from 2010/11 to 2015/16 whilst the majority of forces continued to be rated as good or outstanding by HMICFRS during this time. This equated to 5.8% of the budget allocated to police in that time period and compared favourably with savings made by central government. Through the National Commercial Board, the NPCC are considering opportunities for greater shared services, more opportunities for income generation and improved management information to support more efficient decision making.
- 3.24 The MPS highlighted that no additional central funding had been identified for policing to meet the costs of pay inflation. The MPS noted that in December 2017 the Government confirmed that the central grant to forces would remain flat for 2018/19 but that councils could increase council tax levels by up to an additional £12 for a Band D property. The MPS said that the Mayor of London intended to raise the police precept by the full amount and had identified additional funding for the MPS. Taken together, these two measures would equate to £49 million in 2018/19. When combined with wider efficiency savings this one-year growth in council tax revenue would mean the MPS could sustain 30,000 officers a reduction of 2,000 from 2015. Without a growth in central Government funding, the MPS thought that officer numbers in London would fall to around 27,000 by 2022/23.
- 3.25 The MPS, with the agreement of the Mayor's Office for Policing and Crime (MOPAC), had adjusted its budget assumptions for pay rises from 1% to 2% from 2018/19, and to include the consolidation of the previous 1% non-consolidated award from last year. According to the MPS, national police funding from central government had fallen by 25% since 2010/11. The MPS had saved £600 million over the last four years, and was required to save a further £325 million in the next four years. The MPS was absorbing pressures overall of £130 million in 2018/19 and expected a budget gap of £140 million in 2021/22.
- 3.26 The APCC said that the Police Grant Settlement for 2018/19 was a flat cash settlement, but that it gave PCCs the flexibility to raise additional funds via their local council tax precept. The APCC added that it was unclear whether all PCCs would exercise this flexibility. They believed the increased funds which could be raised in this way differed across police forces, and that the annual percentage increase in direct resource funding ranged in value from 1.7% to 3.6%, with an average increase of 2.5%.
- 3.27 The APCC also highlighted the change to public sector pay policy, but stressed that there would still be a need for pay discipline over the coming years, to ensure the affordability of the public services, and the sustainability of public sector employment.
- 3.28 The PFEW and the PSA welcomed the move away from the 1% public sector pay policy. However, they considered that even a relaxation of the Government's pay cap to 2% was unsustainable, and would not be enough to attract and retain the right calibre of officers. The PFEW and the PSA highlighted research by the Institute for Public Policy Research (IPPR) which suggested that increasing public sector pay would provide a return to HMT in the form of higher taxes, lower welfare spending, and would generate additional economic growth.

3.29 CPOSA recognised the continuing restraint on public sector pay awards and the need for a justifiable and proportionate award that balanced restraint against the need to provide remuneration that was effective in recruitment, retention and progression.

## Police Grant Report 2018/19

- 3.30 On 31 January 2018, the Home Office announced the final allocations of grants to PCCs for the 43 forces in England and Wales in 2018/19. The Government confirmed it would:
  - provide each PCC with the same core Government grant funding in 2018/19 in cash terms as in the previous financial year (£12.6 billion in total); and
  - allow PCCs in England to apply to increase their Band D council tax precept by up to £12 per household in 2018/19 without the need to call a local referendum (to raise a maximum £270 million if all PCCs applied to raise the precept by the full amount).
- 3.31 The Home Office stated that extra police funding in 2018/19 could total £450 million maximum:
  - £270 million potentially raised from the increase in the council tax precept;
  - central government would provide £130 million for national priorities such as police technology and Special Grant funding (to help forces respond to unexpected pressures); and
  - an extra £50 million for counter-terrorism policing.
- 3.32 In a written ministerial statement<sup>18</sup>, the Minister for Policing and the Fire Service said that he expected a commitment from PCCs and chief constables to improve productivity and efficiency and that he had been working with them to agree proposals to save around £120 million through better procurement and use of shared services. As part of the statement, the Minister referenced the potential savings and opportunities for efficiencies that had already been identified.

### HMICFRS PEEL: Police Efficiency 2017 Report

3.33 HMICFRS reflected that police forces faced considerable difficulties and had made a huge effort to achieve efficiencies whilst policing was becoming increasingly complex. The report also made a recommendation that chief constables should produce an ambitious plan to improve digitally-enabled services within their force.

### Our comment

- 3.34 We have noted the shift in emphasis in the Government's public sector pay policy since our last report, and the Government's current view that pay awards above 1% could be made on the basis of improved productivity. We noted that the remit letters issued for this pay round by UK Government ministers stressed the need to demonstrate such productivity improvements.
- 3.35 It is difficult to measure productivity in the police. The current measure that the Office for National Statistics (ONS) uses means that input equals output. We were told that the ONS were currently working on creating a better productivity measure for the police, but it was not available to us at the time of compiling this report.

<sup>&</sup>lt;sup>18</sup> House of Commons (April 2018), Police Funding: Written statement – HCWS626. Available at: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/ Commons/2018-04-19/HCWS626/. [Accessed on 22 May 2018]

- 3.36 In the meantime, during oral evidence sessions we questioned the evidence-giving parties about productivity, and whether they thought the current way of measuring it was right, whether it could be improved, and if so, how. The exchanges underlined once again the difficulties of creating effective productivity measures for police work. We believe that if the Government wishes to see improved productivity measures being created and used, it will need to take an active role to ensure the necessary work is completed, and that steps are taken to ensure the new metrics are used in practice.
- 3.37 In the absence of an effective and agreed productivity measure we looked instead for proposals which would provide more qualitative indicators of improvements in efficiency.
- 3.38 We noted in this respect the comments of the Minister for Policing and the Fire Service about the scope for efficiencies, and his drive to achieve them. We were reassured by the findings of the 2017 HMICFRS PEEL Efficiency report, which concluded that, overall, police forces were operating in a more efficient manner than the previous year. The evidence we received from those representing police forces also demonstrated considerable ongoing work to deliver efficiencies now and in the future.
- 3.39 The most recent police grant settlement provided PCCs with the ability to raise additional funds by increasing the local police precept. However, we note that the ability of forces to raise funds in this manner varies from force to force and makes it difficult to judge the affordability of any pay award on a national basis.
- 3.40 The NPCC and APCC informed us that individual increases to forces' budgets ranged from 1.6% to 3.6%, with a median increase of 2.5%. They considered that, on a national basis, the limit of affordability for police forces would be 2%. The affordability of any pay award on a national basis is one of the factors we need to take into account, but assessing the implications force by force is not straightforward.

## Economy, inflation, labour market, earnings and pay settlements

- 3.41 The parties submitted written evidence for this report in February 2018. In this section we briefly summarise the main headlines from the evidence they supplied on the economy and labour market. Our assessment at the end of the section includes the latest data available to us at the time of finalising our recommendations.
- 3.42 HMT provided its general economic outlook in evidence including at the time, the latest Office for Budget Responsibility (OBR) projections for the economy and labour market. The key points were:
  - The UK economy had demonstrated its resilience. Gross Domestic Product (GDP) had grown for 19 consecutive quarters and employment had risen by three million since 2010;
  - The Government had made significant progress in restoring the public finances. The deficit had been reduced by three-quarters from 9.9% of GDP in 2009/10 to 2.3% in 2016/17. However, borrowing and debt remained too high. The OBR forecast debt would peak at 86.5% of GDP in 2017/18;
  - Public sector pay accounted for around £1 in every £4 spent by the Government. The public sector pay bill for 2016/17 was £179.41 billion, up from £173.19 billion in 2015/16;
  - Between 2010 and 2016 public sector productivity increased by 3%, averaging 0.5% per year. Further improvements to productivity were vital, and the Government would consider a more flexible approach to public sector pay in return for improvements to public sector productivity;

- The OBR forecasted that employment would continue to rise, reaching 32.7 million people in 2022. The unemployment rate was forecast to rise slightly to 4.6% in 2020, and to stay at this level for the forecast period;
- According to HMT, weak growth in labour productivity across the whole economy had weighed down on wages. The OBR expected productivity to remain flat in 2017, increase by 0.9% in 2018, 1.0% in 2019 and then 1.3% in later years. The OBR expected average earnings growth of 2.3% in 2017, 2018 and 2019;
- Higher inflation was putting pressure on all households, including public sector workers but most forecasters expected this period of above target inflation to be temporary. The OBR and the Bank of England expected inflation to fall over 2018 and 2019; and
- Private sector total pay grew by 2.7% for the three months to October 2017 compared to the previous year. Public sector total pay (excluding financial services) grew by 1.8%.
- 3.43 The NPCC noted that the economy was growing at a slower rate than predicted, and that inflation had been above the Government's target since 2013. The Consumer Price Index (CPI) in December 2017 had been 3.0%. The NPCC said that cumulative CPI inflation had outstripped police pay awards since 2010 and that pay restraint had had the greatest impact on those at the top of the pay scale.
- 3.44 The MPS stated that inflationary pressures were having an impact on officers and their families. Average weekly wage growth was running at an annual rate of 2.2% across the country (higher in London) but inflation was running above the Government target of 2%. In considering the pay award the MPS felt that the PRRB could not approach this current pay year in isolation, and that it should take into account the pay restraint seen over the last seven years for officers, as well as the removal of Competency Related Threshold Payments (CRTPs). The MPS staff survey reported that police officers felt that their remuneration package did not fairly reflect the role they did.
- 3.45 The APCC said that they were aware when reaching their recommendation, that the most recently published CPI rate was 3.0% in December 2017, and that pay on average continued to increase at a lower rate than inflation.
- 3.46 The PFEW and the PSA noted that since their November 2016 submission of evidence for the last pay round, Retail Price Index (RPI) and CPI inflation had risen steeply, and cumulative inflation since 2010 had outstripped pay settlements, meaning officers continued to fall behind. The PFEW and the PSA also noted that the pay restraint in the public sector had coincided with stronger growth in the private sector, meaning the pay gap between the public and private sectors was widening, and that this might have implications for recruitment and retention. The PFEW and the PSA cited ONS data which suggested the difference in mean pay per hour (excluding overtime) between the public and private sectors had now moved in favour of the private sector.
- 3.47 CPOSA highlighted that comparative salaries for those performing similar roles should be a factor taken into account when reaching recommendations on the annual pay award.

### Our comment

- 3.48 The state of the economy and labour market provides an overall context to our pay considerations. We reviewed the latest available economic and labour market indicators, as at 30 April 2018, when considering our recommendations. The key points to note are:
  - Economic growth was 0.1% in the first quarter of 2018, and 1.8% in 2017 overall. Economic growth is forecast to be 1.5% to 1.8% in 2018, with a similar range (1.3% to 1.8%) forecast for 2019;

- Inflation fell to 2.5% (CPI) in March 2018, having peaked at 3.1% in November 2017. Inflation is expected to fall further during 2018;
- Employment continues to grow but is expected to stabilise over the next few years. Labour productivity rose in the latest figures, as working hours fell, but has been subdued over the longer term; and
- Average earnings growth was at 2.8% in the three months to February 2018, higher than the average 2.3% rate seen in 2017. Median pay settlements increased to 2.5% in January 2018, up from the 2.0% level seen in 2017, with forecast surveys expecting settlements to stay close to this level through 2018.
- 3.49 We took due account of these latest and forecast economic and labour market indicators in drawing up our report. We noted that employment was continuing to rise, possibly indicating a strengthening labour market alongside rising pay settlements and earnings growth. CPI inflation, after rising in 2017, was dropping, and was expected to continue to fall for the remainder of 2018 but remain above the level of the 2017 pay uplift received by police officers.

## Police earnings

## Our analysis

- 3.50 We have examined the earnings<sup>19</sup> of police officers using the ONS Annual Survey of Hours and Earnings (ASHE) and the Police Earnings Census run by the Home Office. ASHE is a sample survey published each year in the autumn and provides headline earnings estimates for occupations across the economy. For police officers it produces figures jointly for constables and sergeants and, separately, for the grouping of more senior ranks. The Police Earnings Census, conducted in its present form since 2010/11, covers all police officers and provides detailed analysis of earnings by rank. The Police Earnings Census data provided a useful insight into the range of earnings received within and across ranks, and the take-up and value of individual pay components.
- 3.51 We use the ASHE data to compare median<sup>20</sup> full-time<sup>21</sup> gross annual earnings of police officers (constables and sergeants) with: the whole economy; associate professional and technical occupations group (the occupational group which includes police officers); and professional occupations (which tend to be graduate professions).
- 3.52 We used the Police Earnings Census data to examine the earnings of chief police officers<sup>22</sup> (covering the financial year 2016/17). We have noted the average<sup>23</sup> basic and total earnings for chief police officers as a group collectively and by rank.
- 3.53 From our analysis (Chart 3.1) we conclude that police officer (constables and sergeants) median full-time earnings were broadly flat between 2011/12 and 2015/16. However, we note that in the year to March 2017 (the latest year for which data are available, albeit provisional) police officers saw an increase in median full-time earnings of 3.4%. Median

<sup>&</sup>lt;sup>19</sup>Earnings include basic pay and additional pay from any overtime and allowances. Earnings are presented in terms of gross pay (that is, before tax, national insurance and other deductions) and in current prices unless otherwise stated.

<sup>&</sup>lt;sup>20</sup> The median is the value below which 50% of workers fall. It gives a better indication of typical pay than the mean as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings.

<sup>&</sup>lt;sup>21</sup> Full-time earnings are used to control for any differences caused by different mixes of full- and part-time workers over time and between occupations.

<sup>&</sup>lt;sup>22</sup> The analysis includes chief police officers in Northern Ireland, in addition to chief police officers in England and Wales.

<sup>&</sup>lt;sup>23</sup>For police officers of or below the rank of chief superintendent median earnings were used.

full-time earnings for the three comparison groups rose by a slower rate in 2016/17 – by 2.1% for the whole economy, 1.1% for professional occupations, and 2.4% for associate professional and technical occupations.

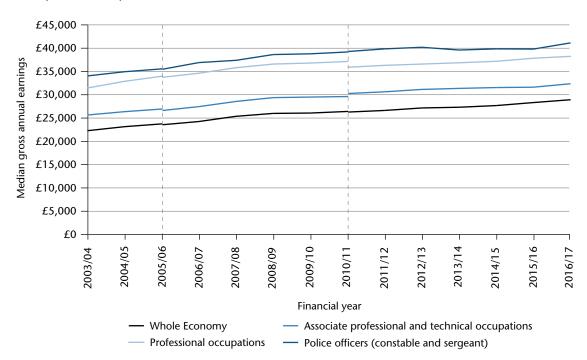


Chart 3.1: Median full-time gross annual earnings, England and Wales, 2003/04 – 2016/17

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

Note: There are discontinuities in the series due to changes in sampling methodology (in 2005/06) and to the Standard Occupational Classification (in 2010/11). Police comparators displayed in the equivalent chart in our third report and earlier were based on UK data whereas now England and Wales data is used.

3.54 Our analysis included looking at the differentials between police earnings and the earnings of the three comparator groups. These differentials widened in 2016/17 having previously been narrowing since 2011/12 (Chart 3.2). In 2016/17, median full-time gross annual earnings for police officers were 42% higher than those for the whole economy, 27% higher than associate professional and technical occupations, and 8% higher than professional occupations.

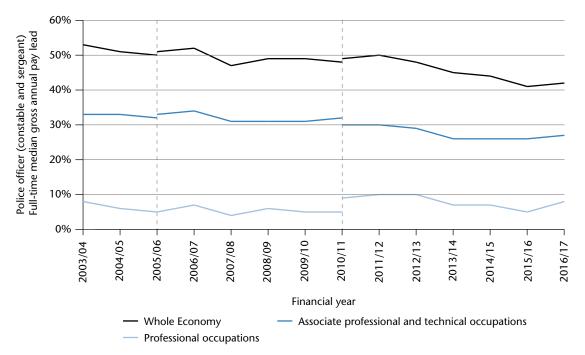


Chart 3.2: Police officer full-time median gross annual pay lead relative to other groups, England and Wales, 2003/04 – 2016/17

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

Note: There are discontinuities in the series due to changes in sampling methodology (in 2005/06) and to the Standard Occupational Classification (in 2010/11). Police comparators displayed in the equivalent chart in our third report and earlier were based on UK data whereas now England and Wales data is used.

3.55 The national picture shown in Chart 3.2 hides substantial variation by force. Using ASHE data, Chart 3.3 compares at force level, police mean and median full-time gross annual earnings from the Police Earnings Census with the three comparator groups. City of London is excluded from this analysis as non-police earnings are atypical in this area, while Gwent, Norfolk and Suffolk are excluded as Police Earnings Census data were not available for 2016/17. Median police full-time earnings were higher than the median for the whole economy in all police force areas, but this lead ranged from 25% in Surrey and Hertfordshire to 66% in Lincolnshire. The median full-time gross annual earnings of professional occupations were lower than those of police officers in all forces other than Warwickshire. Finally, median police full-time earnings were higher than the median for associate professional and technical occupations in all police force areas, ranging from a pay lead of 14% in Thames Valley to 48% in North Yorkshire and Nottinghamshire.

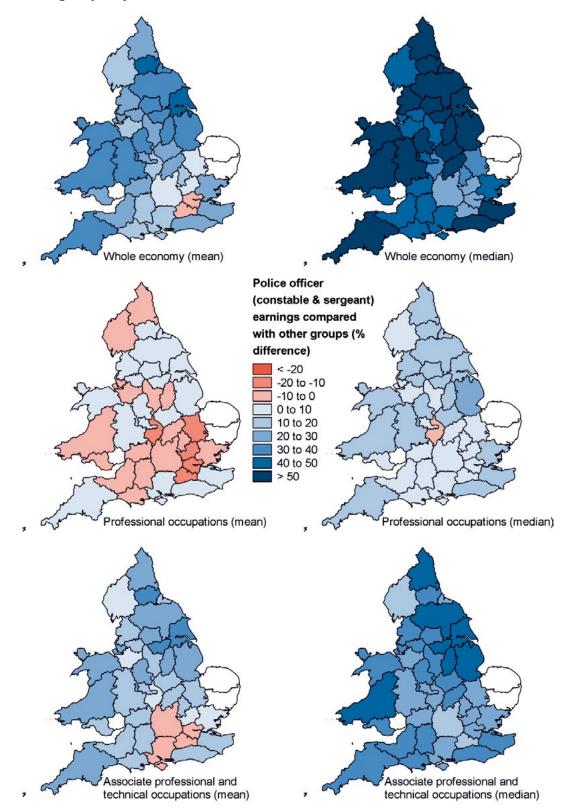


Chart 3.3: Police full-time mean and median gross annual pay lead relative to other groups, by force, 2016/17

Source: OME analysis of: Annual Survey of Hours and Earnings data, ONS; and Police Earnings Census data, Home Office. Note: Police earnings not available for Gwent, Norfolk and Suffolk (depicted in white). City of London not visible.

3.56 For a detailed analysis of police earnings, we used the latest available Police Earnings Census data (covering the financial year 2016/17). We found that median basic pay for full-time officers ranged from £36,400 for constables in London to £84,400 for chief superintendents (Chart 3.4). Inspectors and chief inspectors were the only ranks to have different basic pay scales in London to elsewhere in England and Wales, resulting in higher median basic pay for those ranks in London.

3.57 We also found that median total earnings for full-time officers ranged from £39,700 for constables outside London to £93,700 for chief superintendents in London (Chart 3.4). We observed that median total earnings were higher in London than the rest of England and Wales for all ranks, due to London-based officers receiving London Weighting, and higher rates of location and replacement allowances.

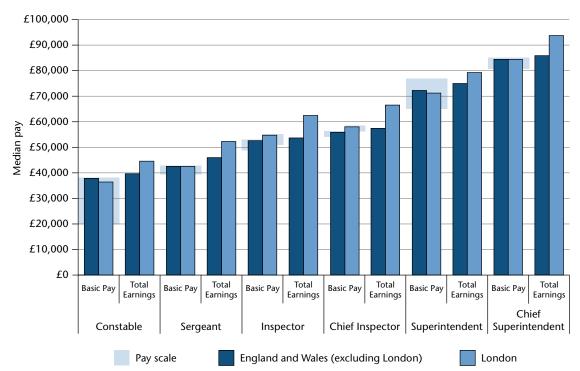


Chart 3.4: Median basic pay and total earnings, by rank, full-time officers, England and Wales, 2016/17

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

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

3.58 We note that median basic pay in 2016/17 was around the pay scale maxima for all ranks, apart from the superintending ranks. We conclude that this is because of at least half of officers being at the top of their respective pay scales (Table 3.1). We also observe that around 19% of constables were on the new pay scale in March 2017, but that little use was being made of pay point 0 on the new constable pay scale.

	Const	able	Sergeant	Inspector	Chief	Superintendent		Chief Supt.
	Old scale	New scale			Inspector -	Old scale	New scale	
0*		1%		15%	-	_	_	_
1		3%	11%	12%	25%	6%	22%	27%
2		4%	9%	21%	14%	3%	14%	17%
3		4%	14%	52%	60%	3%	14%	57%
4	1%	5%	66%	-	-	9%	28%	_
5	5%	1%	-	-	-	1%	-	-
6*			-	-	-	-	-	-
7*	3%	1%	-	-	-	-	_	_
8	9%	-	-	-	-	-	_	_
9*		-	-	-	-	-	_	_
10	63%	-	-	-	_	-	_	-
Total	81%	19%	100%	100%	100%	21%	79%	100%

### Table 3.1: Distribution of officers on pay scales, England and Wales, March 2017

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

- Percentages represent proportions of all officers in each rank where there are two pay scales for a rank, percentages have been calculated based on the total number of officers across both pay scales.
- ".." represents a non-zero percentage less than 0.5%.
- "-" represents non-applicable pay points.
- \* Pay points 6, 7 and 9 were removed from the old constable pay scale on 1 April 2014, 2015 and 2016 respectively. Pay point 0 was removed from the sergeant pay scale on 1 April 2014.
- 3.59 Our assessment of police earnings includes the proportion of full-time officers in receipt of specific allowances and overtime (Table 3.2) and the median annual values of those payments for those officers who were in receipt of the payments (Table 3.3). Our key observations include:
  - The clear majority of eligible officers received Unsocial Hours Allowance and overtime payments, although the proportions decreased as rank increased;
  - Significant percentages of officers received Replacement Allowance (available to officers who joined the police before September 1994), particularly at the higher ranks;
  - The percentages of officers receiving Location Allowances and London Weighting reflected the proportions of officers working in London and the South East (excluding those receiving Replacement Allowance in South East forces); and
  - Very few officers received Away from Home Overnight and Hardship Allowances.

				Chief		Chief
	Constable	Sergeant	Inspector	Inspector	Supt.	Supt.
Location Allowance	44%	38%	33%	30%	30%	25%
London Weighting	30%	28%	25%	22%	26%	25%
Replacement Allowance	12%	35%	54%	61%	74%	80%
Unsocial Hours Allowance	91%	88%	81%	68%	_	-
Away from Home Overnight Allowance	4%	5%	4%	5%	_	_
Hardship Allowance	1%	1%	-	_	_	-
On-call Allowance	7%	14%	32%	54%	_	-
Overtime	91%	89%	-	-	-	-
Other payments (e.g. Dog Handlers', secondment allowances)	10%	12%	12%	20%	20%	20%

## Table 3.2: Percentage of full-time officers in receipt of additional pay components, England and Wales, 2016/17

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

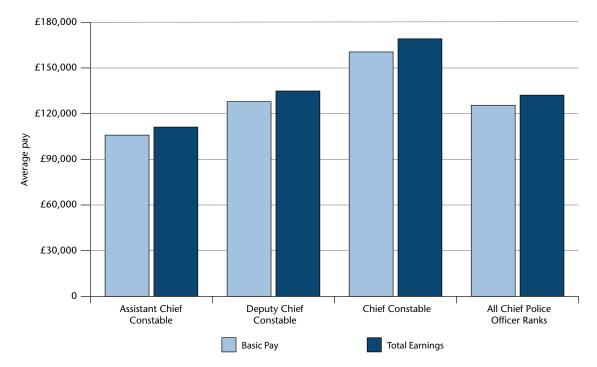
Note: Percentages relating to fewer than 30 officers are suppressed.

## Table 3.3: Median value of additional pay components, full-time officers in receipt of relevant payments, England and Wales, 2016/17

				Chief		Chief
	Constable	Sergeant	Inspector	Inspector	Supt.	Supt.
Location Allowance	£4,338	£2,000	£1,978	£1,011	£1,011	£1,011
London Weighting	£2,363	£2,363	£2,363	£2,363	£2,363	£2,363
Replacement Allowance	£2,962	£3,438	£3,438	£3,177	£3,507	£3,423
Unsocial Hours Allowance	£572	£562	£297	£87	-	-
Away from Home Overnight Allowance	£100	£150	£150	£100	-	-
Hardship Allowance	£60	£90	-	-	-	-
On-call Allowance	£510	£600	£583	£582	-	-
Overtime	£1,840	£2,297	-	-	-	-
Other payments (e.g. Dog Handlers', secondment allowances)	£175	£253	£239	£846	£1,239	£1,239

Source: OME analysis of Police Earnings Census data, Home Office. Note: Zero allowances are ignored in calculation of the medians.

3.60 In examining chief police officer pay, using the latest available Police Earnings Census data (covering the financial year 2016/17), we noted that average basic pay ranges from £105,898 for an assistant chief constable to £160,531 for a chief constable. For all chief officer ranks average basic pay was £125,512. For average total earnings, this ranged from £111,180 for an assistant chief constable to £169,159 for a chief constable (Chart 3.5). For all chief officer ranks average total earnings were £132,168.



## Chart 3.5: Average basic pay and total earnings, by chief police officer rank, 2016/17

Source: Police Earnings Census data, Home Office.

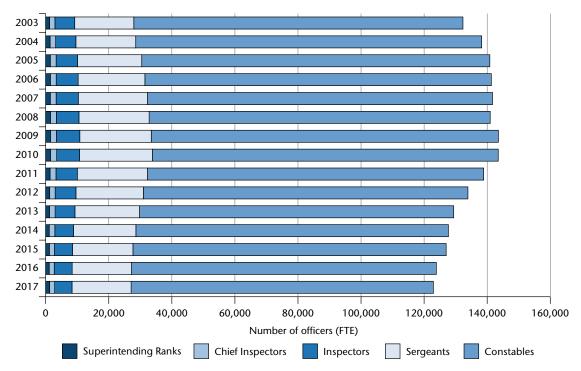
#### Our comment

- 3.61 Our own analysis, based on the Police Earnings Census data, indicates that police officers (constables and sergeants) saw an increase in median full-time earnings of 3.4%, while continuing to receive a pay lead which was higher than that of the whole economy (42% higher), for professional occupations (8% higher) and for associate professional and technical occupations (27% higher). This increase in police earnings followed a period between 2011/12 and 2015/16 when median full-time earnings of police officers were broadly flat and, as a consequence, the gap between police officers' and others' earnings had widened for the first time in a number of years.
- 3.62 We believe that comparisons with professional occupations will become increasingly relevant in our considerations as the workforce and pay reform work progresses, and as policing workforce and pay structures increasingly reflect that of a profession.
- 3.63 We also note, as highlighted in the CPOSA written evidence, that it is possible for assistant chief constables who are towards the top of the pay scale to be paid less when acting up as a deputy chief constable on temporary promotion. This anomaly is driven by the fact that those on temporary promotion in the chief officer ranks receive 90% of the higher ranks' basic pay. We reflect further on this later in the report in Chapter 4.

## Workforce, diversity, recruitment and retention

### Our analysis

3.64 We have examined the police workforce and recruitment and retention using the Police Workforce Statistics published by the Home Office. We observe that the full-time equivalent (FTE) number of police officers (Chart 3.6) grew (by 8%) from 2003 to 2010, but the period since 2010 has seen overall officer numbers decrease (by 14%). Between 2016 and 2017 there was a 0.7% decrease in the number of officers.

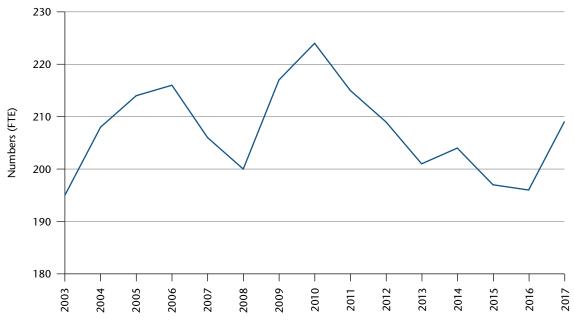




Source: Police Workforce Statistics, Home Office.

- 3.65 In March 2017 police officers accounted for 62% of the total police workforce (excluding special constables) and police staff 31% (with Police Community Support Officers (PCSOs), designated officers and traffic wardens making up the remainder). Police staff numbers increased from under 63,000 in 2003 to nearly 80,000 in 2010. They have since fallen back to just over 61,000 in 2017 (a decrease of 23% since 2010). The number of PCSOs has also fallen, by around 6,700 (40%), since 2010.
- 3.66 As at March 2017, there were 209 chief police officers in England and Wales (and six in Northern Ireland). Chart 3.7 below presents the change in chief police officer numbers in England and Wales over the period 2003 to 2017. The number of chief police officers peaked in 2010 at 224 and whilst the number of officers increased between 2016 and 2017 by 13, the chief police officer workforce is still 7% smaller than in 2010. As a point of comparison, the size of the overall police service in England and Wales fell by 14% between 2010 and 2017.

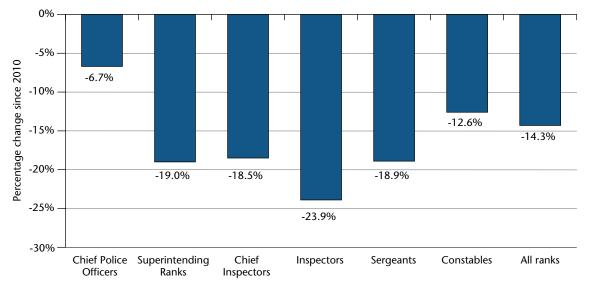
Chart 3.7: Chief police officer numbers, England and Wales, March 2003 – March 2017



Source: Police Workforce Statistics, Home Office.

3.67 Between March 2016 and March 2017 there were increases in the numbers of chief police officers (up 6.5%), superintending ranks (up 8.3%) and chief inspectors (up 1.7%) but decreases in all other ranks. We note that the largest proportional decrease since 2010 (Chart 3.8) has been for inspectors (24%). However, we are aware, in absolute terms, that the greatest decreases have been for constables (approximately 13,800 officers or 12.6%) and sergeants (approximately 4,400 officers or 18.9%).

Chart 3.8: Percentage change in the number of police officers (FTE) between March 2010 and March 2017, by rank, England and Wales



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

3.68 Between March 2016 and March 2017 there were increases in officer numbers in 18 forces and decreases in 24 (with one force seeing no change). The largest proportional increase was in West Yorkshire (up 4.9%) while the largest proportional decrease was in Nottinghamshire (down 6.9%). 3.69 Changes in officer numbers between 2010 and 2017 have varied considerably across forces (Chart 3.9). We observe that Surrey was the only force to increase officer numbers over this period (by 5%). Among other forces the reductions during this time ranged from 26% in Cleveland to 3% in Dyfed-Powys.

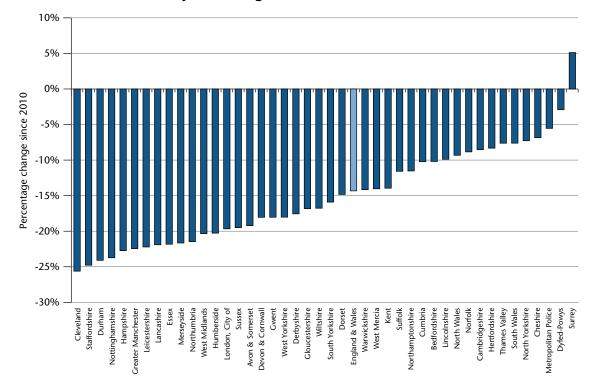


Chart 3.9: Percentage change in police officer numbers (FTE) between March 2010 and March 2017, by force, England and Wales

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

3.70 HMICFRS assigns the work of police officers to three broad roles – frontline, frontline support, and business support (Table 3.4). We note that police officer numbers have reduced in all these roles. The proportion of officers in frontline roles increased from 91.0% to 93.4% between March 2010 and March 2016, as a result of proportionally larger reductions in frontline support and business support roles, but fell slightly to 93.3% in March 2017.

				Full-time equivalent
	Frontline	Frontline Support	Business Support	Proportion of officers in frontline roles
2010	123,384	6,499	5,670	91.0%
2011	119,729	6,469	4,912	91.3%
2012	116,122	5,971	4,161	92.0%
2013	113,009	5,215	3,762	92.6%
2014	111,383	4,706	3,309	93.3%
2015	110,853	4,324	3,528	93.4%
2016	106,411	4,087	3,401	93.4%
2017	105,571	4,114	3,471	93.3%

# Table 3.4: Number of police officers (FTE), by role, England and Wales, March 2010 – March 2017

Source: Police Workforce Statistics, Home Office.

Notes:

Data for 2011 to 2014 were collected on a different basis to those for 2015 and 2016. The figures
presented for 2011-2014 have been estimated based on a parallel running year (2015) where data were
collected on both bases.

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

#### Workforce diversity

- 3.71 The proportion of police officers for all ranks who were female (Chart 3.10) increased from 26.8% to 29.1% between 2012 and 2017, but the proportion of female officers was lower for ranks above constable. The proportion of Black, Asian and Minority Ethnic (BAME) officers (Chart 3.11) increased from 5.0% to 6.3% between 2012 and 2017, continuing a steadily upward path over the past decade, but again the proportion of BAME officers was lower for ranks above constable<sup>24</sup>. Most of these indicators show some improvement in diversity across the officer workforce in recent years but remain below representative levels.
- 3.72 Figures from the Police Earnings Census show that the length of service distributions for female and BAME officers are skewed towards shorter lengths of service<sup>25</sup>. This reflects recent recruitment trends which have resulted in higher proportions of new entrants who are female and/or from a BAME background than existing officers.

<sup>&</sup>lt;sup>24</sup> Proportions of BAME officers exclude officers who did not state their ethnicity.

<sup>&</sup>lt;sup>25</sup> The Home Office Police Workforce Statistics do not publish breakdowns of the length of service data. Headline figures from the Police Earnings Census differ slightly from, but are broadly comparable with, the published data.

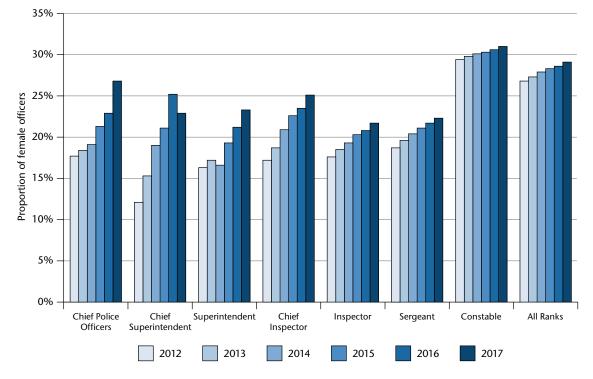
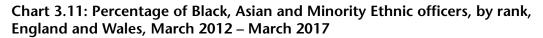
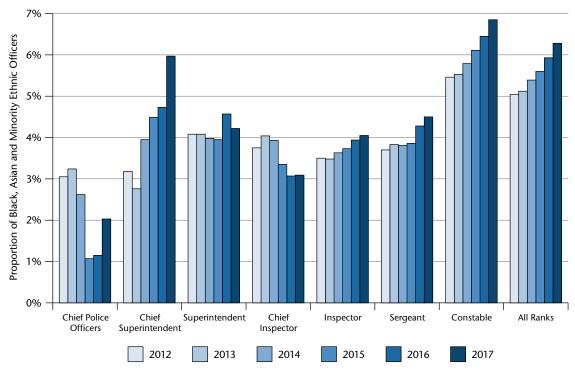


Chart 3.10: Percentage of female officers, by rank, England and Wales, March 2012 – March 2017

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





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

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

- 3.73 Turning to chief police officer workforce diversity specifically, the Home Office Police Workforce Statistics showed that as at 31 March 2017:
  - There were 56 female chief police officers in post, representing 26.8% of the total. This is broadly representative of the police officer workforce, where 29.1% of the total number of officers are female;
  - The proportion of female chief police officers in the workforce has increased every year since 2010, when there were 15.2% in post;
  - Across the 43 police forces in England and Wales, there were 11 forces (26%) with no female chief police officers. This is an improvement on the previous year when 13 forces (30%) had no female chief police officers; and
  - There were only 4 chief police officers in post (3 of which worked for the MPS) who identified as BAME, representing 2.0% of the total. This compares to 6.3% of the total officer workforce who identified as BAME.
- 3.74 Just over half of all police officers were aged 40 or under on 31 March 2017, with 5% of all officers aged under 26 (Chart 3.12). The proportion of officers aged under 40 decreases as rank increases: 59% of constables were under 40, but no chief police officers were.

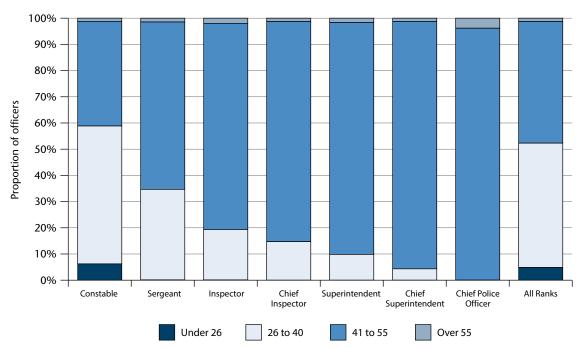


Chart 3.12: Age breakdown of police officers, by rank, England and Wales, March 2017

3.75 Looking at change over time (Chart 3.13), the overall proportion of officers aged 40 and under fell from 54.7% in March 2012 to 51.9% in March 2016, before picking up slightly to 52.3% in March 2017. In the ranks from sergeant to superintendent, the proportions of officers in this age group have been increasing since March 2015.

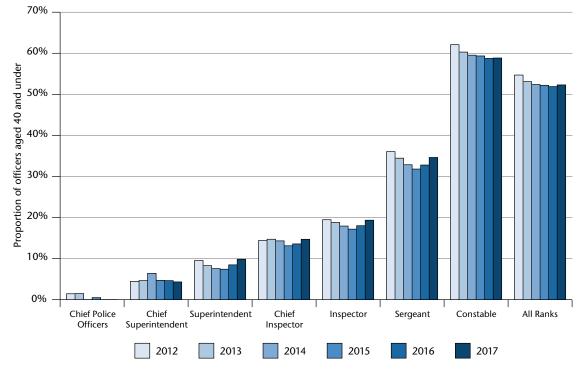


Chart 3.13: Proportion of police officers aged 40 and under, by rank, England and Wales, March 2012 – March 2017

#### Recruitment

3.76 We observe that the number of police officer joiners (Chart 3.14) fell sharply after 2008/09, with fewer than 2,500 joiners annually between 2010/11 and 2012/13. This was due to most forces freezing recruitment as a response to public sector austerity. However, the figures began recovering in 2013/14 and 2014/15. There followed a dip in 2015/16, but 2016/17 saw the number of joiners pick up to 7,500 – the highest level since 2008/09.

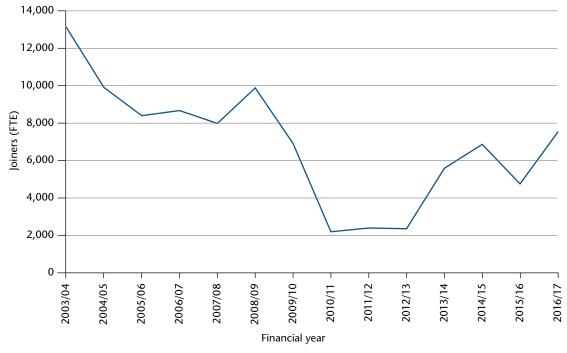
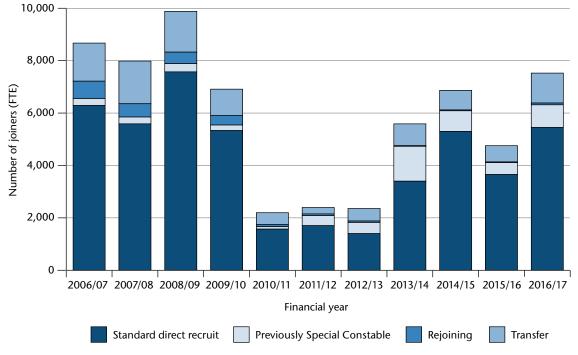


Chart 3.14: Police officer joiners, England and Wales, 2003/04 – 2016/17

3.77 For the last eleven years the majority (usually 70-80%, but around 60% in 2012/13 and 2013/14) of officers joining have been new recruits joining as an officer for the first time (Chart 3.15). In 2016/17 these accounted for nearly 5,500 joiners. There has also been a recent increase in the number of transfers between forces. These fell from a peak of 1,630 in 2007/08 to just under 250 in 2011/12. In 2016/17 transfers stood at 1,140 – the highest level since 2008/09.

Chart 3.15: Police officer joiners, by route of entry, England and Wales, 2006/07 – 2016/17



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

# Retention and attrition rates

3.78 The number of officers, including chief police officers, leaving a police force (but not necessarily leaving the police service) (Chart 3.16) remained fairly stable between 2009/10 and 2013/14 (between 6,600 and 6,900 each year) but has been rising since 2013/14 (to 8,600 in 2016/17). The headline attrition rate (the total number of police officers leaving forces in the financial year as a proportion of the total officers in post in the March just before the financial year began) was 6.9% in 2016/17. This rate has been rising since 2010/11 and in 2016/17 was higher than the previous peak in 2005/06. If the leavers who transferred to other forces are left out of account, the attrition rate was 6.0% in 2016/17, the highest such rate for more than a decade.

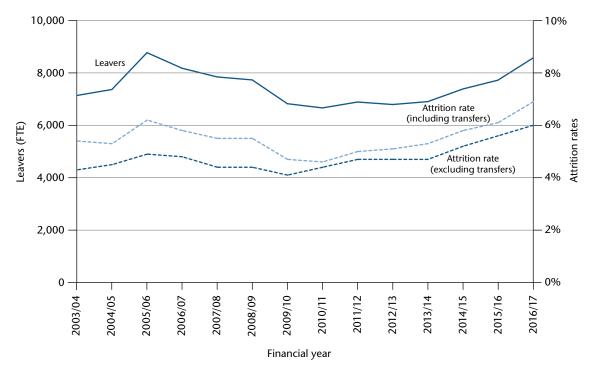


Chart 3.16: Police officer (FTE) leavers and attrition rates, England and Wales, 2003/04 – 2016/17

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

3.79 We note that the majority (around 50-70%) of police leavers are normal retirements (Chart 3.17). However, the number of voluntary resignations has been rising since 2011/12 (up 76%) to its highest level since 2006/07, but accounts for less than a quarter of leavers. The number of dismissals has doubled since 2008/09 but accounts for only 3% of leavers.

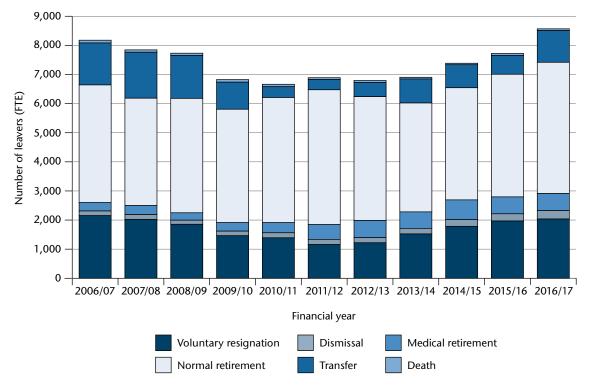
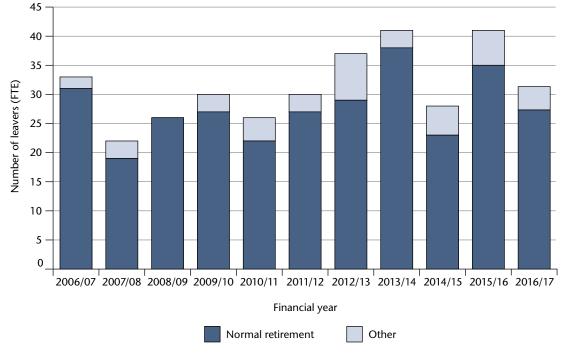


Chart 3.17: Police officer leavers (FTE), by leaver type, England and Wales, 2006/07 – 2016/17

- 3.80 We note that the number of officers leaving the chief police officer ranks during 2016/17 was approximately 46 FTE (down slightly from 51 during 2015/16) and this was higher than the number of joiners, at 30 (up slightly from 29 during 2015/16). However, a word of caution is necessary for the data on joiners and leavers. 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 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 period, in line with the methodology used in the Home Office Police Workforce Statistics.
- 3.81 We do not regard the current data as a fully satisfactory base for the purposes of making the assessments required in our work and we would hope to see the quality of the data improved in future to reduce the potential for double counting. That said, these data do help to provide some useful context in comparing the demand for chief police officers with the supply.
- 3.82 The majority of chief police officers leaving the service are taking normal retirement. Chart 3.18 provides a breakdown of the retention statistics.



# Chart 3.18: Chief police officer leavers (FTE), by leaver type, England and Wales, 2006/07 – 2016/17

Source: Office of Manpower Economics analysis of Police Workforce Statistics, Home Office. Notes: Transfers are excluded from calculations. The 'other' category includes deaths, dismissals, medical retirement and voluntary resignations.

# Parties' evidence on recruitment and retention

- 3.83 The Home Office had no immediate concerns about general recruitment and retention in the police workforce at a national level, and pointed out that attrition rates and voluntary resignations remained low. However, it was noted by the Home Office that some forces had experienced some difficulties with their internal recruitment processes in the last year, and that the NPCC continued to identify posts that were hard to fill.
- 3.84 The Home Office commented that the rate of retirements in the police remained stable and most officers retired after 30 years' service. The Home Office reported that the number of applicants for police officer jobs remained far higher than the number of jobs available and that there had been no noticeable change around the quality of applicants.
- 3.85 Regarding chief police officer appointments, the Home Office said that in the 12 months to December 2017 there were seven chief constable appointments. Of these, six were the serving deputy chief constable in the same force. Of the six, two had served in another force at chief police officer rank. The Home Office were concerned by inadequate competition for chief police officer roles, but noted that when the CoP provided support to the PCCs who were recruiting, their input resulted in more applications being generated.
- 3.86 The Home Office highlighted the work the CoP had undertaken to broaden the recruitment pool for chief police officers. The main barriers to applications identified through this work were domestic circumstances, financial impact, force/organisational, location, and selection process.

- 3.87 The NPCC reported that 123,124 FTE police officers were in post at March 2017, a reduction of 20,593 (14.3%) from March 2010. Officer numbers had fallen each year since 2009/10. The NPCC noted that efficiency had to some degree enabled the service to make these changes in numbers but noted that policing remained a highly labour-intensive service.
- 3.88 The NPCC stated that the responses to their survey (responses received from 38 forces) for 2016/17 indicated there was a healthy level of applicants across all officer levels and reported that 6,875 officers had been recruited. However, police forces were reported as wanting to recruit 7,314 officers during the same period. The NPCC added that most of the officers leaving the service in 2016/17 had achieved 11-15 years' service.
- 3.89 The NPCC said that 17 forces reported difficulties in recruiting to specific ranks, with sergeant and inspector being the most difficult.
- 3.90 The MPS reported that mainstream recruitment remained challenging and that it struggled to meet constable recruitment targets. The MPS did not suggest that the fall in suitable recruits was linked just to remuneration, noting that there were other factors such as the changing nature and risk associated with policing. The MPS commented that their direct detective constable campaign in 2017 attracted a high volume of applicants, which, in their view, suggested that starting pay might not be an overriding issue.
- 3.91 The MPS also expressed concern over the increasing number of officers transferring between forces and the resulting loss of expertise. The MPS had seen over the last three years a 126% increase in the number of officers transferring out, whilst the number of officers transferring in had fallen by 44%.
- 3.92 The APCC commented that recruitment generally remained buoyant and that retention levels were healthy but that PCCs were aware of some roles within the service that were hard to fill. Recruitment and retention would continue to be a challenge in an environment where pay did not keep up with inflation.
- 3.93 The PFEW stated that 12.3% of respondents to their survey said that they planned to leave the police either as soon as possible or within the next two years. The PFEW also noted that respondents this year were slightly less likely to intend to stay in the police service until pension age compared to last year. Amongst those respondents who intended to leave the police either as soon as possible or within the next two years, morale was the most commonly cited factor affecting intention to leave. More than two-thirds of respondents also cited the impact of the job on their health and wellbeing, and how the way police as a whole were treated as having a major impact on their intention to leave, while a majority also said that their pay and benefits, the impact of the job on their personal life and how change was managed in the police had had a major effect.
- 3.94 The PSA highlighted the findings of the survey that they undertook which found that there had been a decrease in the proportion of respondents who said that they intended to stay up to, or beyond, pension age, from 77% in 2016 to 71% in 2017. Compared to 2016, a larger proportion of respondents said that their workload and responsibilities and the impact of the job on their family and personal life had had a major impact on their intention to leave, compared to 2016. There had also been a 14-percentage point increase since 2016 in the proportion of respondents who said that their pay and benefits had had a major impact on their intention to leave.
- 3.95 The PFEW and the PSA had concerns about the quality of the data that was collected for the workforce as a whole. They considered that the majority of data that was needed for meaningful analysis of recruitment and retention issues, including data on the calibre of

recruits, was still not available. However, the PFEW and the PSA had established, through information available to them relating to the reasons why individuals departed the police service, that voluntary resignations were increasing.

3.96 CPOSA stated that the number of applicants for chief police officer promotions remained of concern. CPOSA observed that the average tenure of chief constables had reduced significantly over recent decades, falling to 3.5 years in 2017 (from 6.1 years in 1988). CPOSA highlighted some of the results from the NPCC chief police officer survey noting that 62% of respondents would not consider a lateral move to a different force and that 41% of respondents would only consider a move for a higher rank if they did not have to relocate. Where relocation was necessary, the proportion who would consider a move dropped to 29%.

#### Shortage groups

- 3.97 The Home Office acknowledged that some forces had reported difficulties in filling posts which required a particular skill set, but noted that the issues varied widely across forces, and therefore that there was unlikely to be a single solution. The Home Office had not seen any strong evidence to suggest that pay was the primary factor behind hard to fill posts, and emphasised the importance of culture and leadership in tackling problems to ensure that these roles were occupied.
- 3.98 The NPCC reported that 28 forces had difficulty in filling specific roles. These were predominately detective roles, followed by firearms officers, but included other types of roles also. The main reasons for difficulty filling these roles had been identified as loss of allowances, shift patterns, and accountability.
- 3.99 From the MPS perspective, the main area of concern was detective roles, but other roles presented challenges also. The MPS recognised that the problem might have been exacerbated by the inability of the MPS to release officers due to shortages and a lack of experience in critical areas.
- 3.100 The PFEW asked in their survey for respondents' views on hard to fill roles. A majority of respondents stated that they would never want to undertake roles which had been classified by the NPCC as hard to fill. Furthermore those respondents to the PFEW survey who were in some of these hard to fill roles wanted to be redeployed as soon as possible. Conversely, the proportions of respondents who said that they wanted to do a hard to fill role either now or in the future exceeded the proportion of the police officer workforce currently undertaking the roles in question.

#### Our comment on workforce, shortage groups and recruitment and retention

- 3.101 From the evidence, and our analysis of it, we note that police officer numbers have continued to decrease, with the numbers of FTE police officers 0.7% lower than a year earlier and 14% lower than in March 2010.
- 3.102 Despite falling police officer numbers, there does not currently appear to be an issue with the recruitment and retention of officers in either the federated and superintending ranks. From the evidence we received the number of applications for each post remains at a healthy level. We did not see any evidence that suggested there was an issue with the quality of the applicants appointed. We noted also that the number of joiners reached its highest level since 2008/09, although we also bear in mind that inexperienced new entrants are not an immediate substitute for the loss of experience.
- 3.103 While there is a rising attrition rate for police officers, which is now reaching its highest point in over ten years, it continues to be at a relatively low level and stands at 6.0% (excluding transfers between forces). Normal retirements continue to make up the

majority of police leavers, but the number of voluntary resignations continues to rise. The PFEW and PSA highlighted a growing number of officers responding to the survey who were planning to leave the police service, with indications suggesting that the pension offer was proving less of an aid to retention. We continue to consider retention rates, mindful that policing is a vocational career and that direct comparison with retention rates elsewhere may not be helpful.

- 3.104 We highlighted in our 2017 report the need for detailed evidence on recruitment and retention rates, including a number of factors, and assessments by the parties of:
  - how policing will retain young people through the early years by matching their changing career expectations;
  - what retention levers are available to mid-career officers where the pull of pay and pensions might be lessening; and
  - how specialist or shortage groups are retained through offering progression and lateral career development.
- 3.105 Data continues to be key to our evidence-based deliberations and we continue to urge parties to provide evidence-based assessments.
- 3.106 However, in the chief police officer ranks there does appear to be an issue in ensuring a sufficient number of quality applicants for vacancies. Previously, the Senior Salaries Review Body (SSRB), when considering this matter<sup>26</sup> concluded that the situation was fragile. The results of the chief police officer survey undertaken by the NPCC suggests a workforce that is not currently mobile, and a pay and reward package that is not attractive enough to tempt sufficient numbers of candidates to apply for roles. With almost two-thirds of respondents suggesting they are not interested in lateral moves outside of their own force, and a similar percentage of respondents stating they would not relocate for a promotion either, this restricts the labour market for chief police officer vacancies. This survey echoes the findings of the results of the previous survey reported to the SSRB.
- 3.107 There appear to be several issues impacting on the lack of applicants for chief police officer posts and is forming part of police officers' considerations when considering whether to progress to the chief police officer ranks. We heard that the impact of pension taxation upon promotion and the move onto less secure terms and conditions were also factors in these career considerations. We heard that initial work being undertaken by the CoP at improving the candidate pool was said to be having some success. This included increasing the diversity of applicants to senior posts. However we have not seen data relating to this and this work is not directly addressing the factors which we mentioned earlier in the paragraph. The diversity of the chief police officer ranks closely reflects the wider gender balance throughout the police force but BAME representation in the chief police officer ranks does not so closely reflect the diversity across the police officer group as a whole.
- 3.108 The picture on shortage groups appears to remain broadly unchanged since our last report. There continue to be reports of specific shortage groups at force level. We requested in our last report that a fuller picture from across police forces be provided. Unfortunately, such a picture has not been supplied to us, but the information we received suggests little has changed since last year, with 28 forces, compared to 27 last year, reporting that they had roles that were proving difficult to recruit to. In our last

<sup>&</sup>lt;sup>26</sup> Senior Salaries Review Body (September 2017), Supplement to the Thirty-Ninth Annual Report on Senior Salaries 2017. Available at: https://www.gov.uk/government/publications/senior-salaries-review-body-supplementary-report-2017. [Accessed on 22 May 2018]

report we provided a recommendation<sup>27</sup>, at the request of the NPCC, that could assist in addressing recruitment and retention for shortage groups. This recommendation was intended to assist forces in addressing shortages relating to specific roles and we question why it is yet to be implemented, given the clear evidence that it is required.

# Police officer motivation and morale

- 3.109 The NPCC considered that the strain on police numbers was evidenced in the signs of stress in the workforce and the number of officers on long-term sick leave, which grew by 22% from 1,928 officers in 2013 to 2,358 officers in 2017. As a proportion of the workforce, this represented an increase from 1.5% to 2.0%. The NPCC noted that in each of the past three years, over half of police officers who responded to the PFEW annual survey said that their morale was low. Through the focus groups they held, the NPCC reported that all officers attending appeared to be experiencing pressure due to lack of staff and resources.
- 3.110 The MPS recognised the challenge of raising morale and staff engagement at a time of rising demand and complexity and shrinking resources. The MPS also said that the engagement scores within their organisation were too low, and were of significant concern. Many officers who responded to the MPS survey provided negative feedback on workload and stress, and comments were also made on staffing and resources. 39% of respondents disagreed that they achieved a good balance between work life and private life. The MPS considered that perceptions around pay were one of the drivers for low engagement, alongside other factors associated with austerity.
- 3.111 The PFEW and the PSA highlighted that officers suffered physical threat, harrowing experiences and often long-term welfare effects. 86.5% of the respondents to the PFEW survey said that they did not feel fairly paid given the stresses and strains of the job. The PFEW reported on indicators of morale: 60.2% of respondents said that their personal morale was low; 84.9% of respondents said that how the police as a whole were treated had a negative impact upon their morale; around eight out of ten respondents said that how change was managed within the police service had had a negative impact upon their morale. The survey also noted an increase in the proportion of respondents saying their morale had been negatively affected by their work-life balance, their health and wellbeing, their workload and responsibilities and their day-to-day job role.
- 3.112 The PSA reported that the proportion of respondents to their survey who reported that their personal morale was low had increased, up from 18% in 2016 to just under a quarter in the latest survey. 41% of respondents also said that their morale was lower than it was 12 months ago.
- 3.113 CPOSA highlighted that 99% of chief police officers responding to the NPCC survey remained motivated to do a good job. However, in the same survey, 41.9% of respondents were either dissatisfied or very dissatisfied with their working hours.

# Our comment

3.114 The evidence is that morale and motivation is declining amongst police officers. Although they remain highly committed to perform at a high level, this appears to be derived internally from a desire to provide a good service to the public rather than being motivated by factors that are influencing officers' behaviour. Our informal findings from our visits suggested that the pay award that officers received for 2017/18 had not always gone down well with the officers themselves, particularly when they found it would have

<sup>&</sup>lt;sup>27</sup> In our third report we recommended 'The introduction of appropriate, targeted arrangements on 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'.

to be funded by savings elsewhere, possibly including from reductions in staff numbers. Officers also noted that, in addition to increased deductions from their pay to reflect the rises in the cost of their pension contributions, the cost of living continued to outpace the annual pay award. Officers considered that there was rising stress and anxiety present in police forces as they were required to take on increasing workloads and as a result lost the ability to balance their domestic life with their work.

- 3.115 There continues to be a lack of robust evidence from the NPCC on the morale and motivation of police forces on a national basis. Whilst an increasing number of individual police forces are undertaking surveys of their officers, these are not yet collated at a national level, which makes it difficult to draw any meaningful national conclusions. The need to motivate police officers forms part of our terms of reference for reaching our recommendations and we expect the Home Office or the NPCC to provide evidence on a national basis on this matter. The PFEW and the PSA continue to provide us with the findings of their surveys on their members, and these demonstrate that officers consider their own morale to be low. This is consistent with the findings of their previous surveys. The introduction of a core set of questions within the officer surveys that forces undertake would provide consistent data on police officers' morale and motivation. This point needs to be addressed as without such data, we will have difficulties in undertaking sufficiently developed analyses of the issues they raised.
- 3.116 Forces appeared to be doing more work regarding mental health. This appeared to be reflected in the data in the Police Workforce Survey which demonstrated that sickness absence was reducing.

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

- 3.117 The Home Office highlighted a number of areas that were being progressed in relation to this aspect of our terms of reference.
  - Children and Families Act 2014: the Home Office were finalising a draft of the amendments to the police Regulations and determinations to reflect the provisions of this Act, and were to begin consultation with partners.
  - Gender pay gap reporting: the Home Office was expecting all forces to comply with the March 2018 deadline to publish their own gender pay reports online.
- 3.118 The NPCC also said that Equality Impact Assessments of any changes in relation to pay reform would take place in 2018 while the PFEW and the PSA felt that the suggested apprenticeship pay level would create difficulties for the employer in terms of equality of pay. The PFEW and PSA also felt that the NPCC might be open to claims of indirect discrimination.

#### Our comment

3.119 We continue to be largely reliant on our parties in raising matters which fall under this section of our terms of reference, and we are grateful to those who have done so. We were kept informed of the work being undertaken in previous years in relation to the Children and Families Act 2014<sup>28</sup> and the work being undertaken to reflect the provisions

<sup>&</sup>lt;sup>28</sup> The Children and Families Act 2014 includes measures to protect the welfare of children but also makes provisions to help people to better balance their work and home life such as shared parental leave, adoption leave, and the right to request flexible working. Available at: http://www.legislation.gov.uk/ukpga/2014/6/contents/enacted. [Accessed on 22 May 2018]

of this Act. We were therefore concerned to learn that this work had yet to be completed and implemented. We feel that more urgency should be given to this area, and the pace of work increased.

- 3.120 Police forces reported their gender pay gap to the Government Equalities Office<sup>29</sup> and the responses from police forces showed that the gender pay gap by force varied between 0.0% (Cleveland Police) and 28.8% (Derbyshire Constabulary), with a median response of 18.4% across all forces. While the pay scales that are used for the majority of police ranks ensure that most individuals at the same point in their career will be paid the same salary, the gender pay gap does provide an indication of how gender balance is reflected in the senior ranks within policing. The information published this year represents but one data point, and we look forward to seeing more information in future years.
- 3.121 The evidence-supplying parties raised with us the importance of undertaking Equality Impact Assessments as the workforce and pay reform work progresses. We agree that such assessments will be required, and we ask that the parties continue to keep us updated on these issues.

<sup>&</sup>lt;sup>29</sup> The responses from police forces can be found at the following website: https://gender-pay-gap.service.gov.uk/. [Accessed on 22 May 2018]

# CHAPTER 4 – PAY PROPOSALS AND RECOMMENDATIONS FOR 2018/19

# Introduction

4.1 In this chapter we review the pay proposals that we received from the parties and provide recommendations and observations as appropriate.

# Approach to the 2017/18 non-consolidated 1% uplift

- 4.2 The **Home Office** looked to chief constables and PCCs to provide evidence to the Review Body on the impact of last year's non-consolidated 1% award to officers at federated and superintending ranks, and expected these bodies to take this evidence into account in the proposals that they submitted to the Review Body.
- 4.3 The **NPCC** pointed out that the unconsolidated payment of 1% in 2017/18 would end in August 2018. They considered that many forces had already used their reserves or existing budgets to fund the payment. If forces were required to consolidate the 1% in police officers' pay in 2018/19, it would place an immediate draw on the additional funds that forces might raise through the council tax precept increase.
- 4.4 The **MPS** observed that if the non-consolidated element of the 2017 pay award ceased on 31 August 2018, salaries would be reduced to 1% above 2016 levels. This would mean that a 2% award in 2018, even if consolidated, would in cash terms represent only a 1% increase to police officers. The MPS therefore recommended that the 1% unconsolidated pay award for 2017/18 should be consolidated into pay before considering the 2018/19 pay award. In saying this the MPS acknowledged that they took a different view on this from the NPCC generally. The MPS argued for this approach on the grounds of principle, transparency and simplicity.
- 4.5 The MPS also recognised that it was important to uphold the role of the Review Body in the pay determination process, despite the affordability challenges of implementing the Review Body's recommendations.
- 4.6 The **APCC** believed that the 2017/18 non-consolidated award should be removed from police officers' pay at the end of the 2017/18 pay year. In the view of the APCC, consolidating the non-consolidated part of the 2017/18 pay award would risk creating a precedent for future treatment of non-consolidated pay awards. However, the APCC considered that the consequences of any such removal should be taken into consideration in the award for 2018/19, acknowledging that the ending of the non-consolidated award for 2017/18 would have a negative impact on how police officers viewed the pay award for 2018/19.
- 4.7 The **PFEW** and the **PSA** considered that the 1% non-consolidated award should now be consolidated, and not be considered part of this year's settlement. They pointed out that if the non-consolidated 1% awarded to officers in 2017/18 were consolidated and treated as part of the award for 2018/19, police officers would have less take home pay than in 2017/18, as all of the pay award, rather than just part, would now be subject to pensions contributions. The PFEW and the PSA added that they viewed the award of a non-consolidated element in 2017/18 as undermining the Review Body process.
- 4.8 As chief police officer ranks were awarded a consolidated 1% pay award for 2017/18 and did not receive an additional non-consolidated 1% in their pay award for 2017/18, **CPOSA**'s members were not affected by the issue of consolidation/non-consolidation, and CPOSA did not offer a view on the point. However, CPOSA felt that, if the 2017/18

1% non-consolidated pay award for all other ranks were to be consolidated, then this should also be reflected in the chief police officers' 2018/19 pay award, to ensure that the gap between superintending ranks and chief police officers was maintained.

# Our comment

- 4.9 The way in which the 2017/18 pay award was implemented a consolidated 1% accompanied by a further non-consolidated 1%, did not reflect the recommendations we made in our previous report. The Review Body has an advisory role and it is clearly for the Government to decide ultimately what actual pay settlement there should be. However, as a practical matter, we have had to decide how we should approach the existence of a non-consolidated and time-limited element in the 2017/18 award, and what implications it should have for our recommendations on the 2018/19 award. We are also conscious of our role in the police officer pay machinery and of the obligation upon us to take into account the restrictions that police officers have had placed upon them with regard to withdrawing their labour and their limited industrial rights.
- 4.10 When setting out her reasons for the pay award last year, the then Home Secretary recognised the extraordinary contribution of police officers in responding to some of the most challenging situations the country has faced for a very long time. Based on the evidence we received, we do not consider that the operational demand facing police officers has diminished over the last year. If anything, the demands on officers nationwide are increasing at a time when officer headcount in a number of forces is reducing.
- 4.11 The non-consolidated 1% pay award for 2017/18 has been and will be paid monthly until the end of August 2018. A police officer would almost certainly consider this payment as part of their salary. The ending of the payment of the non-consolidated award would in our view constitute a pay cut and would be perceived as such by officers. The core costs of this non-consolidated pay award are already in the current paybill.

<u>Recommendation 1</u>: We recommend that, with effect from 1 September 2018, the time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 should be consolidated onto all pay points for officers at these ranks.

# 2018/19 basic pay uplift proposals

- 4.12 The Home Office asked the Review Body to consider proposals from the NPCC and APCC on the level of basic pay for 2018/19. The Home Office asked that the Review Body balance this against the need to maximise efficiency and productivity in forces to address increasing demand. The Home Office also asked the Review Body to bear in mind the intention to begin moving towards the end of time-served progression pay in 2020.
- 4.13 The NPCC recommended a pay increase for all officer ranks of 2%, to be applied to all current pay points from 1 September 2018. The NPCC considered that police officers continued to work in challenging times and now deserved a higher rise than it had proposed in previous years. The NPCC considered that the public sector pay cap had been removed and consideration needed to be given to an increase in pay above 1%.
- 4.14 The NPCC informed us that the levels of increases to police force funding varied across forces from 1.6% to 3.6%, with a median increase of 2.5%. The NPCC considered that these increases would not be sufficient for the majority of forces to be able to fund more than a 2% pay uplift for police officers. The NPCC also stated that the current funding position would constrain flexibility and might impact on the future ability of chief

constables to implement a new pay framework. Most forces, according to the NPCC, had assumed a 2% uplift in their budgets for 2018/19 and would, if the uplift were applied, cost them a total of  $\pounds$ 55.4 million.

- 4.15 The MPS, after weighing all the factors, considered that the arguments on this occasion for wage growth were considerably stronger than the arguments of those calling for restraint. The MPS recommended a consolidated 2% increase on base pay.
- 4.16 The APCC supported a consolidated 2% pay award for 2018/19 for police officers of all ranks. According to the APCC, this recommendation was based on affordability, the impact on take-home pay of the removal of the non-consolidated element of the 2017/18 pay award, and fairness to the workforce. The APCC did not seek any differential award for chief police officers in 2018/19 and considered that chief police officers' pay should be dealt with consistently with other ranks.
- 4.17 The PFEW and the PSA considered that police officers' real-terms pay has continued to fall since 2010 and that this had been the case up to and including the 2017/18 recommended award. They noted that, even if the 2017/18 award had been implemented as recommended, it would have still been below inflation rates. The PFEW and the PSA highlighted other influencing economic factors such as a combination of increases in average earnings elsewhere, both in the private sector and across the whole economy, emerging interest rate rises, and inflation rates continuing to be above pay settlements. The PFEW and the PSA recommended that all police officers were awarded an across the board increase of 3.4% in order to match forecast RPI inflation.
- 4.18 The PFEW and the PSA considered that, in order to recruit and retain officers with the required skills, and to pay officers a fair wage for the roles they carried out, funding should be found centrally to start making up the reduction in pay suffered by officers over the previous seven years.
- 4.19 CPOSA recommended that chief police officers should see a 2% uplift in their pay in 2018/19. They recognised the need for a pay award that balanced restraint against the recruitment, retention and progression needs of police forces. CPOSA felt that issues such as increasing inflation, pension taxation, low numbers of applicants for roles and the higher salaries for comparator roles outside the police service, all led to the conclusion that a 2% uplift would be appropriate for the chief police officer ranks. CPOSA considered that any pay award for chief police officers should match that of other ranks.

# Our comment and recommendation

# Productivity, efficiency and affordability

- 4.20 This year saw a change in emphasis from the Government regarding their public sector pay policy. The previous 1% public sector pay policy was no longer in place, but any pay increases above this level could be linked to increases in productivity. We noted that the present approach to measuring productivity in policing is to consider that inputs are equivalent to outputs. In other words, the more resource that is put into policing, the more product is obtained, in a directly proportionate manner, while leaving productivity constant. As a matter of general principle this does not seem a satisfactory approach to us.
- 4.21 We investigated in oral evidence to what extent the parties were able to offer a better approach than the one currently used. There were no new suggestions forthcoming from this process, although we understand that the ONS are carrying out some work on the measurement of productivity in policing. However, it was not available to us at the time of writing this report.

- 4.22 In light of this, we believe there is currently no sufficiently robust quantitative method by which we could measure productivity in the police service any more effectively than it is already being done, and we await the outcome of the work by the ONS. In the meantime, we looked for sources of more qualitative information that we might use. In Chapter 3 of this report we noted the findings of HMICFRS PEEL reports, which indicated that police forces were operating in a more efficient manner than the previous year and anticipated future efficiencies, as well as being able to cover existing shortages and manage increasing demand. The parties representing police forces informed us of the work they had undertaken in achieving efficiencies to date and the work they had planned in order to provide further efficiencies. We heard from the Minister for Policing and the Fire Service that he believed there was scope for further efficiencies and that the Home Office would be pressing the APCC and the NPCC to deliver them. We conclude from the evidence this year that police forces have indeed achieved efficiencies over the previous year.
- 4.23 On the funds available to police forces, we recognise that the increase in funding that individual police forces could receive through an increase in their local police precept will vary. However, the NPCC told us that a 2% pay award would be affordable, and that this was what all police forces had budgeted for, thereby suggesting a level of affordability on a national basis. Apart from the views expressed by the MPS, which took into account their reaction to the non-consolidated award in 2017/18, we heard no evidence that an award higher than 2% could be afforded from existing budgets without further efficiencies being achieved.

# **Economic factors**

4.24 The rate of CPI inflation continues to be above previous pay award levels but is falling and is expected to continue to decrease, towards 2.4%<sup>30</sup>, over the next year. We take into account the wider economy, such as the rising level of pay settlements, and the rising cost of living when considering our recommendations.

# Recruitment and retention

4.25 There do not appear to be any distinct national recruitment and retention issues in relation to the federated and superintending ranks and police officer numbers are stable, albeit slightly lower overall than the previous year.

# Morale and motivation

4.26 Police officer morale and motivation is an area of concern to us. However, the evidence continues to be limited and it is difficult to discern the extent to which pay plays a role in police officer morale and motivation. The PFEW and the PSA surveys demonstrate that the morale of police officers continues to be at a low ebb. We heard anecdotally that officers continued to be motivated by a sense of professional pride but also that pay is seen by officers as a reflection of how government values their service. Pay is a factor in morale and motivation, although it is clearly not the only factor. We highlighted in our last report that there are risks for police forces and for wider society should the motivation and morale of officers weaken.

# Chief police officers

4.27 We have been asked, for the first time, to examine and provide recommendations on chief police officer pay. These officers are the senior leaders in policing and it is important that they are appropriately rewarded, and that the posts attract candidates who are suitably committed, with the right levels of skills, expertise and experience.

<sup>&</sup>lt;sup>30</sup>OBR (March 2018), *Economic and fiscal outlook*. Available at: http://obr.uk/efo/economic-fiscal-outlook-march-2018/. [Accessed on 22 May 2018]

- 4.28 Prior to the start of this pay round, chief police officers had been within the remit of the SSRB. They received a 1% consolidated pay award last year unlike the federated and superintending ranks who received a pay award of 1% consolidated uplift and a time-limited 1% non-consolidated pay award in 2017/18. Despite the difference in the pay award last year, we received little evidence in our process to support any argument that chief police officers should receive a different pay award to the federated or superintending ranks in 2018/19.
- 4.29 However, we did hear a set of distinct concerns that related specifically to the chief police officer ranks. CPOSA felt that chief police officers remained highly motivated to perform at a high level, but they nevertheless drew areas of concern to our attention. In particular, there appears to be a clear problem in attracting significant numbers of applicants for chief police officer roles, especially from applicants outside the particular force advertising the role. This suggests a chief police officer workforce that does not possess a high degree of mobility. We are also conscious that the pool of sufficiently experienced people from which chief police officers have to be recruited is a relatively limited one, which highlights the importance of dealing with disincentives that might inhibit promising candidates from applying.
- 4.30 One of the possible disincentives drawn to our attention related to relocation allowances, which do not appear to be paid on a consistent basis across forces. This approach could hamper mobility within the labour market for current and potential chief police officers. The SSRB highlighted this issue in their last report<sup>31</sup> when looking at chief police officer pay, and we echo the expectations they set out last year that the APCC and the NPCC, supported by the Home Office, work together to determine a standard relocation package.
- 4.31 Many of those who consider applying for chief police officer roles, both existing chief police officers and the superintending ranks, are conscious of the impact a successful promotion would have on their pension. Whilst pensions are not a direct part of our remit, our terms of reference ask us to be mindful of developments in police officer pensions to ensure there is a consistent, strategic and holistic approach to police pay and conditions. The pension issue is most acute for those officers who have full transitional protection, or tapered protection, to remain in the old Police Pension Schemes, and manifests itself in a potential significant tax liability.
- 4.32 It seems possible to us, indeed likely, that the impact that promotion may have on officers financially could be influencing the level of interest they have in moving to senior ranks. If so, this matter could be addressed, and the Home Office should consider providing more flexibility to police officer pension schemes in order to mitigate this issue.
- 4.33 On other factors affecting the propensity to apply for chief police officer posts, we view the lack of applicants, and the declining length of term being spent in a post, as evidence that recruitment and retention is an issue for these ranks. It may well be that some of the factors bearing on this issue do not relate to pay. But if an improvement is not seen, then a pay response may be required in the future. The SSRB highlighted in their 2017 report many of the factors we have referenced and we consider a concerted effort to address these, perhaps as part of a wider review of chief police officer pay and conditions of service, is needed.

<sup>&</sup>lt;sup>31</sup> SSRB (September 2017), Supplement to the Thirty-Ninth Annual Report on Senior Salaries 2017, paragraph 4.25. Available at: https://www.gov.uk/government/publications/senior-salaries-review-body-supplementary-report-2017. [Accessed on 22 May 2018]

4.34 After taking all these factors into account, and *in addition to and following* our previous recommendation (Recommendation 1) relating to the consolidation of the unconsolidated 1% uplift paid for 2017/18, we recommend a consolidated increase of 2% to all pay points for police officers at all ranks, in 2018/19. The cost of this increase in relation to last year's paybill will be around 2%.

<u>Recommendation 2</u>. In addition to and following our previous recommendation (Recommendation 1), we recommend a consolidated increase of 2% to all police officer pay points at all ranks from 1 September 2018.

# Temporary salary linked to chief police officers

4.35 During the course of our review CPOSA drew to our attention a problem with the implementation of police Regulation 27(1) which stated that:

"After 28 consecutive days of being required to perform the duties normally performed by a member of the force of a higher rank than his own, an officer of a substantive rank of or above assistant chief constable will be paid at the rate of 90% of the higher rank's basic pay or receive an honorarium of an amount determined by the police authority."

- 4.36 CPOSA stated that the practical implementation of this Regulation had proved difficult and reported that within a number of police forces the pay calculation had resulted in the pay of those undertaking a temporary promotion from assistant chief constable to deputy chief constable being calculated as lower than their existing level of pay. CPOSA considered that this should be addressed and that those on temporary promotion should receive 100% of the remuneration at the level they were acting to.
- 4.37 The Home Office considered that this issue could be dealt with relatively quickly through the PCF.

# Our comment

4.38 While we appreciate that the implementation of this Regulation appears to have led to an unsatisfactory state of affairs, it is not the role of the Review Body to recommend on the practical application of Regulations. However, to the extent that it is an anomaly, we consider that the parties to our process should be invited to address it.

# Allowances linked to our overall pay recommendation

- 4.39 The Home Office had seen no new evidence from parties to make the case for an increase to Dog Handlers' Allowance or London Weighting in 2018/19. In both cases, the Home Office did not consider the historical link to annual pay increases alone to be a valid reason for uprating the payment. With regard to London Weighting, the Home Office stated that a national review of location-based payments was underway, led by the MPS, and that the Home Office felt unable, until the review had been concluded, to provide a view on whether London Weighting should be linked to annual increases in pay.
- 4.40 The NPCC considered that Dog Handlers' Allowance should be uplifted by 2% and recognised it as an important allowance for those who received it. The APCC supported a 2% uplift to London Weighting and Dog Handlers' Allowance. The PFEW and PSA considered that all allowances should be increased in line with the overall pay uplift.

#### Our comment and recommendation

4.41 In our previous reports, we have recommended uplifts to Dog Handlers' Allowance and London Weighting in line with our recommended uplift to the basic pay award. We consider that those who would argue the opposite case should set out the arguments and evidence to support their position. We have received no evidence to suggest we should depart from the position we have taken previously. Therefore we recommend that both London Weighting and Dog Handlers' Allowance should be uplifted by 2%.

<u>Recommendation 3</u>. We recommend that London Weighting and Dog Handlers' Allowance should be uprated by 2% from 1 September 2018.

# Allowances – general

- 4.42 The PSA considered that superintendents should be able to claim £55 for any 24hour period of on-call performed, and that this should be linked to inflation. 92% of respondents to the PSA survey reported performing an on-call function outside their normal hours of duty. The NPCC stated in their evidence that the On-call Allowance would be considered in spring 2018.
- 4.43 CPOSA raised the issue of the manner in which the salary of a deputy chief constable was set by reference to the salary of the chief constable in the force in which they were based. The roles that deputy chief constables now undertook could cross the boundaries of police forces and cover different geographic areas. In the view of CPOSA, whilst deputy chief constables' pay might vary from force to force, the level of responsibility might not.
- 4.44 CPOSA suggested that the appropriate solution would be to allow chief constables to pay an additional allowance to those deputy chief constables affected that would equate to the difference between the lowest and highest deputy chief constable salary within the police forces that the deputy chief constable was working across. In their view, the allowance should not be too restrictive, as each allowance paid would need to be reflective of individual circumstances.
- 4.45 The NPCC told us that the concept of a possible deputy chief constable allowance was debated at the Chiefs' Council in January 2018, where it had been decided that the NPCC would not make a recommendation on this matter, and instead wait for a more comprehensive analysis as part of the wider benchmarking work in 2018.

# Our comment

4.46 We commented in our previous report that the parties should seek to include the Oncall Allowance as part of a wider review of allowances. This was in response to reports of the frequency, burden and breadth of on-call duties across all ranks having increased. The evidence presented to us by the PSA appears to confirm that this situation continues and the On-call Allowance should remain a priority for review. Allowances should be appropriately constructed, obtain the objective for which they are intended, and align with the wider reward structure. Attention should also be provided to the uneven application of allowances that are available to be awarded to chief police officers by PCCs.

# London and South East package

4.47 The MPS have indicated again this year their desire to reform the suite of London allowances and that they had slowed this work to ensure it fitted with the wider pay reform work being undertaken by the NPCC.

- 4.48 The MPS proposed raising London Allowance 2 to £5,550. In their view a fundamental review of London allowances was overdue (total value £6,735 comprising London Weighting (£2,397), London Allowance 1 (£1,011) and London Allowance 2 (£3,327)). The allowances cost the MPS around £191.2 million per annum. They felt there was no mechanism other than the Review Body which could routinely review the amounts. The MPS intended to raise the matter in its next submission to the PRRB.
- 4.49 However, the MPS considered that there was an operationally compelling case to provide an option for them to increase London Allowance 2 by up to 33%. The rationale for this was the need to safeguard operational delivery against the challenge of a growing number of transferees, and to provide the MPS with the flexibility to be able to target any increase that was provided. The MPS compared this to the flexibility that had previously been provided to police forces in the South East.
- 4.50 The NPCC was concerned that an increase in London Allowance 2, as proposed by the MPS, had the potential to destabilise the police market between the MPS and the surrounding forces. The NPCC noted that, following the South East Allowance increase in 2016, three forces had taken advantage of the ability to increase payments, but that this flexibility had been funded from existing budgets.
- 4.51 The PFEW and the PSA understood the concern of the MPS and recognised the need for all allowances to operate in a structured and logical manner. The PFEW and the PSA suggested that more work was needed in relation to the MPS request and that this work should also cover London Weighting and the South East Allowances.

# Our comment

- 4.52 The MPS have identified a problem that they are facing and have presented us with a solution at the same time. We are sympathetic to the case that the MPS has made; however, we would require more evidence that the proposed change would be effective.
- 4.53 We accept the argument that, if the MPS proposal were to be implemented as it was outlined to us, it would cause difficulties for neighbouring police forces. More generally we cannot see why the problems the MPS are facing could not be addressed by the implementation of the hard to fill payment proposal that we recommended in last year's report.

# Payments for hard to fill roles and superintending ranks

- 4.54 The Home Office asked the Review Body to provide views on final proposals to address specific recruitment and retention pressures around internal recruitment, particularly in relation to specialist roles. In their view, any proposal should take into account the elements described in our last report, and chief constables and PCCs should also ensure that payments were affordable within existing budgets where forces chose to use them. The Home Office felt it was clear that the issues varied widely across forces, even for a single role, and that therefore there was unlikely to be a single solution. The Home Office added that they had not seen any strong evidence suggesting that pay was the primary factor behind the issue of hard to fill posts, and it emphasised the importance of culture and leadership in tackling problems. The Home Office were encouraged to see that some forces were already starting to employ different strategies to address the problem, and were interested to see how these progressed.
- 4.55 The Home Office were also supportive of the introduction of an allowance for certain superintending roles, subject to it adhering to the guidelines the Review Body had suggested in its last report, and that it should be discussed with partners through the PCF.

- 4.56 The NPCC viewed the hard to fill payments, as recommended by the PRRB in 2017, as sufficient to deal with any immediate issues that forces would face. The NPCC further noted that police forces continued to face different pressures in terms of recruitment and retention. The temporary flexibility around these payments, although not yet implemented, would enable specific targeting where financial issues were a factor. However, we noted that the NPCC work on developing proposals to address hard to fill posts and additional payments for the superintending ranks, following the Review Body recommendation, has not yet been completed. The NPCC said that work on developing these new payments would resume in February 2018 but did not provide any firm proposals for consideration in this pay round.
- 4.57 The MPS believed that the problems associated with hard to fill roles persisted, and urgent work was required to conclude this work so that the required flexibility could be implemented. The APCC commented that it was looking forward to continuing to play a part with other consultees in development and consideration of these proposals.
- 4.58 In the absence of any firm proposals, the PFEW and the PSA did not feel that they could comment on this matter, and considered that the PRRB should not recommend any targeting in this round. The PFEW said that a majority of respondents to one of its surveys had indicated that they would not be ready to contemplate doing any roles classified as hard to fill. Conversely, the proportion of respondents who said that they wanted to do each hard to fill role exceeded the proportion of the workforce currently undertaking each role.
- 4.59 The PSA considered that when agreement was reached on the methodology for applying payments for the superintending ranks, these payments should be backdated to September 2017. In its view, the process being applied to produce an agreed outcome was not being applied with sufficient urgency. The PSA's view was that the NPCC and APCC should work to implement the PRRB recommendation, rather than continue to consult on the merits of implementing it.

# Our comment

- 4.60 In the last pay round, the Home Office asked that we consider evidence and proposals to provide more flexibility to address specific, evidenced, short-term recruitment and retention pressures. The NPCC proposed, through their evidence, to address this by providing chief officers the flexibility to award short-term payments using the current bonus payment framework to roles experiencing specific recruitment and retention issues. We considered in our report last year that we received sufficient evidence that such hard to fill roles existed, and that there was an operational need to act. We were also convinced by the evidence provided to us that there was a consistent case to differentiate rewards in a similar manner at targeted superintending roles.
- 4.61 Therefore we recommended 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. We also recommended that this measure be time-limited (so that its requirement can be reassessed as pay reforms are designed) and end in September 2020.
- 4.62 This year, we were asked to provide our view on the NPCC proposal relating to hard to fill posts which had been developed since our previous report. However, as no proposal has been presented to us, we are unable to provide any further views. However, we note that this flexibility was requested of us to address operational needs in 2017/18, and that the NPCC evidence is clear that these shortages in specific roles continue to remain in many police forces, and we assume that they continue to create an operational issue for those police forces. We also note that a proposal to develop these payments

for superintending ranks has not been implemented either. These matters must be addressed with more urgency and a proposal that police forces can implement should be developed and agreed with more pace.

4.63 Last year, our recommendation was that these payments for hard to fill roles and superintending ranks should be time limited to coincide with the conclusion of workforce and pay reform in 2020. Given our comments through this report about the limited progress on this work, it seems to us questionable whether the 2020 end date can still be achieved. If sufficient progress is not achieved regarding workforce and pay reforms by the time we come to work on the 2019/20 pay round, we would wish to look at the proposal again, and consider whether it remains a sensible approach.

# CHAPTER 5 – FORWARD LOOK

# Introduction

- 5.1 We have been conscious, in this report as in a number of our previous reports, that the evidence base which supports our process is neither as extensive or comprehensive as it might be. In this chapter we aim to offer the evidence-giving parties some pointers on what are likely to be our areas of continuing interest in future pay rounds.
- 5.2 This year was the first year since the PRRB was established where there has been a change in emphasis in the Government's public sector pay policy. It will be for the Government to determine its pay policy for the next pay round. If there is to be a continuation of a flexible policy, it will be important that all parties presenting evidence in next year's round are clear on what pay proposals they are suggesting, and that they support these with the appropriate evidence base.
- 5.3 There are also matters which have been raised with us that fall outside of our standing terms of reference. The Review Body is a part of the mechanisms and groups that are in place to address issues relating to pay, reward and workforce matters for police officers, but there are other bodies, such as the PCF, with an interest in closely-related matters. We have an interest in seeing these processes operating efficiently. This means that, where appropriate, we make observations in our reports on matters which do not touch directly on pay but which are clearly relevant to the factors we are considering.

# Environment for the 2018/19 pay round

- 5.4 The PSA raised concerns through their evidence at the process by which matters are taken forward through arenas such as the PCF for consideration and how the content of our remit letters is decided. The PSA also asked us to look at several matters which technically fell outside our remit and which we were unable to pursue as a result.
- 5.5 It is not clear to us if the extent of the PRRB's remit, and the interaction of its work with that of other deliberative bodies in this area, is fully understood by all the parties concerned. It is of course for the Home Office to consider the shape and content of any remit letter to us. But we would suggest that in the process of drawing up the remit letter they give due consideration to the way in which the other evidence-giving parties are consulted, whether formally or informally. The benefits ought to be greater clarity for the Home Office in ensuring that they have taken due account of all the factors potentially relevant to the remit, and for the other parties to have the assurance of knowing their legitimate concerns will be addressed through whatever are the most appropriate channels. This may also act as an opportunity for the Home Office to clarify expectations and understanding with its own stakeholders on the designated roles of the various bodies, such as the PCF. We recognise the value of the PCF in delivering outcomes and resolving issues in relation to pay, reward and workforce matters and hope that our parties recognise this also.

# Evidence and data gaps

5.6 We appreciate the parties' continuing efforts to improve the evidence base and the additional information that has been provided this pay round in response to the requests in our last report. We are aware of efforts to improve the police workforce statistics that are collected and published by the Home Office. Our secretariat is present on the working group alongside representatives from our parties, among others. We recognise this as a long-term project, and we look forward to seeing a progressive improvement in the quality of the data in this area.

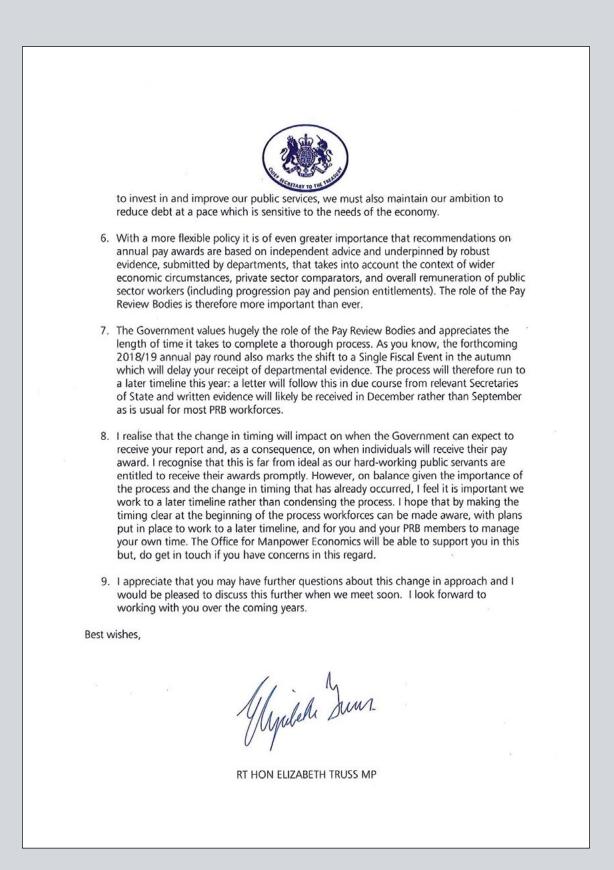
- 5.7 We have commented in our report on the following specific areas:
  - The need for detailed evidence on recruitment and retention rates by factors, specifically data relating to the origin and destination for joiners and leavers, and parties' assessments across all ranks; (Paragraph 3.104)
  - A fuller picture of shortage groups across all police forces; (Paragraph 3.108) and
  - Evidence relating to the morale and motivation of officers on a national basis. (Paragraph 3.115)
- 5.8 We were asked this year to look at the pay of chief police officers which is not part of our standing terms of reference. It is for the Home Secretary to decide whether to continue formally to include chief police officers in our remit and to make the necessary arrangements if they are to become a permanent addition to our standing terms of reference. However, irrespective of which review body looks at the position of chief police officers, it would be helpful for there to be better data on this small group. The currently available data is aggregated from information supplied by individual forces. Chief police officers moving from one force to another appear in the figures as joiners for one force and leavers for another. SSRB previously highlighted that the data in relation to chief police officer ranks is not collected or presented in a manner that supported their deliberations. We also found this to be the case and would ask that this data is improved upon in future.

# Conclusion

- 5.9 There is a high risk that workforce and pay reform will not be delivered unless there is a commitment to provide more resources to deliver this work. Over the next year, the work needs to reach the stage where, if there is progress, it is visible.
- 5.10 If this cannot be achieved, we suggest that the Home Office and the decision-making bodies within policing focus on the aspects of the workforce or pay reforms that will offer the most benefit, and ensure that they are prioritised. From our activity in this pay round, two areas we have identified as of concern are the creation of a full description of the intended entry routes into policing, including apprentices and graduates, and a review of chief police officer pay and conditions of service. We consider that these areas have become sufficiently urgent to merit being early priorities.

# APPENDIX A – CHIEF SECRETARY TO THE TREASURY'S LETTER

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	HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ	
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2-6 Salisbury House EC4Y 8JX		
	21 September 2017	
Dear	David,	
	PUBLIC SECTOR PAY 2018 -19	
1.	Thank you for your work on the 2017/18 pay round. The Pay Review Bodies continue to play an invaluable role in making independent, evidence-based recommendations on public sector pay awards. I am extremely grateful to you and your colleagues for your considered work. This letter sets out the Treasury's overarching approach for the 2018/19 pay round.	
2.	Our public-sector workers are among the most extraordinarily talented and hardworking people in our society. They, like everyone else, deserve to have fulfilling jobs that are fairly rewarded. The Government takes a balanced approach to public spending, dealing with our debts to keep our economy strong, while also making sure we invest in our public services.	
3.	The Government will continue to ensure that the overall package for public sector workers is fair to them and ensures that we can deliver world class public services while also being affordable within the public finances and fair to taxpayers as a whole.	
4.	The last Spending Review budgeted for a 1% average increase in basic pay and progression pay awards for specific work forces, and there will still be a need for pay discipline over the coming years, to ensure the affordability of the public services and the sustainability of public sector employment. However, the Government recognises that in some parts of the public sector, particularly in areas of skill shortage, more flexibility may be required to deliver world class public services including in return for improvements to public sector productivity.	
5.	As the Office for Budget Responsibility's Fiscal risks report published on 13 July reminds us, at nearly 90 per cent of GDP, our public debt is still too high. So, while continuing	
	1	



# APPENDIX B – HOME SECRETARY'S REMIT LETTER



For this pay round, I see PRRB continuing to play a key role in reviewing the next stage of NPCC's plans for a new reward structure work and providing observations on the first tranche of proposals put forward by NPCC, who will provide the bulk of the evidence this year.

In light of this, I refer to the PRRB the following matters for recommendation for 2018/19:

1. how to apply the pay award for 2018/19 for police officers of all ranks, including chief officers, in accordance with the Chief Secretary's letter and in the context of how it will support overarching NPCC proposals and timetable for a new pay structure; 2. NPCC proposals for police officer apprenticeship pay, which will need to be considered outside of the usual reporting timetable - as you are aware, apprenticeships will be introduced in forces next year and we are expecting sector agreement on linked pay proposals early in the New Year. NPCC have committed to circulate proposals to partners in good time so that you are able to consider them alongside the main body of written evidence. To allow adequate time for consultation before any changes are applied, it will be important to obtain PRRB's observations by the end of April 2018 in advance of your main report; 3. to review final NPCC proposals for time-limited, targeted payments to address specific recruitment and retention pressures; and 4. to provide observations on NPCC reform proposals, including the timetable. As in previous years, in considering the appropriate level of pay for police officers I would ask you to have regard to the standing terms of reference as set out in previous remit letters and to consider each matter for recommendation in the context of future reform plans. Thank you for your continued hard work in this important area and I look forward to receiving your recommendations no later than 31 May 2018. Juhr and The Rt Hon Amber Rudd MP

# APPENDIX C – PRRB LETTER TO HOME SECRETARY REGARDING APPRENTICE PAY

FLEETBANK HOUSE 8<sup>TH</sup> FLOOR 2-6 SALISBURY SQUARE I ONDON EC4Y 8JX Office of Manpower Telephone E-mail Website Economics www.gov.uk/ome 30 April 2018 Rt. Hon. Sajid Javid MP Home Secretary Home Office 2 Marsham Street London SW1P 4DF Sear Home Secretary, Recommendations on police officer apprenticeship pay The Police Remuneration Review Body (PRRB) provides evidence-1. based, independent recommendations to yourself, as Home Secretary, on pay and other matters for police officers in England and Wales. In doing so, we have regard to our standing terms of reference and any other specific issues as referred to us by the Home Secretary. 2. In the remit letter we received of 7 December 2017 from your predecessor, we were asked to consider the National Police Chiefs' Council (NPCC) proposals for police officer apprenticeship pay, and to provide a response ahead of submission of our main 2018 Report, which you will receive before the end of May 2018. 3. In the Annex attached to this letter we summarise the proposal received from the NPCC, the key views of others submitted in evidence, and our commentary and recommendation in response. We expect to submit the main report in accordance with the timetable in the remit letter and intend to append this letter, our response, to that report. 4. When we received the remit, we were expecting to see from the NPCC a more developed set of proposals than we were actually given. The material we have seen is only a first stage. It leaves many questions unanswered which hinders our ability to offer a fully considered analysis. Further work needs to be done to demonstrate how the arrangements for apprentices will

sit alongside parallel plans, still in development, for a graduate-only police service.

5. We understand the police service is looking to implement three specific entry routes in the future: graduates in policing, graduates with non-policing degrees, and apprentices. We have not seen thinking on how these entry routes will fit together or when they will be delivered. To be able to make a developed recommendation, we need to see how these differing entrance routes will converge, and understand and have confidence regarding the timing of when they will be introduced and other entry routes phased out.

6. We can understand why the police service wishes to introduce an apprenticeship scheme now. On the basis that police forces intend to recruit apprentice constables as early as September 2018, we recognise the need for salary arrangements to be in place when they take up the role. We note that while the current entry routes for police constables continue to exist, there is a possibility of police forces having police constables on their workforce who are at the same point in their career, but who came in through different entry routes, and hence are on different salaries.

7. We recognise the argument that being able to obtain a degree without the associated cost offers a significant benefit to an individual. We accept that this means there might be a trade-off in terms of the way that apprentices are paid in the early stages of their career, compared to constables entering through other routes. We accept the argument that it is easier to increase an initial salary level if it is too low, than to decrease it if it is too high.

8. We do however feel it is important that those apprentices who will now enter policing should have some clarity about what their pay will be and that, accordingly, if the NPCC decides to amend the arrangements in the future, such altered arrangements should apply only to apprentices who are appointed after that point in time, and not retrospectively.

9. We therefore recommend, subject to further review in the next pay round, police forces should appoint apprentice constables on a starting salary of between £18,000 and pay point 1 (currently £23,124), with the understandings that:

- a. individual forces are able to choose to use a starting salary between £18,000 and pay point 1;
- b. the pay expectations of apprentices will not be undermined by later changes to the arrangements; and
- c. that the NPCC will develop the apprentice pay and career progression.

10. We believe our recommendations represent a sensible starting point and look forward to receiving more mature proposals for the next pay round. 11. We also recommend that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, the apprentice constable should move to the next paypoint on the existing police constable payscale, which would be paypoint 1 or 2 depending where on the pay scale the apprentice was appointed.

12. We have set out more detailed reasoning in the Annex.

Yours sincerely

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David Lebrecht PRRB Chair on behalf of the Police Remuneration Review Body

#### ANNEX

#### Response to NPCC proposals for apprentice constable pay

#### Process

1. We had expected the NPCC to share with the other parties their apprentice pay proposals in advance of the deadline for submission of written evidence for this pay round. This did not happen and the NPCC provided their proposals as part of their written evidence. We did however have the benefit of views from other stakeholders on the general proposition for an £18,000 starting figure, and we were able to take these into account in our deliberations.

#### Commentary from our previous report

2. At the time of our 2017 report the curriculum for apprentice police constables had yet to be developed, and the implications for pay arrangements were unclear. We set out our expectations as to the evidence and data we would need in order to consider pay arrangements for apprentices. We also noted in the same report that the implementation of the Policing Education Qualifications Framework (PEQF) was planned by 2020 and saw three future routes to a degree-level profession. This, in our view, raised significant implications for the police workforce and their pay arrangements. As a consequence, we said that appropriate comparisons would be required with the graduate labour market and with graduate pay levels, as well as early pay progression and links to other pay developments, to position policing against the market.

3. For the longer term we considered that more systematic workforce planning was required. We also felt an assessment was needed of how apprenticeships would change the recruitment landscape for policing, including links with traditional recruitment routes and the range of other recruitment initiatives.

#### NPCC proposal

4. The NPCC's proposal recommended local flexibility on apprentice pay, which they felt could be achieved by providing a lower starting rate for apprentice constables. This could be achieved by reducing the existing pay point 0 (currently £19,971) to £18,000. In their view it would enable individual police forces to set their apprentice constable starting pay based on local market factors (up to the value of pay point 1 – currently £23,124) and in line with current market comparisons for higher level apprenticeships.

5. In the NPCC's view, it would be easier to increase the starting salary if it was found to be too low than to reduce it in the event it was found to be too high. The NPCC also noted that individual apprentice constables would receive regional allowances in addition to base pay where appropriate.

6. In developing this proposal, the NPCC surveyed forces on their views about starting apprentice constable salaries. Of the eleven forces which responded, one said they would pay apprentice constables at pay point 1; seven said they would pay at the current pay point 0; and two wanted to pay below the current pay point 0. The NPCC considered these responses demonstrated that there was no one right answer as to the level at which apprentices should be paid, and the use of a banding would allow individual forces to make decisions locally on the appropriate rate of pay.

7. The NPCC said they wished to reflect the wider market for higher level apprentices in their starting salary proposal. The data they obtained suggested that there was a median starting salary of c.£16,000 for higher level apprentices and an upper quartile of £18,625, but the NPCC acknowledged that higher level apprenticeships were an emerging market.

8. Under the NPCC proposal the £18,000 pay rate would apply for the first year of the police constable apprenticeship. The NPCC suggested that a new apprentice-only pay scale could be introduced in 2019, with further progression points for apprentice constables. Upon completion of their qualification, apprentice constables would then join the police constable pay scale, which would also be used in the future by graduate entrants. The NPCC emphasised that at this stage they were not proposing values of future pay points for apprentice constables, but they nonetheless recommended that apprentices remained on their starting salary for the first twelve months before moving to the next pay point.

9. The Equality Impact Analysis that the College of Policing (CoP) had undertaken on police constable entry routes, including apprenticeships, highlighted potential impacts on individuals with protected characteristics and included a mitigation plan which would attempt to address these potential issues.

#### Views of our parties

10. The Metropolitan Police Service (MPS) told us in their oral evidence session that they would look to recruit apprentice constables at £18,000, if that was permitted. The MPS took the view that with the addition of London Allowances, the earnings of an apprentice constable in their first year in their force would start at £24,735.

11. The staff associations had not benefited from detailed sight of the NPCC proposals, but were able to offer views on the proposed figure of £18,000. They believed that a starting salary at this level would cause hardship, and would represent a further erosion in the starting pay of constables at a time when police officers were being asked to take on more complex tasks and a greater workload. The staff associations felt that apprentices should be offered a starting salary within the existing police constable payscales, and without lowering the current pay spines. This would allow for a progression route comparable with alternative entry routes for police constables.

12. The staff associations considered that the method, by which the NPCC had arrived at a starting figure, was flawed, because it included lower level apprenticeships, and did not consider an appropriate external benchmarking group. The method was also said to have failed to take into account internal relativities, and the proposed outcome would create issues regarding distributive justice. The staff associations highlighted the Income Data Research Graduate Survey and its finding of a median graduate recruitment (starting) salary of £27,000.

13. According to the associations the appropriate test should be whether incumbents in the role of constable were doing a similar level of work, and the best point in time to judge this was when an officer is sworn in as a constable.

14. The staff associations noted that graduates entering through the traditional degree route would not repay their loans until such time as they were deemed to earn enough, so that their repayments effectively became a deferred tax. The associations viewed the NPCC proposal as seeking to reduce salary in return for the degree. They thought that if the starting salary were set too low for an officer to live on, this approach would not be workable. They also considered that an unduly low starting pay level would make an apprenticeship attractive only to young recruits. In their view, maturity and the development of life skills were essential in policing.

15. The staff associations observed that if the ethnic or gender profile of apprentice constables differed from that of officers coming through other entry routes, and if those apprentices were also being paid less for undertaking the same work, this might constitute indirect discrimination.

16. The staff associations suggested as an alternative that the apprentice constables might be placed on existing police constable payscales, but that there should be a minimum stay within policing for apprentices, and that they should be asked to repay some of their degree funding if they left the profession earlier than the minimum stay.

#### **Discussion and observations**

17. The intention of the NPCC (as reported through their evidence) was that the apprentice constable entry route would align with future routes for graduate entrants under the PEQF. These graduate entry routes have yet to be fully designed and implemented and could still change.

18. While the current entry routes for police constables continue to exist, there is a possibility of police forces having police constables on their workforce who are at the same point in their career, but who came in through different entry routes, and hence are on different salaries. We were unable to distinguish what might be the differences in roles, responsibilities and expectations of constables appointed through these different routes.

19. We recognise the argument that those officers who complete the apprenticeship would receive a degree, and that they would receive it without having to pay the tuition fees or without the associated debt that will face many graduates. To that extent the apprentice might be said to enjoy a benefit which will not be available to other entrants.

20. It is not clear to us how, under the proposal we received, the pay of apprentice constables would progress after the first year. We note that they would stay on their initial pay level for a full year, which would be longer than police constables who enter via non-apprenticeship routes. However, this does mean that after twelve months all apprentice constables would normally have reached <u>at least</u> paypoint 1. We considered whether the possible lower starting rate and the slower progression might represent some form of trade-off for the opportunity to obtain a degree. We are prepared to accept that the argument may have some validity, at least in these early stages when the arrangements for non-apprentice entrants still need to be clarified.

21. We are conscious of the opportunity of recognising the performance and competency of the apprentice constable when their pay progresses. The pay progression should, in our view, be linked to the satisfactory completion of the first year of their apprenticeship. This would also broadly align with the achievement of Independent Patrol Status (IPS) by an apprentice constable. Achieving IPS is a requirement prior to moving into the second year of their apprenticeship which we understand would be achieved towards the conclusion of their first year. We consider this would be an appropriate point for apprentice constables' pay to progress.

22. We have also had regard to the difficulties in establishing suitable market rates in these early stages of the apprenticeship initiative. We accept the argument that it is easier to increase a salary level if it is too low, than decrease it if it is too high. And we note that police forces can take into account the experience of recruits when placing them on the police payscale

(between the bottom of the payscale and paypoint 1), which means that more experienced candidates could be recognised and rewarded accordingly. We support this flexibility and believe it should continue to be available to police forces when appointing apprentice constables.

23. Any change to paypoint 0 in the Regulations would have implications for the starting salary of constables recruited through the existing entry routes, potentially allowing entrants through existing constable entry routes to be paid at a lower rate than the existing minimum at paypoint 0. This would be an inappropriate change. We believe the paypoint 0 should continue at its current rate as the minimum for all constable recruits (apart from apprentice constable recruits).

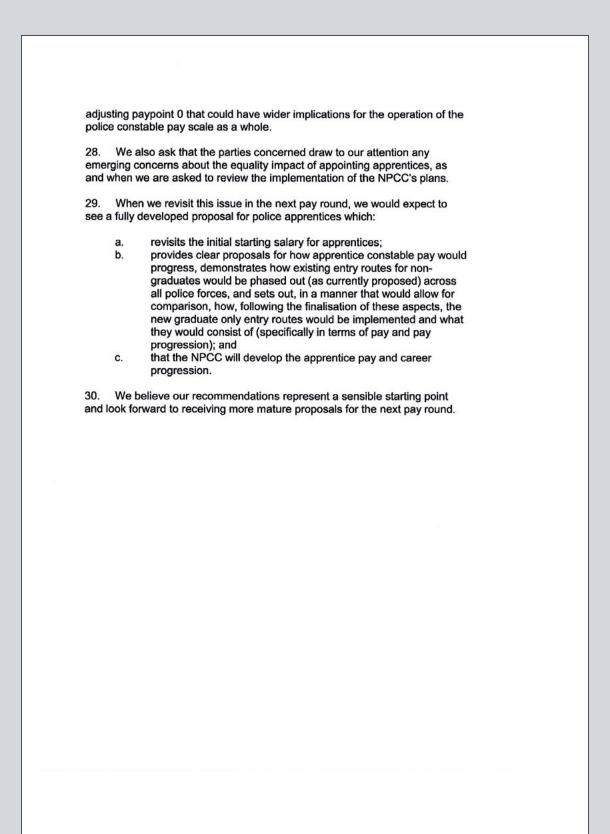
24. In reaching our conclusion on this point we noted that the CoP and the staff associations both mentioned the possibility of the starting rate having impact on the age profile of applicants, and suggested that this aspect, alongside those of other characteristics, should be monitored. We agree it will be important that the NPCC, CoP or individual forces duly monitor this as appropriate.

#### Our recommendations

25. Given the various uncertainties set out above, and the lack of a fully worked-up proposal for the pay and progression of apprentice constables, we feel we should limit ourselves for the time being to making time-limited recommendations, and propose we review the matter again in the next pay round, including the question of whether it is reasonable to continue to adjust apprentice starting pay to reflect the benefit of receiving a degree.

26. We consider that when appointed, an apprentice constable should be clear on how their pay will progress through their apprenticeship and beyond. Therefore, any appointees must receive the pay, and the pay progression, that they expect upon appointment and should not suffer detrimental changes to this prior to the end of their apprenticeship. On this basis we recommend that, subject to further review in the next pay round, police forces should appoint apprentice constables on a starting salary of between £18,000 and pay point 1 (currently £23,124). We also recommend that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, the apprentice constable should move to the next paypoint on the existing police constable payscale, which would be paypoint 1 or 2 depending where on the pay scale the apprentice was appointed.

27. In putting into practice this recommendation, we suggest that appropriate care should be taken in drafting the changes to the associated police Regulations, to ensure there are no unintended outcomes in terms of



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

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

The Home Office	https://www.gov.uk/government/publications/home-office- evidence-to-the-police-remuneration-review-body-2018- to-2019
National Police Chiefs' Council	http://www.npcc.police.uk/Publication/2Submission%20 2018%20080218.pdf
Metropolitan Police Service	http://news.met.police.uk/news/submission-made-to-the- police-remuneration-review-body-prrb-294959
Association of Police and Crime Commissioners	http://www.apccs.police.uk/wp-content/uploads/2016/11/ APCC-PRRB-Submission-1819.pdf
Joint submission from the Police Federation of England and Wales, and the Police Superintendents' Association	http://www.polfed.org/documents/PRRB%20submission%20 on%20behalf%20of%20the%20PFEW%20and%20PSA%20 5th%20Feb%202018%20v1.0.pdf
Joint submission from the Police Superintendents' Association and Superintendents' Association of Northern Ireland	http://www.policesupers.com/wp-content/uploads/2018/02/ PSA-PRRB-Submission-Feb-2017-FINAL.pdf
Chief Police Officers' Staff Association	https://cposa.uk/

## APPENDIX E – RECOMMENDED CHANGES TO POLICE OFFICER PAY SCALES AND ALLOWANCES FROM 1 SEPTEMBER 2018

## Salary scales

The salary scales in effect from 1 September 2017 are set out below along with our recommendations for effect from 1 September 2018.

Rank	Pay point	With effect from 1 September 2017	Recommended for effect from 1 September 2018	Notes
Constable	0	£19,971	£20,574	a,b
(appointed on or	1	£23,124	£23,823	с
after 1 April 2013)	2	£24,171	£24,903	d
	3	£25,224	£25,986	
	4	£26,277	£27,072	e
	5	£28,380	£29,238	
	6	£32,616	£33,603	
	7	£38,382	£39,540	
Constable	On commencing service	£24,447	£25,185	
(appointed before	On completion of initial training	£27,285	£28,110	
1 April 2013)	2	£28,869	£29,739	f
	3	£30,633	£31,557	
	4	£31,596	£32,550	e
	5	£32,616	£33,603	
	6	£35,478	£36,549	
	7	£38,382	£39,540	
Sergeant	1	£39,693	£40,890	
	2	£41,025	£42,264	
	3	£41,901	£43,167	
	4	£43,134	£44,436	

Rank	Pay point	With effect from 1 September 2017	Recommended for effect from 1 September 2018	Notes
Inspector	0	£49,176	£50,661	
	1	£50,562	£52,089	
	2	£51,948	£53,517	
	3	£53,340	£54,951	
Inspector (London)	0	£51,330	£52,881	
	1	£52,722	£54,315	
	2	£54,117	£55,749	
	3	£55,512	£57,189	
Chief Inspector	1	£54,432	£56,076	g
	2	£55,524	£57,201	
	3	£56,670	£58,383	
	In post 31 August 1994	£57,597	£59,337	
Chief Inspector	1	£56,601	£58,311	g
(London)	2	£57,690	£59,430	
	3	£58,833	£60,609	
	In post 31 August 1994	£59,751	£61,554	
Superintendent	1	£65,478	£67,455	
(promoted to rank on or after	2	£68,898	£70,980	
1 April 2014)	3	£72,498	£74,688	
	4	£77,340	£79,677	
Superintendent	1	£65,478	£67,455	
(promoted to rank	2	£68,178	£70,236	
before 1 April 2014)	3	£70,878	£73,017	
	4	£73,584	£75,804	
	5	£76,287	£78,591	
Chief	1	£81,156	£83,607	
Superintendent	2	£83,901	£86,436	
	3	£85,614	£88,197	

#### Notes:

- a. Entry point for an officer appointed in the rank of constable, unless either of subparagraphs (i) or (ii) applies:
  - (i) The chief officer of police may, after consultation with the local policing body, assign any officer to pay point 1 on the basis of local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in subparagraph (ii) of this note; and
  - (ii) The chief officer of police shall assign to pay point 1 any officer who:
    - 1. Possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
    - 2. Was, prior to appointment, serving as a special constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;
    - 3. Was, prior to appointment, serving as a police community support officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- b. The salary paid to an officer at pay point 0 shall be between £20,574 and £23,823 as determined by the chief officer of police, after consultation with the local policing body, based on local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of note (a) above.
- c. On completion of initial training, an officer who entered at pay point 0 will move to pay point 1.
- d. All officers will move to pay point 2 after 12 months at pay point 1 and progression will continue to be at a rate of one pay point per 12 months of service thereafter with the exception of pay point 4 which is subject to note (e) below.
- e. With effect from 1 January 2017, officers at pay point 3 will only progress to pay point 4 if they have at least 12 months' reckonable service at pay point 3 and have successfully completed a Foundation Level ARC assessment, or re-assessment.
- f. All officers move to this salary point on completion of two years' service as a constable.
- g. Entry point for an officer appointed to the rank, unless the chief officer of police assigns the officer to a higher point.

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

## Allowances

The implemented revised values of allowances from 1 September 2018 are set out below:

London Weighting	£2,445
Dog Handlers' Allowance	£2,283

The values of all other allowances and payments remain unchanged.

# APPENDIX F – CHIEF POLICE OFFICER RANKS IN ENGLAND AND WALES 2018

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

# APPENDIX G – RECOMMENDED CHANGES TO CHIEF POLICE OFFICER PAY STRUCTURE FROM 1 SEPTEMBER 2018

Force		Chief Constable Salary 2017	Chief Constable Salary 2018	Deputy Chief Constable Salary 2017	Deputy Chief Constable Salary 2018
Weighting	Forces	Salary 2017 (£)	(£)	(£)	Salary 2018 (£)
meighting	West Midlands	(2)	(2)	(2)	(2)
10.0	Greater Manchester	190,710	194,523	146,217	149,142
8.0	West Yorkshire	177,999	181,560	142,401	145,248
6.5	Thames Valley	168,465	171,834	138,984	141,765
	Merseyside		,		
6.0	Northumbria	165,279	168,585	136,362	139,089
5.5	Hampshire	162,099	165,342	133,737	136,413
	Kent		,	,	
	Lancashire				
5.0	Devon & Cornwall	158,928	162,108	131,112	133,734
	South Yorkshire Essex Avon & Somerset Sussex				
4.5	South Wales	155,754	158,868	128,496	131,067
3.5	Nottinghamshire	149,394	152,382	123,249	125,715
	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire				
3.0	Derbyshire	146,217	149,142	120,624	123,036
2.5	Surrey Norfolk	143,034	145,896	118,005	120,366
	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire				
2.0	Bedfordshire	139,890	142,689	115,383	117,690
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	136,677	139,410	114,429	116,718
		130,077	137,710	111,727	110,710

Force	Salary 2017 (£)	Salary 2018 (£)
Metropolitan Police Service		
Commissioner	273,354	278,820
Deputy Commissioner	225,675	230,190
Assistant Commissioner	190,710	194,523
Deputy Assistant Commissioner	146,217	149,142
City of London		
Commissioner	169,110	172,491
Assistant Commissioner	139,482	142,272

Assistant Chief Constables and Commanders in England and Wales Salaries (£) (annual incremental pay points)		
98,538	100,509	
104,889	106,986	
111,249	113,475	

Pay progression is awarded on the basis of satisfactory performance.

## APPENDIX H – OVERVIEW OF ALLOWANCES AND BENEFITS IN KIND RECEIVED BY CHIEF POLICE OFFICERS IN 2017/18

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

## National

- *Relocation and removal expenses*: PCCs and chief constables 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 Allowances: police officers in the Metropolitan and City of London areas receive a pensionable London Weighting and non-pensionable London Allowances.
- *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.

# **APPENDIX I – PREVIOUS PRRB REPORTS**

## 2017 Report

We submitted our 2017 Report on 19 May 2017 and the Government responded to the recommendations on 12 September 2017<sup>32</sup>. The recommendations were as follows:

Our 2017/18 recommendations (from 1 September 2017)

- A consolidated increase of 2% to all pay points for federated and superintending ranks.
- A 2% increase to London Weighting and Dog Handlers' Allowance.
- 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, NPCC and CoP should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.

## **Previous recommendations**

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

Report	Recommendation	Government response
1st (2015)	A consolidated increase of 1% to all pay points for federated and superintending ranks	Accepted
	A 1% increase to London Weighting and Dog Handlers' Allowance	Accepted
	The London inspecting lead retained for now	Accepted
2nd (2016)	A consolidated increase of 1% to all pay points for federated and superintending ranks	Accepted
	A 1% increase to London Weighting and Dog Handlers' Allowance	Accepted
	The maxima for South East Allowances to be increased to £2,000 and £3,000 respectively	Accepted
	Motor Vehicle Allowances mileage rates for federated and superintending ranks should be the prevailing HMRC rates for essential and casual users. The current structure and values for the essential users' lump sums should remain	Accepted

<sup>&</sup>lt;sup>32</sup> House of Commons (September 2017), Public services, written statement – HCWS127. Available at: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/ Commons/2017-09-12/HCWS127/. [Accessed on 22 May 2018]

Report	Recommendation	Government response
	A consolidated increase of 2% to all pay points for federated and superintending ranks	Increased consolidated pay by 1% and, for 2017/18 only, provided a 1% non-consolidated pay award
	London Weighting and Dog Handlers' Allowance to be uprated by 2%	Increased London Weighting and Dog Handlers' Allowance by 1%
	The introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard to fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020	The Home Secretary welcomed this recommendation
	In order to support our consideration of pay and reward, the Home Office, NPCC and CoP should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.	The Home Secretary looked to the CoP and the NPCC to take forward this work

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