



Prison Service  
Pay Review Body

# Prison Service Pay Review Body

Seventeenth Report on  
England and Wales 2018

*Chair:* Dr Peter Knight CBE



# **Prison Service Pay Review Body**

**Seventeenth Report**

on

**England and Wales**

**2018**

*Chair:* Dr Peter Knight CBE

**Presented to Parliament by the  
Prime Minister and the Lord Chancellor and Secretary of State  
for Justice by Command of Her Majesty  
July 2018**



© Crown copyright 2018

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](http://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/government/publications](http://www.gov.uk/government/publications)

Any enquiries regarding this publication should be sent to us at:  
Office of Manpower Economics  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

ISBN 978-1-5286-0599-1

CCS0618944474 07/18

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

The membership of the  
**Prison Service Pay Review Body**

is

Dr Peter Knight CBE (*Chair*)

Mary Carter (from 3 April 2018)

Nicholas Caton

Luke Corkill (from 3 April 2018)

Professor Andrew Dickerson

Peter Maddison QPM (until 28 February 2018)

Leslie Manasseh MBE

Paul West QPM

The secretariat is provided by the  
Office of Manpower Economics

---

## Contents

		Paragraph	Page
	<i>Glossary of Terms</i>		vii
	<i>Her Majesty's Prison and Probation Service (HMPPS) in England and Wales and our remit group</i>		viii
	<i>Prison Service Pay Review Body 2018 Report on England and Wales – Summary</i>		ix
<b>Chapter 1:</b>	<b>Introduction</b>		<b>1</b>
	Our role	1.1	1
	Outcome of our last report	1.2	1
	Our remit this year	1.5	2
	Our timetable	1.8	3
	Our evidence base	1.11	3
	Visits	1.13	4
	Our 2018 report	1.16	4
<b>Chapter 2:</b>	<b>Context and evidence</b>		<b>5</b>
	Introduction	2.1	5
	Economic context	2.2	5
	<i>Labour market</i>	2.4	6
	<i>Pay</i>	2.7	7
	Wider changes affecting our remit group's employment offer		9
	<i>Public sector pensions</i>	2.11	9
	<i>National Insurance</i>	2.15	9
	Her Majesty's Prison and Probation Service and our remit group		10
	<i>The Spending Review, public sector pay policy and affordability</i>	2.16	10
	<i>Reform of Her Majesty's Prison Service</i>	2.20	10
	<i>Staffing</i>	2.24	11
	<i>Two-tier pay structure</i>	2.34	13
	<i>Prisoner responsibility ratios</i>	2.37	14

Recruitment and retention	2.38	14
Motivation and morale	2.46	17
<i>Her Majesty's Inspectorate of Prisons</i>	2.48	17
<i>Assaults on staff</i>	2.49	18
<i>Civil Service People Survey</i>	2.51	19
<i>Evidence from the trade unions on motivation</i>	2.53	20
<i>Evidence from visits</i>	2.55	20
<i>HMPPS operational performance measures</i>	2.62	22
<i>Sickness absence</i>	2.63	22
Locality pay	2.66	23
<i>Band 3 prison officer market supplements</i>	2.72	24
<i>Band 2 operational support grade market supplements</i>	2.76	25
Competitiveness with the private sector	2.80	25
<i>HMPPS evidence</i>	2.81	25
Equality and diversity	2.83	26
Workforce strategy	2.86	26
The parties' proposals	2.90	26
<b>Chapter 3: Our recommendations on pay for 2018</b>		<b>31</b>
Introduction	3.1	31
Analysis		31
<i>Her Majesty's Prison and Probation Service</i>	3.3	31
<i>Context of Prison Service pay</i>	3.5	31
<i>Economic context</i>	3.9	32
<i>Recruitment and retention</i>	3.10	32
<i>Locality pay</i>	3.12	32
<i>Motivation</i>	3.14	33
<i>Performance management</i>	3.17	33
<i>Affordability</i>	3.22	34
Recommendations on pay increases	3.23	34
<i>Overall approach</i>	3.28	35
<i>Officers and support grades – pay award</i>	3.31	35
<i>Band 3 prison officers – pay award</i>	3.38	37
<i>Band 4 prison officers – pay award</i>	3.43	37
<i>National Living Wage</i>	3.47	38
<i>Operational managers – pay award</i>	3.49	38
<i>Officers and support grades – pay progression and performance awards</i>	3.51	38
<i>Operational managers – pay progression and performance awards</i>	3.56	39
<i>Operational graduate pay</i>	3.66	40
<i>Opting in to Fair and Sustainable</i>	3.70	41

---

Locality pay	3.73	41
<i>OSG market supplement</i>	3.79	42
Allowances		43
<i>Payment Plus, OSG overtime and Tornado payments</i>	3.88	43
<i>Allowance for operational manager grades</i>	3.90	44
<i>Other allowances and payments</i>	3.94	44
Other issues		44
<i>Promotions policy</i>	3.96	44
<i>Unsocial hours while on temporary cover</i>	3.99	45
Affordability of our recommendations	3.103	46
<b>Chapter 4:    <i>Looking ahead</i></b>		<b>47</b>
Introduction	4.1	47
Review of pay arrangements	4.3	47
<i>Payment Plus</i>	4.8	48
<i>Unsocial hours while on temporary cover</i>	4.10	48
Motivation and morale	4.12	48
Performance management	4.15	49
Industrial relations	4.17	49
Data	4.19	49
Conclusion	4.20	50
<b>Appendices</b>		
A: Standing terms of reference		51
B: Minister’s activation letter		52
C: Letter to the Lord Chancellor and Secretary of State for Justice on evidence submission, and his reply		53
D: Prison establishments visited in 2017		56
E: Current and recommended pay levels		57
F: Band 2 Operational Support Grade pay levels at market supplement red sites		67
G: Locality Pay Allowance rates		69
H: Allowances and payments		70
I: Notional rent		72

---

## Glossary of Terms

ACH	Additional Committed Hours (for prison officers in Band 3)
ACHP	Pensionable Additional Committed Hours
ACCT	Assessment, Care in Custody and Teamwork
AWE	average weekly earnings
BAME	black, Asian and minority ethnic
BME	black and minority ethnic
CIPD	Chartered Institute of Personnel and Development
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs
C&R	Control and Restraint
CST	Chief Secretary to the Treasury
FTE	full-time equivalents
GDP	Gross Domestic Product
HMIP	Her Majesty's Inspectorate of Prisons
HMPPS	Her Majesty's Prison and Probation Service (or the Prison Service)
HMT	Her Majesty's Treasury
JES	Job Evaluation Scheme
JSAC	Job Simulation Assessment Centre
LPA	Locality Pay Allowance (refers to the closed rates in Appendix G)
MoJ	Ministry of Justice
NIC	National Insurance Contribution
NLW	National Living Wage
NOMS	National Offender Management Service (or the Prison Service)
NPS	National Probation Service
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
OSG	operational support grade
PCS	Public and Commercial Services Union
PGA	Prison Governors' Association
POA	The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers
POELT	Prison Officer Entry Level Training
PSPRB	Prison Service Pay Review Body
RHA	Required Hours Addition (allowance)
RPI	Retail Prices Index
S2P	state second pension
SPA	state pension age
SPDR	Staff Performance and Development Record
TOIL	Time Off In Lieu
YCS	Youth Custody Service

## Her Majesty's Prison and Probation Service (HMPPS) in England and Wales and our remit group

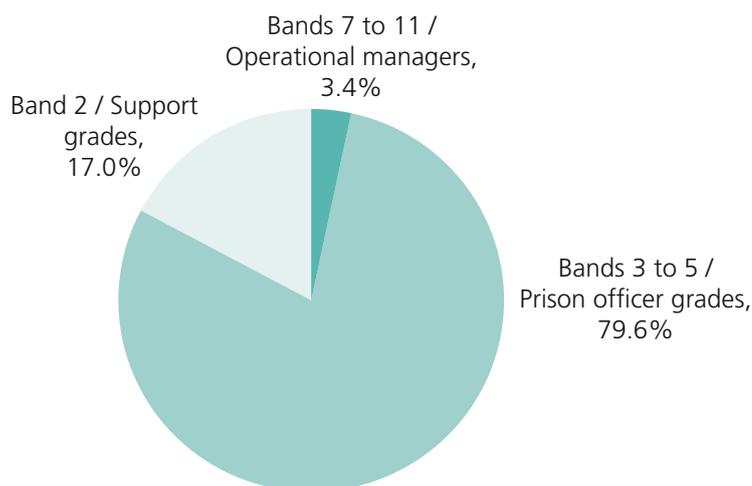
Her Majesty's Prison and Probation Service (HMPPS) is responsible for adult and young offender management services for England and Wales within the framework set by the Government. It is an Executive Agency of the Ministry of Justice. The agency currently manages Her Majesty's Prison Service and the National Probation Service. In addition, it oversees privately run prisons and Community Rehabilitation Companies. Its role is to commission and provide offender management services in the community and in custody, ensuring best value for money from public resources. It works to protect the public and reduce reoffending by delivering the punishments and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

On 23 March 2018,<sup>i</sup> the prisoner population across both the public and private sector estates was 83,875 (1.9% lower than a year earlier).

HMPPS paybill costs relating to the remit group in 2017-18 were approximately £1 billion (including social security and other pension costs).<sup>ii</sup>

At the end of March 2018 there were 26,423 full-time equivalent (FTE) staff in our remit, up from 23,865 a year earlier (an increase of 10.7%). The composition is below.

**Our remit group in England and Wales, as at 31 March 2018**



<i>Full-time equivalent</i>	
Bands 7 to 11 / Operational managers	886
Bands 3 to 5 / Prison officer grades	21,041
Band 2 / Support grades	4,495

Source: HMPPS

Note:

The figures here are FTE for 31 March 2018 and are different from those shown in Table 2.4, which are headcount for 31 March 2017. These are rounded to the nearest whole number.

<sup>i</sup> Data to 31 March 2018 were not available at the time of reporting.

<sup>ii</sup> The cost is approximate only as it is not possible to obtain a fully accurate figure because of the difficulties of disaggregating remit group managers from non-remit group managers.

---

# Prison Service Pay Review Body 2018 Report on England and Wales

## Summary

### Introduction

Our recommendations for 2018 are:

**Recommendation 1:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 2 and National Band 5 base pay points are increased by 2.75%, consolidated and pensionable for all staff.

**Recommendation 2:** We recommend that from 1 April 2018 all closed grade officer and support grade scales and spot rates (including former G4S staff) are increased by 2.75%, consolidated and pensionable for all staff.

**Recommendation 3:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 3 base pay minimum is increased by 2.75% and the National Band 3 base pay maximum by 5.25%, with associated increases to the three intermediate pay points to leave them at the same relative positions on the pay scale. The increases to be consolidated and pensionable for all staff on this scale.

**Recommendation 4:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 4 base pay minimum is increased by 2.75% and the National Band 4 base pay maximum by 3.5%, with associated increases to the three intermediate pay points to leave them at the same relative positions on the pay scale. The increases to be consolidated and pensionable for all staff on this scale.

**Recommendation 5:** We recommend that from 1 April 2018 the consolidated, pensionable salary for prison auxiliary staff and night patrol staff is increased to the National Living Wage or by 2.75%, whichever is the greater.

**Recommendation 6:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager scales are increased by 2.75%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.75% so that they remain at the same relative position in the 2018 pay range. Staff on the closed operational manager scales should move with their pay point. The increases to be consolidated and pensionable for all staff on these grades and ranges.

**Recommendation 7:** We recommend that all staff in *Fair and Sustainable* Bands 2 to 5 who are in post on 31 March 2018 progress by one pay point effective from 1 April 2018, unless they have been placed on formal poor performance procedures.

**Recommendation 8:** We recommend that staff in *Fair and Sustainable* Band 5 who are in post on 31 March 2018 and receive a performance marking of 'Outstanding' receive an additional one per cent non-consolidated, non-pensionable pay award based on their 31 March 2018 base pay.

**Recommendation 9:** We recommend that staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2018 and receive a performance marking of 'Good' receive a consolidated and pensionable progression increase of four per cent, capped at the new 2018 band maximum.

---

**Recommendation 10:** We recommend that staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2018 and receive a performance marking of 'Outstanding' receive a consolidated and pensionable progression increase of six per cent, capped at the new 2018 band maximum. Those within six per cent of the maximum, or at the maximum, should receive the balance of the six per cent as a non-consolidated, non-pensionable payment, capped at two per cent of base pay.

**Recommendation 11:** We recommend that from 1 April 2018 the *Fair and Sustainable* operational graduate scheme consolidated, pensionable pay rates are raised by 2.75%.

**Recommendation 12:** We recommend that from 1 April 2018 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.75% and continue to be applied consistently across all bands, positioning maxima at £2,620 and £3,990 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

**Recommendation 13:** We recommend that, before the pay award is implemented for 2018, operational Band 2 staff in receipt of the market supplement at 'red' sites should have their supplement for 2017 adjusted so that the total of base pay plus supplement is increased with effect from 1 April 2017 by the £400 that we recommended last year. We further recommend that the market supplements for these staff remain at the same level from 1 April 2018 so that again the total of base pay plus supplement increases by our recommended award for Band 2 staff this year.

**Recommendation 14:** We recommend that the £5 increase to the rates for Payment Plus, OSG overtime and Tornado currently in place be extended to 31 March 2019 while proposals for new arrangements are developed.

**Recommendation 15:** We recommend that the Prison Governors' Association and Her Majesty's Prison and Probation Service present to us, in evidence for our 2019 report, a joint proposal to recognise and reward the role of duty governor.

**Recommendation 16:** We recommend that staff promoted between *Fair and Sustainable* bands receive a full base pay percentage increase of 10 per cent or the band minima, whichever is greater, for a promotion of one band, and of 15 per cent or the band minima, whichever is greater, for a promotion of two bands or more.

**Recommendation 17:** We recommend that Her Majesty's Prison and Probation Service present to us, in its evidence for our 2019 report, a proposal to pay allowances and associated payments based on the grade being temporarily covered rather than the substantive grade.

This report sets out our recommendations on pay and allowances for operational prison staff from 1 April 2018. We are aware that we are submitting this report after that date; this is a consequence of Her Majesty's Prison and Probation Service (HMPPS) failing to submit evidence to us until March 2018, six months late. We regret that this will result in our remit group receiving their pay award later than usual for the second year running. We have received a commitment from HMPPS that we will receive its evidence for the next pay round by the end of September 2018, so we hope to be able to deliver our 2019 report in time for an April 2019 implementation date.

---

We have made recommendations for our remit group based on the evidence we received. Our recommendations aim to address the particular challenges the Prison Service is currently facing in relation to very low levels of motivation, difficult and deteriorating working conditions, and issues with recruitment and the retention of experienced prison officers. We have made our recommendations in the expectation that we will be receiving substantive proposals to bring more coherence to the pay structures and allowances from HMPPS for our 2019 report, as requested in our 2017 report and discussed in HMPPS evidence this year.

### **Our remit and approach this year**

The Chief Secretary to the Treasury (CST) wrote to the Prison Service Pay Review Body (PSPRB) Chair on 21 September 2017, explaining that pay discipline was still necessary to ensure the affordability of public services but recognising the need for flexibility in some parts of the public sector, particularly in areas of skill shortage, to deliver world class public services. Such flexibility would be linked to improvements to productivity. Following this, the Chancellor of the Exchequer confirmed the Government's change of approach and the move away from the previous policy of pay awards of an average of one per cent.

Our activation letter for this round from the former Prisons Minister, Sam Gyimah MP, was sent on 7 December 2017 and contained no restrictions on our remit. Therefore, in preparing this report, we have made recommendations we think appropriate in light of all the evidence and in accordance with our standing terms of reference.

We remain cognisant of the fact that the International Labour Office 336th Report of the Committee on Freedom of Association made clear we are regarded as a compensatory mechanism for the condition that prison officers do not have the right to strike. As a result, whilst our recommendations are not legally binding, the Government committed only to depart from them in exceptional circumstances.

### **Context and evidence**

The economic situation in the UK is mixed. The economy continued to grow in 2017 but growth is expected to slow over the course of 2018. The Consumer Prices Index (CPI) rate of inflation has fallen from a peak of 3.1% in November 2017 and, although it is expected to continue to fall during 2018, it is forecast to stay above its two per cent target until at least 2019. Average earnings growth across the whole economy was 2.9% (excluding bonuses) in the quarter January to March 2018 (compared to the same period a year earlier). The Bank of England's average pay settlement forecast for 2018 was 3.1% for the private sector. Alongside this, the labour market remains tight in London and the South East of England. Overall, we consider that these conditions are likely to continue to have a negative impact on recruitment and retention in the Prison Service over the next few years.

As part of the Prison Safety and Reform White Paper published in November 2016, the Government committed to an increase of 2,500 additional prison officers by December 2018. During oral evidence this year, HMPPS told us it had made good progress on this ambition and that it had little difficulty in recruiting sufficient numbers of high calibre candidates in most parts of England and Wales. It considered recruitment and retention issues to be "highly localised" and primarily based in London and the South East of England.

Overall, the picture on recruitment and retention is varied. While overall prison officer staffing levels started to rise gradually over 2017 and the beginning of 2018, figures for the year to March 2017 show the leaving rate for Bands 3 to 5 has almost doubled in the three years since 2014. The trend of high turnover rates remains concerning and the evidence suggests that they reflect the impact of another year of working in a difficult and challenging operational

---

environment, combined with the strength of feeling about absolute levels of pay, pay restraint, and increased wages in the private sector.

Low levels of staff motivation and morale have been our primary concerns in recent years and we have seen no compelling evidence this year that anything has changed. Published figures on assaults against staff and prisoners, and other forms of violence in establishments show that these are at their highest levels since 2000 and are continuing to rise. In the annual report from Her Majesty's Inspectorate of Prisons, the Chief Inspector stated that prisons were still unacceptably violent and dangerous places and there had been startling increases in all types of violence but assaults on staff have seen the biggest increase. All of the parties, and many individual staff members commented on the rising number of assaults, general conditions in prisons and the demotivating effect this had. Evidence from the parties and from our visits, indicates that staff are also demotivated by the decrease in take-home pay in real-terms over recent years.

Pay arrangements for operational prison staff have been complex for a number of years now. Our remit covers two main pay structures: the older closed pay scales and spot rates, and the newer *Fair and Sustainable* pay bands. Even though all new recruits join on *Fair and Sustainable* terms, 47 per cent of operational prison staff remain on closed pay scales some six years after *Fair and Sustainable* was introduced, including around 8,000 closed grade prison officers who continue to be paid significantly more than their Band 3 prison officer equivalents.

In 2017, the pay arrangements became even more complicated because of the introduction of new market supplements by HMPPS across one-third of the estate. These apply both to new and existing *Fair and Sustainable* Band 3 staff, therefore covering a significant proportion of the staff in our remit group. The effect is that yet more of our remit group are being paid differently for doing essentially the same role, adding another layer of complexity.

We continue to support HMPPS' long term aspiration that all staff should be on the *Fair and Sustainable* arrangements and look forward to seeing HMPPS' comprehensive review of its pay structures, allowances and supplements in its evidence for our 2019 report.

We received pay proposals this year from HMPPS, the Prison Governors' Association (PGA) and the Public and Commercial Services (PCS) Union. For the third year running we did not receive evidence from the POA<sup>iii</sup> and are aware that at their conference in May this year its membership voted to maintain the union's position not to engage with us. We are disappointed with this; it is a missed opportunity as there is a mutual advantage in a dialogue between ourselves and the POA as part of the process of collecting evidence and making our decisions.

In the evidence it submitted to us, HMPPS proposed that all staff in the remit group should receive a consolidated award but that more should be invested in the *Fair and Sustainable* bands than in closed grades. HMPPS sought our input on where and in what format and amount this award should be, but it expressed a preference for higher awards for Bands 7 to 11, using a combination of consolidated and non-consolidated awards. It also made separate proposals for prison auxiliaries and night patrol staff which related to the National Living Wage (NLW). In line with its long-term intention to continue to invest in *Fair and Sustainable* pay structures, HMPPS requested that all staff on the closed scales who would financially benefit from "opting in" to *Fair and Sustainable* should not receive any pay award. Throughout its evidence, HMPPS noted that any awards above one per cent would be unfunded and that recommendations were made subject to affordability. HMPPS told us that its proposals would help it to deliver the wider reforms set out in its evidence, reverse the current higher rates of attrition of experienced staff, maintain operational stability and provide pay awards for the majority of staff.

---

<sup>iii</sup> The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

---

The PGA evidence did not propose a headline figure but instead asked us to take into account the current and forecast rate of inflation when considering the pay award. The union said that its priority was an operational allowance for all staff in Bands 7 to 11 who had passed the operational manager Job Simulation Assessment Centre (JSAC) to recognise the additional responsibilities undertaken and workload. The PGA further asked for open pay ranges to be removed and performance related increments set to offer predictability for staff and allow them to progress through their grade in a period of five years.

The PCS proposed a minimum five per cent consolidated award with a £1,200 “underpinning” on all pay points and ranges for both closed and *Fair and Sustainable* grades. It also asked us to focus specific attention on low pay and asked for pay progression for all staff because of its ongoing concerns about the performance management system.

### **Our recommendations on pay for 2018**

As we indicated earlier, we see our recommendations this year, for a late award effective from 1 April 2018, as a response to the challenges that are currently faced by the Service. Our terms of reference require us to consider a number of factors, including the need to recruit, retain and motivate suitably able and qualified staff. These are all currently significant issues for the Prison Service and our recommendations attempt to address all three.

This year, we saw a need for a broadly consistent approach to a pay award for staff in *Fair and Sustainable* bands and their equivalents in the closed grades, with the exception of *Fair and Sustainable* Band 3 and Band 4. All staff are carrying out demanding roles which keep the prison estate functioning in the face of increasingly difficult and challenging conditions. We are also concerned about retention of more experienced staff, including the significant numbers still on the closed grades who are currently needed by the Prison Service to induct, train and mentor the high numbers of new recruits.

We have considered carefully the amount of uplift appropriate this year, taking into account recent and projected figures for inflation and average earnings in the wider economy, alongside other data and statistics. Our recommendations are intended to ensure that operational prison staff see no further real-terms erosion of their pay while acknowledging the affordability constraints that remain for HMPPS.

We recommend this year that all staff in *Fair and Sustainable* Band 2 and Band 5 receive a consolidated, pensionable increase of 2.75%. We further recommend that the closed grades equivalent to Band 2 to Band 5 also receive a consolidated, pensionable increase of 2.75%. For prison auxiliary staff and night patrol staff, we recommend that their consolidated, pensionable salary is increased to the National Living Wage or by 2.75%, whichever is the greater.

We recommend a different approach this year for *Fair and Sustainable* Bands 3 and 4.

Band 3 is the main recruitment grade to the Prison Service and is facing significant challenges with the retention of experienced staff and recruitment at some establishments. Experience at this grade is particularly valuable to deliver front line services. We acknowledge that the current minimum of the *Fair and Sustainable* National Band 3 scale is allowing the Service to recruit staff successfully in most areas of England and Wales. We therefore recommend increasing the Band 3 National base pay minimum by the same amount as other *Fair and Sustainable* bands. We recommend a greater increase to the Band 3 National base pay maximum, of 5.25%, and adjusting the intermediate National base pay points so that they remain at the same relative positions in the scale. Increasing the higher points of the Band 3 scale in this way should assist with retention of Band 3 staff in their first few years through the potential for higher salary growth. It will also offer a greater uplift to the mid-point of the Band 3 scales and should therefore help with ongoing recruitment issues at ‘amber’ and ‘red’ sites where prison officers are recruited to that mid-point.

---

We consider the arguments for Band 3 apply, to a lesser extent, to Band 4 and are therefore recommending a similar approach but with a smaller increase of 3.5% to the Band 4 *Fair and Sustainable* National base pay maximum. Again we recommend that the National Band 4 base pay minimum is increased by 2.75% and the intermediate National base pay points adjusted so they remain at the same relative positions in the scale. We anticipate this will further incentivise prison officers to apply for the proposed new advanced prison officer role, making it easier for HMPPS to fill these positions.

Increasing the National base pay maximum for Band 3 and Band 4 will also assist in reducing the differential between the pay of closed grade prison officers and experienced *Fair and Sustainable* Band 3 and Band 4 staff on the maximum.

In its evidence, HMPPS proposed that we give greater awards to operational managers in recognition that they are the key to delivering the reform agenda. While we accept that managers have a critical role to play, we ultimately concluded that we wanted to recognise the majority of staff equally this year and so recommend that, in line with uniformed staff, the pay ranges for Bands 7 to 11 and the equivalent closed scales are increased by 2.75%. All staff in the *Fair and Sustainable* National Bands 7 to 11 open pay ranges should see their current salary increased by 2.75% to maintain their relative position in the new 2018 pay range.

We further recommend that the operational graduate scheme consolidated pay rates be raised by 2.75%.

Regarding pay progression and performance awards for officers and support grades, we have still seen no new evidence to change our view that the performance management process for these staff is insufficiently robust to use its outcomes to differentiate pay awards. Following the uplift to the scales, we recommend that all staff in Bands 2 to 5 and equivalent closed grades progress to the next pay point unless they are subject to formal poor performance measures. The one exception to this approach is that we repeat our recommendation from last year that Band 5 staff who achieved an 'Outstanding' box marking should receive an additional one per cent non-consolidated payment.

We consider that the performance management system is a broadly acceptable basis for determining the pay of Bands 7 to 11 and therefore believe that, following the pay uplift, performance-related pay is appropriate for these grades.

We recommend four per cent pay progression in Bands 7 to 11 for staff who achieve a performance marking of 'Good', capped at the band maximum. We recommend six per cent pay progression in Bands 7 to 11 for staff who achieve a performance marking of 'Outstanding', capped by the new maximum. In addition, we recommend that those staff in Bands 7 to 11 who are within six per cent of the band maximum, or at the maximum, should receive the balance of the six per cent as a non-consolidated, non-pensionable payment, capped at two per cent of base pay. Those staff in Bands 7 to 11 who receive an 'Improvement Required' performance marking should not receive any performance progression.

On locality pay, we recommend that the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones be increased by 2.75%. This means the maxima for Outer and Inner London should now be placed £2,620 and £3,990 above the respective National maxima. As for previous years, other points should be adjusted so that the differences between pay points are the same percentages as on the National Bands. The tables in Appendix E set this out. We have not recommended any changes to the market supplements at the 'amber' and 'red' sites or the legacy Locality Pay Allowances.

This year, we were made aware of an issue with the market supplements introduced for *Fair and Sustainable* Band 2 operational staff at 'red' sites from 1 April 2015. We were surprised to learn that HMPPS had eroded the market supplement for operational Band 2s at 'red' sites

---

last year, effectively denying those staff any increase in take-home pay as a consequence of the £400 consolidated pay increase we recommended in the 2017 report. We consider HMPPS' actions regarding the effective non-payment of an award last year as inappropriate and undermining our 2017 recommendations for this group. We have therefore recommended that, before the pay award is implemented for 2018, the £400 consolidated pay award that was eroded from the market supplement should be reinstated and backdated to 1 April 2017. We further recommend that the supplement remains at the same level for 2018 so that again the relevant staff see the full impact of this year's award in their total pay. Further details of the background and our findings are in Chapter 3.

We note the ongoing discussions on more permanent arrangements for allowances, including a contracted hours scheme and the revision of the Tornado policy. We are keen to see these discussions reach agreed conclusions and for proposals to be put to us for our 2019 report. In the interim we recommend that the £5 increase to the rates for Payment Plus, OSG overtime and Tornado payments be extended to 31 March 2019 to enable it to continue in place until our next report when we will consider the proposals from the current reviews.

This year, the PGA argued for recognition in the form of an operational allowance for the additional responsibilities and workload borne by operational managers over non-operational equivalents. The PGA referenced the HMPPS duty governor report; a review into the role of the duty governor and whether staff were being rewarded appropriately for this work. The report noted that the role of duty governor had become more demanding and staff were not being rewarded appropriately for this. We are disappointed that HMPPS did not send us this report or mention it in its evidence. After consideration, we have concluded that a blanket operational allowance would not be appropriate and request that HMPPS and the PGA discuss this issue and, preferably, submit joint proposals to us next year about how to reward the additional responsibilities and workload linked to the role of duty governor.

We make no recommendations on any other allowances and payments this year.

HMPPS informed us in its written evidence this year that a key enabler to delivering workforce reforms was revising its promotions policy. It stated its intention to update the policy to align to the wider Civil Service. The PGA further proposed that the amount payable on promotion be increased. We recommend that staff promoted between Bands 2 to 11 receive a full base pay percentage increase of 10 per cent or the band minima, whichever is greater, for a promotion of one band. We recommend that staff promoted between Bands 2 to 11 receive a full base pay percentage increase of 15 per cent or the band minima, whichever is greater, for a promotion of two bands or more.

Additionally, this year we were made aware that HMPPS has a policy in place that pays staff the Required Hours Addition (RHA) or unsocial working hours payment based on substantive grade, rather than the grade promoted to when on temporary cover. We were unaware of this policy and do not agree with HMPPS' assertion that RHA and unsocial working hours payments for staff on temporary promotion should continue to be paid based on the substantive grade. Our view is that if staff are doing a job on temporary cover, they should get the related allowances for that job. We therefore recommend that HMPPS in its evidence to us next year, present a proposal to pay allowances and associated payments based on the grade being temporarily covered rather than the substantive grade.

As we stated earlier, we see our recommendations this year as a response to a deteriorating environment for the Service. Our recommendations seek to recognise that for all members of our remit group, whether on closed or *Fair and Sustainable* pay structures, have been facing significantly tougher challenges in their workplace. As in previous years, we do not consider that any costs of staff progression within the pay scales form part of the cost of our pay recommendations. On that basis, the cost of this award should be 2.75% of paybill plus the

---

additional costs of paying targeted higher awards to staff on *Fair and Sustainable* Band 3 and Band 4.

The success of the Service is highly dependent on its staff. There are significant potential costs, to the Service and to society at large, if it proves difficult to recruit, retain and motivate suitable people. In that context, we consider that our recommendations strike a fair balance, offer sound value for money and represent an appropriate level of investment in operational prison staff in the current circumstances. Our recommendations should contribute to improving the productivity of the Service and thereby support the Government's rehabilitation objectives, both by directly improving recruitment and retention and reducing the costs associated with managing these. They will also support a number of the initiatives that HMPPS propose in its evidence, including replacing the use of Payment Plus by a more stable contracted hours scheme and working to reduce promotion bottlenecks.

### **Looking ahead**

Last year we indicated that with the creation of the new organisation that has integrated a large, relatively new group of staff in the National Probation Service (NPS), it was an appropriate time for HMPPS to develop a new long-term workforce strategy. Although HMPPS evidence this year presented some initial thinking, further work needs to be done to assess future workforce requirements and develop pay structures to support the required changes. The new structure needs to be long-term, fit-for-purpose, cover all staff, and command their confidence. We hope that HMPPS will engage with the trade unions on these matters and where possible, seek joint agreement on proposals. We look forward to receiving this evidence for our next report.

As we have noted throughout this report, the written and oral evidence we received showed that staff motivation and morale remained very low. We were disappointed this year to not receive proposals from HMPPS on its own monitoring of this unwelcome trend, how effective its counter-measures, such as increasing staffing, were at tackling this issue or any proposals to measure levels of morale and motivation. We therefore ask all parties to provide evidence for our next report of the concerns, in terms of motivation and morale, that most affect staff in our remit group and proposals for how these issues can be addressed.

In regard to performance management, we have not been provided with any direct evidence from HMPPS, the staff themselves, their managers or the unions to suggest that the performance management system is working effectively, in particular for Bands 2 to 4. HMPPS has informed us of a number of new initiatives such as the new short staff appraisal form and a pilot for first line manager training but we remain concerned that the system is not fit-for-purpose for all staff in our remit. We would like to receive evidence from all the parties for our next report on whether they consider the system is working and any evaluation of the new initiatives introduced.

Industrial relations between HMPPS and the unions appear to remain challenging. Both the PGA and PCS expressed dissatisfaction with the lack of communication. These relations are ultimately a matter for the parties but, as we have said in previous years, we have found they also impact on our ability to collect a full range of evidence for our remit group. Good relations and communication with and between all parties remain very important to us.

The staff in our remit group are responsible for running the prison estate in increasingly demanding and violent conditions. We have concluded that all staff require financial recognition this year for the difficult job they are doing in protecting the public and the prisoners in their care. While recognising the financial pressures that exist for HMPPS, our recommendations attempt to reflect the circumstances that the Prison Service and its staff face and establish a better basis upon which to address future staffing challenges.

---

Dr Peter Knight CBE (*Chair*)

Roberta Brownlee

Mary Carter

Nicholas Caton

Luke Corkill

Professor Andrew Dickerson

Leslie Manasseh MBE

Paul West QPM



---

## Chapter 1: Introduction

### Our role

1.1 The Prison Service Pay Review Body (PSPRB) was established under statute<sup>1</sup> to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales and in Northern Ireland. The Regulations under which we were set up provide that the Secretary of State may direct us as to the considerations to which we should have regard and to the timing of our report. We have standing terms of reference (at Appendix A) which supplement our statutory remit. They emphasise that we should provide independent advice based on the range of evidence available to us.

### Outcome of our last report

1.2 In our 2017 report for England and Wales,<sup>2</sup> we made recommendations relating to staff on both the *Fair and Sustainable* and closed pay structures:

- All base pay points of the *Fair and Sustainable* National Bands 2 to 5 and closed grade equivalents be increased by £400 and this be consolidated and pensionable.
- The *Fair and Sustainable* National Band 2 pay scale be changed to a two-point scale with the maximum set £400 above the 2016 base pay level, with the new minimum set at five per cent below the new 2017 maximum.
- Staff in Bands 2 to 5 to progress by one pay point, unless they had been placed on formal poor performance management procedures.
- Staff in Band 5 receiving an 'Outstanding' box marking to receive a one per cent non-consolidated, non-pensionable pay award.
- The maxima and minima of *Fair and Sustainable* National Bands 7 to 11 to be raised by one per cent and these changes to the ranges to have no automatic effect on individual staff pay.
- The closed grade operational manager scales (including the full range of non-*Fair and Sustainable* scales or spot rates equivalent to Bands 7 to 11) and the cash amount of Required Hours Addition which applies be increased by one per cent, consolidated and pensionable.
- Staff in Bands 7 to 11 who achieved a performance marking of 'Good' to receive four per cent consolidated pay progression capped at the new 2017 band maximum. Any staff paid less than the new 2017 minima after progression are moved to the new Band minima.
- Staff in Bands 7 to 11 who achieved a performance marking of 'Outstanding' to receive six per cent consolidated pay progression capped at the new 2017 band maximum. Any staff that are within six per cent of the maximum, or at the maximum, should receive the balance of the six per cent as a non-consolidated, non-pensionable payment, capped at two per cent of base pay.
- The consolidated, pensionable salary for prison auxiliary staff be raised to £15,575 and the consolidated, pensionable salary for night patrol be raised to £17,575 in line with the National Living Wage.
- The *Fair and Sustainable* operational graduate scheme consolidated pay rates be increased by £400.

---

<sup>1</sup> The Prison Service (Pay Review Body) Regulations 2001 (SI 2001 No. 1161). Available at: [http://www.legislation.gov.uk/ukxi/2001/1161/pdfs/ukxi\\_20011161\\_en.pdf](http://www.legislation.gov.uk/ukxi/2001/1161/pdfs/ukxi_20011161_en.pdf) (accessed on 21 June 2018). PSPRB covers England and Wales, and Northern Ireland; the Scottish Prison Service is outside our remit.

<sup>2</sup> The 2017 PSPRB report for England and Wales can be found at: <https://www.gov.uk/government/publications/psprb-sixteenth-report-on-england-and-wales-2017> (accessed on 21 June 2018).

- The fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones should be increased by one per cent and continue to be applied consistently across all bands (positioning maxima £2,550 and £3,880 respectively above the base 37 hour National zone consolidated pay and adjusting other points and minima so that progression is the same percentage as on the National bands).
- The £5 increase to the rates for Payment Plus, operational support grade (OSG) overtime and Tornado currently in place be extended to 31 March 2018.
- The base pay on temporary promotion/cover for staff should be the greater of either the minimum for the role or five per cent of annual salary for each band to which they receive promotion/provide cover; the payment should also be pensionable.
- Her Majesty's Prison and Probation Service (HMPPS) should present in its 2019 evidence, its plans for revised arrangements that would integrate the range of different pay structures, allowances and supplements currently in operation.

1.3 In addition, we asked for further evidence on a number of areas for this 2018 report:

- HMPPS to consider whether to include the directors of public prisons within or attached to the PSPRB remit group, informed by a Job Evaluation Scheme.
- HMPPS to provide evidence on its monitoring of staff concerns regarding violence levels in establishments and how effective such measures as increased staffing are in tackling this issue.
- HMPPS to provide evidence on how it is working to increase response rates to the People Survey or in developing an alternative approach to measuring motivation and morale. All the parties to provide evidence on motivation and morale in their evidence referencing any changes.
- The parties to provide evidence on how the performance management system is working and whether any recent changes or further reviews indicate that the system is now fit to link pay for Bands 2 to 4.
- HMPPS to provide details of its planned revisions and replacement systems to Payment Plus, OSG overtime and Tornado payments.
- HMPPS to provide information on the remuneration and reward arrangements for former G4S staff at the Medway Secure Training Centre.<sup>3</sup>

1.4 The Government accepted all our recommendations in September 2017 and it implemented the pay and allowances changes in full, backdated to 1 April 2017.<sup>4</sup> Whilst we were pleased that our recommendations were accepted, we are disappointed that HMPPS did not address in its written evidence to us this year a number of the areas we identified above (accepting that some were for next year's evidence). We were also very concerned to hear that some staff did not receive their back dated pay until March 2018, nearly a year after the date from which it should have been paid.

### Our remit this year

1.5 The Chief Secretary to the Treasury (CST) wrote to the PSPRB Chair on 21 September 2017.<sup>5</sup> This letter explained that the Government needed to retain pay discipline to ensure the affordability of public services. However, the CST said the Government recognised that some parts of the public sector, particularly in areas of skill shortage, may need more flexibility in order to deliver world class public services. Such flexibility would be given in return for improvements to productivity. She also noted that departmental budgets remained those set in the previous Spending Review, which had allowed for a one per cent increase in basic pay and progression.

<sup>3</sup> Staff at Medway Secure Training Centre joined our remit group in June 2016 following the institution's transfer to the public sector.

<sup>4</sup> The Written Ministerial Statement accepting our recommendations can be found at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-09-12/HCVS127/> (accessed on 21 June 2018).

<sup>5</sup> This letter can be found on the Office of Manpower Economics website at: <https://www.gov.uk/government/publications/chief-secretary-to-the-treasury-letter-to-the-psprb-chair--2> (accessed on 21 June 2018).

The CST further explained that with a more flexible policy there was a greater need for recommendations that were based on independent advice, that took account of the wider economic context, private sector comparators and overall remuneration packages of public sector workers (including pay progression and pension entitlements).

1.6 In his Autumn Budget on 22 November 2017<sup>6</sup>, the Chancellor of the Exchequer confirmed the Government's new approach and the move away from the previous policy of awards of an average of one per cent. The Chancellor said that the Government would ensure that pay awards were fair to both public sector workers and taxpayers, and that it would consider the reports and evidence submitted by the eight public sector Pay Review Bodies.

1.7 The former Prisons and Probation Minister, Sam Gyimah MP, wrote to our Chair on 7 December 2017 asking us to commence our work for the 2018 to 2019 pay round. The Minister's activation letter, whilst drawing our attention to the Government's more flexible approach to public sector pay where it addressed skills shortages and improvements in productivity, contained no restrictions on our remit. We have therefore considered our full remit group and made recommendations we consider appropriate in the light of all the evidence and in accordance with our standing terms of reference. The Minister's activation letter is at Appendix B.

### **Our timetable**

1.8 Our standard timetable assumes that we receive written evidence at the start of October and submit our report to Government in mid to late February, with the expectation that the Government will implement our recommendations in April, the pay award date for our remit group. Unfortunately for two years running the process has been delayed.

1.9 Submission and publication of our 2017 report was delayed for a number of reasons. These included delays to receipt of evidence as a result of the parties discussing but failing to reach agreement on the submission of joint proposals; the introduction of the February 2017 market supplements; and the 2017 General Election. This meant our 2017 report was not published until September 2017 and our recommendations were not implemented until October, or even later for some staff.

1.10 The pay round for this year has also run later than our usual timetable as the Government's evidence was again delayed. On 9 March 2018, a letter was sent to the Lord Chancellor and Secretary of State for Justice requesting that the evidence be submitted to avoid any further delays to the pay round. This letter and the response is at Appendix C. We know that staff will be disappointed that their pay award will be paid significantly after the April pay date for the second year running. We ask the Government to consider the implications of delays to its evidence on the remit group and urge it to submit its evidence to us next year on our standard timetable to ensure that staff are paid in time for the 1 April 2019 pay effective date. We discuss next year's round further in Chapter 4.

### **Our evidence base**

1.11 As usual, our secretariat invited all the parties who represent our remit group to submit written evidence. We received written submissions from the Public and Commercial Services (PCS) Union, the Prison Governors' Association (PGA) and HMPPS and heard representations in oral evidence sessions from:

- The Prisons Minister, Rory Stewart MP, and HMPPS officials led by its Chief Executive Officer, Michael Spurr, and accompanied by officials from Her Majesty's Treasury.
- The PGA, led by Andrea Albutt, PGA President, and members of the PGA National Executive Committee.
- The PCS, represented by Dave Vickers, HMPPS Branch Chair, and other PCS HMPPS Branch Officials.

---

<sup>6</sup> HM Treasury. Summer Budget 2015. HC264. TSO, 2015. Available at: <https://www.gov.uk/government/publications/autumn-budget-2017-documents> (accessed on 21 June 2018).

The POA<sup>7</sup> continues to maintain its position of not submitting evidence to us, as mandated by its membership vote at its 2015 conference. Therefore, we have not received written submissions from, or held oral evidence sessions with, the POA since 2015.

1.12 We base our recommendations in this report on evidence from a number of sources including:

- Written and oral evidence from the parties (as above).
- Economic data from the Office for National Statistics.
- Statistical data provided by the National Offender Management Service/HMPPS, which were shared with all the parties.
- Information gathered during our 2017 visits to prison establishments (see below).
- Her Majesty's Inspectorate of Prisons' (HMIP) inspection reports and the HMIP 2016 to 2017 annual report.

### Visits

1.13 In 2017 we visited seven public sector establishments, one private sector establishment and the Learning and Development Centre at Newbold Revel (listed at Appendix D), to hear the views of our remit group and (at the private sector prison) to explore the differences and similarities with the private sector. As in previous years, these visits gave us a valuable opportunity to meet remit group staff at all levels. We heard their views and concerns on: remuneration; the impact of continuing pay restraint; the consequences of having two sets of pay structures and associated "opting in" to *Fair and Sustainable* arrangements; recruitment and retention including the introduction of the new HMPPS market supplement; staffing levels in prisons; the performance management system; and other issues covered by our terms of reference.

1.14 Visits typically included: separate discussions with support staff, with staff in the officer grades, with senior officers, and with operational managers; a briefing with the governor; meetings with local trade union representatives; and a tour of the establishment during which we could talk informally to staff. For the second year, the POA instructed its local branch officials and membership not to engage with us during our visits. We remain disappointed with this position.

1.15 Our visits in 2017, as usual, added greatly to our knowledge and understanding of our remit group's duties, working environment and concerns. Visiting establishments to hear first-hand from a cross-section of staff provides us with a valuable perspective which complements the written and oral evidence from the parties. We know that arranging our visits requires considerable effort and we thank all of those involved, whether as organisers or participants, for making them possible.

### Our 2018 report

1.16 This report follows our normal format. We set out in Chapter 2 the economic situation and the background and evidence on our remit group which we considered when reaching our conclusions. Chapter 2 also presents the proposals we received from the parties. In Chapter 3 we review the evidence we have received and set out our conclusions and recommendations for 2018. In Chapter 4 we comment on a number of issues to which we believe the parties should give further attention.

---

<sup>7</sup> The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

## Chapter 2: Context and evidence

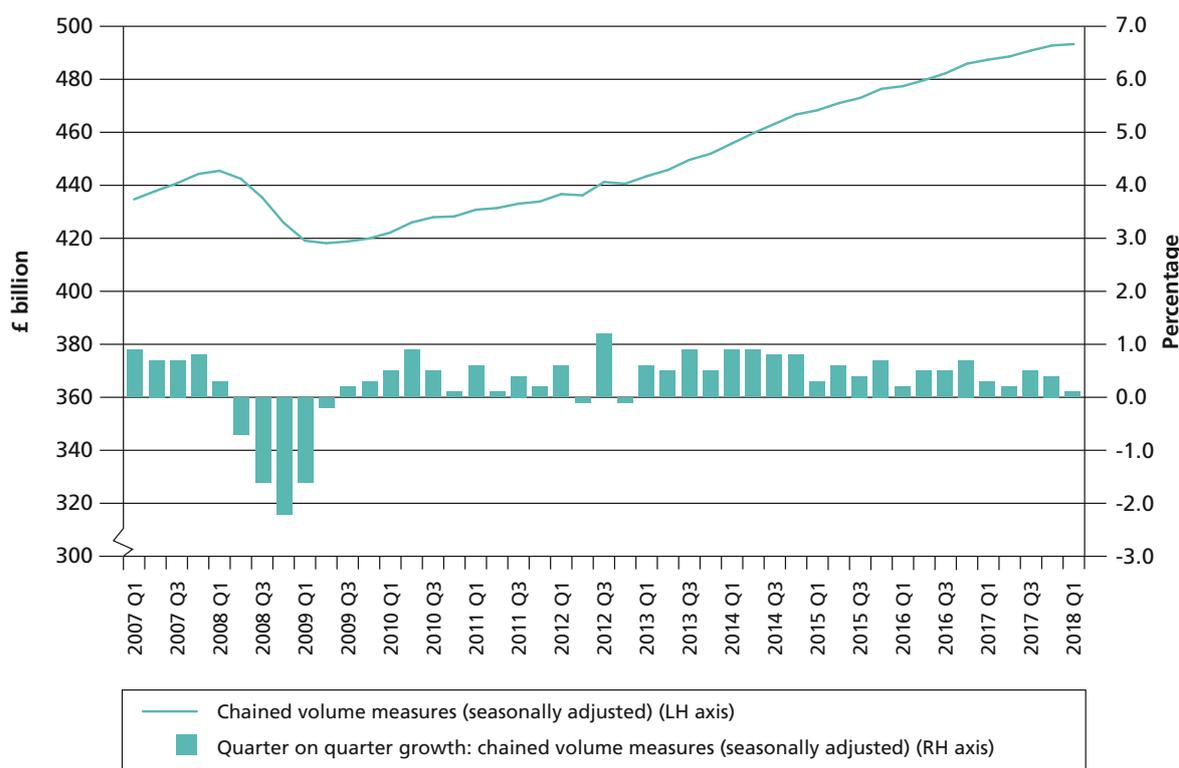
### Introduction

2.1 This chapter sets the context for our recommendations. It provides information on the economic situation, describes the financial position of Her Majesty's Prison and Probation Service (HMPPS) and its recent reforms, and provides background information on our remit group staffing. The chapter then sets out the evidence for our remit group in terms of recruitment and retention, motivation and morale, locality pay, competitiveness with the private sector, equality and diversity, and progress on HMPPS' workforce strategy. It concludes with a summary of the parties' proposals to us this year.

### Economic context<sup>8</sup>

2.2 The Government stated, in its 2018 Spring Statement,<sup>9</sup> that the "economy continues to grow, continues to create jobs and has exceeded expectations in 2017." Recent figures from the Office for National Statistics (ONS) suggest the economy grew by 0.4% in the fourth quarter of 2017 and 1.7% in 2017 overall. Initial estimates for the first quarter of 2018 estimated growth at just 0.1% (see Figure 2.1 for the last 11 years of data). The Office for Budget Responsibility (OBR) stated in its *Economic and Fiscal Outlook*<sup>10</sup> that Gross Domestic Product (GDP) was expected to grow by 1.5% in 2018, slow to 1.3% in 2019 and then pick up modestly over the subsequent three years. The Bank of England forecast growth in 2018 of 1.75% in its May *Inflation Report*.<sup>11</sup>

**Figure 2.1: Quarterly GDP, 2007 to 2018**



Source: Office for National Statistics

<sup>8</sup> Data in this section and in the staffing section are as at published on 17 May 2018 which is when we reached initial decisions.

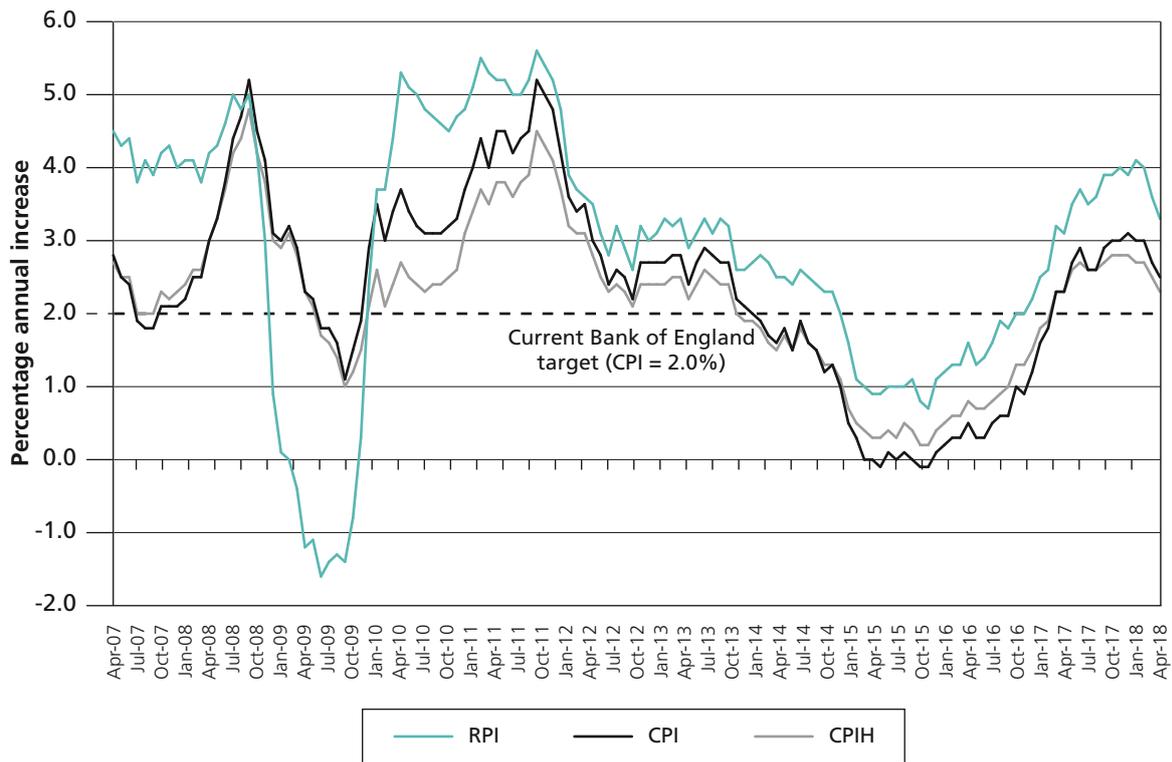
<sup>9</sup> HM Treasury. *Spring Statement March 2018*. Available at: <https://www.gov.uk/government/news/spring-statement-2018-what-you-need-to-know> (accessed on 21 June 2018).

<sup>10</sup> Office for Budget Responsibility. *Economic and Fiscal Outlook: March 2018*, Cm 9572. TSO, 2018. Available at: <http://obr.uk/efo/economic-fiscal-outlook-march-2018/> (accessed on 21 June 2018).

<sup>11</sup> Bank of England. *Inflation Report May 2018*. Available at: <http://www.bankofengland.co.uk/publications/Pages/inflationreport/2018/may.aspx> (accessed on 21 June 2018).

2.3 As part of our standing terms of reference, we are asked to take the Government’s inflation target into account. Inflation, as measured by the annual percentage change in the Consumer Prices Index (CPI), had fallen to 2.5% in March 2018 from a recent peak of 3.1% in November 2017.<sup>12</sup> This remains above the Government’s CPI target for the Bank of England of two per cent. The annual change in the Consumer Prices Index including owner occupiers’ housing costs (CPIH – now the ONS’ preferred measure of inflation) was 2.3% in March 2018. The OBR believes CPI inflation peaked in November 2017 and expects it to decline through 2018. CPI inflation is forecast to remain above the Government’s two per cent target until at least 2019, as sterling depreciation continues to feed through to higher import prices.

Figure 2.2: Inflation (CPIH, CPI and RPI), April 2007 to April 2018



Source: Office for National Statistics

Labour market

2.4 Employment continues to rise. For the latest time period, January to March 2018, the employment rate was 75.6%, up from 74.8% for a year earlier and the highest since comparable records began in 1971. For January to March 2018, this equated to 32.34 million people in work, 197,000 more than for October to December 2017 and 396,000 more than for a year earlier. The OBR expects employment growth to slow over the next five years from the strong rates recently seen, reflecting the view that unemployment is currently below its sustainable rate and that the ageing of the population will place downward pressure on the overall participation rate. The OBR forecasts that employment growth will be 0.6% in 2018.

2.5 The unemployment rate<sup>13</sup> was 4.2% for the period January to March 2018, down from 4.6% a year earlier. The OBR has forecast that the unemployment rate will rise slightly in 2018 to 4.5% and remain steady until 2020, reaching 4.6% by the end of the forecast period.

<sup>12</sup> The target set by the Government for the Monetary Policy Committee is to maintain inflation (measured by the CPI) at 2.0%. Unlike the Retail Prices Index (RPI), the CPI excludes mortgage interest payments and some other housing components. The two indices also have differences in the coverage of goods and services, and are calculated using a different formula. The RPI measure is still widely used for pay bargaining, despite being dropped as a National Statistic in 2013, while the CPI measure is used for the 2.0% target, as well as pension and benefit upratings.

<sup>13</sup> The unemployment rate is the proportion of the economically active population (those in work plus those seeking and available to work) who were unemployed. (Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over.)

2.6 At a regional level, figures are available on employment, unemployment and inactivity, see Table 2.1 below. These figures indicate that the south of England, outside London, has higher employment rates – and lower unemployment rates – than the remainder. This tight labour market in the south of England impacts on recruitment and retention for our remit group in those areas.

**Table 2.1: Summary of latest headline estimates for regions of the UK, seasonally adjusted, January 2017 to March 2018**

	Employment rate <sup>1</sup> (%) aged 16 to 64	Unemployment rate <sup>2</sup> (%) aged 16 and over	Inactivity rate <sup>3</sup> (%) aged 16 to 64
United Kingdom	75.6	4.2	21.0
Great Britain	75.8	4.2	20.8
England	76.0	4.2	20.6
<i>North East</i>	73.6	4.9	22.6
<i>North West</i>	73.6	4.3	23.0
<i>Yorkshire and The Humber</i>	74.2	4.6	22.1
<i>East Midlands</i>	75.7	4.0	21.1
<i>West Midlands</i>	73.7	4.8	22.5
<i>East</i>	78.3	3.9	18.6
<i>London</i>	75.2	4.9	20.8
<i>South East</i>	78.7	3.4	18.4
<i>South West</i>	79.3	3.5	17.7
Wales	73.4	4.4	23.0
Scotland	74.7	4.3	21.9
Northern Ireland	69.7	3.1	28.0

Source: Office for National Statistics

Notes:

1. Calculation of headline employment rate: Number of employed people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.
2. Calculation of headline unemployment rate: Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over.
3. Calculation of headline economic inactivity rate: Number of economically inactive people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.

## Pay

2.7 Our last six years of pay recommendations have been made as *Fair and Sustainable* was introduced, staffing levels reduced and against a backdrop of public pay restraint. This is a brief summary of our main pay recommendations which were accepted by Government:

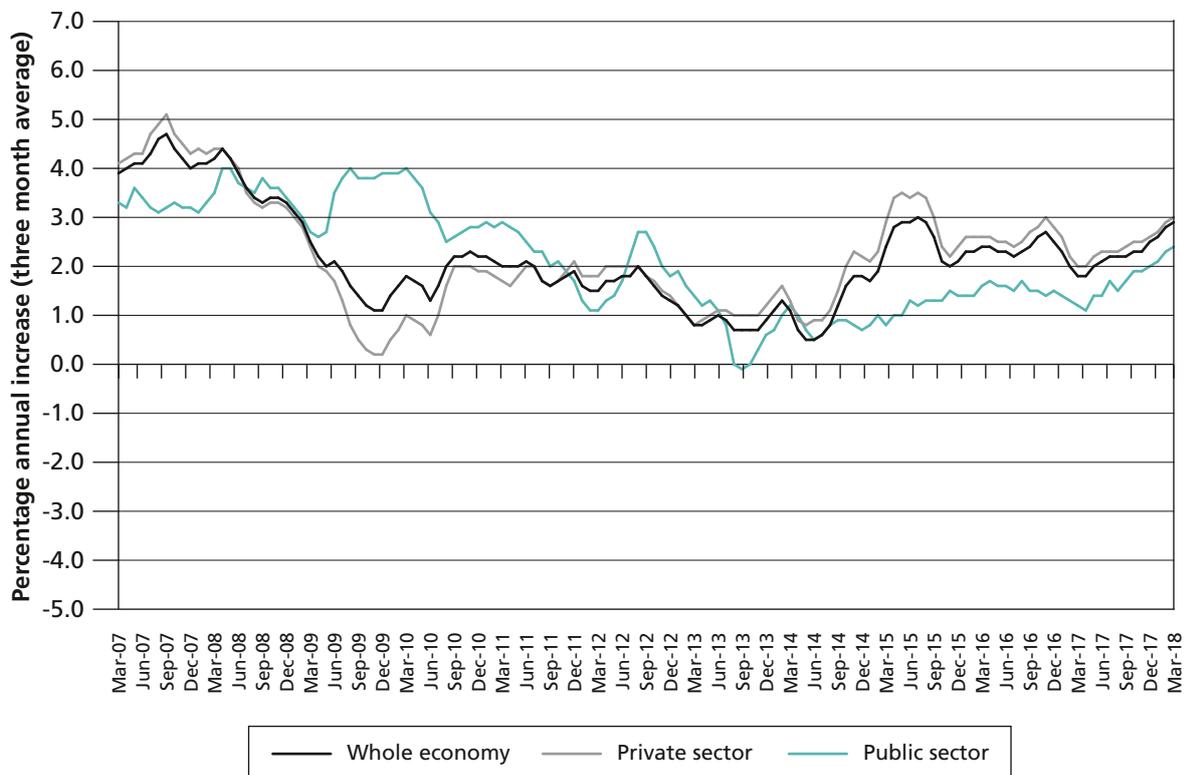
- In 2012, *Fair and Sustainable* pay Bands 2 and 3 were introduced, and a public sector pay freeze was applied for the second year to all staff earning more than £21,000.
- In 2013, the remaining *Fair and Sustainable* pay Bands were formally introduced with our recommendations that pay maxima be adjusted so that it was possible for staff in some National Bands to receive a pay award of one per cent or more when “opting in” to *Fair and Sustainable* (this did not cover prison officers or senior officers). We recommended that closed grade prison officers at the top of the pay scale and senior officers be awarded a non-consolidated payment of £250.

- In 2014, we recommended a one per cent consolidated pay increase for all officers and support staff on all pay structures and changed some *Fair and Sustainable* National Band 7 to 11 pay structures to provide two per cent to staff who opted in.
- In 2015, we recommended an increase of 1.8% to the maxima of the *Fair and Sustainable* National Bands but did not recommend pay awards for those on closed grades. The Government then provided non-consolidated retention bonus payments (£300 for prison officers and support staff, £325 for senior officers and £350 for principal officers) shortly after the publication of our 2015 report.
- In 2016, we recommended an increase of one per cent to the maxima of the *Fair and Sustainable* National Bands and provided non-consolidated awards of £300 for prison officers and support staff, £325 for senior officers and £350 for principal officers.
- In 2017, we recommended a consolidated flat cash award of £400 to all uniformed grades (both those on *Fair and Sustainable* and closed grades) and an increase of one per cent to the maxima of the *Fair and Sustainable* National Bands 7 to 11.

2.8 The main pay settlement information providers (XpertHR, IDR, LRD and EEF) recorded a private sector median settlement of 2.0% across 2017. XpertHR and IDR both recorded a median settlement of 2.5% in the three months to February 2018, while LRD saw a median pay settlement of 3.0%. XpertHR recorded a median settlement of 1.1% for the public sector in the 12 months to March 2018. The Bank of England 2018 average pay settlement forecast is 3.1% for the private sector, up from 2.6% in 2017.

2.9 Between January to March 2017 and January to March 2018 earnings from regular pay (excluding bonuses) increased by 2.9%, or 0.4% in real-terms. (that is, adjusted for CPIH inflation). Over the same period, private sector earnings increased by 3.0% while public sector earnings increased by 2.4% (see Figure 2.3 for the last 11 years of data).

**Figure 2.3: Average weekly earnings, percentage change year on year, three month averages from the quarter ending in March 2007 to March 2018**



Source: Office for National Statistics

2.10 In its March 2018 economic outlook, the OBR said it expected average earnings growth to pick up to 2.7% in 2018 and then fall back again to 2.4% and 2.5% in 2019 and 2020. The latest (May 2018) projections from the Bank of England suggest average earnings growth of 2.75% in 2018, rising to 3.25% in 2019.

### **Wider changes affecting our remit group's employment offer**

#### *Public sector pensions*

2.11 Changes to the pension schemes offered to prison staff are a matter for the Government and pensions are not formally within our remit. The value of the pension, and pension contributions, is nevertheless an important element when looking at total reward for our remit group.

2.12 There have been several changes to public sector pensions over the last ten years which have impacted on our remit group. This has seen the Civil Service Pension Schemes, which our remit group are members of, moving from a final salary basis to a career average revalued earning for future accrual basis. These changes were phased in over three years and have also seen increases in contribution rates and normal scheme retirement ages linked to an individual's State Pension Age (SPA). The main current pension scheme for our remit group is 'alpha', although there are some staff on legacy Civil Service Pension Schemes (noted below) and a small number of operational Prison Service staff on pre-*Fresh Start*<sup>14</sup> arrangements.

2.13 Prior to 1 April 2012, members of the remit group were in one of four different Civil Service Pension Schemes: Classic, Classic Plus, Premium and Nuvos. Classic was the most common scheme for our remit group; this scheme had a retirement age of 60 and an employee contribution rate of 1.5%. Those on Classic Plus and Premium also had a retirement age of 60 but a contribution rate of 3.5%. Those on Nuvos had a retirement age of 65 and a contribution rate of 3.5%. In these schemes all staff paid the same contribution rate, irrespective of grade. The reform package that introduced the current 'alpha' scheme saw the introduction of tiered contribution rates linked to salary. In recent years we have set out in our reports the various contribution rates that apply to members of our remit group (starting in the 2013 England and Wales report).

2.14 The changes in contribution rates mean that our remit group currently make the following contribution rates, dependent on salary, for 2018-19:

- Support grade contribution rates are generally either 4.60% or 5.45%;
- Prison officer grade contribution rates are generally either 4.60% or 5.45%, although most will pay the higher rate; and
- Operational manager grade contribution rates are generally either 5.45% or 7.35%, with senior managers mainly paying the higher rate.

The Civil Service publishes<sup>15</sup> its employer contribution rates on its website and the average employer contribution rate that applied from 1 April 2015 is 21.1%.

#### *National Insurance*

2.15 National Insurance Contributions (NICs) effectively rose from 6 April 2016 and this affected staff in our remit group. From that date, the current basic state pension and state second pension (S2P) were abolished and replaced by a single-tier state pension. The abolition of S2P resulted in the end of contracting-out.<sup>16</sup> In the past, contracted-out schemes had to provide a certain level of Defined Benefit benefits, and in return both employer and employees paid lower NICs. The abolition of contracting-out therefore had cost implications for both employees and employers as a result of the loss of the NIC reductions; employees' Class 1 NICs increased

<sup>14</sup> A new pay and grading structure was introduced to HM Prison Service in England and Wales in 1987. The agreement was known as *Fresh Start* and the present pay and grading system for officer grades is founded on that agreement. Officers appointed before it was introduced may be on older pension arrangements: 'pre-*Fresh Start*'.

<sup>15</sup> Civil Service Pensions: <https://www.civilservicepensionscheme.org.uk/members/contribution-rates/> (accessed on 21 June 2018).

<sup>16</sup> The measures to implement the single-tier state pension and abolition of contracting-out are contained in the Pensions Act 2014.

by 1.4% (of relevant earnings between Her Majesty's Treasury thresholds<sup>17</sup>).<sup>18</sup> Whilst NICs are a matter for the Government, we are aware that this change affected the take-home pay of our remit group. This has been raised frequently on visits in the last few years and has impacted on morale and motivation.

### **Her Majesty's Prison and Probation Service and our remit group**

#### *The Spending Review, public sector pay policy and affordability*

2.16 The previous Government published a joint Spending Review and Autumn Statement on 25 November 2015.<sup>19</sup> In that document, the then Chancellor reiterated his public sector pay policy from the first Budget of the Government: namely that to help protect jobs and the quality of public services the Spending Review would fund public sector workforces for an average pay award of one per cent in each of the four years from 2016 to 2017. Since then, reforms have been announced, which included plans to recruit additional prison officers and HMPPS was allocated an additional £100 million funding to allow this.

2.17 The 2017 Autumn Budget announced a change in the Government's approach in relation to public sector pay awards and the move away from the previous policy of awards of an average of one per cent. Nevertheless, the Government said that pay discipline remains central to its overall approach this year and Departments have only been funded for a one per cent average increase in public sector pay awards in the current Spending Review.

2.18 In its evidence this year, HMPPS sought our independent input on the approach and amount of this year's pay award for staff in the remit group and did not propose a headline figure. HMPPS noted that it needed to maintain operational stability in 2018 to 2019, recognising that operational staff continue to face challenging working conditions. It stated that its key drivers this year were to maintain experience, whilst aiming to reduce attrition and to continue to recruit to improve workforce capacity and capability. HMPPS requested that awards be targeted at areas of genuine pressure and should be linked to improvements in productivity or address skill shortages. However, HMPPS stressed in its evidence that any award above one per cent would be unfunded.

2.19 HMPPS set out again this year their continued compliance with the National Living Wage (NLW), introduced in April 2016. HMPPS noted that the NLW would rise from £7.50 per hour to £7.83 per hour from 1 April 2018 and proposed increases this year to some support grades to ensure they continue to be paid at or above the NLW.

#### *Reform of Her Majesty's Prison Service*

2.20 The Lord Chancellor and Secretary of State for Justice announced on 8 February 2017 that the National Offender Management Service (NOMS) would be replaced by a new agency, Her Majesty's Prison and Probation Service.<sup>20</sup> This new agency came into effect on 1 April 2017 and took full responsibility for the operational management of offenders in custody and the community.

2.21 Although the reform of the Prison Service has been an important objective of the last two Governments, the Minister told us this year in oral evidence that the priority is now on getting "back to basics" – ensuring a safe, decent and secure environment for staff and prisoners. New initiatives such as portable detection poles and signal detection equipment to deter the use of mobile telephones and 'Five Minute Intervention' training have been introduced to tackle supply and use of drugs and to support better staff and prisoner relationships.

2.22 As part of the Prison Safety and Reform White Paper published in November 2016, the Government committed to an increase of 2,500 additional prison officers by December 2018. This increase in staff numbers is intended to support the development and introduction of a supervising and support role for prison officers, each to act as a key worker to approximately six offenders, as part of the new Offender Management in

<sup>17</sup> The relevant earnings for employees for this purpose being £6,032 (the Lower Earnings Limit) and £46,350 at 2018-19 rates.

<sup>18</sup> In addition, employers' Class 1 NICs increased by 3.4% (of relevant earnings), to the standard rate of 13.8%.

<sup>19</sup> HM Treasury. *Spending Review and Autumn Statement 2015*. Cm 9162. TSO, 2015. Available at: <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents> (accessed on 21 June 2018).

<sup>20</sup> Ministry of Justice press release, *Justice Secretary launches new prison and probation service to reform offenders*. Available at: <https://www.gov.uk/government/news/justice-secretary-launches-new-prison-and-probation-service-to-reform-offenders> (accessed on 21 June 2018).

Custody model. The aim of the key workers scheme is to provide for each prisoner an identified member of staff with whom they can build a consistent and supportive relationship.

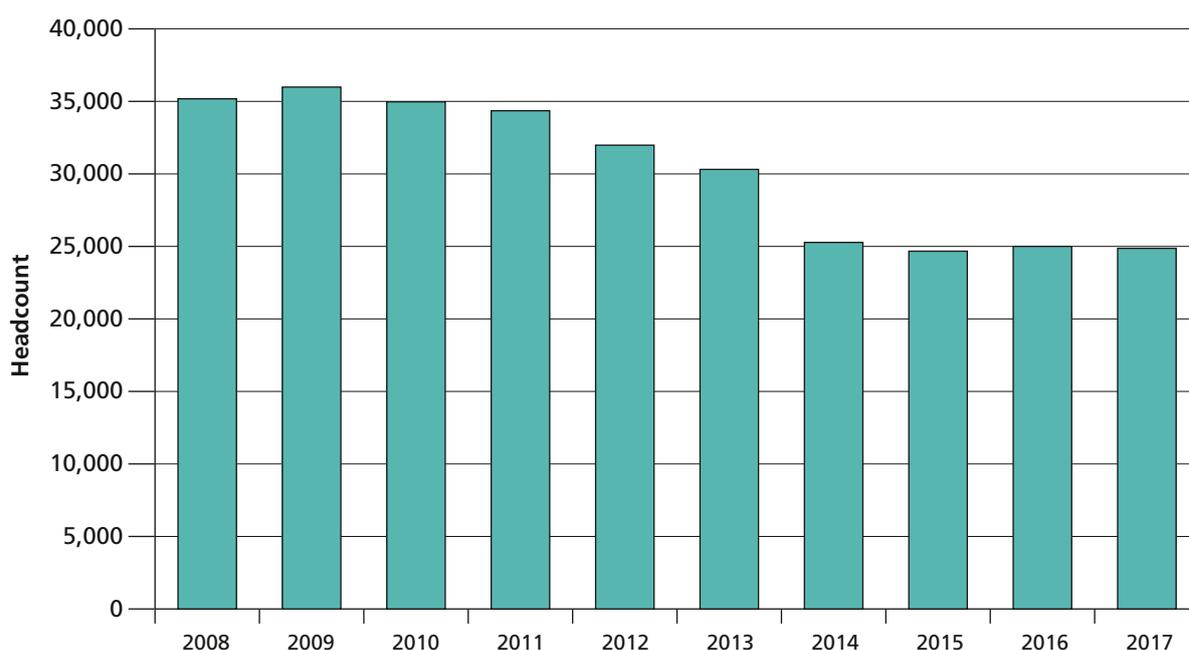
2.23 In oral evidence, the Prison Governors' Association (PGA) told us that public sector prisons were now clustered under prison group directors (formerly executive governors). HMPPS has also given greater control to governors over their own budgets but this has come with greater accountability for the performance of prisons and the introduction of league tables.

### Staffing<sup>21</sup>

2.24 We receive latest available staffing data from the Prison Service on an annual basis and use these figures in our deliberations. This year, because our report has been delayed, the dataset was provided in early 2018 and therefore the data used is generally from March 2017. Unfortunately, this means at the time of writing our report, our data is almost a year out of date. We have provided more up-to-date figures in certain areas where possible.

2.25 There were 24,868 staff in our remit group at the end of March 2017.<sup>22</sup> The headcount for the last three years (for the end of March each year) is at a lower level than the earlier years in the decade, see Figure 2.4. Staffing was at its highest in 2009 (35,988 staff at the end of March 2009). The largest annual percentage decrease in staff took place between 2013 and 2014 (16.6%), which reflected the largest absolute annual decrease in staff (5,036). This was when the majority of establishments went through the Benchmarking exercise.

**Figure 2.4: Remit group size, 2008 to 2017**



Source: NOMS/HMPPS

Note: Annual headcount figures as at 31 March for the specified year.

2.26 Table 2.4 shows the number of remit staff in post by grade at 31 March each year from 2012 to 2017. At 31 March 2017 there were 24,868 staff in our remit group, a small decrease of 0.5% from the previous year. Within this overall number, staffing changes within grade groups varied:

- Band 2 / support staff – a decrease of 3.8% or 190 staff;

<sup>21</sup> Following a change of publication policy in NOMS, the system of Treasury Rounding is no longer applied to staffing figures (this is the process whereby figures have been rounded to the nearest 10, with integer values ending in 5 rounded to the nearest 20 to avoid systematic bias).

<sup>22</sup> This is headcount.

- Bands 3 to 5 / officers – an increase of 0.4% or 85 staff; and
- Bands 7 to 11 / operational managers – a decrease of 3.1% or 30 staff.

2.27 More recent full-time equivalent (FTE) data shows that the number of Bands 3 to 5 / officers increased further between 31 March 2017 and 31 March 2018 from 18,402 to 21,041 (by 14.3%) whilst Band 2 / support staff and Bands 7 to 11 / operational managers continued to decrease (by 1.1% and 3.5% respectively).

**Table 2.4: Headcount of remit group staff in post, 2012 to 2017**

Broad staff group	Headcount of staff in post at 31 March						Change between 2016 and 2017	
	2012	2013	2014	2015	2016	2017	No.	%
Bands 7 to 11 / operational manager grades	1,283	1,196	1,011	958	964	934	-30	-3.1
Officer grades:								
Band 5 / principal officers	693	660	1,369	1,385	1,368	1,409	41	3.0
Band 4 / senior officers / specialists	3,541	3,259	2,654	2,669	2,735	2,740	5	0.2
Band 3 / prison officers	19,325	18,455	14,911	14,904	14,986	15,025	39	0.3
<b>Total Bands 3 to 5 / prison officer grades</b>	<b>23,559</b>	<b>22,374</b>	<b>18,934</b>	<b>18,958</b>	<b>19,089</b>	<b>19,174</b>	<b>85</b>	<b>0.4</b>
Band 2 / operational support grades	7,139	6,741	5,330	4,754	4,950	4,760	-190	-3.8
<b>Total (remit group)</b>	<b>31,981</b>	<b>30,311</b>	<b>25,275</b>	<b>24,670</b>	<b>25,003</b>	<b>24,868</b>	<b>-135</b>	<b>-0.5</b>

Source: NOMS/HMPPS

Notes:

1. Figures are on a headcount basis (that is part-time staff count as one).
2. These show the number of staff in the remit group at the end of March each year.
3. In the past two years, prison officer specialists were included separately. At the time, these were identified as main grade (Band 3 equivalent) officers with specialist skills, they have now been identified as Band 4 specialists. Any current prison officer (Band 3) staff with specialist allowances are in the Band 3 / prison officer category.

2.28 In past reports we have been able to compare these staffing numbers to the funded full-time equivalent level, previously called the 'Benchmark'. However, following the implementation of the Offender Management in Custody and the Prison Safety White Paper, which gave an additional £100 million worth of funding, the original staffing benchmarks were removed. Within a set financial budget, governors now have the freedom to control their own staffing mix and structure.

2.29 The Prison Service continues to place a heavy reliance on the use of Payment Plus<sup>23</sup> to help address staffing levels. The rate for Payment Plus was temporarily increased from £17 to £22 per hour in August 2016 and in our 2017 report we recommended that it should continue at this rate until 31 March 2018. Between 2015 to 2016 and 2016 to 2017, the total cost of Payment Plus increased from £46.4 million to £54.1 million<sup>24</sup> (an increase of 16.6%).

<sup>23</sup> Payment Plus is paid to prison officers for undertaking additional hours for specific duties.

<sup>24</sup> HMPPS were only able to provide an 11 month figure for 2016-17 as the allowance data for December 2016 was corrupted. We have therefore scaled up the 11 month figure for 2016-17 to a full year, so the true figure could be lower or higher than this.

2.30 Time Off In Lieu (TOIL) is a debt HMPPS accrues of time owed to staff who have carried out additional, unpaid hours of work. This needs to be repaid in future by allowing the relevant staff time off. The outstanding TOIL balance at 31 March 2017 for staff in Bands 2 to 5 / support grades and officers was reported to be 327,542 hours across all establishments or an average of 14 hours per staff member. TOIL balance averages were provided by grade:

- 34 hours per Band 5 staff member or equivalent (slightly down from 35 in 2016);
- 13 hours per Bands 3 and 4 staff member or equivalent (slightly down from 14 in 2016); and
- 9 hours per Band 2 staff member or equivalent (slightly down from 10 in 2016).

In summary, the total hours of TOIL has seen a slight downward trend over the last year but the hours per staff member has remained at broadly the same level since March 2015.

2.31 In our 2017 report, we recommended that the base pay on temporary promotion for staff should be the greater of the minimum for the role and five per cent of annual salary for each band to which they receive promotion or provide cover, and that this payment should be pensionable. At 31 March 2018, there were 1,172 staff<sup>25</sup> in receipt of a temporary cover payment, 49 per cent of whom were covering Band 4 or senior officer grade roles. The number of staff receiving a temporary cover payment has been growing rapidly, almost doubling between March 2015 and March 2017. The PGA expressed concern about these numbers in both written and oral evidence, saying that each vacancy covered by temporary promotion is creating a supporting structure of temporary promotion beneath it, contributing to deteriorating levels of morale and motivation. In oral evidence, HMPPS assured us that these numbers would decrease as it had now revised its approach to internal promotion assessments and was re-running a number of promotion boards.

2.32 Overall, the evidence shows that total staffing levels for the remit group have mostly remained stable with no large changes since 2014. Although the most recent figures show that staffing levels have reduced slightly in the twelve months to March 2017, we would expect to see this rise in 2018 due to the drive to recruit an additional 2,500 prison officers. The most recent data show that the number of prison officer grades has been increasing slowly since 2016. However, HMPPS workforce data<sup>26</sup> indicated that the number of operational support grades (OSG) has been decreasing and is at nearly the lowest figure recorded in the time series.

2.33 During oral evidence, HMPPS informed us that there were 1,000 Bands 3 to 5 officer vacancies which continue to be covered by the use of Payment Plus and Detached Duty, whilst TOIL also remains at high levels per staff member. The numbers receiving a temporary cover payment indicate that there are also a significant number of vacancies at grades more senior to those to which staff are recruited, and these are being covered by more junior staff. This has a knock-on effect. The PGA stated in its evidence that uniformed grade staff are unwilling to apply for promotion because they can earn the same salary for the same hours of work through Payment Plus without satisfying the requirements of the Job Simulation Assessment Centre. The union believe that increasing the amount payable on promotion would address this issue.

### *Two-tier pay structure*

2.34 Since *Fair and Sustainable* was introduced in 2012, staff have occupied both *Fair and Sustainable* and the closed grades. As part of the implementation of the *Fair and Sustainable* pay structure, all staff on the closed pay structures have been given the opportunity in each of the years since its introduction to opt in to the *Fair and Sustainable* pay structure. For this exercise, HMPPS provides each staff member with information about what the move would mean for them in financial terms.

2.35 In its written evidence this year, HMPPS said that this was the first evidence submission in which it had been able to report that over 50 per cent of the remit group were now on *Fair and Sustainable* terms and conditions. However, it noted that there is also evidence that a significant number of staff (predominantly

<sup>25</sup> This is headcount.

<sup>26</sup> Her Majesty's Prison and Probation Service workforce quarterly: December 2017. Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2017> (accessed on 21 June 2018).

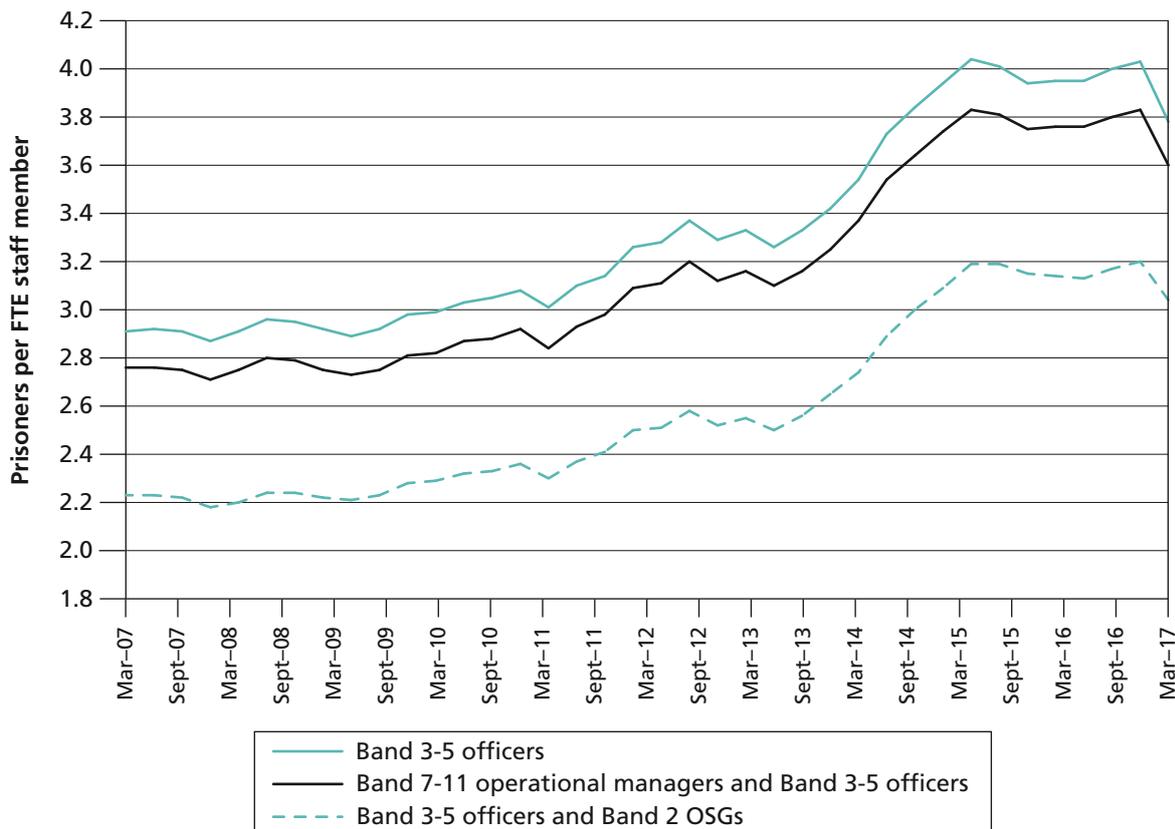
OSGs) are choosing not to opt in despite it being financially beneficial for them to do so. We heard on visits that some staff had not opted in because they continue to believe that the unsocial working hours element of their pay might be taken away at some future point as it was separately identified on salary slips, despite written assurances from HMPPS that this would not happen.

2.36 We note that staff choosing to remain on their existing terms and conditions will, for the present, continue to have an annual opportunity to opt in but we are concerned that a large proportion of staff are still choosing to remain on closed grades each year, despite this leaving them financially worse off. As the body responsible for making recommendations on pay and allowances for this group of staff, we believe now is the time for HMPPS to make a concerted effort to explain the benefits of opting in and encourage eligible staff to opt in.

*Prisoner responsibility ratios*

2.37 When looking at staffing, we also consider the number of prisoners that members of our remit group are responsible for. The ratio of the number of prisoners to the number of staff is an important factor in the day-to-day work of our remit group. HMPPS figures show that, across the estate, the number of prisoners per full-time equivalent remit group member has decreased to 2.92 as at March 2017 (from 3.08 a year earlier). This level is higher than it was 10 years earlier, when the number of prisoners per remit group member was 2.1, see Figure 2.5. We expect that successful recruitment of additional Band 3 prison officers will reduce these ratios from their current levels.

**Figure 2.5: Prisoners per staff member – March 2007 to March 2017**



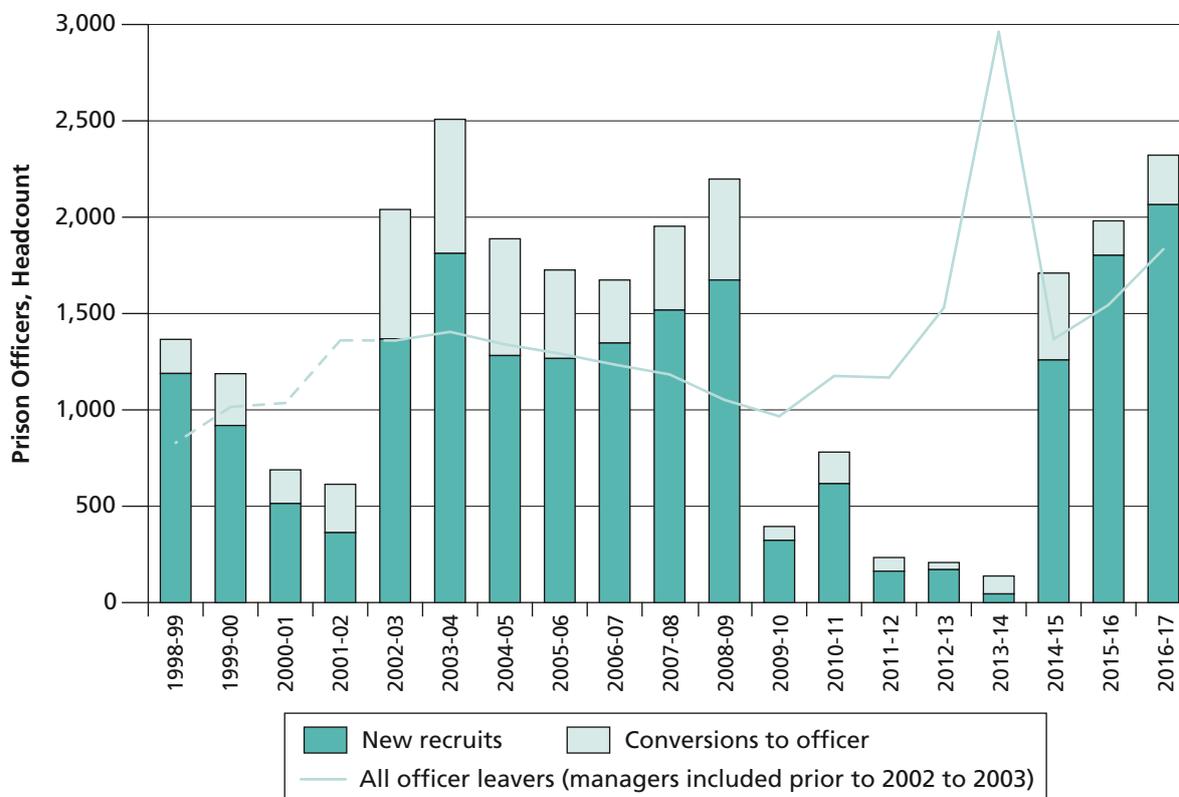
Source: NOMS/HMPPS

**Recruitment and retention**

2.38 HMPPS told us during oral evidence that it has made good progress on its ambition to recruit an additional 2,500 prison officers and that it would reach this target before the end of December 2018. In

the year to 31 March 2017, 2,322 Band 3 officers were recruited which consisted of 2,065 new recruits and 257 conversions from Band 2, the highest level since 2003-04. See Figure 2.6 for the recruitment figures for the last two decades.

**Figure 2.6: Band 3 prison officer recruits and conversions April 1998 to March 2017**

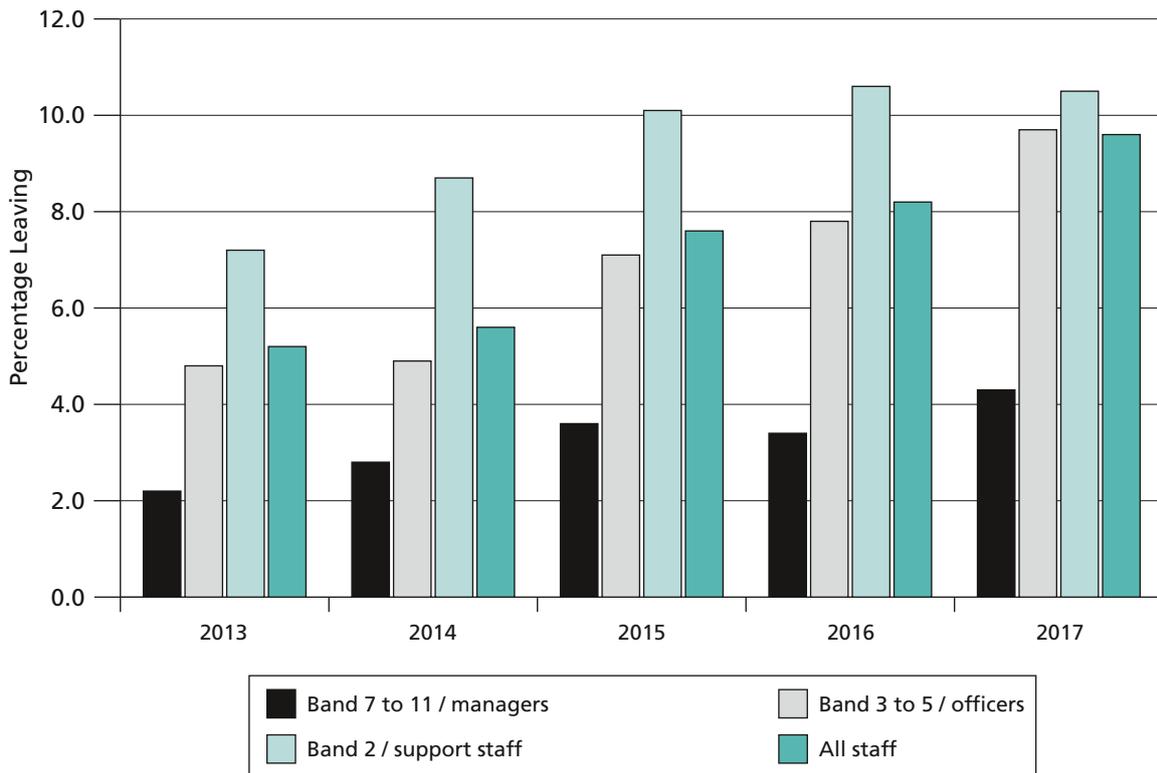


Source: NOMS/HMPPS

2.39 HMPPS evidence notes that work has been done to improve the recruitment process. A series of recruitment pilots have been run to trial changes to reduce the time it takes to hire new prison staff and offer an improved candidate experience. Local recruitment advisors have been appointed, and the quality of advertising has been reviewed and improved to ensure job adverts are promoting the total reward package. The PGA informed us in oral evidence of some good work at a local level, particularly at HMP High Down where targeted recruitment is delivering successful results.

2.40 Figure 2.7 shows percentage leaving rates for the five years to March 2017. In the year to March 2017, the leaving rate across the Prison Service increased to 9.6%, up from 8.2% a year earlier. Looking across staff groups, leaving rates were significantly lower for the most senior staff but the leaving rate for Bands 7 to 11 increased in the year to March 2017 by 0.9 percentage points. In the year to March 2017, the leaving rate for Band 2 staff remained largely unchanged while the rate for Band 3 to 5 officers continued to increase, resulting in both groups now having similar leaving rates. As can be seen in Figure 2.7, concerningly the leaving rate for Band 3 to 5 officers has almost doubled in the last three years since 2014.

Figure 2.7: Leaving rates of remit group staff, 2013 to 2017



Source: NOMS/HMPPS

Note: Rates come from leaver numbers divided by the staff numbers at the start of the year.

2.41 In the year to March 2017, the leaving rate for Band 3 prison officers was 10.4%, an increase from the previous year of 2.1 percentage points. This has doubled since 2014, when the leaving rate for Band 3 was 5.3%. HMPPS evidence stated the annual leaving rate for prison officers has now stabilised but in the most recent workforce statistics<sup>27</sup> published by HMPPS, we note that the rate for this group has again increased to 11.1% for the year to March 2018.

2.42 Throughout its evidence this year, HMPPS note that its focus is on retaining experienced staff. HMPPS recognise that operational staff have continued to face extremely challenging working conditions and one of its key objectives is to maintain the experience and capability of experienced staff while reducing attrition. In oral evidence sessions both the PGA and Public and Commercial Services (PCS) Union raised concerns about the high level of inexperienced staff and the time it would take them to bed in and become fully effective.

2.43 The HMPPS staff exit survey was relaunched in June 2017. The response rate has previously been appalling: only 104 staff in our remit group completed the survey in 2016. HMPPS notes in its evidence this year that it had conducted additional qualitative analysis to understand why prison officers are leaving and have used this research to pilot a new ‘hands on’ four step approach to retention at 12 establishments with particularly high voluntary resignation rates. We await the results with interest but are disappointed that work is only being undertaken at 12 establishments. We hope that HMPPS are more proactive in encouraging the use of exit interviews this year.

2.44 Overall, the picture on recruitment and retention is mixed. The progress made to date on reaching the target to recruit an additional 2,500 prison officers shows that HMPPS are able to recruit, at least in some regions. However, on further investigation of the data we are concerned that this original figure did not take into account the high number of vacancies that existed at that time. This appears to have the effect that the

<sup>27</sup> Her Majesty's Prison and Probation Service workforce quarterly: March 2018. Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2018> (accessed on 21 June 2018).

recruitment efforts are not yet being felt on the landings in many prisons. We are also conscious that total staffing levels do not show the number of staff on sick leave or restricted duties which remains at high levels, thereby adding further significant pressure at establishment level.

2.45 The trend of high turnover rates amongst those in Bands 2 to 5, officer and support staff, remains concerning and HMPPS must ensure it maintains an appropriate balance between newly recruited staff and experienced staff. As of March 2018, over 20 per cent of Bands 3 to 5 had less than one year's service. More experienced staff will be relied upon to provide on the job training and mentoring to these new recruits, which will add additional pressure onto an already challenging job.

### **Motivation and morale**

2.46 Our terms of reference require us to take staff motivation into consideration when making recommendations. The evidence we received on this issue took a variety of forms. We received updated information from the sources we regularly consider in this context: the annual report from Her Majesty's Inspectorate of Prisons (HMIP); published statistics on assaults on staff; the HMPPS People Survey; union reports on feedback from their membership; information provided by staff to us on visits; HMPPS operational performance measures; and sickness absence data. We summarise this evidence here and return to the matter of motivation in our analysis and recommendations in Chapter 3.

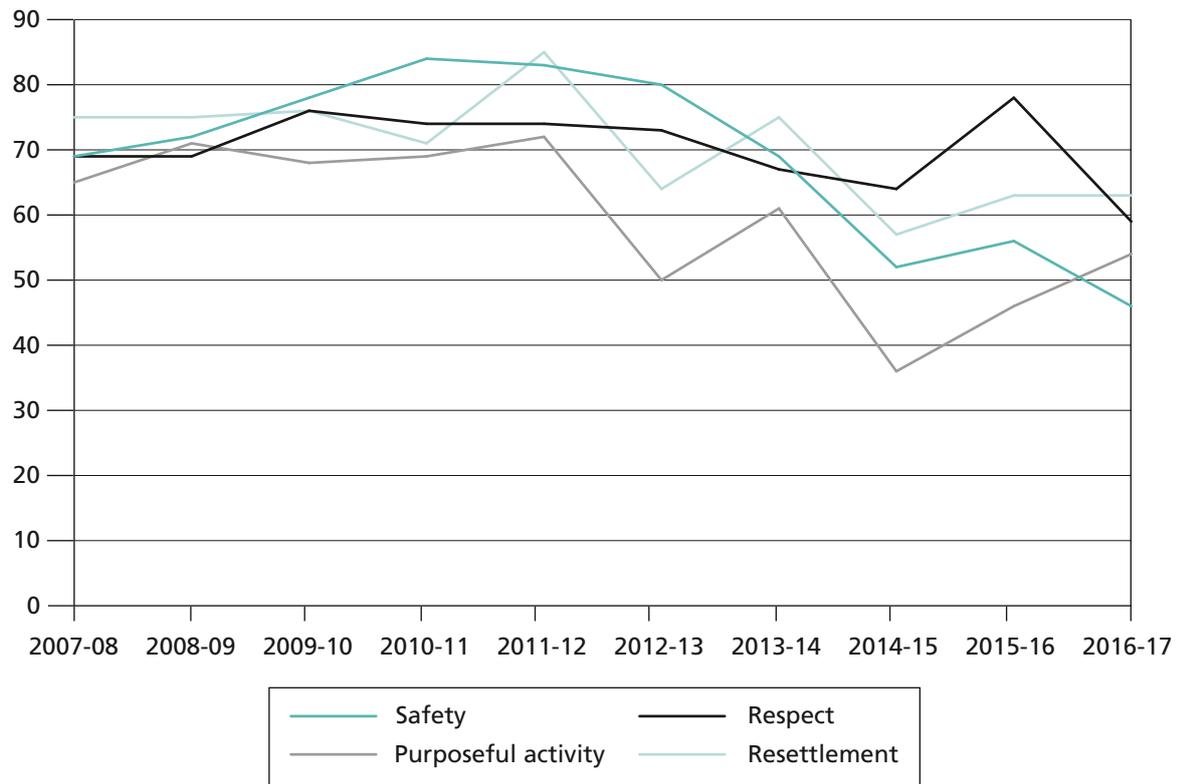
2.47 The overall picture from the range of evidence we received indicates that motivation remains at the very low levels observed in recent years and that the high and increasing levels of violence within prisons are having a very significant effect throughout the Prison Service.

#### *Her Majesty's Inspectorate of Prisons*

2.48 The Chief Inspector of Prisons, Peter Clarke, commented in the HMIP 2016 to 2017 Annual Report<sup>28</sup> that last year he had reported too many prisons becoming unacceptably violent and dangerous places and that this situation has not improved, but in fact worsened. He noted that there had been startling increases in all types of violence but assaults on staff had seen the biggest increase. The Chief Inspector further commented that, in the space of a year, the percentage of adult male prisons judged to be 'good' or 'reasonably good' had "slumped" from 78 per cent to 49 per cent. By February 2017 HMIP had reached the conclusion that there was not a single establishment inspected in England and Wales in which it believed it was safe to hold children and young people. The data provided by HMIP highlight that prison inspections in 2016 to 2017 generally had poorer outcomes than in previous years, particularly for safety and respect (see Figure 2.8).

<sup>28</sup> HM Chief Inspector of Prisons for England and Wales. Annual Report 2016-17. HC 208. Available at: <https://www.justiceinspectorates.gov.uk/hmiprisons/inspections/annual-report-2016-17/> (accessed on 21 June 2018).

**Figure 2.8: Percentage of prisons and young offender institutions assessed as 'good' or 'reasonably good' by category in full inspections 2006-07 to 2016-17**



Source: HMIP

Note: HMIP inspects a different selection of prisons each year (and not a random sample), so trends in its data do not always necessarily reflect changes across the entire prison estate.

*Assaults on staff*

2.49 All the parties highlighted concerns about violence across the Prison Service, particularly incidents against staff. HMPPS evidence noted that the levels of violence in prisons continued to increase, both against prisoners and staff. The number of assaults and serious assaults as at the end of December 2017 was the highest on record and still showing an upwards trend. HMPPS said it was imperative that a safe, decent and secure environment for its staff and prisoners was delivered, and this remained its over-riding policy objective. The PGA commented in its evidence last year that its members had experienced the worst year of their service and noted this year that, “sadly, this year was worse still”. The PCS said in oral evidence that it was with great sadness that it felt the need to report that the Prison Service was in a state of “crisis”, with increased levels of violence and drug misuse. Whilst the POA<sup>29</sup> have not supplied us with evidence, we note from public statements it has made that it too has very serious concerns about the levels of violence across the prison estate, particularly those incidents against staff.

2.50 Figures on assaults on staff are published by the Ministry of Justice (MoJ).<sup>30</sup> The most recent annual data was for 2017 and these showed:

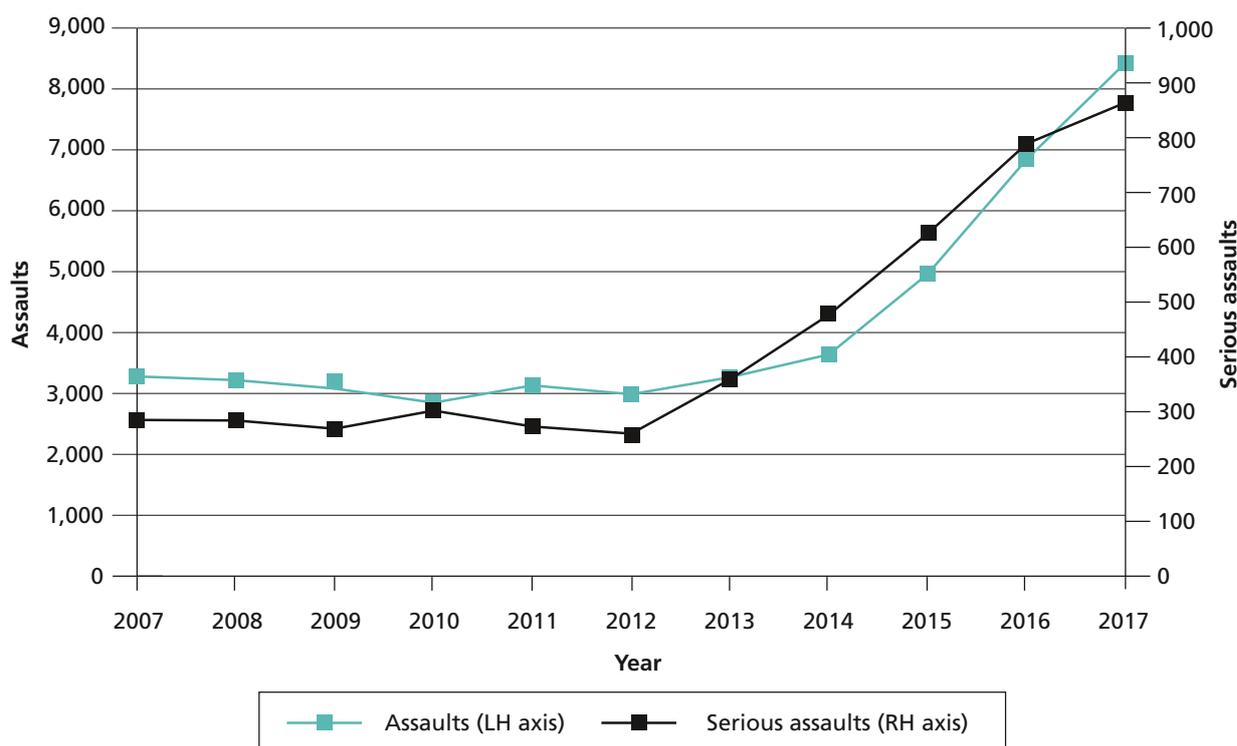
- an increase in the total number of assaults on staff, from 6,844 in 2016 to 8,429 in 2017 (23 per cent), and
- an increase in the number of serious assaults, from 789 in 2016 to 864 in 2017 (10 per cent).

The data available to us on assaults on staff starts in 2000 and the last three years are the highest figures of this data set, see Figure 2.9 for the trend over the last 10 years.

<sup>29</sup> The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

<sup>30</sup> Ministry of Justice. *Safety in Custody Statistics Bulletin, England and Wales, Deaths in prison custody to March 2018, Assaults and Self-Harm to December 2017*. Available at: <https://www.gov.uk/government/collections/safety-in-custody-statistics> (accessed on 21 June 2018).

Figure 2.9: Assaults and serious assaults on staff 2007 to 2017 (annual figures)



Source: Ministry of Justice

### Civil Service People Survey<sup>31</sup>

2.51 As part of a wider Civil Service process, HMPPS carries out a staff survey every Autumn and publishes its results either in December or early in the new year.<sup>32</sup> We received the results of the 2017 Civil Service People Survey for HMPPS overall and for the Prison Service (as a unit within HMPPS) in time for us to consider it as part of our evidence base this year. These survey results indicated that across the Prison Service the proportion of positive responses to positively-worded questions were generally rising and these increases were statistically significant. In contrast, we note there was a statistically significant decrease in positive responses to positively-worded question by Prison Service staff on pay and remuneration.

- 18 per cent (down from 22 per cent) of staff considered their pay was reasonable when compared to others doing similar jobs in other organisations;
- 20 per cent (down from 23 per cent) of staff were satisfied with their total benefits package; and
- 19 per cent (down from 23 per cent) of staff felt that their pay adequately reflected their performance.

2.52 However, as in recent years, we again must note the poor response rate, at 37 per cent for HMPPS (up from 35 per cent) and 26 per cent for the Prison Service (down from 29 per cent). Given the POA mandate to its membership not to complete this survey, we still believe it was mainly operational staff in our remit group who did not answer the survey. The significant staffing pressures operational staff have been working under are also likely to have contributed. We therefore treat the results from the survey with caution.

<sup>31</sup> Information on the Civil Service People Survey is available at: <https://www.gov.uk/government/collections/civil-service-people-surveys> (accessed on 21 June 2018).

<sup>32</sup> Most questions are asked in all Civil Service departments, although some are tailored for the specific department or agency. For example, the Prison Service asks questions about control and discipline in prison establishments. The positively worded question statements usually have five response categories – strongly agree; agree; neither agree nor disagree; disagree; and strongly disagree. The usual measurement of “positive responses” is the sum of the percentages of respondents in the first two of these categories.

### *Evidence from the trade unions on motivation*

2.53 The PGA began its written evidence by stating that staff had experienced the worst year of their service regardless of their experience this year. The union went on to quote a number of statistics showing the rise in prisoner violence, self-harm and suicides in 2017, which the PGA claims has created a significant amount of extra work, adding to the already “immense” workload and stress levels of operational managers. The PGA said that its members were working on average in excess of 48 hours per week, caused primarily by the number of vacancies and temporary promotions, thus adding to the deteriorating levels of morale and motivation. In addition, the union told us that the delayed pay award last year and the associated issues resulting from the “mismanagement of the award” had a demoralising effect on its members and has created further resentments towards senior management. In oral evidence, the union informed us that some staff had not received their uplift to temporary cover payments until March 2018 (almost a year after the effective pay date) which we consider unacceptable.

2.54 The PCS said in its evidence that the erosion of the value of take-home pay since 2010, combined with the increase in pension and NIC, had caused a “double whammy” for staff who were facing the “tightest living standards squeeze for nearly a century”. The PCS referred to the last NOMS/HMPPS Monthly Pulse Survey it had seen at that time (from March 2017). Despite the low response rate, for nearly every question there had been a reduction in positive responses. The PCS raised concern at the percentage of staff who said they wanted to leave the Prison Service in the next 12 months and asked that the Review Body consider this as a matter of urgency. The union concluded that the low levels of morale and motivation were partly why large numbers of experienced, closed grade staff continue to leave the Prison Service.

### *Evidence from visits*

2.55 We visited seven public sector prisons, one private sector prison and the Learning and Development Centre at Newbold Revel this year. We have grouped the issues raised into main categories for ease of reference, although many span more than just one.

2.56 The main pay and allowances issues raised with us on our visits to the public sector establishments and the learning and development centre within our remit were:

- Many staff commented that the pay award was too low and should be at least the rate of inflation. Staff noted the impact on take-home pay in recent years of low pay awards coupled with the increases to pension and NICs. Staff felt that their pay had absolutely “fallen behind” where it was in 2010. In some cases, staff showed us their pay slips to demonstrate that their take-home pay was lower now than it had previously been.
- Prison officers and support grades we spoke to felt the £400 flat cash recommendation to these grades in our last report was the wrong approach, indicating that percentage awards were fairer. Operational manager grades were disappointed that our award had continued to subject them to the one per cent pay cap.
- Staff felt the pay increases offered on promotion, particularly from Band 5 custodial manager level to the operational manager structure, did not incentivise staff to apply for promotion. It was said more could be earned by Band 5s undertaking additional hours through Payment Plus.

2.57 The main performance management and pay progression issues raised were:

- Nearly all the staff we met on visits, including senior operational managers, considered the performance management system not to be working effectively.
- Spans of control/management for Band 5 custodial managers were too large and it was increasingly difficult to find time to engage in meaningful performance discussions with staff.

- Staff routinely commented that they rarely saw their manager. A number reported that the end of year sign-off meeting was the first time they saw their performance appraisal form and discussed their performance.

2.58 The main recruitment and retention issues raised were:

- The dynamic labour market in London and the South East of England meant staff, including experienced staff, were leaving the Prison Service to take up employment in less difficult, violent and stressful jobs which, in some cases were better paid roles.
- Staff said experienced closed grade prison officers continued to leave the Prison Service in considerable numbers, which meant there were not as many to train the large numbers of new prison officer recruits.
- It was felt that the Prison Service needed to target older recruits who could bring additional life skills and experiences.
- The training on offer to new recruits was seen by experienced staff to be of a lower standard than they had received when they joined. It was felt that the Prison Service wanted “boots on the landings” rather than equipping new recruits with the skills prison officers needed. This was considered unfair to both new recruits and experienced officers.
- There were issues in recruiting and retaining Band 2 operational support grades, with some long standing vacancies reported.

2.59 The main motivation and morale issues raised were:

- Nearly all operational managers were concerned about the impact of working long hours in excess of their contracted 37 hours per week. This had a damaging effect on health, well-being and work-life balance. The Prison Service did not recognise the extra hours operational managers work, whereas non-operational staff receive ‘flexi-time’<sup>33</sup> and prison officers receive Payment Plus.
- In most of the prisons visited, morale appeared to be very low.
- Staff continued to feel that the public, media and Government did not value the work they did and as a consequence felt under-appreciated.

2.60 We visited a number of establishments that were in receipt of the Prison Service’s ‘amber’ and ‘red’ site market supplements. The main issues raised on these supplements were:

- Closed grade prison officers said they found these supplements demotivating. There was significant frustration that new prison officer recruits in some locations were able to progress within two years to a salary that was similar to, or slightly higher than, the closed grade maximum, which had taken closed grade prison officers 10 to 15 years to achieve.
- A number of governing governors said the market supplements appeared to be having an impact, with prison officer vacancies starting to be filled. However, it was too early to assess whether these supplements would help retain new recruits.

2.61 Other issues raised on our visits were:

- The independence of the Review Body was regularly challenged.
- Staffing levels in prisons were felt to be too low and the level of violence too high.

<sup>33</sup> Flexi-time is the system in HMPPS where staff in non-operational Bands 2 to 8 and closed grade equivalents can take excess hours worked as time off at a later date (subject to business need), similar to TOIL for prison officer grades. It is not available to non-operational Bands 9 to 11.

- The retirement age, which is now linked to the SPA, was considered to be too high for operational staff working in a prison environment. It was reported the higher pension age had led some younger closed grade officers to seek other forms of employment.
- Prisoners were now less compliant and more likely to resort to violence and this impacted adversely on officer retention rates.
- Operational managers expressed concerns with the way their jobs were banded across different prison types and against non-operational equivalents. Many staff felt the Job Evaluation Scheme needed to be revisited.
- As in previous years, staff routinely said how poor their recent pay awards had been when compared to the increases to Members of Parliament's pay made by the Independent Parliamentary Standards Authority. This year staff also widely quoted the HMPPS Chief Executive Officer's £20,000 performance bonus.

### *HMPPS operational performance measures*

2.62 In its 2017 Annual Report,<sup>34</sup> HMPPS published a number of key operational performance measures comparing the outcomes for 2016 to 2017 with those from the previous year. These measures covered: delivering the punishments and orders of the courts; security, safety and public protection; and reducing re-offending. Comparing the changes between 2015 and 2016 with those between 2016 and 2017 saw one measure improve, a number deteriorate, and no change in others.

- There was an increase in the number of black and minority ethnic (BME) staff across NOMS/HMPPS.
- There were increases in the number of assault incidents and self-inflicted prisoner deaths, in the rate of prisoner escapes from establishments and escorts, and an increase in the rate of drug misuse as identified through random drug tests.
- The sickness absence rate for public sector prisons (see paragraph 2.63), the percentage of prisoners held in crowded accommodation and the number of category A escapes saw no change from previous 2015 to 2016 levels.

In its report, NOMS/HMPPS included a performance measure for re-offending: the July 2014 to June 2015 cohort had a 33.2% re-offending rate compared with 39.8% for the 2004 cohort.

### *Sickness absence*

2.63 It is important that we consider sickness absence in our report as it significantly affects staffing levels. High levels of sickness absence are often used as an indicator of low motivation and morale. During 2016 to 2017 HMPPS recorded the average number of days absence across the Prison Service as 9.7, a decrease from 10.0 days the previous year. For remit group staff, the average number of days absent also decreased, to 10.8 days in 2016 to 2017 from 11.1 in 2015 to 2016. This year HMPPS has not provided sickness absence by category. More recent data<sup>35</sup> for 31 March 2018 show that the 12 month rate for the remit group had decreased to 9.7 days on average.

---

<sup>34</sup> Ministry of Justice. *National Offender Management Service Annual Report and Accounts 2016-2017*. HC 198. Available at: <https://www.gov.uk/government/publications/noms-annual-report-and-accounts-2016-2017> (accessed on 21 June 2018).

<sup>35</sup> *Her Majesty's Prison and Probation Service workforce quarterly: March 2018*. Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2018> (accessed on 21 June 2018).

2.64 Sickness absence rates (the average number of working days lost):<sup>36</sup>

- decreased for staff in Bands 3 to 5 and equivalents to 10.0 days in 2017 to 2018 from 11.6 days in 2016 to 2017;
- increased for staff in Band 2 and equivalents to 9.2 days in 2017 to 2018 from 9.0 days in 2016 to 2017; and
- increased for those in Bands 7 to 11 and equivalents to 4.7 days in 2017 to 2018 from 4.5 days in 2016 to 2017.

2.65 Whilst the data suggested there had been a reduction in sickness absence for the remit group, HMPPS caveated this data. HMPPS said between January and March 2017, during the migration of data to the new single operating platform, there was an under recording of sickness absence. Therefore, there was likely to have been an undercount of working days lost for the 12 months to 31 March 2017 and a subsequent underestimate of average working days lost. Additionally, investigations were ongoing regarding more recent sickness absence data so figures for the 12 months to 31 March 2018 should be treated with caution.

### Locality pay

2.66 Two different sets of locality pay arrangements apply to staff in our remit. Staff in the closed grades at certain establishments continue to qualify for one of six rates of Locality Pay Allowance (LPA) ranging from £250 to £4,250 per year (see Appendix G for locations and rates). Under these old arrangements, the same LPA was paid to all staff at these locations, irrespective of the extent of recruitment and retention difficulties for their particular grade. For many years we had said that the scheme was unsatisfactory, and we had pressed the Prison Service to develop a replacement, in consultation with the unions.

2.67 With the introduction of *Fair and Sustainable* across 2012 and 2013, NOMS replaced LPA with three pay zones: a basic 'National' pay range and enhanced ranges for those working in 'Outer London' and 'Inner London' establishments and NOMS headquarters. The *Fair and Sustainable* pay range maxima for the Outer and Inner London scales, for staff working 37 hours per week and without any unsocial hours payment, were set respectively at £2,500 and £3,800 higher than the National maxima at that time. NOMS then positioned other pay points so that progression between the equivalent two pay points in different zones would increase pay by the same percentage. The implementation of our 2017 recommendations meant that these differentials are now £2,550 and £3,880 respectively.

2.68 In our 2014 report we said that the most appropriate way to review locality pay in the future would be to consider it as a labour market issue and review it in detail every two or three years rather than expect substantial evidence from the parties on an annual basis. At the time, we planned to review locality pay in more detail the following year and we asked the parties to include information about, and an analysis of, locality pay as part of their evidence to us for the 2015 pay round. However, the evidence we received for that year and the following year did not show a clear pattern for us to address.

2.69 We recommended in our 2016 report that NOMS should arrange for a full review of its current approach to recruitment and retention issues in establishments in difficult local labour markets. However, NOMS/HMPPS did not provide this to us last year, and instead referred to the new market supplements it had introduced in February 2017 (see paragraphs 2.72 to 2.75).

2.70 In its evidence this year, HMPPS told us that it was too early to assess fully how successful the revised starting salary and market supplements for Band 3 at 'amber' and 'red' sites were, and that it would provide

<sup>36</sup> According to the ONS: "An estimated 137.3 million working days were lost due to sickness or injury in the UK in 2016 (latest figures). This is equivalent to 4.3 days per worker (the lowest recorded since the series began in 1993, when the number peaked at 7.2 days per worker). Sickness absence rates were higher for public sector workers (2.9% versus 1.7% for private sector workers) calculated as a percentage of working hours lost." If prison staff are assumed to generally work 46 five-day weeks a year, the rate from 11.3 days a year is approximately five per cent. Office for National Statistics. *Sickness absence in the labour market: 2016*. Published on 9 March 2017. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2016> (accessed on 21 June 2018).

evidence for our 2019 report of their impact on recruitment and retention. The discussions on these issues in oral evidence also drew to our attention the market supplements that continue to be paid to operational Band 2s at the 'red' sites and raised some issues relating to these. The following sections cover these issues in greater detail.

2.71 Overall HMPPS offered the view that, in advance of completing its ongoing review, the existing market supplements were adequate to address current recruitment and retention issues at hard-to-recruit-to sites and proposed that we should not recommend a blanket local pay allowance across London and the South East of England this year. HMPPS said it plans to submit evidence to us on market supplements next year as part of its workforce reform strategy. We look forward to receiving and considering this evidence for our 2019 report.

### *Band 3 prison officer market supplements*

2.72 On 19 February 2017, the then Secretary of State for Justice announced a new set of incentives for Band 3 prison officers in what were termed 'amber' and 'red' sites. These were sites with recruitment and retention issues – 'red' sites<sup>37</sup> being those at which NOMS was unable to recruit the staff it required despite significant efforts and 'amber' sites<sup>38</sup> being those where recruitment was still possible but with difficulties. At this point in time, 31 establishments (30 prisons and Medway Secure Training Centre<sup>39</sup>) are in these two categories.

2.73 The following measures were introduced from 1 February 2017:

- All the 'amber' and 'red' sites, almost a third of the prisons in England and Wales, are now recruiting to Band 3 at the mid-point (with existing staff not already at the mid-point moved up to it).
- All staff in Band 3 (both new recruits and existing staff) in those locations will receive a £3,000 ('amber') or £5,000 ('red') yearly supplement (which is not pensionable).
- Staff promoted to Band 4 from Band 3 in these sites will retain up to half of the supplement as part of their increased pay on promotion.
- These allowances replaced any existing recruitment and retention premia and also any existing market force supplements.<sup>40</sup>
- These measures would continue until at least 2021 (four years after implementation) at which point they would be reviewed.

2.74 In its written evidence to us this year, HMPPS said the evidence suggested that there were still recruitment and retention pressures in London and the South East of England for Band 3 prison officers. HMPPS stated that it was too early to assess fully how effective the 'amber' and 'red' site interventions would prove to be, but there were early indications that things were beginning to improve, both in terms of the number of applications and in the numbers of staff being recruited and retained (we also discuss recruitment and retention in paragraphs 2.38 to 2.45). HMPPS said these market supplements would be reviewed in 2020 to 2021 to ascertain if they were still needed or should be removed. HMPPS also said that blanket and permanent revisions to locality pay arrangements would be disproportionate, unaffordable and unwarranted.

2.75 In oral evidence for our last report, both the PGA and PCS stated that they had not been consulted before the introduction of these supplements. The PGA noted in oral evidence this year that there was nothing to suggest these supplements were not working but questioned why there was not a similar market supplement for operational managers at hard-to-recruit-to sites (not necessarily the same 31 sites as for Band 3 prison officers). In its written evidence to us this year, the PCS described the market supplements as a "knee

---

<sup>37</sup> The 'red' sites are HMPs Aylesbury, Bedford, Bullingdon, Coldingley, Cookham Wood, Downview, Elmley, Feltham, Grendon/Springhill, High Down, Highpoint, Huntercombe, Send, Standford Hill, Swaleside, The Mount, Woodhill and also Medway Secure Training Centre.

<sup>38</sup> The 'amber' sites are HMPs Belmarsh, Brixton, Chelmsford, Erlestoke, Guys Marsh, Isis, Lewes, Littlehey, Pentonville, Rochester, Wandsworth, Whitemoor and Wormwood Scrubs.

<sup>39</sup> Staff at Medway Secure Training Centre joined our remit group in June 2016 following the institution's transfer to the public sector.

<sup>40</sup> HMPPS stated that no staff would get less money as a result of the changes.

jerk" reaction to acute recruitment and retention problems. The union did not consider that there had been any analytical research undertaken to assess the value that the market supplements should be set at.

### *Band 2 operational support grade market supplements*

2.76 In its written evidence to us for our 2017 report, HMPPS stated that it was also reviewing the impact of the recruitment and retention supplements offered to Band 2 support staff at specific hard-to-recruit-to sites.<sup>41</sup> These supplements were introduced in April 2015 for Band 2 support staff at 'red' sites (alongside an earlier version of supplements for Band 3 at these sites). Eligible staff received a pensionable market supplement of £1,300 during their first two years of employment. HMPPS commented in its 2017 evidence that these payments sat "outside of the general Pay Review Body pay round".

2.77 The HMPPS written evidence this year suggested, as for Band 3 prison officers, there continued to be recruitment and retention pressures for Band 2 operational support grades at the 'red' sites. However, we had not been fully made aware until oral evidence this year that, under these original 2015 arrangements, the Band 2 market supplement was not being paid at £1,300 for each of the first two years. We learnt that this supplement had an "eroding" element to it and was being paid in a way such that existing staff did not necessarily receive the full £1,300, but rather a varying amount of supplement calculated to ensure they were not paid less than new recruits.

2.78 The effect of this policy on 1 April 2017 was that the vast majority of operational Band 2 staff in those sites where the supplement is paid saw no increase in total pay on that date, as our recommended £400 increase on base pay was deducted from their supplement. We consider it unacceptable that the award we recommended last year was effectively not paid to this group of staff. Had we been aware of these arrangements at the time, we would have worded our recommendations to ensure that this group did see an associated increase in total pay.

2.79 We return to the issue of locality pay and these market supplements for Bands 2 and 3 in Chapter 3.

### **Competitiveness with the private sector**

2.80 Our standing terms of reference ask us to take account of the competitiveness of the Prison Service in England and Wales with the private sector. We are asked to take into account the broad employment package, including any differences in terms and conditions of employment and job security.

#### *HMPPS evidence*

2.81 The Prison Service includes tables in its evidence each year giving comparisons between its *Fair and Sustainable* salaries and those elsewhere in the public and private sectors. This year HMPPS presented us with the most recent *Korn Ferry Hay Group* pay data as a comparator for both the public and private sectors. These comparisons show that HMPPS compares favourably with the private and public sectors in both London and outer London within roles where recruitment and retention challenges are at their highest. With the exception of the private sector at the most senior levels, their data shows that base pay has improved for managers but fallen away for those in Band 2 to 4 roles.<sup>42</sup>

2.82 While HMPPS evidence suggests that pay is broadly comparable with the labour market, it also claims that it is the demands of the role of a prison officer that means prisons are unable to compete with jobs that pay comparable salaries but that are less demanding e.g. retail parks and airports.

<sup>41</sup> The 'red' sites for *Fair and Sustainable* Band 2 OSG market supplements are: Aylesbury, Bullingdon, Coldingley, Cookham Wood, Downview, Elmley, Grendon/Springhill, High Down, Highpoint, Huntercombe, The Mount, Send, Standford Hill, Swaleside and Woodhill. Feltham is a 'red' site but Band 2s do not receive the market supplement but were starting on the mid-point of the Band 2 scale in 2015 and 2016, ceasing to do so from 1 April 2017 when Band 2 became a two-point scale.

<sup>42</sup> These levels of pay exclude recurring allowances such as RHA or ACH.

### Equality and diversity

2.83 As we said last year, we are concerned that the current pay structures mean that different people are receiving significantly different pay for doing the same work. Our standing terms of reference ask us to take into account:

“Relevant legal obligations on the Prison Service in England and Wales and the Northern Ireland Prison Service, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability”.

2.84 We monitor the diversity of our remit group from the data available. The most recently available figures (headcount for March 2017) show that the newer *Fair and Sustainable* pay structure has a greater proportion of women at the prison officer entry grade (32 per cent of Band 3 operational staff are women) than in the closed prison officer grades (23 per cent). The data also demonstrates there is a considerable pay gap between the maximum of the Band 3 *Fair and Sustainable* scale and that of the closed grade scale.

2.85 HMPPS have previously informed us that, when *Fair and Sustainable* was introduced in 2012, it had not been operationally viable to either reduce the pay of every closed grade officer or pay that closed grade rate to new officers. It told us it would need to consider how to tackle the pay differential and equal pay implications as the numbers in *Fair and Sustainable* increased and those in closed grades decreased. As HMPPS are due to submit proposals in its 2019 evidence on the different pay structures, we expect a strategy that will address this in its evidence.

### Workforce strategy

2.86 This year, HMPPS has developed a new workforce strategy. This is focused on professionalising the Service by offering opportunities for career development and the creation of new specialist roles in the newly established Youth Custody Service (YCS). HMPPS state its vision to establish a professional and effective leadership cadre with both internal and external experience, while developing an “inclusive talent pool” for the rest of the Service with a variety of entry routes into the YCS, National Probation Service and public sector prisons.

2.87 HMPPS informed us of its intention, as part of this strategy, to create around 2,700 new Band 4 “advanced prison officers”. This role would be distinct from other Band 4 roles and will focus on enhanced skills such as Tornado, mentoring, negotiation, Assessment Care in Custody and Teamwork assessment, Control and Restraint, and delivering first aid.

2.88 Other new schemes have also been introduced to supplement the ongoing recruitment programme. These include Unlocked graduates, the Direct Entry Senior Leadership Scheme, a new apprenticeship development entry scheme and an internal Accelerated Development Scheme. Prison Officer Entry Level Training is also being reviewed to focus on more experiential learning and a new Prison Officer Apprenticeship is intended to be launched in 2019.

2.89 Following our recommendation last year for HMPPS to present, in its evidence for our 2019 report, its plans for revised arrangements that would integrate the range of different pay structures, allowances and supplements, we have been informed that a new pay and reward strategy is being developed. Although the overarching ambition of this new strategy remains to transition the workforce onto *Fair and Sustainable*, HMPPS also hope it will support its workforce strategy in allowing it to attract and retain the best talent. We look forward to receiving HMPPS’ proposals later this year.

### The parties’ proposals

2.90 As noted in Chapter 1, the pay round for this year has run later than our usual timetable due to the delays in the Government submitting its evidence to us. The PCS and PGA evidence was sent to us in February and the HMPPS evidence arrived a month later in March. Unlike last year, there were no discussions between

the parties that sought to reach joint agreement on the proposals submitted. The key points in the evidence are summarised below.

2.91 HMPPS included the existing contractual arrangements in its evidence to us and also made the following proposals:

- For all staff to be paid at or above the Government's NLW.
- No changes to the current locality pay zone structure and market supplements.
- The differential between National and the Inner and Outer London pay maxima to be increased by an amount recommended by the PSPRB.
- Increasing all pay points in all zonal bands in *Fair and Sustainable* Bands 2 to 5 by an amount to be determined by the PSPRB.
- All pay band range minima and maxima values for *Fair and Sustainable* Bands 7 to 11 to be increased by an amount to be determined by the PSPRB.
- HMPPS further recommended that more was invested in *Fair and Sustainable* Bands 2 to 5 than equivalent closed grades.
- A consolidated pay increase for staff below the maxima in *Fair and Sustainable* Bands 7 to 11 by an amount to be determined by the PSPRB. Further consideration to be given to a combination of consolidated and non-consolidated elements.
- Those below the maxima in *Fair and Sustainable* Bands 2 to 5 to progress to the next available higher pay point effective 1 April 2018.
- No pay progression for staff in *Fair and Sustainable* where performance is rated as 'Must Improve'.
- Staff on *Fair and Sustainable* pay arrangements who receive an 'Outstanding' performance marking to receive an additional non-consolidated payment on base pay as at 31 March 2018 by an amount to be determined by the PSPRB.
- An award for operational staff on closed terms of an amount to be determined by the PSPRB.
- Operational closed grade managers and senior managers who receive an 'Outstanding' performance marking to receive an additional non-consolidated payment on base pay as at 1 April 2018 of an amount determined by the PSPRB.
- Uniformed closed grades to receive no performance recognition payments given that the POA has previously opted out of these arrangements.
- To extend the temporary increase of Payment Plus from £17 to £22 per hour and the temporary increase of OSG overtime and the Tornado payment by £5 per hour. No changes were proposed for any other allowances unless they are calculated as a percentage of base pay.
- To increase the spot rate for the operational graduate Band 3 and 5 roles by the same amount applied to *Fair and Sustainable* base pay.
- To extend the two per cent annual opt in incentive up to 31 March 2019 for remaining closed grade operational managers on opt in to *Fair and Sustainable*. Normal opt in policy applies for all other grades.
- In line with HMPPS' long term intention to continue to invest in *Fair and Sustainable* pay structures, any member of staff who would benefit financially from opting in and chooses not to, should not receive a pay award, either consolidated or non-consolidated.

2.92 In making these recommendations, HMPPS in return stated that productivity gains could be achieved through the following:

- Reducing the number of staff who are currently unable to take promotion for financial reasons through a new promotions policy (so that the amount payable on promotion by one band should be increased to 10 per cent and 15 per cent for a promotion of two bands).
- Offering career opportunities to an estimated 2,700 staff who can apply to become a new Band 4 specialist prison officer.
- Introducing changes to permanent contracted hours for new staff and existing staff in Bands 2 to 5 who would be able to work additional, pensionable hours at a standard rate.
- Delivering improvements in retention and sickness rates.
- Significantly reducing the use of Payment Plus. HMPPS believes reducing reliance on these higher more expensive rates will therefore generate savings. See Table 2.5 below.

**Table 2.5: Permanent Contracted Hours and Payment Plus Costs**

Contracted rate (per hour)	Compared to £17 per hour (£m)	Savings from increased ACH (£m)	Overall additional cost of new Payment Plus scheme (£m)
£20	1.4	-1.3	0.1
£22	2.0	-1.5	0.8
£25	3.7	-1.9	1.9
£30	6.0	-2.4	3.7

Source: HMPPS.  
 Note:  
 750 FTE will now work 43 hour weeks  
 50% of Payment Plus will be worked as contracted hours  
 500 vacancies  
 £13.86 per hour for ACH

2.93 Throughout its evidence, HMPPS noted that the Department had only been funded for a one per cent average increase in public sector pay awards and that recommendations were made subject to affordability.

2.94 The PGA made the following proposals in its written evidence:

- That the PSPRB take into account the current and forecast rate of inflation when considering the pay award.
- That open pay ranges are removed for managers in *Fair and Sustainable* Bands 7 to 11 and a system of performance related increments reintroduced.
- For managers in *Fair and Sustainable* Bands 7 to 11 who are not at the top of the pay range, the performance related increment be set at a four per cent uplift for a ‘Good’ box marking and six per cent for an ‘Outstanding’. For staff at the top of the pay range, this should be paid as a non-consolidated ‘bonus’.
- For staff in closed grades, those who receive a ‘Good’ box marking should receive a four per cent non-consolidated award and those that are assessed as ‘Outstanding’ should receive six per cent.

- Every operational manager who has passed the Job Simulation Assessment Centre process or an equivalent previous assessment be paid an annual allowance of 10 per cent of their base salary to recognise the achievement of passing this difficult obstacle and to reward them for performing “arduous duties”.
- The amount payable on progression through the pay bands on promotion be increased to 10 per cent per band, instead of five per cent.
- Staff who have been recruited on ‘fast track’ schemes have the same procedures for temporary promotion applied to them as was introduced last year for all other staff.
- The PGA also requested that the PSPRB consider its reservations about the Job Evaluation Scheme (JES) system and the current performance management arrangements.

2.95 The PCS HMPPS branch made the following proposals in its written evidence:

- A minimum five per cent consolidated award with a £1,200 “underpinning” on all pay points and ranges, which reflects the union’s national position. The award should be for all staff, including those on the closed grades, and take into account inflation and address the erosion of take-home pay since 2010.
- All staff should earn a minimum of £10 per hour and the Living Wage Foundation’s living wage to underpin all pay structures.
- Staff in Bands 7 to 11 should receive four per cent progression for a ‘Good’ box marking and six per cent progression for an ‘Outstanding’ box marking.
- Shorter pay scales and contractual pay progression should be introduced.
- The current performance management system should be scrapped.
- A reintroduction of the legacy LPAs (Appendix G).

2.96 We regret that we did not receive evidence from the POA for a third year running. This was a result of several motions, passed at its May 2015 Conference not to engage with us and to withdraw from the PSPRB process. The POA membership voted to continue with this approach at the union’s May 2018 Conference. As part of our usual evidence exchange with the parties, we shared all the other parties’ written evidence with the POA in March this year but received no correspondence from the POA in response. We comment further in Chapter 4.



## Chapter 3: Our recommendations on pay for 2018

### Introduction

3.1 We have made recommendations for our remit group based on the evidence we received. This chapter summarises what we consider to be the key evidence and then sets out our recommendations. These aim to address the particular challenges the Prison Service currently faces: very low levels of motivation; difficult and deteriorating working conditions; and issues with recruitment in some areas and retention more generally, particularly of experienced prison officers. Where we feel that we need further information next year or see a need for longer-term action, we have addressed this in Chapter 4.

3.2 We are aware that we are submitting this 2018 report after the usual implementation date of 1 April. As we note in Chapter 1, this is a consequence of Her Majesty's Prison and Probation Service (HMPPS) submitting evidence to us late. We regret that this will result in our remit group once more receiving their pay award later than usual. We have received a commitment from HMPPS that we will receive its evidence for the next pay round by the end of September 2018, so we hope to be in a position to deliver our 2019 report in time for an April implementation date.

### Analysis

#### *Her Majesty's Prison and Probation Service*

3.3 HMPPS is an important part of the UK public sector. Under normal circumstances it is rarely in public view but provides an essential service. At present however, it faces considerable difficulty and has been the subject of greater media scrutiny, much of which has been negative. There is general recognition, supported by evidence, that the Prison Service is currently understaffed and overstretched, with chronic problems in London and the South East of England. Although recruitment efforts appear to be progressing well, we remain concerned about the high number of vacancies within the Prison Service and the increase in leaving rates, particularly for Band 3 and closed grade prison officers. In addition, the Prison Service is facing an increasing challenge in terms of violence against staff and between prisoners, as well as unprecedented levels of new psychoactive drugs, both of which continue to get worse not better.

3.4 The Government recognises these problems and is in the process of addressing them, along with wider issues in the Prison Service. It has committed to recruiting more staff and has introduced measures designed to improve both recruitment and retention in certain establishments. Nevertheless, it is clear to us that, in the current year, a considerable workload remains on all frontline staff working in prisons – not least on those experienced frontline staff who will train, induct and mentor the high numbers of new recruits.

#### *Context of Prison Service pay*

3.5 Pay arrangements for operational prison staff have been complex for a number of years now. Our remit covers two main pay structures: the older closed pay scales and spot rates, and the newer *Fair and Sustainable* pay bands. Some of the closed grades have been part of our remit for many years – such as the night patrol and prison auxiliary grades<sup>43</sup> – and some are comparatively new – such as those covering staff who have transferred into our remit group when private sector establishments moved into the public sector. This latter group includes the staff on former G4S pay arrangements who transferred when HMP Wolds moved to the public sector<sup>44</sup> and staff at Medway Secure Training Centre who now come under our remit.<sup>45</sup>

<sup>43</sup> These are Band 2 equivalent roles that pre-date the operational support grade (OSG).

<sup>44</sup> Staff at HMP Wolds joined our remit group on 1 July 2013, at which point the prison became part of the newly formed HMP Humber. NOMS told us that these staff moved on existing terms and conditions under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) arrangements.

<sup>45</sup> Staff at Medway Secure Training Centre joined our remit group in June 2016 following the institution's transfer to the public sector.

3.6 Since *Fair and Sustainable* was introduced, we have made a variety of annual awards which have taken different approaches to the open and closed pay structures. Our past awards have included recommending a pay increase only to the *Fair and Sustainable* Bands (in our 2015 report) and recommending consolidated awards to all officers and support grades on all structures (in our 2014 and 2017 reports). We have heard on our visits that these variations in award type have had different impacts on the different groups of staff, including affecting their levels of morale and motivation differently.

3.7 In 2017, the pay arrangements became even more complicated because of the introduction of increased starting salaries and new market supplements by HMPPS across around one-third of the estate. These apply both to new and existing *Fair and Sustainable* Band 3 staff, and so cover a significant proportion of the staff in our remit group. The effect is that yet more of our remit group are being paid differently for doing essentially the same role thereby adding another layer of complexity.

3.8 While our remit continues to cover a substantial number of closed grades, this is the first year we can report that more than 50 per cent of our remit group are now on *Fair and Sustainable* pay arrangements. That said, 47 per cent remain on closed pay scales some six years after *Fair and Sustainable* was introduced, including around 8,000 closed grade prison officers who continue to be paid significantly more than their Band 3 equivalents. We continue to support HMPPS' long-term aspiration that all staff should be on the *Fair and Sustainable* arrangements and look forward to seeing HMPPS' comprehensive review of its pay arrangements which will be presented to us in its 2019 evidence; we expect this to set out a strategy for concluding the transition to *Fair and Sustainable*.

### *Economic context*

3.9 As we describe in Chapter 2, the economy continued to grow in 2017 but growth is expected to slow over the course of 2018. The Consumer Prices Index (CPI) rate of inflation has fallen from a peak of 3.1% in November 2017 and, although it is expected to continue to fall during 2018, it is forecast to stay above its two per cent target until at least 2019. Average earnings growth across the whole economy was 2.9% (excluding bonuses) in the quarter January to March 2018 (compared to the same period a year earlier). The Bank of England's average pay settlement forecast for 2018 was 3.1% for the private sector. Alongside this, the labour market remains tight in London and the South East of England. Overall, we consider that these conditions are likely to continue to have a negative impact on recruitment and retention in the Prison Service over the next few years.

### *Recruitment and retention*

3.10 Our remit requires us to consider the need to recruit and retain suitably able and qualified staff. HMPPS told us in written evidence that it had little difficulty in recruiting sufficient numbers of high calibre candidates in most parts of England and Wales and this was supported by the number of Band 3 officers recruited in 2017. It considered problems with recruitment and retention to be primarily focused in London and the South East of England. We note, however, that although the national staffing levels for prison officers have started to increase, so has the leaving rate.

3.11 Staffing figures for the year to March 2017, show that the leaving rate has risen further to 9.6% for our remit group, from 8.2% the previous year. The trend of high leaving rates is not specific to Band 3 prison officers and in the year to March 2017 we have also seen significant rises in the numbers leaving from Bands 4, 5 and 9 to 11. These increases are concerning, and the evidence suggests that they reflect the impact of another year of working in a difficult and challenging operational environment, combined with the strength of feeling about their absolute levels of pay, pay restraint, and increased wages in the private sector. We will continue to monitor the leaving rates for each grade.

### *Locality pay*

3.12 In its written evidence to us this year, HMPPS asked the Prison Service Pay Review Body (PSPRB) to endorse its continued approach to zonal pay and not recommend changes to either the current zonal pay

model or to the market supplements introduced in 2017. HMPPS stated that the market supplements were addressing “highly localised” pay issues that were role specific and these targeted interventions remain the appropriate way to address recruitment and retention problems. We remain concerned that the current supplements apply to around a third of the estate, which suggests the issues are not particularly localised.

3.13 Although HMPPS has informed us that there were early indications that the market supplements for Band 3 prison officers are working, to date we have not been provided with clear evidence of this impacting on overall operational staffing levels in all of the ‘amber’ and ‘red’ sites. HMPPS said it plans to submit evidence to us on market supplements next year as part of its workforce strategy and we look forward to receiving this. If recruitment and retention issues are indeed localised, then the market supplements should have a noticeable effect upon them. If the introduction of these new supplements does not reduce turnover, then that would imply either that the supplements are not working or that retention is a wider national issue. We return to this matter later in this chapter.

### *Motivation*

3.14 Staff motivation and morale have been amongst our primary concerns in recent years and remain so this year. The morale of operational prison staff has been low for several years and we have seen no compelling evidence this year that anything has improved. Published figures on assaults and other forms of violence in establishments show that these are at their highest levels since 2000 (the start of the current published time series) and are still rising. In the annual report from Her Majesty’s Inspectorate of Prisons (HMIP), the Chief Inspector said that prisons had “not improved, but in fact worsened”. The unions, and many staff themselves, also commented on the rise in working hours and workloads, which is having a damaging effect on well-being and morale.

3.15 Evidence from the parties and our visits indicates that staff are also demotivated by the decrease in take-home pay in real-terms over recent years, at a time when staff shortages mean the work is getting harder and less rewarding. The previous public sector pay policy, limiting awards to an average of one per cent, has been a major contributor to adverse morale. A reduction in take-home pay in real-terms has been caused by a combination of pay restraint, inflation, pension contribution rate rises, and an increase in National Insurance Contributions (NICs) associated with changes to the state pension. As we note in Chapter 2 some staff showed us their older pay slips to demonstrate that their actual take-home pay had decreased. Many staff commented that the pay award last year was too low and the delay in HMPPS paying the award to some staff only added to their feeling of disappointment and frustration.

3.16 Staff said they continue to feel that they are not valued and the continuing negative publicity around the Prison Service over the course of this year has meant many staff feel they are under-appreciated for the necessary and challenging work they do. These factors affect staff across the grades, all of whom have key roles in running the Prison Service.

### *Performance management*

3.17 One way of rewarding performance and motivating staff is through having a pay system that links pay to the performance management system. For some years, there has been a common Civil Service performance management framework for staff below the Senior Civil Service, including our remit group. The system incorporates a “guided distribution” for performance markings:

- ‘Outstanding’: 10 – 25 per cent of employees.
- ‘Good’: 60 – 80 per cent of employees.
- ‘Improvement Required’: 5 – 10 per cent of employees.

The aim of this distribution is to establish an expectation and set a context for managing performance and conducting consistency checking or validation. We note that several Government Departments are now moving away from this approach and removing some of the more contentious elements, such as guided distributions and validation panels, but HMPPS has chosen to keep the current system, considering it to be fit for purpose.

3.18 In 2017, we recommended that staff in Bands 2 to 5 should progress regardless of performance marking unless they were placed on formal poor performance management procedures. This was because the evidence continued to suggest the performance management system was not working effectively for those staff. Performance management should, in theory, measure employees against clear work objectives set at the start of the year and agreed by the employee and line manager; provide regular feedback on progress; and review performance against these objectives at year end. An effective performance pay system should then reward 'Good' and 'Outstanding' performance. We return to this point later in this chapter.

3.19 HMPPS maintains in its evidence that the current performance management system is suitably robust, meaning the strongest performers are correctly identified by the process and that it would therefore be appropriate to base performance pay decisions on its outputs. Despite raising our concerns with HMPPS in previous years and again this year in oral evidence, HMPPS has remained firm in its view that the performance management system is working for all grades and, in particular that it can objectively assess those staff in Bands 2 to 5.

3.20 HMPPS' focus this year has been on piloting a first line manager course aimed at Band 5 custodial managers, senior officer grades and non-operational equivalents and encouraging the use of the "quick" Staff Performance and Development Record (SPDR) form. HMPPS said in its evidence that it had obtained baseline data via a survey on the new quick SPDR form in mid-2016 and, in November 2017, that it was evaluating its pilot of the first line manager course. Neither the data nor any feedback from the pilot had been provided to us and, when questioned during oral evidence, HMPPS could not provide us with any evidence of the system's effectiveness, only the assertion that the system was fit for purpose for all staff in our remit group.

3.21 The Prison Governors' Association (PGA) in its evidence to us said that the system was flawed and subjective, with many staff having little interaction with their line managers. The Public and Commercial Services (PCS) Union informed us that the system was not fit for purpose and was, in its view, discriminatory to black, Asian and minority ethnic (BAME) and disabled staff. The union told us that the research conducted by the Chartered Institute of Personnel and Development (CIPD) on behalf of Civil Service HR in 2017 (which involved HMPPS), aimed at enhancing the quality of performance appraisal conversations, found that line managers in HMPPS were struggling to find the time to engage in these conversations with their staff. The PCS were disappointed that HMPPS had put no action plan in place to address this issue.

### *Affordability*

3.22 As we described in Chapter 2, although the 2017 Autumn Budget announced a change in the Government's approach to public sector pay awards, pay discipline remains central to the overall approach by Government this year. As such, departments remain funded for average paybill increases of only one per cent for the current Spending Review period. HMPPS stressed in its evidence that any award above one per cent would be unfunded and would have to be financed from other non-pay budgets. Unlike previous years, this year HMPPS did not include a costing of its pay proposals as it did not recommend a headline figure. We return to the costing and affordability of the award at the end of the chapter.

### **Recommendations on pay increases**

3.23 As summarised in Chapter 2, we received pay proposals from HMPPS, the PGA and the PCS this year. As we have noted, we did not receive evidence from the POA<sup>46</sup> for the third year running. We have given careful consideration to the submissions we received. We were also cognisant of the fact that the staff in our remit group are not permitted to take industrial action and that we are regarded as a compensatory mechanism (see footnote to Appendix A).

3.24 The HMPPS evidence to the PSPRB proposed that all staff in the remit group should receive a consolidated award but that more should be invested in the *Fair and Sustainable* bands than in the closed grades. HMPPS sought our input on where and in what format and amount this award should be, but expressed a preference for higher awards for Bands 7 to 11 using a combination of consolidated and non-consolidated

---

<sup>46</sup> The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

awards. During oral evidence, in line with its long-term intention to continue to invest in *Fair and Sustainable* pay structures, HMPPS stated in very clear terms that, in its view, staff on the closed scales who would financially benefit from “opting in” to *Fair and Sustainable* should not receive any pay award. Separate proposals for prison auxiliaries and night patrol staff were also made which related to the National Living Wage (NLW).

3.25 HMPPS told us that its proposals would help it to deliver the wider reforms set out in its evidence, reverse the current higher rates of attrition of experienced staff, maintain operational stability, and provide pay awards for all members of staff (apart from staff on closed scales who would benefit from opting in to *Fair and Sustainable*).

3.26 The PGA evidence did not propose a headline figure but asked us to consider the current and forecast rate of inflation when considering the pay award. The union said that its priority was an operational allowance for all staff in Bands 7 to 11 who had passed the operational manager Job Simulation Assessment Centre (JSAC) to recognise the “arduous duties” undertaken. The PGA further asked for open pay ranges to be removed and performance related increments set to offer predictability for staff and allow them to progress through their grade in a period of five years.

3.27 The PCS proposed a minimum five per cent consolidated award with a £1,200 underpinning on all pay points and ranges for both closed and *Fair and Sustainable* grades. It also asked us to focus specific attention on the lowest paid staff and asked for pay progression for all staff because of its ongoing concerns about the performance management system.

#### *Overall approach*

3.28 As we indicated earlier, we see our recommendations this year, for a late award effective from 1 April 2018, as a response to the particular challenges that are currently faced by the Prison Service. Our terms of reference require us to consider a number of factors, including the need to recruit, retain and motivate suitably able and qualified staff. As set out in the previous chapter, these are all currently significant issues for the Prison Service and our recommendations attempt to address all three.

3.29 It is worth noting that we are making these recommendations effective from 1 April 2018 in the expectation that we will be receiving more substantive proposals from HMPPS for our 2019 report. We hope that next year’s proposals, discussed further in Chapter 4, will, among other things, set out plans to address both the two-tier pay structure and the current ‘amber’ and ‘red’ market supplements. Our recommendations for this year are made, where possible, so as not to pre-empt decisions that might more sensibly be made as part of that HMPPS review next year.

3.30 This year, we have sought to make our recommendations consistent with the approach we adopted in our 2017 report. We have made the decision to recommend that all staff in both the closed and *Fair and Sustainable* grades receive the same pay award (with exceptions for prison officers in *Fair and Sustainable* Bands 3 and 4). The rationale for these recommendations is explained below.

#### *Officers and support grades – pay award*

3.31 We see a need this year for a broadly consistent approach to a pay award for staff in *Fair and Sustainable* bands and their equivalents in the closed grades. This is to recognise that all staff are carrying out demanding roles which keep the prison estate functioning in the face of increasingly difficult and challenging conditions, coupled with low levels of morale and motivation. Our awards last year paid the same amount to staff irrespective of whether they were on *Fair and Sustainable* or on the closed scales. With the exceptions for *Fair and Sustainable* Bands 3 and 4 described below, we are doing the same again this year and recommending a consolidated increase at the same level for staff in both groups.

3.32 In its evidence, HMPPS proposed consolidated awards for all staff (apart from those who would financially benefit from opting in) but requested that *Fair and Sustainable* should receive more than closed grades. While we see the case for differential increases where the *Fair and Sustainable* bands trail the

equivalent closed scales (see proposals for Band 3 and 4 below), we are not persuaded that such differentiation in general terms is the right answer at this time. As HMPPS themselves now recognise, both groups of staff have critical roles to play over the next few years and it is important that both feel equally valued. With a high influx of new staff, it will fall to those who are more experienced, and may therefore be in closed grades, to train and mentor new prison officers. We recognise that these staff have a vital role to play and therefore should be rewarded similarly to their colleagues in *Fair and Sustainable*.

3.33 HMPPS also proposed that we should not recommend any award for those staff on the closed grades who would benefit from opting in to *Fair and Sustainable*. We understand the reasoning for this – a desire not to undermine the incentive to opt in to the new pay system – and are sympathetic to it. Indeed, in previous reports we have indicated this might be an approach we would consider adopting. There are a range of different reasons and circumstances why staff are not opting in and there is not a straightforward way of limiting awards to those who would benefit from opting in without, at the same time, affecting staff who had legitimate reasons for not doing so.

3.34 More significantly, we have an underlying concern that, were we to accept HMPPS' proposal of recommending no award to staff who would benefit from opting in, the group primarily affected would be the lowest paid – closed grade operational support grades (OSG). Having spoken to these staff on visits, we are aware that the reason behind many of these individuals deciding not to opt in to *Fair and Sustainable* terms and conditions is a lack of trust and confidence in HMPPS. We regularly hear that they receive little support from their line managers when considering opting in and many staff believe that they are being forced to change to less beneficial overall terms and conditions.

3.35 Evidence this year on the numbers of staff opting in indicates that the strategy HMPPS has adopted this year appears to be working and we would encourage it to continue to be proactive with its efforts. Although it is the responsibility of an individual staff member to make this decision, we want to ensure that they are aware of what opting in would mean for them, so they can make an informed decision. We would therefore also encourage the unions to advise their members on opt in where financially beneficial to do so.

3.36 We considered carefully the amount of uplift appropriate this year, taking into account recent figures for the CPI rate of inflation of between 3.1% and 2.5% and regular average earnings growth in the wider economy of 2.9%, alongside other statistics. Our recommendation is intended to ensure that operational prison staff see no further real-terms erosion of their pay while acknowledging the affordability constraints that remain for HMPPS.

3.37 We therefore recommend that all staff in *Fair and Sustainable* Band 2 and Band 5 receive a consolidated, pensionable increase of 2.75%, using the normal HMPPS approach to uplifting scales.<sup>47</sup> We further recommend that the equivalent closed grades in Bands 2 to 5,<sup>48</sup> other than prison auxiliaries and night patrol staff who are affected by the NLW, also receive a consolidated, pensionable increase of 2.75%, using the normal HMPPS approach to uplifting scales. The proposed new scales and bands are set out in Appendix E. Staff will move with their current pay points before progression is applied.

**Recommendation 1:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 2 and National Band 5 base pay points are increased by 2.75%, consolidated and pensionable for all staff.

**Recommendation 2:** We recommend that from 1 April 2018 all closed grade officer and support grade scales and spot rates (including former G4S staff) are increased by 2.75%, consolidated and pensionable for all staff.

<sup>47</sup> For scales with identified pay points this generally means uplifting the maximum by the specified percentage and then recalculating the other points so that the steps between them remain in the same proportion to that maximum. For pay ranges with no intermediate points this generally means uplifting both the maximum and minimum by the specified percentage.

<sup>48</sup> This includes the staff on former G4S pay arrangements at HMP Wolds and Medway Secure Training Centre.

*Band 3 prison officers – pay award*

3.38 Band 3 is the main recruitment grade to the Prison Service and is facing significant challenges with recruitment and the retention of experienced staff. Experience at this grade is particularly valuable to deliver front line services.

3.39 We accept the HMPPS case that the current minimum is allowing the Prison Service to recruit staff successfully in most areas of England and Wales. We therefore propose to increase the National Band 3 minimum by the same 2.75% as other scales. But we recommend a greater increase to the National Band 3 base pay maximum, of 5.25%, and then adjusting the intermediate National base pay points so they remain at the same relative positions in the scale. The resulting scale is set out at Appendix E.

3.40 Increasing the higher points of the Band 3 scale in this way should assist with retention of Band 3 staff in their first few years through the potential for higher salary growth. Retention is an increasing issue and we expect that the prospect of an increased pay scale maximum and increased intermediate points in their first two to four years of service will encourage more staff to remain in the Prison Service.

3.41 There are greater issues with recruitment in specific establishments, primarily in London and the South East of England. These are currently being targeted with the 'amber' and 'red' site market supplements for Band 3 prison officers alongside the policy of recruiting to the mid-point in those establishments. Our proposed increases will offer greater uplift to that mid-point (4.37% for the National Band 3 scale) and should therefore help with these ongoing recruitment issues.

3.42 A targeted increase to the Band 3 maximum will also assist in reducing the differential between the pay of closed grade prison officers and experienced *Fair and Sustainable* Band 3 staff on the maximum. It is currently the one band where there remains a significant gap between the maximum of the band and the maximum of the equivalent closed scale, meaning staff are unable to opt in without suffering a financial detriment. This gap was £4,722 following last year's award.<sup>49</sup>

**Recommendation 3:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 3 base pay minimum is increased by 2.75% and the National Band 3 base pay maximum by 5.25%, with associated increases to the three intermediate pay points to leave them at the same relative positions on the pay scale. The increases to be consolidated and pensionable for all staff on this scale.

*Band 4 prison officers – pay award*

3.43 Band 4 is the other scale where the band maximum remains below the maximum of the equivalent closed scale. We consider that the arguments above for Band 3 apply, to a lesser extent, to Band 4 and so are recommending a similar but smaller increase to the National Band 4 base pay maximum. In doing so, we reduce the gap between *Fair and Sustainable* and the closed grade spot rate by a significant amount. This means that for some of the remaining closed grade staff it may now be financially beneficial to opt in to *Fair and Sustainable* Band 4.

3.44 When considering our recommendations this year, we were conscious of the fact that HMPPS intends to create 2,700 new advanced prison officers. We discuss this role later in the chapter, but we expect that by increasing the Band 4 maximum, this should further incentivise Band 3 prison officers to apply for this new role and make it easier for HMPPS to appoint staff. We also believe it will assist with the retention of Band 4 prison officers on *Fair and Sustainable*, over half of whom are on the maximum.

3.45 We therefore recommend an increase to the National Band 4 base pay maximum of 3.5% while again increasing the National base pay minimum by 2.75% as with other bands and, as with Band 3, adjusting the three intermediate pay points to leave them at the same relative positions in the pay scale. The resulting amounts are set out in Appendix E.

<sup>49</sup> This is based on a Band 3 *Fair and Sustainable* prison officer working a 39 hour week, two hours of which are ACH. The closed grade equivalent works a standard 39 hour week.

**Recommendation 4:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Band 4 base pay minimum is increased by 2.75% and the National Band 4 base pay maximum by 3.5%, with associated increases to the three intermediate pay points to leave them at the same relative positions on the pay scale. The increases to be consolidated and pensionable for all staff on this scale.

3.46 In making this recommendation, we acknowledge that the Band 4 and Band 5 scales in Inner and Outer London will now overlap slightly. We intend to return to this issue in our 2019 report when we receive more substantial recommendations on changes to the pay structure from HMPPS.

### *National Living Wage*

3.47 HMPPS recommended in its written evidence that all staff should continue to be paid at or above the NLW, following the announced increase to £7.38 per hour from 1 April 2018.

3.48 We agree with this proposal and recommend that from 1 April 2018 the consolidated, pensionable salary for prison auxiliary staff and night patrol staff is increased to the NLW or by 2.75%, whichever is the greater.<sup>50</sup> As of 30 November 2017, this is likely to benefit two staff in the role of night patrol working a 44 hour week and four staff in the role of prison auxiliary working a 39 hour week.

**Recommendation 5:** We recommend that from 1 April 2018 the consolidated, pensionable salary for prison auxiliary staff and night patrol staff is increased to the National Living Wage or by 2.75%, whichever is the greater.

### *Operational managers – pay award*

3.49 In its evidence, HMPPS proposed that we give greater awards to operational managers in recognition that they are key to delivering its reform agenda. While we accept that the managers have a critical role to play, we ultimately concluded that we wanted to recognise all staff equally this year and so recommend that, in line with uniformed staff, the pay ranges for Bands 7 to 11 and the equivalent closed scales are increased by 2.75%.

3.50 Last year we uplifted the Band 7 to 11 pay ranges without impacting on an individual's salary, after which their progression element was applied to deliver pay increases. This year we propose that the uplift to the scales is separated from an individual's progression pay increase, in line with the approach we have adopted for officers and support grades. Therefore, we recommend that all staff in the Band 7 to 11 open pay ranges should first see their current salary increased by 2.75%, maintaining their relative position in the 2018 pay range. Progression pay, depending on performance as discussed below, should then be applied after and in addition to this uplift. Operational managers on closed scales will move with their pay point.

**Recommendation 6:** We recommend that from 1 April 2018 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager scales are increased by 2.75%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.75% so that they remain at the same relative position in the 2018 pay range. Staff on the closed operational manager scales should move with their pay point. The increases to be consolidated and pensionable for all staff on these grades and ranges.

### *Officers and support grades – pay progression and performance awards*

3.51 Officer and support grades on the closed scales are all now on their pay scale maxima and are therefore not entitled to any further contractual progression. Staff on *Fair and Sustainable* do not have contractual progression and we make recommendations on progression for them each year.

---

<sup>50</sup> We note that these grades may have slightly different terms and conditions, including working hours. Therefore, we believe HMPPS are best placed to accurately calculate the NLW for these grades.

3.52 HMPPS proposed that staff in Bands 2 to 5 below the maxima who received a performance marking of 'Outstanding' or 'Good' should progress to the next pay point. Also, HMPPS proposed that staff who receive an 'Outstanding' performance marking be awarded an additional non-consolidated payment by an amount to be determined by the PSPRB. HMPPS said in written and oral evidence that it had improved its performance management system through introducing a new, shorter form with less focus on paperwork and a greater emphasis on holding quality conversations. However, evidence from the PGA and the PCS, as well as from staff themselves, indicated that there was not generally felt to be an improvement in the system from last year.

3.53 We saw no evidence this year to change our view that the performance management process for uniformed staff is insufficiently robust. We therefore propose following the same approach as we have adopted in recent years.

3.54 All staff on *Fair and Sustainable* Bands 2 to 5 should move with the pay points as set out above in Recommendations 1, 3 and 4. Following this uplift to the scales, we recommend that all staff progress to the next pay point unless they are subject to formal poor performance measures. This will deliver further increases in base pay ranging from just over two per cent to more than six per cent, depending on band, position in scale and locality.

**Recommendation 7:** We recommend that all staff in *Fair and Sustainable* Bands 2 to 5 who are in post on 31 March 2018 progress by one pay point effective from 1 April 2018, unless they have been placed on formal poor performance procedures.

3.55 In the case of staff in *Fair and Sustainable* Band 5, we have previously signalled our intention to apply performance-related pay progression. Having yet to see firm evidence that the revised system is working properly, we have concluded that we will again not do so this year. Instead, we will treat staff in Band 5 the same as those in Bands 2 to 4 for progression purposes. However, to be consistent with last year, we recommend that staff in Band 5 who achieve an 'Outstanding' performance marking receive an additional one per cent non-consolidated, non-pensionable award. If we receive evidence that shows the system is working in time for our 2019 report, we will consider enhancing the Band 5 performance related pay progression award next year to align with *Fair and Sustainable* Bands 7 to 11.

**Recommendation 8:** We recommend that staff in *Fair and Sustainable* Band 5 who are in post on 31 March 2018 and receive a performance marking of 'Outstanding' receive an additional one per cent non-consolidated, non-pensionable pay award based on their 31 March 2018 base pay.

#### *Operational managers – pay progression and performance awards*

3.56 We consider that the performance management system is a broadly acceptable basis for determining pay progression for Bands 7 to 11 and therefore, as in recent years, we believe that performance-related pay is appropriate for these grades.

3.57 HMPPS proposed that staff in Bands 7 to 11 below the maxima who are awarded a performance marking of 'Outstanding' or 'Good' should receive a consolidated pay increase, the amount to be determined by the PSPRB. In addition, HMPPS proposed that staff who receive an 'Outstanding' performance marking should be awarded an additional non-consolidated award, of an amount to be determined by the PSPRB.

3.58 The PGA requested four per cent progression for those with a 'Good' performance marking and six per cent for an 'Outstanding' performance marking. They requested for staff at the band maxima, this should be paid as a non-consolidated "bonus". The PCS also asked for four per cent progression for a 'Good' marking and six per cent for an 'Outstanding' marking.

3.59 We recommend four per cent progression for a 'Good' performance marking and six per cent progression for an 'Outstanding' performance marking, capped at the new 2018 band maxima. As for last year, those that receive an 'Outstanding' performance marking who are within six per cent of (or at) the 2018 band maxima should receive the balance of the six per cent as a non-consolidated, non-pensionable payment capped at two

per cent of base pay. Those who receive an 'Improvement Required' performance marking should not receive pay progression and are entitled to the general pay uplift only.

3.60 These progression values are consistent with our awards in recent years and continue to progress staff up the pay range in HMPPS' preferred four to six years.

**Recommendation 9:** We recommend that staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2018 and receive a performance marking of 'Good' receive a consolidated and pensionable progression increase of four per cent, capped at the new 2018 band maximum.

**Recommendation 10:** We recommend that staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2018 and receive a performance marking of 'Outstanding' receive a consolidated and pensionable progression increase of six per cent, capped at the new 2018 band maximum. Those within six per cent of the maximum, or at the maximum, should receive the balance of the six per cent as a non-consolidated, non-pensionable payment, capped at two per cent of base pay.

3.61 These awards deliver progression increases of broadly the same magnitude as those paid to uniformed staff on Bands 2 to 5 who, as set out above, will see progression increases as a result of our recommendations (not dependent on performance) of just over two per cent to more than six per cent depending on band and position in scale. Progression at these rates, if sustained, should see all operational managers who perform well reaching the maximum of their band within six years – more rapidly if they deliver outstanding performance in some years.

3.62 Operational managers in the closed grades below the maxima, like officers and OSGs, are entitled to contractual progression of one pay point each year (for managers this is subject to a 'Good' performance marking or better). In practice there is now only one manager F not already at the relevant maximum and he/she will most likely progress to that pay maximum on 1 April 2018. Staff on the maximum are additionally entitled to a contractual non-consolidated but pensionable award depending on performance (one per cent for 'Improvement Required' and two per cent for 'Good' or 'Outstanding').

3.63 In addition, all staff on closed grades with an 'Outstanding' marking have received a one per cent non-consolidated, non-pensionable award. These awards at the maxima and for 'Outstanding' performance are not given to officers or support grades.

3.64 Staff in closed grades on national pay arrangements would receive a two per cent consolidated pay increase on opting in to *Fair and Sustainable* (except for some in receipt of Locality Pay Allowance (LPA) rates on the closed structure).

3.65 We see no reason to change these awards for closed grade operational managers this year.

### *Operational graduate pay*

3.66 HMPPS included proposals for its operational graduate Band 3 and 5 pay scheme in evidence to us this year. It proposed that the spot rates for these staff be increased by the same amount applied to *Fair and Sustainable* base pay.

3.67 We recommend that the operational graduates receive a consolidated, pensionable increase of 2.75%. See Appendix E for these pay rates.

**Recommendation 11:** We recommend that from 1 April 2018 the *Fair and Sustainable* operational graduate scheme consolidated, pensionable pay rates are raised by 2.75%.

3.68 During oral evidence, we raised concerns with HMPPS that the operational graduate spot rate for Band 5 was lower than the Band 5 *Fair and Sustainable* rate. HMPPS informed us this was a closed scheme and

graduates who are joining HMPPS under the new 'Unlocked' scheme are being paid the rate for the job. We therefore anticipate that this problem will resolve itself within the next few years but will continue to monitor pay for Band 5 operational graduates.

3.69 In its evidence, the PGA requested that all operational graduates on temporary cover have the same procedures applied to them as other staff. HMPPS has indicated that the same procedures do apply to operational graduates as other staff and we therefore make no recommendation on this.

#### *Opting in to Fair and Sustainable*

3.70 HMPPS included two proposals to apply when staff opted in to *Fair and Sustainable*. These were:

- the two per cent opt in incentive for operational managers to be extended to 31 March 2019.
- normal opt in policy applies for all other grades as per the HMPPS written evidence.

3.71 We note HMPPS' proposals above and remain supportive of HMPPS' view that all staff should move across to *Fair and Sustainable* where it is financially beneficial for them to do so. Nonetheless we are recommending awards this year even to those staff who would financially benefit from opting in. This is to signal that we recognise the important role that all staff are all playing, in many cases in very difficult operational environments. Despite this, we wish to be clear that we still strongly encourage any staff who would benefit financially from opting in to *Fair and Sustainable* to do so. We encourage HMPPS to be proactive in sending out opt in letters to eligible staff as close as possible to the pay award implementation date and to make every effort to communicate with staff, in the clearest possible terms, the benefits of opting in.

3.72 Once we have reviewed the totality of the proposals from HMPPS next year, we will return to this issue.

#### **Locality pay**

3.73 Our remit covers "regional/local variations in labour markets and their effects on the recruitment and retention of staff". The locality payments available to staff in our remit now cover a wide range of measures across the pay structures, from the legacy LPA rates to the *Fair and Sustainable* zones and the recently introduced 'amber' and 'red' market supplements.

3.74 In our 2016 report, we recommended that the National Offender Management Services (NOMS, now HMPPS) should arrange a full review of its current approach to recruitment and retention issues in establishments in difficult local labour markets. However, this was not provided to us and HMPPS instead referred us to the 2017 market supplements introduced for Band 3 prison officers. Last year, we again signalled the need for a comprehensive review, looking at the overall picture of remuneration and allowances. In its written evidence this year, HMPPS informed us that it plans to submit evidence to us next year, as part of its workforce strategy, on pay structures, allowances and supplements currently in operation across the country. We look forward to receiving this for our 2019 report.

3.75 The PGA told us in its written evidence that the market supplements introduced in 2017 had created inequalities across the country and had damaged the pay band structure on which *Fair and Sustainable* was based.

3.76 In evidence, the PCS commented that the locality pay arrangements introduced by NOMS for Band 3 prison officers at 'amber' and 'red' sites, were a "knee jerk" reaction and questioned how HMPPS would remove them in the future. PCS proposed, given the cost of living in London and the South East of England, and in the interest of fairness, that the legacy LPAs should be reintroduced for all staff.

3.77 For this current report, and in the absence of a full review, we have restricted ourselves to the pay differentials between the zones and considered the evidence from the parties on these. We have concluded that we will continue with the current application of locality pay for this year and have the same differential

across all bands. We have also not made any changes to the market supplements at the 'amber' and 'red' sites or legacy LPA payments.

3.78 We recommend that the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones be increased by 2.75%. This means the maxima should now be placed £2,620 and £3,990 above the National maxima for Outer and Inner London zones respectively. As with previous years, other points should be adjusted so that progression steps are the same percentage as on the National bands. The resulting scales and ranges are set out in Appendix E.

**Recommendation 12:** We recommend that from 1 April 2018 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.75% and continue to be applied consistently across all bands, positioning maxima at £2,620 and £3,990 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

### *OSG market supplement*

3.79 As set out in Chapter 2 (paragraphs 2.76 to 2.79), we were made aware this year of an issue with the market supplements introduced for *Fair and Sustainable* Band 2 operational staff at 'red' sites from 1 April 2015. These supplements were originally introduced at establishments in competitive labour markets that were struggling to achieve full staffing levels. Newly recruited staff in Band 2 at these sites were put on higher starting salaries (at the mid-point of the pay band rather than the minimum) and paid a pensionable recruitment and retention premium of £1,300. Existing staff at these sites on *Fair and Sustainable* Band 2 were also moved to the mid-point of the relevant pay band (if not already at or above it) and were paid supplements set at a level to ensure that they were not paid less than new recruits. These supplements were to be paid monthly during the first two years (to the end of March 2017), although in fact they were only actually introduced early in 2016 at which point eligible staff received back pay from 1 April 2015 as a (pensionable) lump sum.

3.80 HMPPS told us it reviewed the supplements in early 2017 and concluded that there was still a need to pay the supplement for Band 2 OSGs. These therefore remained in place on the original terms and were adjusted for existing staff to set them at a value that meant that they were paid at the same level as new recruits. As we noted in our 2017 report, when we requested to see the review we were astonished to learn that HMPPS refused to share it with us. We have still not seen the review and do not understand the logic of HMPPS' refusal to share it with us.

3.81 When questioned during oral evidence, HMPPS explained that the different approach taken with these supplements, compared to the more recently introduced supplements for Band 3 staff at 'amber' and 'red' sites, was because they had to balance the need to address recruitment and retention with affordability.

3.82 The implication of this policy was that, on implementation of our 2017 recommendations, HMPPS reduced the market supplement for operational Band 2s at 'red' sites and effectively denied those staff in receipt of the supplement any increase in total take-home pay as a consequence of the £400 consolidated pay increase we recommended in the 2017 report. HMPPS confirmed that as of 31 December 2017, 375 of the 393 operational Band 2 staff in receipt of the supplement have had it reduced in this way.

3.83 HMPPS sent us its Notice to Staff (NTS 10/2016 – published March 2016) which set out the policy for staff on the application of the market supplements. We were concerned to note that this contained no clear reference to the eroding nature of this supplement. Neither does there appear to be any clear reference to this in current job adverts for Band 2 OSGs at the relevant sites. Critically from our point of view, the policy of eroding these market supplements was not referenced in the HMPPS 2017 evidence and therefore the PSPRB was also unaware of this approach and the implications when making our recommendations last year.

3.84 The PSPRB consider HMPPS' actions regarding the Band 2 market supplement and the effective non-payment of an award last year as inappropriate and undermining our 2017 recommendations for this group.

HMPPS not only failed to inform us of this situation and how it would impact on the 2017 recommendations, which is very disappointing, but, more importantly, it failed to communicate clearly with its own staff. We consider this to be poor treatment of the lowest paid group of staff, a group that has already expressed a lack of trust in HMPPS management. We are not convinced by the claim that this was an issue of affordability given the relatively small number of staff in receipt of this market supplement (393 OSGs this year).

3.85 We therefore recommend that, before the pay award is implemented for 2018, the £400 consolidated pay award that was deducted from the market supplement at the time of implementation of the 2017 pay award should be reinstated and backdated to 1 April 2017. This will ensure that the staff in question see the total of their base pay plus supplement increase by £400 with effect from that date, as intended by our recommendation last year. We further recommend that the supplement remains at the same amount for 2018 so that again, the relevant staff see the full impact of this year's award in their total pay. For clarity, a summary of the appropriate levels of pay and the values of the supplements for each year from 2015 to 2018 are set out at Appendix F, showing the implications of our recommendations for staff on the various permutations of terms once payments for unsocial hours and Pensionable Additional Committed Hours are factored in.

**Recommendation 13:** We recommend that, before the pay award is implemented for 2018, operational Band 2 staff in receipt of the market supplement at 'red' sites should have their supplement for 2017 adjusted so that the total of base pay plus supplement is increased with effect from 1 April 2017 by the £400 that we recommended last year. We further recommend that the market supplements for these staff remain at the same level from 1 April 2018 so that again the total of base pay plus supplement increases by our recommended award for Band 2 staff this year.

3.86 Our terms of reference clearly state that we must take account of recruitment and retention issues when considering our recommendations. We therefore request that the PPSRB are fully informed in evidence of any recruitment and retention measures in place or planned by HMPPS, so any such measures do not undermine the recruitment and retention intentions of the Review Body's recommendations. Additionally, if HMPPS plan to introduce any new market supplements or change existing supplements, we would expect to be made aware of any such proposals before their introduction, whether in annual evidence or by way of a letter to our Chair at some other point in the year.

3.87 We also expect HMPPS to issue clear and unambiguous guidance to staff on the operation of market supplements. We are not convinced that the staff concerned in this case were any more aware than we were that the policy for these supplements would mean that their total pay would not change as a consequence of our 2017 award. We would have expected NOMS/HMPPS to have made these arrangements clearer in its communications, especially given the lack of trust that has been regularly highlighted between OSGs and HMPPS when it comes to opting in to *Fair and Sustainable*.

## Allowances

### *Payment Plus, OSG overtime and Tornado payments*

3.88 This year HMPPS proposed a further extension until 31 March 2019 of the temporary increase to Payment Plus from £17 to £22 per hour and the temporary increase of OSG overtime and the Tornado payment by £5 per hour. The rates of these allowances were temporarily increased from 14 August 2016 to 31 March 2017 and were extended again at the recommendation of the PPSRB to 31 March 2018. The purpose of the increase was to encourage more staff to volunteer for these duties thus improving staffing availability to support prison stability and safety.

3.89 HMPPS stated that it is working on more permanent arrangements, including a contracted hours scheme and the revision of the Tornado policy. We were surprised that HMPPS were still working on these arrangements, having expected to see more detailed proposals in this year's evidence. We note HMPPS' proposals on the contracted hours scheme and are keen to see discussions between the parties reach agreed conclusions and for proposals to be put to us next year. In the meantime, we recommend that the £5 per hour increase to the rates for Payment Plus, OSG overtime and Tornado be extended to 31 March 2019 to enable it

to continue in place until our next report when we will consider the proposals from these reviews. We return to this matter in Chapter 4.

**Recommendation 14:** We recommend that the £5 increase to the rates for Payment Plus, OSG overtime and Tornado currently in place be extended to 31 March 2019 while proposals for new arrangements are developed.

### *Allowance for operational manager grades*

3.90 This year, the PGA asked that we award an annual operational allowance for all managers who have passed the JSAC (or equivalent previous assessment) of 10 per cent of base salary to recognise the achievement of passing a difficult obstacle and to reward these staff for performing “arduous duties”. The PGA argued strongly in oral evidence that there should be some recognition for the additional responsibilities borne by operational managers over non-operational equivalents.

3.91 The PGA referenced the HMPPS duty governor report; a review into the role of the duty governor and whether staff are being rewarded appropriately for this work. The report noted that the role of duty governor has become more demanding and staff were not being rewarded appropriately for this. The report recommended that HMPPS look at ways to ensure these staff are rewarded fairly. We are disappointed that HMPPS did not send us its report or mention this in its evidence. The union said it had tried to engage with HMPPS on the outcome of this report but HMPPS refused to engage in discussions on the matter. The PGA asked the PSPRB to address this by recommending an operational allowance.

3.92 Having considered views from all parties, the PSPRB have concluded that a blanket operational allowance would not be appropriate. We note the perceived weaknesses of the Job Evaluation Scheme (JES) that have been raised by both the PGA and the PCS, but we believe that the operational nature of these roles should properly be captured under JES.

3.93 We understand this will come as a disappointment to the PGA, particularly as the duty governor role was reviewed as part of the duty governor report and the JES scores were subsequently not changed. We note that the role of the duty governor has changed in light of the demanding operational environment and the recommendation in HMPPS’ own report that staff are not being rewarded appropriately for this work. We therefore recommend that HMPPS and the PGA discuss this issue and preferably submit a joint proposal to us next year about how to reward the additional responsibilities and workload linked to the role of duty governor.

**Recommendation 15:** We recommend that the Prison Governors’ Association and Her Majesty’s Prison and Probation Service present to us, in evidence for our 2019 report, a joint proposal to recognise and reward the role of duty governor.

### *Other allowances and payments*

3.94 Other allowances and payments have not been increased annually, but instead reviewed when specific issues arise. Specialist allowances are not separately included in *Fair and Sustainable*; instead prison officers with these specialist skills are mapped to Band 4.

3.95 We make no recommendations on any other allowances and payments this year. We have received no evidence this year suggesting that any of the other allowances in *Fair and Sustainable* or on the closed pay structures need to be adjusted.

### **Other issues**

#### *Promotion policy*

3.96 HMPPS informed us in its written evidence this year that a key enabler to delivering workforce reforms was revising the promotions policy. HMPPS stated its intention to update the policy to align to the wider Civil

Service, meaning all staff would financially benefit on promotion. It was proposed that staff promoted between Bands 2 to 11 would receive a full base pay percentage increase of 10 per cent for a promotion of one band or 15 per cent for a promotion of two bands or more, capped at the pay band maxima.

3.97 The PGA proposed in its written evidence that the amount payable on promotion is increased to 10 per cent per band. During oral evidence, the PGA expressed disappointment that HMPPS had not shared its proposals for pay on promotion and noted that they would have liked to jointly recommend what HMPPS had proposed.

3.98 We agree with these proposals and therefore recommend that staff promoted between Bands 2 to 11 should receive a full base pay percentage increase of 10 per cent for a promotion of one band or 15 per cent for a promotion of two bands or more, capped at the pay band maxima. We hope this will encourage a greater number of staff to take promotion rather than remaining on temporary cover or choosing not to opt for promotion because the financial incentive to do so is not sufficient.

**Recommendation 16:** We recommend that staff promoted between *Fair and Sustainable* bands receive a full base pay percentage increase of 10 per cent or the band minima, whichever is greater, for a promotion of one band, and of 15 per cent or the band minima, whichever is greater, for a promotion of two bands or more.

#### *Unsocial hours while on temporary cover*

3.99 Last year, we recommended that the base pay on temporary promotion for staff should be the greater of the minimum for the role and five per cent of annual salary for each band to which they provide cover and that this payment should be pensionable.

3.100 We have been made aware this year that HMPPS has a policy in place that pays staff the Required Hours Addition (RHA)<sup>51</sup> or unsocial working hours<sup>52</sup> payment based on substantive grade, rather than the grade promoted to when on temporary cover. HMPPS said this was done because, although staff are expected to work at a higher level in terms of job weighting, it does not accept that there is necessarily an increase in the demands attached to eligibility for RHA or unsocial working hours. Although the approach is consistent for prison officer grades and operational managers, there is an anomaly in which a Band 5 on temporary cover to Band 7 will still be eligible for Payment Plus and Time Off In Lieu (TOIL) but will also receive a temporary cover payment which equates to at least the RHA inclusive minimum of the higher band being covered. This grade therefore attracts the temporary grade's unsocial hours element, alongside existing Payment Plus payments and TOIL.

3.101 The PSPRB were unaware of this policy and do not agree with HMPPS' assertion that RHA and unsocial working hours payments for staff on temporary promotion should continue to be paid based on the substantive grade. Our view is that if staff are doing a job on temporary cover, they should get the related allowances for that job. We therefore recommend that HMPPS, in its evidence to us next year, present to us a proposal to pay allowances and associated payments based on the grade being temporarily covered rather than the substantive grade. If HMPPS are not able to provide us with evidence for the 2019 report, we will make recommendations in our next report to address this issue. We would welcome the unions' views on this issue in their evidence for next year's report.

**Recommendation 17:** We recommend that Her Majesty's Prison and Probation Service present to us, in its evidence for our 2019 report, a proposal to pay allowances and associated payments based on the grade being temporarily covered rather than the substantive grade.

3.102 HMPPS has this year signalled its intention to create around 2,700 new Band 4 'advanced prison officers'. This role would be distinct from other Band 4 roles and will focus on enhanced skills such as Tornado,

<sup>51</sup> For staff in Bands 7 to 11 (operational managers).

<sup>52</sup> For staff in Bands 2 to 5 (officer and support grades).

mentoring, negotiation, Assessment Care in Custody and Teamwork assessment, Control and Restraint and delivering first aid. During oral evidence, HMPPS referenced this new role as a proactive way to encourage closed grade prison officers to move onto *Fair and Sustainable*. Although we do not disagree with this approach, we trust that all staff, including staff already on *Fair and Sustainable* terms will be given an equal and fair chance of applying for these jobs. We note the creation of this role and look forward to hearing how discussions have progressed with the unions in time for our 2019 evidence.

### **Affordability of our recommendations**

3.103 As we stated earlier, we see our recommendations this year as a response to a deteriorating environment in the Prison Service. Our concerns are wide ranging, but this year have been focused on the low levels of morale and motivation, the difficult working conditions for our remit group, and issues with retention across both pay structures. Our recommendations seek to recognise that all staff in our remit group, whether on closed or *Fair and Sustainable* pay structures, have been facing significantly tougher challenges and are all important to the effective operation of the Prison Service.

3.104 As in previous years, we do not consider that progression costs, whether contractual or not, should be included in calculating the cost of the annual award. On that basis, the cost of this award should be 2.75% of paybill plus the additional costs of the targeted higher awards to staff on *Fair and Sustainable* Band 3 and Band 4. Our calculations suggest that this will result in a paybill increase of around three per cent.

3.105 The success of the Prison Service is highly dependent on its staff. There are significant potential monetary and other costs, both to the Prison Service and to society at large, if it proves difficult to recruit, retain and motivate suitably able people. While we recognise the financial pressures that HMPPS faces we consider that our recommendations represent a fair amount to recognise the contribution and effort that operational staff have made over the past year and offers value for money.

3.106 Our recommendations should also contribute to improving the productivity of the Service and thereby support the Government's rehabilitation objectives. This is both by directly improving recruitment and retention and reducing the costs associated with managing these, and by supporting a number of the initiatives that HMPPS propose in its evidence, including replacing the use of Payment Plus by a more stable contracted hours scheme and working to reduce promotion bottlenecks.

## Chapter 4: Looking ahead

### Introduction

4.1 As in previous reports, this final chapter offers comments on a range of issues to which we think the parties should give attention to over the coming year and address in their evidence for our next report.

4.2 Our concerns this year have been wide ranging, covering motivation and the difficult and deteriorating conditions in the Prison Service; issues with retention; and regional variations in recruitment. We have addressed many of these matters in our pay recommendations and will continue to monitor these issues.

### Review of pay arrangements

4.3 In our 2017 report, we repeated previous concerns about the fragmented nature of the pay arrangements for staff in our remit group, and their appropriateness and durability in attracting and retaining suitably able and qualified staff. In 2012, when *Fair and Sustainable* was introduced by the National Offender Management Service (NOMS), it was intended ultimately to cover all staff and aspired to make pay and grading transparent, address pay inequalities and save money. However, six years on, just under half our remit group remain on the closed pay structures.

4.4 Last year, the problem was further compounded by the introduction of market supplements for eligible Band 3 prison officers at 31 'amber' and 'red' sites which Her Majesty's Prison and Probation Service (HMPPS) stated were experiencing localised and role specific recruitment pressures. These supplements, applied to one third of the estate, caused further pay variation within the *Fair and Sustainable* structure.

4.5 Last year we indicated that, with the creation of the new organisation that has integrated a large, relatively new group of staff in the National Probation Service, it was an appropriate time for HMPPS to develop a new long-term workforce strategy. Although HMPPS evidence this year presented some initial thinking, further work needs to be done to assess future pay structure revisions to support the required changes. The new structure needs to be long-term, fit-for-purpose, cover all staff and command their confidence.

4.6 As set out last year, we expect the following questions to be addressed and resolved when reviewing the remuneration arrangements:

- *Workforce strategy*: How many staff are required to meet the aims and workforce strategy for the Prison Service? In what roles? Do current rates of recruitment and retention meet present and future needs of the Prison Service? Should additional groups or specialist positions be added?
- *National or core pay rates*: How do we measure competitiveness; what are the competitive rates of remuneration for the roles within the Prison Service? How does this vary from current arrangements? Do/ will staff receive the same levels of pay at a consistent level of experience across the Prison Service? What organisational problems are caused by the continuation of two different pay systems (closed grades and *Fair and Sustainable* bands) amongst front-line prison officers? Are there plans for future harmonisation of pay and allowances between these groups?
- *Locality pay (long-term)*: When looking at long-term local variations in the market, what approach would be most consistent alongside national pay arrangements? Should there be separate pay and/or allowances to address locality pay? How will the Prison Service encourage and enhance mobility between locations?
- *Locality pay (short-term)*: How best should temporary problems with recruitment be tackled? Beyond what length of time would recruitment/retention problems in an establishment stop being considered?

as temporary and instead be better addressed as a long-term feature of the local labour market? Under what circumstances is it realistic to envisage removing additional remuneration (even if described as time-limited), thereby imposing an equivalent pay cut?

- *Training and development:* Are the pay arrangements compatible with HMPPS' current aspirations for how it sees prison staff developing their careers? Does the pay system appropriately reward staff in line with current and future expectations of the roles?
- *Other pay and allowance requirements:* What allowances and arrangements are needed other than pay? Are these arrangements compatible with the core pay structure? Do they address key operational issues?

We expect that next year's proposals will address these issues and most importantly, present plans to resolve the two-tier pay structure and the current 'amber' and 'red' market supplements.

4.7 We hope that HMPPS will engage with the trade unions on these matters and where possible seek joint agreement on proposals. We look forward to receiving this evidence for our next report.

### *Payment Plus*

4.8 The use of Payment Plus is increasing, with the costs rising from £46.4 million in 2015 to 2016 to £54.1 million<sup>53</sup> in 2016 to 2017. HMPPS informed us in its written evidence of its intention to reduce its reliance on Payment Plus. It hopes to do this through the introduction of a contracted hours scheme which will offer staff greater certainty of their extra hours and, at the same time, generate savings for HMPPS by cutting the cost incurred through paying higher (and therefore more expensive) Payment Plus rates.

4.9 We have recommended that the temporary increase of £5 to Payment Plus, OSG overtime and Tornado is extended to 31 March 2019 as proposals for new arrangements are developed. We look forward to receiving proposals next year.

### *Unsocial hours while on temporary cover*

4.10 In Chapter 3, we raise our concerns about the HMPPS policy of paying staff the unsocial hours allowance based on the substantive grade, rather than the grade promoted to. We believe that staff on temporary cover, should be paid for the job they are doing and should therefore get the allowances associated with that grade. We ask that HMPPS, in its evidence to us next year, review this policy and present to us proposals to pay allowances and associated payments based on the grade being temporarily covered rather than the substantive grade.

4.11 We would also welcome the views of the unions on this matter, so we can consider all evidence fully before deciding on a recommendation for our 2019 report.

### **Motivation and morale**

4.12 As we have noted for several years running, the written and oral evidence we received, together with the feedback from our visits, showed that staff motivation and morale remain very low. This is partly in response to high and increasing levels of violence in prisons and staff concerns about their safety, but also in part due to several years of pay restraint, which has seen some staff receive limited consolidated awards, non-consolidated awards or no awards. We have not seen any evidence this year to suggest that levels of morale and motivation have improved.

4.13 Last year, we asked HMPPS to keep us informed of its own monitoring of this unwelcome trend and its evidence on how effectively its counter-measures, such as increased staffing, are tackling this issue. We also asked to see proposals for increasing response rates to the People Survey, or some alternative approach for measuring motivation and morale. We did not receive proposals on either this year and note that

---

<sup>53</sup> This data excludes December 2017. We have scaled up the 11 month figure for 2016 to 2017 to a full year.

levels of morale and motivation were rarely mentioned in HMPPS' written evidence, despite being such an important issue.

4.14 We therefore ask all the parties to provide evidence for our next report of the concerns, in terms of motivation and morale, that most affect staff in our remit group and proposals for how these issues can be addressed.

### **Performance management**

4.15 As we noted in Chapter 3, HMPPS said in its evidence this year that its focus was on holding quality conversations following the introduction of the new shorter staff appraisal form and a pilot for first line manager training. We asked in oral evidence if HMPPS had received confirmation of whether this new approach was more effective and whether it believed that the system was working for Bands 2 to 4. Although HMPPS firmly stated that it believed the system was working and that it had gathered data on the evaluation of the new form in mid-2016, we have not been provided with direct evidence from HMPPS, the staff themselves, their managers or their unions to suggest this is the case. Consequently, we have again not linked the pay of staff in Bands 2 to 4 to the performance management system this year.

4.16 Until we receive evidence that shows the performance management system is fit for purpose for all the staff in our remit group, we will not recommend linking pay to it for staff in Bands 2 to 4. We would like to receive evidence from all the parties for our next report on whether they consider the system is fit for purpose and any evaluation of the new initiatives introduced.

### **Industrial relations**

4.17 We were disappointed to receive no evidence from the POA<sup>54</sup> for the third year running. We are also aware that motions put forward at the May 2018 POA conference to re-engage with us were rejected and that the union remains mandated by its membership not to engage with us. While we understand the frustration after many years of pay restraint, we nonetheless believe this to be a missed opportunity. This is especially so now that public sector pay policy is more flexible. Our recommendations directly affect POA members and we continue to believe that there is mutual advantage in a dialogue between ourselves and the POA as part of the process of collecting evidence and making our decisions.

4.18 Industrial relations between HMPPS and the unions appear to be challenging. Although HMPPS stated in its written evidence that it remained committed to engaging appropriately with the trade unions, both the Prison Governors' Association) and the Public and Commercial Services (PCS) Union expressed dissatisfaction with the lack of communication between the parties. The PGA noted in its evidence that it was not being appropriately consulted on structural and organisational changes and have had to proceed formally with three 'Failures to Agree' in the past year. The PCS further said that trade union engagement with HMPPS, particularly with the Human Resources Directorate, had reached its lowest point in recent years. These relations are a matter for the parties but, as we have said in previous years, we have found they also impact on our ability to collect a full range of evidence for our remit group. Good communication and relations with and between all parties are very important to us and this will continue to be the case.

### **Data**

4.19 As explained in Chapter 2, because this report has been significantly delayed, the latest data we have available are generally from March 2017. This has unfortunately meant that, at the point of making our decisions, the data are almost a year out of date. It is vital that we have up-to-date and relevant data so we are able to make fully informed decisions. We are conscious that the availability of this data is impacted by delays in our timetable, so we therefore request again that the Government submit its evidence to us next year on our standard timetable, or consider the provision of additional data, to ensure we are in a position to use more up-to-date data.

<sup>54</sup> The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

### Conclusion

4.20 The staff in our remit group are responsible for running the prison estate in increasingly demanding and violent conditions. We have concluded that all staff require financial recognition this year for the difficult job they are doing in protecting the public and prisoners in their care. While recognising the financial pressures that exist for HMPPS, our recommendations attempt to reflect the circumstances that the Prison Service and its staff face and to establish a better basis upon which to address future staffing challenges.

## Appendix A: Standing terms of reference

The role of the Prison Service Pay Review Body is to provide independent advice on the remuneration of governing governors and operational managers, prison officers and support grades in the England and Wales Prison Service. The Review Body will also provide independent advice on the remuneration of prison governors, prison officers and support grades in the Northern Ireland Prison Service.\*

In reaching its recommendations the Review Body is to take into account the following:

- The need to recruit, retain and motivate suitably able and qualified staff taking into account the specific needs of the Prison Service in England and Wales and the Northern Ireland Prison Service;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Relevant legal obligations on the Prison Service in England and Wales and the Northern Ireland Prison Service, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability;
- Government policies for improving the public services, including the requirement to meet Prison Service output targets for the delivery of services;
- The funds available to the Prison Service in England and Wales and the Northern Ireland Prison Service as set out in the Government's departmental expenditure limits; and
- The Government's inflation target.

The Review Body shall also take account of the competitiveness of the Prison Service in England and Wales with the private sector, and any differences in terms and conditions of employment between the public and private sectors taking account of the broad employment package including relative job security.

The Review Body may also be asked to consider other specific issues.

The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, staff and professional representatives and others.

Reports and recommendations for the Prison Service in England and Wales should be submitted to the Prime Minister and the Lord Chancellor and Secretary of State for Justice. Reports and recommendations for the Northern Ireland Prison Service will be submitted to the Minister of Justice, Northern Ireland.

---

\* The International Labour Office 336th Report of the Committee on Freedom of Association made clear that we are regarded as a compensatory mechanism for the condition that prison officers do not have the right to strike. As a result, whilst our recommendations are not legally binding, Government has confirmed that it would only depart from them in exceptional circumstances. We note this aspect of our role.

## Appendix B: Minister's activation letter



Ministry  
of Justice

**Sam Gyimah MP**  
Parliamentary Under-Secretary  
of State for Justice

Dr Peter Knight  
Chair, Prison Service Pay Review Body  
Office of Manpower Economics  
8<sup>th</sup> Floor, Fleetbank House  
2 -6 Salisbury Square  
London  
EC4Y 8JX

7 December 2017

Dear Peter

### THE PRISON SERVICE PAY REVIEW BODY (PSPRB) ACTIVATION LETTER FOR 2018/19 PAY ROUND

I am writing firstly to express my thanks for your valuable work on the 2017-18 pay round and secondly, to formally commence the 2018-19 pay round.

The Chief Secretary to the Treasury wrote to you in September setting out the Government's overall approach to pay. That letter confirmed that the Government has adopted a more flexible approach to public sector pay, to address areas of skills shortages and in return for improvements to public sector productivity. The last Spending Review budgeted for one per cent average basic pay awards, in addition to progression pay for specific workforces, and there will still be a need for pay discipline over the coming years to ensure the affordability of the public service and the sustainability of public sector employment; review bodies should continue to consider affordability when making their recommendations.

My department is committed to providing you with pay proposals supported by high-quality evidence to inform your recommendations for your remit group. The proposals will also set out some of our early thinking on our future workforce strategy.

I would be grateful if your recommendations could be forwarded no later than late May 2018.

I am copying this letter to Michael Spurr in HMPPS and to representatives of the POA, Prison Governors Association (PGA) and Public and Commercial Services Union (PCS).

Yours sincerely

**SAM GYIMAH MP**

## Appendix C: Letter to the Lord Chancellor and Secretary of State for Justice on evidence submission, and his reply



Office of Manpower  
Economics

The Right Honourable  
David Gauke MP  
Lord Chancellor & Secretary of  
State for Justice  
Ministry of Justice  
102 Petty France  
London SW1H 9AJ

PRISON SERVICE PAY REVIEW BODY  
8TH FLOOR  
FLEETBANK HOUSE  
2-8 SALISBURY SQUARE  
LONDON EC4Y 8JX

Direct Telephone Line 020 7211 8257  
E-mail [elizabeth.waterfall@beis.gov.uk](mailto:elizabeth.waterfall@beis.gov.uk)

<https://www.gov.uk/government/organisations/prison-services-pay-review-body>

9 March 2018

**BY EMAIL**

Dear Lord Chancellor,

The Prison Service Pay Review Body (PSPRB) met yesterday. We are very disappointed to have still not received the Government's evidence for the 2018-19 pay round. It is now months overdue.

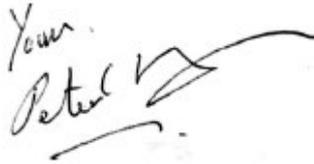
The delays and the continued uncertainty as to when the evidence will be available means that it is impossible to plan our work. If we cannot effectively start the process of considering the evidence, there is a material risk that this will result in a significant delay in the date when we can submit our report to the Government. As these delays accumulate, it is possible that prison staff will not know the pay increase that they are likely to receive until the autumn.

This will be the second year when the normal 1 April pay settlement date has been missed by months because of evidence delays. It is the considered view of members of the PSPRB that the situation is not acceptable. Prison staff are working in difficult circumstances and they are entitled to know the level of pay that they are receiving as soon as reasonably practicable.

On behalf of our remit group, I would welcome your assurance that we will receive the Government's evidence very soon. Once we have it, we will use our best endeavours to submit a report on a schedule that enables any pay awards to be confirmed before Parliament rises in July. Even at this late stage, I hope that the Government would feel able to commit to achieving this timetable.



I am copying this to the recognised trade unions who represent members of our remit group.

A handwritten signature in black ink, appearing to read 'Peter Knight', with a large, sweeping flourish extending to the right.

*Dr Peter Knight*  
*Chair, Prison Service Pay Review Body*

CC: Rory Stewart MP, Minister of State for Justice  
Michael Spurr – CEO HMPPS  
Mark Fairhurst – National Chairman of the POA  
Andrea Albutt – President of the Prison Governors Association  
Dave Vickers – PCS HMPPS National Branch Chair



Dr Peter Knight  
Prison Service Pay Review Body  
8<sup>th</sup> Floor  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

The Right Honourable  
**David Gauke MP**  
Lord Chancellor & Secretary of  
State for Justice

12 March 2018

Dear Dr Knight

**PRISON SERVICE PAY REVIEW BODY 2018/19 EVIDENCE**

Thank you for your letter dated 9 March 2018. I understand the frustration you and members of the Prison Service Pay Review Body feel, and offer my apologies for the delay in the Government's submission of written evidence for the 2018/19 pay round. I appreciate that this has made it difficult to plan your work, and presents risks to the date for your final report.

I attach great importance to the work of the PSPRB, and the role you play in ensuring timely pay awards for our prison staff. I know that work is already underway in my department to streamline the process for next year, learning the lessons from the last two years.

You will be aware that over the longer-term the Government has sought to co-ordinate its approach on public sector pay, which led to a revision of initial planned timelines. You will also be aware that public sector pay policy has changed with effect from 2018/19, and we have wanted to take the time to ensure we are fairly reflecting this revised position in our evidence, and making pay award proposals that are both evidence based and reflective of the challenging circumstances in which our prison staff are working. To this end, we also wanted to ensure we considered the concerns and recommendations you raised in last year's report.

I can assure you that the evidence is about to be finalised and I anticipate submission to you in the coming days. I understand that this may have implications for the date you submit your report, but very much appreciate all of your efforts to keep this to schedule as outlined in your letter.

I look forward to working constructively with you and the PSPRB on this year's pay round for prison staff.

Yours sincerely  
David Gauke

**RT HON DAVID GAUKE MP**

**Appendix D: Prison establishments visited in 2017**

The 2017 visit programme covered the following establishments:

HMP Ashfield\*

HMP & YOI Belmarsh

HMP Berwyn

HMP & YOI Drake Hall

HMP Highpoint

HMP Stafford

HMP Swaleside

HMP Wormwood Scrubs

Newbold Revel Learning and Development Centre

\* privately managed by Serco

## Appendix E: Current and recommended pay levels

### Current and recommended pay levels for *Fair and Sustainable* grades

#### *Fair and Sustainable ranges – National*

Grade/Pay Band		Current pay ranges		Recommended pay ranges from 1 April 2018	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>76,352</b>	89,332	<b>78,452</b>	91,789
	Min	<b>63,627</b>	74,444	<b>65,377</b>	76,491
<b>Governor</b> (Band 10)	Max	<b>67,501</b>	78,976	<b>69,358</b>	81,149
	Min	<b>56,248</b>	65,810	<b>57,795</b>	67,620
<b>Deputy governor</b> (Band 9)	Max	<b>61,317</b>	71,741	<b>63,004</b>	73,715
	Min	<b>51,098</b>	59,785	<b>52,504</b>	61,430
<b>Deputy governor / Head of function</b> (Band 8)	Max	<b>47,873</b>	56,011	<b>49,190</b>	57,552
	Min	<b>39,892</b>	46,674	<b>40,990</b>	47,958
<b>Head of function</b> (Band 7)	Max	<b>41,056</b>	48,036	<b>42,186</b>	49,358
	Min	<b>34,212</b>	40,028	<b>35,153</b>	41,129

#### Notes:

1. The Bands 7 to 11 ranges do not have fixed incremental pay points.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with Required Hours Addition (RHA) is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. The RHA is pensionable.

Grade/Pay Band	Current pay point	Recommended pay point from 1 April 2018
	£ a year	£ a year
<b>Operational graduate custodial manager</b> (Band 5)	29,150	29,952
<b>Operational graduate prison officer</b> (Band 3)	26,850	27,589

## Appendix E

Grade/Pay Band	Current pay scales			Recommended pay scales from 1 April 2018		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACHP &	37 hour	37 hour inc	ACHP &
	base pay	17%	17%	base pay	17%	17%
		unsocial	unsocial		unsocial	unsocial
<b>Custodial manager</b>	<b>29,176</b>	34,136	35,713	<b>29,979</b>	35,075	36,696
	<b>28,500</b>	33,345	34,886	<b>29,284</b>	34,262	35,845
(Band 5)	<b>27,840</b>	32,573	34,078	<b>28,606</b>	33,469	35,015
	<b>27,194</b>	31,817	33,287	<b>27,942</b>	32,692	34,203
	<b>25,920</b>	30,326	31,727	<b>26,633</b>	31,161	32,600
<b>Supervising / Specialist officers</b>	<b>25,625</b>	29,981	31,366	<b>26,522</b>	31,031	32,464
	<b>25,130</b>	29,402	30,760	<b>25,977</b>	30,393	31,797
(Band 4)	<b>24,645</b>	28,835	30,167	<b>25,443</b>	29,768	31,144
	<b>24,170</b>	28,279	29,585	<b>24,919</b>	29,155	30,502
	<b>23,040</b>	26,957	28,202	<b>23,674</b>	27,699	28,978
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACH &	37 hour	37 hour inc	ACH &
	base pay	17%	17%	base pay	17%	17%
		unsocial	unsocial		unsocial	unsocial
<b>Prison officer</b>	<b>20,162</b>	23,590	24,897	<b>21,221</b>	24,829	26,205
	<b>19,776</b>	23,138	24,421	<b>20,729</b>	24,253	25,598
(Band 3)	<b>19,395</b>	22,692	23,950	<b>20,242</b>	23,683	24,996
	<b>19,024</b>	22,258	23,492	<b>19,769</b>	23,130	24,412
	<b>18,136</b>	21,219	22,396	<b>18,635</b>	21,803	23,012
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACHP &	37 hour	37 hour inc	ACHP &
	base pay	17%	17%	base pay	17%	17%
		unsocial	unsocial		unsocial	unsocial
<b>OSG</b>	<b>16,475</b>	19,276	20,166	<b>16,929</b>	19,807	20,722
(Band 2)	<b>15,691</b>	18,358	19,207	<b>16,123</b>	18,864	19,735

### Notes:

1. Base pay for Bands 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.

2. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including Pensionable Additional Committed Hours (ACHP) or Additional Committed Hours (ACH - not pensionable but has 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

**Fair and Sustainable ranges – Outer London**

Grade/Pay Band		Current pay ranges		Recommended pay ranges from 1 April 2018	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>78,902</b>	92,315	<b>81,072</b>	94,854
	Min	<b>65,753</b>	76,931	<b>67,561</b>	79,046
<b>Governor</b> (Band 10)	Max	<b>70,051</b>	81,960	<b>71,978</b>	84,214
	Min	<b>58,373</b>	68,296	<b>59,979</b>	70,175
<b>Deputy governor</b> (Band 9)	Max	<b>63,867</b>	74,724	<b>65,624</b>	76,780
	Min	<b>53,224</b>	62,272	<b>54,688</b>	63,985
<b>Deputy governor / Head of function</b> (Band 8)	Max	<b>50,423</b>	58,995	<b>51,810</b>	60,618
	Min	<b>42,017</b>	49,160	<b>43,174</b>	50,514
<b>Head of function</b> (Band 7)	Max	<b>43,606</b>	51,019	<b>44,806</b>	52,423
	Min	<b>36,337</b>	42,514	<b>37,337</b>	43,684

## Notes:

1. The Bands 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential - £2,550 for 2017, £2,620 for 2018. Minimum are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.
5. Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

Grade/Pay Band	Current pay point	Recommended pay point from 1 April 2018
	£ a year	£ a year
<b>Operational graduate custodial manager</b> (Band 5)	32,025	32,906
<b>Operational graduate prison officer</b> (Band 3)	29,495	30,307

Note: Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

## Appendix E

Grade/Pay Band	Current pay scales			Recommended pay scales from 1 April 2018		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACHP &	37 hour	37 hour inc	ACHP &
	base pay	17% unsocial	17% unsocial	base pay	17% unsocial	17% unsocial
<b>Custodial</b>	<b>31,726</b>	37,119	38,834	<b>32,599</b>	38,141	39,903
<b>manager</b>	<b>30,991</b>	36,259	37,935	<b>31,844</b>	37,257	38,979
(Band 5)	<b>30,274</b>	35,421	37,057	<b>31,107</b>	36,395	38,077
	<b>29,572</b>	34,599	36,198	<b>30,385</b>	35,550	37,193
	<b>28,187</b>	32,979	34,502	<b>28,962</b>	33,886	35,451
<b>Supervising /</b>	<b>28,175</b>	32,965	34,488	<b>29,142</b>	34,096	35,671
<b>Specialist officers</b>	<b>27,631</b>	32,328	33,822	<b>28,544</b>	33,396	34,939
(Band 4)	<b>27,098</b>	31,705	33,169	<b>27,958</b>	32,711	34,222
	<b>26,576</b>	31,094	32,530	<b>27,383</b>	32,038	33,518
	<b>25,334</b>	29,641	31,010	<b>26,015</b>	30,438	31,844
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACH &	37 hour	37 hour inc	ACH &
	base pay	17% unsocial	17% unsocial	base pay	17% unsocial	17% unsocial
<b>Prison officer</b>	<b>22,712</b>	26,573	28,046	<b>23,841</b>	27,894	29,440
(Band 3)	<b>22,278</b>	26,065	27,510	<b>23,289</b>	27,248	28,759
	<b>21,849</b>	25,563	26,981	<b>22,742</b>	26,608	28,083
	<b>21,432</b>	25,075	26,466	<b>22,211</b>	25,987	27,428
	<b>20,432</b>	23,905	25,231	<b>20,937</b>	24,496	25,854
			39 hour inc			39 hour inc
	37 hour	37 hour inc	ACHP &	37 hour	37 hour inc	ACHP &
	base pay	17% unsocial	17% unsocial	base pay	17% unsocial	17% unsocial
<b>OSG</b>	<b>19,025</b>	22,259	23,288	<b>19,549</b>	22,872	23,929
(Band 2)	<b>18,120</b>	21,200	22,180	<b>18,619</b>	21,784	22,791

### Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £2,550 for 2017, £2,620 for 2018. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Bands 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

**Fair and Sustainable ranges – Inner London**

Grade/Pay Band		Current pay ranges		Recommended pay ranges from 1 April 2018	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>80,232</b>	93,871	<b>82,442</b>	96,457
	Min	<b>66,861</b>	78,227	<b>68,703</b>	80,383
<b>Governor</b> (Band 10)	Max	<b>71,381</b>	83,516	<b>73,348</b>	85,817
	Min	<b>59,482</b>	69,594	<b>61,120</b>	71,510
<b>Deputy governor</b> (Band 9)	Max	<b>65,197</b>	76,280	<b>66,994</b>	78,383
	Min	<b>54,332</b>	63,568	<b>55,830</b>	65,321
<b>Deputy governor / Head of function</b> (Band 8)	Max	<b>51,753</b>	60,551	<b>53,180</b>	62,221
	Min	<b>43,126</b>	50,457	<b>44,315</b>	51,849
<b>Head of function</b> (Band 7)	Max	<b>44,936</b>	52,575	<b>46,176</b>	54,026
	Min	<b>37,446</b>	43,812	<b>38,478</b>	45,019

## Notes:

1. The Bands 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £3,880 for 2017, £3,990 for 2018. Minimum are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.
5. Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

Grade/Pay Band	Current pay point	Recommended pay point from 1 April 2018
	£ a year	£ a year
<b>Operational graduate custodial manager</b> (Band 5)	33,520	34,442
<b>Operational graduate prison officer</b> (Band 3)	30,869	31,718

Note: Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

## Appendix E

Grade/Pay Band	Current pay scales			Recommended pay scales from 1 April 2018		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial
<b>Custodial manager (Band 5)</b>	<b>33,056</b>	38,676	40,462	<b>33,969</b>	39,744	41,580
	<b>32,291</b>	37,780	39,526	<b>33,182</b>	38,823	40,617
	<b>31,544</b>	36,906	38,612	<b>32,414</b>	37,924	39,676
	<b>30,813</b>	36,051	37,717	<b>31,662</b>	37,045	38,756
	<b>29,370</b>	34,363	35,950	<b>30,179</b>	35,309	36,941
<b>Supervising / specialist officers (Band 4)</b>	<b>29,505</b>	34,521	36,116	<b>30,512</b>	35,699	37,348
	<b>28,936</b>	33,855	35,419	<b>29,886</b>	34,967	36,582
	<b>28,378</b>	33,202	34,736	<b>29,272</b>	34,248	35,831
	<b>27,832</b>	32,563	34,068	<b>28,670</b>	33,544	35,094
	<b>26,531</b>	31,041	32,475	<b>27,238</b>	31,868	33,341
<b>Prison officer (Band 3)</b>	<b>24,042</b>	28,129	29,689	<b>25,211</b>	29,497	31,132
	<b>23,582</b>	27,591	29,121	<b>24,627</b>	28,814	30,411
	<b>23,128</b>	27,060	28,560	<b>24,049</b>	28,137	29,697
	<b>22,686</b>	26,543	28,014	<b>23,488</b>	27,481	29,005
	<b>21,628</b>	25,305	26,708	<b>22,141</b>	25,905	27,341
<b>OSG (Band 2)</b>	<b>20,355</b>	23,815	24,916	<b>20,919</b>	24,475	25,606
	<b>19,387</b>	22,683	23,731	<b>19,924</b>	23,311	24,388

### Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential — £3,880 for 2017, £3,990 for 2018. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Bands 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

---

**Pay levels for pre-Fair and Sustainable grades**

Only 1 April 2018 pay points occupied by staff are shown

**Pre-Fair and Sustainable operational manager scales**

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2018 £ a year
<b>Senior manager A</b>	83,721	86,024
	81,265 <sup>#</sup>	
	75,947 <sup>#</sup>	
	72,448 <sup>#</sup>	
	69,716 <sup>#</sup>	
	67,287 <sup>#</sup>	
	65,413 <sup>#</sup>	
<b>Senior manager B</b>	81,263	83,498
	75,947 <sup>#</sup>	
	72,448 <sup>#</sup>	
	69,716 <sup>#</sup>	
	67,287 <sup>#</sup>	
	65,413 <sup>#</sup>	
	61,590 <sup>#</sup>	
<b>Senior manager C</b>	73,183	75,196
	68,388 <sup>#</sup>	
	65,994 <sup>#</sup>	
	63,317 <sup>#</sup>	
	59,560 <sup>#</sup>	
	57,490 <sup>#</sup>	
<b>Senior manager D* (pre-2009 scale) (RHA inclusive)</b>	67,233	69,082
	61,852 <sup>#</sup>	
	57,534 <sup>#</sup>	
	55,443 <sup>#</sup>	
	51,419 <sup>#</sup>	
	47,717 <sup>#</sup>	
<b>Senior manager D (post-2009 scale)</b>	61,649	63,344
	61,852 <sup>#</sup>	
	53,490 <sup>#</sup>	
	51,790 <sup>#</sup>	
	51,137 <sup>#</sup>	
	46,157 <sup>#</sup>	

## Appendix E

---

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2018 £ a year
<b>Manager E</b>	46,485	47,764
	41,961 <sup>#</sup>	
	40,042 <sup>#</sup>	
	36,790 <sup>#</sup>	
	35,047 <sup>#</sup>	
	33,669 <sup>#</sup>	
<b>Manager F</b>	39,432	40,517
	35,093	36,059 <sup>#</sup>
	33,401 <sup>#</sup>	
	32,063 <sup>#</sup>	
	31,007 <sup>#</sup>	
	29,982 <sup>#</sup>	
<b>Required Hours Addition (D*-F)<sup>†</sup></b>	5,584	5,738

\* The pre-2009 senior manager D scale has the RHA payment (currently £5,584 and recommended to increase to £5,738) incorporated into the pay scale and is not paid separately.

<sup>#</sup> These scale points are now, and will remain, unoccupied.

<sup>†</sup> This is pensionable.

---

**Pre-Fair and Sustainable officer and support grades**

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2018 £ a year
<b>Principal officer</b>	34,272 32,480 <sup>#</sup>	35,215
<b>Senior officer</b>	31,881	32,758
<b>Prison officer</b>	29,619 26,574 <sup>#</sup> 24,511 <sup>#</sup> 23,298 <sup>#</sup> 22,177 <sup>#</sup> 21,362 <sup>#</sup> 19,221 <sup>#</sup>	30,434
<b>Prison officer 2*</b>	17,570 17,065 <sup>#</sup> 16,560 <sup>#</sup> 15,742 <sup>#</sup>	18,054
<b>Operational support grade</b>	19,343 18,423 <sup>#</sup> 17,893 <sup>#</sup> 17,383 <sup>#</sup> 16,893 <sup>#</sup> 16,515 <sup>#</sup>	19,875
<b>Night patrol</b>	17,575	18,059 <sup>+</sup>
<b>Prison auxiliary</b>	15,575	16,004 <sup>+</sup>

\* Base pay for those on the prison officer 2 scale is based on a 37 hour week (those on this scale may qualify for an additional unsocial hours payment of 17 per cent). Pay for all other closed, pre-Fair and Sustainable scales shown is based on a 39 hour week.

<sup>#</sup> These scale points are now, and will remain, unoccupied.

<sup>+</sup> These spot rates have been uplifted by the headline pay award and may be readjusted by HMPPS in our next report if these are lower than the National Living Wage.

## Appendix E

---

### Closed former G4S grades

#### *Former G4S staff at HMP Wolds\**

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2018 £ a year
<b>Prison officer</b>	24,678 23,511# 22,672# 19,316#	25,357
<b>Security officer</b> <i>(Operational support grade equivalent)</i>	19,061 18,282# 15,962#	19,586

\* We understand that operational manager grades are on individual salaries.

# These scale points are now, and will remain, unoccupied.

#### *Former G4S staff at Medway Secure Training Centre*

We understand that those staff still on the G4S pay arrangements at Medway Secure Training Centre are on individual salaries.

## Appendix F: Band 2 Operational Support Grade pay levels at market supplement red sites

Recommended pay levels for Fair and Sustainable Band 2 operational support grades with market supplements at 'red' sites 2015 to current.

### Fair and Sustainable range – National

	From 1 April 2015			From 1 April 2016			From 1 April 2017			From 1 April 2018		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	
	without market sup	market sup	total pay	without market sup	market sup	total pay	without market sup	market sup	total pay	without market sup	market sup	total pay
37 hour base pay	15,916	943	<b>16,859</b>	16,075	986	<b>17,061</b>	16,475	986	<b>17,461</b>	16,929	986	<b>17,915</b>
	15,559	1,300	<b>16,859</b>	15,761	1,300	<b>17,061</b>	15,691	1,300	<b>16,991</b>	16,123	1,300	<b>17,423</b>
	14,860 <sup>#</sup>			15,009 <sup>#</sup>								
37 hour inc 17% unsocial	18,622	943	<b>19,565</b>	18,808	986	<b>19,794</b>	19,276	986	<b>20,262</b>	19,807	986	<b>20,793</b>
	18,204	1,300	<b>19,504</b>	18,440	1,300	<b>19,740</b>	18,358	1,300	<b>19,658</b>	18,864	1,300	<b>20,164</b>
	17,386 <sup>#</sup>			17,561 <sup>#</sup>								
39 hour inc ACHP & 17% unsocial	19,482	943	<b>20,425</b>	19,677	986	<b>20,663</b>	20,166	986	<b>21,152</b>	20,722	986	<b>21,708</b>
	19,045	1,300	<b>20,345</b>	19,292	1,300	<b>20,592</b>	19,207	1,300	<b>20,507</b>	19,735	1,300	<b>21,035</b>
	18,189 <sup>#</sup>			18,372 <sup>#</sup>								

Notes:

1. The 'red' sites on the National *Fair and Sustainable* zone where Band 2 operational support grades are eligible for the market supplement are: Aylesbury, Bullingdon, Coldingley, Cookham Wood, Elmley, Grendon/Springhill, Highpoint, Huntercombe, The Mount, Send, Standford Hill, Swaleside and Woodhill.

<sup>#</sup> This pay point was not recruited to at the 'red' sites listed above and Band 2 operational support grades entered on the mid-point of the pay scale. This pay point was subsequently abolished as part of the 2017 PSPRB recommendations effective from 1 April 2017.

**Fair and Sustainable range – Outer London**

	From 1 April 2015			From 1 April 2016			From 1 April 2017			From 1 April 2018		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	
	without market sup value	market sup value	total pay	without market sup value	market sup value	total pay	without market sup value	market sup value	total pay	without market sup value	market sup value	total pay
37 hour base pay	18,441	886	<b>19,327</b>	18,600	937	<b>19,537</b>	19,025	937	<b>19,962</b>	19,549	937	<b>20,486</b>
	18,027	1,300	<b>19,327</b>	18,237	1,300	<b>19,537</b>	18,120	1,300	<b>19,420</b>	18,619	1,300	<b>19,919</b>
	17,217 <sup>#</sup>			17,367 <sup>#</sup>								
37 hour inc 17% unsocial	21,576	886	<b>22,462</b>	21,762	937	<b>22,699</b>	22,259	937	<b>23,196</b>	22,872	937	<b>23,809</b>
	21,092	1,300	<b>22,392</b>	21,337	1,300	<b>22,637</b>	21,200	1,300	<b>22,500</b>	21,784	1,300	<b>23,084</b>
	20,144 <sup>#</sup>			20,319 <sup>#</sup>								
39 hour inc ACHP & 17% unsocial	22,573	886	<b>23,459</b>	22,767	937	<b>23,704</b>	23,288	937	<b>24,225</b>	23,929	937	<b>24,866</b>
	22,066	1,300	<b>23,366</b>	22,313	1,300	<b>23,623</b>	22,180	1,300	<b>23,480</b>	22,791	1,300	<b>24,091</b>
	21,075 <sup>#</sup>			21,258 <sup>#</sup>								

## Notes:

1. The 'red' sites on the Outer London Fair and Sustainable zone where Band 2 operational support grades are eligible for the market supplement are: Downview and High Down.
2. Feltham was originally specified as a 'red' site by HMPPS but the supplement was not paid at this site, instead staff were recruited to the mid-point of the earlier three point pay scale. They are now recruited to the minimum following the 2017 recommendations, note below.  
<sup>#</sup> This pay point was not recruited to at the 'red' sites listed above and Band 2 operational support grades entered on the mid-point of the pay scale. This pay point was subsequently abolished as part of the 2017 PSPRB recommendations effective from 1 April 2017.

## Appendix G: Locality Pay Allowance rates

We recommend no change to legacy Locality Pay Allowance (LPA) rates for the closed, pre-Fair and Sustainable grades so the rates remain as below. These rates are pensionable.

<i>Rating structure</i>	<i>£ a year</i>
Rate 1	4,250
Rate 2	4,000
Rate 3	3,100
Rate 4	2,600
Rate 5	1,100
Rate 6	250

### Establishments/sites covered:

Rate 1	Brixton, Pentonville, Wandsworth and Wormwood Scrubs
Rate 2	Feltham, Huntercombe, The Mount and Westminster headquarters
Rate 3	Belmarsh, Bronzefield,* Coldingley, Downview, High Down, Isis and Send
Rate 4	Aylesbury, Bedford, Bullingdon, Chelmsford, Grendon/Springhill and Woodhill
Rate 5	Lewes and Winchester
Rate 6	Birmingham,* Bristol, Littlehey, Long Lartin and Onley

### Notes:

Only payable to those staff in post at 31 March 2012.

\* Payable to eligible staff in the controller's office at these establishments.

**Appendix H: Allowances and payments**

We make no recommendations on the permanent rates for allowances and payments (given below), although we do recommend continuing the temporary £5 increase to Payment Plus, operational support grade overtime and Tornado until 31 March 2018. Below are all the allowances with the continuing permanent rates from 1 April 2018.

<i>Allowances</i>	<i>Closed Scales</i> From 1 April 2018	<i>Fair and Sustainable Scales</i> From 1 April 2018
Care and maintenance of dogs <sup>1</sup>		
(rate 1) – single dog	£1,526 a year	£1,526 a year
(rate 2) – multiple dogs	£1,908 a year	£1,908 a year
<i>Specialist allowance</i> <sup>#</sup>		
Healthcare officers	£1,296 a year	
Caterers, dog handlers, librarians, physical education instructors, trade instructors and works officers	£1,200 a year	
<i>Payments</i>		
Operation Tornado payment (Officers)	£19.86 per hour	£19.86 per hour
Operation Tornado payment (OSG) <sup>2</sup>	£14.00 per hour	£14.00 per hour
Payment Plus	£17.00 per hour	£17.00 per hour
<i>Allowances</i>		
Dirty protest allowance		
four hours or less per day	£10.00 per day	£10.00 per day
over four hours per day	£20.00 per day	£20.00 per day
On-call (radio pager)		
weekdays	£5.67 per period of more than 12 hours	
weekends and privilege holidays	£16.13 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£20.41 per 24 hour period or proportionately for periods of less than 24 hours	

<i>Allowances</i>	<i>Closed Scales</i> From 1 April 2018	<i>Fair and Sustainable Scales</i> From 1 April 2018
On-call (home) weekdays	£7.09 per period of more than 12 hours	
Weekends and privilege holidays	£20.17 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£25.47 per 24 hour period or proportionately for periods of less than 24 hours	
On-call (home) <sup>3</sup> Weekdays and privilege holidays		£9.00 per period of 12 hours or more
weekends and public holidays		£25.00 per period of 24 hours or more or proportionately for periods of less than 24 hours
(hourly rate)		(£1.04 per hour whilst on call outside of normal office hours)
Stand by (office) Weekdays	£13.43 per period of more than 12 hours	
weekends and privilege holidays	£38.46 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£48.26 per 24 hour period or proportionately for periods of less than 24 hours	

Notes:

1. We introduced a second rate for the care and maintenance of dogs allowance in our 2016 report. This means there is now two rates – one for care of a single dog (amount is £1,526 a year) and one for care of multiple dogs (amount is 25 per cent more than the single rate – £1,908 a year).

2. NOMS introduced a new rate for OSGs as part of a joint agreement with the POA in 2015.

3. For staff on open scales the on-call payments are payable as two rates only: (a) Work days and (b) Rest days or weekends and bank or public holidays.

# These allowances are pensionable.

**Appendix I: Notional rent**

We make no recommendation on notional rents which remain as set out below.

<i>Rent</i>	<i>Current level</i>
Notional rent for quarters	
former governor I	£3,804 a year
former governor II	£3,762 a year
former governor III	£3,615 a year
former governors IV/V	£2,516 a year
prison officers / support grades	£1,675 a year

