



Home Office

# HOME OFFICE EVIDENCE TO THE POLICE REMUNERATION REVIEW BODY

## 2019/20 PAY ROUND

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# I. Executive Summary

1. Workforce reform is a key strand of work in the Policing Vision 2025 agreed by police and crime commissioners (PCCs) and chief constables. Policing is critically reliant on the quality of its people as highlighted by Her Majesty's Inspectorate of Constabulary and the Fire Service (HMICFRS) in their State of Policing Report in 2017. The inspectorate stipulate that the most valuable and complex resource of every police force is its people. Improving policing's efficiency and effectiveness is mainly linked to the quality of officers and staff, their skills, how they work, and how well they are trained and supervised.
2. Workforce reform will ensure the policing system has the capability, capacity and wellbeing support to meet the challenges of emerging and rapidly changing types of crime in an effective and efficient manner, increasing public confidence in the service.
3. A key element of the police workforce reform programme is refocusing pay to reward competence, development and skills, replacing current structures with a fairer system of pay bands based on role, level of accountability and severing the link between time served and pay. We strongly believe these reforms should be sector led. However, the Government is clear that rapid progress must be made to implement the new pay and reward framework.
4. In this year's evidence submission, we expect the National Police Chiefs' Council (NPCC) to provide details of the design principles, framework and assumptions for pay reform, as well as a detailed project plan and risk register.
5. The Government's approach to public sector pay allows us to recognise areas of skill shortage and prioritises improvements to workforce productivity. The Government continues to take a balanced approach to public spending and it is important that pay awards are considered within the wider fiscal picture. With budgets for 2019/20 provisionally set, it is crucial that the Police Remuneration Review Body (PRRB) continues to make affordability a major consideration when making recommendations, alongside the economic and fiscal context set out in Annex A.
6. The Government has set out the police funding settlement for 2019/20, which has been approved by the House of Commons, and there is a clear expectation that forces have increased responsibility to improve efficiency and effectiveness, to show the public what difference their investment is making. The pay award must be funded from the 2019/20 funding settlement and the Home Office is clear that no further central funding will be made available.
7. There are no overall concerns about recruitment and retention. Wastage rates continue to remain low at 6% and voluntary resignations still account for less than 2% of the workforce. Retirement rates remain stable and most officers continue to retire shortly after completing 30 years' service. Officers continue to be well paid, compared to other public servants and emergency service workers, and have pensions that are among the best available, which allow them to retire earlier than most. The diversity of the workforce also continues to increase.

8. As set out in previous evidence submissions, there continue to be some difficulties around internal recruitment and retention for some groups of specialist officers. We have recently amended legislation to provide chief constables with the flexibility to make time-limited, targeted bonus payments to officers in hard to fill roles in the federated ranks and demanding superintending roles. We look to the NPCC to provide evidence on the extent to which chiefs are using these payments to address internal recruitment and retention pressures.

## Summary pay proposals

9. As set out in the Home Secretary's remit letter, attached at Annex B, you have been asked to consider various items for the 2019/20 pay round. For the second year, we are providing a single evidence submission to cover all ranks, while the reform of police officer pay structures are developed.
10. Taking into account the evidence presented in this document, including the economic context at Annex A, the PRRB is asked to consider the following:
- **How to apply the pay award for 2019/20 for police officers of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.**
  - **To review the NPCC's design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design.**
  - **To review the NPCC's detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.**
  - **To review the NPCC's proposals for progression pay for police apprentices.**
  - **To review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period.**
  - **To review evidence from policing partners on whether there is a case to increase London Weighting and Dog Handlers' Allowance.**

## II. Context

### The policing environment

11. Over recent decades, overall levels of crime have continued to fall, but in the last year this trend has been more stable. The latest published figures in 'Crime in England and Wales'<sup>1</sup> shows that in the year ending June 2018, there was no change in the total level of crime.
12. However, demand on the police is rising as the crimes reported to them become more complex and resource intensive. There has been an increase in the reporting of high-harm, previously hidden crimes, such as child sexual exploitation and modern slavery. The challenge from serious and organised crime networks is growing. The threat from terrorism continues to evolve. Through the Serious Violence Strategy, we are bearing down on the worst spike in serious violence and knife crime that we have seen in a decade by combining support for more robust and targeted policing with effective long-term investment in prevention and earlier intervention.

### Police funding

13. Last year, Parliament approved a funding settlement that resulted in £460 million of additional public investment in policing for 2018/19, including £50 million more for counter-terrorism and £280 million more for local forces from the Council Tax precept. The intention was to provide a similar settlement in 2019/20, subject to improved efficiency, productivity and financial transparency. The police have met those conditions, and there is an agreed plan to deliver £120 million in commercial and back office savings by 2020/21.
14. However, cost pressures and demand on the police has risen. On 24 January, the Government proposed the final police funding settlement for 2019/20<sup>2</sup> of up to £14 billion in police funding including Council Tax precept and counter-terrorism funding, a funding increase of up to £970 million compared to 2018/19, depending on the decisions of PCCs. The settlement was debated and approved by the House of Commons on 5<sup>th</sup> February.
15. The key components of the 2019/20 police funding settlement are:
  - A £161 million increase in general Government grants to police and crime commissioners. Government grant funding is protected in real terms, and the package includes £14 million to recognise the specific extra costs and financial challenges of policing London.
  - PCCs in England have the flexibility to increase their police Council Tax precept level for a typical (Band D) household by a maximum of £2 a month without

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<sup>1</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingjune2018>

<sup>2</sup> <https://www.gov.uk/government/collections/police-finance#police-grant-allocations:-2019-to-2020>

holding a local referendum. If all PCCs in England and Wales increase precept by £24 for next year, this will raise just over £500 million of additional local investment in local policing.

- Additional grant funding of £153 million specifically to help the police manage unexpected increases in their contribution to public sector pensions.
16. Government funding for counter-terrorism policing will increase by £59 million next year to £816 million, which is £160 million more than planned for at the last spending review. The counter-terrorism funding total includes £24 million to boost the number of firearms officers, known as the firearms uplift, which is also part of the Police Transformation Fund.
17. In 2019/20, an extra £89 million will be provided for national programmes and priorities, taking the total to £1 billion (excluding the firearms uplift, which is part of the counter-terrorism budget as set out above). This funding will:
- Maintain the size of the Police Transformation Fund (PTF) at £175 million to support the continued delivery of the Reform Portfolio agreed with the sector and further progress the outcomes needed to achieve the National Policing Vision 2025. The Police Transformation Fund will support policing to increase its capability, deliver technology change at scale, progress workforce reform, tackle serious and organised crime and deliver benefits to wider law enforcement. Plans include delivery in to forces of major national police led programmes and Vision 2025 projects. These include a Single Online Home (Policing website) to engage more effectively with the public; new ways of working through productivity and cyber-security tools supporting collaboration; improvements to how fingerprint and digital forensics are used, helping forces to deliver a fully accredited, more integrated and sustainable service; and establishing a Wellbeing Centre of Excellence, which will be accessible to all staff digitally and through mobile outreach.
  - Provide £90 million for serious and organised crime (SOC) capabilities at national, regional and local levels, with a significant proportion allocated directly to police forces for investment in SOC capabilities. We will step up our efforts against a range of SOC threats including economic crime, child sexual exploitation, fraud and cyber-crime.
  - Provide £495 million for police technology, that will upgrade critical infrastructure such as police databases and the emergency service communications network.
  - Continue with existing top-ups to support the National Crime Agency and Regional Organised Crime Units.
  - Provide Special Grant funding of £73 million, which police forces can bid for to help cover costs of unexpected events and major investigations.
  - Provide £3.5 million funding for Police Now, the graduate recruitment and training programme which is attracting fresh talent into neighbourhood policing and supporting the role of detectives.

## Efficiency and effectiveness

18. With increased public and Government investment, as outlined above, comes an increased responsibility to improve efficiency and effectiveness, and to show the public what difference their investment is making. The Government will work with the police to ensure the delivery of efficiency savings, including:
- An ambitious plan to improve efficiency, productivity and effectiveness through the next Spending Review period, to be developed jointly by the Home Office and policing.
  - Continued efficiency savings through collaborative procurement and shared services. This includes developing national approaches to procuring forensics, vehicles and basic equipment such as helmets over the coming year. All forces should also contribute to the development of a new commercial operating model over 2019/20.
  - Continue to drive productivity including through smarter use of data, and digital capabilities including mobile working with an ambition to deliver £50 million of productivity gains in 2019/20.
  - Major progress to resolve the challenges in investigative resource identified by HMICFRS, including recruiting more detectives to tackle the shortfall. We will work with the College of Policing and the NPCC to support forces to make this change by accelerating their action plan on investigations, making full use of the innovation offered by Police Now. Forces will be expected to maintain a response to serious and organised crime that spans identification and management of local threats as well as support for national and regional priorities. This response should be built around the disruption of local SOC threats alongside SOC prevention, safeguarding, partnerships and community engagement.

## Police officer pay bill and affordability

19. The police officer pay bill for the financial year 2018/19 is around £6.3 billion<sup>3</sup>. This includes employer pension contributions and national Insurance contributions.
20. The Government has set out the provisional police funding settlement for 2019/20. The pay award must be funded from the 2019/20 funding settlement and the Home Office is clear that no further central funding will be made available. Our current assessment is that the settlement provides funding to address these pressures alongside a pay award which would equate to approximately £70 million for the current workforce in the 2019/20 financial year.

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<sup>3</sup> This includes basic pay, pension and national insurance contributions.

## The police officer workforce

21. Recruitment and retention of police officers at a national level continues to appear stable. The number of people joining police forces is at a 10 year high and demonstrates that policing is still a desirable and sought-after career.
22. As in previous evidence submissions, it remains the case that some forces are experiencing difficulties in internal recruitment processes. HMICFRS have noted a “severe shortage of qualified detectives and other investigators” at national level and that some forces are not coping well with increasing demand. The national gap is reported to be approximately 5,000 investigators.
23. We welcome the co-ordinated action police forces are taking to ensure all forces have adequate numbers of detectives required to investigate crime. In particular the NPCC, under the leadership of CC Matt Jukes, has been working with the College of Policing to consider both recruitment issues and how the current workforce can be supported to fill some of these vacancies. As mentioned above, we will work with the College of Policing and the NPCC to support forces to accelerate their action plan on investigations and tackle the detective shortfall.
24. To meet the demand and gap in trained detectives that exists in some forces, we believe most officers coming into these roles will continue to come through traditional routes.
25. It is clear however that innovative solutions must also be sought to support forces and this is why we are funding the development of a Police Now Detective Scheme aiming to help bridge the gap in detective numbers.
26. We have also recently amended legislation to provide chief constables with the flexibility to make bonus payments to those in hard to fill roles in the federated ranks, and demanding superintending roles. We look to the NPCC to provide evidence on the extent to which these payments are being used to address internal recruitment and retention pressures.
27. Wastage rates remain low overall at 6%. Voluntary resignations still account for less than 2% of the workforce. Retirement rates remain stable and most officers continue to retire shortly after completing 30 years’ service<sup>4</sup>.

## Diversity

28. Police forces that reflect the communities they serve are crucial to tackling crime in a modern diverse society. The latest workforce figures<sup>5</sup> show the police workforce continues to become more representative in terms of gender and ethnicity, however, there is still much more to be done.
29. BAME officers remain under-represented particularly at senior ranks, with 4% at the rank of chief inspector or above at 31 March 2018 compared with 7% at constable

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<sup>4</sup> <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2018>

<sup>5</sup> <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2018>

rank. The number of BAME officers at chief officer rank is low – there are five - and there are still no BAME officers leading forces at chief constable rank.

30. The proportion of those in senior ranks (chief inspector and above) who were women was 25%, compared with 32% of women at constable rank. At 31 March 2018 there were 58 female chief officers.
31. Many forces are currently recruiting officers and it is important that they use equalities legislation, including positive action provisions, to make better progress in terms of recruitment of under-represented groups. Retention (in the year to March 2018, 5.0% of officers leaving the police were BAME and 24% were female) and progression also play a crucial role in improving equality and diversity, particularly in enabling officers and staff to move into more senior and more specialised ranks and roles.
32. The College has published Positive Action Practical Advice, a document which advises forces on the use of lawful positive action to support the recruitment, retention and progression of officers from under-represented groups. New entry routes to policing, such as Police Now, continue to prove attractive and are increasing the diversity of the police workforce.
33. The NPCC published its first Diversity, Equality and Inclusion strategy in October 2018. This is complemented by a workforce representation toolkit which includes practical actions forces can take to increase the recruitment, retention and progression of officers from under-represented groups in policing. This is a welcome demonstration of policing taking the lead in implementing action to increase diversity and inclusion.

## III. Police workforce reform

34. Workforce reform is a key strand of work in the Policing Vision 2025 agreed by Police and Crime Commissioners and chief constables. Policing is critically reliant on the quality of its people as highlighted by HMICFRS in their State of Policing Report in 2017. The inspectorate stipulate that the most valuable and complex resource of every police force is its people. In most cases, the pay bill is well over 75 percent of the force's budget, so improving the force's efficiency and effectiveness is mainly linked to the quality of officers and staff, their skills, how they work, and how well they are trained and supervised.
35. The aim of workforce reform is to ensure the policing system has the capability, capacity and wellbeing support to meet the challenges of emerging and rapidly changing types of crime in an effective and efficient manner, increasing public confidence in the service. Workforce reform is being led by the College of Policing alongside the Government and forces.
36. The NPCC will include more detail of current transformation work in their written evidence, and how it links to pay reform. However, an update on the developments over the last year in some of the key areas of work is provided below:

### Entry routes

- The College's Police Educational Qualifications Framework (PEQF) will raise the bar for police recruitment as well as recognising the high level at which the existing workforce operates. It will centre on nationally accredited qualifications and the transferable skills required in a modern, agile service ensuring that policing can attract the brightest and best new recruits with a well rounded career offer.
- Apprenticeships are a crucial strand of the PEQF initiative, to provide a fair entry route into policing for those who do not hold a degree. Amendments to legislation were agreed in November 2017 and took effect from 31 January 2018. This was published in a Home Office Circular 001/2018.
- The other two new entry routes under the PEQF are for graduates of an accredited pre-join degree in policing and for other degree holders. When added to the Police Constable Degree Apprenticeship (PCDA) these entry routes elevate police recruitment and initial training to graduate level. This recognises that changes in crime now demand officers to be able to apply transferable skills to a range of situations, applying problem-solving strategies and exercising personal judgement to these challenges which is a graduate level skill set.
- The first three forces – Nottinghamshire, Derbyshire and Leicestershire in took on 87 PCDA recruits in total in September. Nine forces are expected to recruit PCDA joiners in 2018/19 and 42 by the end of April 2020.
- Nottinghamshire targeted under-represented groups and reported over 20% of its recruits from BAME backgrounds (compared to around 5% previously).
- In 2018, the fifth intake of direct entry superintendents and the third intake of inspectors started their training and over three quarters of forces are now engaged. The most recent recruitment campaign launched on 7 January.
- In 2018, Police Now placed 233 officers with 25 forces.

### Licence to practise

- The College of Policing continues to work on design of a licence to practise scheme for individuals working in high risk and high harm roles with the aim of delivering consistently high standards for specialist investigators leading in high harm and risk areas of policing - including for CSA and domestic abuse – bringing them into line with other critical specialist roles such as firearms and public order. After in depth consultation with its key stakeholder groups, the College has decided that the scheme will initially operate on a voluntary basis and will use its new Head of Public Protection and Safeguarding Leaders Scheme as a pilot licence. This programme, developed alongside practitioners, will identify what skills and knowledge is required for senior officers and staff working in public protection roles where high risks are managed. It is anticipated that this programme will be piloted in 2019.

## Improving diversity in the workforce

- The NPCC's Diversity, Equality and Inclusion strategy was published as part of the Prime Minister's One Year On announcement marking the anniversary of the publication of the Government's Race Disparity Audit. The Home Secretary chaired a Race Disparity Audit roundtable in October to talk about how the whole policing system can work together to improve the diversity of the police workforce.
- The Police Superintendents' Association (PSA), in partnership with the College, has delivered the first round of its coaching and mentoring training to almost 9,300 senior leaders. They have each mentored around three junior officers mainly from under-represented groups to support career development and progression. The Home Office is providing longitudinal evaluation of the scheme due to be published in early 2019. A second tranche of mentors is currently being recruited for the 2019 round.
- CC Ian Hopkins, the NPCC lead on workforce representation has published a workforce representation toolkit and is developing plans working with the College and Home Office officials to drive its implementation in forces.
- Six forces led by the Metropolitan Police Service are piloting a new assessment centre for police recruits called 'Day One'. This has been designed to offer a more modern police assessment centre experience and seeks to reduce disproportionate outcomes for candidates from underrepresented groups. It delivers a recommendation of the College of Policing review of initial police recruitment. An evaluation of the pilot is expected in October 2019.

## Workforce morale and wellbeing

- In July 2017 the Home Secretary awarded £7.5 million from the PTF over three years to develop a national police wellbeing service. The new service will complement the support already delivered at force level to serving police officers and staff, and will focus on prevention and early intervention. This new service, which will be a new 'centre of excellence' within the College of Policing, will be launched in April 2019. This will be providing additional support to forces and products for use nationally.
- As part of an early initiative using £405,000 from the £7.5 million PTF, four 'Wellbeing Wagons' have been purchased for use nationally – this will bring stigma-free support and wellbeing awareness to the frontline via police stations and headquarters.
- The Minister for Policing and the Fire Service held two roundtable discussions in 2018, focused on how the government can assist police chiefs in their statutory duty

to manage the welfare of their officers. These were attended by police leaders, including CC Andy Rhodes, as well as experts from across government, Public Health England, and mental health charities.

- As a result of these roundtable discussions, the need for a shared national vision was identified. In order to address this, the Home Office published 'a common goal for police wellbeing – to be achieved by 2021' in July 2018, which sets out the expectation for forces to provide improved wellbeing and welfare support to their workforces. This was the result of sector and wider stakeholder engagement and collaboration.
- Wider sector-led activity supports the wellbeing agenda and this project. For example, the Blue Light Wellbeing Framework is sector-specific, and police leaders are supported by the resources on the website Oscar Kilo (overseen by CC Andy Rhodes, the NPCC lead on Wellbeing).
- Mind's Blue Light Programme also provides support to all emergency service workers and has been funded until March 2019 after they were awarded an additional £1.5 million by the Government in LIBOR funding to continue to deliver mental health support.
- The Home Office supported the Emergency Service Workers (Offences) Act 2018. The Act sends a clear message that we will not tolerate attacks on emergency service workers and ensure those who are violent face the full force of the law.

## Pay reform

37. A key element of the police workforce reform programme is refocusing pay to reward competence, development and skills, replacing current structures with a fairer system of pay bands based on role, level of accountability and severing the link between time served and pay. We expect to begin implementation of new pay and reward structures from 2020.
38. We strongly believe these reforms should be sector led and we continue to support this programme of work through the PTF. However, the Government expects to see rapid progress made and has stressed that the NPCC must consider whether it has the right level of support, resources and expertise before submitting their PTF bid for 2019/20. The programme of work remains ambitious, but we are encouraged by the addition of a full-time Programme Manager to the NPCC's pay and reward team, enabling a formal project structure to be put in place. The Home Office will continue to provide workforce modelling and analytical support. A new workforce model is currently in development to provide data and detailed costings on the new pay structures.
39. In February 2018, the College and the NPCC published 'Workforce Transformation in the Police Service'<sup>6</sup> which sets out how the different strands of reform fit together. We welcome the development of the NPCC's project charter, project timeline and key milestones, that builds on this document, setting out the interdependences with wider workforce reform and the sequencing of the implementation of pay reform.
40. The Government is of the view that in order to progress pay reform, policing must put in place robust performance management systems in place. Although there is

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<sup>6</sup> [https://www.college.police.uk/About/Workforce-Transformation/Documents/COP\\_workforce\\_transformation.pdf](https://www.college.police.uk/About/Workforce-Transformation/Documents/COP_workforce_transformation.pdf)

work ongoing in this space we would like to see a drive towards a more consistent and standardised system.

41. The Government has emphasised that strong leadership must continue to develop pay reform and ensure that there is engagement from every force at the most senior level. However, it is important that officers and staff at all levels are fully engaged on plans for pay reform. Over the last year, the NPCC has carried out a number of working parties with pay and reward leads and officers in different forces, providing opportunities to input into the development of the new pay structures. We welcome the NPCC's development of a communications strategy and plan, that will formally set out how stakeholders will be engaged.
42. In this year's evidence submission, we expect the NPCC to provide details of the design principles, framework and assumptions for pay reform, as well as a detailed project plan and risk register. We also expect they will be in a position to provide details on their methodology for benchmarking pay, and the initial results of applying this methodology.

## Talent management

43. Policing needs modern, responsive, skilled and principled leadership at all levels in order to maximise the efficiency of the workforce. Implementation of the recommendations of the College of Policing's Leadership Review published in 2015 has made significant progress to delivering this aim including the introduction of Direct Entry routes allowing proven leaders from wider professions to enter the organisation at inspector and superintendent levels, demonstrating the value of external experience.
44. We are working with the College of Policing to ensure all senior leaders have the skills and capabilities required to lead policing in the 21st century. The College of Policing has reviewed the Senior Police National Assessment Centre (PNAC) and the Strategic Command Course (SCC), which has resulted in the College implementing significant changes including a review of the eligibility criteria and application form for PNAC to provide parity for police officers and staff and ensure there are no unnecessary barriers to applying due to the application process. The SCC has also been restructured into two modules providing greater flexibility in how the course can be completed.
45. The College continues to run positive action development events to encourage those from under-represented groups to apply to PNAC. This yielded some positive results in 2018, with the 2018 cohort being one of the most diverse ever. Of the 31 officers who took part in the course, 10 (32%) were women and three (10%) were from an ethnic minority background, which is far more representative than the pool they are being drawn from – 23% and 5% respectively.
46. The College of Policing is also developing a leadership choices platform that will ensure all development opportunities, including bespoke programmes and mentoring and coaching opportunities are accessible to all in policing. This platform will also clearly highlight bespoke programmes and offers to support officers and staff from underrepresented groups. Alongside this, the College has now launched a new Senior Leadership Hub to support senior progression and the identification of pipeline talent. Funded through the PTF, the hub has three functions: overseeing chief officer CPD and careers development service; supporting senior

appointments; and progression of under-represented groups. The College and NPCC will also have a strategic overview of the talent pipeline with data tracking offering a more proactive approach to development, attraction and promotion. Mike Cunningham has written to all chiefs on how to access the Hub and is confident this development will help address some of the barriers to progression identified in recent research and surveys. The Hub also includes professional bespoke College support to PCCs and chiefs on recruitment and attraction including the development of criteria for any particular role in line with local needs and requirements, designing and delivering assessment exercises and supporting the delivery of recruitment processes including assessment days and professional training for appointment panels.

## Chief officer applications

47. The results of the College of Policing's Chief Officer Appointments survey, published in February 2018, identified a number of factors contributing to low numbers of applications for some chief officer roles. We strongly support the College's work to remove these barriers and to broaden the pool from which chief officers can be drawn.
48. In September, the NPCC published a paper that considered issues around chief officer appointment and tenure, adding to the discussion and issues raised in the College's appointments survey. The paper suggested that fewer chief officers are applying for chief constable roles, and that those already in them are staying in post for shorter periods. In response to issues raised in the paper, the College hosted a roundtable in October bringing together chiefs, PCCs and relevant partners to further consider the issues.
49. The roundtable agreed to take action in four areas to influence how to better attract, progress and retain chief officers:
  - The personal impact on individuals considering chief officer roles, including financial, family and relocation factors.
  - Ways of supporting PCC and chief officer relationships while enabling effective accountability and governance.
  - Selection and continuing development for those taking up chief officer roles.
  - Developing policing leaders, from all communities, and diverse backgrounds, to progress towards future senior roles.
50. A second roundtable was held in January to further progress this work.
51. The pay and conditions for chief police officers are under review as part of the wider work by the NPCC to develop a new pay and reward framework. The review, which will be led by the Association of Police and Crime Commissioners (APCC), will consider the "whole package" for chief officers. We expect the APCC to provide an overview of this review in their evidence submission.

## Other developments

### Time-limited, targeted bonus payments

52. In September, the Home Secretary announced that he had approved proposals from the NPCC to introduce time-limited and targeted payments, following the recommendations of the PRRB in 2017. This provides chief constables with the flexibility to make payments of up to £4,000 a year for hard to fill roles in the federated ranks and demanding superintending roles through to September 2020. Determinations have been amended to enable these payments to be made, with the flexibility to back date to 1 September 2017.

### Re-joiners

53. On 22 February 2019 amendments to Police Regulations 2003 will take effect that will enable police forces in England and Wales to recruit former officers at the same rank to which they were last appointed, or to higher or lower ranks, irrespective of the amount of time that has elapsed since they left the service. Regulation 10B currently provides a power which allows former police officers to re-join, so long as they passed probation in the rank of constable or other period of probation on the condition that it is within 5 years since they last served, and that they are recruited back to the same rank at which they most recently served.
54. Amending Regulation 10B will ensure greater police workforce flexibility as well as ensure individuals who re-join continue to receive the governance and protection arrangements as for other officers. It will also provide clarity to forces as to the terms and condition which apply to re-joiners, including the probation terms and reckoning of service.
55. The provision of a more flexible structure of entry, exit and re-entry points was a recommendation of the College of Policing Leadership Review in 2015. The changes to Regulation 10B create a more flexible re-entry route back into policing. Recruitment back at higher ranks enables people who left and have since gained further experience, skills and knowledge, to be recruited back at higher ranks – so long as they have relevant skills, qualifications and knowledge. It will also be possible to re-join at a lower rank than the rank the re-joiner last served in.

### Chief officer and Direct Entry inspector annual leave

56. As part of a package of measures to increase transparency around chief officer employment and remuneration, we have amended determinations with effect from 1 January 2019 to implement a standardised 35 days annual leave policy, in addition to eight rest days a month as standard. This represents a change from previously unclear and inconsistent arrangements, where chief officers could take at least 48 days a year but their rest days were poorly defined, creating the impression of vastly different leave entitlements.
57. We have also amended determinations to align the annual leave entitlement for Direct Entry inspectors with those of others in the same role. Current arrangements for police officer annual leave are based upon length of service for the federated ranks. This was a disincentive for direct entry applicants who are often leaving middle management roles in other professions where they have accrued an entitlement to annual leave which is greater than that which they would receive as a

new entrant to policing. With effect from 1 January 2019, Direct Entry inspectors will join the service with an entitlement which is equivalent to an officer with four years' service.

## **Children and Families Act 2014**

58. The Government is committed to reflecting provisions of the Children and Families Act 2014 for police officers, in particular those sections relating to arrangements for shared parental leave. We are currently formally consulting with policing partners on amendments to Police Regulations 2003 and determinations to formally implement these provisions.

## **Capability dismissal**

59. We continue to progress work to develop new regulations to allow the dismissal of officers who are medically unfit for officer roles, but who do not meet the strict permanent disablement criteria for ill health retirement, via a Police Advisory Board Technical Working Group. We hope to produce draft regulations for formal consultation later in 2019.

## **Gender pay gap reporting**

60. In 2017, the Government introduced new measures to extend gender pay gap reporting to include the public sector, including the police workforce. Regulations came into force on 31 March 2017, requiring all forces to publish their own gender pay reports online by 30 March 2018. We are pleased that all forces reported their data by the statutory deadline.
61. We are working with the NPCC's gender portfolio lead, CC Dee Collins, and the Government Equalities Office to improve the consistency of reporting and encourage forces to publish a detailed breakdown of data. This will enable better analysis of the causes of the pay gap and ensure that any measures implemented to reduce it can be evaluated effectively.

## **Establishing productivity measures for policing**

62. The Government is committed to creating effective productivity measures for policing. However, it is widely acknowledged that measuring productivity for policing has a greater set of challenges than for many areas of the public sector. Further, given the volume and variety of work undertaken by the police it would be impossible to measure everything that the police do. However, the long-term aim from a productivity perspective is to obtain a suite of consistent activity indicators that broadly reflect the volume and variety of work the police undertake.
63. We continue to work with the Office of National Statistics (ONS) and policing to explore methods for measuring police productivity.

## **The Front Line Review**

64. The Front Line Review provides frontline police officers and police staff an opportunity to feedback to Government on their lived experience of operational policing. In doing so, the review seeks to harvest new ideas for change directly from

the frontline, with a view to identifying systemic issues which currently act as barriers and could be remedied. The review also seeks to improve the frontline access, availability and experience of support and development services, under three pillars: leadership; professional development; and wellbeing. Findings will be worked into policy recommendations for publication in spring 2019, with implications for the Government and its policing partners. The review does not consider pay, demand, workload or resourcing on the basis that work is already underway, led by the NPCC and its partners, to consider these issues. Evidence gathered under out of scope themes will be fed back into the Home Office for due consideration via these alternate mechanisms.

65. The review is a multi-modal approach to practitioner led policy development. After an initial literature review, collecting evidence to substantiate the as-is knowledge of the present experience of frontline policing, in summer 2018, the review sought to capture ideas directly from the front line, hosting a series of digital and regional engagement exercises. A tranche of 28 regional workshops, delivered in partnership with the ONS, concluded in early January 2019, after which data will be subject to further exploration by ONS analysts. Findings will be grouped by themes with key solutions, presented by the frontline, identified to be taken further to inform operational decision-making and Government policy development. We anticipate this will be published in spring 2019.

## IV. Overall remuneration package

### Basic pay

66. The starting salary for police officers is between £20,370 and £23,586 for constables, depending on skills and experiences. Chief constables have the flexibility to appoint those joining on the Police Constable Degree Apprenticeship scheme on a starting salary of £18,000.
67. In 2018/19, median basic pay for a police constable was £39,150. This figure reflects the fact that the majority of police constables have reached the top of their pay scale.
68. A table setting out the headcount and salaries for each rank is provided in Annex C.

### Allowances

69. In addition to basic pay, police officers in London receive regional allowances of up to £6,783 per annum. Officers in Essex, Hertfordshire, Kent, Surrey or Thames Valley constabulary may receive regional allowances of up to £3,000 per annum. Those in Bedfordshire, Hampshire or Sussex constabulary may receive a regional allowance of up to £2,000 per annum.
70. Officers meeting the relevant criteria may also receive additional allowances, for example:
  - Unsocial Hours Allowance – 10% of hourly rate
  - Away from Home Overnight Allowance - £50
  - On Call Allowance – £15
  - Hardship Allowance – £30
  - Replacement Allowance (only available to officers who joined before September 1994, and rates have been frozen since then) – between £1,777.66 and £5,126.70
  - Dog Handler's Allowance - £2,238
71. All allowances are currently under review as part of NPCC's reform of pay and reward structures.

### Pay progression

72. Federated and superintending ranks, and assistant chief constables and commanders currently receive pay progression. However, policing is moving towards a new pay structure that will reward competence, skills and level of accountability, and will end time served pay progression. Chief constables and deputy chief constables receive a spot rate salary, which is determined by the size of the force and level of crime demand.

73. Police officers who have not reached the top of their pay scale currently receive annual incremental pay of at least 2% in addition to any annual pay awards, depending on rank and experience. This is dependent upon an officer's performance having been graded as either 'satisfactory' or above in the annual appraisal. 34.2% of police officers are in receipt of progression pay, providing an average annual increase of £1,985 in addition to any annual pay award. However, we would stress that, as the majority of officers are on the top pay point, they no longer receive progression pay. Further, the new pay and reward framework that is being developed by the NPCC will end automatic pay progression.
74. The vast majority of police officers enter as police constables. After five years in service, a typical constable will receive a salary of £28,945.

## Pension

75. Police officers are entitled to membership of a defined benefit pension scheme. Members benefit from employer contributions of 21.3%<sup>7</sup> of their pay towards their pensions on top of their own contribution. Each year a member earns a slice of pension, currently at the rate of 1/55.3<sup>8</sup> of their pay for that year. All contributing members are able to retire with their pension by age 60. The majority are able to take a pension sooner, but this may be partial or with a reduction for early payment.
76. The pension also comes with ancillary benefits, for example, spouse/partner pensions, child pensions and a death in service lump sum.

## Other

77. Officers receive a minimum of 22 days of annual leave, rising with service to 30 days, plus bank holidays as well as flexible working schedules and career breaks.
78. Further benefits include enhanced maternity pay and leave and parental support pay (up to two weeks), paid allowances to compensate for disruption to family life and the demands of the role, and sick leave on full pay for up to six months.

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<sup>7</sup> This is the current rate, but this is due to change as a result of the recent scheme valuation. It is anticipated that the employer contribution rate will be around 31%.

<sup>8</sup> The pension Scheme Advisory Board has agreed a change to the accrual rate of 1/47 as part of the valuation process. However this has been placed on hold pending the outcome of legal challenges

## V. Data provision

### Published data

79. Published police workforce data is available [here](#).
80. The Home Office have also published updated [force by force diversity profiles](#) on the number of BAME and female officers in all 43 police forces on police.uk. The profiles allow the public to directly compare the diversity of their police force with the population it serves.

### Police Workforce and Pay Census

81. The Police Workforce Census collects data on number of police officers at each pay point by rank and the numbers receiving allowances and overtime, as at the end of March 2018. This data is not currently published but has been provided to the PRRB secretariat separately.
82. We have continued to engage with police practitioners to improve the quality of census and workforce data returns and resolve issues around completion. We are grateful to payroll and Human Resources staff in forces for contribution to the process and working hard to resolve data and IT issues.
83. We will continue to work with forces to promote the census and to drive up the quality of data. In the last two financial years, we have been able to provide forces with a tailored highlight report, summarising the pay data they have provided and how this compares with other forces. This includes data on officer demographics, total pay, basic pay, overtime and allowances. We hope that this will raise awareness of the census dataset at a senior level and make forces aware of the benefits of completing it.

### Improving police workforce data

84. We are committed to improving the quality of workforce data. We have established a Police Workforce Data Collection Working Group, chaired by the NPCC, which is attended by representatives from the Home Office, the APCC, the Police Federation of England and Wales, the PSA, the Chief Police Officers' Staff Association, the PRRB secretariat, HMICFRS and the College of Policing. The group met in the summer and focused on the types of data currently collected from forces, when and for what purpose; and to identify where there are gaps in terms of what is collected, or its quality. The aim is to reduce the burden on forces and ensure that data collection is simplified where possible.

## VI. Pay proposals

85. The Government is committed to world class public services and ensuring that public sector workers are fairly paid for the vitally important work that they do. It is important that we consider all pay awards in light of wider pressures on public spending. Public sector pay needs to be fair both for public sector workers and the taxpayer. Around a quarter of all public spending is spent on pay and we need to ensure that our public services remain affordable for the future.
86. The Government's public sector pay policy aims to ensure that the overall package for public sector workers is fair to them and that we can deliver world class public services which are affordable within the public finances and fair to taxpayers as a whole.
87. The Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. There will still be a need for pay discipline over the coming years to ensure the affordability of public services and the sustainability of public sector employment. Recognising these factors, we ask the PRRB to consider the following pay proposals for 2019/20:

### Basic pay

88. **We ask the PRRB for views on how to apply the pay award for 2019/20 for police officers of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.** In the 2019/20 funding settlement, the police have a number of financial pressures they need to manage, including funding the 2019/20 pay award, pensions costs and tackling increased demand by filling key capability gaps, for example, on detectives. As such, our current assessment is that the settlement provides funding to address these pressures alongside a pay award which would equate to approximately £70 million for the current workforce in the 2019/20 financial year. The PRRB will in the course of its review gather information on this matter from policing employers (NPCC and APCC) who will have views on the pay award and the affordability of any such award within their budgets, whilst also balancing their other pressures and responding to the changing demands in policing. We ask the PRRB to make an objective assessment of the information available to it, and we will undertake a further full assessment of affordability, taking into account all relevant information available to us, when the PRRB's recommendations are submitted to the Home Secretary.
89. We also ask the PRRB to consider whether there is evidence to suggest that targeting of pay awards to address internal recruitment and retention pressures is required in this pay round. The new pay and reward framework proposes to provide chief officers with flexibility to target pay towards those with higher skills and to posts that are hard to fill. In considering whether there is a case for targeting in this pay round, we ask the PRRB to be mindful of the need to hold current pay structures steady ahead of implementation of the new framework.

90. In their evidence submission, the NPCC will provide an overview of the extent to which the time-limited, targeted bonus payments are being used to address internal recruitment pressures for hard to fill and demanding superintending roles. We welcome views from the PRRB on whether there is a need for more directed targeting of such payments at specific roles.

## On-call payments to the superintending ranks

91. **We ask the PRRB to review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period.** This was highlighted as an area requiring attention in your last report. Representations from the PSA suggest this should be a priority for review in 2019/20, ahead of the wider review of allowances that is being carried out by the NPCC.

## Pay progression for Police Constable Degree Apprentices

92. **We ask the PRRB to review the NPCC's proposals for progression pay for police apprentices.** Given the uncertainties around apprentices' pay beyond their first year in the proposals set out in last year's evidence submissions, the Home Secretary accepted the PRRB's recommendation on how their pay should progress. However, as noted in your report, this was a time-limited recommendation that should be revisited in the 2019/20 pay round. We expect the NPCC to provide fully developed proposals for apprentices' pay progression in this pay round.

## Pay reform

93. The Government is committed to ensuring that police pay structures support a modern, professional and flexible workforce. It is increasingly important that the NPCC progresses this work at pace and that implementation of the new pay structures begins from 2020.
94. To successfully implement the new pay and reward framework, it is essential that the staff associations are fully consulted on the design of the new framework as it develops. **We therefore ask the PRRB to review the NPCC's design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design.**
95. While much progress has been made over the last 12 months, the programme of work remains ambitious. The views of the PRRB are crucial to ensure this work progresses at pace and implementation from 2020 remains achievable. **We therefore ask you to review the NPCC's detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.**
96. We welcome updated commentary from the PRRB on which elements of the framework should be taken forward as immediate priorities to ensure successful implementation from 2020.

## London Weighting

97. Location and regional based allowances are currently being reviewed by the NPCC and we have not yet been sighted on evidence to suggest this allowance should be automatically increased. We do not consider the historical link to annual pay increases alone to be a valid reason for uprating London Weighting this year. **We therefore ask the PRRB to consider the evidence put forward by policing partners on whether there is a case for increasing this in 2019/20.**

## Dog Handlers' Allowance

98. Again, this allowance has historically been raised in line with the pay award. As with London Weighting, it is currently being reviewed by the NPCC as part of a wider review of allowances, and we have not yet been sighted on any evidence to suggest Dog Handlers' Allowance should be increased. **We ask the PRRB to consider the evidence put forward by policing partners on whether there is a case for increasing this in 2019/20.**

## Annex A – Economic Context

### Introduction

1. The economic and fiscal context in which the Pay Review Bodies make their recommendations was set out in the October 2018 Budget. However, as in previous years this chapter sets out points in the economic and fiscal context which are of particular relevance to the PRB process, notably the latest OBR projections and labour market context, both public and private. This should be considered alongside the rest of the evidence set out in this document.
2. In July the Government announced the biggest pay rise in almost 10 years for around one million public sector workers across Britain. This Government recognises that public sector workers deserve to be fairly rewarded for the vital work they do, and seeks to ensure the overall package remains fair and competitive.
3. Our flexible approach to pay allows us to recognise areas of skill shortage, and improvements to workforce productivity. The Government continues to take a balanced approach to public spending and it is important that pay awards are considered within the wider fiscal picture. With budgets for 2019-20 already set, it is crucial that Pay Review Bodies consider the more detailed information about affordability set out in this document alongside the economic and fiscal context.

### UK economy

4. As usual, it is very important that the PRBs take into account the wider fiscal context when making their recommendations. The UK economy has solid foundations and continues to demonstrate its resilience. GDP has grown every year since 2010 and is forecast by the OBR to continue growing over the forecast period. Employment is at a near record high and real wages are rising at the fastest rate for two years.
5. There has been a sustained worldwide slowdown in productivity growth since the 2008 financial crisis, but the UK has been affected more than most. Whilst productivity growth has improved since 2016 it remains below pre-crisis levels. Increasing productivity is the only sustainable way to boost economic growth and prosperity, and to deliver better jobs and higher income for people across the country. The forecast for productivity remains subdued in the medium term but is expected to rise gradually to reach 1.2% per year<sup>9</sup> by 2023.
6. With public services accounting for around 20% of UK GDP, public sector productivity plays an important role in the UK's productivity growth overall. While public sector productivity has increased by 0.8% in the last year, continued improvement is essential for meeting growing demands on our world class public services. Public sector pay awards should reward efforts to modernise workforces and delivery models.

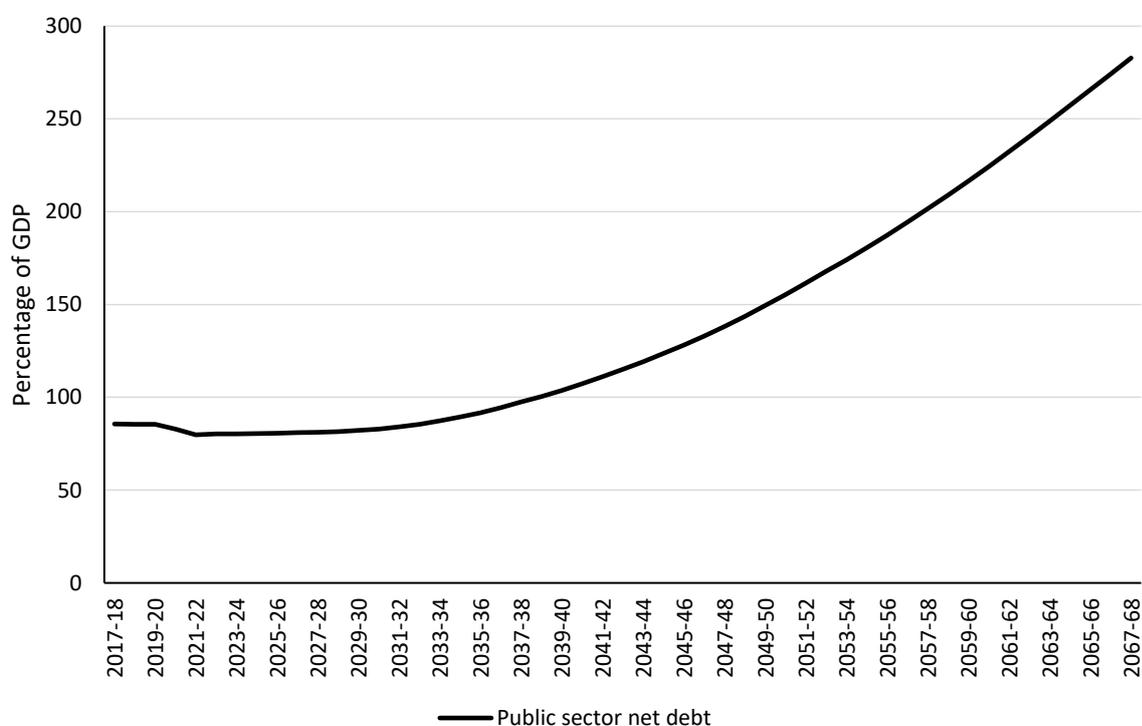
### Public finances

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<sup>9</sup> OBR Economic and Fiscal Outlook, October 2018.

7. Since 2010 the government has made significant progress in restoring the public finances to health, which have now reached a turning point. The deficit has been reduced by four-fifths from a post-war peak of 9.9% of GDP in 2009-10 to 1.9% in 2017-18. The fiscal rules approved by Parliament in January 2017 commit the government to reducing the cyclically-adjusted deficit to below 2% of GDP by 2020-21 and having debt as a share of GDP falling in 2020-21. These rules will guide the UK towards a balanced budget by the middle of the next decade. The OBR forecasts that the government has met both its near-term fiscal targets in 2017-18, three years early, and will meet them in the target year.
8. The need for fiscal discipline continues however as, despite the improvement, debt still remains too high at over 80% of GDP. Continuing to reduce borrowing and debt is important to enhancing the UK's economic resilience, improving fiscal sustainability, and lessening the debt interest burden on future generations.
9. The OBR's 2018 Fiscal Sustainability Report (FSR) was published in July and highlighted the long-term pressures and risks to the public finances, underscoring the importance of locking in this hard-won progress. The 2018 FSR projection shows that, left unaddressed, demographic change and non-demographic cost pressures on health, pensions, and social care would push the debt-to-GDP ratio far beyond sustainable levels in the long-term. This would pass an unacceptable burden on to the next generation, and the government is therefore committed to ensuring that debt remains on a sustainable trajectory.

Figure 1: Baseline projection public sector net debt (OBR Fiscal Sustainability Report, 2018)<sup>10</sup>



10. Affordable pay awards will be an essential part of keeping borrowing under control: the public sector pay bill was £183.79bn in 2017. This accounts for £1 in every £4 spent by

<sup>10</sup> OBR Fiscal Sustainability Report, July 2018.

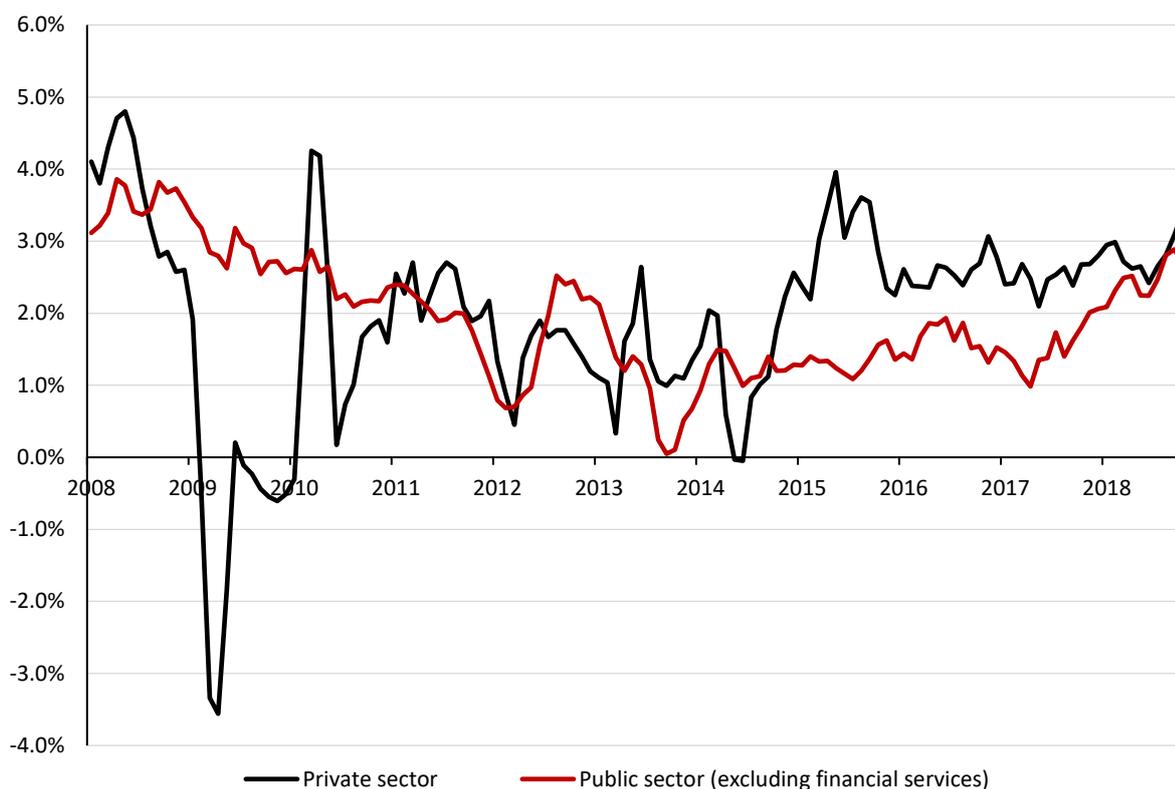
the Government. There continues to be a need to ensure increases in pay are affordable to ensure the delivery of world-class public services remains sustainable. Keeping control of public sector pay supports the Government's fiscal strategy to avoid passing an increasing burden of debt onto future generations. We spend more on debt interest than on the police and Armed Forces combined.

11. Existing spending plans set through the Spending Review 2015 remain in place, excepting the NHS, where the Government has announced a five-year funding settlement. The affordability position for each workforce is set out elsewhere in this evidence pack.

### **Labour market**

12. Activity in the UK labour market is an important contextual consideration. Total employment reached a new record high in the 3 months to October 2018, with 32.5 million people in work. In 2018 the unemployment rate has dropped to its lowest since the 1970's, currently at 4.1%, it remains close to its historic low.
13. In their most recent Economic and Fiscal Outlook, the OBR revised down their assessment of the equilibrium rate of unemployment from 4.6% to 4.0% at the end of the forecast. The unemployment rate is forecast to reach 3.7% in 2019, before returning to 4.0% by 2023.
14. The downward revision to the equilibrium rate of unemployment was accompanied by an upward revision to labour market participation, meaning the number of people available to the labour market has increased. This was partially offset by a fall in average hours worked. Looking ahead, the OBR forecast employment to rise every year to reach 33.2 million by 2023.

Figure 2: Public sector (excluding financial services) and private sector average nominal earnings growth (ONS November 2018).

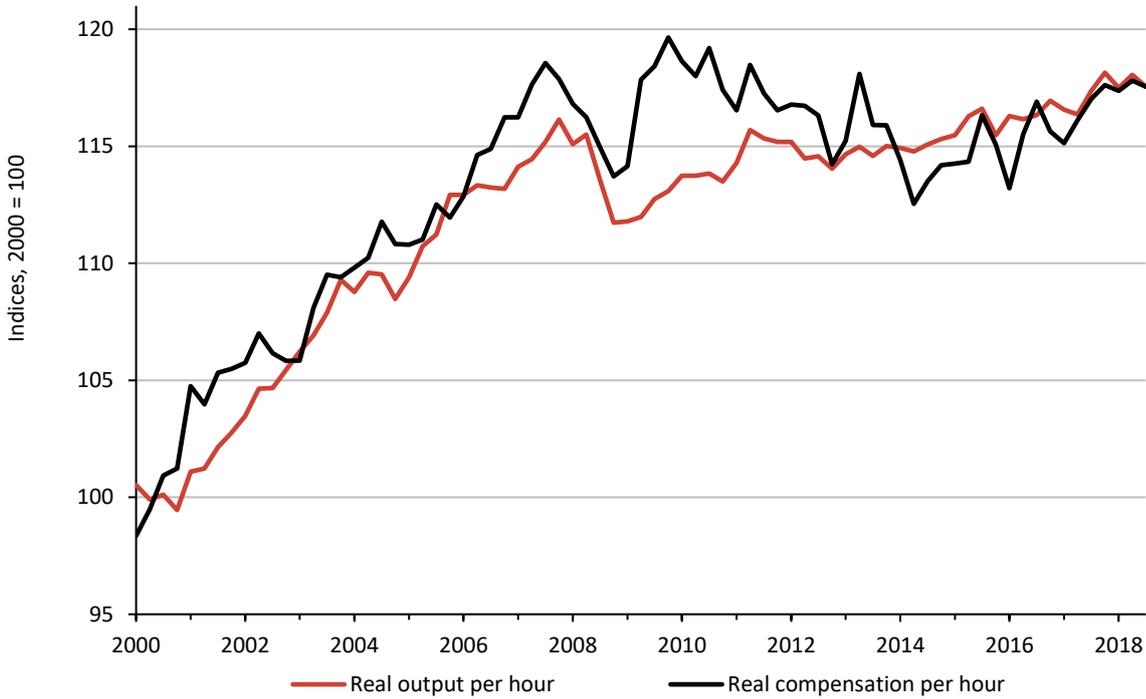


15. Total nominal wage growth rose to 3.3% in the 3 months to October<sup>11</sup> (including bonuses), although wage growth remains lower than averages seen prior to the financial crisis, which reflects sluggish productivity growth. Public sector (excluding financial services) and private sector total wage growth are both above the current rate of inflation, at 2.7% and 3.4% respectively. Both the public sector and the private sector have seen real total pay growth in the three months to October. It should be noted that wage growth as reflected in the ONS Average Weekly Earnings series reflects pay growth beyond annual settlements, including promotions, incremental increases and compositional changes.
16. The OBR forecast average earnings growth for the whole economy to be 2.6% in 2018, 2.5% in 2019, 2.8% in 2020, 3.0% in 2021, 3.1% in 2022 and 3.2% by 2023.<sup>12</sup> Average earnings growth is forecast to remain below the pre-crisis average.
17. Ultimately, a pickup in productivity is vital for the recovery of cross-economy wage growth rates to pre-recession levels. Public and private sector wages tend to move in similar directions, both because of pay expectations and the implications of tax receipts on public sector budgets. Despite low unemployment, weak growth in labour productivity has been weighing down on wages and, ultimately, the public finances. The OBR forecasts productivity growth of 0.8% in 2019, 0.9% in 2020, 1.0% in 2021, 1.1% 2022 and 1.2% in 2023.

<sup>11</sup> Looking at annual growth rates for total pay (including bonuses), between July to September 2017 and July to September 2018.

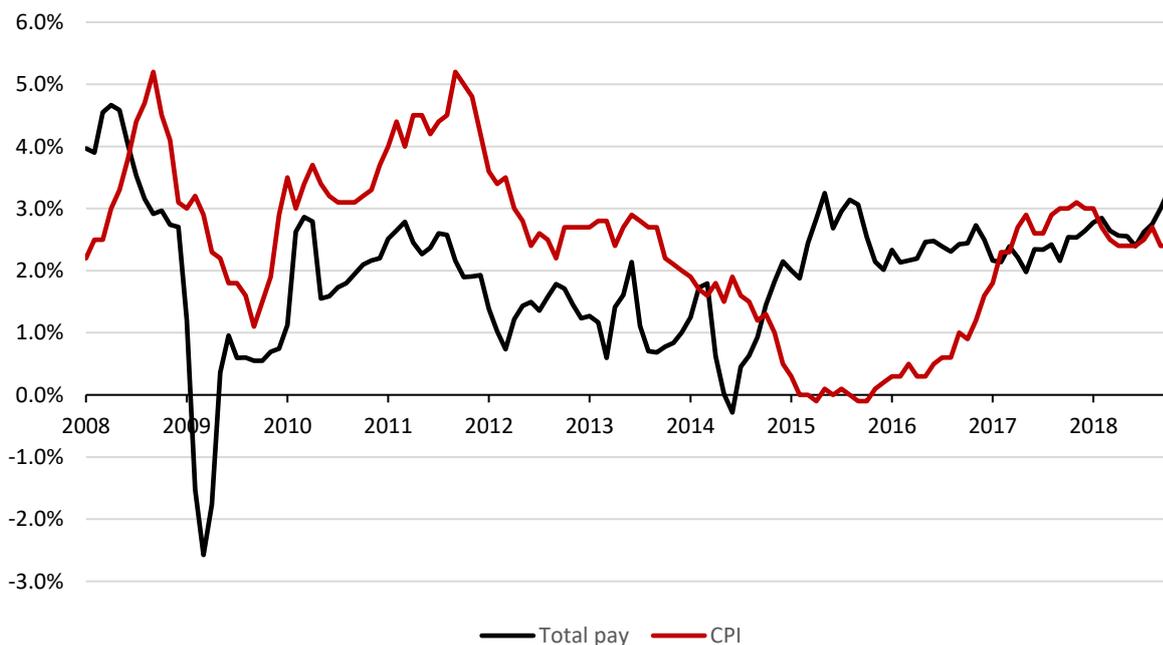
<sup>12</sup> The OBR use Wages and Salaries divided by employees to estimate wage growth, and so this will not exactly correspond to the ONS headline AWE measure.

**Figure 3: Real output per hour and real compensation per hour, year on year growth (ONS November 2018)**



18. Inflation reached a peak of 3.1% in November 2017, following an increase in import prices after the earlier depreciation of sterling, but has since fallen back to 2.1% in the year to December 2018. The OBR forecasts CPI inflation to be 2.6% in 2018 and it is then expected to be 2.0% in 2019. It remains the view of Government that the appropriate level of public sector pay award is complex and determined by a variety of factors. Rates of price inflation are important, but not the only consideration.

**Figure 4: Whole economy average earnings growth and inflation (ONS November 2018)**



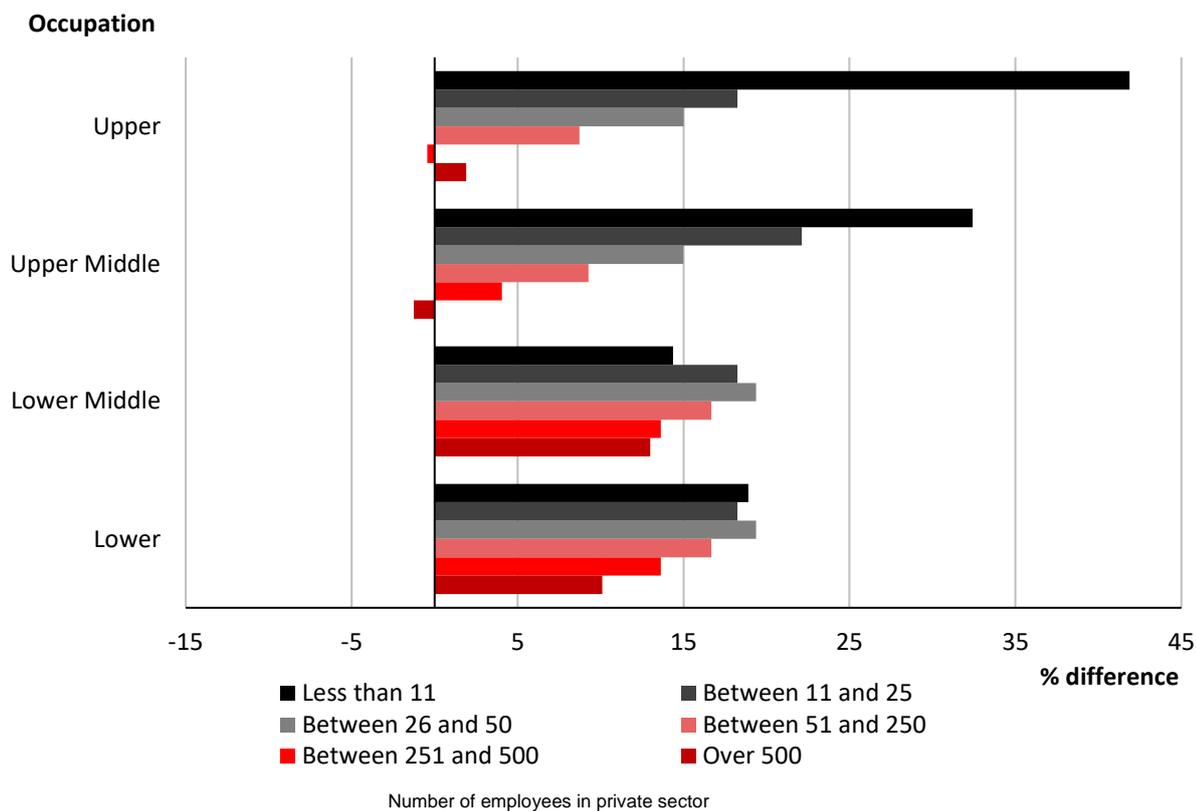
**Public sector pay and pensions**

19. Public sector pay remains competitive: the median full-time wage in the public sector is £31,414, compared to £28,802 in the private sector. Public sector workers benefit from wider Government measures to support wages and ensure that people take home more of what they earn. The introduction of the National Living Wage marked an increase in pay for approximately one million people across the UK labour market, including in the public sector. Income tax changes mean that a typical taxpayer will pay £1,205 less in tax in 2019-20, compared to 2010-11, an additional support to public sector workers.
20. Following the 2008 financial crisis public sector workers were protected from the sharp drop in wages that was seen in the private sector, though wages subsequently grew at a slower pace. However, during Q3 2018 public and private sector wage growth was similar, and public sector remuneration when pensions are taken into account remains higher than in private sector, as shown in recent ONS analysis (see chart 5).
21. This analysis shows that after controlling for various individual and job characteristics, on average there is a positive earnings differential in favour of the public sector, when pensions are included. However, as shown in Chart 5 below, this premium varies considerably by occupational skill level, and by the size of private sector firm being compared to the public sector, which is treated as a single large employer in this analysis. The right-hand side shows the average premium received by public sector workers in comparison to their private sector counterparts, and the left-hand side showing the penalty.
22. Key PRB workforces, including teachers, police and NHS staff such as nurses, midwives and GPs are in the upper and upper middle skill categories according to the ONS Standard Occupational Classification.

Figure 5: Average percentage difference in mean hourly earnings (includes pensions) of employees, by occupational group and firm size, private sector compared with public sector, UK, 2017<sup>13</sup>

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<sup>13</sup>ONS, Public and private earnings in the UK, November 2018.



23. When considering changes to remuneration, PRBs should take account of the total reward package including elements such as progression pay, allowances and pensions. Public service pension schemes continue to be amongst the best available and significantly above the average value of pension provision in the private sector. Around 13.3% of active occupational pensions scheme membership in the private sector is in defined benefit (DB) schemes, with the vast majority in defined contribution (DC) schemes. In contrast, over 92.7% of active members in the public sector are in DB arrangements.

24. The Budget confirmed a reduction of the discount rate for calculating employer contributions in unfunded public service pension schemes. The valuations indicate that there will be additional costs to employers in providing public service pensions over the long-term. It is a long standing principle that the full costs of public sector pensions are recognised by employers at the point they are incurred. This is important to ensure that the schemes are affordable and sustainable in the long-term. However, HM Treasury is working with departments to ensure that recognition of these additional costs does not jeopardise the delivery of frontline public services or put undue pressure on public employers.

## **Conclusion**

25. This chapter summarises the economic and fiscal evidence which is likely to be relevant to the recommendations of the PRBs. This is intended to inform consideration of the affordability of specific pay awards, and to place these awards in economic context, on top of the workforce specific evidence presented elsewhere in this evidence pack.

26. Much of the evidence presented here will feed into retention and recruitment across public sector workforces. Retention and recruitment will vary considerably across geographies, specialisms and grades. As set out in our remit letter, we ask that the PRBs set out what consideration they have given to targeting in their final report, alongside affordability of awards.

## Annex B – Home Secretary’s remit letter to the PRRB for the 2019/20 pay round



Home Secretary

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London SW1P 4DF  
[www.gov.uk/home-office](http://www.gov.uk/home-office)

Police Remuneration Review Body  
Office of Manpower Economics  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

19 December 2018

Dear Members

### Police Remuneration Review Body Remit 2019/20

I am writing to ask you to conduct the annual review of police officer pay. In order to promote consistency as we move towards new pay structures, I would ask that this continues to include chief police officers.

I see the PRRB continuing to play a key role in the ambitious programme of pay reform that is being led by the National Police Chiefs' Council (NPCC). The expertise of the PRRB in advising Government on the approach to pay is vital in providing an independent view on the detailed proposals that are now emerging and ensuring that implementation of a new pay and reward framework from 2020 can be achieved.

In light of this, I refer to the PRRB the following matters for recommendation for 2019/20:

1. **How to apply the pay award for 2019/20 for police officers of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.**
2. **To review the NPCC’s design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design.**
3. **To review the NPCC’s detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.**

4. To review the NPCC's proposals for progression pay for police apprentices.
5. To review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period.

The Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. There will still be a need for pay discipline over the coming years to ensure the affordability of public services and the sustainability of public sector employment. I would ask that you continue to make affordability a major consideration when making your recommendations. This year, I also request that you describe in your final report what steps you have taken to reflect affordability in reaching your recommendations.

Only by properly targeting pay awards can we ensure we recruit and retain the best public sector workers where they are needed most. I am seeking the PRRB's views on the optimal allocation of additional investment in pay for the police in 2019/20 to ensure recruitment and retention pressures are properly addressed, and ask that you outline the approach you have taken to targeting in your final report.

As in previous years, in considering the appropriate level of pay for police officers I would also ask you to have regard to the standing terms of reference as set out in previous remit letters and to consider each matter for recommendation in the context of future reform plans.

Thank you for your hard work in this important area and I look forward to receiving your recommendations in May 2019.

A handwritten signature in black ink, appearing to read 'S. Javid', with a small comma at the end.

**Rt Hon Sajid Javid MP**

## Annex C - Police officer numbers and salaries by rank

Rank	Full-time equivalent <sup>14</sup>	Salary (minimum)	Salary (maximum)
<b>Federated ranks</b>			
Constables	95,363	£20,370 - £23,585 depending on skills and experience	£39,150
Sergeants	18,451	£40,488	£43,998
Inspectors	5,599	£50,160 £52,356 (in London)	£54,408 £56,622 (in London)
Chief Inspectors	1,596	£55,521 (£57,732 in London)	£57,804 (£60,009 in London)
<b>Superintending ranks</b>			
Superintendents	892	£66,789	£78,888
Chief Superintendents	288	£82,779	£87,327
<b>Chief officers</b>			
Total	214 <sup>15</sup>		
Assistant Chief Constables	-	£100,509	£113,475
Deputy Chief Constables*	-	-	£116,718 - £149,142
Chief Constables*	-	-	£139,410 - £194,523
<b>Chief officers (London)</b>			
Commanders	-	£100,509	£113,475
Deputy Assistant Commissioners* (Metropolitan Police only)	-		£149,142
Assistant Commissioner*	-		

<sup>14</sup> <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2018>

<sup>15</sup> Chief officer numbers are aggregated.

City of London Police			£142,272
Metropolitan Police			£194,523
Deputy Commissioner* (Metropolitan Police only)			£230,190
Commissioner* Metropolitan Police			£278,820
City of London Police			£172,491

\* Pay for chief officer ranks is determined by the size of the force and level of crime demand

