



Police  
Remuneration Review Body

# Police Remuneration Review Body

Sixth Report  
England and Wales 2020

*Chair: Anita Bharucha*



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## Sixth Report

### England and Wales 2020

*Chair: Anita Bharucha*

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

July 2020



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# Police Remuneration Review Body

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

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

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

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

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

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

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

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

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

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Professor Monojit Chatterji  
Richard Childs QPM  
Kathryn Gray  
Mark Hoble  
Patrick McCartan CBE  
Trevor Reaney CBE

The secretariat is provided by the Office of Manpower Economics.

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<sup>3</sup> Members of the Review Body are appointed through an open competition adhering to the Commissioner for Public Appointments' Code of Practice. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/578090/Public\\_Appointments\\_Governance\\_Code\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578090/Public_Appointments_Governance_Code_.pdf) [Accessed on 18 June 2020]

<sup>4</sup> Elizabeth Bell resigned from the Review Body in May 2020.

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# POLICE REMUNERATION REVIEW BODY

## England and Wales Sixth Report 2020

### Executive Summary

1. The Police Remuneration Review Body became operational in September 2014 and our terms of reference relate to the pay, allowances and certain other conditions of service of police officers in England and Wales.
2. This is our Sixth Report to the Home Secretary. The Home Secretary's remit letter of 2 November asked us to make a formal recommendation on the police officer pay award for 2020/21 to all ranks, including chief police officers. The Home Secretary asked us to consider our recommendations in the context of the Government's commitment to an increase of 20,000 officers over three years. The letter also asked us to consider the suitability and robustness of the National Police Chiefs' Council (NPCC) proposals for pay reform. (Paragraphs 1.1 and 1.4 to 1.6).
3. As at 31 March 2019, there were just under 123,200 police officers in England and Wales in our remit group<sup>5</sup> spread over 43 independent police forces. The annual police officer pay bill for financial year 2020/21 is around £6.5 billion<sup>6</sup>.

#### *Response to last year's report*

4. Our Fifth Report was submitted to the Home Secretary in May 2019. The Home Secretary responded to this on 22 July 2019 by accepting our recommendations in full. (Paragraphs 1.2 and 1.3)

#### *The environment for this year's report*

5. The Government launched a national recruitment campaign in 2019 with the aim of recruiting 20,000 extra police officers in England and Wales over a three-year period. This has provided an important context for our deliberations this year given the need for forces to implement workforce uplift alongside pay reform and the importance of recruitment and retention in enabling the Uplift Programmes. (Paragraph 1.12)
6. Our report this year has been completed against the background of the coronavirus (COVID-19) pandemic. The work of police officers is important, difficult, complex and sometimes dangerous in the ordinary course of events. COVID-19 had an immediate impact on the police and meant they had to respond quickly to a new threat. This added further pressures and personal risk to their challenging role as one of the groups working on the frontline. Consequently, we would like to acknowledge our remit group for their particular contribution this year and express our gratitude to all the parties for continuing to engage with us in oral evidence sessions that had to be conducted entirely by remote means this time. (Paragraphs 1.13 to 1.16)

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<sup>5</sup> Home Office (September 2019), Police workforce, England and Wales: 31 March 2019 second edition. Available at: <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2019> [Accessed on 18 June 2020]

<sup>6</sup> This includes the cost of increasing officer numbers by 6,000 by March 2021, and employer pension and National Insurance contributions.

## *The evidence*

7. The main points that we noted from the evidence presented to us are as follows:
- *Policing environment* – The demand placed on the police remains high. There has been no reduction in the range of crime types, the complexity of cases and the extent to which the police is required to deal with displaced demand, and many officers feel exposed to high levels of personal risk. (Paragraphs 2.11 to 2.13)
  - *Government pay policy and affordability* – Each year, we are invited to consider affordability but this is a challenge given the different view that each of the parties takes as to how affordability should be interpreted and assessed. We invite the Home Office to be clearer on the type of analysis that it would find useful, noting that affordability will always be a matter of judgement. Similarly, we have commented in the past on the challenge of measuring productivity in the police and invite the Government to set out the evidence that it wishes us to consider in this context. (Paragraphs 2.24 to 2.28)
  - *Economy, inflation, labour market, earnings and pay settlements* – We are preparing this report in a rapidly changing economic environment. The length and magnitude of the effects of COVID-19 are highly uncertain and it will take some time before official data begin to show the full effects. However, we note that the evidence on the affordability of pay awards set out in departmental evidence submissions remained the best assessment of the position for public sector pay for the 2020/21 financial year. We note that gross domestic product in the three months to March 2020 was 2.0% lower than the previous three months. In the year to April 2020, the Consumer Prices Index was at 0.8%. In the first quarter of 2020 the employment rate was at 76.6% and the unemployment rate was 3.9%. Annual growth in average weekly earnings was 2.4% in the whole economy and 2.2% in the private sector in the first quarter of 2020, and median pay settlements ranged from 2.4% to 2.5% over the same period. (Paragraphs 2.39 and 2.40)
  - *Police earnings* – Our analysis indicated that there was a 1.2% decrease in median full-time gross annual earnings of police officers (constable and sergeant) in 2018/19 but that compositional changes in the workforce and a reduction in overtime may have caused this. Decreasing pay differentials with comparator groups may risk a detrimental effect on the morale and motivation of officers. (Paragraphs 2.50 to 2.52)
  - *Workforce* – We note that between March 2018 and March 2019 there has been an increase in police officer numbers. This reversal of a trend since 2010 sets up a period of growth in officer numbers as the increase of 20,000 officers under the Uplift Programme starts to take effect. The increase in officer numbers will assist forces in redressing the balance between capacity and demand although the recruitment and training of this volume of new recruits will put pressure on existing officers and it will take a number of years for the expansion in numbers to deliver a positive and quantifiable effect in the context of police productivity. (Paragraph 2.90)
  - *Recruitment* – We were told that there is no problem in recruitment but we note that in the previous year not all forces were able to fill all their vacancies. However, HM Treasury has indicated that COVID-19 could lead to a weaker labour market and this may make it easier for forces to hit recruitment targets. (Paragraph 2.91)
  - *Retention* – We are concerned at the increasing levels of voluntary resignations and recognise that the retention of officers is important in the context of the Uplift Programme. However, we are aware that across the labour market generally there is no longer the expectation that individuals will take a job for life and we assess

that it can be beneficial to any organisation to have a healthy mix of new recruits balanced alongside those who contribute expertise, experience and stability. (Paragraph 2.92)

- *Diversity* – Most of the indicators of diversity show some improvement across the officer workforce in recent years, but these remain below levels representative of the communities served by the police. (Paragraph 2.93)
- *Police officer motivation and morale* – The evidence from the staff associations presented a mixed picture on police morale and motivation. On our visits we observed that morale was high in the operational context of wanting to deliver a service and we were struck by the professionalism of officers who took pride in what they did. Nevertheless, we observed that some officers were concerned that pressure on resourcing was leading to an increased level of risk to themselves and to the public because of reduced capacity to respond. The lack of robust ‘employer’ evidence on the morale and motivation of police forces on a national basis makes it difficult for us to draw out relevant national conclusions and we invite the NPCC to consider what data it can make available to us in future. (Paragraphs 2.104 and 2.105)
- *Pensions* – We are concerned at the number of officers opting out of the police pension schemes and that for many the decision to do this will be driven by short-term affordability issues. However, by opting out, officers are forfeiting their right to deferred pay and would be ineligible for death-in-service benefits. We recognise that some longer-serving officers see the new pension arrangements as less beneficial than the previous arrangements although we observe that the new pension scheme compares favourably with many other public sector schemes. (Paragraphs 2.113 to 2.117)
- *Legal obligations* – We welcome the progress made in extending the entitlement of On-call Allowance to superintendents and the carry forward of untaken rest days. However, we remain concerned about the delay in reflecting the provisions of the Children and Families Act 2014 in police regulations. Regulation changes in support of pay reform are likely to place extra pressure on the system and it will be critical that these changes are executed in a timely manner. We welcome the proposals to extend maternity provisions and, in general, are in favour of changes that encourage retention and diversity. (Paragraphs 2.126 to 2.128)

## *Pay reform*

### Strategy for reform

8. The key theme emerging from the evidence is that the landscape for reform has changed significantly since the last pay round because of the priority now being given to delivering the Government’s plans to increase the police workforce by 20,000 officers.
9. The NPCC emphasised that the re-focus on strategic priorities meant that pay reform would now be delivered as a series of evolving pay approaches rather than a single event. In our previous reports we assessed that the programme was ambitious and complex and that there were significant risks to successful implementation. The priority now being given to the delivery of the Uplift Programme has contributed to the decision to review priorities on the reform agenda and has informed the refocusing and down-sizing of the programme. These revised priorities recognise the importance of pay in attracting and retaining talent and as an enabler to the Uplift Programme. We see the move to an incremental approach as pragmatic and deliverable although are concerned that significant challenges are being placed on individual police forces with the requirement to deliver pay reform and workforce uplift concurrently. We are also

concerned that the implication of a move to an incremental approach is that there may be a delay to completion of the programme and that consideration of proposals on a piecemeal basis creates a new risk around coherence. (Paragraphs 3.24 to 3.27)

10. We note a difference of emphasis between the Home Office and NPCC on the implementation of a system of pay progression based on competence. These differences in perspective need to be addressed and expectations managed on both sides to avoid problems in the future. One of the modifications made to the reform programme acknowledges the difficulty of delivering a system of pay progression based on assessment of competence. We agree that recognition of competence in pay is correct and that this should remain a component of pay reform for delivery as soon as is practical. We note the Home Office was expecting pay reform to link pay to productivity and competence and we would be interested to see this theme developed in evidence for future pay reviews. (Paragraphs 3.28 to 3.30)
11. Last year we noted the challenges of implementation of reform across 43 independent forces both in their capacity to implement change and to ensure consistency in delivery. We commented that we saw the need for a range of personnel functions to be properly resourced to underpin any new pay arrangements. We welcome and support the development of a cross-cutting national HR capability across policing and look forward to receiving evidence in future rounds on its design and roles. (Paragraphs 3.31 and 3.32)

## Reform proposals

12. Benchmarking – Benchmarking should inform and guide the development of new pay arrangements. We observe that there was disagreement between the parties as to the methodology used. We have been provided with background data on the benchmarking and look forward to seeing the conclusions of further work in evidence for next year's pay round. (Paragraph 3.50)
13. Sergeants' pay scale – The benchmarking data highlighted that the gap in pay from the top of the constables' scale to the bottom of the sergeants' scale is small. This may be a factor in the difficulty in recruiting sergeants, an important issue given the need to create an additional 2,000 sergeant posts to support workforce uplift. We note the broad consensus across the parties to remove the lowest point of the sergeants' pay scale. As the planned influx of new student officers is to be supported by sergeants, we support this proposal. However, we invite the NPCC to ensure that any subsequent pay changes are presented to us as part of a coherent package. (Paragraph 3.51)
14. Valuing the P-factor – We observe that the ability to remove the P-factor value facilitates pay comparison against a broader range of roles. We note that there is disagreement across the parties on the methodologies used in the valuation of the P-factor. It is important that these differences are resolved because it may prove difficult to get agreement to implementation of any new pay arrangements if these are not. We note that there is no consensus among the parties on the figure presented by the NPCC and that the valuation of the P-factor needs further work. (Paragraphs 3.52 to 3.54)
15. Targeted Variable Pay (TVP) – TVP is used to address skills shortages, assist recruitment into hard-to-fill roles and provide chief constables with a means to address specific local issues. However, this local flexibility means that there are issues around transparency and fairness. We assess that there should be nationally agreed principles to ensure consistency of application across forces and that this should be part of the new strategic HR function. We support the NPCC proposal that the maximum amount payable to an officer in any year be increased from £4,000 to £5,000. (Paragraphs 3.67 to 3.71)

16. Pay progression and transition – The NPCC set out its aspirations for the pay structure of the future, one with fewer pay points and progression based on productivity and competence, rather than time served. There is inconsistency across forces on the use of performance development reviews and readiness to fully implement them. Therefore, we support the pragmatic short-term solution to use the current procedures for dealing with unsatisfactory performance to determine whether progression should be possible. We look forward to receiving details of a more robust and coherent long-term solution in due course. Detailed work on the constables’ pay scale is not being taken forward for the current pay round and we look forward to seeing proposals for change considered as part of a coherent pay package which takes account of the outcome of the benchmarking work. (Paragraphs 3.81 to 3.84)

## Implementation and readiness for reform

17. There has been progress across the pay reform programme including in work with stakeholders to build consensus and in defining the benefits of the reform programme. However, we would have welcomed more detail on forces’ readiness for implementation and specifics on the plans for delivery of the proposals. (Paragraphs 3.100 to 3.102)
18. We welcomed the Home Office’s confirmation that it is taking a more active role in the governance of police pay and workforce reform. Close working between the Home Office, Police and Crime Commissioners (PCCs) and chief constables will go some way to mitigate the risk that the dispersed nature of policing, across 43 independent forces, presents in relation to coherent and effective delivery of pay and workforce reform. We note that the Home Office is enabling the Police Consultative Forum which will have a role in facilitating the delivery of reform. (Paragraph 3.103)
19. We invite the NPCC and Home Office to work together to agree the sequencing of delivery of reform so that work can be initiated in good time to enable completion of the essential legislative functions needed to enable effective implementation. (Paragraph 3.104)
20. We welcome the clarity provided by the NPCC regarding the development of Equality Impact Assessments (EIAs) and its confirmation that these have been at the forefront of its considerations in the development phase. However, we encourage the parties to come together to resolve their issues on methodology and look forward to receiving more detail on the EIAs undertaken as part of next year’s submission. (Paragraph 3.105)
21. In last year’s report we commented on a number of risks which we judged required urgent attention. Many of these risks have now been mitigated either through specific action or as a consequence of the reprofiling of the programme. Despite the improvements made this year, we assess that risk remains in five key areas and that a focus needs to be maintained on:
  - ensuring that all the components of the revised programme remain coherent and consistent with the vision and timetable for reform;
  - understanding and managing the capacity of forces to deliver pay reform alongside the Uplift Programme;
  - ensuring that the individual components of reform are properly resourced;
  - reviewing the readiness of forces for implementation; and
  - undertaking timely and comprehensive consultation and communication with all stakeholders.
22. We consider that there is now more realism and confidence in the programme and support the pragmatic approach. (Paragraphs 3.106 to 3.108)

### *Chief police officers*

23. We have again been invited by the Home Secretary to consider the pay of chief police officers as part of our pay round. (Paragraph 4.1)
24. In our last two reports we commented that there would be merit in a wide review of chief officer pay and conditions. We have suggested that chief officer pay would benefit from structure and consistency, not least to address the variations in the payment of benefits and allowances between forces. We urge the relevant parties to commence the review at the earliest opportunity. (Paragraphs 4.3 and 4.47)
25. The evidence we received highlighted the unique features of the chief officer role. Chief officers carry significant levels of risk and accountability. Chief constables have a specific role in providing strategic, long-term direction for their force, as well as national and regional roles above their force responsibilities. The decision to increase police officer numbers and the requirements to deliver such national initiatives, alongside workforce and pay reform puts chief officers under acute pressure to lead, drive forward and successfully deliver change while, at the same time, meeting the requirements of and maintaining a relationship with their PCC. We also acknowledge the unprecedented leadership challenges presented by COVID-19. (Paragraphs 4.8 to 4.10)
26. The proportions of female and ethnic minority chief officers are significantly lower than the proportions for these groups across the full range of police ranks. This is of concern and we will monitor these trends with interest. (Paragraph 4.32)
27. We were pleased to see that work has been done to quantify and understand the barriers to recruitment to chief officer rank. We will be interested to see how the recommendations of the *Leading Lights*<sup>7</sup> Report are taken forward and the results of the initiatives taken. We also note the work being done under the auspices of the Senior Leaders' Hub to support and develop both potential and existing chief officers, and to encourage under-represented groups within these cadres. (Paragraphs 4.33 and 4.34)
28. There is a lack of transparency, and thus potential for unfairness, over the composition of the chief officer reward package given the variation in benefits in kind offered by individual forces. Proposals to pay chief officers who are relocating a rent allowance need further work and should be progressed in the context of the planned review of chief police officer pay. The outcome of the review of chief officer pay should include a set of transparent, coherent and fair criteria to enable a consistent approach in relation to the payment of allowances to chief officers. (Paragraphs 4.48 and 4.49)
29. It is important that individuals are encouraged to take on temporary appointments and that, if an officer is fulfilling all the functions of that higher rank, this added responsibility should be rewarded in pay. However, this should not inadvertently encourage a position where people remain in temporary appointments for a long time. (Paragraphs 4.57 and 4.58)
30. Although pensions are outside our remit, we welcome the changes to the Annual Allowance threshold as we know that pension taxation continues to be a source of concern among this group. (Paragraph 4.61)

### *Basic pay recommendations for 2020/21*

31. The key factors we took into account in reaching our main pay award recommendation were:

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<sup>7</sup> HMICFRS and HMICS (August 2019), *Leading Lights: An inspection of the police service's arrangements for the selection and development of chief officers*. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/publications/leading-lights-an-inspection-of-the-police-services-arrangements-for-the-selection-and-development-of-chief-officers/> [Accessed on 18 June 2020]

- The continued high demand on the police with no reduction in the range of crime types or the complexity of cases. (Paragraph 5.18)
  - The priority being given to achieve the uplift in police officer numbers, including the need for pay to: facilitate recruitment; encourage retention of those with skills and experience; reward those in supervisory chains who will have the additional responsibilities in delivering workforce uplift and supporting the new intake of officers; and acknowledge the part played by all officers in continuing to deliver a service in a demanding environment, given that it will take some time for the benefits of the Uplift Programme to be realised. (Paragraphs 5.19 and 5.20)
  - The state of police morale, including the frustration of officers who told us that they were not able to do their job properly and of their concerns about the volume and complexity of their work. (Paragraph 5.22)
  - The evidence provided on affordability, noting that views on this are driven by both budget and demand but that ultimately it was a matter of judgement. (Paragraph 5.23 to 5.26)
  - The state of the wider economy, including indicators of pay settlements. (Paragraph 5.28)
  - The relationship to pay reform. (Paragraph 5.29)
32. While COVID-19 continued to change the context for this report as we prepared it, we considered our remit in the usual way, including by focusing on longer-term trends in the data and information relevant to our evidence-based process. (Paragraph 5.30)
33. Taking all the above factors into account, **we recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2020.** (Paragraph 5.32)

#### *Pay arrangements for new constables*

34. We conclude that pay flexibility on starting salaries for new constables should be retained, but reviewed by the NPCC in the context of its benchmarking work as part of pay reform. For apprentices we assess that an important element in addition to the starting salary is the pay progression available upon qualification as a police constable, and again we urge the NPCC to look at this in the context of its benchmarking work as part of pay reform. (Paragraphs 5.41 to 5.44)

#### *Sergeants' pay scale*

35. As discussed above, **we recommend the removal of the lowest point of the sergeants' pay scale from 1 September 2020.** (Paragraph 5.46)

#### *Allowances*

36. **We recommend that Dog Handlers' Allowance should increase by 2.5% from 1 September 2020.** (Paragraph 5.52)
37. We have noted the issues presented around London Weighting, the London Allowance and South East Allowance and conclude that the whole issue of geographical allowances should be reviewed urgently. However, pending this **we recommend that London Weighting should increase by 2.5%, and that, for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance, the maximum rate of London Allowance should increase by £1,000 to £5,338 a year.** (Paragraphs 5.64 to 5.66)

## *Forward Look*

38. We note that the current economic data means that this year's pay recommendation will be a real-term increase for officers in our remit group but assess that this is justified given the evidence presented to us and the demand, complexity and level of risk and responsibility placed on the police. We recognise that the environment for next year's review will be influenced by a number of factors. (Paragraph 6.2)
39. The longer-term implications of COVID-19 for the police service and its workforce are uncertain. We will seek to monitor the impact of COVID-19 on our remit group, as data become available. We will also be interested to receive evidence on the impact of the UK exiting the European Union on policing and to receiving an update on the Uplift Programme and pay reform, including seeing pay proposals developed from the benchmarking work. If the Home Office wants us to consider a multi-year deal then we would invite it to be clear on the parameters for this in the remit letter. (Paragraphs 6.3 to 6.9)
40. We note that chief police officers are not in our standing terms of reference and invite the Home Office to provide clarity on whether chief officer pay should continue to be considered by us or revert to the Senior Salaries Review Body. (Paragraphs 6.10 to 6.12)
41. We have previously highlighted the importance of a robust evidence base. Where we have identified gaps in evidence, we encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data. (Paragraphs 6.13 and 6.14)

### **Our 2020/21 recommendations (from 1 September 2020)**

- **A consolidated increase of 2.5% to all police officer pay points at all ranks.**
- **The removal of the lowest point of the sergeants' pay scale.**
- **Dog Handlers' Allowance should increase by 2.5%.**
- **London Weighting should increase by 2.5%.**
- **The maximum rate of London Allowance should increase by £1,000 to £5,338 a year for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance.**

Anita Bharucha (Chair)

Andrew Bliss

Monojit Chatterji

Richard Childs

Kathryn Gray

Mark Hoble

Patrick McCartan

Trevor Reaney

*22 June 2020*

# CHAPTER 1 – INTRODUCTION

## Introduction

1.1 This is our Sixth Report to the Home Secretary following our establishment in 2014, and in it we make recommendations on the pay and allowances of police officers of all ranks in England and Wales. It is the third year in which our recommendations cover chief police officers. In addition, we consider the other matters in our remit letter as identified in more detail below. As in previous years, we have been guided throughout the process by our standing terms of reference and the remit letter from the Home Secretary.

## Our 2019 Police Remuneration Review Body Report

1.2 Our Fifth Report was submitted to the Home Secretary on 29 May 2019 containing our recommendations on police officers' pay and allowances (Appendix A). The recommendations set out in our report were:

- A one-year pay award for police officers in 2019/20.
- A consolidated increase of 2.5% to all police officer pay points for all ranks.
- Subject to further review in the next pay round, no change to the current arrangements for apprentice progression, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing constable pay scale.
- Dog Handlers' Allowance should be uprated by 2.5%.
- London Weighting should be uprated by 2.5%.
- An increase in the On-call Allowance from £15 to £20.

1.3 The Home Secretary responded to our report on 22 July 2019 by accepting our recommendations in full.

## The 2020/21 remit

1.4 The Home Secretary's remit letter of 5 November 2019 (Appendix B) set the context for our 2020/21 review. It asked us to make a formal recommendation on the police officer pay award for 2020/21 to all ranks, including chief officers, in the context of the Government's recent commitment to an increase of 20,000 officers over three years.

1.5 The remit letter also said that the National Police Chiefs' Council (NPCC) had been leading on the design of police pay reform for implementation due to begin from spring 2021 to ensure that forces could manage immediate requirements of a growth in their workforce ahead of implementing pay reform proposals. It asked us to consider the NPCC's proposals for a revised pay structure and to comment in particular on the suitability and robustness of:

- proposals for independent benchmarking, which will have been completed for all officer grades including Chief Officers;
- defining and valuing the P-Factor, recognising those elements of the role which are unique to policing;
- the rationale and proposals for a range of pay interventions to support operational delivery through targeting roles that are hard to fill or critical to retain; and
- wider workforce data which is available to support the uplift of 20,000 officers.

- 1.6 The remit letter also asked us for observations on the NPCC’s proposals covering:
- the impact of pay reform;
  - consideration of proposed salaries; and
  - an assessment of level of force maturity to meet the requirements of proposed assessment points to determine officer pay.

## **Our approach to the 2020/21 pay round**

- 1.7 We have reached recommendations and made observations this year following our close examination of evidence from a range of sources. These include not only the written and oral evidence submissions from the parties and the Home Secretary’s remit letter but also our analyses of police workforce and pay statistics, the economic and labour market context and external independent reports.

### *Our visits*

- 1.8 In autumn and winter 2019/20 we conducted visits to five police forces in England and Wales where we met police officers of all ranks: Dyfed-Powys, Hampshire, the Metropolitan Police Service, North Yorkshire and Nottinghamshire. In addition, we held discussions in the north east policing region of England with chief police officers and officers at other ranks involved in regional and collaborative policing. We are grateful to all those who organised and took part in our visits.
- 1.9 Our visits enable us to hear from a range of police officers in a variety of roles. This time, recurring themes in our discussions were: the level of police constable starting salaries; the shortage of detectives; the impact of demand and complexity on the police; and high levels of sickness.

### *Parties giving evidence*

- 1.10 In February 2020 we received written evidence from the parties listed below. This is available through the links in Appendix C:
- the Home Office;
  - the National Police Chiefs’ Council (NPCC);
  - the Association of Police and Crime Commissioners (APCC);
  - the Metropolitan Police Service (MPS);
  - the Police Federation of England and Wales (PFEW);
  - the Police Superintendents’ Association (PSA)<sup>8</sup>; and
  - the Chief Police Officers’ Staff Association (CPOSA).
- 1.11 We held a series of oral evidence sessions with the parties in March 2020. These were attended by the Minister for Crime and Policing (accompanied by Home Office officials) and representatives from the NPCC, APCC, MPS, PFEW, PSA and CPOSA.

## **Environment for our considerations**

- 1.12 The Government launched a national recruitment campaign in 2019 with the aim of recruiting 20,000 extra police officers in England and Wales over a three-year period. This provided an important context for our deliberations this year in relation to the need for forces to implement workforce uplift alongside pay reform and also because

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<sup>8</sup> The PFEW and the PSA provided a joint submission for written evidence. The PSA also provided a further submission jointly with the Superintendents’ Association of Northern Ireland.

of the importance of recruitment and retention in enabling the Uplift Programme. In October 2019, the Government announced funding of £750 million in the first stage of the programme to support forces to recruit up to 6,000 additional officers by the end of 2020/21.

- 1.13 Our report this year has been completed against the uncertain background of the coronavirus (COVID-19) pandemic. The work of police officers is important, difficult, complex and sometimes dangerous in the ordinary course of events. COVID-19 had an immediate impact on the police and meant they had to respond quickly to a new threat. This added further pressures and personal risk to their challenging role as one of the groups working on the frontline at this time. Consequently, we would like to acknowledge our remit group for their particular contribution this year.
- 1.14 The impact of COVID-19 on the UK economy, labour market and police service in England and Wales began to emerge after we had received our remit letter from the Home Secretary and the parties' written evidence but around the same time as our oral evidence sessions. It was clear that the parties wanted the Review Body process to continue. We would like to express our gratitude to all the parties this year for submitting evidence to us in the extraordinary circumstances arising from COVID-19. In particular, we would like to thank them for continuing to engage with us in oral evidence sessions that had to be conducted entirely by remote means this time.
- 1.15 While COVID-19 continued to change the context for this report as we prepared it, we looked to consider our remit in the usual way, including by focusing on longer-term trends in the data and information relevant to our evidence-based process.
- 1.16 At the time of writing, the economic impact of COVID-19 is uncertain and it will take time for sufficient quantitative data to emerge that will enable us to understand the longer-term implications of COVID-19 for the police service and its workforce. As requested by HM Treasury, we considered the available evidence on unemployment, average weekly earnings in the private sector and inflation in considering our proposals and noted that the evidence on the affordability of pay awards set out in departmental evidence submissions remained extant. It is not our role to speculate on the possible outcomes of the economic situation. However, in this report, we note some of the areas in which we might expect to see an impact from COVID-19, as they relate to matters in our remit, and we will seek to monitor the impacts on the recruitment, retention and motivation of the police in future reports as data become available.

## **Structure of this report**

- 1.17 In Chapter 2, we summarise the main evidence from the parties in relation to our standing terms of reference and matters referred to us by the Home Secretary. Chapter 3 contains our commentary on progress on police workforce and pay reform and in Chapter 4 we highlight a number of specific issues concerning chief police officers.
- 1.18 We set out our recommendations on pay and allowances for all police ranks in Chapter 5. In Chapter 6 we look ahead to the possible context for the next pay round and indicate areas that are likely to be of particular interest to us in future.



## CHAPTER 2 – ANALYSIS OF THE 2020/21 EVIDENCE

### Introduction

- 2.1 In this chapter we analyse the key points from the evidence as they relate to our standing terms of reference and matters referred to us by the Home Secretary. Evidence directly concerned with the pay and workforce reform project is covered in Chapter 3, and evidence relating to chief officers is covered in Chapter 4. Our conclusions from the analysis in this chapter are carried forward to our consideration of pay proposals in Chapter 5 and our forward look in Chapter 6.

### Policing environment

- 2.2 The **Home Office** reported that overall levels of crime, as measured by the Crime Survey for England and Wales, had continued to fall over recent decades, with figures remaining stable between 2017 and 2018. The Home Office noted that the latest published figures had shown, with the exception of fraud, no change in the total level of crime in the year ending September 2019. However, the Home Office recognised that demand on the police was rising as recorded crime became more complex and resource-intensive. It said that there had also been an increase in the reporting of lower volume but high-harm crimes, such as child sexual exploitation and modern slavery. It added that the challenge from serious and organised crime networks was growing and that the threat from terrorism continued to evolve. The Home Office also indicated that while the total number of offences involving knives or sharp instruments had increased, the number of homicides using these weapons decreased by 20%<sup>9</sup> in the year ending September 2019.
- 2.3 The Home Office said that the Front Line Review had provided officers with the opportunity to feedback to the Government on their experience of operational policing. It pointed out that the review sought to harvest new ideas for change, with a view to identifying systemic issues which acted as barriers and could be remedied. The findings were published in July 2019 and the Home Office noted that in feedback officers said they were concerned about not being able to do their jobs properly due to increased demand and not enough resource. The Home Office added that it had set out six recommendations for priority actions, and that its officials had been working with key policing stakeholders on a delivery plan.
- 2.4 The **MPS** informed us that its officers and staff continued to deal with complex and rising demand. The MPS said that, on an average day, it received in excess of 6,500 emergency 999 calls and recorded over 3,000 incidents and around 2,600 notifiable offences. It commented that police recorded crime was on the rise across England and Wales and was increasing in violence and complexity. It added that demand was growing and that the complexity of demand was also changing.
- 2.5 The MPS said that there were several drivers adding to complexity. It noted that social attitudes, new legislation and the greater focus on safeguarding the vulnerable all featured highly, but that the greatest driver was the rapid growth in, and the use of, technology.
- 2.6 The MPS added that its contribution in the context of safeguarding, where the role involved dealing with missing persons, welfare (including mental health issues) and enforcement, was being used increasingly as an insurance policy against the diminishing means of other public sector partners. It considered that there needed to be wider collective responsibility around safeguarding and that other agencies had to play their full role.

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<sup>9</sup> Excludes the Greater Manchester Police as improvements to address previous undercounting of these offences meant their data were not comparable with earlier figures.

- 2.7 The **PFEW** and **PSA** reported that the pressures on existing officers of overstretch, increasing crime, increased attacks on officers and changing conditions, such as single crewing, continued to make the job more and more difficult.
- 2.8 The **CPOSA** stated that police recorded crime figures had shown a rise in crime of 5% in the year ending September 2019. It reported increasing complexity in the delivery of policing services and challenges surrounding the investigation and detection of crime and the rehabilitation of offenders.

#### *State of Policing Report 2018<sup>10</sup>*

- 2.9 The annual report on the State of Policing in 2018 (the latest available at the time of submitting our report to Government) by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) observed that there was a widening gap between the needs of the public and the police's capacity and capability to meet them. It noted that to some extent this gap was created by cuts in other public services, which had shifted demands onto the police.
- 2.10 HMICFRS also identified that the police tended to cope well with the demands associated with the most serious of events, such as terrorism, major crimes, civil emergencies and critical incidents. It said that they often had to do so under the most intense media and public scrutiny but that, as far as more routine policing matters were concerned, things were different. HMICFRS found indications that some forces were straining under significant pressure as they tried to meet growing complex and high-risk demand with weakened resources. HMICFRS reported that this pressure appeared to have grown since its last inspection. It said that the 2010 financial settlement had compelled the police to find efficiencies and that resources were now so constrained that some forces were struggling to cope.

#### *Our comment*

- 2.11 We are grateful to the parties for their evidence on the policing environment and the demands on policing. We note that while the NPCC provided a commentary on the Home Office's priorities for policing and referenced the State of Policing Report, it did not provide its own assessment of the policing environment.
- 2.12 We were struck by the Inspectorate's observations on the strain being felt by certain forces in balancing resource and demand. We observe that while national crime figures may be suggesting little overall change from last year, these mask local fluctuations so that the figures do not reflect the experiences of individual forces. During some of our visits to forces in late 2019 and early 2020, we likewise detected a perceptible increase in the pressure on some forces and individuals.
- 2.13 We recognise that the demand placed on the police remains high. There has been no reduction in the range of crime types, the complexity of cases and the extent to which the police is required to deal with displaced demand – that is filling the gaps left by other under-funded and under-resourced agencies. We also assess that many officers feel exposed to high levels of personal risk.

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<sup>10</sup> HMICFRS (July 2019), *State of Policing 2018*. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/publications/state-of-policing-the-annual-assessment-of-policing-in-england-and-wales-2018/> [Accessed on 18 June 2020]

## Government pay policy and affordability

- 2.14 The **Home Office** said that the Government's approach to public sector pay recognised areas of skill shortage and prioritised improvements to workforce productivity. The Home Office added that the Government continued to take a balanced approach to public spending, and that it was important that pay awards were considered within the wider fiscal picture.
- 2.15 The Home Office informed us that the Government had set out the provisional police funding settlement for the 2020/21 financial year and that there was a clear expectation that, alongside an increase in officer numbers, forces would continue to take responsibility for improving their efficiency and effectiveness. The Home Office reiterated that the pay award had to be affordable within the 2020/21 funding settlement. While additional funding had been secured for the first year of the police Uplift Programme, the Home Office said that no further central funding would be made available to fund the police officer pay award.
- 2.16 The Home Office considered that with increased investment came a responsibility to improve efficiency and effectiveness. It reported that forces had made good progress against the conditions agreed with HM Treasury as part of the 2019/20 police funding settlement, including savings through collaborative procurement and moving towards a new operating model for police commercial functions.
- 2.17 The Home Office said that it would also support the police to improve efficiency and productivity by investing in several national policing technology programmes. As part of the 2020/21 police funding settlement, the Home Office told us that it would consider new investments in areas such as data analytics, Artificial Intelligence automation, digital forensics, and specialist capabilities to drive efficiency and productivity. It was also considering how to enhance its oversight of police funding to help drive efficiency, which would be complemented by police-led work to improve the way the sector evidenced efficiency and productivity.
- 2.18 The affordability evidence from the Home Office was provided before COVID-19. **HM Treasury** subsequently wrote to the Pay Review Bodies outlining that the evidence on the affordability of pay awards set out in departmental evidence submissions remained its best current assessment of the position for public sector pay for the 2020/21 financial year.
- 2.19 The **NPCC** reported that, assuming full take up of precept flexibility, overall funding available to Police and Crime Commissioners (PCCs) would increase by 7.5% in the 2020/21 financial year, and that for individual forces this ranged from 6.6% to 9.1%.
- 2.20 The NPCC informed us that pay represented nearly 80% of police budgets. It said that all forces were required to incorporate a realistic and affordable provision for future pay awards within their annual budgets.
- 2.21 The **MPS** recognised the productivity gain delivered by its existing workforce by having a smaller workforce than in 2011 that was coping with higher and increasing demand.
- 2.22 The **APCC** said that the police funding settlement for the 2020/21 financial year had given a total settlement of £15.2 billion, an increase of £1.12 billion on 2019/20. It added that PCCs had been given the flexibility to increase the policing precept by up to £10 for a Band D property. However, at the time of submitting evidence, the APCC commented that several PCCs were still consulting on the application of precept flexibility, and it should not be assumed that all PCCs would exercise the maximum flexibility. The APCC was clear that the extra funding delivered by precept increases varied by force. The APCC added that police forces would continue to experience financial pressures.

- 2.23 The **PFEW** and **PSA** calculated that the police funding settlement had provided a real-term increase for every force when compared with the Consumer Prices Index including owner occupiers' housing costs (CPIH) measure of inflation. They noted that the size of this increase ranged from 5.4% in Surrey to 8.3% in the City of London. The PFEW and PSA further calculated that every force could afford a pay uplift of 5%.

*Our comment*

- 2.24 Every year we comment that we are invited to consider affordability and on the challenges that this presents to us in that each of the parties takes a different view of how affordability should be interpreted and assessed. Therefore, if we are to comment on affordability, we need to set out our understanding of what this is, taking account of the evidence available to us.
- 2.25 We assess that affordability is a matter of judgement and needs to take into account the relationship between the overall cash budget and the demand placed on it. The size of individual force budgets is determined by a number of factors, and local priorities will affect the spending decisions in each force. Government funding for policing is agreed at spending reviews and the detail is set out annually with the allocation of that funding to individual forces determined by the Police Funding Formula. In addition to government funding, PCCs set a local police precept. The NPCC told us that if PCCs use the full flexibility available to them in increasing the council tax precept, this would lead to different percentage increases for individual forces. We understand that while the police precept accounts for around a third of the total funding that PCCs receive overall, this varies significantly between forces. The way that the level of the precept is linked to the council tax for a Band D property means that the amount of money available to each force from increasing precepts is more beneficial to some forces than others.
- 2.26 In last year's report we discussed affordability in detail and concluded that there were degrees of flexibility at every level in how budgets were constructed and how money was spent. We concluded then, and the same applies now, that it is neither realistic nor feasible for us to take account of the possible range of flexibilities and priorities which each force will assign to police pay, nor to take account of the potential trade-offs that might exist between pay and other possible expenditures.
- 2.27 The assessment of affordability is complex. We want to take a constructive approach but assess that there are too many variables to provide an overarching assessment because the position will vary among each of the 43 forces. If we are to be asked to provide a commentary on affordability in future reports, we invite the Home Office to be clearer on the type of analysis that it would find useful. Having said this, we would guard against a formulaic approach, and conclude that affordability will always be a matter of judgement.
- 2.28 Similarly, we have also commented in the past on the challenge of measuring productivity in the police and in the public sector more generally. We have not been presented with any quantitative evidence on productivity in policing but assess that there is qualitative data which can shed a light on this. For example, we have been told that forces have had to make efficiencies and that they are responding to a more complex policing environment with reduced resource. If the Government would like us to consider productivity in future we invite it to set out the evidence that it wishes us to consider.

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

- 2.29 The parties submitted written evidence for this report in February 2020. In the context of COVID-19, HM Treasury wrote to us in April 2020. In this section we summarise the information that has been provided to us by HM Treasury and the main headlines from the evidence that the parties supplied on the economy and labour market.
- 2.30 Many of the economic effects of COVID-19 were uncertain at the time of writing this report. The data and information to understand the short- and long-term effects, including on economic activity, inflation, labour market, earnings and pay settlements, will take time to emerge. Our assessment at the end of this section includes the latest data available to us at the time of finalising our recommendations.
- 2.31 **HM Treasury** confirmed that, in the context of COVID-19, it would not be submitting economic evidence to the Pay Review Bodies in the normal way. HM Treasury asked that, despite the level of uncertainty, the Pay Review Bodies should take note of the changing economic situation as it emerged in forming their recommendations.
- 2.32 HM Treasury pointed to measures to support public services and the economy as a result of COVID-19, including: support to the National Health Service and other public services through a £5 billion emergency response fund; the Coronavirus Job Retention Scheme to help firms continue to keep people in employment; the Self-Employed Income Support Scheme to support self-employed individuals; and welfare measures.
- 2.33 HM Treasury said that the UK was facing significant economic disruption, but it expected the underlying causes to pass. The actions the Government had taken, along with measures taken by the Bank of England, were intended to ensure that there was not a permanent ‘scarring’ effect on the economy. HM Treasury commented that public sector pay rises should be responsive to the wider economic backdrop, which influenced recruitment and retention needs, and the Government’s wider fiscal position. It expected a weaker labour market to benefit public sector retention, and increase the pool of available candidates for employment, making it easier to hit recruitment targets in some cases. It was not yet clear how the key economic indicators would evolve and therefore HM Treasury asked the Pay Review Bodies to pay attention to unemployment, average weekly earnings in the private sector and inflation as the economic situation changed.
- 2.34 HM Treasury said that public finances were well placed to deal with the challenges posed by COVID-19 but that the impact on the economy and the Government’s necessary response would lead to a significant increase in borrowing this year compared with the Office for Budget Responsibility’s March 2020 forecast. HM Treasury expected this spike in borrowing to be temporary, and for the medium term the impact on borrowing was likely to be limited. It added that the evidence on the affordability of pay awards set out in departmental evidence submissions remained its best current assessment of the position for public sector pay for the 2020/21 financial year.
- 2.35 HM Treasury commented that public sector workers played a pivotal role in keeping the population healthy and safe, both in response to COVID-19 and in the future. It said that it was right that public sector workers benefitted from enhanced job security and stability, including at a time of economic uncertainty. It added that many also received other benefits, such as generous sick pay and flexible working arrangements. HM Treasury noted that inflation was 1.7% in the year to February 2020, lower than forecast a year earlier, which meant that the public sector pay awards in the 2019/20 financial year were substantive real-term pay increases. HM Treasury asked that the Pay Review Bodies take these factors into account when forming recommendations and added that the Government’s principles used to agree pay awards remained unchanged by COVID-19. These were that awards should be: led by public sector productivity improvements, particularly when considering real-term rises; and funded from

within existing budgets, details of which had been set out in departmental evidence submissions. HM Treasury also asked that the Pay Review Bodies continued to refer to the Government and departmental recruitment targets in making their recommendations, albeit that COVID-19 introduced some uncertainty over staffing supply and demand.

2.36 The **NPCC** highlighted that:

- Consumer Prices Index (CPI) inflation was 1.4% in December 2019<sup>11</sup>, and forecasts anticipated that it would return to 2%;
- data from the Annual Survey of Hours and Earnings (ASHE) showed that overall full-time median weekly earnings rose by 2.9% between April 2018 and April 2019; and
- average wage settlements appeared to be increasing from last year – the median for the last twelve months had been 2.5% and for the last three months was 2.8%.

2.37 The **MPS** reported that:

- The economy continued to grow at a slower rate than predicted and growth in the 2020/21 financial year was likely to remain weak.
- Despite more certainty relating to the UK's exit from the EU the value of the pound would, at best, remain volatile with the risk of interest rates rising.
- Inflation was running below the Government's 2% target. In December 2019, CPI was 1.3%, CPIH was 1.4% and the Retail Prices Index (RPI) was 2.2%. The Chancellor had predicted CPI to average 2.2% in 2020.
- Government borrowing remained at unsustainably high levels, although unemployment did continue to fall.
- Incomes Data Research (IDR) information on pay awards showed that the median pay award across the economy had risen to 2.8% in the three months to October 2019, having been at 2.5% since April 2019.
- ASHE data for April 2019 reported that in London median gross weekly earnings were up by 3.3% since April 2018. This was below other regions but 0.4% above the UK median.
- Salaries in London were higher than elsewhere in the UK – Korn Ferry figures showed that the inner London salary was 111% as a percentage of the national median salary.

2.38 The **PFEW** and **PSA** said that in the current UK labour market average wage growth continued to exceed inflation. They noted that average weekly earnings in July to September 2019 were up 3.6% on a year earlier for both total pay (including bonuses) and regular pay (excluding bonuses) in the whole economy. They added that, in real terms, annual growth in total pay was estimated to be 1.8% in the three months to September 2019 and annual growth in regular pay was estimated to be 1.7% over the same period.

### *Our comment*

2.39 We note the context for our deliberations provided by HM Treasury. In this section we set out the latest economic and labour market indicators (summarised in Table 2.1), as at 27 May 2020, available to us when considering our recommendations:

- *Economic growth.* UK gross domestic product (GDP) grew by 1.4% in 2019, in line with the European Union (EU) and G7 average. The first quarterly estimate of GDP by the Office for National Statistics (ONS) showed that GDP in the three months

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<sup>11</sup> CPI inflation for the year to December 2019 was 1.3%, CPIH inflation was 1.4%.

to March 2020 was 2.0% lower than the previous three months. This reflected the initial effects of COVID-19 and the Government's measures taken to reduce transmission of the virus.

- In May 2020, the Bank of England<sup>12</sup> forecast a contraction of 14% in the economy in 2020. It considered that economic activity should recover as COVID-19 was brought under control and measures to contain its spread were reduced, but warned of a risk of substantial longer-term damage to the economy from business failures and an increase in unemployment.
- *Inflation.* In the year to April 2020, CPI and CPIH inflation were at 0.8% and 0.9% respectively and RPI inflation was at 1.5%. Inflation had been on a broad downward path in 2018 and 2019, but fell sharply in April 2020 as a result of falling global oil prices and caps on domestic gas prices.
- *Labour market.* Employment rose by 1.4% over the year to March 2020 to reach 33.1 million. The employment rate (for those aged 16 to 64) was at 76.6% in the first quarter of 2020, up 0.6 percentage points over the year and the highest since comparable records began in 1971. The unemployment rate (for those aged 16 and over) was 3.9% in the first quarter of 2020, up from a 45-year low of 3.8% at the end of 2019. The claimant count<sup>13</sup> for April 2020 was 1,017,000 (94.2%) higher than in April 2019, and the claimant count rate<sup>14</sup> in April 2020 was 5.8%, 2.8 percentage points higher than a year earlier. By mid-May 2020, around 8 million jobs had been furloughed under the Government's Coronavirus Job Retention Scheme (CJRS). While the CJRS has protected many jobs in the short term, the Bank of England expected unemployment to rise further during the year.
- *Average earnings.* In the first quarter of 2020, whole economy average weekly earnings (AWE) annual growth was at 2.4% and regular pay annual growth (excluding bonuses) was at 2.7%. Public sector AWE annual growth (excluding financial services) was at 3.4%, having reached 3.9% in June 2019, the highest rate since August 2008. Private sector AWE annual growth was at 2.2%, down from 4.0% in June 2019, the highest rate since April 2010.
- *Pay settlements.* Median pay settlements were at 2.5% in 2019. The latest estimates for median pay settlements in the first quarter of 2020 ranged from 2.4% to 2.5%. Some employers with frontline workers, especially in the retail sector, have paid temporary pay increases. However, surveys by XpertHR and IDR indicate that many employers are likely to freeze pay or postpone decisions on pay awards in the current economic climate.

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<sup>12</sup> Bank of England (May 2020), *Monetary Policy Report*. Available at: <https://www.bankofengland.co.uk/report/2020/monetary-policy-report-financial-stability-report-may-2020> [Accessed on 18 June 2020]

<sup>13</sup> Experimental statistics covering claimants of Jobseeker's Allowance and those claimants of Universal Credit who were recorded as not in employment and were required to search for work.

<sup>14</sup> The claimant count divided by the sum of the claimant count and workforce jobs.

**Table 2.1: Latest economic and labour market indicators, as at 27 May 2020**

Figure	Indicator
Inflation indicators	
0.8%	Annual CPI inflation
0.9%	Annual CPIH inflation
1.5%	Annual RPI inflation
Pay and earnings indicators	
2.2%	Annual growth in AWE – private sector
2.4%	Annual growth in AWE – whole economy
2.4%	XpertHR median pay settlements
2.5%	IDR median pay settlements
2.5%	Labour Research Department (LRD) median pay settlements
2.7%	Annual growth in AWE – whole economy excluding bonuses
3.4%	Annual growth in AWE – public sector (excluding financial services)
Labour market indicators	
1.4%	Annual employment growth
3.9%	Unemployment rate (aged 16 and over)
5.8%	Claimant count rate
76.6%	Employment rate (aged 16 to 64)

Source: ONS – Labour Market Overview<sup>15</sup>, Consumer Price Inflation<sup>16</sup>, GDP first quarterly estimate<sup>17</sup>, and Claimant Count (Experimental Statistics)<sup>18</sup>; XpertHR<sup>19</sup>; IDR<sup>20</sup>; and LRD<sup>21</sup>.

Note: The employment rate measures the proportion of the population (aged 16 to 64) in employment, while the unemployment rate gives the number of unemployed people as a proportion of the total number of people (aged 16 and over) either in work or unemployed; and the claimant count rate is the number of people claiming unemployment benefits as a proportion of the total number of workforce jobs and claimants of unemployment benefits.

- 2.40 In normal circumstances we would review the latest economic forecasts to inform our conclusions. However, we are preparing this report in a rapidly changing economic environment. The length and magnitude of the effects of COVID-19 are highly uncertain and likely to be volatile and it will be some time before official data begin to show the full effects. It is not our role to speculate or make predictions but to work on the evidence presented to us. Therefore, we note the key point from HM Treasury’s correspondence to us that the evidence on the affordability of pay awards set out in departmental evidence submissions remained its best current assessment of the position for public sector pay for the 2020/21 financial year.

<sup>15</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2020> [Accessed on 18 June 2020]

<sup>16</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2020> [Accessed on 18 June 2020]

<sup>17</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/januarytomarch2020> [Accessed on 18 June 2020]

<sup>18</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/outofworkbenefits/datasets/claimantcountcla01/current> [Accessed on 18 June 2020]

<sup>19</sup> <https://www.xperthr.co.uk/survey-analysis/pay-trends-april-2020-first-signs-of-coronavirus-affecting-pay-awards/165183/> [Accessed on 18 June 2020, note this article is behind a pay wall]

<sup>20</sup> <https://www.incomesdataresearch.co.uk/resources/viewpoint/median-pay-award-returns-to-2019-trend-of-25> [Accessed on 18 June 2020]

<sup>21</sup> <http://www.lrd.org.uk/index.php?pagid=29> [Accessed on 18 June 2020]

## Police earnings

### *Our analysis*

- 2.41 We have examined the annual earnings<sup>22</sup> of police officers using results from ASHE run by the ONS, and the Police Earnings Census run by the Home Office. ASHE is a sample survey covering 1% of employees on Pay As You Earn tax schemes, published in late autumn each year. It provides headline earnings estimates for occupations across the economy; for police officers it produces figures jointly for constables and sergeants and, separately, for the grouping of more senior ranks. The Police Earnings Census, conducted in its present form since 2010/11, covers all police officers and permits detailed analysis of officer earnings. The Police Earnings Census data provide a useful insight into the range of earnings received within and across ranks, and the take-up and value of individual pay components.
- 2.42 We used ASHE data for England and Wales to compare the earnings of police officers (constables and sergeants) with: the whole economy; the associate professional and technical occupations group (the occupational group which includes police officers); and professional occupations (which tend to be graduate professions).
- 2.43 Our analysis showed that in the 2018/19 financial year the median<sup>23</sup> full-time<sup>24</sup> gross annual earnings of police officers decreased by 1.2% (£500, see Chart 2.1). This followed two years of increases in median full-time earnings between 2015/16 and 2017/18. Median full-time earnings for the three comparison groups in 2018/19 rose by 2.8% for the whole economy, 2.5% for professional occupations, and 0.5% for associate professional and technical occupations.

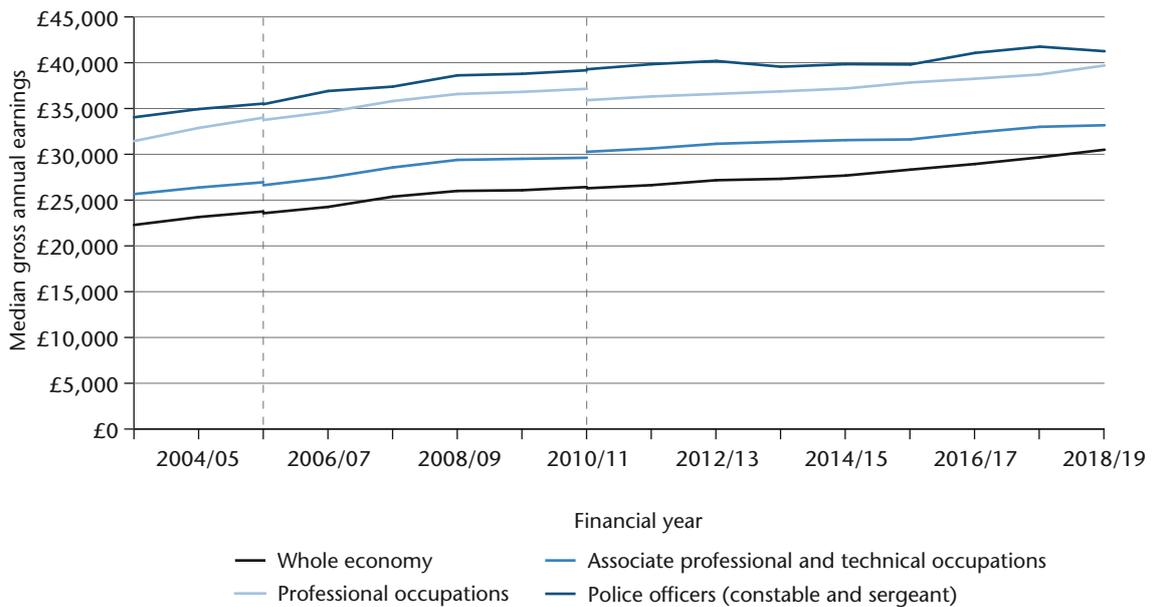
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<sup>22</sup> Earnings include basic pay and additional pay from overtime and allowances. Earnings are presented in terms of gross pay (that is before deductions for tax, National Insurance, pension contributions and any other deductions imposed by the employer).

<sup>23</sup> The median is the value below which 50% of workers fall. It gives a better indication of typical pay than the mean as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings.

<sup>24</sup> We focus on full-time earnings to control for any differences caused by different mixes of full- and part-time workers over time and between occupations.

**Chart 2.1: Median full-time gross annual earnings, England and Wales, 2003/04 – 2018/19 financial years**



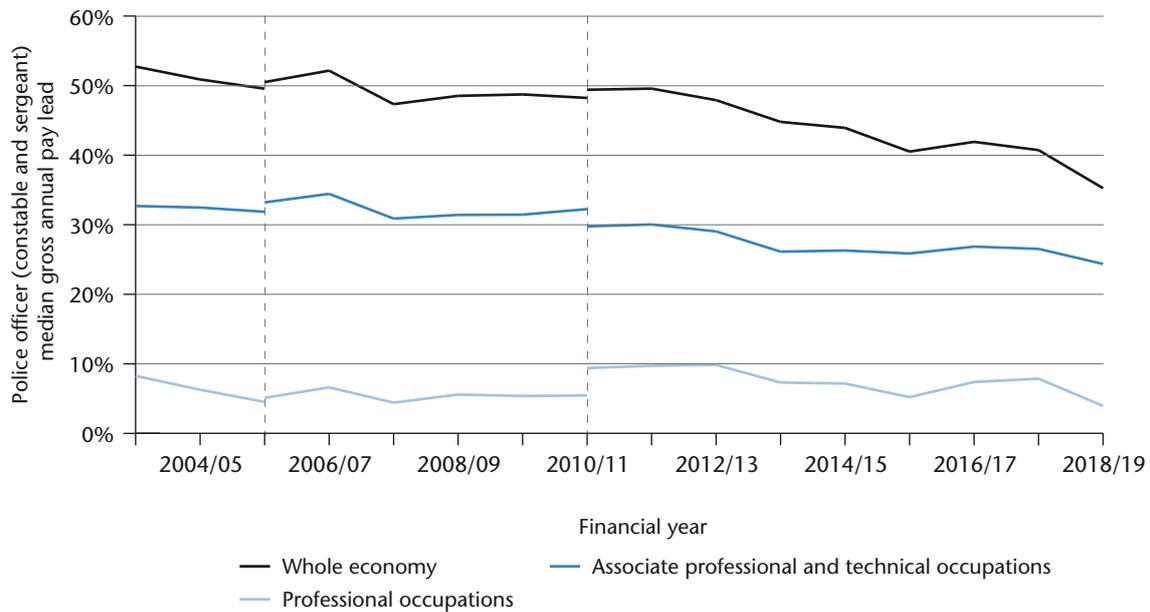
Source: Office of Manpower Economics (OME) analysis of Annual Survey of Hours and Earnings, ONS.

Notes:

- There are discontinuities in the series due to changes in sampling methodology (in 2005/06) and to the Standard Occupational Classification (in 2010/11).
- Data for the latest year are provisional.

2.44 Median full-time gross annual earnings in the 2018/19 financial year were 35% higher for police officers than the whole economy (Chart 2.2). This differential had been relatively stable between 2015/16 and 2017/18, but in 2018/19 it fell by 5 percentage points on the previous year and was 14 percentage points lower than in 2011/12. The differentials also fell in relation to the other comparison groups – in 2018/19 median full-time gross annual earnings for police officers were 24% higher than associate professional and technical occupations (down from 27% in 2017/18), and 4% higher than professional occupations (down from 8% in 2017/18).

**Chart 2.2: Police officer median full-time gross annual pay differential relative to other groups, England and Wales, 2003/04 – 2018/19 financial years**



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

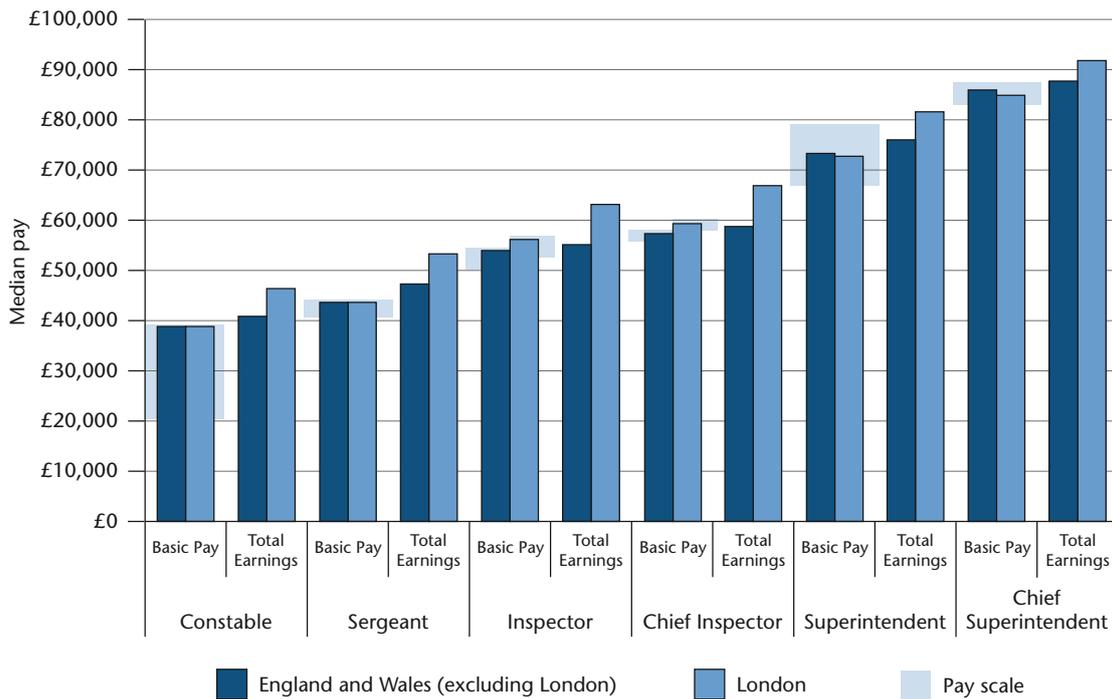
Notes:

- There are discontinuities in the series due to changes in sampling methodology (in 2005/06) and to the Standard Occupational Classification (in 2010/11).
- Data for the latest year are provisional.

2.45 For a detailed analysis of police earnings we used the latest available Police Earnings Census data (covering the financial year 2018/19). Median basic pay for full-time federated and superintending officers ranged from £38,800 for constables (in both London and the rest of England and Wales) to £85,900 for chief superintendents outside London (Chart 2.3). Inspectors and chief inspectors are the only ranks to have different basic pay scales in London to elsewhere in England and Wales, resulting in higher median basic pay for those ranks in London.

2.46 Median total earnings for full-time federated and superintending officers ranged from £40,900 for constables outside London to £91,800 for chief superintendents in London (Chart 2.3). Median total earnings are higher in London than the rest of England and Wales for all federated and superintending ranks, due to London-based officers receiving London Weighting and higher rates of location allowances.

**Chart 2.3: Median basic pay and total earnings, by rank, full-time officers, England and Wales, 2018/19 financial year**



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

Note: Pay scales are from September 2018. The new pay scales are shown for constables and superintendents. The old pay scales are contained within the ranges of the new pay scales.

2.47 Median basic pay in the 2018/19 financial year was close to the pay scale maxima for all the federated ranks. This is as a result of at least half of officers being at the top of their respective pay scales (Table 2.2). Around a third of constables were on the new pay scale in March 2019, but just 1% of all constables were on pay point 0 of the new scale.

**Table 2.2: Distribution of officers on pay scales, England and Wales, March 2019**

	Constable		Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
	Old scale	New scale					
0*	..	1%	..	13%	–	–	–
1	..	7%	11%	18%	24%	18%	23%
2	..	6%	11%	13%	20%	22%	23%
3	..	5%	11%	55%	56%	21%	54%
4	..	4%	66%	–	–	39%	–
5	..	6%	–	–	–	–	–
6*	..	3%	–	–	–	–	–
7*	1%	1%	–	–	–	–	–
8	2%	–	–	–	–	–	–
9*	..	–	–	–	–	–	–
10	65%	–	–	–	–	–	–
Total	67%	32%	100%	100%	100%	100%	100%

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

Notes:

- Percentages represent proportions of all officers in each rank – where there are two pay scales for a rank, percentages have been calculated based on the total number of officers across both pay scales.
- ‘..’ represents a non-zero percentage less than 0.5%.
- ‘–’ represents non-applicable pay points.

\* Pay points 6, 7 and 9 were removed from the old constable pay scale on 1 April 2014, 2015 and 2016 respectively. Pay point 0 was removed from the sergeant pay scale on 1 April 2014.

2.48 Our assessment of police earnings included the proportion of full-time officers in receipt of specific allowances and overtime (Table 2.3) and the median annual values for those officers who were in receipt of the particular payments (Table 2.4). Key observations include:

- The vast majority of eligible officers received Unsocial Hours Allowance (92% at the constable rank) and overtime payments (90% of constables and 88% of sergeants), although the proportions decreased as rank increased.
- The proportions of officers receiving overtime were slightly lower than last year (down 2 percentage points for constables and 3 percentage points for sergeants), and the median amount of overtime for constables was £260 (12%) lower than in 2017/18.
- A significant percentage of officers in the higher ranks (for example, 59% of chief superintendents) received Replacement Allowance<sup>25</sup>, but only 7% of constables.
- The percentages of officers receiving Location Allowances and London Weighting reflected the proportions of officers working in London and the south-east (excluding those receiving Replacement Allowance in south-east forces).
- Very few officers received Away from Home Overnight and Hardship Allowances.

<sup>25</sup> Introduced in 2003 to replace rent and housing allowances. It is only available to officers who joined the police before September 1994.

**Table 2.3: Percentage of full-time officers in receipt of additional pay components, by rank, England and Wales, 2018/19 financial year**

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
Location Allowance	42%	41%	36%	32%	35%	–
London Weighting	27%	29%	26%	21%	27%	–
Replacement Allowance	7%	20%	34%	40%	52%	59%
Unsocial Hours Allowance	92%	89%	82%	69%	–	–
Away from Home Overnight Allowance	8%	7%	5%	5%	–	–
Hardship Allowance	2%	2%	1%	–	–	–
On-call Allowance	8%	16%	33%	55%	–	–
Non-consolidated Pay Award	96%	96%	97%	97%	98%	96%
Overtime	90%	88%	–	–	–	–
Other payments (e.g. Dog Handlers', secondment allowances)	23%	26%	32%	37%	40%	26%

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

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

**Table 2.4: Median value of additional pay components, full-time officers in receipt of relevant payments, by rank, England and Wales, 2018/19 financial year**

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
Location Allowance	£4,338	£4,338	£2,000	£2,000	£2,000	–
London Weighting	£2,425	£2,425	£2,425	£2,425	£2,425	–
Replacement Allowance	£2,396	£2,692	£2,692	£2,692	£2,692	£3,122
Unsocial Hours Allowance	£584	£553	£304	£86	–	–
Away from Home Overnight Allowance	£150	£150	£150	£150	–	–
Hardship Allowance	£60	£60	£60	–	–	–
On-call Allowance	£510	£585	£578	£615	–	–
Non-consolidated Pay Award	£159	£178	£220	£234	£293	£346
Overtime	£1,839	£2,510	–	–	–	–
Other payments (e.g. Dog Handlers', secondment allowances)	£196	£436	£1,235	£1,239	£2,563	£1,239

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

Note: Estimates relating to fewer than 30 officers are suppressed. Zero allowances are ignored in calculation of the medians. Estimated overtime values exclude forces where one or more components of overtime pay were missing from the Police Census.

### *Evidence from the parties*

2.49 The NPCC provided results from its Annual Survey of forces. Key points on earnings included:

- Thirteen forces stated that they were using targeted variable pay and an additional three forces anticipated using these in 2020/21.

- Ten forces made targeted payments to federated ranks for hard-to-fill roles, the most common role being firearms. The level of payments varied from the maximum amount of £4,000 to £150 per annum.
- Five forces intended to make payments to superintending ranks this year and one other next year. Three of the forces anticipated paying £4,000.
- Most forces recruiting officers on the Initial Policing Learning and Development Programme started them on pay point 1 (£24,177), with eight forces starting them at pay point 0 (£20,880) and five forces offering a salary between these two pay points.
- The median starting salary rate for officers entering on the Degree Holder Entry Programme was currently pay point 1 (£24,177).
- The median starting salary for Police Constable Degree Apprentices (PCDAs) was £21,500. Forces were using the full range of flexibility available to them as they could pay between PCDA pay point 0, which was £18,450, and pay point 1, which was £24,177.

### *Our comment*

- 2.50 We note that compositional changes in the workforce (an increase in the number of constables relative to the number of sergeants) and a reduction in overtime are likely to have caused the 1.2% decrease in median full-time gross annual earnings of police officers (constable and sergeant) in 2018/19. We observe that this decrease led to a fall in the police pay differentials with comparator groups. We do not make any judgement on what the correct level of these pay differentials should be and recognise that there are many factors that affect them on a year-by-year basis. Later in this chapter we comment on morale and motivation and note the results of staff surveys and officers' levels of satisfaction with regard to pay, and in this context we assess that decreasing pay differentials with comparator groups may risk a detrimental effect on the morale and motivation of officers.
- 2.51 As we have commented in previous years, comparisons with professional occupations will become increasingly relevant in our considerations as the workforce and pay reform work progresses, and as policing workforce and pay structures, and the aspirations of the workforce, increasingly reflect those of a graduate-level profession.
- 2.52 We note the evidence from the NPCC which shows the inconsistent application of targeted variable payments across individual police forces. We also note the variation in starting salaries for police constables. We comment later (paragraph 3.68) on our support for local flexibility, but with such mechanisms underpinned by a set of common national principles.

## **Workforce, diversity, recruitment and retention**

### *Our analysis*

#### Workforce

- 2.53 We have examined the police workforce, diversity, recruitment and retention using the Police Workforce Statistics published by the Home Office<sup>26</sup>. We observed that the overall police workforce (officers and staff) (Chart 2.4) peaked in 2010 at 244,500 full-time

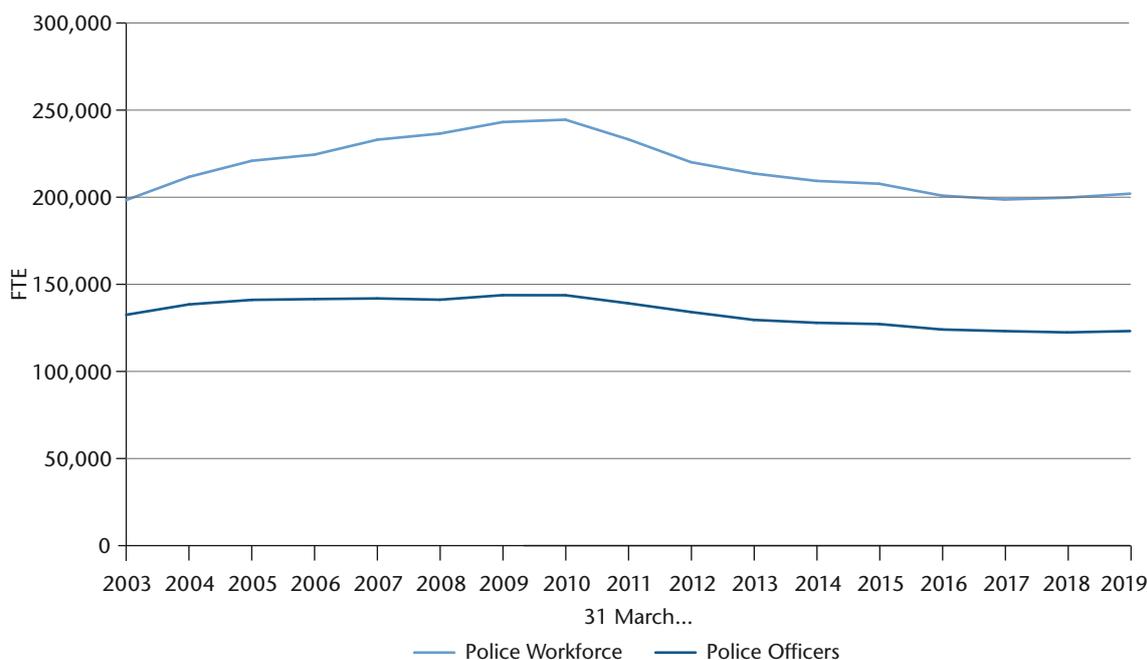
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<sup>26</sup> Home Office (September 2019), *Police workforce, England and Wales: 31 March 2019 second edition*. Available at: <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2019> [Accessed on 18 June 2020]

equivalents (FTE) before falling by 19% (45,800 FTE) to 198,700 FTE in March 2017, a similar level to that seen in March 2003. Between March 2017 and March 2019 there was a slight increase totalling 2% (3,300 FTE).

2.54 Police officers account for around three-fifths of the police workforce. The number of officers fell every year from a peak at 143,800 FTE in March 2009 to 122,400 FTE in March 2018, a 15% drop. Between March 2018 and March 2019 there was an increase of just over 750 FTE (0.6%).

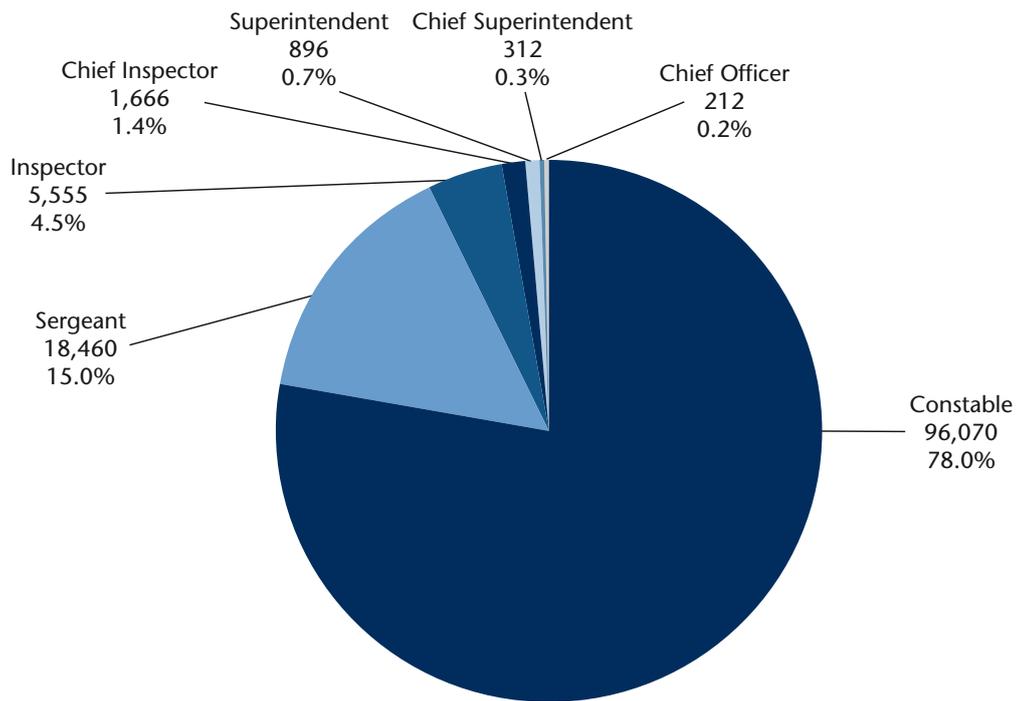
**Chart 2.4: Strength of police workforce and number of police officers (FTE), England and Wales, March 2003 – March 2019**



Source: Police Workforce Statistics, Home Office.

2.55 In March 2019, just over three-quarters (78%) of police officers were constables (Chart 2.5), and just 7% of officers were in the ranks above sergeant. The proportions in each rank have been relatively stable since 2003 (when comparable data start).

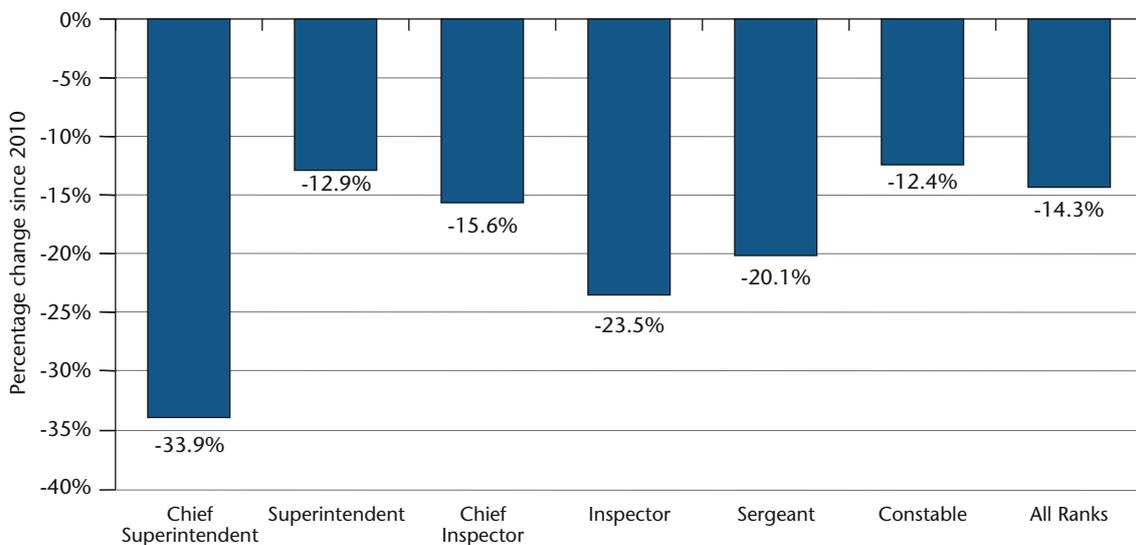
**Chart 2.5: Breakdown of police officers by rank (FTE), England and Wales, March 2019**



Source: Police Workforce Statistics, Home Office.

2.56 Between March 2018 and March 2019 there was a decrease in the number of inspectors (down 44 FTE, 0.8%) but increases in the number of officers in all other ranks below the chief officer ranks (Chart 2.6). In absolute terms the largest increase was in the number of constables (up 700) while in percentage terms chief superintendents saw the largest uplift (8%). Since March 2010 chief superintendents have seen the largest proportional decrease (34%) but the greatest absolute decreases have been for constables (approximately 13,600 officers) and sergeants (approximately 4,600 officers).

**Chart 2.6: Percentage change in the number of police officers (FTE) between March 2010 and March 2019, by rank, England and Wales**



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

- 2.57 HMICFRS assigns the work of police officers to three broad roles – frontline, frontline support, and business support (Table 2.5); since 2010, police officer numbers have reduced in all these roles. The proportion of officers in frontline roles increased from 91.0% to 93.4% between March 2010 and March 2016, as a result of proportionally larger reductions in frontline support and business support roles.
- 2.58 However, since March 2016 the number of frontline support and business support roles have increased while the number of frontline roles continued to fall. The proportion of officers in frontline roles has fallen from its peak of 93.4% in March 2016 to 92.1% in March 2019.

**Table 2.5: Number of police officers by role (FTE), England and Wales, March 2010 – March 2019**

				Full-time equivalent
	Frontline	Frontline Support	Business Support	Proportion of officers in frontline roles
2010	123,384	6,499	5,670	91.0%
2011	119,729	6,469	4,912	91.3%
2012	116,122	5,971	4,161	92.0%
2013	113,009	5,215	3,762	92.6%
2014	111,383	4,706	3,309	93.3%
2015	110,853	4,324	3,528	93.4%
2016	106,411	4,087	3,401	93.4%
2017	105,502	4,114	3,471	93.3%
2018	103,837	4,348	4,428	92.2%
2019	103,347	4,176	4,645	92.1%
2010 – 2019	-16.2%	-35.8%	-18.1%	
2010 – 2016	-13.8%	-37.1%	-40.0%	
2016 – 2019	-2.9%	2.2%	36.6%	

Source: Police Workforce Statistics, Home Office.

Notes:

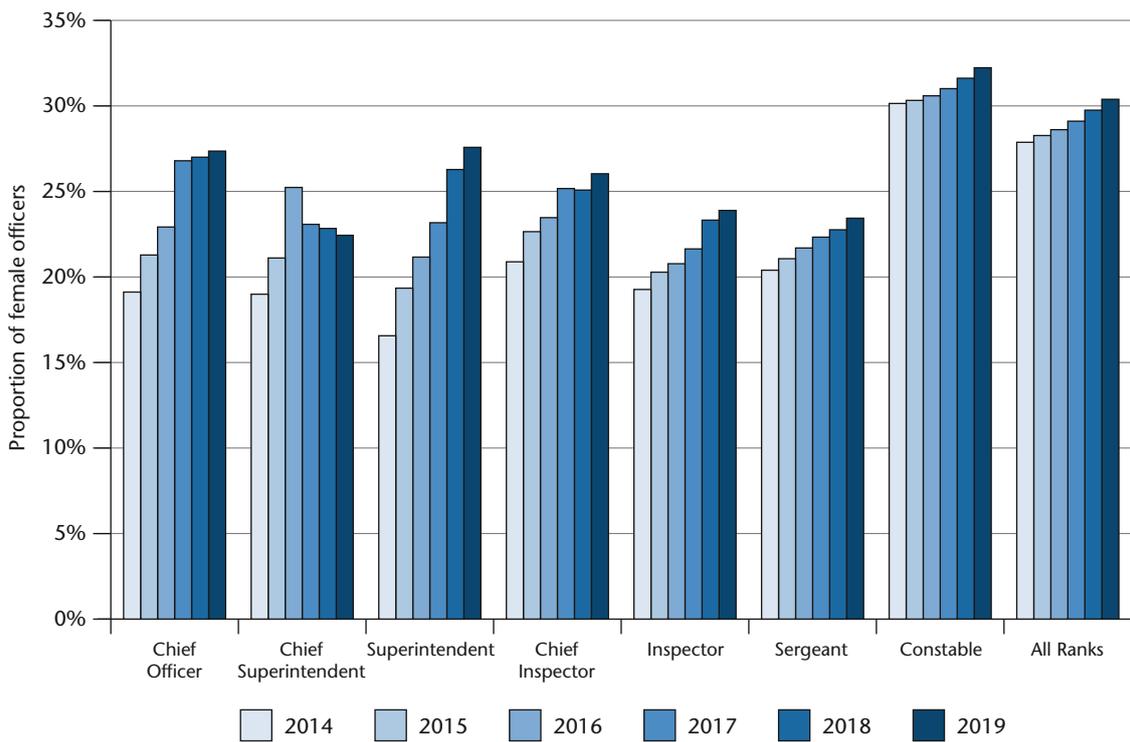
- Data for 2010 to 2014 were collected on a different basis to those for 2015 to 2019. The figures presented for 2010-2014 have been estimated based on a parallel running year (2015) when data were collected on both bases.
- Officers who are classified as being in 'National Policing' or 'Other' roles are excluded.

### *Workforce diversity*

- 2.59 The proportion of officers who were female (Chart 2.7) increased from 27.9% to 30.4% between 2014 and 2019, but the proportion of female officers was lower for ranks above constable. The proportion of ethnic minority officers (Chart 2.8) increased from 5.3% to 6.9% between 2014 and 2019, continuing a steadily upward path over the past decade, but again the proportion of ethnic minority officers was lower for ranks above constable<sup>27</sup>.

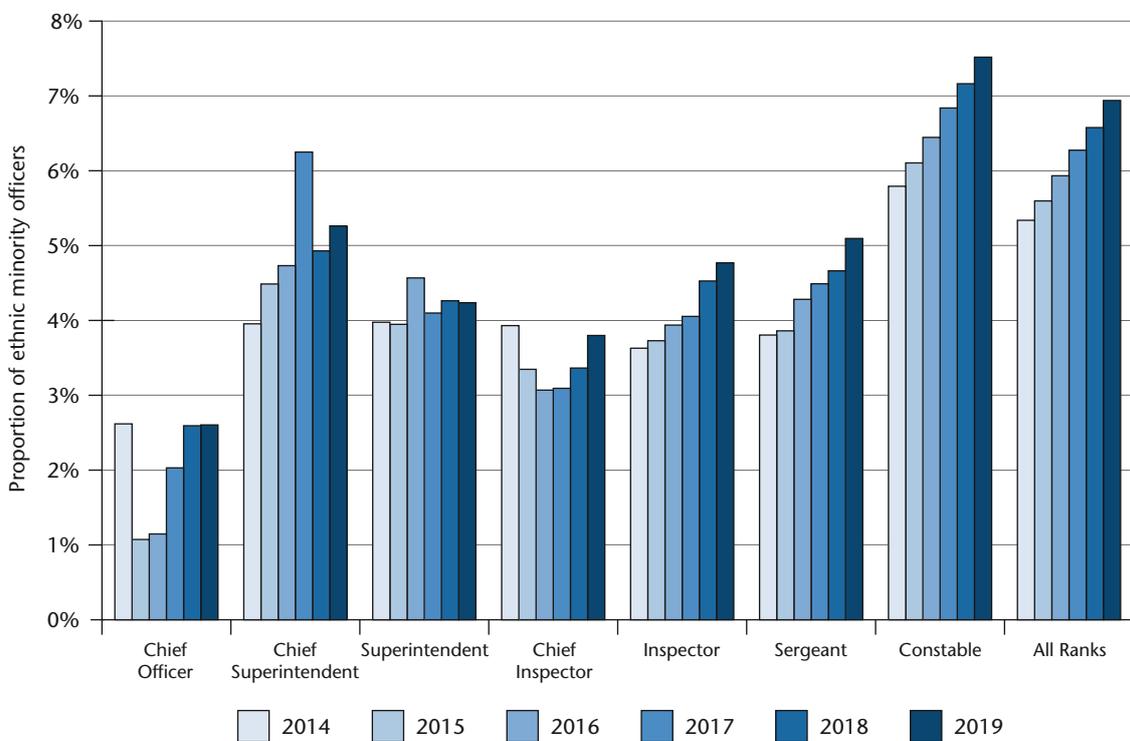
<sup>27</sup> Proportions of ethnic minority officers exclude officers who did not state their ethnicity from the denominator.

**Chart 2.7: Percentage of female officers (FTE), by rank, England and Wales, March 2014 – March 2019**



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

**Chart 2.8: Percentage of ethnic minority officers (FTE), by rank, England and Wales, March 2014 – March 2019**

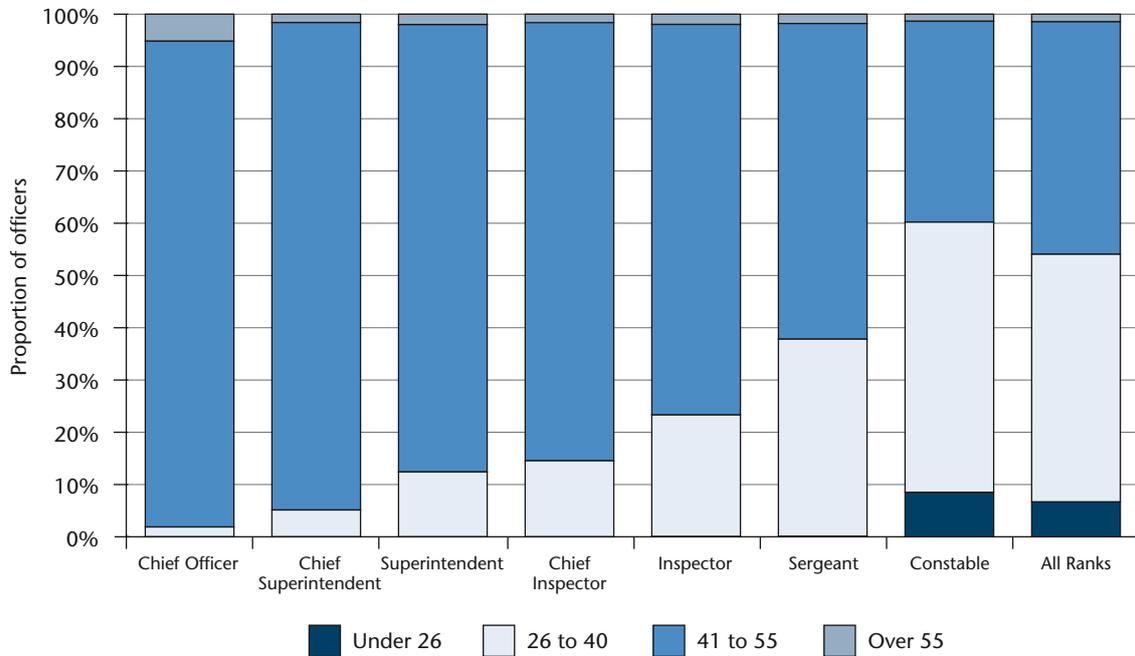


Source: OME analysis of Police Workforce Statistics, Home Office.

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

2.60 Just over half of all police officers (by headcount) were aged 40 or under on 31 March 2019, with 6.7% of all officers aged under 26 (Chart 2.9). The proportion of officers aged under 40 decreases as rank increases: 60.2% of constables were under 40, but only 4 chief officers (1.9%).

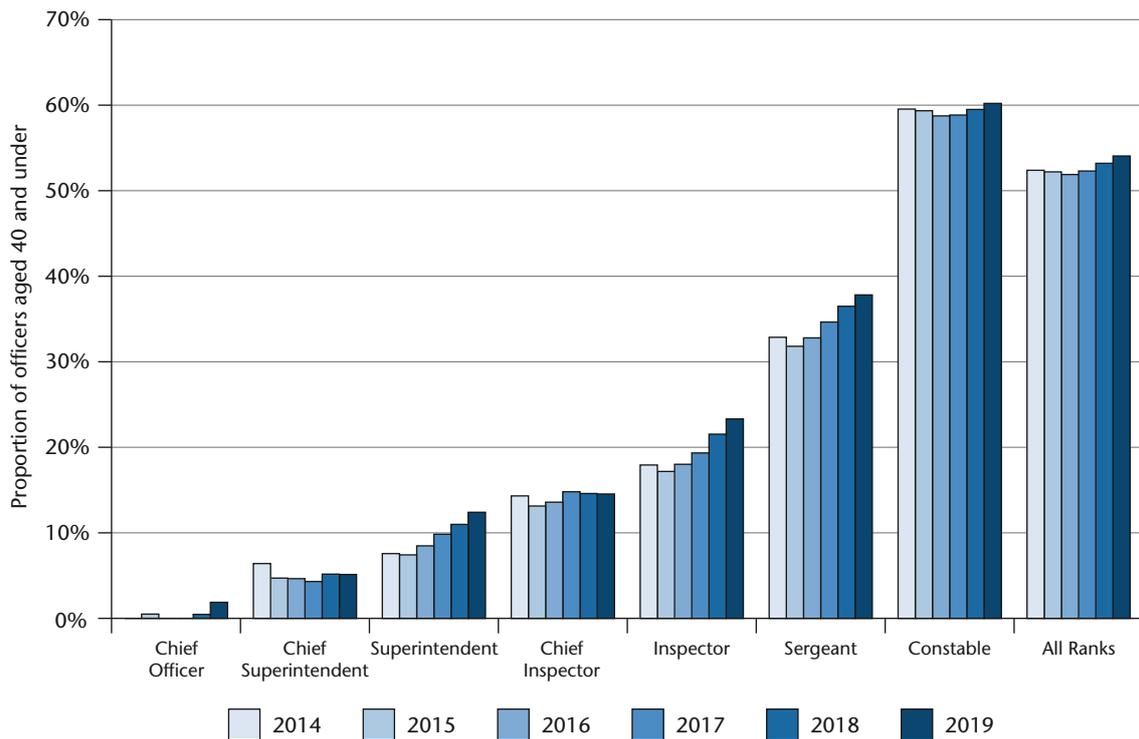
**Chart 2.9: Age breakdown of police officers (headcount basis), by rank, England and Wales, March 2019**



Source: Police Workforce Statistics, Home Office.

2.61 Looking at change over time (Chart 2.10), the overall proportion of officers aged 40 and under fell until 2016, reaching a low point of 51.9% in March 2016, before recovering to 54.1% in March 2019. In the ranks from sergeant to superintendent, the proportions of officers in this age group have generally been increasing since March 2015.

**Chart 2.10: Proportion of police officers aged 40 and under (headcount basis), by rank, England and Wales, March 2014 – March 2019**

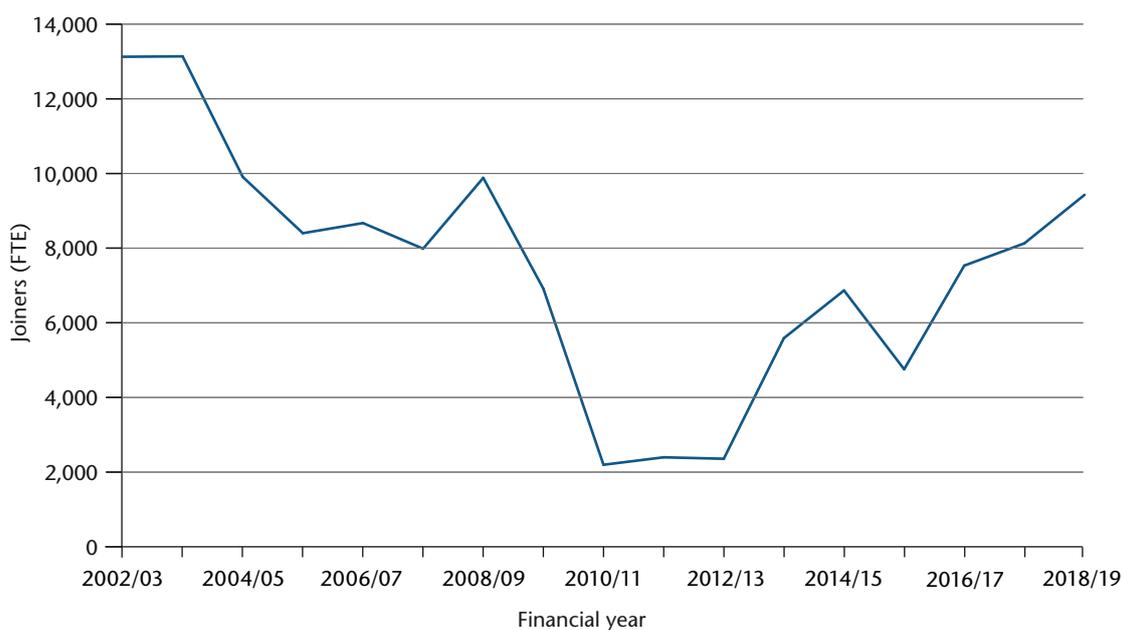


Source: Police Workforce Statistics, Home Office.

### Recruitment

2.62 The FTE number of police officer joiners (Chart 2.11) fell sharply after the 2008/09 financial year, with fewer than 2,500 joiners annually between 2010/11 and 2012/13 (due to most forces freezing recruitment as a response to public sector austerity), before partially recovering in 2013/14 and 2014/15. There was a further dip in 2015/16, but since then numbers have risen each year. In the 2018/19 financial year there were over 9,400 joiners, 16% (1,300 FTE) higher than 2017/18 and the highest level since 2008/09.

**Chart 2.11: Police officer joiners (FTE), England and Wales, 2002/03 – 2018/19 financial years**

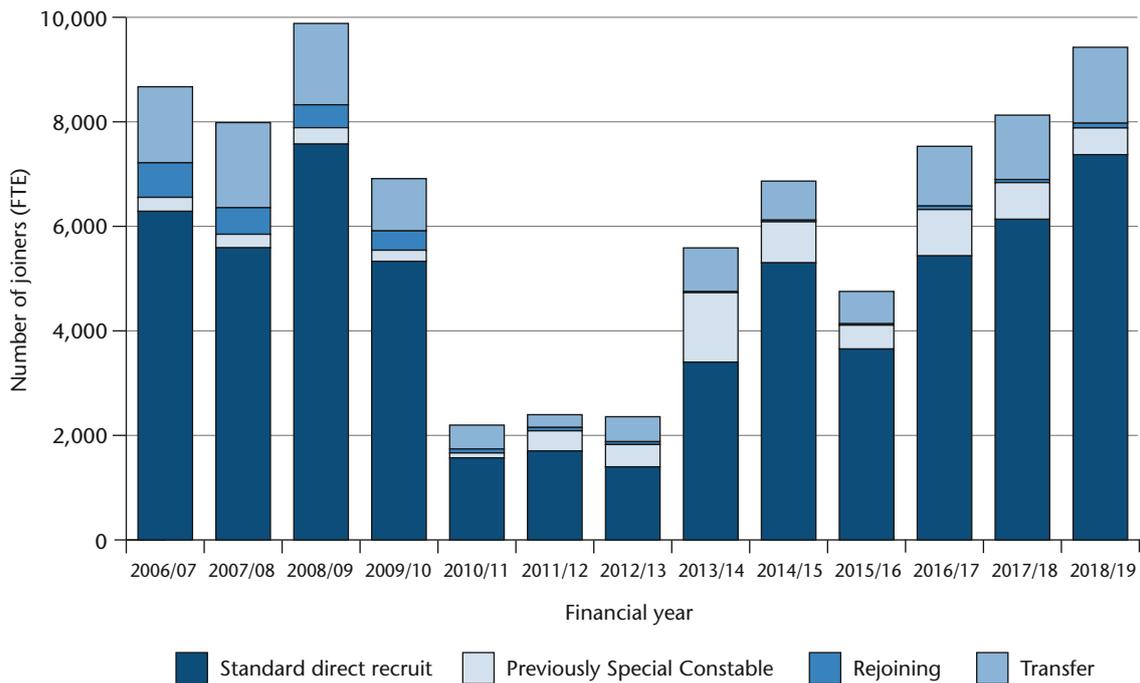


Source: Police Workforce Statistics, Home Office.

- 2.63 In the 2018/19 financial year, 78.2% of joiners (7,400 FTE) were new recruits joining as an officer for the first time (Chart 2.12). This was in line with data for previous years (usually 70-80%, but around 60% in 2012/13 and 2013/14).
- 2.64 In April 2020, the Home Office published its first quarterly update on progress towards the recruitment of an additional 20,000 police officers in England and Wales by March 2023<sup>28</sup>. This showed that between the start of November 2019 and the end of March 2020 there were 6,435 new recruits (on a headcount rather than FTE basis) to police forces in England and Wales.
- 2.65 The number of officers re-joining the police service in England and Wales fell significantly in the 2010/11 financial year, from around 370 FTE in 2009/10 to just under 80 FTE, and has remained low ever since; in 2018/19, 91 full-time equivalent officers re-joined the service.
- 2.66 There has been a recent increase in transfers between forces. In the 2018/19 financial year, the number of transfers stood at 1,450 – the highest level since 2008/09. These had previously fallen from a peak of 1,630 in 2007/08 to just under 250 in 2011/12.

<sup>28</sup> Home Office (April 2020), *Police officer uplift, quarterly update to March 2020*. Available at: <https://www.gov.uk/government/statistics/police-officer-uplift-quarterly-update-to-march-2020> [Accessed on 18 June 2020]

**Chart 2.12: Police officer joiners (FTE), by route of entry, England and Wales, 2006/07 – 2018/19 financial years**



Source: Police Workforce Statistics, Home Office.

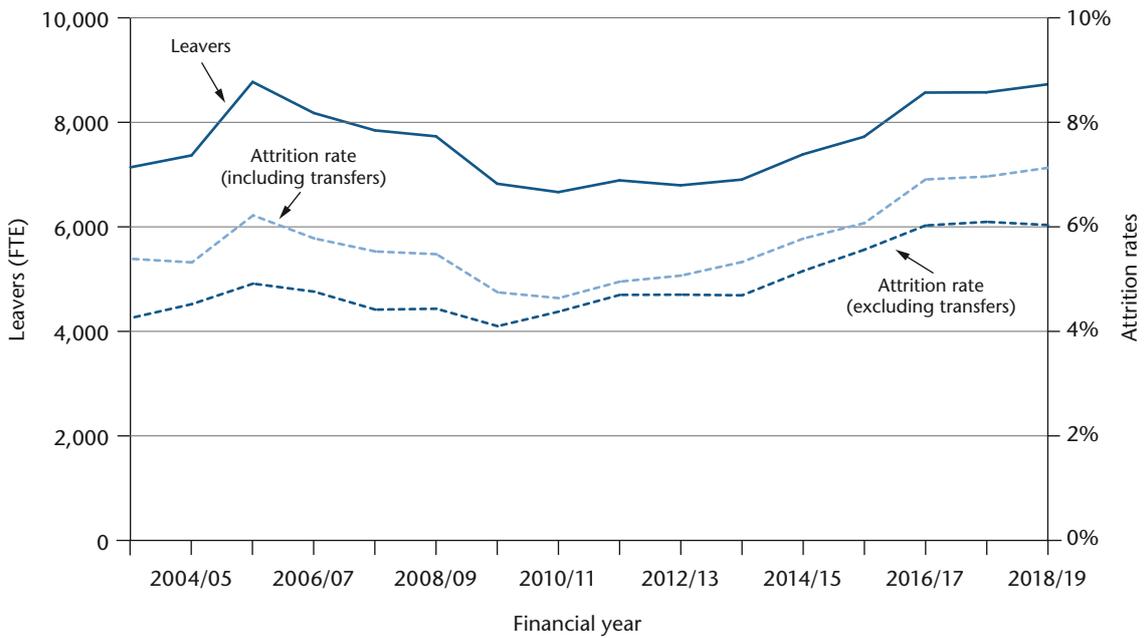
Note Standard direct recruit includes officers joining via Direct Entry, Fast Track and Police Now schemes.

### *Retention and attrition rates*

2.67 The number of officers leaving (Chart 2.13) increased by 1.8% (150 FTE officers) between the 2017/18 and 2018/19 financial years to 8,700 FTE. The number of leavers has risen each year since 2012/13, although 2017/18 was relatively unchanged on the previous year. The headline attrition rate<sup>29</sup> has risen each year from 4.6% in 2010/11 to 7.1% in 2018/19. Omitting those leavers who transferred to other forces within England and Wales rather than leaving the service altogether, the attrition rate was 6.0% in 2018/19, a similar level to those in the previous two years.

<sup>29</sup> The total number of police officers leaving forces in the financial year as a proportion of the total officers in post in the March just before the financial year began.

**Chart 2.13: Police officer leavers and attrition rates (FTE), England and Wales, 2003/04 – 2018/19 financial years**

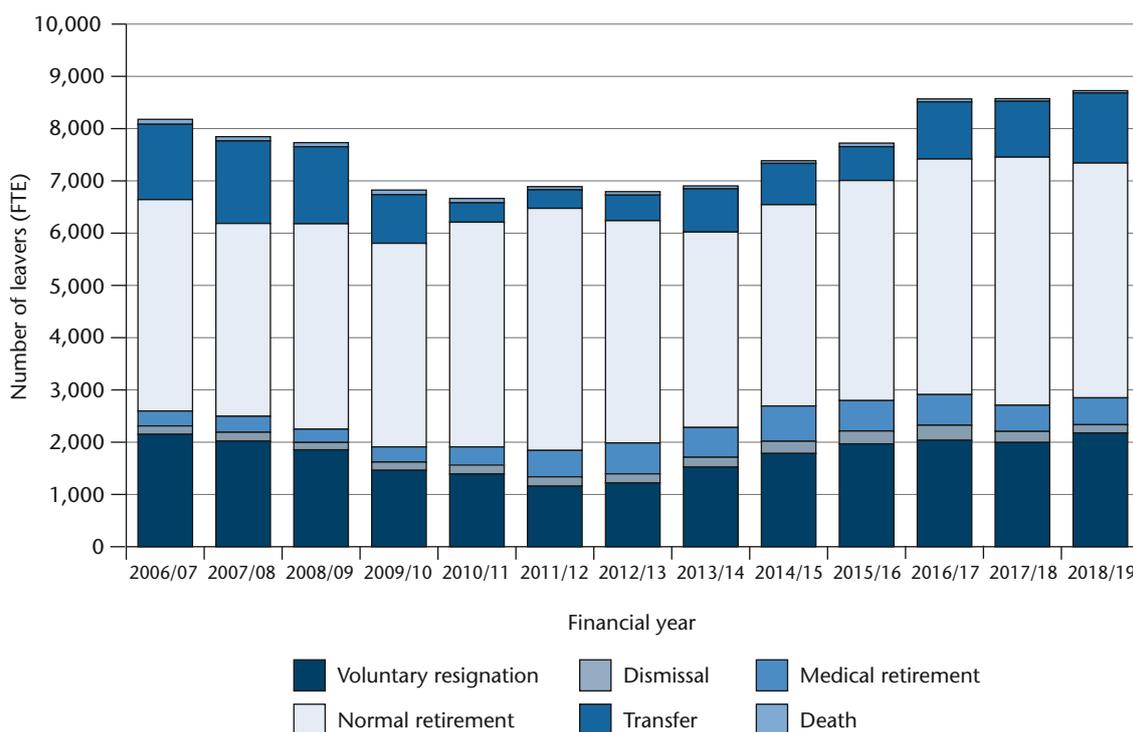


Source: OME analysis of Police Workforce Statistics, Home Office.

2.68 Half (51%) of police leavers in 2018/19 were normal retirements<sup>30</sup> (Chart 2.14). The number of voluntary resignations has risen by 88% since 2011/12, and this level is higher than any of the other years for which we have data (since 2006/07). In 2018/19 there were nearly 2,200 voluntary resignations, accounting for a quarter of leavers.

<sup>30</sup> Individuals who have retired, not on ill-health grounds.

**Chart 2.14: Police officer leavers (FTE), by leaver type, England and Wales, 2006/07 – 2018/19 financial years**



Source: Police Workforce Statistics, Home Office.

*Evidence from the parties*

- 2.69 The **Home Office** said that the Government’s commitment to increase officer numbers by 20,000 over the next three years through the Uplift Programme constituted the biggest national recruitment drive in decades, and demonstrated the Government’s support for a service that it values so highly. The Home Office told us that the Government had set up a new National Policing Board to make sure that it delivered on this commitment and that the first wave of 6,000 officers would be recruited by the end of March 2021. The Home Office said that the Uplift Programme had presented additional recruitment and retention challenges, to ensure that policing recruited the right mix of people into the workforce and retained resilience in business-critical areas.
- 2.70 The Home Office reported that recruitment and retention of police officers at a national level had been stable over the past year. It said that the 10-year high in the number of people joining police forces demonstrated that policing was still viewed as a desirable and sought-after career. The Home Office added that wastage rates remained low, voluntary resignations accounted for less than 2% of the workforce, and retirement rates remained stable, with most officers retiring shortly after completing 30 years’ service.
- 2.71 The Home Office recognised that the main concern among some chief police officers was the loss of experienced officers on reaching 30 years’ service, as the terms of the 1987 Police Pension Scheme incentivised officers to leave at that point to maximise their pension benefits. The Home Office was aware of NPCC considerations on how to incentivise the retention of skills and any new measures would have to be considered alongside the need to fund existing and new officers within the 2020/21 settlement.
- 2.72 The Home Office considered that managing the shortage of detectives and ensuring the right people stayed in the job required a co-ordinated approach, particularly as most of these officers would continue to come through traditional entry routes. It welcomed the action forces were taking to ensure they had sufficient numbers of detectives required

to investigate crime. The Home Office had continued to fund the Police Now Detective Scheme to bridge the gap in detective numbers. It observed that workforce planning and quality of supervision were areas where more needed to be done. The Home Office would work with the NPCC and policing partners to consider the recruitment challenges ahead.

- 2.73 The Home Office reflected that the latest workforce figures showed that the police workforce continued to become more representative in terms of gender and ethnicity, however, it recognised that there was still more to be done. As part of the Uplift Programme, the Home Office considered that it was vital that forces used equality legislation, including positive action provisions, to make progress in recruitment of under-represented groups and in enabling officers to progress to more senior and more specialised ranks and roles.
- 2.74 The Home Office reported that the Constable to Inspector Fast Track Scheme was now an established part of the talent picture. It added that Police Now had continued to provide a further route into policing and the new Police Now Detective Scheme pilot was in progress.
- 2.75 The Home Office told us that amendments to Police Regulations 2003 took effect in February 2019 enabling 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 had elapsed since they left the service. The Home Office commented that changes to regulations provided clarity in this area and provided greater workforce flexibility.
- 2.76 The **NPCC** informed us that, taking attrition into account, 53,000 officers would need to be recruited by the end of the 2022/23 financial year to achieve the 20,000 officer uplift. It commented that the Uplift Programme was welcome but the influx of a high number of new and inexperienced officers would place immense pressure on the existing workforce. To address operational priorities, the NPCC said that experienced officers would need to move to more specialist areas. It added that retention and learning and development activity were focused on enhancing employee experience both for specific groups and the workforce more broadly. The NPCC recognised that investment in development of the workforce would support retention and motivation.
- 2.77 The NPCC provided results from its Annual Survey on recruitment and retention. Key points included:
- More officers were recruited than last year, but forces were not able to fill all vacancies.
  - The median age of recruits was 27.
  - There were 2,883 officers who had left the service voluntarily and prior to completing their full pensionable service. The NPCC intended to provide pay interventions to aid the retention of key skills and experience of mid-career leavers.
- 2.78 The **MPS** welcomed the reinvestment in police numbers through the Uplift Programme. However, it recognised that growth of this magnitude, particularly in just three years, would inevitably come with considerable challenges. The challenges it was tackling included:
- ensuring it could scale up and improve initial training when officers reached their Basic Command Unit;
  - managing the high volume of probationers through their first two years of development and exposing them to a wider range of policing activities;

- deploying experience into the areas where the MPS needed the performance gains while not destabilising key teams such as response, safeguarding and local investigations;
  - sizing the internal demand that would be created through the growing workforce then ensuring enabling functions such as criminal justice, forensics and detention have the necessary resources; and
  - ensuring new officers were well equipped and that the MPS estate had the capacity to flexibly accommodate the growth in numbers.
- 2.79 The MPS considered that its ability to recruit and retain was almost certainly more of a challenge than elsewhere. It said that this presented a significant operational risk, one that had been heightened considerably with the recruitment targets associated with the Uplift Programme. The MPS commented that the growth through the Uplift Programme would require a continued push for large-scale recruitment activity over the next few years and it would need to work hard to ensure it could attract the numbers needed alongside the national recruitment campaign.
- 2.80 The MPS was concerned by the projected position on resignations. While its overall resignation levels were substantially lower than similar sized organisations, the MPS said that the loss of experience was an issue it would consider carefully.
- 2.81 The **APCC** said that retention of existing officers would play an important part in the delivery of the Uplift Programme. It added that experienced officers needed to be retained to train and mentor the new recruits, and any increase in turnover would add further pressure on the recruitment.
- 2.82 The **APCC** informed us that a large number of forces had reported difficulty recruiting sufficient numbers of sergeants in the previous year and that the Uplift Programme would require an additional 2,000 sergeants to maintain current supervision ratios.
- 2.83 The **PFEW** and **PSA** said that the Uplift Programme was a significant reversal of policy, which would return overall numbers to the 2010 level. They calculated that the recruitment of 53,000 officers in the coming three years meant that by March 2023 it was possible that 37% of police officers would have been in post for less than three years.
- 2.84 The **PFEW** and **PSA** highlighted that management numbers would have to increase as part of the Uplift Programme. They said that estimates of the number of new sergeants varied from 1,000 to 2,000; 300 more inspectors would be needed and 200 officers in the ranks of chief inspector and above.
- 2.85 The **PFEW** and **PSA** noted that average recruitment in the last five years had been 6,303, but that the requirement for the next three years was 17,667 each year. They calculated that 1 person in every 170 people aged 18-30 would need to be recruited to fill 53,000 vacancies. Furthermore, they noted that, as there were generally 10 applicants to each recruited officer, 530,000 applicants were needed which was one person in every 17 of the population aged 18-30. The **PFEW** and **PSA** were concerned that College of Policing aims to get the ratio of successful applicants down from 10:1 to 4:1 would lead to a lowering of standards.
- 2.86 The **PFEW** and **PSA** said that the influx of recruits would have an impact on the existing workforce given their need for mentoring, tutoring and supervision. They highlighted that **PCDA** recruits would be absent 20% of the time because of their protected learning time. They considered that urgent work was needed to consider the span of control that sergeants could be expected to deal with.

- 2.87 The PFEW and PSA stressed that as many officers as possible, and particularly in the lowest ranks, would need to be retained. They said the service could not afford to lose the skills needed to maintain service while bringing on board so many new officers. They reported that new recruits would need to have available to them the insight and counsel of experienced constables and sergeants and senior ranks to provide vital operational leadership.
- 2.88 The PFEW and PSA highlighted the rising number of voluntary resignations below retirement age. The PFEW's survey of leavers showed that only 24% of respondents with 11-20 years' service (those the PFEW and PSA considered to be best placed to support new colleagues) would consider returning to the police force in the future. The survey results had shown that the most common factors that would make leavers reconsider a decision to go included better work-life balance, improved pension, improvements in welfare, lower workload and higher salary.
- 2.89 The PSA welcomed the ongoing investment in policing through the national Uplift Programme and saw it as a generational opportunity to enhance the police service and begin a critical journey towards workforce reform. The PSA argued that the superintending ranks were crucial within policing and to the successful delivery of the Uplift Programme and should not be overlooked as the project was implemented.

#### *Our comment*

- 2.90 We note that between March 2018 and March 2019 there was an increase in police officer numbers. This reversal of a trend since 2010 sets up a period of growth in officer numbers as the increase of 20,000 officers under the auspices of the Uplift Programme starts to take effect. We observe that the recruitment and training of this volume of new recruits will put pressure on existing officers and that it will take a number of years for the expansion in numbers to deliver a positive and quantifiable effect in the context of police productivity. However, we assess that this increase in officer numbers will assist forces in redressing the balance between capacity and demand which we discuss earlier in this chapter. We also note that in the longer term, the uplift in officer numbers should result in positive consequences across a number of factors which we consider as part of our review, including morale and motivation.
- 2.91 We were generally told that there is no problem in recruitment but note that in the previous year not all forces were able to fill all their vacancies. This is a concern as over the next few years the police will need to recruit significantly more officers than in the past. However, we note HM Treasury's expectation that a weaker labour market as a result of COVID-19 would increase the pool of available candidates for employment, making it easier to hit recruitment targets in some cases.
- 2.92 We are concerned at the increasing levels of voluntary resignations and recognise that the retention of officers is as much a feature of the Uplift Programme as the recruitment of additional officers. However, we are aware that the attrition rate is lower than those seen in some other parts of the public sector, and that across the labour market generally there has been a shift in the way that individuals view their career and that there is no longer the expectation that individuals will take a job for life. Indeed, we assess that it can be beneficial to any organisation to have a healthy mix of new recruits with fresh ideas and enthusiasm, balanced alongside those who contribute expertise, experience and stability. Therefore, some turnover is advantageous although it would be helpful to have a better understanding as to why officers are leaving the service at this time.
- 2.93 We note that most of the indicators of diversity show some improvement across the officer workforce in recent years, but that these remain below levels representative of the communities served by the police. We also observe that the increasing trend in the

percentage of female officers by rank shows a steady increase across all ranks with the exception of chief superintendents. When looking at the percentage of ethnic minority officers by rank we also see a generally increasing trend across most ranks.

- 2.94 As policing has national pay scales and most of our recommendations will, therefore, cover all forces we have focused our analyses at the England and Wales level. However, our review of data this year has again highlighted to us that trends at a national level can disguise a variety of circumstances at a local level and sometimes across ranks.

## Police motivation and morale

- 2.95 The **Home Office** said that it continued to support officers' wellbeing, acknowledging the difficult and demanding job they undertook. It noted that, in 2017, the Government had awarded £7.5 million over three years to develop a national police wellbeing service to complement the support already delivered at force level to serving police officers and staff, focused on prevention and early intervention.
- 2.96 The Home Office reported that, in September 2019, the Home Secretary had set out her vision for a new Police Covenant. It added that the development of a Police Covenant followed the conclusion of the Home Office's Front Line Review in July 2019. The Review had highlighted the concerns of police officers and staff and proposed a package of measures to reduce their workloads, to ensure their wellbeing and to give them a stronger voice in decision making.
- 2.97 The Home Office informed us that, as part of a measure to promote flexible working, it had sought views from all staff associations about allowing part-time working and compressed hours among the superintending ranks. It had also sought views on increasing the threshold for allowing cancelled rest days in lieu to be taken up to a period of 12 months from the date of cancellation to 18 months. The Home Office was considering the responses to the consultation at the point of submitting evidence.
- 2.98 The **NPCC** reported that 30 forces currently undertook workforce surveys, of which 19 were conducted by Durham University.
- 2.99 The **MPS** said that officers and staff across the MPS had operated professionally through the cumulative impact of terrorist attacks, increases in violent crime and major national protests and international events, all a time of extensive organisational and technological change and resourcing pressures. The MPS recognised that cumulative demand, complexity and volume had taken its toll on its officers and staff, and on their families.
- 2.100 The MPS shared the results from its annual attitude survey. In 2019 a total of 21,160 responses had been received, of which 15,191 were from officers. Results highlighted by the MPS included:
- The engagement index had been 58%. This was a very positive improvement on the previous years, and reflected a concerted effort to respond actively to feedback and significantly improve the provision of equipment and support available to officers.
  - The biggest impact on engagement for police officers was driven by wellbeing, 54% of survey participants had responded positively to the statement 'overall, I am satisfied with my life at work'.
  - The statement 'I feel my pay is reasonable considering my responsibilities' had been answered positively by 26% of respondents (compared with 16% in 2018), and 22% responded positively to the statement 'I am satisfied with the total benefits package (e.g. annual leave, pension)' (compared with 14% in 2018). The MPS

highlighted that while these questions had shown an improvement, three-quarters of respondents did not agree that pay was reasonable and were not satisfied with the benefits package.

2.101 The MPS said it was continuing to address concerns around technology and equipment (particularly officer safety) and believed that the impact of a larger officer workforce would over time alleviate some of the workload challenges. The organisation continued to strive to improve engagement levels (and morale) because it was committed to a healthy working environment to drive better performance outcomes. Nevertheless, it considered that at a time of rising demand and complexity, this would remain a challenging aspiration.

2.102 The **PFEW** reported that a clear theme from its Pay and Morale Survey of officers continued to be the stress on officers and that many said that staying in the service was out of necessity rather than desire. Highlighted results from the survey included:

- 57% of respondents said their personal morale was low or very low, 87% said force morale was low and 93% said police service morale overall was low;
- constables and mid-service officers were most likely to state that their morale was low;
- 65% of respondents said that they did not feel valued by the police and 67% said that they would not recommend joining to others;
- 54% felt that the police service did not deserve their loyalty;
- 81% of respondents had not applied for promotion, reasons for this included: it would not be worth it given the extra responsibility and pressure (39%), they enjoyed their current role (39%), and it would not be worth it for the salary on offer (36%); and
- 79% of respondents were dissatisfied with their pay, with constables most dissatisfied (81%) – the level of dissatisfaction had increased since last year for every rank, with 81% of officers saying pay had a negative effect on morale and 83% saying that they were not paid fairly for the responsibilities of the job.

2.103 The **PSA** provided a summary of findings from its 2019 Pay and Morale Survey:

- Around half of respondents said they were satisfied with their basic pay. Even when newly promoted superintendents and respondents on temporary promotion were excluded from the analysis, the remaining respondents were still more likely to report satisfaction with their basic pay this year than in the previous two years.
- The proportion of respondents who reported dissatisfaction with their allowances was higher than in any other year of the survey, with 60% of respondents this year saying that they were dissatisfied.
- Around three-quarters of respondents felt unfairly paid considering the stresses, strains and responsibilities of the job, although respondents were slightly less likely to say that they were not fairly paid this year compared with last year's survey.
- Overall 64% of respondents reported that they had enough money from their job to live comfortably but this proportion was lower in the south-east (53%) and in London (37%).

#### *Our comment*

2.104 The NPCC told us that some forces undertook workforce surveys, but we have not seen the results of these, although the MPS provided some of the results from its annual attitude survey in its separate evidence to us. As in previous years, we regret the lack of

robust 'employer' evidence on the morale and motivation of police forces on a national basis because this makes it difficult for us to draw out relevant national conclusions. We invite the NPCC to examine what data it can commission or otherwise make available to us so that we can make more definitive observations in future. In addition, we assess that trend data on sickness absence could provide a measure of morale and motivation and we invite the parties to consider what data they might be able to present to us for next year's round.

2.105 Just as the evidence from the staff associations presents a somewhat mixed picture on the state of morale and motivation, we noted a difference in levels of morale between forces. We met officers at all ranks in a number of forces and observed that morale was high in the operational context of wanting to deliver a service. We were also struck by the professionalism of officers who took pride in what they did. Nevertheless, we observed that some officers were concerned that the pressure on resourcing was leading to an increased level of personal risk to themselves and, significantly, to the public because of their reduced capacity to respond, and that this was having an impact on morale and motivation.

## Pensions

2.106 The **Home Office** noted that all police officers were entitled to be a member of a defined benefit pension scheme and outlined the benefits as:

- from April 2019 members of the scheme benefitted from employer contributions of 31% of their pay towards their pensions on top of their own contribution;
- each year a member earned a slice of pension, currently at the rate of 1/55.3 of their pay for that year;
- all contributing members could retire with their pension by age 60, the majority could take a pension sooner, but this might be partial or with a reduction for early payment; and
- the pension also came with ancillary benefits, such as spouse/partner pensions, child pensions and a death in service lump sum.

2.107 The Home Office reported that the Government had accepted that the judgment in the McCloud/Sargeant case applied to police pensions, and that proceedings in the Aarons case had been unstayed. The Home Office said it was actively working with the NPCC to develop messaging for the police workforce to explain the latest legal decision and what it meant for officers. The Home Office added that any resulting changes to police pension schemes would be subject to consultation with policing partners.

2.108 The **NPCC** said that the Chair of the Police Pensions Scheme Advisory Board (PPSAB) had written to the Policing Minister in October 2019 on behalf of 'employers' and staff associations. The letter had sought several flexibilities to pensions both to allow for the impact of Annual Allowance tax charges and to reflect a concern about opt-out rates, especially among new entrants.

2.109 The NPCC reported that data from the Police Earnings Census showed that, of the 86,000 officers for whom pensions information had been provided, 94% were opted into a pension scheme.

2.110 The **PSA** explained that once an officer in the 1987 pension scheme reached 20 years' service the interaction between the double accrual mechanism in the pension scheme and the Annual Allowance threshold created a significant personal tax bill for officers when they received a pay rise. It pointed to the results from the PSA's January 2020 Pay & Morale survey which showed that: 45% of respondents had incurred an Annual

Allowance charge in 2018/19; the average amount by which the Annual Allowance threshold had been breached was £19,179; and the most common reason for breaching the Annual Allowance threshold was receipt of a normal pay increment.

- 2.111 The PSA reported that the Policing Minister had responded to the letter sent by the PPSAB Chair, and that PPSAB stakeholders had been disappointed that the Minister had rejected the advice that had been offered. The PSA said that the PPSAB were concerned that the Minister would only consider acting once operational problems had begun and could be evidenced, which would be too late.
- 2.112 The PSA requested that the Home Office complete a full profiling of the Annual Allowance tax implications created by this year's pay award, and for a consultation on the outcome with all stakeholders to assess the relative impact of the overall remuneration package of the varying groups of officers.

### *Our comment*

- 2.113 While pensions are not directly within our remit, our terms of reference do state that it is important for us to be mindful of developments in police officer pensions to ensure that there is a consistent, strategic and holistic approach to police pay and conditions.
- 2.114 We are particularly concerned by the number of officers opting out of the police pension schemes. Our analysis shows that most officers opting out of the pension schemes are constables and a quarter are within their first five years of service. We recognise that for many officers the decision to opt out of the pension schemes will be driven by short-term affordability as the employee pension contribution rates for the 2015 career-average pension scheme are 12.44% to 13.78% of pensionable pay, and that within the wider economy a higher proportion of the population does not have a pension. However, our concerns are that, by opting out, officers are forfeiting their right to deferred pay and would be ineligible for death-in-service benefits. This latter point should be particularly important for police officers given the sometimes dangerous nature of their work.
- 2.115 We note the ongoing work following the McCloud/Sargeant ruling, and welcome the work being undertaken by the Home Office and NPCC to help officers understand what the ruling means for them. We recognise that finding solutions will be a complicated task that will also need to reflect developments in the wider public sector and substantial consultation, but we suggest that this work should be completed as promptly as possible in order to provide certainty to officers.
- 2.116 We recognise that some longer serving officers see the new pension arrangements as less beneficial than the previous arrangements. Nevertheless, we observe that the new pension scheme compares favourably with many other public sector schemes. Research commissioned by the Office of Manpower Economics from the University of Sussex in association with the National Institute of Economic and Social Research<sup>31</sup> into the value of total reward including pension value and benefits in kind found that, among the groups assessed in the public sector, police officers and firefighters had been the most disadvantaged by the public sector pension reforms. This had been mainly as a result of losing double accrual rates for each year after 20 years of service, and the increase in normal pension age. However, the research also found that under the reformed pension schemes police officers had an accumulated lifetime total reward which was more generous than those of firefighters, prison officers and nurses, although less generous than those of teachers and doctors.

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<sup>31</sup> Dolton, Samek, and She (October 2019), *Total Reward and Pensions in the UK*. Available at: <https://www.gov.uk/government/publications/total-reward-and-pensions-in-the-uk-by-occupation-in-the-public-and-private-sectors> [Accessed on 18 June 2020]

2.117 Since the parties presented their written evidence, the Chancellor of the Exchequer announced changes to the Annual Allowance threshold in the March 2020 Budget. We note that the changes mainly affect the taper of the threshold, and are unlikely to benefit officers in the superintending ranks. We comment on the effect on chief officers in Chapter 4.

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

2.118 The parties told us that since our last review the Home Secretary had agreed a number of Police Determinations including:

- defining the working week for the superintending ranks;
- extending the On-call Allowance to the superintending ranks; and
- in exceptional circumstances, extending the carry-over period for untaken rest days from 12 to 24 months for officers in the superintending ranks.

2.119 The **NPCC** reported that it would be inviting the Police Consultative Forum<sup>32</sup> (PCF) to consider an enhanced maternity package to bring police in line with the armed forces and civil service. The NPCC hoped that 26 weeks' full pay would signal the value placed on officers and families both to those currently serving but those considering a police career. It added that work would also look at wider parental leave policies to ensure that they remained fit for purpose and supported recruitment, retention, motivation and diversity.

2.120 The NPCC informed us that there had been concern that the absence of a defined working week for the superintending ranks had led to claims of unfairness and discrimination for those working part time or compressed hours and in relation to additional hours worked. The NPCC hoped that now that the working week had been defined this would encourage 'employers' to record and actively review working hours and address any associated organisational and resource issues.

2.121 The NPCC said that staff associations had made representations as to the challenges of taking rest days in lieu within the 12-month 'guillotine' period. It noted that a proposal to extend the 12-month period to 24 months had been discussed, but forces had instead looked to record and monitor working hours.

2.122 In oral evidence, the **Home Office** told us that it welcomed the NPCC's proposal to extend maternity leave and that this was a positive move that would help to fulfil government ambitions on increasing diversity in policing.

2.123 The **MPS** had previously expressed its intention to seek an increase to the entitlement to full pay for mothers on maternity leave. It had suspected for some time that new mothers were returning to work too soon or leaving the service because of financial pressures. The MPS noted that this now had support in principle from the NPCC and that the staff associations were also supportive. The MPS said that final proposals would be discussed with the Home Office and at the PCF shortly. Apart from considerations around wellbeing, the MPS felt that the proposal would clearly benefit the need to support the Uplift Programme by helping to retain expertise.

2.124 The **PFEW** and **PSA** reported that the Home Office had not yet been able to incorporate a determination capturing the Children and Families Act, and ensuring regulations were compliant with broader UK law, for over five years. The PFEW and PSA also informed us

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<sup>32</sup> The non-statutory body that considers police pay and conditions.

that the Home Office had failed to draft and consult on determinations for the previous year's pay award, which had been announced in July 2019 and took effect in September of that year.

- 2.125 The **PSA** expressed concern at the Home Office's ability to translate PCF agreements into regulatory changes in an efficient manner. It was of the view that the Home Office should review its system for changing regulations and should ensure that there was sufficient resource and an efficient system ready to progress agreements achieved either outside or via the PCF. The PSA further considered that the Home Office should reintroduce the use of Home Office circulars if there was a delay in the implementation of changes to police regulations.

*Our comment*

- 2.126 Firstly, we were pleased to see progress in making the necessary regulatory changes to extend entitlement to the On-call Allowance to superintendents and on the carry forward of untaken rest days. The PSA had flagged these issues to us for some time and they were also raised with us on our visits.
- 2.127 Despite these changes, we remain concerned about the delay in reflecting the provisions of the Children and Families Act 2014 in police regulations and determinations. We note that generally the parties are also concerned at the speed of the Home Office to progress changes. We urge the Home Office to implement these changes quickly, particularly as the need to make amendments to police regulations in support of pay reform is likely to place extra pressure on the system and it will be critical that these changes, as with all others, are executed in a timely manner.
- 2.128 We welcome the proposals to extend maternity provisions and note the support for these across all parties. In general, we are in favour of changes that encourage retention and diversity, and hope that these measures will go some way towards increasing the proportion of female officers.

## CHAPTER 3 – POLICE WORKFORCE AND PAY REFORM

### Introduction

3.1 In this chapter we comment on the evidence we received in relation to the police workforce and pay reform programme.

### The focus on reform in this year's remit letter

3.2 In this year's remit letter from the Home Secretary we were invited, as in previous years, to consider the NPCC's proposals for pay reform and to comment in particular on:

- proposals for independent benchmarking;
- defining and valuing the P-factor;
- the rationale and proposals for a range of pay interventions to support operational delivery through targeting roles which are hard to fill or critical to retain; and
- wider workforce data to support the uplift of 20,000 officers.

3.3 In addition, the Home Secretary asked us for observations on the impact of pay reform, proposed salaries and force level maturity to meet the requirements of proposed assessment points to determine officer pay.

### Our previous commentary on pay and workforce reform

3.4 Our 2019 Report was the fifth in which we considered evidence regarding the progress of pay and workforce reform in policing. In that report, before getting into detailed comment, we discussed what we considered to be the most effective way to respond to the requests in the remit letter. We concluded that our response to the remit letter should be provided in a broad context and under five themes:

- strategy, clarity of vision, design principles and assumptions for reform;
- leadership, consensus and engagement;
- funding and resources for pay reform;
- specific aspects of the reform proposals; and
- risk.

3.5 In summary, last year we observed that while there had been some forward movement from our previous report, we had concerns about a range of issues including:

- the collective leadership of the programme;
- forces' readiness for change;
- communication of the rationale for the changes and the narrative about the benefits, particularly to those who would be most affected by them;
- the funding for reform and the assumption that the programme should be delivered on a cost-neutral basis;
- that a number of detailed aspects of the programme required more work, including around the implementation of performance management arrangements;
- longer-term considerations about transitioning to an all-graduate workforce.

3.6 Drawing on these themes, we identified a number of significant risks to the programme which we considered required urgent action as follows:

- The lack of long-term strategic oversight of the programme which jeopardised timely and effective achievement of the Policing Vision 2025.
- The lack of a clear statement which defined the vision for the programme and the benefits to be derived from it. We assessed that without this, there was a risk to coherent and effective delivery and a risk to workforce buy-in to the changes.
- The lack of cohesion between various components of the programme.
- The difficulty of implementation and getting agreement to the reforms across 43 independent forces, against a backdrop of significant other pressures on policing. We considered that strong, central leadership would be essential to deliver the programme to ensure that it had the strategic oversight, the resource and priority required for long-term success.
- The capacity within forces (and among individual officers) to implement change against a backdrop of increased demand.
- The adequacy of resources for a large, ambitious and complex programme.
- The new entry routes into policing and the move to a graduate-only force generated a range of risks to the overall management of the workforce, especially during transition.
- The need to engage with PCCs, given their responsibilities for local police priorities and resourcing.
- The need to address the practical and cultural aspects associated with a competency-based pay arrangement which is reliant on a performance assessment process.
- The time needed to enable the necessary legislative changes.

## Pay and workforce reform – strategy

- 3.7 The NPCC told us that pay reform needed to complement the Uplift Programme and that pay was viewed as one of the levers which underpinned strong policing performance. The NPCC observed that pay should be viewed as one part of an ecosystem which attracted and retained talent, motivated people, enabled strong employee engagement, and identified those who fell below standard.
- 3.8 Building on the points above, the NPCC said that the landscape for pay reform had changed significantly since its submission to us last year. Specifically, they reported to us that:
- In addition to a new national lead for reform, the resourcing of the National Reward Team (NRT)<sup>33</sup> had benefitted from a full-time programme director and operational lead.
  - The breadth of the programme had been reviewed, the ambition refocused, and a revised timetable agreed.
  - The methodology for engaging with stakeholders had been revised to enable a faster way of working. New groups had been established to inform the programme.
  - A blueprint of the new pay framework had formed the basis for consultation.
  - Work had started on implementation planning and development of the required determinations with a focus on agreeing and resolving the issues raised by the staff associations in consultation.

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<sup>33</sup> The NRT, on behalf of the NPCC pay and conditions lead, maintains responsibility for delivery of the National Reward Framework change programme.

- There had been reinstatement of regular PCF meetings with a new independent chair appointed.
  - The Uplift Programme had had a significant impact on the programme with the NRT lead also tasked with looking at retention and reducing the number of officers leaving each year.
- 3.9 The NPCC told us that, in response to changed strategic imperatives during 2019, the priority for pay reform was now focused on proposals to:
- retain officers in hard-to-fill roles and to ensure that there was capacity to develop the next generation of officers as workforce uplift took effect;
  - retain officers who might otherwise leave the service on retirement to provide critical skills and to support an otherwise inexperienced frontline;
  - use pay in a targeted way to attract and recruit candidates who had the specific skills, knowledge and experience that the service needed;
  - address the issue of those officers who leave mid-service, most immediately with work around maternity, paternity and adoption; and
  - implement a 'brake' on pay progression linked to unsatisfactory performance.
- 3.10 The NPCC explained that throughout 2019 they had been working with stakeholders on a reform package of measures which was fair, flexible and deliverable. The NPCC told us that our observations in our 2019 Report also informed this review. The NPCC view was that reform should help to attract the right numbers to policing, support the retention of experienced officers and their skills, and ensure that policing had the right people in key roles to deliver on service-wide goals around crime and confidence.
- 3.11 The NPCC made it clear that the resulting package of reform measures represented a balance between scope, cost and pace of delivery and reflected the progress that had already been made, as well as that planned for the next two years.
- 3.12 The NPCC told us that it was progressing with initiatives under three main headings and these provide the outline framework for our discussions below:
- **Benchmarking and P-factor** – where the proposals were to remove the first pay point of the sergeants' pay scale and to agree revised descriptors and an additional valuation for the P-factor.
  - **Targeted variable pay** – where work was focused on broadening and extending the current determinations.
  - **Pay progression and transition** – limited recommendations were made this year relating to progression.
- 3.13 The NPCC indicated that its proposals would support growth in the police service, contribute to improved morale and aid retention of experience by:
- adopting a pragmatic process that ensured pay progression was not automatic, and poor performers did not progress up the pay spine;
  - providing more flexibility in setting starting pay, to enable this to reflect market conditions;
  - introducing stronger and more robust mechanisms to ensure competency at the critical end of the probation stage through a more rigorous and independent process for assessing competence; and

- moving away from a one-size-fits-all approach to pay, with a targeted variable payments policy which allowed forces to use pay as a lever to tackle workforce challenges (such as hard-to-fill roles).
- 3.14 In summary the NPCC told us that further reforms would be needed which would take several years to embed. It said that particular focus would be needed to encourage and embed a culture of continuous professional development in policing and to encourage training and development more generally. However, the NPCC commented that, taken together, the reforms would provide a modern pay framework for policing, aligned to the challenges the service faced.
- 3.15 Building on the above, the NPCC also told us of plans to develop a national HR strategic capability. The NPCC said that it was the intention for this ‘employer-led’ strategic function to ensure that policing could effectively meet future workforce demands by:
- helping ‘employers’ to develop their priorities in terms of workforce reform;
  - supporting the NPCC to deliver a high performing portfolio of change;
  - providing a centre of HR expertise to forces; and
  - providing policing’s hub for national workforce analytics.
- 3.16 The NPCC told us that it was intended that the NRT, which was a non-permanent team, would transition to the new national HR strategic function and be permanently established, taking on business as usual responsibilities.
- 3.17 In its discussion of pay reform in evidence to us, the **Home Office** explained that the significant increase in officer numbers, alongside delivery of other elements of workforce reform, would enable policing to build and retain capability and capacity, and support wellbeing within a growing workforce. The Home Office indicated that this, in turn, would assist in meeting the challenges of emerging and rapidly changing types of crime, ensuring that the police workforce was fit for purpose with the resources it needed to meet demand.
- 3.18 The Home Office also confirmed that workforce reform remained a key strand in the Policing Vision 2025, which had been agreed by PCCs and chief constables. Therefore, the Home Office remained keen to pursue proposals for police pay reform, with the reward framework forming the basis for future annual base pay awards and market benchmarking of pay and conditions. It said that these proposals would support the drive to embed continuous professional development in policing and give forces greater flexibility to choose the composition of their workforce. The Home Office told us that implementation of pay reform would support forces and help them to work effectively and efficiently which would be crucial in the coming year. The Home Office made clear to us that it considered that the introduction of robust performance development review (PDR) processes to support the proposed pay scale should also help to improve the service and ensure that officers were better supported with professional development throughout their career.
- 3.19 The **MPS** told us that it continued to back an ambitious pay reform agenda and that it had supported the NPCC in helping to re-frame the ambition of reform. The MPS said that it would continue to work closely with the NPCC to progress the proposals and recommendations contained in the main NPCC submission.
- 3.20 The MPS confirmed that its support for reform was based on the position that meaningful reform could only be properly achieved if money were available to fund transition. Furthermore, the MPS would have no appetite for holding money back from some officers to create the capacity to pay others more, particularly against the backdrop of a prolonged period of pay restraint. The MPS made it clear that pay reform could not

be cost-neutral. The MPS also indicated to us that the cost of reform, as set out in the NPCC submission, should be viewed as a distinct requirement in addition to the funding required for the 20,000 uplift in police numbers.

- 3.21 The MPS indicated that its support for national reform recognised the importance of service-wide unity on matters of pay and conditions and that it would continue to assist in the wider College of Policing (CoP) led workforce transformation and through initiatives such as the direct entry detective recruitment pathway.
- 3.22 In their joint evidence the **PFEW** and **PSA** told us that it was difficult to see how pay reform could continue as previously planned as the Uplift Programme had an impact on the ability of the police service to deliver other initiatives. They suggested to us that the pay reform agenda should be reviewed in the new operating context noting, in particular, that any formal linkage of pay to assessment would have to be delayed and that the NPCC should opt instead for an assumption of competence for pay progression.
- 3.23 The PFEW and PSA confirmed to us that preparation for the Uplift Programme had meant that elements of pay reform including benchmarking, work on the P-factor and the constables' pay scale had been deprioritised and slowed. They said that variable pay seemed to be the element that the NRT was keenest to achieve quickly given the assumption that it would have the most impact on recruitment and retention.

#### *Our comment*

- 3.24 The key theme emerging from the evidence is that the landscape for reform has changed significantly since our last pay round because of the priority now being given to delivering the Uplift Programme – the Government's plans to increase the police workforce by 20,000 officers. We conclude that this change of emphasis impacts on the way that we should consider reform because the Uplift Programme has consequences across many of the factors which we normally consider as part of our review including affordability, workforce numbers, recruitment, retention, morale and motivation.
- 3.25 Further to the receipt of the NPCC's written evidence, we received an update on the progress of pay reform at our oral evidence session. At this, the NPCC emphasised the extent to which the re-focus on strategic priorities, in particular the Uplift Programme, meant that the aspiration for the delivery of pay reform had moved from being a single event to a series of year-on-year evolving pay approaches. In our previous reports we assessed that the programme was ambitious, complex and that there were significant risks to successful implementation. Therefore, we see the move to an incremental approach as pragmatic and deliverable. However, care needs to be taken to ensure that the components fit within a strategic plan with a clear vision and that the overall programme remains comprehensive and is delivered in a reasonable timeframe. We note that one of the implications of an incremental approach is that there may be a delay to the completion of the programme and there is a lack of clarity on the timescale for delivery of some of the key components of reform. We also assess that the consideration of proposals on a piecemeal basis creates a new risk around coherence.
- 3.26 The rationale for reform remains valid and needs to be progressed alongside, and complementary to, the important work and focus on delivery of the Uplift Programme. For this momentum to be sustained, the NPCC needs to be able to build and maintain consensus across the stakeholder community for the revised plan. Critically, for reform to be achieved it is important that it continues to be properly resourced in line with the new timetable for implementation. Building on this, we support the proposal that the NRT should transition to the new national HR strategic function.

- 3.27 The Home Office is clear that police pay reform and the Uplift Programme should be pursued in parallel. We note that the Home Office does not discuss forces' readiness for reform or provide a view on the timetable for implementation. We are concerned that significant challenges are being placed on individual police forces with the requirement to deliver pay reform and workforce uplift concurrently. We observe that there is a tripartite governance arrangement in policing and stress the need for the Home Office, PCCs and chief constables to work together if both police pay reform and workforce uplift are to be delivered successfully.
- 3.28 One of the modifications made to the reform programme acknowledges the difficulty of delivering a system of pay progression based on assessment of competence. The NPCC and staff associations told us that a system based on the PDR system would not be achievable in the short term and that the work to develop a competence-related pay system had stalled, in part because of re-prioritisation, but also in recognition that there was not the necessary level of force readiness to enable timely delivery of a robust PDR mechanism to enable performance-related pay. The Home Office made it clear in its evidence to us that the ability of pay reform to deliver a mechanism to link pay to productivity and competence and, at the same time, embed a culture of professional development within policing, was a priority for them.
- 3.29 We note a significant difference of emphasis between the Home Office and NPCC on the implementation of a system of pay progression based on competence. The NPCC has not specified a timescale for the implementation of the pay model linked to competency and so there is a lack of clarity over intentions here. These differences in perspective need to be addressed and we suggest that expectations need to be managed on both sides to avoid problems in the future.
- 3.30 We agree that recognition of competence in pay is, in principle, correct. However, our views on the right time to implement this in policing draw on many of the comments we made around risk in last year's report, including the observations around the challenges of implementation across 43 independent forces, capacity to implement change and, most importantly, the cultural aspects of change. We commented that delivery of such change would have a number of practical implications, including the ability of officers in management positions to administer a competency-based pay arrangement which would require a specific set of skills. We also indicated that we saw the need for a range of personnel functions to be resourced and implemented to underpin any new pay arrangements. We conclude, therefore, that we have not seen evidence that there is the necessary level of readiness to enable successful delivery of a robust performance-related pay mechanism at present, but agree that this should remain as a fundamental component of the pay reform agenda for delivery as soon as is practical.
- 3.31 We were also interested in the Home Office comments about the reform proposals providing a link to productivity. We understand the Government's desire for productivity improvements but have commented in previous reports, and do so again in Chapter 2 this year, that the measurement of productivity in policing is problematic. We assume that the productivity referred to in the context of performance is the expectation that a workforce supported by a robust performance management process will be more capable and will, relative to a set number of officers, be able to deliver more effective policing. The NPCC told us separately that it understood the need to improve the evidence on how pay structures would be used to increase productivity. We would be interested to see this theme developed in evidence for future pay reviews.
- 3.32 We welcome and support the development of a cross-cutting national HR capability across policing and see that it could be of significant benefit to policing if it is properly resourced and managed as a national capability. This national element is particularly important. We look forward to receiving evidence in future rounds on its design and function, implementation and results.

## Benchmarking and P-factor

### *Benchmarking*

- 3.33 The **NPCC** told us that the Korn Ferry benchmarking exercise had now concluded and that the reports would inform further work on each rank. The NPCC indicated that the work had shown that the top of the constable pay scale (when adjusted for the P-factor) was broadly aligned to the market and was seen as a fair rate for the job.
- 3.34 The NPCC said that this benchmarking exercise had used job evaluation as a measure to compare jobs of similar size elsewhere and looked at other professional career paths. It said that the exercise examined not just salary but also the total value of the package, including pensions, allowances and benefits. The NPCC agreed that these elements did not in themselves give a definitive answer on how much to pay and needed to be set alongside attraction and retention data, as well as being affordable within forces' financial resources. However, the NPCC indicated to us that these results provided a way of testing the current system and potential changes, both now and in the future.
- 3.35 The NPCC said that it would be taking forward work on the results of benchmarking with stakeholders during 2020. However, the NPCC shared with us some of the strategic issues which Korn Ferry had identified with the current pay structure, namely:
- the number of pay increments varied between ranks;
  - range width was inconsistent;
  - there was no clear approach to pay on promotion; and
  - the relationship between the top of the scale pay point and the public sector pay market was uneven.
- 3.36 Linking the benchmarking work to the P-factor, the NPCC explained that when considering the competitiveness, or otherwise, of police pay in relation to market data, the notional value of the P-factor should be removed for comparison purposes. It said that the P-factor element was a premium to compensate for the unique aspects of the job. The NPCC told us that 71% of forces had indicated that they were content with the benchmarking work while, of the remainder, their comments underscored the need to link benchmarking to the P-factor work and to consider overall affordability.
- 3.37 The **APCC** told us that the work by Korn Ferry on the benchmarking of pay of police officers of all ranks would be valuable in the future work described by the NPCC to look at the pay framework of police officers.
- 3.38 In their joint evidence, the **PFEW** and **PSA** confirmed their view on the importance of benchmarking but disputed the methodology used by the NPCC, in particular the comparator group and the element of pay considered for benchmarking. They stated that the benchmarking should compare degree-level salaries. The PFEW and PSA told us that they were disappointed that Korn Ferry had focused on median salaries within the population and that within any level there was a range of job sizes, which meant that the levels were very broad. However, at the time that their evidence was submitted to us, they acknowledged that the NPCC work was not yet complete and that separate work would be done to benchmark against public sector roles. The PFEW and PSA noted that some of the figures provided under benchmarking were a broad estimate and provided guideline figures which could be refined over time to take account of the need for shift work and the training required to be a police officer.
- 3.39 The PFEW and PSA advised us that they had undertaken a separate benchmarking exercise using IDR data which had used specific (mainly public sector) comparators for policing. They told us that their benchmarking showed that current rates of pay across

all ranks from constable to chief inspector were lower than the comparator group. Specifically, the PFEW and PSA said that the data suggested that constables' pay lagged well behind comparable roles. The PFEW and PSA were concerned that this would have an impact on the competition for recruits. Furthermore, they told us that the different sets of results from the NPCC benchmarking and their own analysis signified the importance of agreeing an appropriate benchmarking methodology before the outcomes could be used in a meaningful way.

- 3.40 In its separate evidence, the **PSA** told us that work on the pay for the superintending ranks would form part of the NRT's programme of work for 2020/21 which would be completed in conjunction with the wider work on benchmarking. The PSA hoped that this work would be complete to enable us to comment and make recommendations on it as part of next year's pay round. The PSA accepted that because of the Government's desire to increase police numbers by 20,000 officers, it was appropriate that the immediate focus of the benchmarking work was on the constable and sergeant ranks.

### *Sergeants' pay scale*

- 3.41 The **NPCC** told us that the benchmarking data highlighted an imbalance at the start of the sergeants' pay scale, where there was very little differentiation between the scale maximum for constables and the first pay point for sergeants. It highlighted that 73% of forces had indicated that they had found it difficult to recruit sergeants in the previous year and that there would be a need for an additional 2,000 sergeants per year (through promotion or retention) to maintain the supervision ratios necessary. It said that this presented a strategic risk to the implementation of the Uplift Programme. Therefore, the NPCC proposed to us that the first pay point of the sergeant scale should be removed. The NPCC told us that the estimated total cost of this would be an increase in the pay bill (including National Insurance) of just over £3 million for the 2020/21 financial year (based on about 1,500 sergeants on pay point 1). The NPCC also argued that removal of this pay point would be consistent with a desire to simplify the pay scales.
- 3.42 The **APCC** told us that it supported the removal of the bottom point of the sergeants' pay scale to encourage constables to seek promotion and to help in the recruitment of the additional sergeants required to support the Uplift Programme.
- 3.43 Similarly, the **PFEW** and **PSA** told us that it agreed with the NPCC proposal but only if those already on that pay point were immediately moved up to the next pay point.

### *Valuing the P-factor*

- 3.44 The **NPCC** told us that it had progressed work on the P-factor. It had agreed an updated definition of the P-factor descriptors and had considered an appropriate valuation to take account of these revisions made. The NPCC said that it had built on the work it had reported to us for our 2019 pay round. The NPCC also told us that there was no hard science on which to build a valuation of P-factor.
- 3.45 The NPCC recommended a 12% valuation of the P-factor and told us that it wanted to retain the policy of capping the value at the scale maximum of constable rank. It said that this equated to a valuation of £4,815 (based on the constable top pay point at September 2019 rates) and that the P-factor would apply to all officers. The NPCC advised that it intended to mirror the military process whereby the relevant factors would be reviewed every five years.
- 3.46 The **APCC** told us that the NPCC's work on the definition and valuation of the P-factor would be valuable in the future review of the police officer pay framework.

- 3.47 In their joint evidence, the **PFEW** and **PSA** told us that they were content with the method by which the NPCC had said that the P-factor would be incorporated into pay for the federated ranks and supported the NPCC's intention that the P-factor should be separated out of pay for benchmarking purposes. However, they disagreed with the way that the NPCC had valued the P-factor and the NPCC's proposals as to how it should be measured and tracked over time. The PFEW and PSA proposed an alternative methodology.
- 3.48 Further to this, the PFEW and PSA hoped that a systematic evaluation of the P-factor would be undertaken and told us that they considered that the NPCC arguments for a 12% valuation of the P-factor were not persuasive. The position of the PFEW and PSA was that the value of the P-factor should be 14.5%, the same as the military X-factor although they acknowledged to us that there were differences between police and military roles. However, they told us that the police faced a daily threat from certain sections of the public within the localities where they worked and lived with the potential for this threat to extend to their family.
- 3.49 In its separate evidence, the **PSA** told us that it was concerned by the NPCC's proposals to cap the P-factor value at the top rate constable salary. The PSA said that this would reduce the value of the P-factor for every rank above constable which, as it took time to achieve higher rank, could be seen as a policy that appeared to disadvantage officers based on their age. The PSA indicated to us that this could lead to legal challenge and that they would ask the NRT to make the legal advice received on this available to the members of the PCF.

### *Our comment*

#### Benchmarking

- 3.50 We agree that benchmarking is important and that this should inform and guide the development of new pay arrangements. However, we observe that there was disagreement between the parties as to the methodology used. The remit letter invited us to consider the proposals for independent benchmarking and to comment on their suitability and robustness. We have been provided with background data on the benchmarking and look forward to seeing the conclusions of further work which the NPCC has indicated it will take forward this year, along with new pay proposals in evidence for next year's pay round. We note the four strategic factors which Korn Ferry identified as issues with the pay structure. Consequently, we invite the NPCC to build on these in presenting the outcome of the benchmarking by explaining how the proposals would support recruitment and retention, what work has been done to ensure coherence between the pay proposals for different ranks, differentials between ranks and how these will encourage promotion. We also invite the Home Office to clarify what it will expect from us in relation to this in next year's pay round, noting that we follow an agreed annual process.

#### Sergeants' pay scale

- 3.51 We note that the evidence presented to us in relation to the sergeants' pay scale is strong. The benchmarking data highlighted that the gap in pay from the top of the constables' scale to the sergeants' starting rate of pay is small and may be a factor in the difficulty in recruiting sergeants, an issue given the need to create an additional 2,000 sergeant posts to support workforce uplift. We noted that there is broad consensus across the parties on removing the lowest point of the sergeants' pay scale. In considering our response to this pay proposal we considered whether it was appropriate for us to form a view on this in isolation from other pay reform proposals, given the importance of coherence across the pay structure. However, on balance, we see the

need to take a pragmatic view. We recognise that the planned influx of new student officers will need to be supported by sergeants. We also assess that it is important for the police to be able to commence recruitment of the additional officers for the Uplift Programme. Therefore, because of the practical benefits, we support this proposal but invite the NPCC to ensure that any subsequent pay changes are presented to us as part of a coherent package.

### Valuing the P-factor

- 3.52 We observe that benchmarking and the valuation of the P-factor are closely related because the ability to remove the P-factor value facilitates pay comparison against a broader range of roles. We were pleased to see that the parties welcomed the work undertaken by the NPCC to agree the descriptors for the P-factor. However, we note that there is disagreement across the parties on the methodologies used in both benchmarking and the valuation of the P-factor. It is important that these differences are resolved because it may prove difficult to get agreement to implementation of any new pay arrangements if these are not. We invite the parties to address this as a priority so as not to hinder progress or distract attention from the overall programme of reform.
- 3.53 On the P-factor, we would welcome clarity as to how it will be used in informing rates of pay and, noting that some frontline public service jobs have been used as part of the comparator work, what steps have been taken to ensure that there is no double-counting of the P-factor elements.
- 3.54 We see our focus as being on understanding and reviewing the methodology for the valuation of the P-factor. However, we note that there is no consensus among the parties on the figure presented by the NPCC. In their evidence to us, the parties demonstrated the value to them of having robust evidence on which to draw conclusions, not just in connection with benchmarking but also in informing and justifying a rate for the P-factor. We conclude that the valuation of the P-factor is an area which needs further work.

### Targeted Variable Pay

- 3.55 The NPCC told us that Targeted Variable Pay (TVP) options formed part of the original design of the new reward framework and that this area would be expanded, specifically to facilitate retention.
- 3.56 The NPCC said that in policy terms it had agreed to TVP arrangements to allow discretion for:
- a force-wide recognition payment to be made;
  - financial incentive to assist with: recruitment of officers into hard-to-fill roles; retention of officers in demanding roles; and skills that were in short supply – by virtue of role and/or location;
  - financial payment aimed at deferring an officer's decision to resign or potentially retire; and
  - the ability to recognise unusually demanding superintending roles (which could be expanded to include assistant chief constables/commanders).
- 3.57 The NPCC said that the new arrangements sought to bring greater legitimacy and consistency to what was already taking place. The NRT also told us that it was preparing overarching Equality Impact Assessment (EIA) guidance for forces to consider when using TVP.

- 3.58 The NPCC remarked to us that despite our previous observations that take-up of TVP had been slow, forces had demonstrated strong support for enhancing TVP options. Forces had told the NPCC that they would use such payments to address skills shortages, assist recruitment into hard-to-fill roles (including for geographical reasons) and address roles which were critical to retain<sup>34</sup>.
- 3.59 On the total amount of TVP payable to each officer, the NPCC told us that it had agreed to raise the limit to £5,000 and increase this each year in line with cost of living awards. The NPCC indicated that forces had told them that they would be more likely to use TVP if the payments were centrally funded, which they thought it should be as TVP would support achievement of the Uplift Programme, and estimated that to pay £2,500 to 50% of officers would cost around £155 million.
- 3.60 The **MPS** told us that it supported the NPCC's TVP proposals and would welcome a more permanent suite of discretionary pay levers. The MPS said that it had made payments for hard-to-fill detective roles and some demanding superintendent roles under the existing temporary arrangements.
- 3.61 The MPS also indicated to us that it did not have the evidence that pay would, on its own, address some of the complex workforce challenges it faced. However, it was convinced that discretionary pay flexibilities would be a valuable lever, alongside other incentivisation measures, in helping to attract and retain officers into a small and defined set of operationally critical roles.
- 3.62 The **APCC** told us that the Uplift Programme would be likely to increase the importance of TVP in supporting the recruitment and retention of officers in hard-to-fill or other critical roles.
- 3.63 In their joint evidence, the **PFEW** and **PSA** acknowledged that something should be done to reward officers in roles that were hard to fill or challenging, but this area of reform had seen least systematic progress since last year with TVP the only measure that was now on the table. However, the PFEW and PSA told us that they had a number of concerns with the TVP proposal including:
- The NPCC's suggestion of monitoring which roles attracted TVP and sharing these with other forces to establish a common framework. This seemed to be an ad hoc approach whereby the framework emerged from whatever practices forces adopted. Without a clear rationale, the risks of introducing unintended consequences were increased.
  - There were a number of risks if variable pay was not addressed systematically:
    - leading to negative impacts in terms of equality;
    - officers viewing the process as unfair;
    - forces getting into 'bidding wars' against each other;
    - moving the recruitment/retention problem between roles within forces; and
    - discretionary payments not being made as forces did not want to risk litigation.
- 3.64 The PFEW and PSA accepted a need for pay to reward hard-to-fill, risky and arduous roles. They proposed an alternative way forward which built variable pay in a structured and transparent way using benchmarking and weighting of roles and a panel to make assessments.

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<sup>34</sup> Forces reported that roles difficult to recruit or retain were detectives (78% of forces), tutor constables (54%) as well as firearms, public protection, officers with a digital skill set and custody officers.

- 3.65 In its separate evidence, the **PSA** told us that bonus/targeted payments arrangements had been available for chief constables to use since February 2019. The PSA shared with us the data it had collected on the take-up of these arrangements among its members, which showed that 126 members out of a possible 1,275 had accessed the targeted payments. The PSA told us that it was disappointed at this level of use, the time taken to apply the process, the spread of payments and the lack of consistency. The PSA said that only 5 out of a possible 43 forces had agreed to pay the targeted payments, which meant that 88% of chief constables had used their discretion either to refuse payments or had made a policy decision that they would not support payments.
- 3.66 The PSA also shared with us their understanding that certain chief constables took the view that targeted payments should cease and be replaced with an increase in base pay. However, as the PSA indicated, if this were the case, this had not been translated into an NPCC submission for our consideration.
- 3.67 The PSA nevertheless told us that it would support the continuation of variable payments and an extension of the temporary regulation that was due to expire in September 2020. However the PSA indicated that, moving forward, it would want the regulation to expand rather than reduce the criteria for payment and restrict rather than increase the discretion available to chief constables in relation to whether they would authorise targeted payments. The PSA indicated that there needed to be a change in culture among chief constables for this to be a successful pay reform initiative, rather than an unused regulation.

#### *Our comment*

- 3.68 We appreciate that this aspect of the pay reform programme has been expanded to facilitate retention, particularly for workforce uplift. We understand that TVP is designed to address skills shortages and assist recruitment into hard-to-fill roles. There is general agreement across the parties to the proposals in principle but disagreement as to the extent to which the payments should be discretionary. We have some sympathy with the PFEW argument that a consistent, systematic approach across forces is required to avoid a number of risks, including in relation to equality. We assess that local flexibility needs to operate within an overarching framework. We agree that TVP is a valuable mechanism in providing chief constables with a means to address specific local issues but that there are key issues around transparency and fairness which need to be addressed. Therefore, we assess that there should be some nationally agreed principles to ensure consistency of application across forces and to set out the circumstances in which payments may be made. These principles should address:
- the criteria for payment against recruitment, retention or 'hard-to-fill' definitions;
  - the mechanisms to ensure that the payments are fair and address equality and diversity issues; and
  - the method of communicating the principles within forces.
- 3.69 We suggest that this could usefully be picked up as part of the strategic HR function (discussed above at paragraph 3.32).
- 3.70 We have commented previously about the low take-up rate of such payments. We suggest that there needs to be a more collective approach among chief constables and were encouraged that the APCC told us that they see TVP as an increasingly valuable tool to support retention and the filling of hard-to-fill roles. We note that there is no specific objection to the NPCC proposal that the maximum amount payable to an officer in any year be increased from £4,000 to £5,000 and therefore support this.

3.71 The point was made to us that forces would be more likely to use TVP if the payments were centrally funded, and that they should be because of the connection to workforce uplift. However, we assess that central funding would not mean that additional money would be made available or that there would be increased application. Administering such a system is likely to be bureaucratic. Therefore, we agree that the payments should continue to be funded and applied locally by those who best understand local circumstances and priorities. For next year's review we would welcome data on the take-up of TVP.

## Pay progression and transition

3.72 The NPCC told us that the main barrier to implementation of the fully-reformed pay arrangements was the significant transition cost which could be £1.1 billion over six years. Therefore, the NPCC recommended maintaining the current number of pay points (except for sergeant pay point 1 – see paragraph 3.41).

3.73 However, over time, the NPCC envisaged changes in the pay structures with fewer pay points, enabling officers to progress faster through the pay scale, with a stop on progression if performance were not satisfactory. It said that this arrangement would form the basis of a robust and transparent mechanism for determining pay, based on productivity and competence, rather than time served.

3.74 The NPCC told us that mechanisms had been put in place to enable progression based on competence for entrants as part of the Police Education Qualification Framework (PEQF) and PCDA schemes. However, the NPCC noted that despite the progress made, not all forces could demonstrate robust, meaningful and consistent PDR processes, including assurance that first-line supervisors were capable and competent in the use of them. Therefore, the NPCC told us that forces were not able to fully implement pay progression linked to the PDR and that the situation was complicated by the Uplift Programme because the focus for supervisors would be managing the surge of recruits to deliver workforce uplift, rather than developing and embedding performance management arrangements.

3.75 Recognising the rationale for linking pay to performance, the NPCC explained to us that a pragmatic solution, which would be capable of being delivered quickly and consistently, would be to freeze pay progression for an officer being dealt with under the unsatisfactory performance procedure. The NPCC recommended that this should be the case, with the situation reviewed in 2021.

3.76 In light of the recognition that Continuous Professional Development (CPD) and PDR processes were not sufficiently mature to support pay decisions, the NPCC told us that they had not progressed work in relation to the constable pay scale. The NPCC had intended to make a recommendation to us on the pay scales for the new entry routes and reposition the pay points scale as part of a new framework. However, the NPCC said that implementation of this had been deferred and that the current scales should remain in place for the time being.

3.77 The **Home Office** was clear that the police pay structure was grounded in a system of annual incremental progression, with over half of all officers at the top of their pay scale. It said that pay reform aimed to link pay to productivity and competence rather than time served, resulting in a fairer and more transparent system. The Home Office explained to us that this would support the drive to embed a culture of professional development in policing.

3.78 The **MPS** told us that the pay spine for constables was unnecessarily long and that there was no compelling evidence that it took a constable seven years to be performing the normal range of duties. Moreover, the MPS was concerned that to be attractive in the

market (particularly in attracting recruits with relevant experience in other sectors) a long pay spine, which meant a delay before an officer was earning the 'rate for the job', was counterproductive and that a four- or five-year pay spine would seem more appropriate. Nevertheless, the MPS told us that an increase to the speed of progression would be unaffordable without additional dedicated funding.

- 3.79 Discussing proposals for pay spines and pay progression, the **PFEW** and **PSA** told us that officers' pay had 'fallen so far behind inflation' and because of a need to encourage retention, all ranks should have a new top pay point. In their separate evidence, the **PSA** supported the introduction of additional pay points at the top of both the superintendent and chief superintendent pay scales.
- 3.80 The **PFEW** and **PSA** also acknowledged that the officer appraisal process would need to play a significant part in any competence assessment. However, they told us that there was anecdotal evidence that many officers had not had a recent PDR and that 49% of officers who responded to the **PFEW** Pay and Morale Survey were dissatisfied with the PDR process<sup>35</sup>. If assessment-based competence pay were to be introduced, they told us that it had to be based on a robust and fair system.

#### *Our comment*

- 3.81 The **NPCC** set out its aspirations for the pay structure of the future, one with fewer pay points and progression based on productivity and competence, rather than time served. However, it explained that much of the work to develop this had stalled either because of re-prioritisation or recognition that force readiness to deliver a robust PDR mechanism to enable performance-based pay is still some way off. We discuss issues around the re-prioritisation of this work at paragraph 3.28. We note that there is inconsistency across forces on the use of PDRs and readiness to fully implement them. We support the pragmatic short-term solution to use the current procedures for dealing with unsatisfactory performance to determine whether progression should be possible.
- 3.82 The **NPCC** discussed the range of detailed work being progressed by the College of Policing to support career development and best practice in HR, which will support the work to bring in pay progression based on performance. Therefore, we look forward to receiving details of a more robust and coherent solution in due course.
- 3.83 Both the **PFEW** and **PSA** suggested the creation of new additional pay points above the current pay structure across the ranks which they represent. We note that, following a re-prioritisation by the **NPCC**, detailed work on the constables' pay scale is not being taken forward for the current pay round. The **PFEW** and **MPS** told us that, in the absence of this work, action should be taken to reduce the number of steps on the constables' pay scale so that officers get to the top more quickly. We note, however, that over half of police constables are already at the top of the pay scale and invite the **NPCC** to consider how these officers can continue to be motivated.
- 3.84 Separately, we understand that there is discretion available to individual forces to vary the starting rates of pay (and this is discussed further in Chapter 5) and note that the **NPCC** would like this discretion retained and flexibility extended<sup>36</sup>. However, the **PFEW** argued that this position caused unfairness and inequality, particularly with regard to equal pay. We consider that it would be premature to discuss issues relating to constables' pay at this stage and would like to see any proposals for change, whether at the top or bottom of the scale, considered as part of a coherent pay package which takes account of the outcome of the benchmarking work.

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<sup>35</sup> The **PSA** told us that one in three respondents to its Pay and Morale Survey had not had a PDR in the last twelve months and that 53% were dissatisfied with the PDR process.

<sup>36</sup> For example, in relation to incremental progression for recruits on the Police Education Qualification Framework.

## Implementation and readiness for reform

- 3.85 The remit letter asked us not only to look at the specific details of the reform programme, but to consider its management and the steps being taken to work with stakeholders to implement the proposals.
- 3.86 The NPCC told us that significant steps had been taken in 2019 to improve stakeholder engagement and that this had been achieved through a process of continuous engagement which aimed to ensure that concerns were raised as work developed. It said that this engagement had progressed inside and outside the PCF. The NPCC acknowledged that continuous engagement was not always convenient for staff associations but it had endeavoured to hold regular one-to-one meetings with the relevant parties.
- 3.87 The NPCC informed us that 'employer-led' consultation in October 2019 had aimed to build on this continuous engagement. This was intended as a formal process to seek views from forces and staff associations on the consolidated blueprint design to identify areas of consensus.
- 3.88 The NPCC also told us that a consultancy company had been employed to develop a communications strategy and that the pay reform changes to be delivered in 2020 would be communicated in line with this strategy.
- 3.89 In terms of communications and messaging, the NPCC confirmed that the key message was that the significant reform agenda would positively support the Uplift Programme and contribute directly to stronger performance, aligned to ongoing work across the wider workforce portfolio to embed CPD and stronger learning and development mechanisms.
- 3.90 The NPCC also shared their plans with us for implementation which reflected revised delivery phases:
- Phase 1 – To develop and produce the outline design of the National Reward Framework (delivered in 2018/19).
  - Phase 2 – To develop and produce the detailed design of the National Reward Framework and the case for delivery (delivered in 2019/20).
  - Phase 3 – To implement the National Reward Framework:
    - Stream 1 – delivery of P-factor/ benchmarking/ TVP and pay progression linked to the unsatisfactory performance procedure (2020/21).
    - Stream 2 – delivery of pay progression linked to competency (for all ranks), including the transition to a new pay scale (the NPCC indicated that the timescales for this had still to be confirmed).
  - Phase 4 – Period of review (framework benefits and programme delivery).
- 3.91 The NPCC indicated that the 2020/21 timeline was predicated on a number of assumptions, which included sufficient funding and resourcing of the NRT, and that the Home Office would be able to progress the determination process with minimal delay. On this latter point, the NPCC said that it was engaged with the Home Office to prioritise legislation requests.
- 3.92 The NPCC confirmed to us that it was not progressing the implementation of the pay progression link to competency and transition to a new pay scale (Stream 2) due to concerns about affordability, operational bandwidth and service readiness.

- 3.93 As part of the process of implementation, the NPCC indicated that it recognised the need to comply with the duty imposed by the Equality Act (2010) and said that it was committed to facilitating a culture of inclusion. The NPCC said that it wanted to ensure that it did not propose or build anything that was fundamentally unfair or that would lead to issues around equality. It told us that this had been at the forefront of its considerations throughout the design phase and that legal advice was sought on a regular basis to confirm that the developing proposals were valid and to support the development of overall EIAs. However, the NPCC explained to us that forces would need to consider their own EIAs (including, for example, in respect of the use of TVP) to reflect local data and context because the impact that the use of a pay lever might have on a protected characteristic would vary in every force. The NPCC clarified that on matters of equality the risk of any legal challenge would be in the way that a regulation was applied and would remain with forces. However, the NPCC also told us that it had drafted comprehensive guidance to accompany any determinations to suggest the steps forces might take to mitigate against indirect discrimination.
- 3.94 In oral evidence, the **Home Office** told us that it recognised its role, alongside PCCs and chief constables, as part of the tripartite governance mechanism and its active, strategic, role in the leadership of policing. The Home Office told us that it had supported delivery of the programme this year, by offering an independent chair to oversee the PCF.
- 3.95 The **APCC** told us that it welcomed the NPCC's commitment to the preparation of EIAs and guidance for the implementation of newly defined TVP.
- 3.96 The **PFEW** and **PSA** informed us that they had requested from the NPCC a benefits realisation model for the pay reform programme which outlined the intended benefits, why the NPCC believed that the actions taken would result in those benefits being achieved and consideration of unintended consequences.
- 3.97 The PFEW and PSA were also concerned that the police service had struggled to become representative of the people it served and that this provided a need to demonstrate the equality impact of the new policies. In this context, they felt that the draft EIAs produced by the NRT were seriously flawed and that the process followed was not transparent. Furthermore, the associations were concerned that individual forces, rather than the NRT, would be responsible for undertaking EIAs in relation to TVP.
- 3.98 The PFEW and PSA told us that they had encouraged the NPCC to undertake EIAs at the right time and in the appropriate manner but that their concerns had not been addressed. As a consequence, the associations told us that they had withdrawn from participating in relevant NPCC workshops.
- 3.99 The PFEW and PSA also expressed concern about the process to make police determinations and that the backlog of regulations and determinations was staggering although they could not understand how this had arisen. The PFEW said that it placed an importance on the regulations as these were protection for officers and a substitute for a contract of employment.

#### *Our comment*

- 3.100 Overall, there has been progress across the pay reform programme and we observe that improvements have been made in a number of key areas, including work with stakeholders to build consensus.
- 3.101 We note that progress has been made in defining the benefits of the reform programme. We assess that, in part, this has been driven by the Uplift Programme but also that the re-prioritisation of the programme has enabled a focus on the benefits to be achieved and a recognition of the need to develop some of the HR processes necessary to underpin some of the pay initiatives. However, we thought that the staff association

submissions were notable for what they omitted to say about the benefits of the programme, which leads us to conclude that considerable work still needs to be done to communicate these aspects of the programme.

- 3.102 We would have welcomed more from the NPCC on forces' readiness for implementation and specifics on the plans for delivery of the proposals.
- 3.103 We welcome the Home Office's confirmation that it is taking a more active role in the governance of police pay and workforce reform. In previous reports we suggested an enhanced role for the Home Office in providing strategic oversight of policing. Close working between the Home Office, PCCs and chief constables will go some way to mitigate the risk that the dispersed nature of policing, across 43 independent police forces, presents in relation to coherent and effective delivery of pay and workforce reform. We were also encouraged to see that the Home Office has engaged in the development of reform proposals and that the PCF will have a role in the delivery of reform.
- 3.104 In their written evidence, parties raised with us their concerns about the Home Office processes for making police regulations and determinations. We invite the NPCC and Home Office to work together to agree the sequencing of delivery of reform so that work can be initiated in good time to enable completion of the essential legislative functions for effective implementation.
- 3.105 We welcome the clarity provided by the NPCC regarding the development of EIAs and its confirmation that these have been at the forefront of its considerations in the development phase. The NPCC told us that legal advice had been sought to check that proposals were valid. We note with concern that some of the staff associations have issues with the methodology used to produce EIAs and have withdrawn their co-operation with the NPCC in this area. We note the points raised over the process for EIAs in relation to TVP. However, we accept that if the decisions on TVP are taken and funded locally, then it is right that the EIAs are produced there too. We note that despite the statements about EIAs being undertaken, the NPCC has not seen any evidence on the results of these and it is unclear how far this work has developed. Therefore, across the area of EIAs we encourage the parties to come together to resolve their issues on methodology and look forward to receiving more detail on the EIAs undertaken as part of next year's submission.

## Conclusion

- 3.106 We observe that the priority now being given to the delivery of the Uplift Programme has contributed to the decision to review priorities on the reform agenda and has informed the refocusing and down-sizing of the programme. We have been told that the resulting package of measures balances scope, cost and pace of delivery. The revised priorities for reform recognise the importance of pay in attracting and retaining talent and as an enabler to the Uplift Programme.
- 3.107 In last year's report we commented in detail on a number of risks which we judged required urgent attention. Many of these risks have now been mitigated either through specific action or as a consequence of the reprofiling of the programme. Despite the improvements made this year, we assess that risk remains in five key areas and that a focus needs to be maintained on:
- ensuring that all the components of the revised programme remain coherent and consistent with the vision and timetable for reform;
  - understanding and managing the capacity of forces to deliver pay reform alongside the Uplift Programme;

- ensuring that the individual components of reform are properly resourced;
- reviewing of the readiness of forces for implementation; and
- undertaking timely and comprehensive consultation and communication with all stakeholders.

3.108 Overall, we assess that progress has been made across the reform programme. We consider that there is now more realism in the programme and confidence that the revised package is achievable. We believe that the work to reprioritise the programme was appropriate and we support the pragmatic approach.

## CHAPTER 4 – CHIEF POLICE OFFICERS

### Introduction

- 4.1 We have again been invited by the Home Secretary to consider the pay of chief police officers as part of our pay round. This is the third year that we have looked at the pay of the senior leaders in policing. We agreed that there were a number of issues specific to chief officers that we wanted to highlight in this report and concluded that the best way to achieve this would be to separate out issues relating to chief police officers in a stand-alone chapter.
- 4.2 At the time of writing it is not clear to us whether, and if so when, the responsibility for determining chief officer pay will be passed back to the Senior Salaries Review Body. We invite the Home Office to provide clarity on this for the chief officers who have raised this issue with us during the course of the current pay round. Further to this, at certain points in this chapter we indicate areas where we would be interested in seeing further evidence in subsequent pay rounds. These comments are made irrespective of which Review Body undertakes the work and should not be presumed to indicate a view on the future handling of chief officers' pay.
- 4.3 In our last two reports we commented that there would be merit in a wide review of chief officer pay and conditions. We have suggested that chief officer pay would benefit from structure and consistency, not least to address the variations in the payment of benefits and allowances between forces. Therefore, as we conclude our latest review of chief officer pay, it is disappointing that there is still no progress to report on this.
- 4.4 This chapter reviews the key points from the evidence provided to us in relation to chief police officers. Our pay recommendation for chief officers is discussed alongside that for the federated and superintending ranks in Chapter 5.

### Operating environment

- 4.5 The evidence we received on the operating environment for chief officers needs to be considered alongside our more general discussion of the context for policing in Chapter 2. This section focuses on the evidence we received in relation to the challenges of senior leadership in policing.
- 4.6 The **Home Office** told us that policing needs modern and responsive leadership at all levels in order to provide adequate levels of support and guidance to the workforce.
- 4.7 The **CPOSA** reported that the management of new demands on the police, a rise in crime and increasing complexity in the delivery of policing services alongside increasing levels of violence against officers, and issues around the mental health and wellbeing of those in the emergency services had added to the leadership challenges for senior police officers and required a significant change in leadership culture.

#### *Our comment*

- 4.8 The evidence we received highlighted the unique features of the chief officer role when compared with other police officer ranks. We note that chief officers carry significant levels of risk and accountability and that chief constables, in particular, are the public face of their force and can have a high media profile that carries with it a distinct set of responsibilities. The evidence also emphasised the importance of senior leadership in a period of change and high demand on police officers at all levels. We assess that chief constables have a specific role in providing strategic, long-term direction for their force, as well as national and regional roles above their force responsibilities. These functions require officers to juggle a range of factors and priorities.

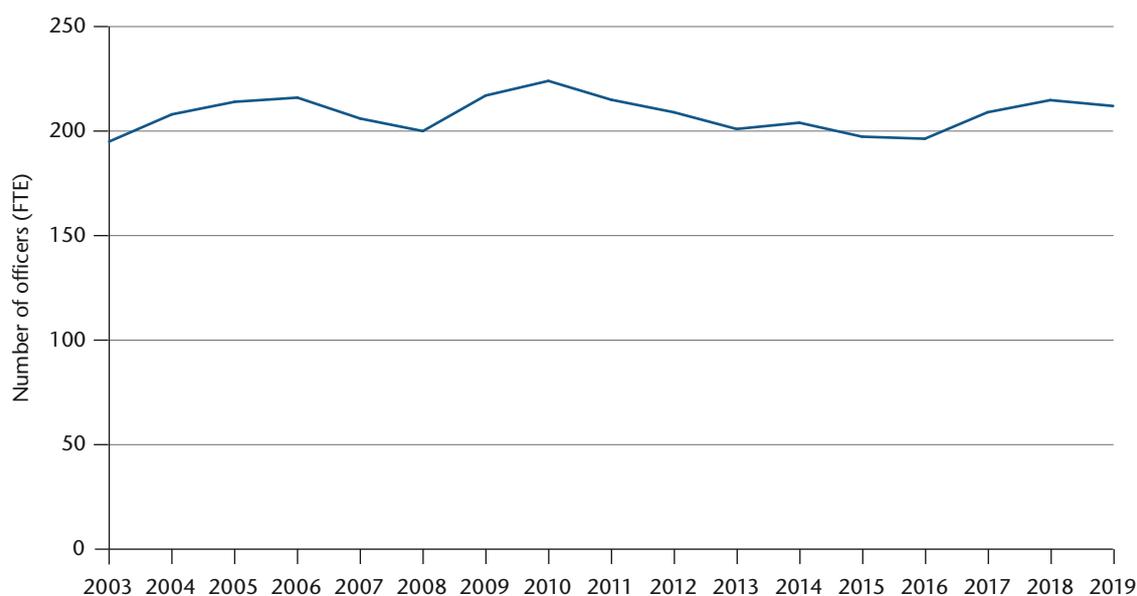
- 4.9 However, it is clear to us that there have been changes in the chief officer role over time and some changes since our last report. While written evidence was submitted to us before the impact of COVID-19 emerged, we acknowledge the unprecedented leadership challenges presented by COVID-19, which have put chief officers in positions where they had to determine an appropriate policing response to an emergency situation in which restrictions were placed on individual freedoms. We also observe that there has been a greater political focus on policing in the last year, with the decision to increase police officer numbers the most high-profile initiative. The changing policing environment and the requirements to deliver such national initiatives, alongside workforce and pay reform puts chief officers under acute pressure to lead, drive forward and successfully deliver change in a challenging environment while, at the same time, meeting the requirements of and maintaining a functional relationship with their PCC.
- 4.10 For next year's review we would welcome more evidence on the wider management aspects and challenges specific to the chief officer role.

## Workforce, recruitment, retention and motivation

### *Our analysis*

- 4.11 Chief officers account for just 0.2% of all police officers in England and Wales. This proportion has been relatively stable since 2003.
- 4.12 The number of chief police officers in England and Wales peaked in March 2010 at 224 FTE<sup>37</sup> before falling to 196 in March 2016 (Chart 4.1). As at March 2019, there were 212 chief police officers, 3 (1.3%) fewer than in March 2018 and 12 (5%) fewer than in 2010 but 16 (8%) higher than March 2016. Reductions in chief officers since 2010 have been proportionally lower than for other police ranks (overall police officer numbers decreased by 14% between March 2010 and March 2019), mainly as a result of legal requirements for each force to have a minimum number of chief officers.

**Chart 4.1: Chief police officer numbers (FTE), England and Wales, March 2003 – March 2019**



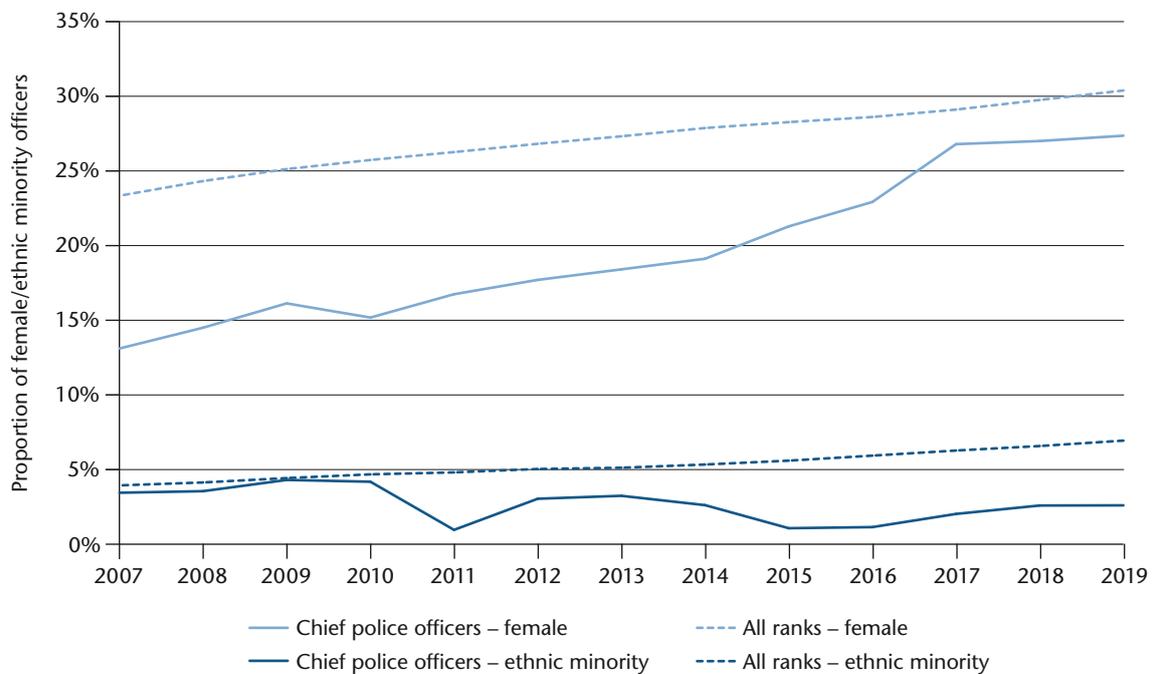
Source: Police Workforce Statistics, Home Office.

<sup>37</sup> At chief officer level the headcount and FTE measurements do not vary significantly.

4.13 Chief police officer diversity figures (Chart 4.2) show that:

- there were 58 female chief officers in March 2019, the same number as a year earlier;
- the proportion of female chief officers in 2019 (27%) was 3 percentage points lower than the female proportion of all officers;
- the proportion of chief officers who are female has increased every year since March 2010 (when it was 15%), but the rate of increase has slowed since March 2017;
- there were 9 out of 43 police forces in England and Wales with no female chief officers in March 2019, 1 fewer than a year earlier;
- there were 5 ethnic minority chief officers in March 2019, the same number as a year earlier; and
- low numbers mean that trends in ethnic minority chief officers can be volatile, but ethnic minority chief officers represented 3% of those who stated their ethnicity, less than half the proportion for all officers (7%).

**Chart 4.2: Percentage of female and ethnic minority police officers (FTE), England and Wales, March 2007 – March 2019**



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

4.14 Data on joiners and leavers at chief officer level (Table 4.1) need to be treated with caution as they include officers moving from a chief officer role in one force to a chief officer role in another, and there are limitations to the joiners and promotions data<sup>38</sup>. Nevertheless, the data provide some limited use in comparing the demand for chief officers with the supply.

<sup>38</sup> As explained in the footnotes to Table 4.1.

- 4.15 There were 28 promotions (measured by headcount rather than FTE) to the chief officer ranks during the 2018/19 financial year (similar to 2017/18)<sup>39</sup>. There were also 25 officers (measured by FTE) who joined a force as a chief officer, down 10 from the previous year<sup>40</sup>.
- 4.16 During the 2018/19 financial year, 47 chief officers left their force (22% of the number at the start of the financial year), up slightly from 44 (21%) in 2017/18 (as set out in Table 4.1). When transfers between forces are excluded there were 39 leavers in 2018/19, an increase of 1 on 2017/18.

**Table 4.1: Chief police officer promotions (headcount), joiners and leavers (FTE), England and Wales, 2011/12 – 2018/19 financial years**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Promotions. (headcount)	9	8	34	18	19	23	30	28
Joiners	18	22	28	18	29	30	35	25
Leavers	38	50	52	38	51	46	44	47
Leavers exc transfers	30	37	41	28	41	31	38	39
Joiners (%)	9%	11%	14%	9%	15%	14%	16%	12%
Leavers (%)	18%	24%	26%	19%	26%	24%	21%	22%
Leavers exc transfers (%)	14%	18%	20%	14%	21%	16%	18%	18%

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

Notes:

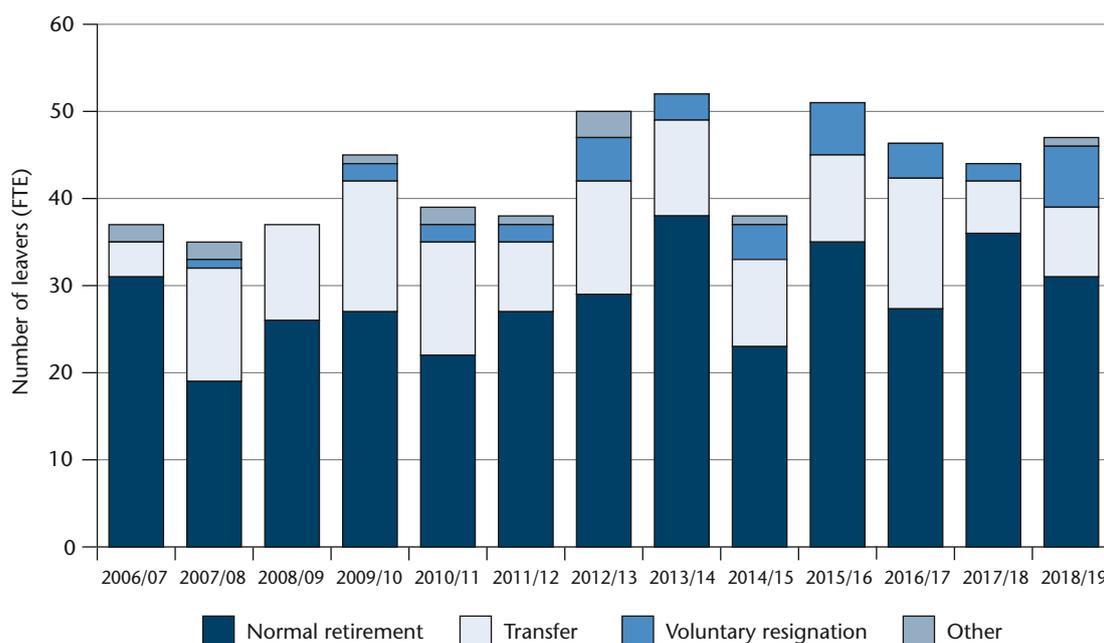
- Data on promotions are on a headcount basis and only cover officers promoted within a force. Figures for Dorset are only included from 2016/17 onwards, and the figures for 2017/18 and 2018/19 do not include the Metropolitan Police Service.
- Data on joiners exclude individuals promoted to chief officer from within the same force but include those who move from another chief officer role in a different force. The figures generally represent an underestimate of the number of officers becoming chief officers in the given year.
- Data on leavers also include individuals who move to another chief officer role in a different force. The figures therefore represent an overestimate of the number of chief officer leavers in the given year.
- The joiner rate is based on the strength at the end of the period, while the leaver rate is based on the strength at the start of the period, in line with the methodology used in the Home Office, Police Workforce Statistics.

- 4.17 The majority of chief police officers who leave the police service take normal retirement (Chart 4.3). However, the number of officers voluntarily resigning in 2018/19 (7 FTE) was higher than in previous years (the previous highest figure was 6 FTE in 2015/16).

<sup>39</sup> Promotions only cover officers promoted within their force, not those promoted on transfer to a different force. Not all forces have been able to supply promotion figures for all years.

<sup>40</sup> The joiner figures cover officers moving between forces either laterally or on promotion, but exclude promotions where the officer has not changed force.

**Chart 4.3: Chief police officer outflow (FTE), by leaver type, England and Wales, March 2006 – March 2019**



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

Note: The 'other' category includes deaths, dismissals, and medical retirement.

### *Leading Lights Report<sup>41</sup>*

4.18 In August 2019, HMICFRS and Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) published the results of a joint inspection to determine how effectively police forces select and train candidates for chief officer roles.

4.19 The inspection arose because of concern that the numbers of applications for chief officer posts and the length of appointments were declining, as was the wellbeing of those officers.

4.20 The inspection found an uneven playing field in the way that candidates were supported by their employing force through the Senior Police National Assessment Centre (SPNAC). Furthermore, there were concerns about the general approach to continuous professional development. The inspection also found that the police looked 'parochial', with some chief officers having only served in one force.

4.21 Factors that chief officers indicated were barriers to application included:

- The limitations of finance and removal packages which were inhibitors to mobility. Some officers were unwilling to move home because of partners' careers or caring responsibilities.
- The issue of 'localism' whereby officers considered it a waste of time to apply for a chief constable post if the current deputy had applied. Officers also reported a negative response from their current force if they indicated a desire for promotion elsewhere.
- The practice of officers being placed on temporary promotion for a long time, which blocked opportunities for others to apply for a post.

<sup>41</sup> HMICFRS and HMICS (August 2019), *Leading Lights: An inspection of the police service's arrangements for the selection and development of chief officers*. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/publications/leading-lights-an-inspection-of-the-police-services-arrangements-for-the-selection-and-development-of-chief-officers/> [Accessed on 18 June 2020]

- The PCC election cycle, because people wanted to know for whom they would be working.

4.22 The report made nine recommendations, the majority of which were focused at the College of Policing for action, covering the following themes:

- to establish greater consistency in the way that forces interpret the selection criteria and the processes used to identify candidates for the SPNAC;
- to improve transparency and fairness in selection, including mechanisms to ensure that warranted and non-warranted candidates are judged on the same basis;
- to introduce a framework of continuous professional development;
- to require chief constables to have served for at least two years in another organisation at chief officer level; and
- to establish a national workforce planning function for all chief officer posts in the United Kingdom.

#### *Evidence from the parties*

4.23 The **Home Office** told us that there were a range of factors contributing to problems surrounding the recruitment of chief police officers and that, drawing on the Leading Lights Report, the College of Policing was leading work to address the key barriers to chief officer recruitment. The Home Office explained that this had led to the development of a joint NPCC, APCC and College plan.

4.24 In oral evidence, the Home Office indicated that its involvement in police leadership was focused on promoting diversity and ensuring that the best candidates became police leaders now and in the future. In this regard, the Home Office supported work at a national level to identify and develop talent.

4.25 Separately, the Home Office told us that the College of Policing had developed and launched a Senior Leaders' Hub to:

- oversee chief officer Continued Professional Development and career development, including providing access to learning resources for potential leaders;
- support senior appointments; and
- support progression of under-represented groups within the chief officer cadre.

4.26 The Home Office also advised us that the development of the Senior Leaders' Hub enabled tracking of the number and length of temporary promotions to ensure consistency and fairness of approach.

4.27 The **MPS** reported that it had no difficulty in recruitment or retention at the rank of commander and above but acknowledged that there were wider issues that the service might need to address in this area.

4.28 The **CPOSA** reported the outcome of a 2019 survey of assistant chief constables, that showed:

- One-fifth (21%) of respondents did not aspire to progress further through the chief officer ranks. The main reasons given were length of service/retirement, not wanting to move/stress of moving, work-life balance/family, and the PCC system.
- A further 18% of respondents were unsure whether they aspired to progress. The main reasons given were impact of tax/pensions, stress/workload, limited reward, and not wanting to move home.

- Geographical location and minimising impact on family were the strongest factors influencing choices in applications for promotion.

4.29 The CPOSA also quoted from the wider NPCC chief officer survey that was undertaken in November 2019. This showed that:

- nearly two-thirds (63%) of respondents would be prepared to move to posts that were not commutable if there was a package available that provided accommodation;
- all respondents were motivated to do a good job (68% were extremely motivated);
- most respondents had not taken all their annual leave and were now accruing rest days; and
- nine-tenths (90%) of respondents had no sick absence in the previous twelve months.

4.30 The CPOSA concluded in its evidence to us that the impact of pension taxation upon promotion; the ability to relocate and the personal costs of doing so; remuneration for additional responsibilities; and, the long-overdue review of overall remuneration, were having an impact on the recruitment and retention of chief officers. Furthermore, the CPOSA told us that 16% of chief officers, predominantly assistant chief constables, were temporary in post, and that the current Strategic Command Course would not yield enough graduates to fill all of these posts, with further vacancies expected throughout the year as a result of retirements.

4.31 In oral evidence, the **APCC** told us that it was working with the CPOSA and the College of Policing to identify possible solutions to the low application rates for chief officer posts. In addition, it welcomed the involvement of the College of Policing in providing a learning and development programme for those aiming at senior selection and the ways that this would support diversity among chief officers.

### *Our comment*

4.32 We observe that the chief officer workforce is small and that even a small change in personnel can have a relatively large effect on the percentage of officers in any sub-group such as gender or race. However, we note that the proportions of female and ethnic minority chief officers are significantly lower than the proportions for these groups across the full range of police ranks. This is of concern and so we welcome the evidence put to us about the initiatives to improve diversity. While the proportion of female chief officers has been increasing over time and the gap with the overall proportion of female officers appears to have been closing, the proportion of ethnic minority chief officers appears to have been on a downward trend since 2010 and diverging from the overall proportion of ethnic minority officers. We will monitor these trends with interest.

4.33 We were pleased to see that work has been done more generally to quantify and understand the barriers to recruitment to chief officer rank. We commented last year on the low numbers of applicants for chief officer posts and were interested to see that the Leading Lights review was initiated to examine this and the reasons why periods of tenure for chief officer posts were in decline. The Leading Lights Report cited barriers to chief officer mobility on appointment which reflected anecdotal evidence that we had heard on our visits to police forces. The Report also flagged up the fragmented approach to management and leadership development at the national level. We will be interested to see how the recommendations of the Leading Lights Report are taken forward and the results of the initiatives taken.

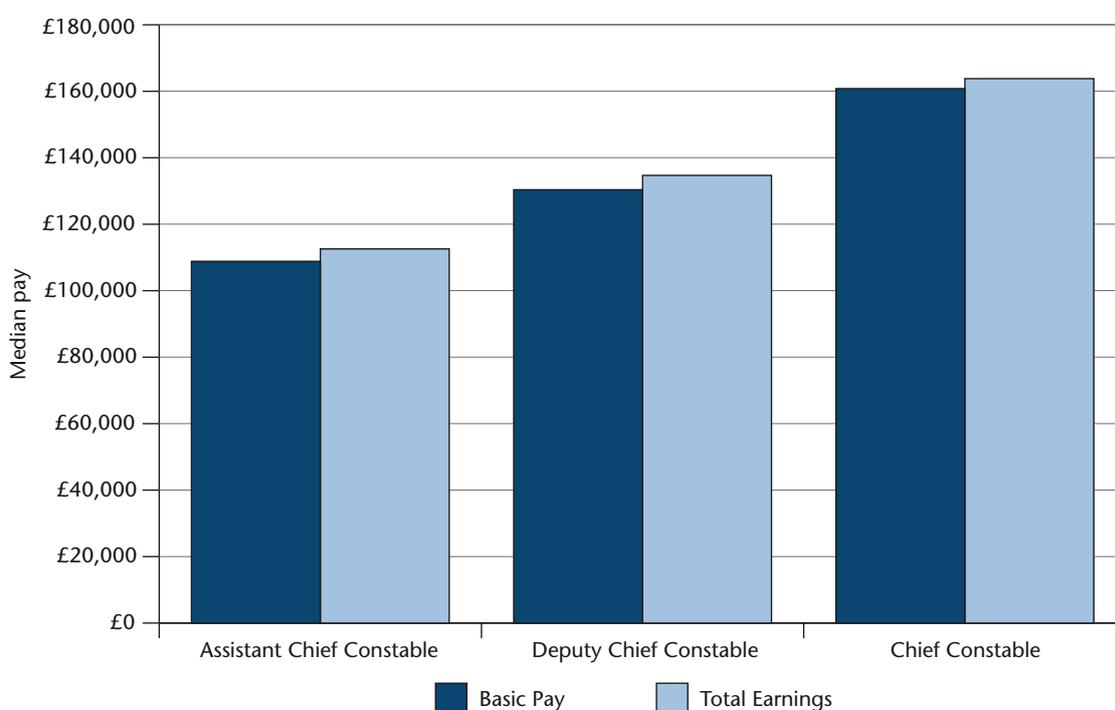
4.34 Similarly, we were encouraged to learn that work is being done under the auspices of the Senior Leaders' Hub to support and develop both potential and existing chief officers, and to encourage under-represented groups within these cadres. We would welcome an update on the progress made as part of the evidence for next year's pay round.

## Earnings and chief officer pay and conditions, including benchmarking

### *Our analysis of earnings*

4.35 Using data from the Police Earnings Census, run by the Home Office, we note that in the 2018/19 financial year (the latest year for which data are available) median full-time basic pay ranged from £108,800 for assistant chief constables to £160,800 for chief constables (Chart 4.4). Median total earnings ranged from £112,500 for assistant chief constables to £163,800 for chief constables.

**Chart 4.4: Chief police officer median basic pay and total earnings, by rank, full-time officers, England and Wales, 2018/19 financial year**



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

Note: Assistant chief constable includes commanders from the Metropolitan Police Service (MPS) and City of London Police (CoLP); deputy chief constable includes deputy assistant commissioners from the MPS and assistant commissioners from CoLP; chief constable includes assistant commissioners from MPS and the commissioner from CoLP.

4.36 The median value of additional allowances for chief police officers was around £4,300 in the 2018/19 financial year, and the median proportion of total pay accounted for by allowances was 3.5%. In 2018/19 these allowances included<sup>42</sup>:

- Replacement Allowance: 69 chief police officers received a median value of just over £3,400.
- London Weighting: 24 chief police officers were paid a median value of £2,425 in London Weighting.

<sup>42</sup> These figures are based on 120 chief police officers within the 2018/19 Police Earnings Census who were not flagged as having unusual circumstances within the year (such as having been promoted or temporarily promoted, changing working hours, or having had some form of unpaid leave).

- Location Allowances: there were 26 chief police officers, mostly within the MPS and City of London Police, receiving a median payment of £1,011.
- Other allowances: 42 chief police officers received other allowances with a median value of around £8,850.

4.37 Data collected from 39 forces by the NPCC showed that allowances and benefits in kind for chief officers included: 33 of the forces that responded provided either a car or car allowance to one or more chief officers, 10 responding forces provided private healthcare and/or medical insurance, 8 paid professional subscriptions/insurance, 3 paid for home security measures, and 3 paid for telephone rental.

#### *Evidence from the parties*

4.38 The **CPOSA** provided data from the NPCC chief officer survey, undertaken in November 2019 which showed that most chief officers remained satisfied with base salary and that nearly half (44%) were dissatisfied with their pension benefits and the variation of remuneration packages and benefits between forces.

#### *Review of chief officer pay and conditions, including benchmarking*

4.39 The **NPCC** reported to us that it was planning work for 2020 to determine an appropriate remuneration structure for chief police officers. This work would build on the findings of the benchmarking work undertaken by Korn Ferry.

4.40 The NPCC told us that the findings from the Korn Ferry benchmarking work were consistent with points it had raised with us in last year's submission. These latest findings were based on a comprehensive and updated understanding of how chief officer roles had changed. The Korn Ferry work proposed:

- simplification of the pay structure for chief constables and deputy chief constables from the current 12 levels (plus London) to perhaps 4;
- adjustment of pay rates to ensure relativities between ranks and roles and to help with talent and succession planning; and
- consideration of the variation in local agreements for chief constables and deputy chief constables and to put in place data and advice to inform future use of flexibility.

4.41 In commenting on the benchmarking report, the NPCC observed that:

- Chief officer salaries and total remuneration were well below the middle of the (mainly private sector) general market.
- Locally negotiated additions had added significantly to packages for chief constables and, to a lesser extent, deputy chief constables. Some gained more than others. Most chief constables were paid more in base salary than the standard national rate plus a variety of benefits in kind. The NPCC believed that these differentials needed to be better understood and made more transparent and for PCCs to work within appropriate guidelines.
- In all comparisons, assistant chief constables in the core role were relatively the best paid chief officers.
- The top-of-range salary for most assistant chief constables was above the public sector median and total remuneration was higher again. The national rates for more senior ranks sat lower in the public sector market although personal arrangements agreed locally had brought some of them to a more competitive level.

- Compared with the public sector, the top of the assistant chief constable range was 102% of the base salary median, deputy chief constables were 74-89% of median and chief constables were 75-90% of median. These figures were slightly lower than in previous years.
- Chief constables' salaries were broadly alongside the pay of chief executives of local councils whose jobs were of comparable size.
- The NHS typically paid better at all chief officer levels.
- In principle, the pension made total remuneration more competitive in the public sector than a comparison based on salary alone.

4.42 The NPCC advised us that the outcome of the Korn Ferry benchmarking work on chief constable pay would lead to the creation of a working group. This would consider the findings in more detail with the aim of developing a new base pay structure, a consistent salary structure for chief constables and deputy chief constables, and guidelines to ensure transparency in payment of benefits in kind. The NPCC also told us that there would be discussion about the use of fixed-term contracts for deputy chief constables.

4.43 In its evidence to us, the APCC acknowledged that the Korn Ferry benchmarking of chief officer pay had concluded that chief officer salaries and total remuneration were below the middle of the (mainly private sector) general market. It added that benchmarking was a way of testing the current system rather than a means of determining pay. The APCC also commented on the potential to reduce the wide range of levels of chief constable pay and the variation in local agreements.

4.44 The APCC confirmed to us that chief officer pay had not been reviewed since 2003 and that the work by Korn Ferry would inform joint work to be undertaken in the 2020/21 financial year to consider pay arrangements for the chief officer ranks.

4.45 The CPOSA also said that the pay and conditions of chief police officers were under review as part of the wider work by the NPCC to develop a new pay and reward framework. The review, led by the APCC, would consider the 'whole package' for chief officers and that work and stakeholder discussions would take place during 2020 to progress the findings of the Korn Ferry benchmarking to propose a comprehensive package of pay and conditions.

4.46 The CPOSA told us last year that there was an urgent need to conduct a comprehensive review of chief officer pay, and this year again expressed concern at the speed, timeliness and breadth of this review.

#### *Our comment*

4.47 At the outset of this chapter we noted our disappointment at the continued delay in the review of chief officer pay. We have commented in our last two reports that there would be benefit in a wide review of chief officer pay and conditions and noted the frustration of the parties at the lack of progress. Last year the APCC told us that it would aim to initiate the review in 2020 and we are aware that its planned start in March has been delayed as a consequence of COVID-19. We, nevertheless, urge the relevant parties to commence the review at the earliest opportunity and hope that we will be able to see the results as part of the evidence submitted for the next pay round.

4.48 More generally on senior officers' remuneration, we are struck by the lack of transparency and thus potential for unfairness over the composition of the chief officer reward package. We note that PCCs have the discretion to pay chief constables up to 10% above or below the published salary rates, although our analysis of the data available to us indicated that most forces pay chief officers at the published rates.

However, there is variation in the benefits in kind offered by individual forces. This situation makes it difficult for us to make a judgement about levels of remuneration and any possible comparison with equivalent external roles.

- 4.49 We have already commented that we hope that the review of chief officer pay will proceed as a priority and suggest that the outcome of this should include a set of transparent, coherent and fair criteria to enable a consistent approach in relation to the payment of discretionary allowances. These criteria should consider the need for the allowance package to support mobility and the transfer of talent across forces, while at the same time avoiding unhealthy competition, and that the allowance package and mechanisms for payment address equal pay and equality and diversity issues. We also assess that in the absence of an agreed, coherent, chief officer package, it is difficult to make satisfactory decisions on individual pay components in isolation.
- 4.50 In the context of the benchmarking work and the further work on basic pay, in providing evidence for next year's pay round, we would also like to see:
- a clear, overarching statement on how the results of the benchmarking will be used;
  - an explanation of the timeframe for implementation of any changes, particularly in the context of the wider police workforce and pay reform agenda;
  - detail regarding the public sector comparators that have been used to underpin the benchmarking conclusions; and
  - the approach taken to formulate any new pay arrangements.
- 4.51 In advance of the answers to the above points we suggest that the benchmarking results should be used as an indicator of pay rather than providing the absolute answers. We also recognise that affordability will need to be factored into any final decision and that any new pay scales will need to balance aspiration with realism. In this context, we would also be interested to know whether indicative ranges for chief officers' pay have been discussed with PCCs.
- 4.52 We would welcome confirmation from the Home Office as to who, ultimately, agrees to the resulting new chief officer pay arrangements and what our role might be in this process.

## Rent expenses for relocation

- 4.53 The CPOSA told us that one of the blockages to officers applying for chief officer posts was the lack of provision for families to remain in their current home location and for the officer to rent a property in their new work location. The CPOSA explained in oral evidence that the provision of such rental expenses would promote mobility between forces, it would support family stability and could save forces money given that a force could pay up to £40,000 in removal costs. The CPOSA recognised that there would need to be consultation with PCCs about this but expressed the hope that the necessary changes could be implemented without the need to wait until our next pay round.

### *Our comment*

- 4.54 In principle, we support proposals which aim to encourage applications to, and retention in, the senior officer group. However, despite the intention of the proposal presented to us, the precise nature of the underlying problem is not articulated in a way which enables us to conclude that this proposal is the right solution. It is not clear whether the underlying barrier to relocation is money or mobility. Therefore, we suggest that this area needs further development to ensure that the right solution is deployed to address the precise problem. It would also be helpful to see any new proposal set in the context

of relevant packages available to other public sector workers at similar levels of seniority. We consider that it would be appropriate for this work to be progressed in the context of the planned review of chief police officer pay.

## **Salaries for temporary chief constables and deputy chief constables**

- 4.55 In its evidence to us, the CPOSA highlighted the situation whereby temporary chief constables and temporary deputy chief constables received 90% of the full salary for the rank. The CPOSA explained to us that some temporary deputy chief constables being offered 90% of the salary could find themselves receiving a lower rate of pay than their substantive assistant chief constable salary because, in some forces, the differential between the rates of pay between these two ranks could be just 3%.
- 4.56 The CPOSA maintained that temporary deputy chief constables and temporary chief constables should be entitled to the full pay of the rank they were performing, in line with the practice for other ranks on temporary promotion. The CPOSA argued that such officers were undertaking the full remit of the roles and carrying the full risks of the substantive rank and that this was an immediate and ongoing injustice which should not be deferred until the wider review of chief officer pay and reward. In its evidence to us the CPOSA expressed the hope that this would be progressed, recognising the need to consult with PCCs, with a view to implementation ahead of the next pay round.

### *Our comment*

- 4.57 We assess that it is important that individuals are encouraged to take on temporary appointments and that, if an officer is fulfilling all the functions of that higher rank, this added responsibility should be rewarded in pay.
- 4.58 However, we have been told that one of the barriers to application at chief constable level is the view that there is perceived to be little point applying for a post if someone is already filling it on temporary basis. Therefore, despite our comments above, we would not want inadvertently to encourage a position where people remain in temporary appointments for a long time.

## **Pension taxation**

- 4.59 In the March 2020 budget, the Chancellor of the Exchequer announced changes to the Annual Allowance threshold (the maximum amount of pension savings that can be accrued in a year subject to tax relief) effective from the 2020/21 tax year:
- The level of adjusted income (income less employee pension contributions plus pension benefit) at which the Annual Allowance begins to taper was increased from £150,000 to £240,000, so that individuals with adjusted income below this new level would receive the full Annual Allowance.
  - The minimum level of the Annual Allowance was reduced from £10,000 to £4,000 from April 2020. This reduction will only affect individuals with adjusted income over £300,000.
- 4.60 Our analysis indicates that officers with an adjusted annual income of between £150,000 and £300,000 will receive Annual Allowance tax charges that are up to £13,500 lower as a result of the changes to the Annual Allowance. However, officers with adjusted annual income over £300,000 will have Annual Allowance tax charges which are up to £2,700 higher as a result of the decrease to the minimum level of the Annual Allowance.

*Our comment*

- 4.61 Although outside our remit, the evidence we received showed that the effect of pension taxation on the overall remuneration package for chief officers continues to be a cause of concern and a sense of unfairness among this group. It has also been cited as a factor influencing decisions over promotion. We, therefore, welcome these changes to the Annual Allowance threshold, while recognising that they will not benefit all chief officers, and that it will take time for their effect to be noticed by officers.



# CHAPTER 5 – PAY PROPOSALS AND RECOMMENDATIONS FOR 2020/21

## Introduction

- 5.1 In this chapter we make recommendations on police officer pay and allowances for the 2020/21 pay year. We also review other remuneration proposals presented to us by the parties.
- 5.2 In our remit letter, the Home Secretary asked us for a recommendation on how to apply the police officer pay award for 2020/21 for all ranks, including chief officers. The Home Secretary requested that this be based on available evidence and should be considered in the context of the Government’s commitment to an increase of 20,000 police officers over three years. The Home Secretary told us that she wanted the police to have the resources and tools that it needed to get the job done. She also said that she wanted the service to encourage the right people to join and remain on the job and a pay system that supported this.
- 5.3 The Home Secretary also told us that the Government had to balance the need to ensure fair pay for public sector workers, protecting funding for frontline services, and ensuring affordability for taxpayers. The Home Secretary said that the Government had to ensure that the affordability of a pay award was taken into consideration to ensure that police forces were able to maximise the additional officers that they could recruit.
- 5.4 In considering the appropriate level of pay of police officers, the Home Secretary also asked us to have regard to our standing terms of reference and to consider each matter for recommendation in the context of future reform plans.

## Basic pay award

- 5.5 In its evidence to us, the **Home Office** told us that the Government was committed to world class public services and ensuring that public sector workers were fairly paid for the vitally important work that they do. It advised us that pay awards should be considered in the light of wider pressures on public spending.
- 5.6 The Home Office confirmed to us that the police officer pay bill for the financial year 2020/21 would be around £6.5 billion. It told us that, assuming full take-up of precept flexibility, the overall funding for PCCs would increase by £915 million to £15.2 billion, to include the officer uplift allocation of £700 million. The Home Office, therefore, told us that it assessed that an increase of £150 million to £160 million to the police officer pay bill would be affordable for 2020/21 in the context of the additional investment in the system already announced. In oral evidence, the Home Office confirmed that this would equate to a percentage pay increase of up to 2.5%.
- 5.7 The **NPCC** informed us that over the next three years, it was important that pay-related decisions contributed to the following objectives:
- ensuring the police was seen as an attractive place to work for high-quality applicants;
  - the retention of experienced officers;
  - improving retention;
  - supporting morale and motivation through increased productivity; and
  - long-term cost control.

- 5.8 The NPCC advocated a pay award of 2.5% for all officers at all ranks. It explained that this would balance the desire to recognise officers' commitment and the need to address affordability when several forces faced significant financial challenges.
- 5.9 The **MPS** advised us that the case for a 'strong' settlement was sound and, taking all factors into account, it was recommending a 2.5% consolidated increase, which was an appropriate and positive settlement and in line with the NPCC recommendation. The MPS told us that although this figure was beyond its original budget assumptions, the budget had been adjusted to accommodate an increase at this level because this would be the right approach. The MPS explained to us that the proposal was credible based on the evidence available, ongoing operational demands, and the heightened recruitment and retention pressures that the service faced.
- 5.10 The **APCC** told us that police officers had seen pay awards over the last nine years that staff associations would describe as a real-term pay cut. The APCC said that it would be impossible to address this in one pay award, but that it was important for recruitment and retention that future pay awards were considered credible by both the existing workforce and potential police officers. The APCC also indicated that an attractive pay award would play an important part in supporting the recruitment and retention activity required for the Uplift Programme.
- 5.11 The APCC told us that it had consulted PCCs about the pay award and that, taking account of their responses, it was supporting a 2.5% pay award for 2020/21. The APCC indicated that the driver for this was an award that rewarded the existing workforce and supported recruitment and retention initiatives. The APCC also said that its proposal was based on fairness and credibility as well as affordability.
- 5.12 In discussing their pay proposal in their joint evidence, the **PFEW** and **PSA** provided us with a range of contextual data. They told us that:
- at least 61% of officers in post at March 2019 were at the top of their scale and that the annual pay award would be the only salary increase they would receive;
  - the Government's decision to return officer numbers to 2010 levels should be accompanied by a return to real-term 2010 pay levels because, since then, officers' pay rises had failed to keep pace with prices of goods and services; and
  - in order to attract new recruits, forces had to be able to offer an attractive pay package that not only compensated for the inherent risks their work involved, but that made the role more attractive and competitive in relation to the rest of the UK labour market.
- 5.13 The PFEW and PSA told us that the impact of the decline in pay was captured in the PFEW Pay and Morale Survey and that its results showed that:
- 74% of respondents felt financially worse off than five years ago;
  - 15% said that they never or almost never have enough money to cover their monthly essentials;
  - 50% worried about the state of their personal finances every day or nearly every day;
  - 65% said that they did not think they would be able to get a mortgage; and
  - 77% of constables said that the cost of living in their force was expensive or very expensive.

- 5.14 Building on the above, in making their pay recommendation, the PFEW and PSA said that they had considered:
- the real-term decline in officers' wages since 2010;
  - the need to recruit and retain sufficient numbers of officers to return force levels to the 2010 level;
  - affordability, based on the Police Funding Settlement; and
  - that to manage a workforce that was similar in size to that of 2010, the Government must pay at the real-term level of 2010.
- 5.15 Therefore, the PFEW and PSA proposed to us an across-the-board pay award of 5%. They said that this would start to narrow the gap between the real-term earnings of 2010 and 2020, while taking affordability into account.
- 5.16 The **CPOSA** told us that the pay award for chief officers should be no less than that for officers in the federated and superintending ranks.

#### *Our comment and recommendation*

- 5.17 In making our pay award recommendation we considered a number of factors which we discuss below.

#### Policing environment

- 5.18 We observed that while national crime figures may indicate little overall change from last year, these figures mask local fluctuations. We were struck by the HMICFRS observations on the strain being felt by certain forces in balancing resource and demand. We concluded that the demand on the police remains high with no reduction in the range of crime types or the complexity of cases.

#### The Uplift Programme

- 5.19 The priority being given to achieve the uplift in police officer numbers was brought out in evidence from all parties. While this increase is encouraging news for many officers, we observe that delivery of the Uplift Programme will create short-term additional demand within the areas of policing responsible for recruitment, training and management of new officers and that it will take time for the additional officers to deliver a positive and quantifiable effect in the context of police productivity.
- 5.20 In this year's round we have received evidence from all parties on the importance of recruitment and retention in the context of the Uplift Programme and we recognise the need for pay to:
- facilitate recruitment;
  - encourage retention of those with skills and experience;
  - reward those in supervisory chains who will have the additional responsibilities in delivering workforce uplift and supporting the new intake of officers; and
  - acknowledge the part played by all officers in continuing to deliver a service in a demanding environment, given that it will take some time for the benefits of the Uplift Programme to be realised.

## Targeting

- 5.21 We considered the possibility of recommending a targeted, differential pay award this year and sought the parties' views on this in oral evidence. We did so in response to the requirement placed on us to assess affordability and recruitment and retention. We felt, however, that a differential award would not be appropriate this year when we could consider next year's award in the context of the conclusions of the benchmarking work. We also concluded that a differential award would not be appropriate in that it could send unhelpful messages about the relative importance of one rank over another.

## Morale and motivation

- 5.22 We noted a mixed picture on the state of police morale and motivation. However, on our visits we were struck by the frustration shown by officers who felt that they were not able to do their job properly. Some were concerned about the volume and complexity of their work and the resulting risks to themselves and to the wider public because of demand and capacity issues, and we observe that this was having an impact on morale and motivation.

## Affordability

- 5.23 We were struck by the differing ways in which the parties presented their views to us on affordability, noting that these were driven by both budget and demand with the latter influenced by local priorities.
- 5.24 We noted that the Home Office view on funding was driven by economic data and by budget assumptions that were based on all PCCs taking full advantage of the flexibility on Council Tax precept but we know that this will not be the case. The Home Office view was that a pay award of up to 2.5% would be affordable and it was made clear to us that no additional funding would be made available by central Government for this year's pay award. We also note that in the context of COVID-19, HM Treasury told us that the evidence provided to us by the Home Office on the affordability of the pay award remained its best current assessment of the position.
- 5.25 We assess that the PFEW and PSA views on affordability were linked not so much to budget affordability but more to what they consider appropriate given demand on the police and historic pay increases below inflation. However, we felt that the arguments for a 5% increase were not persuasive and, significantly, did not address the potential impact on other parts of the budget.
- 5.26 The NPCC told us that its proposal was based on a combination of economic data, evidence and judgement, while the APCC told us that it had taken fairness and credibility into consideration. These balanced arguments underlined to us how making a pay recommendation must be a matter of careful judgement.

## Productivity and efficiency

- 5.27 Elsewhere in this report we comment on the difficulty of measuring productivity in the police. In Chapter 3, we discuss the importance to the Government of a pay system underpinned by performance and how this could be used to drive a qualitative improvement in policing. We look forward to seeing evidence as to how this might be used to inform improved productivity in subsequent pay rounds.

## Economic factors

5.28 The wider economy, including the level of pay settlements and the cost of living, are factors in our deliberations. As we set out in Chapter 2, the economic environment is changing and volatile as a result of COVID-19 and there is significant uncertainty about the future. HM Treasury asked us to look at inflation, average weekly earnings in the private sector and unemployment in formulating our recommendations. Inflation dropped sharply in April 2020, with the CPI and RPI measures at 0.8% and 1.5% respectively. Annual growth in AWE was 2.4% in the whole economy and 2.2% in the private sector in the first quarter of 2020, and median pay settlements ranged from 2.4% to 2.5% over the same period. Some employers with frontline workers, especially in the retail sector, have paid temporary pay increases. However, surveys indicate that many employers are likely to freeze pay or postpone decisions on pay awards in the current economic climate. The unemployment rate was 3.9% in the first quarter of 2020, the claimant count rate in April 2020 was 5.8%, and the Bank of England expected unemployment to rise further during the year.

## Relationship to pay reform

5.29 We are making this year's pay recommendation in the context of an ongoing and unfinished pay strategy and need to ensure that our recommendation facilitates this. We also note that none of the parties suggested that we should recommend a lower pay award to free up funding for pay reform.

## COVID-19

5.30 As set out previously, COVID-19 has inevitably changed the context for our report. We wish to recognise the significant contribution of the police this year as part of the frontline national response to COVID-19. We also recognise the changing economic and labour market context. However, there is a lack of sufficient quantitative data available this year to assess the developing impact of COVID-19 on matters within our remit. We have, therefore, considered our remit in the usual way, including by focusing on longer-term trends in the data and information relevant to our evidence-based process.

## Chief police officers

5.31 We discuss issues specific to chief police officers in Chapter 4. These officers are senior leaders in policing and it is important that they are appropriately rewarded. We did not receive any proposals from the parties for chief police officers to receive a different pay award from that made to the federated and superintending ranks.

## Pay recommendation

5.32 This has been a unique pay round. In making our recommendation we conclude that it was appropriate for us to take a strategic and long-term view. Taking all the above factors into account, we recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2020. The recommended rates of pay are at Appendices D and E.

**Recommendation 1. We recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2020.**

## Payment for hard-to-fill and demanding roles

- 5.33 The **Home Office** told us that, as a short-term measure, it had amended legislation in 2019 to provide chief constables with the flexibility to make bonus payments to those in hard-to-fill roles in the federated ranks and in demanding superintending roles.

### *Our comment*

- 5.34 We support Targeted Variable Pay (TVP) and in Chapter 3 we set out our views on the need for a set of principles to be developed to underpin the local flexibilities around its use. We note that the NPCC has agreed that the maximum amount payable as TVP to any officer in a year should increase to £5,000.

## Pay arrangements for new constables

- 5.35 In discussion of the pay arrangements for police apprentices, the **Home Office** told us that the College of Policing's PEQF continued to raise the bar for police recruitment and recognised the high level at which the existing workforce operated. The Home Office said that apprenticeships were a crucial strand of the PEQF initiative as they provided a fair entry route into policing for those who do not hold a degree.
- 5.36 The **NPCC** told us that there was some flexibility in the starting pay for all entry routes to allow for local recruiting pressures. The NPCC proposed that this flexibility should be retained and extended to enable individual forces to vary starting pay to reflect the knowledge, skills and experience of recruits and to attract talent from other sectors, which would be important to deliver the uplift in officer numbers. Therefore, the NPCC proposed that forces should have flexibility in relation to the incremental progression of PEQF recruits. Under this, the NPCC proposed that incremental progression would continue annually but that forces would set the level of the increase. The only caveat would be that pay during this phase would not exceed the current constable pay point 3, the last probationer pay point.
- 5.37 The **PFEW** and **PSA** told us that they did not support discretionary pay in principle as this caused unfairness and inequality in an environment where the gender pay gap was already bad.
- 5.38 In discussion of the rates of pay for new constables, the PFEW and PSA told us that the 2009 starting salary uprated by CPIH would give an equivalent figure of £27,843 at current levels, which represented £9,843 or 35% of its purchasing power. Using the current starting salary of £18,450, they also told us that, based on a 40-hour week (which did not include study time), the starting salary equated to £8.87 an hour, highlighting that from April 2020 the National Living Wage would be £8.72 for workers aged 25 and over. The PFEW and PSA also told us that interviews with PCDAs had indicated that many were struggling with the hours required and were unclear on pay progression in the early years.
- 5.39 The PFEW and PSA impressed on us that delivery of the new police officer recruitment targets would demand an overhaul of police officers' entry pay. Therefore, they suggested to us that the PCDA starting pay point and pay point 0 on the constables' pay scale (£18,450 and £20,880) should be erased. They told us that there was a risk that only very young candidates would be attracted to join policing at this level of pay, which would impact on the service's ability to attract the right numbers of recruits who were representative of the community and with the life skills required in policing. They commented that the need to set attractive starting salaries was being recognised in other parts of the public sector, with teachers' starting salaries set to rise to £30,000 by 2022/23.

5.40 In conclusion, therefore, the PFEW and PSA told us that the minimum starting salary should be set at pay point 1 (£24,177).

#### *Our comment*

5.41 We understand the desire for local flexibility in the determination of starting salaries for police constables. We also note the intentions behind the proposal to have a common starting salary for all constables at pay point 1, particularly in the context of the Uplift Programme and the requirement to recruit a significant number of new officers over three years, but recognise that the potential pay increases for those forces that do not already pay their officers at this level would be significant. On balance, therefore, looking at flexibility, fairness and the need to facilitate recruitment we consider that it is better to retain local flexibility so that chief constables can determine the pay level which is most appropriate for their specific needs and we encourage chief constables to make full use of the flexibility available to them. We recognise that each force is different and that the drivers around recruitment and the labour market will vary. However, we urge the NPCC to review starting salaries promptly alongside the results of its benchmarking work as part of pay reform.

5.42 Turning specifically to apprentices, our analysis of advertised degree apprenticeship roles on the GOV.UK Find an Apprenticeship search engine (Table 5.1) and research by IDR<sup>43</sup> on pay for degree apprentices in the private sector indicates that the starting salary for the PCDA scheme is competitive relative to other degree apprenticeships. We conclude that the PCDA minimum starting salary is an acceptable figure in recruitment environments and as a starting salary in employment.

**Table 5.1: Summary statistics for sample of degree apprenticeships' starting salaries, adverts as at 1 April 2020**

Statistic	Value
Observations	218
Mean	£18,085
Median	£18,000
Lower quartile	£16,000
Upper quartile	£19,803
Lowest	£8,000
Highest	£30,000

Source: OME analysis of gov.uk 'Find an apprenticeship' search engine results

5.43 We would be concerned if there was evidence of a difficulty recruiting the required number or quality of officers through any of the recruitment paths, but this has not been raised with us as an issue. We conclude, therefore, that as no force is compelled to use either the PCDA minimum or pay point 0 they should remain, along with the flexibility available to forces to pay higher.

5.44 We consider that an important element here in addition to the starting salary is the pay progression available to officers and the pay levels that they can access on qualification as a police constable. In this context we note that the findings by IDR provide some evidence that pay upon completion of a degree apprenticeship is less favourable in the police than the private sector, and again urge the NPCC to consider this as part of pay reform.

<sup>43</sup> Incomes Data Research (July 2019), *Graduate and apprentice pay*. Available at: <https://www.incomesdataresearch.co.uk/resources/press-releases/pay-for-degree-apprentices-rises-more-rapidly-than-that-for-traditional-graduates-press> [Accessed on 18 June 2020, note this report is behind a pay wall]

## Sergeants' pay scale

5.45 In Chapter 3, we discuss the proposal we received to remove the lowest point on the sergeants' pay scale. We were told that benchmarking data highlighted that the gap in pay from the top of the constables' scale to the sergeants' starting rates of pay is small and that this may be a factor in the difficulty in recruiting sergeants, an issue given the need to create an additional 2,000 sergeant posts to support workforce uplift.

### *Our comment and recommendation*

5.46 As discussed in Chapter 3, we are concerned about such requests to consider individual pay reform measures in isolation. However, we support this proposal, recognising the desire of the NPCC and other parties to progress this because of the need to increase the number of sergeants to enable the Uplift Programme.

**Recommendation 2.** We recommend the removal of the lowest point of the sergeants' pay scale from 1 September 2020.

## Allowances

5.47 The **Home Office** told us that all allowances were currently under review as part of the NPCC's reform of pay and reward structures. However, we have been invited, as in previous years to make specific recommendations on Dog Handlers' Allowance and London Weighting.

## Dog Handlers' Allowance

5.48 The **Home Office** told us that historically this allowance was considered alongside the annual officer pay award. The Home Office also indicated that it was being reviewed by the NPCC as part of the wider review of allowances and that we should consider evidence put forward by the policing parties as to whether there was a case for increasing this in the 2020/21 pay year.

5.49 The **NPCC** proposed that, as in previous years, Dog Handlers' Allowance be uplifted in line with the increase in base pay.

5.50 The **MPS** recommended that Dog Handlers' Allowance should increase by 2.5%, the same level as its pay recommendation.

5.51 The **PFEW** and **PSA** told us that the Dog Handlers' Allowance should be uprated in line with the overall pay award.

### *Our comment and recommendation*

5.52 We have reviewed the evidence received from the parties on Dog Handlers' Allowance and note that the outcome of a review of this allowance is still awaited. We have not, however, received any evidence to suggest that we should depart from our previous position of recommending an increase to the allowance in line with our basic pay award recommendation. We therefore recommend that Dog Handlers' Allowance should increase by 2.5%.

**Recommendation 3.** We recommend that Dog Handlers' Allowance should increase by 2.5% from 1 September 2020.

## Geographical allowances: London Weighting, London Allowance and South East Allowances

- 5.53 The **Home Office** noted that any increase to London Weighting had historically been linked to the main pay award and that we should consider the evidence put forward by policing partners on this matter as to whether there was a case for increasing this for the 2020/21 pay year.
- 5.54 The **MPS** asked us to consider London Weighting and the London Allowance as a package. It explained the components of this package<sup>44</sup>:
- London Weighting (currently £2,505) was pensionable and traditionally increased in line with the annual pay award. London Weighting was paid in compensation for the greater costs associated with living and working in the capital.
  - London Allowance 1 (£1,011) was not pensionable and paid to recognise the severe recruitment and retention difficulties in London. It had not been uplifted since its introduction in 1978.
  - London Allowance 2 (£3,327) was introduced in 2001 to further support recruitment in the light of the abolition of the housing allowance in 1994. As above, this allowance was not pensionable and had not been uplifted since its introduction.
- 5.55 The MPS told us that, collectively, the London Weighting and other London Allowance payments acted as a vital recruitment and retention tool. It said that only London Weighting was subject to any increase in value, which meant that the relative value of the allowances overall was eroded over time. The MPS also confirmed that maximum payments were being made to all its officers. The MPS told us that, while the recruitment pipeline was healthy (at the time of submitting its evidence to us), it was far from certain that this positive position could be maintained for the duration of the Uplift Programme and beyond.
- 5.56 The MPS told us that the London Allowance served the same purpose as the South East Allowances payable in surrounding forces. The MPS said that it was concerned that if it became apparent that the reward package was a barrier to recruitment, the Commissioner had no flexibility to address this, despite the inherent operational risk that this could bring. It commented that this was of concern because other south-east forces had gained increased flexibility to vary their location allowances when the maxima were increased by £1,000 in 2016 – an increase that had not applied to the London Allowance. The MPS, therefore, invited us to increase the maximum value of London Allowance 2 by £1,000, thus enabling the Commissioner to have the flexibility to increase the value of the London Allowance by up to this amount. The MPS confirmed that, in advance of submitting this proposal, the Commissioner had secured the support in principle of chief constables in the south-east region to this request. The MPS stressed that this was a contingency measure only and that it did not have plans to utilise such flexibility, nor funds to do so.
- 5.57 The MPS proposed that a 2.5% pay increase should be applied to London Weighting.
- 5.58 The **NPCC** told us that it endorsed the MPS submission on London Weighting and the London Allowance.

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<sup>44</sup> Although the MPS referred to London Allowance 1 and London Allowance 2, Determinations made under Police Regulations 2003 set out a single London Allowance defined as a maximum of £4,338 a year for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance, and £1,011 a year in other cases.

- 5.59 The PFEW and PSA told us that they thought that the rationale for the payment of London Weighting, London Allowance and the South East Allowance had become unclear. The PFEW and PSA told us that they were concerned that payment of the South East Allowance was discretionary and some forces were not paying the maximum available.
- 5.60 The PFEW and PSA suggested to us that if housing were accepted as a key factor in the rationale for payment it should be noted that while London and South East Allowances had not, in reality, increased since their introduction, house prices had increased drastically. They said that house prices in London had more than doubled since 2006. Furthermore, they told us even where mortgage providers lent a maximum of five times the applicants' salary, then the maximum mortgage for a constable at the top of the scale would be £200,640 which fell short of average property prices in London and the south-east. The PFEW and PSA told us that there was evidence that this situation created a recruitment and retention problem, with 8 of the forces closest to London in the 13 worst forces for leavers.
- 5.61 The PFEW and PSA also told us that it could be supposed that officers who had a long way to travel to work, because of their inability to afford local housing, were more likely to be tired on shifts and less likely to be able to report for shifts at short notice.
- 5.62 The PFEW and PSA suggested to us that officers in London and the south-east should have their geographical allowances uprated by a figure that recognised that house prices had increased to around 150% of their value 10 years earlier. Therefore, as a minimum, they proposed that London Weighting should be uplifted in line with the pay award and London and South East Allowances should be increased by 150% of their current value (London Allowance £6,507 and South East Allowance £4,500) and that the upper value of the South East Allowance should be non-discretionary.
- 5.63 The PFEW and PSA told us that they were disappointed that there had not been a review of geographical allowances and suggested to us that the Home Office and NPCC should set out a timetable as to when this would happen. In their view, all officers in London and the south-east should be paid the same geographical allowance package to avoid officers being poached from one force to another and that the payments should be mandated, not discretionary.

#### *Our comment and recommendations*

- 5.64 We observe that police geographical allowances are complicated and lack coherence. This is an area ripe for urgent review as part of the NPCC's ongoing work and we look forward to seeing the conclusions of this in due course. We also note the concerns of the staff associations that the current inconsistent levels of payment might encourage an unhelpful interchange of officers between forces. However, we have seen no evidence on this and suggest that this is a matter that could be resolved efficiently and effectively through discussion and co-operation among chief constables, especially given their current ability to flex the level of South East Allowance. Therefore, taking all these factors into consideration, we do not see a need to increase the South East Allowance at the present time.
- 5.65 In previous years we have recommended increasing London Weighting in line with our recommended basic pay award. We received no evidence to suggest that we should depart from this position and we recognise the importance of maintaining the ratio of pay between officers in London and those in other forces. We therefore recommend that London Weighting should be uprated by 2.5%.

**Recommendation 4. We recommend that London Weighting should increase by 2.5% from 1 September 2020.**

5.66 We have considered the MPS's proposal for increased flexibility on the payment of London Allowance and note that this year's submission refines the one presented to us last year. Last year we expressed concern at the possible implications of the proposal for neighbouring forces and are grateful to the MPS for specifically addressing this in their evidence to us for this round. We observe that the MPS already has flexibility to vary the amount of London Allowance that it pays to officers, but that it currently pays officers at the maximum rate. Noting that the MPS told us that it had no immediate plans, or funds, to increase the level of London Allowance that it pays officers, we are content to support this proposal and recommend that the maximum rate of London Allowance be increased by £1,000 to £5,338 a year for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance.

**Recommendation 5.** We recommend that the maximum rate of London Allowance should increase by £1,000 to £5,338 a year for officers appointed on or after 1 September 1994 and not receiving Replacement Allowance.

## On-call Allowance and the payment of this to superintendents

5.67 The PSA told us that it had engaged with the NPCC and gained its support, outside the formal Review Body round, for the payment of On-call Allowance for superintending ranks to be considered by the wider PCF. The PCF had agreed that the superintending ranks should receive the same On-call Allowance as the federated ranks. The **Home Office** confirmed to us that consensus had been reached among policing partners and that an On-call Allowance for superintendents of £20 for each 24-hour period on call would be introduced, and that payments would be backdated to take effect from 1 September 2019.

### *Our comment*

5.68 We note that the exclusion of the superintending ranks from entitlement to On-call Allowance has been a concern to the PSA for some time. We are pleased that this matter has been resolved between the PCF and Home Office.



## CHAPTER 6 – FORWARD LOOK

### Introduction

- 6.1 It will be for Government to set the remit for the next pay round. However, the core of the report will be driven by our standing terms of reference. In this chapter we aim to give the parties who provide evidence, and the remit group more generally, some indication of areas which are likely to be of continuing interest to us in future pay rounds.
- 6.2 We note that this year's pay recommendation will be a real-term increase for officers in our remit group and assess that this is justified given the evidence presented to us and the demand placed on the police, the complexity and volume of the workload and the level of risk and responsibility carried by individual officers. However, we recognise that we are concluding this report in extraordinary times and that next year the environment for our review may be influenced by a number of factors, including those discussed below.

### COVID-19

- 6.3 Next year's evidence will need to cover the impact of COVID-19 and we would hope to see discussion of how this has affected policing and the policing environment, as well as the police workforce and the wider economy and labour market. We would also expect to see evidence on how the extensive repercussions of COVID-19 have affected police officer recruitment, retention, morale and motivation. In addition, we would welcome an assessment of the longer-term implications of COVID-19 on policing.
- 6.4 COVID-19 has forced us to revise the way that we conduct our round this year. However, we have been pleased that technology has enabled the round to progress and that we have been able to follow our usual processes. We do not yet know what the implications of COVID-19 will be for next year's round and, whether for example, social distancing requirements will have an impact on our visit programme and our ability to meet with members of our remit group in person. However, we repeat our thanks to all parties who have facilitated the current round and invite them to work with us and our secretariat to ensure that next year's round follows as conventional a process as possible.

### The UK's exit from the European Union

- 6.5 At the time of writing, the detailed arrangements for the UK's future relationship with the EU have still to be agreed following the UK's exit from the EU. One area under discussion relates to law enforcement and judicial cooperation in criminal matters. For next year's round we will be interested to receive evidence on the implications of the UK's exit from the EU for policing.

### Timescale for next year's pay award

- 6.6 In evidence to us this year the NPCC indicated that it would support the development of a multi-year pay award for future years to enable strategic planning and work to focus on delivering other elements of pay reform. Building on this, the APCC also told us that, for them, there were attractions to a front-loaded multi-year pay award to give certainty and create the space and bandwidth to consider other pay and conditions matters. In our Fifth Report, we made it clear that we are not against multi-year deals in principle, and see the benefits of having certainty on pay over a longer period in order to assist with strategic focus, particularly when major changes are in train. If the Home Office wants us to consider a multi-year deal next year, then we would invite it to be clear on the parameters for this in the remit letter so that our secretariat can ensure that it commissions the relevant evidence from the parties.

## The Uplift Programme

- 6.7 We also look forward to receiving an update on the progress towards meeting the increase in the police officer numbers in the Uplift Programme.

## Pay reform

- 6.8 This is a critical year for pay reform. We look forward to receiving robust evidence on the success of measures introduced during 2020 and the benefits being delivered as a consequence of these. In this year's commentary, we explain what we expect to see next year in the context of pay reform, particularly in relation to pay proposals that build on the benchmarking work and develop competence-based pay progression. We invite the NPCC to present any new pay proposals as part of a coherent package. We also welcome clarity from the Home Office on what it will expect from us in respect of this work and our recommendations next year.
- 6.9 We look forward to receiving an update on the work being taken forward by the College of Policing in support of reform and progress on the design, development and delivery of the strategic national HR function. We also expect to see clarity with regard to the implementation of the Stream 2 work, which includes changes to pay scales and the new pay progression model linked to competency, given that at the time of preparing this report no specific delivery timescales were set out.

## Chief police officers

- 6.10 We invite the Home Office to provide clarity on whether chief officer pay should continue to be considered by us or revert to the Senior Salaries Review Body as set out in clause 133 of the Anti-social Behaviour, Crime and Policing Act 2014<sup>45</sup>.
- 6.11 Irrespective of which body considers chief officer pay, we highlight two specific issues on which progress should be discussed in next year's review:
- the recommendations of the Leading Lights Report; and
  - the review of chief officer pay and allowances, including the outcome of the chief officer pay benchmarking.
- 6.12 On the chief officer pay review, we invite the Home Office to agree the Review Body role in respect of any resulting pay recommendations.

## Evidence gaps and data limitations

- 6.13 We appreciate the parties' continuing efforts to improve the evidence base and the additional information that has been provided to us for this pay round in response to the requests in our last report. We have commented in this report on the following specific issues:
- clarity from the Home Office on the type of analysis it would find useful in relation to affordability; (Paragraph 2.27)
  - evidence to enable a more robust discussion and measure of productivity; (Paragraphs 2.28 and 3.31)
  - data on reasons for voluntary resignations; (Paragraph 2.92)
  - 'employer' evidence relating to the morale and motivation of officers on a national basis; (Paragraph 2.104)
  - trend data on sickness absence; (Paragraph 2.104)

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<sup>45</sup> Available at: <http://www.legislation.gov.uk/ukpga/2014/12/contents> [Accessed on 18 June 2020]

- data on the take-up of TVP; (Paragraph 3.71)
- detail of EIAs; (Paragraph 3.105)
- evidence on the wider management aspects and specific challenges of the chief officer role; (Paragraph 4.10) and
- transparency on the composition of the chief officer reward package. (Paragraph 4.48)

6.14 We encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data in these areas.



# APPENDIX A – OUR PREVIOUS REPORTS

## 2019 Report

We submitted our 2019 Report on 29 May 2019 and the Government responded to the recommendations on 22 July 2019<sup>46</sup>. The recommendations were as follows:

### Our 2019/20 recommendations (from 1 September 2019)

- A one-year pay award for police officers in 2019/20.
- A consolidated increase of 2.5% to all police officer pay points at all ranks.
- Subject to further review in the next pay round, no change to the current arrangements for apprentice progression, namely that following 12 months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.
- Dog Handlers' Allowance should be updated by 2.5%.
- London Weighting should be updated by 2.5%.
- An increase in the On-call Allowance from £15 to £20.

## Previous recommendations

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

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

<sup>46</sup> House of Commons (July 2019), *Home Office update: Written statement – HCWS1769*. Available at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-22/HCWS1769/> [Accessed on 18 June 2020]

<b>Report</b>	<b>Recommendation</b>	<b>Government response</b>
3rd (2017)	<p>A consolidated increase of 2% to all pay points for federated and superintending ranks.</p> <p>London Weighting and Dog Handlers' Allowance to be uprated by 2%.</p> <p>The introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard-to-fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020.</p> <p>In order to support our consideration of pay and reward, the Home Office, NPCC and CoP should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.</p>	<p>Increased consolidated pay by 1% and, for 2017/18 only, provided a 1% non-consolidated pay award</p> <p>Increased London Weighting and Dog Handlers' Allowance by 1%</p> <p>The Home Secretary welcomed this recommendation</p> <p>The Home Secretary looked to the CoP and the NPCC to take forward this work</p>
4th (2018)	<p>The time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 to be consolidated onto all pay points for officers at these ranks.</p> <p>In addition to and following the first recommendation, a consolidated increase of 2% to all police officer pay points at all ranks.</p> <p>London Weighting and Dog Handlers' Allowance to be uprated by 2%.</p> <p>Police forces to appoint apprentice constables on a starting salary of between £18,000 and pay point 1.</p> <p>Following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables to move to the next pay point on the existing police constable pay scale.</p>	<p>Rejected</p> <p>Increased pay by 2%</p> <p>Accepted</p> <p>Accepted</p> <p>Accepted</p>
5th (2019)	<p>A one-year pay award for all police officers in 2019/20.</p> <p>A consolidated increase of 2.5% to all police officer pay points for all ranks.</p> <p>Subject to further review in the next pay round, no change to the current arrangements for apprentice progression, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.</p> <p>Dog Handlers' Allowance should be uprated by 2.5%.</p> <p>London Weighting should be uprated by 2.5%.</p> <p>An increase in the On-call Allowance from £15 to £20.</p>	<p>Accepted</p> <p>Accepted</p> <p>Accepted</p> <p>Accepted</p> <p>Accepted</p> <p>Accepted</p>

## APPENDIX B – HOME SECRETARY’S REMIT LETTER



Home Secretary

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

Anita Bharucha (Chair)  
Police Remuneration Review Body  
Office of Manpower Economics  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

5 November 2019

Dear Anita

### **POLICE REMUNERATION REVIEW BODY REMIT 2020/21**

Thank you for your considerations and recommendations for the 2019/20 Police pay award, which as you will be aware, the Government accepted in full.

I am now writing to ask the Police Remuneration Review Body (PRRB) to conduct its annual review of police officer pay and associated allowances. This will include a formal recommendation on how to apply the police officer pay award for 2020/21 to all ranks, including chief officers, and to include a review of London Weighting and Dog Handler's allowance.

This will be based on available evidence and should be considered in the context of government's recent commitment to an increase of 20,000 officers over three years. This reflects the most significant officer uplift in a decade and reflects the Government's support for a service that we value so highly. I want to empower the service to get the resources and tools it needs to get the job done. I want to make sure that the service encourages the right people to join and remain on the job and that it has a pay system that supports this.

NPCC proposals for a revised pay structure will therefore form a critical part of PRRB's consideration. We therefore ask that the PRRB consider the following proposals, commenting in particular on their suitability and robustness:

- proposals for independent benchmarking, which will have been completed for all officer grades, including Chief Officers;
- defining and valuing the 'P-Factor', recognising those elements of the role which are unique to policing;
- the rationale and proposals for a range of pay interventions to support operational delivery through targeting roles that are hard to fill or critical to retain; and

- wider workforce data which is available to support the uplift of 20,000 officers

You will be aware that the NPCC has been leading the design of police pay reform, implementation for which is now due to begin from spring 2021, to ensure that forces can manage immediate requirements of a growth in their workforce ahead of implementing pay reform proposals. We have asked for their revised proposals to be set out in their evidence submission to the review body. I would welcome your observations on these proposals which will cover the impact of pay reform, consideration of proposed salaries, an assessment of level of force maturity to meet the requirements of proposed assessment points to determine officer pay.

The NPCC also intends to set out a proposed timetable for regulatory implementation taking account of requirements for consultation with interested parties.

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. We must ensure that the affordability of a pay award is taken into consideration to ensure that police forces are able to maximise the additional officers that they can recruit.

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 for the PRRB and to consider each matter for recommendation in the context of future reform plans. I request the report by 30 April 2020.

Thank you for your hard work in this important area and I look forward to receiving your recommendation and observations.

Yours sincerely,



**Rt Hon Priti Patel MP**

## APPENDIX C – THE PARTIES’ WEBSITE ADDRESSES

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

Home Office	<a href="https://www.gov.uk/government/publications/home-office-evidence-to-the-police-remuneration-review-body-2020-to-2021">https://www.gov.uk/government/publications/home-office-evidence-to-the-police-remuneration-review-body-2020-to-2021</a>
National Police Chiefs’ Council	<a href="https://www.npcc.police.uk/NPPC%20PRRB%20Report%202020%20FINAL.pdf">https://www.npcc.police.uk/NPPC%20PRRB%20Report%202020%20FINAL.pdf</a> <a href="https://www.npcc.police.uk/PRRB%20Appendices.pdf">https://www.npcc.police.uk/PRRB%20Appendices.pdf</a>
Metropolitan Police Service	<a href="https://www.met.police.uk/">https://www.met.police.uk/</a>
Association of Police and Crime Commissioners	<a href="http://www.apccs.police.uk/publications/">http://www.apccs.police.uk/publications/</a>
Joint submission from the Police Federation of England and Wales, and the Police Superintendents’ Association	<a href="https://www.polfed.org/media/15665/pfew-and-psa-submission-to-the-prrb-7-2-2020-v1.pdf">https://www.polfed.org/media/15665/pfew-and-psa-submission-to-the-prrb-7-2-2020-v1.pdf</a>
Joint submission from the Police Superintendents’ Association of England and Wales and Superintendents’ Association of Northern Ireland	<a href="https://polic-supers-my.sharepoint.com/:b:/p/wtr/EW80LboyVL5HnQ7U9uVls88B_5oJMAiT1vLGiPVREIX83A?e=3r9o1S">https://polic-supers-my.sharepoint.com/:b:/p/wtr/EW80LboyVL5HnQ7U9uVls88B_5oJMAiT1vLGiPVREIX83A?e=3r9o1S</a>
Chief Police Officers’ Staff Association	<a href="https://cposa.uk/">https://cposa.uk/</a>



# APPENDIX D – RECOMMENDED CHANGES TO POLICE OFFICER PAY SCALES AND ALLOWANCES FROM 1 SEPTEMBER 2020

## Salary Scales

The salary scales for the federated and superintending ranks in effect from 1 September 2019 are set out below along with our recommendations for effect from 1 September 2020.

Rank	Pay point	With effect from 1 September 2019	Recommended for effect from 1 September 2020	Notes
Constable (appointed on or after 1 April 2013)	PCDA minimum	£18,450	£18,912	a-e
	0	£20,880	£21,402	f,g
	1	£24,177	£24,780	h
	2	£25,269	£25,902	i
	3	£26,370	£27,030	
	4	£27,471	£28,158	j
	5	£29,670	£30,411	
	6	£34,098	£34,950	
Constable (appointed before 1 April 2013)	On commencing service	£25,560	£26,199	
	On completion of initial training	£28,527	£29,241	
	2	£30,180	£30,933	k
	3	£32,025	£32,826	
	4	£33,036	£33,861	j
	5	£34,098	£34,950	
	6	£37,095	£38,022	
	7	£40,128	£41,130	
Sergeant	1	£41,499	removed	
	2	£42,894	£43,965	
	3	£43,806	£44,901	
	4	£45,099	£46,227	

Rank	Pay point	With effect from 1 September 2019	Recommended for effect from 1 September 2020	Notes
Inspector	0	£51,414	£52,698	
	1	£52,863	£54,186	
	2	£54,312	£55,671	
	3	£55,767	£57,162	
Inspector (London)	0	£53,664	£55,005	
	1	£55,119	£56,496	
	2	£56,580	£57,993	
	3	£58,038	£59,490	
Chief Inspector	1	£56,910	£58,332	I
	2	£58,050	£59,502	
	3	£59,250	£60,732	
	In post 31 August 1994	£60,219	£61,725	
Chief Inspector (London)	1	£59,175	£60,654	I
	2	£60,315	£61,824	
	3	£61,509	£63,048	
	In post 31 August 1994	£62,469	£64,032	
Superintendent (promoted to rank on or after 1 April 2014)	1	£68,460	£70,173	
	2	£72,033	£73,833	
	3	£75,795	£77,691	
	4	£80,859	£82,881	
Superintendent (promoted to rank before 1 April 2014)	1	£68,460	£70,173	
	2	£71,283	£73,065	
	3	£74,103	£75,957	
	4	£76,932	£78,855	
	5	£79,758	£81,753	
Chief Superintendent	1	£84,849	£86,970	
	2	£87,717	£89,910	
	3	£89,511	£91,749	

Notes:

- a. Subject to note b, the chief officer of police must determine the starting salary of any member of their police force who is appointed on a police constable degree apprenticeship scheme (a 'PCDA constable'), and the starting salary of a PCDA constable must be an amount from £18,912 to pay point 1 on the constables' pay scale.
- b. The chief officer of police must determine the starting salary of any member of their police force who is a PCDA constable as pay point 1 on the constables' scale where that PCDA constable:
- possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
  - was, prior to appointment, serving as a Special Constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;
  - was, prior to appointment, serving as a Police Community Support Officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- c. The chief officer of police must take into account, in making their determination under note a:
- the views of the local policing body;
  - local recruitment needs, and
  - whether the PCDA constable holds a policing qualification or relevant experience other than those specified in note b above.
- d. The PCDA constable will continue to receive their starting salary for the subsequent twelve months of their service from the date of their appointment as a PCDA constable. After twelve months service, and subject to satisfactory completion of Year 1 of their apprenticeship, the PCDA constable's salary is to be calculated in accordance with the prevailing police constable pay scale, the relevant pay point being determined as follows:
- For PCDA constables being paid an amount equal to pay point 1 on the prevailing constable pay scales during their first 12 months of service, they will be moved to pay point 2.
  - For all other PCDA constables, they will be moved to pay point 1.
- e. Where a PCDA constable's first 12 months of service has not been satisfactory, they will remain on the same salary as applied when they entered service as a PCDA constable.
- f. Entry point for an officer appointed in the rank of constable, unless either of sub-paragraphs (i) or (ii) applies:
- (i) The chief officer of police may, after consultation with the local policing body, assign any officer to pay point 1 on the basis of local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of this note; and
- (ii) The chief officer of police shall assign to pay point 1 any officer who:
1. Possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
  2. Was, prior to appointment, serving as a special constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;

3. Was, prior to appointment, serving as a police community support officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- g. The salary paid to an officer at pay point 0 shall be between £21,402 and £24,780 as determined by the chief officer of police, after consultation with the local policing body, based on local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of note (a) above.
  - h. On completion of initial training, an officer who entered at pay point 0 will move to pay point 1.
  - i. All officers will move to pay point 2 after twelve months at pay point 1 and progression will continue to be at a rate of one pay point per twelve months of service thereafter with the exception of pay point 4 which is subject to note (j) below.
  - j. With effect from 1 January 2017, officers at pay point 3 will only progress to pay point 4 if they have at least twelve months' reckonable service at pay point 3 and have successfully completed a Foundation Level ARC assessment, or re-assessment.
  - k. All officers move to this salary point on completion of two years' service as a constable.
  - l. Entry point for an officer appointed to the rank, unless the chief officer of police assigns the officer to a higher point.

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

## **Allowances**

The recommended revised values of allowances from 1 September 2020 are set out below:

<b>London Weighting</b>	£2,568 per annum
<b>Dog Handlers' Allowance</b>	£2,400 per annum
<b>London Allowance maximum</b>	£5,338 per annum

The values of all other allowances and payments remain unchanged.

## APPENDIX E – RECOMMENDED CHANGES TO CHIEF POLICE OFFICER PAY FROM 1 SEPTEMBER 2020

### Chief Constable and Deputy Chief Constable Salaries

Force Weighting	Force	Chief Constables		Deputy Chief Constables	
		With effect from 1 September 2019	Recommended for effect from 1 September 2020	With effect from 1 September 2019	Recommended for effect from 1 September 2020
10.0	West Midlands Greater Manchester	£199,386	£204,372	£152,871	£156,693
8.0	West Yorkshire	£186,099	£190,752	£148,878	£152,601
6.5	Thames Valley	£176,130	£180,534	£145,308	£148,941
6.0	Merseyside Northumbria	£172,800	£177,120	£142,566	£146,130
5.5	Hampshire	£169,476	£173,712	£139,824	£143,319
5.0	Kent Lancashire Devon & Cornwall	£166,161	£170,316	£137,076	£140,502
4.5	South Yorkshire Essex Avon & Somerset Sussex South Wales	£162,840	£166,911	£134,343	£137,703
3.5	Nottinghamshire	£156,192	£160,098	£128,859	£132,081
3.0	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire Derbyshire	£152,871	£156,693	£126,111	£129,264
2.5	Surrey Norfolk	£149,544	£153,282	£123,375	£126,459
2.0	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire Bedfordshire	£146,256	£149,913	£120,633	£123,648
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	£142,896	£146,469	£119,637	£122,628

A PCC may, on appointing a Chief Constable, set the Chief Constable's salary at a rate up to 10% above or below the rate set out in the table above

## Metropolitan Police Service Salaries

	With effect from 1 September 2019	Recommended for effect from 1 September 2020
Commissioner	£285,792	£292,938
Deputy Commissioner	£235,944	£241,842
Assistant Commissioner	£199,386	£204,372
Deputy Assistant Commissioner	£152,871	£156,693

## City of London Salaries

	With effect from 1 September 2019	Recommended for effect from 1 September 2020
Commissioner	£176,802	£181,221
Assistant Commissioner	£145,830	£149,475

## Assistant Chief Constable and Commander Pay Scale

Pay point	With effect from 1 September 2019	Recommended for effect from 1 September 2020
1	£103,023	£105,600
2	£109,662	£112,404
3	£116,313	£119,220

Incremental progression will follow upon twelve months' reckonable service on each pay point, on the basis of satisfactory performance.

## APPENDIX F – CHIEF POLICE OFFICER RANKS IN ENGLAND AND WALES 2020

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



