



Prison Service
Pay Review Body

Twelfth Report on England and Wales 2013

Chair: Dr Peter Knight CBE



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on

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**Presented to Parliament by
the Lord Chancellor and Secretary of State for Justice
by Command of Her Majesty
March 2013**

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Glossary of Terms

ACH	additional committed hours (for prison officers in Band 3)
ACHP	pensionable additional committed hours
AWE	average weekly earnings
CPI	consumer prices index
GDP	gross domestic product
HMP	Her Majesty's Prison
JES	job evaluation scheme
MoJ	Ministry of Justice
MPC	Monetary Policy Committee
NOMS	National Offender Management Service
OBR	Office for Budgetary Responsibility
OSG	operational support grade
PCS	Public and Commercial Services Union
PGA	Prison Governors Association
PO	principal officer
PO2	prison officer 2
POA	The Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers
PSPRB	Prison Service Pay Review Body
RHA	required hours addition (also called required hours allowance)
RPI	retail prices index
SO	senior officer
TOIL	time off in lieu
VEDS	voluntary early departure scheme

National Offender Management Service (NOMS) in England and Wales and our remit group

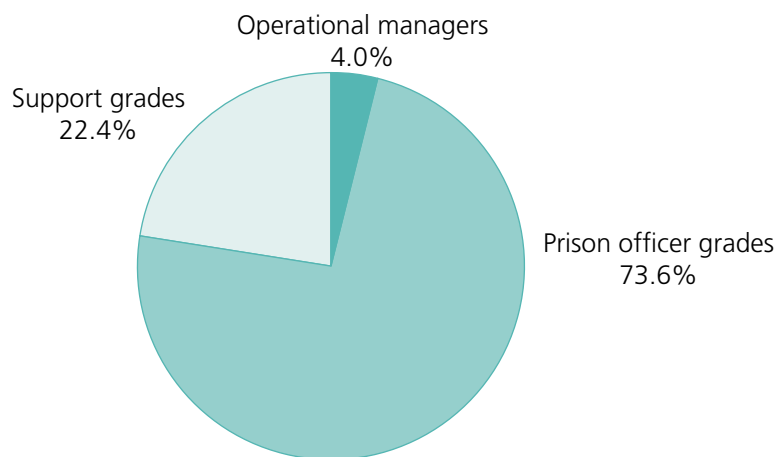
NOMS is an Executive Agency of the Ministry of Justice. Its role is to commission and provide offender management services in the community and in custody, ensuring best value for money from public resources. It works to protect the public and reduce reoffending by delivering the punishment and orders of the courts, and supporting rehabilitation by helping offenders to reform their lives.

On 8 February 2013, the prisoner population was 84,305, 3.9 per cent lower than a year earlier.

NOMS paybill costs relating to the remit group in 2011-12 were £1.1 billion (including social security and other pension costs).

At the end of December 2012, there were 30,821 staff in our remit. The composition is shown below.

Our remit group in England and Wales, as at 31 December 2012



	<i>Headcount</i>
Operational managers	1,234
Prison officer grades	22,676
Support grades	6,911

Source: NOMS

Prison Service Pay Review Body 2013 Report on England and Wales

Summary

Introduction

Our key recommendations on pay from 1 April 2013 are:

- The introduction of the Band 4, 5, 7, 8, 9, 10 and 11 pay ranges as set out in Appendix F.
- The Band 2 and 3 pay ranges to be amended as set out in Appendix F.
- Staff in Bands 2 to 5 who are in post on 1 April 2013 to receive one point of pay progression.
- Staff in Bands 7 to 11 who are in post on 1 April 2013 to receive 1.5 per cent consolidated pay progression.
- Staff in Bands 7 to 11 who are in post on 1 April 2013 who receive an “exceeded” box marking to receive a 1 per cent non-consolidated pay award based on their 31 March 2013 pay level.
- A non-consolidated payment of £250 for prison officers and manager Gs at the maximum of the old, *pre-Fair and Sustainable* grade on 31 March 2013 and senior officers in the old, *pre-Fair and Sustainable* grade provided they are in post on 1 April 2013.

In addition, we make a number of other recommendations relating to our remit:

- The parties to work together to measure the percentage of unsocial hours in the working time of staff across our remit group and present their findings to us for our next report.
- The parties to discuss the inconsistency of prison officers in Band 3 receiving non-pensionable additional committed hours (ACH) rather than pensionable ACHP and reach an agreed position to present to us for our next report.
- The National Offender Management Service (NOMS) and the Prison Governors Association (PGA) to provide further information on the pay ranges for Bands 7 to 11 and progression of staff in their evidence to us next year.
- NOMS to provide evidence on the Civil Service Employee Policy performance management system for our next report.
- The parties to provide evidence on time off in lieu (TOIL) for our next report including proposals to address it if the balance has increased.
- The parties to provide evidence for our next report on how job evaluation is being used to help manage the transition to *Fair and Sustainable* and ensure equal pay for work of equal value.

- NOMS to develop plans for addressing the issue of staff financially “trapped” by locality pay and present them to us for our next report.
- The parties to work together with the aim of agreeing an approach for measuring motivation in the future and inform us of progress on this issue for our next report.
- The parties to discuss the issue of representation of non-operational staff and the scope of our remit and bring forward proposals.
- The parties to make formal proposals to us for our next report when any of the further work we have requested results in proposals relating to pay or other areas of our remit.

Our remit and approach this year

In his Autumn Statement on 29 November 2011¹ the Chancellor of the Exchequer announced that the Government would seek public sector pay awards of an average of 1 per cent for each of the two years after the pay freeze for public sector workers paid over £21,000 a year came to an end. The remit letter from the Prisons Minister for this round drew our attention to this pay policy but did not restrict our remit. We have therefore considered the full remit group and made recommendations in accordance with our standing terms of reference and based on the evidence we received from the parties, views we heard from staff during our visit programme in 2012 and information on the remit group and the economic context.

Context and evidence

The state of the UK economy remains subdued and recovery continues to be slow. Inflation remains above the Government’s target and is not expected to return to target for two more years. NOMS continues to operate within financial constraints set as part of the Spending Review and these continue to affect the money available for pay increases to Service staff.

The Government is reforming public sector pensions, moving schemes from a final salary basis to career average revalued earnings, aligning normal retirement ages with the State Pension Age and introducing tiered contributions whereby higher-paid public sector workers contribute a greater proportion of their earnings. These changes affect our remit group who are eligible to join civil service pension schemes.

NOMS is implementing *Fair and Sustainable*, a new working structure for the organisation that was agreed with the POA. *Fair and Sustainable* provides a new, eleven-band structure covering all grades in our remit group. The Prisons Minister told us in oral evidence that *Fair and Sustainable* was helping to make the Prison Service as efficient as it could be. The Lord Chancellor and Secretary of State for Justice, Chris Grayling MP, has announced that there will be no further market testing of whole establishments during the current Parliament.

Pay range minima and maxima were published in *Fair and Sustainable* in February 2012. In its evidence to us this year NOMS has proposed some further pay points and changes to existing pay points and ranges. NOMS also proposed one pay point progression for staff in Bands 2 to 5 and a 1.5 per cent progression increase for staff in the pay ranges 7 to 11. NOMS proposed no increase in the pay of staff on the old, pre-*Fair and Sustainable* grades or for allowances.

The POA proposed an above inflation increase in base pay for Bands 1 to 5 and those in the old, pre-*Fair and Sustainable* grades. It asked for a number of changes to payment for hours

¹ HM Treasury. *Autumn Statement 2011*. Cm 8231. TSO, 2011. Available at: http://cdn.hm-treasury.gov.uk/autumn_statement.pdf (accessed on 22 February 2013).

worked, including unsocial hours, and proposed increases and changes to some allowances. The PGA said an increase of the order of 5 per cent for managers would be appropriate, but it accepted the reality that any pay award this year would not exceed 1 per cent. It also proposed changes in the payment for managers' unsocial hours. The Public and Commercial Services Union (PCS) asked for pay increases for staff to be at least "inflation proof". In addition, it asked us to raise its concerns about the coverage of our remit as our recommendations will read across directly to non-operational staff.

Our recommendations on pay for 2013

We endorse the new pay bands as proposed by NOMS.

This year we propose three different types of pay increase:²

- revised pay ranges and consolidated progression within the *Fair and Sustainable* Bands,
- the consolidated increase received on opting into *Fair and Sustainable*, and
- a non-consolidated payment for those at the maximum of the prison officer scale or the manager G scale (as at 31 March) and on the old, pre-*Fair and Sustainable* senior officer spot rate.

We have not proposed an increase for those in post on the old, pre-*Fair and Sustainable* grades who are not at the maximum. These staff will receive pay increases through contractual incremental progression.

We acknowledge that arrangements surrounding pay changes this year are complex. This means that, for some staff, access to a pay award is dependent upon them opting into *Fair and Sustainable* and its terms and conditions. In addition, we acknowledge that the arrangements this year will not result in a flat 1 per cent increase for each member of staff choosing to access an award. Instead the precise increase will depend on the pay arrangements for each particular pay scale and pay point staff are on and whether they choose to opt in.

Both the POA and the PGA raised issues relating to payment for unsocial hours, additional committed hours, overtime and time off in lieu. We have looked at the issues raised by the POA and the PGA but do not feel the evidence presented is conclusive. We have asked for further information from the parties.

We have considered the POA's proposals to increase the payments for Operation Tornado, and for care, maintenance and kennelling of dogs. We received no evidence that the current allowances are insufficient and have therefore recommended no change.

Looking ahead

We welcome the collaboration that has already taken place between the parties to agree and implement *Fair and Sustainable*. However, while the details of *Fair and Sustainable* have mainly been determined, we should welcome more information about the operation of the pay ranges for Bands 7 to 11, about the job evaluation process and about those staff financially "trapped" by changes to locality pay, in time for our next report.

Our terms of reference require us to have regard for the need to motivate staff. We recommend that the parties work together with the aim of agreeing an approach to measure motivation in the future and inform us of progress on this issue for our next report.

² However, we note that some staff are in establishments where they would receive less locality pay under *Fair and Sustainable* than in the closed grades. These staff may not benefit from any of the three types of pay increase listed above.

In its evidence to us, PCS raised concerns again about the coverage of our remit as our recommendations now automatically apply to its non-operational staff members on the new *Fair and Sustainable* structure. Logic suggests our remit should be extended to cover all staff directly affected by our recommendations. We recommend that the parties discuss the issue and bring forward proposals to us.

Chapter 1: Introduction

Our remit this year

1.1 In his Autumn Statement on 29 November 2011¹ the Chancellor of the Exchequer announced the Government policy freezing pay for public sector workers paid over £21,000 a year would be followed by a further two years of public sector pay restraint. The Chancellor said the Government would seek public sector pay awards of an average of 1 per cent for each of the two years after the pay freeze came to an end. The Chief Secretary to the Treasury wrote to our Chair on 16 July 2012 to restate the Government's policy of limiting pay awards to an average of 1 per cent and said that there were "unlikely to be significant recruitment and retention issues for the majority of public sector workforces over the next year". The Chief Secretary argued that pay restraint was necessary for fiscal sustainability and to protect public sector jobs.

1.2 The Prisons Minister, Jeremy Wright MP, wrote to our Chair on 15 September 2012 asking us to begin the 2013-14 pay round and make recommendations by 28 February 2013. The regulations² establishing the Prison Service Pay Review Body (PSPRB) allow Ministers to specify the matters referred to us and in the previous two years we were restricted to considering only those paid up to £21,000 a year. However, the Minister's remit letter for this round, although it drew our attention to the Government's public sector pay policy, contained no restriction. We have therefore considered the full remit group and made recommendations we thought appropriate in the light of all the evidence and in accordance with our standing terms of reference (at Appendix A). The Minister's letter is at Appendix B and the response from our Chair is at Appendix C.

Outcome of our last report

1.3 In our 2012 report,³ we recommended:

- A consolidated increase of £250 to all pay points at or below £21,000, including the first two points of the old, pre-*Fair and Sustainable* prison officer scale.
- The introduction of the national pay ranges for Bands 2 and 3 for operational support grades (OSGs) and prison officers respectively, as set out in *Fair and Sustainable*, the agreement for a new pay and grading structure in the Prison Service, described in our last report.
- The introduction of the inner and outer London pay ranges for Bands 2 and 3 as set out in *Fair and Sustainable*.
- A 5 per cent increase in the hourly rate of the Operation Tornado⁴ payment.

1.4 The Government accepted these recommendations and implemented them from 1 April 2012.

Our work programme and evidence base

1.5 We base our recommendations on evidence from a number of sources:

- written and oral evidence from the parties;
- economic data from the Office for National Statistics;

¹ HM Treasury. *Autumn Statement 2011*. Cm 8231. TSO, 2011. Available at: http://cdn.hm-treasury.gov.uk/autumn_statement.pdf (accessed on 22 February 2013).

² The Prison Service (Pay Review Body) Regulations 2001 (SI 2001 No. 1161). Available at: <http://legislationline.org/documents/action/popup/id/7249> (accessed on 22 February 2013). PSPRB covers England and Wales, and Northern Ireland; the Scottish Prison Service is outside our remit.

³ Prison Service Pay Review Body. *Eleventh Report on England and Wales 2012*. Cm 8300. TSO, 2012. Available at: http://www.ome.uk.com/PSPRB_Annual_Reports.aspx (accessed on 22 February 2013).

⁴ Operation Tornado teams are trained to deal with serious incidents in prisons.

- statistical data provided by the National Offender Management Service (NOMS) in the autumn of 2012 which were shared with all the parties; and
- information gathered during our visits to prison establishments.

We sometimes commission independent research through our secretariat but have not done so for this round.

1.6 Following receipt of the Minister's remit letter, our secretariat invited all the parties to submit written evidence by the end of October. We held oral evidence sessions in December 2012 with:

- the Prisons Minister, Jeremy Wright MP, together with NOMS officials led by the Director General, Michael Spurr, and accompanied by officials from HM Treasury;
- the POA,⁵ represented by Peter McParlin, National Chairman, Steve Gillan, General Secretary, other members of the National Executive Committee and officials;
- the Prison Governors Association (PGA) represented by Eoin McLennan-Murray, PGA President, Paddy Scriven, General Secretary, other members of the National Executive Committee and an official; and
- the Public and Commercial Services Union (PCS) represented by Chris Poyner, NOMS Group President, Larry O'Callaghan, Group Secretary and Julian Van Looy, Group Executive Committee member.

Visits

1.7 In 2012 we visited eight establishments (listed at Appendix D). These visits gave us a valuable opportunity to meet staff at all levels. We were able to hear their views on remuneration and the impact of the pay freeze, on the move to *Fair and Sustainable* and on other issues in the Service which impacted on areas covered by our terms of reference. Each visit included discussions with support staff, with staff in the uniformed grades and with operational managers; a briefing with the governing governor and his or her management team; a meeting with local trade union representatives; a tour of the establishment during which we could talk informally to staff; and one of our members 'shadowing' individual staff as they went about their work.

1.8 Our visits in 2012 greatly added to our knowledge and understanding of our remit group's duties, working environment and concerns. Visiting establishments to hear first hand from a cross-section of staff provides us with a valuable perspective which complements written and oral evidence. We know that arranging our visits requires considerable effort and we thank all of those involved, as organisers or participants, for making them possible.

Our 2013 report

1.9 We set out in Chapter 2 the economic context and the main evidence from the parties which we considered when reaching our conclusions. In Chapter 3 we assess the proposals from the parties on pay, allowances and the new pay system and set out our recommendations. In Chapter 4 we comment on a number of other issues to which we believe the parties should give attention.

⁵ The POA union is the Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers.

Chapter 2: Context and evidence

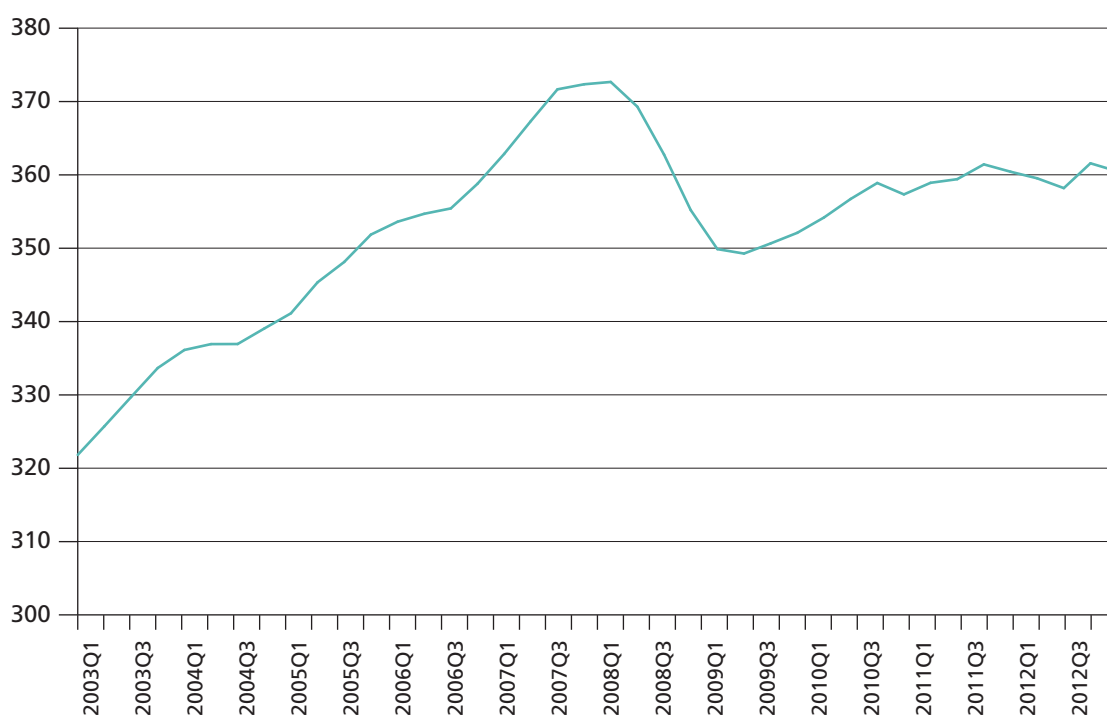
Introduction

2.1 This chapter sets the context for our recommendations. It provides up-to-date information on the main economic indicators, the impact of the Spending Review on the National Offender Management Service (NOMS) and details of the pension scheme changes. This chapter also provides information on our remit group staffing levels, workforce restructuring, recruitment and retention, and motivation and morale. The chapter concludes with the parties' proposals to us.

Economic context

2.2 The state of the UK economy remains subdued and recovery continues to be slow. The economy moved out of the double dip recession in the third quarter of 2012 with growth of 0.9 per cent on the previous quarter, only to shrink again in the fourth quarter by 0.3 per cent. Gross domestic product (GDP) is still 3.3 per cent below its pre-recession peak – see figure 2.1. The Office for Budget Responsibility (OBR) has forecast that the slow recovery will continue and that GDP will grow by 1.2 per cent in 2013.⁶

Figure 2.1: Quarterly Gross Domestic Product, reweighted volumes, 2003 to 2012 (at 2009 prices, seasonally adjusted)



Source: Office for National Statistics

2.3 The headline consumer prices index (CPI) has been above its target of 2 per cent since December 2009. In January 2013, the latest available data, CPI was at 2.7 per cent, down from 3.6 per cent at the start of 2012. The retail prices index (RPI) was at 3.3 per cent, down from 3.9 per cent at the start of the 2012. The Monetary Policy Committee's (MPC's) best collective judgement of the outlook for CPI inflation is that it is likely to rise

⁶ Office for Budget Responsibility, *Economic and Fiscal Outlook: December 2012*, Cm 8481. TSO, 2012. Available at: <http://budgetresponsibility.independent.gov.uk/economic-and-fiscal-outlook-december-2012/> (accessed on 22 February 2013).

further in the near term and may remain above the 2 per cent target for the next two years. However, the MPC said inflation is likely to fall back to around the target thereafter.⁷

2.4 The number of people employed in the public sector was 5.75 million in September 2012. This was down 24,000 from the figure in June 2012 and down 324,000 on the year. The number of people employed in the private sector in September 2012 had increased to 23.86 million, up 65,000 from June 2012, and up by 823,000 over the year. However, these large annual movements include the reclassification of some educational bodies from the public to the private sector.⁸ The OBR has forecast that between the start of 2011 and the start of 2018, total market sector employment will increase by around 2.4 million, more than offsetting a total reduction in general government employment of around 1.1 million over the same period.

2.5 The Labour Force Survey recorded 2.50 million unemployed people in the quarter October to December 2012. This was 14,000 down from the previous quarter and 156,000 fewer than a year earlier. The unemployment rate was 7.8 per cent (October to December 2012), down 0.1 percentage points on the previous quarter and 0.6 percentage points on a year earlier. The OBR has forecast a slight increase in the unemployment rate in the next two years – peaking at 8.3 per cent at the end of 2013. It is then expected to recover gradually, reaching 6.9 per cent at the end of 2017.

2.6 According to data from Incomes Data Services,⁹ inflation-linked deals at the start of 2012 pushed the median pay settlement up to 3 per cent but public sector pay freezes, low inflation and an absence of labour market pressures caused the median to drop to 2.5 per cent across the spring and summer and then to 2.0 per cent in the autumn. One in ten of 2012's private sector reviews were pay freezes, a similar proportion to 2011.

2.7 Private sector average weekly earnings (AWE) grew by 1.3 per cent in the three months to December 2012, compared to 2.0 per cent in the public sector. The latter includes the substantially state-owned banks. If they are excluded then public sector average earnings growth was 2.2 per cent. However, public sector earnings growth has been increased by the reclassification of further education from the public to the private sector.¹⁰ The OBR has forecast that weak productivity will constrain nominal earnings growth and whole economy average earnings are expected to grow by around 2.2 per cent in 2013.

Affordability

2.8 NOMS stated that over the course of the Spending Review period the Ministry of Justice (MoJ) needed to reduce resource spending by 23 per cent in real terms, or over £2 billion, by 2014-15. The MoJ has planned for more than £1 billion of savings to come from efficiencies such as reducing the administration budget by one-third, and staffing is forecast to reduce by between 14,000 and 15,000 posts over the Spending Review period.

2.9 NOMS is the largest agency within MoJ and its contribution to this cut in funding in 2012-13 is a budget reduction of £246 million (6.6 per cent). The Service told us it is delivering this reduction through the closure of old, inefficient prison capacity and the restructuring of NOMS Headquarters. NOMS is set to make a further budget reduction of £274 million (7.4 per cent) in 2013-14.¹¹ NOMS had put some plans in place to generate efficiencies but told us it would have to explore some unpalatable options such as decommissioning offender services and setting lower quality thresholds in order to operate within budget. NOMS has a further savings target for 2014-15 – a cost reduction of £145 million (3.9 per cent).¹²

⁷ Bank of England. *Inflation Report: February 2013*. Available at: <http://www.bankofengland.co.uk/publications/Pages/inflationreport/2013/ir1301.aspx> (accessed on 22 February 2013).

⁸ Excluding this reclassification, the number of people employed in the public sector fell by 128,000 between September 2011 and September 2012 and the number of people employed by the private sector grew by 627,000.

⁹ Incomes Data Services (IDS) is an independent research organisation providing information and analysis on pay and reward, employment law, and HR policy and practice.

¹⁰ Further education is relatively lowly paid on average so removing it from the public sector had the effect of raising average public sector earnings.

¹¹ This figure may change as NOMS had not received its final allocation for 2013-14 from the MoJ before we finalised our report.

¹² This reduction is subject to the MoJ's 2013-14 budget allocation process and may change.

Public sector pensions

2.10 The Government is in the process of reforming public sector pensions. The reforms will move schemes from a final salary basis to career average revalued earnings, align normal retirement ages with the State Pension Age and introduce tiered contributions whereby higher-paid public sector workers contribute a higher proportion of their earnings. These reforms cover NOMS staff who are members of the Civil Service Pension Schemes. The contribution rates for 2012-13 and 2013-14 are shown in table 2.1 below. Contributions will be increased again from April 2014 but the rates have not yet been announced.

Table 2.1: Contribution rates to Civil Service Pension Schemes in 2012-13 and 2013-14 as percentage of pensionable earnings

Annual pensionable earnings (full-time equivalent basis) £	2012-13		2013-14	
	Classic %	Classic plus, Premium and Nuvos %	Classic %	Classic plus, Premium and Nuvos %
Up to 15,000	1.5	3.5	1.5	3.5
15,001 – 21,000	2.1	4.1	2.7	4.7
21,001 – 30,000	2.7	4.7	3.88	5.88
30,001 – 50,000	3.1	5.1	4.67	6.67
50,001 – 60,000	3.5	5.5	5.46	7.46
Over 60,000	3.9	5.9	6.25	8.25

Source: <http://resources.civilservice.gov.uk/wp-content/uploads/2011/12/Annex-E-Updated-QA-for-CS-website3.pdf> (accessed on 22 February 2013).

Staffing levels

2.11 At 31 March 2012 there were 31,981 staff in our remit group, a decrease of 6.9 per cent from the previous year. There were reductions in staff numbers at each grade, the largest reduction of 24.1 per cent at principal officer level, and the smallest reduction of 5.4 per cent for prison officers. Table 2.2 shows the number of remit staff in post at 31 March each year from 2008 to 2012.

Table 2.2: Headcount of remit group staff in post, 2008-2012

Staff group	Headcount of staff in post at 31 March					Change between 2011 and 2012	
	2008	2009	2010	2011	2012	No	%
Operational manager grades	1,518	1,644	1,538	1,493	1,283	-210	-14.1
Prison officer grades:							
Principal officers	1,327	1,358	1,016	913	693	-220	-24.1
Senior officers	4,094	4,216	4,080	3,795	3,541	-254	-6.7
Prison officers	20,082	20,692	20,457	20,438	19,325	-1,113	-5.4
Total prison officer grades	25,503	26,266	25,553	25,146	23,559	-1,587	-6.3
Operational support grades	8,158	8,078	7,878	7,715	7,139	-576	-7.5
Total (remit group)	35,179	35,988	34,969	34,354	31,981	-2,373	-6.9

Source: NOMS Personnel Corporate Database

Note: Figures are on a headcount basis (that is, part-time staff count as one).

2.12 The Service had 30,450 full-time equivalent remit group staff, excluding those in Headquarters, at 31 March 2012, compared with an operational complement of 31,880, an overall deficit of 4.5 per cent. There were 4 per cent fewer officers, 6 per cent fewer operational support grades (OSGs) and 4 per cent fewer operational managers in post than specified in the operational complement.

2.13 The Service continues to make significant use of Payment Plus to help cover the difference between the complement and staff actually in post. At the end of March 2012 the equivalent of 780 prison officers were in receipt of Payment Plus for staffing reasons, little changed from 750 a year earlier and matching the size of the prison officer deficit. Payments were also made to staff covering bedwatch and constant watch, equivalent to a further 435 full-time equivalents, an increase from 310 full-time equivalents a year earlier. The cost of Payment Plus, bedwatch and constant watch payments was £46 million in 2011-12, a decrease from £49 million a year earlier.¹³ Overtime payments made to OSGs in 2011-12 totalled £4.7 million, a slight increase from £4.6 million in 2010-11.

2.14 Time off in lieu (TOIL) is a debt the Service builds up of time owed to staff because they have carried out additional unpaid hours of work. This needs to be repaid in future by time off. The outstanding TOIL balance at 31 March 2012 for prison officers was reported to be 238,000 hours. Exact comparisons over time are difficult as the data are not complete, but for those establishments where data were available in both March 2011 and March 2012 the average number of outstanding hours increased from 10.5 per prison officer in 2011 to 12.1 hours in 2012. In addition, principal officers were owed 7,000 hours (approximately 9 hours per person), senior officers were owed 70,000 hours (approximately 20 per person) and OSGs were owed 64,000 hours (approximately 9 hours per person).

Workforce restructuring

2.15 In our last report we recognised the Service and its workforce were engaged in a substantial programme of change. New core management and staffing structures have been designed and are being rolled out. These are based on the complexity of the establishment (there are three categories: standard, complex, and complex and diverse), although governors have some flexibility to adjust these. Three early adopter establishments (HMP Bristol, HMP Whitemoor and HMP Eastwood Park) have been working to the new arrangements since February 2012. In the year since our report, NOMS has been rolling out the new pay system connected to these

¹³ It may seem inconsistent for the amount of Payment Plus to increase in terms of full-time prison officer equivalents while the costs decrease. This is because some staff work Payment Plus in one financial year but claim for it in the next financial year. Also the officer equivalent data are a snapshot of one month only (as at 31 March 2012) and cannot be taken to represent the whole of the financial year 2011-12. Therefore the costs of Payment Plus cannot be matched to the number of staff.

structures and all the parties have been involved in communicating the changes to the workforce and providing information and advice about opting into the *Fair and Sustainable* pay structure. Implementation of the new pay system is still on target for 1 April 2013. We make recommendations on the Bands that include our remit staff only. These are Bands 2 to 5 and Bands 7 to 11.

2.16 Staff paid under £21,000, mainly OSGs and those on the prison officer 2 (PO2) scale, were given the opportunity to opt into the new pay system over the summer of 2012. All Band 7 and 8 managers (managers E and F map to these grades) who secured a role on level transfer or promotion were in place by Christmas 2012. All Band 5 and 6 staff (the principal officer grade maps to Band 5) who have secured a new role will move between January 2013 and April 2013, with internal promotions taking effect in January. Finally, Band 4 staff and below (the senior officer grade maps to Band 4, prison officer and those on the PO2 scale to Band 3 and OSG to Band 2) who opt to move will do so between March and May 2013. Staff choosing to remain on their existing terms and conditions in 2012 and 2013 will have an annual opportunity to opt in thereafter.

Job evaluation scheme

2.17 NOMS said it had finalised Establishment Job Descriptions and published these internally. It has designed and signed off structures and told us recruitment to the posts in the new structures is well advanced. The early adopter establishments have been working to the new job descriptions since February 2012. However, the POA, Prison Governors Association (PGA) and the Public and Commercial Services Union (PCS) told us they were critical of the job evaluation scheme and said it was difficult to appeal when they believed a job evaluation was incorrect.

Prison competition and efficiency

2.18 On 8 November 2012, the Lord Chancellor and Secretary of State for Justice, the Right Hon. Chris Grayling MP, announced results from the programme of competition for the management of prisons. The Lord Chancellor said the competition was not proceeding for three of the prisons (Coldingley, Durham and Onley) and in the case of five more (Acklington, Castington, Moorland, Hatfield and Lindholme) the competition would continue with private sector bidders only. The Lord Chancellor added that Wolds, which was currently privately managed, would return to the public sector.

2.19 Finally the Lord Chancellor indicated there would be no further market testing of whole establishments. He stated the current process had identified the means to accelerate cost reductions and set a new benchmark for running prisons. The Prisons Minister told us in oral evidence that *Fair and Sustainable* was helping to make the Prison Service as efficient as it could be.

Recruitment and retention

2.20 In the year to 31 March 2012, recruitment was at its lowest level in the 14 years for which we have data. Only 235 prison officers were recruited, of whom 164 were new to the Service while the remaining 71 had previously been OSGs. In addition, NOMS recruited 300 OSGs, but less than 40 per cent were permanent appointments with the remainder on fixed-term contracts. There were fewer appointments of both prison officers and OSGs than in the previous year.

2.21 NOMS told us the number of vacancies remained exceptionally low across all grades. NOMS has been seeking to reduce the workforce while avoiding compulsory redundancy by offering voluntary early departure schemes (VEDS) and by controlling the processes for creating vacancies and external recruitment. NOMS told us it had tried to keep the number of surplus staff to a minimum by ensuring staff displaced at each stage of the restructuring were considered a priority and as many as possible were moved into other vacancies in the service. NOMS said it was "mindful of the potential corrosive influence of a protracted period of low recruitment ... on the effectiveness of its workforce" and it planned to tackle this in the longer term. However, it expected low volumes of recruitment to continue throughout the rest of the current Spending Review period.

2.22 In the 12 months to 31 March 2012 the overall turnover rate for remit group staff was 5.9 per cent. This is low by historical standards, but unchanged from last year. It included 1.7 per cent of the workforce who

resigned, 1.0 per cent who left through VEDS, 1 per cent who were dismissed, 1.4 per cent who retired, 0.4 per cent leaving for health reasons and 0.4 per cent who left for "other" reasons. Compared with 2010-11, turnover rates increased for prison officers and support grades but decreased for all the operational manager, principal officer and senior officer grades.

Motivation and morale

2.23 Our terms of reference require us to have regard to the need to motivate staff. We have limited information on motivation because it is difficult to measure. However, a number of sources provide an indication of changes in motivation including NOMS and trades union attitude surveys, feedback from the unions on their membership, information from staff to us on visits, NOMS performance measures (formerly Key Performance Indicators) and sickness absence data.

Staff attitude surveys

2.24 As part of the civil service, NOMS carries out a staff survey every autumn and publishes its results early the next year. We require up-to-date information about prison service staff to inform our decisions and the timing of publication is unfortunate from our point of view. However, for the last two years, NOMS has provided us with headline staff survey information in December. This year, for the first time, it provided information about the different staff groups within the prison service.

2.25 The 2012 NOMS staff attitude survey achieved a 52 per cent response rate, an increase from 45 per cent last year. For prison service staff, the response rate varied by grade: almost all senior managers responded (the response rate rounded to 100 per cent), 87 per cent of other managers responded, 74 per cent of principal officers, 56 per cent of senior officers, 34 per cent of prison officers and 36 per cent of OSGs. At the POA Annual Delegate Conference in 2010 a motion was carried in favour of a policy of non-participation in future NOMS surveys. This may explain the lower participation rates for the non-manager groups.

2.26 Across NOMS, 66 per cent of respondents said they were satisfied with the job they do, a statistically significant decrease from 74 per cent in 2011. For prison service staff, this ranged from 56 per cent of prison officers to 86 per cent of senior managers. For the whole of NOMS, only 25 per cent said they were satisfied with their total benefits package, a statistically significant decrease from 28 per cent in 2011. Within the prison service, the range was from 46 per cent of senior operational managers being satisfied to only 16 per cent of prison officers. Further results from NOMS for the last five years and results for our staff groups for 2012 are provided in Appendix E.

2.27 In general the 2012 responses for NOMS were less positive than in 2011. We noted significant reductions in a range of areas from views of the work and working conditions to general engagement from NOMS. We do not have data for previous years broken down by the different prison service grades, but we note that positive responses for 2012 were generally highest for the management grades and lowest for prison officers.

Unions

2.28 The POA told us the morale of operational grades had declined considerably over the last two years to a low point. It listed a number of contributing factors including staff shortages, the recruitment freeze, the threats of privatisation and the uncertainty about the implementation of *Fair and Sustainable*. The POA referred to the lower scores in the 2011 NOMS staff survey (the latest available at the time of its submission), the monthly NOMS *Pulse* survey and also to its own survey of members as evidence of declining motivation and morale. The POA's own survey showed that 27 per cent of members wanted to leave the Service as soon as possible.

2.29 The PGA said staff did not feel recognised for the work they carried out and were demotivated as their terms and conditions, including their pensions, were under attack by Government. Morale was not high despite high commitment to the Service. The PGA said the pressures on members had increased because of the threat of prison closures brought about by recent falling population figures, competition, benchmarking and "the need to do more with less". Like the POA and PCS, the PGA referred to the monthly NOMS *Pulse*

survey and said staff had a negative view of NOMS's management of change including its treatment of *Fair and Sustainable*.

2.30 The PCS said staff motivation and morale were being damaged. It too referred to the NOMS monthly *Pulse* survey and the reductions in staff attitude scores between December 2011 and August 2012. The PCS said more work, never-ending fears of privatisation and the long-term pay freeze impacted on the goodwill of staff.

Visits

2.31 The majority of staff we met on our visits still expressed pride in the job they did themselves although they told us their morale and motivation had reduced. Staff were demotivated by the lack of recognition for the value of prison work, decreased job security, deteriorating terms and conditions, increased workload and paperwork from the centre, and an increasingly complex and difficult prisoner population. Staff at sites where market testing was taking place found the process and uncertainty very stressful and OSGs were concerned by reports that they would be employed by a private contractor even in cases where the public sector bid was successful. Also, staff at sites which currently had substantial locality pay allowances were unhappy that they would lose the allowances if they opted into the *Fair and Sustainable* pay scale or moved across to it on promotion. This meant they were financially trapped by the changes to locality pay in *Fair and Sustainable* and would suffer a decrease in their standard of living, even on promotion in some cases.

Performance measures

2.32 In its *2011-12 Annual Report*¹⁴ and *Management Information Addendum*,¹⁵ NOMS published a number of key performance measures with the outcome for the year 2011-12 compared to the previous year. These measures cover delivering the punishments and orders of the courts, security, safety and public protection and reducing reoffending. The changes from 2010-11 to 2011-12 included some improvements and some declines in performance. The improvements were slight increases in the proportion of offenders employed at the end of their sentence and those discharged into settled accommodation and a slight reduction in positive results from random drug testing. They also included an increase in the percentage of orders and licences successfully completed. Figures on assaults are now published separately and these showed a reduction in the number of serious assaults but an increase in the total number of assaults on staff. The areas of reduced performance on key measures between 2010-11 and 2011-12 included an increased proportion and more escapes – including of a Category A prisoner¹⁶ – and a slight increase in overcrowding.

Sickness absence

2.33 Sickness absence can be an indicator of motivation and morale. During 2011-12 the average number of days absence across the Service was 9.8, almost unchanged from 9.9 days the previous year. For remit group staff the average number of days absence was 10.6 days. This was almost unchanged from 10.5 days in 2010-11 but marked a halt in the previous downward trend in sick leave. Absence rates decreased for principal officers and OSGs; all other grades within our remit had a slight increase in the average working days lost. Between 2010-11 and 2011-12 stress-related absence decreased while long-term absence and that caused by assault and injury were almost unchanged.

The parties' proposals

2.34 NOMS made the following pay proposals:

- No increases to the pay points on the old, pre-*Fair and Sustainable* pay scales as it saw no evidence to support increases for this group and did not wish to exacerbate the pay lead over market comparators, which it believed could impact on its competitive position.

¹⁴ Ministry of Justice. *National Offender Management Service Annual Report and Accounts 2011-2012*. HC 436. TSO, 2012. Available at: <http://www.justice.gov.uk/publications/corporate-reports/noms> (accessed on 22 February 2013).

¹⁵ Ministry of Justice. *National Offender Management Service Annual Report 2011/12: Management Information Addendum*. Available at: <http://www.justice.gov.uk/statistics/prisons-and-probation/prison-probation-performance-info> (accessed on 22 February 2013).

¹⁶ Category A prisoners are those whose escape would be highly dangerous to the public or the police or the security of the State and for whom the aim must be to make escape impossible.

- No increases to allowances or payments under both pay structures.
- At least a 1 per cent consolidated increase to staff who opt into the new pay arrangements (with the exception of prison officers, senior officers, manager Gs and some staff affected by the introduction of the three zonal pay ranges).
- A 1 pay point progression for staff in Bands 2 to 5 and a 1.5 per cent progression increase for staff in the pay ranges 7 to 11.

2.35 In addition, NOMS asked for our endorsement of its proposals for the remaining pay bands in the new *Fair and Sustainable* structure:

- NOMS aimed for all staff to be on the new structure and asked us to recognise that it is embedding a long-term and credible structure that will deliver lasting benefits.
- NOMS asked us to approve its proposal for providing a positive pay differential where possible to encourage staff to move. In order to achieve this, NOMS proposed slight adjustments to the maxima of Bands 2, 5, 7 and 9 with the intention of providing an incentive for existing staff on the old, pre-*Fair and Sustainable* pay scales to move across to the new 11 Band structure (excluding prison officers and senior officers).
- NOMS's desired design was for ranges with a maximum between 7.1 per cent and 20 per cent above the minimum by 2016. NOMS proposed some "compression" (that is, raising the minima) of scales with the aim of reaching its desired design to timetable. NOMS said this would provide additional pay uplifts for the small number of staff who are below the maxima and would be in addition to progression increases.

2.36 The POA made eight pay proposals:

- An above inflation increase in base pay for Bands 1 to 5. This includes those in the old, pre-*Fair and Sustainable* grades.
- An increase in the 17 per cent unsocial hours allowance to 25 per cent of base pay for all operational grades who meet the criteria for payment.
- All additional committed hours to be pensionable for Bands 2 to 5 as it saw this as a means to ensure pay parity for existing staff and those who seek career progression through *Fair and Sustainable*.
- All staff in Bands 3, 4 and 5 to be classed as overtime grades and paid the appropriate rate for all additional hours worked.
- A 10 per cent increase in Tornado payments.
- A restoration of the local pay allowances to establishments now classed outside of the inner and outer London allowance/pay areas.
- The allowance for care and maintenance of dogs to be increased by 10 per cent.
- The kennelling days of dogs allowance to be increased by two days per year.

2.37 The PGA made the following proposals:

- The PGA said an increase of the order of 5 per cent would be appropriate given the increased workload and reduction in managers' total reward package over time. However, the PGA also said it accepted the reality that any pay award this year would not exceed 1 per cent and said that any award should not fall below 1 per cent.
- The award should include staff on old, pre-*Fair and Sustainable* grades.

- The required hours addition (RHA) allowance rate for operational manager pay bands 6 to 11 (15 per cent of basic pay) should be increased to match the unsocial hours payment that staff in bands 1 to 5 received (currently 17 per cent).

2.38 The PCS made one main proposal, for pay increases for staff to be at least “inflation proof”. In addition, the PCS asked us to join with it to find an early resolution to the problem caused by the fact that the pay of many non-operational prison staff was linked to the rates of operational staff, but the non-operational staff were not represented in the pay-setting process. The linkage originally applied to a group of non-operational staff covered by an Employment Tribunal equal pay ruling but *Fair and Sustainable* has extended it. This extension has come about because there are now some pay bands which comprise both operational and non-operational staff. Our recommendations for the operational staff will, if accepted, automatically apply to the non-operational staff in the same band, although the latter are not part of our remit group and we do not consider evidence for them. The PCS considered this “irrational and wrong”.

2.39 We discuss the evidence relating to these issues and set out our recommendations in Chapter 3. We comment on the areas which require further attention from the parties in Chapter 4.

Chapter 3: Our recommendations on pay for 2013

Introduction

3.1 This year our remit is unrestricted and we have been able to make recommendations for all staff, based on the evidence we received. In addition to pay and allowances, we have considered proposals from the parties on the *Fair and Sustainable* pay structure. Where we feel that we need further information next year, we have addressed this in Chapter 4.

Analysis

3.2 As we described in Chapter 2, the economic recovery has been subdued and it is expected to remain slow during 2013. This continues to affect Government finances, including the affordability of any recommendations we make. While public sector salaries have been frozen for those earning over £21,000, prices have increased and pension contributions have risen. This means most of those in our remit group, and elsewhere in the public sector, have suffered a reduction in their take-home earnings and have to pay more to sustain the same standard of living, something which may affect their motivation and morale.

3.3 Our remit requires us to consider the need to recruit and retain suitably able and qualified staff as a key part of our deliberations. With *Fair and Sustainable* in place, the National Offender Management Service (NOMS) has no further need to recruit staff to the old, pre-*Fair and Sustainable* grades and there are no retention issues. As we note in Chapter 2, the headline staffing data at the end of March 2012 showed overall shortfalls against complement of 4 per cent for prison officers, 6 per cent for operational support grades (OSGs) and 4 per cent for operational managers. However, outflow rates continue to remain low by historical standards and the Service has covered deficits at prison officer grade through the use of Payment Plus. Also NOMS told us vacancies are at a low level and this will continue to be the case throughout the current Spending Review. Therefore we conclude that recruitment and retention of staff in our remit group remain adequate.

3.4 Motivation of staff is also part of our remit and we have considered this for staff in both *Fair and Sustainable* and the older, pre-*Fair and Sustainable* grades. The results of the autumn staff attitude surveys show a reduction in positive responses on a wide range of issues from remuneration to day-to-day work. The Lord Chancellor's November announcement that the market testing programme will not be continued beyond the current competitions is likely to have raised morale, although there are still staff within our remit working in establishments that will move to the private sector next year. The restructuring of the Service continues to entail change and uncertainty for existing staff who are also experiencing a long period of public sector pay restraint. In addition, reforms to their pension schemes are resulting in increased contributions for those earning over £15,000 and a decrease in the average benefits received. We welcome the information on motivation provided by the parties this year but feel that this evidence is weak when considered alongside that provided on other elements of our remit. We appreciate that motivation is subjective and it is generally an aspect on which it is difficult to find hard evidence. However, as it is part of our terms of reference and is a material factor for staff, including those on old grades who have no incentive to move to *Fair and Sustainable*, we believe more should be done to measure it. We set out our views on an approach in Chapter 4.

3.5 When the Prisons Minister gave evidence to us, he identified three factors which set the context for the Service. The first was the economic context for NOMS; the second was the changes to the policy of market testing of prisons; and the third was the development of the Government's policy to reduce reoffending. We note these three factors and their importance to NOMS.

3.6 This year the Government has proposed that public sector pay increases should average 1 per cent but it has not restricted our ability to make different recommendations if justified by the evidence. However, we have chosen to make recommendations which do not exceed 1 per cent overall because we judge that to be the appropriate level in the current economic climate, on the basis of all the evidence presented to us, particularly that on affordability, recruitment, retention and motivation.

New pay scales and ranges

3.7 As we stated in our last report, we welcome the collaboration which has taken place, in particular between the National Offender Management Service (NOMS) and the POA, in order to develop *Fair and Sustainable*. We appreciate the current economic climate is a difficult one in which to make costly changes to the pay and conditions of prison staff. We endorsed the pay structure for Bands 2 and 3 in our previous report and now consider the remaining Bands in which our remit groups are employed – Bands 4, 5 and 7 to 11. We also consider separately the adjustments proposed by the parties since *Fair and Sustainable* was collectively agreed and published in February 2012.

3.8 Now that *Fair and Sustainable* has been introduced, with some staff already opting in, we find our remit group members are in a wider variety of pay arrangements than before. Those not on the new *Fair and Sustainable* grades have the option of opting in but for many – such as the large group of prison officers and senior officers – there is no financial incentive to do so. Also, there are some staff in locations which qualify them for locality pay under the old, pre-*Fair and Sustainable* grades but for less or none under *Fair and Sustainable*. Therefore, this year we have looked at the different circumstances applying to each group of staff when reaching our conclusions.

3.9 *Fair and Sustainable* specified maxima and minima for all of Bands 2 to 11 and stated the structure would contain a single pay point for Band 1 and incremental pay points for Bands 2 to 5. *Fair and Sustainable* stated Bands 6 to 11 would be open pay ranges (i.e. without fixed steps). The pay range approach proposed by NOMS for Bands 6 to 11 is used elsewhere for senior staff in both the private and public sector. However, it requires transparent guidelines and criteria to operate fairly. We are not clear on the aims or operation of this system.

3.10 We endorsed the ranges and scale points for Bands 2 and 3 in our last report and expected to consider the others as part of this report. In May, NOMS wrote to our secretariat explaining it was implementing Bands 4 and 5 following discussion with the POA. The Bands as implemented included slight adjustments to the minima and maxima and three additional, intermediate pay points. NOMS acknowledged that the POA had not endorsed these pay points but said it needed to implement ranges and scale points for any staff moving into those Bands.

3.11 In its submission to us in October, NOMS proposed some changes to the existing Bands. These changes included raising the maxima of the affected Bands and also some minima. NOMS described raising the minima of certain Bands as “compression”. In addition, NOMS said it hoped all staff would be on the *Fair and Sustainable* structure in less than the 15 years it originally estimated would be necessary to assimilate all staff.

3.12 NOMS proposed raising the maxima of some Bands in order to create a positive differential of at least 1 per cent between the maxima of the old, pre-*Fair and Sustainable* grades and the new *Fair and Sustainable* grades. This means staff in the old grades would receive at least a 1 per cent pay increase if they chose to opt into *Fair and Sustainable*. This does not apply to the majority of our remit group who are prison officers or senior officers in the old grades. The scale maxima for these staff are still above those of Bands 3 and 4 to which they map. There are also some staff in other grades based in locations where they would be paid less if they opted into *Fair and Sustainable* because they would lose some or all locality pay.

3.13 NOMS told us it proposed raising the minima and scale points of some Bands in order to help achieve its original pay model. It wanted to reduce the lengths of the pay ranges for the management grades so that the maxima were between 7.1 per cent and 20 per cent higher than the minima. NOMS also wanted to amend the pay scales for Bands 2 to 5 in order to make the first step a 5 per cent increase and the following steps between 2 per cent and 2.5 per cent to reflect the perceived pace of learning. It was not able to achieve this in the original structure owing to the limited funds available at that time.

3.14 We have looked at the changes proposed by NOMS and we note there is a further issue with “compression”. These changes are required in order for there to be a financial incentive for staff below the maximum of the old scales to opt into *Fair and Sustainable*. For example, without the proposed adjustments, the pay points in Bands 2 and 3 would continue to match – or nearly match – those of the OSG and prison

officer 2 (PO2) scales. Thus without the changes staff would have little or no financial incentive to move to the new structure except on the maxima. We were surprised that NOMS did not highlight this issue as it seems to us to be the key reason for changing the minima and intermediate points of the scales.

3.15 We have considered these proposals and the affordability of making the changes. We support *Fair and Sustainable* although it is not our role to create incentives to move staff over to the new pay structure. However, we do aim to avoid creating any barriers to movement, as far as possible. We agree there is value in adjusting the scales so that as many staff as possible are able to benefit financially from moving to the new *Fair and Sustainable* system. We therefore endorse the new pay bands as proposed to us. We also accept the proposed changes to Bands 2 and 3 (see Appendix F).

Recommendation 1: We recommend the introduction of the Band 4, 5, 7, 8, 9, 10 and 11 pay ranges as set out in Appendix F.

Recommendation 2: We recommend the Band 2 and 3 pay ranges be amended as set out in Appendix F.

Recommendations on pay increases

3.16 NOMS made a number of pay proposals to us including incremental progression for those not at the maximum of pay scales, progression for those not at the maximum of the new pay ranges and changes to pay scales which would result in increases for staff in or opting into *Fair and Sustainable* (other than prison officers, senior officers, manager Gs and some staff who are in locations where they would receive less locality pay under *Fair and Sustainable* than in the old grades). NOMS proposed no increases for staff in the old, pre-*Fair and Sustainable* grades who were not entitled to increments. The POA asked us for an "above inflation" increase in base pay for Bands 1 to 5 and the equivalent roles in the old, pre-*Fair and Sustainable* grades. The Prison Governors Association (PGA) said evidence indicated an increase of the order of 5 per cent, but acknowledged the Government's 1 per cent pay policy made this unlikely. The Public and Commercial Services Union (PCS) asked for pay increases which were at least "inflation proof".

3.17 As we have pointed out above, we have seen no evidence of difficulties with recruitment or retention for our remit group staff and there are limited funds available for pay increases for the next financial year. However, information presented to us on motivation, while not as robust as we should like, points to a decrease in satisfaction and morale. Taking all the evidence into account, we conclude that most staff should have access to a pay award. We expect the exceptions to be staff who would receive less locality pay under *Fair and Sustainable* than in the old, pre-*Fair and Sustainable* grades. Also, we are aware that some staff may decide against taking that award if it means moving to *Fair and Sustainable* which has some different terms and conditions. However, we do not wish to maintain or increase the gap in base pay between the maxima of the old grades and those for *Fair and Sustainable*. Therefore we think a non-consolidated payment is appropriate for those on the maxima of the old scales who have no incentive to move to the new structure.

3.18 We acknowledge that arrangements surrounding pay changes this year are complex. This means that, for some staff, access to a pay award is dependent upon them opting into *Fair and Sustainable* and its terms and conditions. In addition, we acknowledge that the arrangements this year will not result in a flat 1 per cent increase for each member of staff choosing to access an award. Instead the precise increase will depend on the pay arrangements for each particular pay scale and pay point staff are on and whether they choose to opt in.

3.19 We thus propose three different types of pay increase:

- revised pay ranges and consolidated progression within the *Fair and Sustainable* Bands;
- the consolidated increase received on opting into *Fair and Sustainable*; and

- a non-consolidated payment for those in post on 1 April 2013 at the maximum of the prison officer scale (as at 31 March), at the maximum of the manager G scale (as at 31 March) and on the old senior officer spot rate.

However, we note that some staff are in establishments where they would receive less locality pay under *Fair and Sustainable* than in the old, pre-*Fair and Sustainable* grades. This is because under *Fair and Sustainable* there are fewer establishments in the outer and inner London zones than were included in the six bands that previously attracted a locality pay allowance. Moreover, some of the old locality pay allowances are higher than the new outer and inner London rates. So there are some staff currently receiving locality pay allowances who would lose money if they transferred to *Fair and Sustainable*. Those staff may not benefit from any of the three types of pay increase listed above. We return to this issue in Chapter 4.

3.20 We have not proposed an increase for those in post on 1 April 2013 on the old, pre-*Fair and Sustainable* grades who are not at the maxima (as at 31 March 2013). These staff will receive pay increases through contractual incremental progression.

Fair and Sustainable: Bands 2 to 5

3.21 We recommend staff below the maxima in these bands receive one incremental point of pay progression in addition to any increase gained through the changing of the scale points as recommended above. These increments will increase their pay by between 2.8 and 5.8 per cent. Staff opting in should receive at least a 1 per cent consolidated increase, with the exception of prison officers, senior officers and staff in establishments which qualify for locality pay under the old grades but for less or none under *Fair and Sustainable*. When staff opt in they move to the next higher pay point on the relevant Band compared to their previous 37 hour base pay equivalent.

Recommendation 3: We recommend staff in Bands 2 to 5 who are in post on 1 April 2013 receive one point of pay progression.

Fair and Sustainable: Bands 7 to 11

3.22 Staff in Bands 7 to 11 do not receive increments and instead occupy open pay ranges with no fixed progression. We recommend staff in these bands receive 1.5 per cent pay progression in addition to any increase gained through the changing of the Bands as recommended above (subject to maxima). We note that this is a smaller percentage increase than staff in Bands 2 to 5 receive for incremental progression. Staff opting in should receive at least a 1 per cent consolidated increase.

Recommendation 4: We recommend staff in Bands 7 to 11 who are in post on 1 April 2013 receive 1.5 per cent consolidated pay progression.

3.23 We agree with the NOMS proposal that staff in Bands 7 to 11 receiving an “exceeded” box marking should receive a 1 per cent non-consolidated award based on their 31 March 2013 pay level, in addition to any consolidated progression increase. We note this is an interim measure prior to the implementation of the Civil Service Employee Policy performance management system.

Recommendation 5: We recommend staff in Bands 7 to 11 who are in post on 1 April 2013 who receive an “exceeded” box marking receive a 1 per cent non-consolidated pay award based on their 31 March 2013 pay level.

Old, pre-Fair and Sustainable grades

3.24 Staff in the old, pre-*Fair and Sustainable* grades not at the maxima will receive their contractual increments. Staff in the old grades, other than prison officers, senior officers and some staff in locations where they would receive less locality pay under *Fair and Sustainable* than in the old grades, will receive a

consolidated pay increase through opting into *Fair and Sustainable*. However, there is no financial advantage for prison officers at the maximum of the scale, manager Gs at the maximum of the scale or senior officers from opting in. Therefore for those prison officers, manager Gs and senior officers we recommend a non-consolidated payment of £250.

Recommendation 6: We recommend a non-consolidated payment of £250 for prison officers and manager Gs at the maximum of the old, pre-*Fair and Sustainable* grade on 31 March 2013 and senior officers in the old, pre-*Fair and Sustainable* grade provided they are in post on 1 April 2013.

Allowances

3.25 NOMS proposed no changes to any of the allowances paid to our remit group staff. The POA proposed increasing the percentage paid for unsocial hours working from 17 per cent to 25 per cent and increasing Tornado payments by 10 per cent. Also, the POA proposed increasing the care and maintenance of dogs allowance by 10 per cent and increasing the kennelling days of dogs allowance by two days per year. The PGA proposed increasing the required hours addition (RHA) from 15 per cent to 17 per cent to match unsocial hours working. In addition, the PGA was unhappy about the treatment of RHA on opt-in which does not affect total pay but means base pay might be reduced to a lower value.¹⁷ The PCS made no proposals relating to allowances.

Unsocial working hours and required hours addition

3.26 NOMS defines unsocial hours as those outside of 7am to 7pm Monday to Friday. NOMS said the Employment Tribunal in the Bailey case in 2006 calculated that prison officers typically worked 20 per cent unsocial or shift hours. The Service told us staff would work around 20-30 per cent of their hours as unsocial to qualify for the unsocial working hours payment under *Fair and Sustainable*. Managers would work around 17 per cent of their hours as unsocial to qualify for RHA. The POA said staff were, on average, working unsocial hours for a larger proportion of time than previously calculated. The union provided some shift information from a number of establishments as supporting evidence.

3.27 We have looked at the issues raised by the POA and the PGA but do not feel the evidence presented is conclusive. We ask the parties to work together to measure the percentage of unsocial hours in the working time of staff across our remit group. We will assess information presented jointly by the parties in our next report.

Recommendation 7: We recommend the parties work together to measure the percentage of unsocial hours in the working time of staff across our remit group and present their findings to us for our next report.

Tornado payments

3.28 In previous years we have observed staff undertaking the training required to be part of the Tornado teams. We recognise that incidents requiring the deployment of Tornado teams can be dangerous and this duty is not a core component of the prison officer role, but is undertaken by volunteers. The deployment and effectiveness of those teams, and the safety of the team members, does depend on sufficient numbers coming forward to undertake and renew the training to make sure their skills are at the appropriate level. However, we raised the payment last year and have received no evidence showing there are insufficient trained personnel at present. We recognise the concerns raised by the unions as this is a safety critical skill and will return to this issue if any further evidence is presented.

¹⁷ Existing managers D to G who opt into *Fair and Sustainable* will have the total amount of their salary plus RHA reduced by 15 per cent to establish an assimilation base salary. However, this is an initial placement and managers would still be able to progress to scale maxima (plus RHA).

Care and maintenance of dogs and kennelling days of dogs

3.29 The care and maintenance of dogs payment is for staff who care for a working dog in their homes. It is an annual payment paid monthly as an allowance to compensate handlers for being responsible for caring and maintaining prison dogs while they are off duty. Kennelling days are the number of days that a dog may be placed in kennels paid for by the Service while the handler takes pre-arranged annual leave of four days or more. The maximum is 20 days a year. We did not receive evidence suggesting either of the two allowances was insufficient to recruit handlers or encourage staff to keep the dogs at home. Therefore we make no recommendation for a change to either allowance.

Hours worked outside of the standard week

3.30 The POA proposed two changes to the treatment of hours worked outside of the standard week. The union asked that all additional committed hours (ACH) be made pensionable for Bands 2 to 5. In addition, the POA proposed all staff in Bands 3, 4 and 5 be classed as overtime grades and paid the appropriate rate for all additional hours worked. The other parties did not make proposals for change to the treatment of hours worked outside the standard week.

Additional committed hours

3.31 ACH is an allowance paid to prison officers in Band 3 who have chosen a longer working week than the *Fair and Sustainable* standard 37 hours. Staff can choose to work between one and four additional hours resulting in a working week of between 38 and 41 working hours. This payment is not pensionable but a multiplier of 1.2 is applied to the payment, as for ACH for the old prison officer 2 (PO2) grade. For staff in Bands 2, 4 and 5 there is a different, pensionable, payment for additional hours: ACHP which is limited to two hours. The POA proposed making ACH pensionable in *Fair and Sustainable* and argued in oral evidence that the multiplier should be increased to match an overtime rate. The POA said this was a means of ensuring pay parity for existing staff and those who seek career progression through *Fair and Sustainable*.

3.32 We do not think ACH should both be pensionable and have a multiplier of 1.2 applied. However, we do see the current arrangement for prison officers in Band 3 as inconsistent with the arrangements for the other Bands. We recommend that the parties discuss this inconsistency and reach an agreed position to present to us.

Recommendation 8: We recommend the parties discuss the inconsistency of prison officers in Band 3 receiving non-pensionable additional committed hours (ACH) rather than pensionable ACHP and reach an agreed position to present to us for our next report.

Overtime and time off in lieu

3.33 Overtime is available to OSGs and Band 2s but not to the uniformed officer grades nor to operational managers who receive RHA. The value of overtime payments in 2011-12 was £4.7 million. Time off in lieu (TOIL) can be accumulated by prison officers, senior officers, principal officers and also OSGs. As we noted in Chapter 2, the average number of outstanding hours increased from 10.5 per prison officer in 2011 to 12.1 hours in 2012. In addition, principal officers and OSGs were owed approximately nine hours per person, and senior officers approximately 20 hours per person. We do not see a case for prison officers, senior officers or principal officers to receive overtime but we are concerned about the increases in TOIL. This is time owed to staff and a properly managed system should ensure that hours owed can be claimed back across the year. As workforce restructuring concludes and staffing levels are maintained, we expect TOIL to reduce and we return to this issue in Chapter 4.

Locality pay

3.34 In our last annual report, we welcomed the new arrangements for locality pay within *Fair and Sustainable*. These overcome some of the rigidities in the previous system where all staff at a location qualified for an identical payment irrespective of the specific recruitment and retention position of each grade. In

addition, we were pleased to see that the published *Fair and Sustainable* includes locality pay allowance compensation on promotion until 31 March 2015. Since that report we have carried out an additional review which considered whether more local market-facing pay arrangements were needed in the Prison Service. Having considered the evidence presented to us, we recommended that the reforms set out in *Fair and Sustainable* should be implemented in full before consideration of any additional local pay flexibilities. The Government published our local market-facing pay report¹⁸ on 5 December 2012 and accepted our recommendation.

Notional rent

3.35 Between 2005 and the start of the Government's public sector pay freeze in 2010 we normally recommended uprating notional rents in line with the movement in market rents as indicated by the rental component of RPI. However, starting with our 2011 report, we have received no evidence on this element. This year again, none of the parties has provided any information on notional rents or asked for changes and accordingly we make no recommendation.

Cost of recommendations

3.36 This year it is particularly difficult to estimate the cost of our recommendations as it depends on the number of Service staff who opt into *Fair and Sustainable* and also where these people are located. However, if we assume that staff will opt in when there is a financial incentive to do so and that all staff opting in are paid on the national Bands, then we estimate our proposals will add a total of £10.3 million to the NOMS paybill in 2013-14 (including on-costs). That figure is made up as follows:

- £2.3 million through progression and increases to scale points on *Fair and Sustainable*.
- £3.4 million through staff opting into *Fair and Sustainable* whenever it is financially advantageous (assuming national scales).
- £4.6 million for non-consolidated payments.

We estimate that these increases, which do not make any allowance for temporary locality pay compensation arrangements, will add 1.0 per cent to the basic paybill.

3.37 We note that contractual incremental progression on the old, pre-*Fair and Sustainable* scales will separately add £11.7 million to the NOMS paybill in 2013-14 (including on-costs).

¹⁸ Prison Service Pay Review Body. *Report on Local Pay in England and Wales 2012*. Cm 8488. TSO, 2012. Available at: http://www.ome.uk.com/PSPRB_Annual_Reports.aspx (accessed on 22 February 2013).

Chapter 4: Looking ahead

Introduction

4.1 As in previous reports, we take this opportunity to comment on a range of issues to which we think the parties should give attention over the coming year.

Workforce restructuring

4.2 We wish to reiterate that we welcome the collaboration that has already taken place between the parties to agree *Fair and Sustainable*. We appreciate that the new pay structure is being introduced in a difficult economic climate, although we note that the added uncertainty of market testing has now been removed for most staff for the immediate future. However, while the details of *Fair and Sustainable* have mainly been agreed, we know there are areas which were not jointly finalised and aspects of the system that we do not feel are yet fully defined.

4.3 The guidelines and criteria for progression in the pay ranges should be transparent and satisfy equality laws. We want more information about the pay ranges in time for our next report. We should also like to see evidence that those in Bands 7 to 11 whose performance is satisfactory are making reasonable progress through the ranges. We recommend that the National Offender Management Service (NOMS) and Prison Governors Association (PGA) provide further information in their evidence to us next year. We shall also be interested in the views of managers on the system during our visits in the spring and summer.

Recommendation 9: We recommend that the National Offender Management Service (NOMS) and the Prison Governors Association (PGA) provide further information on the pay ranges for Bands 7 to 11 and progression of staff in their evidence to us next year.

4.4 NOMS referred to the future implementation of the Civil Service Employee Policy performance management system in written evidence. We wish to hear more about this proposed system next year and how it will affect the pay of our remit group. We recommend that NOMS provide evidence on the system for our next report.

Recommendation 10: We recommend that NOMS provide evidence to us on the Civil Service Employee Policy performance management system for our next report.

4.5 Finally, as we said in Chapter 3, we are concerned that the amount of time off in lieu (TOIL) owed to staff is increasing over the implementation period. We wish to be assured this debt is being properly managed. We recommend the parties provide evidence on this issue for our next report and, if TOIL has increased again, we shall expect proposals from NOMS for tackling the issue.

Recommendation 11: We recommend the parties provide evidence on time off in lieu (TOIL) for our next report including proposals to address it if the balance has increased.

Job evaluation

4.6 Job evaluation is an important part of the implementation of *Fair and Sustainable* as it ensures jobs are placed in the correct Bands. However, we received little evidence about job evaluation this year and what we did hear suggested the process was opaque and had not involved sufficient joint working between NOMS and the other parties. We expect the job evaluation process to be a fair and transparent system, properly implemented and with an appeals process. We recommend that the parties provide evidence on the job

evaluation scheme and how it is being used to help manage the transition to *Fair and Sustainable* and ensure equal pay for work of equal value.

Recommendation 12: We recommend that the parties provide evidence to us for our next report on how job evaluation is being used to help manage the transition to *Fair and Sustainable* and ensure equal pay for work of equal value.

Locality pay

4.7 In our Eleventh report,¹⁹ we welcomed the new arrangements for locality pay in *Fair and Sustainable*. However, we noted there was potential for establishments just outside the outer London pay boundary to struggle to compete for staff against establishments just inside the boundary. Consequently, we asked the parties to provide evidence on the effectiveness of the *Fair and Sustainable* locality pay arrangements. As reported in Chapter 3, we then carried out an additional review²⁰ considering local market-facing pay and concluded that no changes should be made until *Fair and Sustainable* had been implemented in full.

4.8 We are aware that it may be some years before most staff are on *Fair and Sustainable* and we will monitor recruitment under the new arrangements. We are also concerned about the predicament of those in establishments which qualify them for locality payments under the old grades who would earn less if they opted into *Fair and Sustainable*, in some cases even after promotion. We therefore ask the parties to continue to provide us with information about the effectiveness of the *Fair and Sustainable* locality pay arrangements for our future reports. In particular, we should welcome information about recruitment exercises in locations close to the boundaries of the three zones. We recommend that NOMS develop plans for addressing this issue and present them to us next year.

Recommendation 13: We recommend that NOMS develop plans for addressing the issue of staff financially “trapped” by locality pay and present them to us for our next report.

Motivation

4.9 As we said in Chapter 3, we welcome the information provided by the parties on motivation but feel that this evidence is weak compared to that provided on other areas of our terms of reference. We were concerned to hear that the POA conference had carried a motion to adopt a policy of advising members not to participate in NOMS’s surveys. We think the lack of survey evidence on the motivation of its members, resulting from their low response rate, may well weaken the POA’s case. Therefore we recommend that the parties work together with the aim of agreeing an approach for measuring motivation in the future. We ask the parties to inform us of progress on this issue for our next report.

Recommendation 14: We recommend that the parties work together with the aim of agreeing an approach for measuring motivation in the future and inform us of progress on this issue for our next report.

Government pay policy

4.10 After two years of a public sector pay freeze for those earning more than £21,000, the Government has continued with a policy of public sector pay restraint which will still be in place for our next round. We are aware of the wider economic context that informed the Government’s policy. We see it as our primary duty to provide independent, evidence-based advice on the remuneration of our remit group, in accordance with our terms of reference. In addition, we note that movement to a new pay system where the pay ranges for some Bands are below those of staff in the old, pre-*Fair and Sustainable* grades is more difficult during a period of pay restraint when increases for staff on the new grades are unlikely to close the pay gap significantly with

¹⁹ Prison Service Pay Review Body. *Eleventh Report on England and Wales 2012*. Cm 8300. TSO, 2012. Available at: http://www.ome.uk.com/PSPRB_Annual_Reports.aspx (accessed on 22 February 2013).

²⁰ Prison Service Pay Review Body. *Report on Local Pay in England and Wales 2012*. Cm 8488. TSO, 2012. Available at: http://www.ome.uk.com/PSPRB_Annual_Reports.aspx (accessed on 22 February 2013).

those on the old grades. We shall continue to monitor the matters covered by our terms of reference, and especially recruitment, retention and motivation, and to recommend accordingly.

PSPRB scope and remit

4.11 The particular importance of our independent role in making pay recommendations derives from the fact that operational prison service staff in our remit group are subject to restrictions on taking industrial action. Other staff in NOMS are not under the same constraint. Most but not all NOMS staff currently fall within our remit. However, the Service is legally obliged to apply our recommendations to non-operational staff outside our remit group, although we do not receive evidence on behalf of those staff. In the past this linkage was established by an Employment Tribunal equal pay ruling but now some *Fair and Sustainable* pay Bands comprise both operational and non-operational staff and our recommendations for the former will, if accepted, automatically apply to the latter. Two Bands are only for non-operational staff and are not covered by our recommendations.

4.12 In the past we have pointed out that this arrangement is not wholly logical and asked the parties for their views on it. In our 2011 report we noted that there was little appetite for change. However, we believe the recent introduction of *Fair and Sustainable* means this issue should be revisited.

4.13 In its evidence to us PCS again raised concerns on behalf of these staff, some of whom it represents, who are affected by our reports despite us being unable to hear evidence on their behalf. We can see that it is unsatisfactory that our recommendations apply to the pay settlement for non-remit staff in the Service, without our having considered substantive evidence in relation to the group concerned. Logic suggests our remit should be extended to cover all staff directly affected by our recommendations. We recommend that the parties discuss the issue and bring forward proposals.

Recommendation 15: We recommend that the parties discuss the issue of representation of non-operational staff and the scope of our remit and bring forward proposals.

4.14 We have made a number of recommendations requesting further information or evidence from one or more of the parties. When the further work results in pay proposals or proposals relating to other areas of our remit we recommend that the parties make formal proposals to us for our next report.

Recommendation 16: We recommend that the parties make formal proposals to us for our next report when any of the further work we have requested results in proposals relating to pay or other areas of our remit.

Appendix A: Standing terms of reference

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

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

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

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

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

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

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

Appendix B: Minister's remit letter



Ministry of
JUSTICE

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Peter Knight
Chair
Prison Service Pay Review Body
Office of Manpower Economics
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Ref: ADR330874

Jeremy Wright MP
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JKW September 2012

Dear Mr Knight,

THE PRISON SERVICE PAY REVIEW BODY (PSPRB) - 2013/14 PAY ROUND

I am writing formally to commission the PSPRB process for the 2013/14 pay round, and in doing so introduce myself having taken Ministerial responsibility for the Prison Service. I look forward to meeting you in due course, but I am aware of the important work of the Review Body and the high esteem with which it is held in the Ministry. I and the Government place great value on the independent and expert view of the PSPRB in regard to the pay of the Prison Service remit group and I am grateful to you and the Pay Review Body members for your work.

I am aware that Government has given a commitment previously not to issue a formal remit letter other than where circumstances require such directions to be given. I am satisfied that it is not necessary to do so this year.

You will of course be aware of the Government's policy on public sector pay as announced in the 2011 Autumn Statement, that public sector pay awards should average 1% for the two years following the pay freeze. I understand that the Chief Secretary of the Treasury subsequently wrote to you and all other Pay Review Body Chairs on 16 July 2012 to clarify the Government's approach to public sector pay. The Government's evidence to the PSPRB for this round will obviously be consistent with this policy.

I am also aware that our evidence last year outlined the significant reform plans developed by NOMS, and subsequently endorsed by the main trades unions, that will modernise pay arrangements across the Agency over the coming years (known as "Fair and Sustainable"). Given the terms of the pay freeze in 2012, the Review Body were only asked to make recommendations in 2012 for those remit group staff earning the full time equivalent of £21,000 or less. This year's evidence will therefore reaffirm those reform proposals to enable the Review Body to review the full package

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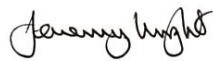
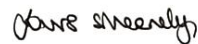
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affecting all staff within your remit group, within the context of our broader Government pay policy for public sector workers.

I would be grateful if your recommendations could be forwarded to the Prime Minister and the Lord Chancellor by 28 February 2013. This will enable decisions to be taken on your recommendations and arrangements made for your report to be published ahead of the pay award implementation date of April.

I would also like to take this opportunity to pass on to you my thanks, and those of the Secretary of State, for your work on Local Pay. The Government is currently considering your report alongside the similar reviews from the other Pay Review Bodies and we hope to be able to publish your report and our response shortly.

I am copying this letter to Michael Spurr in NOMS and to representatives of the POA, PGA and PCS.



JEREMY WRIGHT

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Appendix C: PSPRB Chair's reply to the remit letter



OFFICE OF MANPOWER ECONOMICS

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Mr Jeremy Wright MP
Parliamentary Under-Secretary of State for Justice
Ministry of Justice
102 Petty France
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November 2012

Dear Mr Wright

PRISON SERVICE PAY REVIEW BODY (PSPRB) 2013-14

Thank you for your letter of 15 September in which you asked the PSPRB to make recommendations on pay for 2013-14. I can confirm that the Review Body expects to submit its recommendations to the Prime Minister and Lord Chancellor by 28 February 2013, provided that it receives timely evidence from all the parties.

I am grateful to you for meeting me on 22 October. I found it helpful to hear your views on the new *Fair and Sustainable* collective agreement for prison service staff. In our 2012 Report the Review Body welcomed the collaboration that led to this important agreement and this year we hope to receive evidence on the policy that will be pursued to introduce these changes within a reasonable timescale.

As I mentioned, we are pleased that this year the Review Body is again able to consider, without constraint, the whole remit group when making its recommendations.

I am copying this letter to the recipients of your letter to me, namely Michael Spurr in NOMS, and to representatives of the POA, PGA and PCS.

Dr Peter Knight CBE
Chairman
Prison Service Pay Review Body



Appendix D: Prison establishments visited in 2012

The 2012 visit programme covered the following establishments:

HMP Coldingley

HMP Durham

HMP Featherstone

HMP Full Sutton

HMP Holloway

HMP Huntercombe

HMP Lowdham Grange*

HM YOI Swinfen Hall

* privately managed by Serco

Appendix E: Results from the National Offender Management Service Staff Engagement Survey

Table E.1: Staff Survey results given as the percentage in agreement or satisfied with each question, 2008-2012

Response	2008	2009	2010	2011	2012
Overall I am satisfied with the job I do	75	73	73	74	66
I feel valued for the work I do		51	52	50	46
I am interested in my work		88	88	87	85
My work gives me a sense of personal accomplishment	71	70	71	71	67
Compared to people doing a similar job in other organisations I feel my pay is reasonable		27	30	28	26
I am satisfied with my total benefits package		30	33	28	25
I feel that my pay adequately reflects my performance	25	28	32	30	28
I would recommend the Service as a great place to work		34	36	33	27
The Service inspires me to do the best in my job		31	40	38	34
I am proud when I tell others I am part of the Service		45	56	55	51
I feel safe in my working environment	69	72	71	71	66
The level of control and discipline within this establishment is satisfactory	60	58	57	58	52

Note: These are a selection of the results available. The full staff survey results are available at: <http://www.justice.gov.uk/downloads/information-access-rights/transparency-data/moj/staff-engagement-survey/noms-survey-report-2012.pdf> (accessed on 22 February 2013).

Table E.2: NOMS Staff Survey results given as the percentage of each grade group in agreement or satisfied with each question, 2012

	OSG	Officer	SO	PO	Manager	Senior manager
Response rate	(36%)	(34%)	(56%)	(74%)	(87%)	(100%)
Overall I am satisfied with the job I do	67	56	60	61	74	86
I feel valued for the work I do	38	32	45	49	64	82
I am interested in my work	81	79	83	88	95	98
My work gives me a sense of personal accomplishment	59	55	66	71	84	90
Compared to people doing a similar job in other organisations I feel my pay is reasonable	23	21	21	18	27	36
I am satisfied with my total benefits package	21	16	19	18	30	46
I feel that my pay adequately reflects my performance	21	21	22	19	34	50
I would recommend the Service as a great place to work	31	16	18	17	32	52
The Service inspires me to do the best in my job	37	25	30	26	44	62
I am proud when I tell others I am part of the Service	52	43	48	45	65	80
I feel safe in my working environment	68	45	60	76	89	97
The level of control and discipline within this establishment is satisfactory	48	39	50	65	82	92
Note: These results are presented for the same questions as for table E.1.						

Appendix F: Current and recommended pay levels

Current and recommended pay levels for operational managers

Old, pre-Fair and Sustainable scales

We make no recommendation on pay for operational managers on the old, pre-Fair and Sustainable scales which remain as set out below.

Grade	Current pay scale £ per year
Senior manager A	82,892
	80,460
	75,195
	71,730
	69,025
	66,620
	64,765
Senior manager B	80,458
	75,195
	71,730
	69,025
	66,620
	64,765
	60,980
Senior manager C	72,458
	67,710
	65,340
	62,690
	58,970
	56,920
Senior manager D	61,038
	56,595
	52,960
	51,277
	50,630
	45,700

Grade	Current pay scale £ per year
Senior manager D*	66,567
(RHA inclusive)	61,239
	56,964
	54,894
	50,909
	47,244
Manager E	46,024
	41,545
	39,645
	36,425
	34,700
	33,335
Manager F	39,041
	34,745
	33,070
	31,745
	30,700
	29,685
Manager G	32,140
	29,945
	28,650
	27,490
	26,305
	25,105
Required hours addition (D*-G)	5,529

* Except for those on the older senior manager D scale (i.e. those in the grade before 22 July 2009 who chose not to move to the new senior manager D scale) the required hours addition (RHA) is paid separately at the current rate of £5,529.

Appendix F

Fair and Sustainable ranges – National

Grade/Pay Band		Recommended pay ranges from 1 April 2013	
		£ per year	£ per year
		National	
		37 hour Base Pay	37 hour inc 15% RHA
Governor (Band 11)	Max	73,045	84,002
	Min	60,120	69,138
Governor (Band 10)	Max	65,000	74,750
	Min	51,795	59,564
Deputy Governor (Band 9)	Max	58,465	67,235
	Min	47,150	54,223
Deputy Governor/Head of Function (Band 8)	Max	46,100	53,015
	Min	35,325	40,624
Head of Function (Band 7)	Max	39,145	45,017
	Min	31,190	35,869

Notes:

1. Band 7 to 11 scales do not have fixed incremental pay points.
2. Pay ranges which include 15% RHA are rounded to the nearest £.

Fair and Sustainable ranges – Outer London

Grade/Pay Band		Recommended pay ranges from 1 April 2013	
		£ per year	£ per year
		Outer London	
		37 hour Base Pay	37 hour inc 15% RHA
Governor (Band 11)	Max	75,545	86,877
	Min	62,175	71,501
Governor (Band 10)	Max	67,500	77,625
	Min	53,785	61,853
Deputy Governor (Band 9)	Max	60,965	70,110
	Min	49,165	56,540
Deputy Governor/Head of Function (Band 8)	Max	48,600	55,890
	Min	37,240	42,826
Head of Function (Band 7)	Max	41,645	47,892
	Min	33,185	38,163

Notes:

1. The Band 7 to 11 scales do not have fixed incremental pay points.
2. Pay ranges which include 15% RHA are rounded to the nearest £.
3. Outer London covers – Belmarsh, Bronzefield, Downview, Feltham, Highdown, HQ Croydon, Isis

Fair and Sustainable ranges – Inner London

Grade/Pay Band		Recommended pay ranges from 1 April 2013	
		£ per year	£ per year
		Inner London	
		37 hour Base Pay	37 hour inc 15% RHA
Governor (Band 11)	Max	76,845	88,372
	Min	63,245	72,732
Governor (Band 10)	Max	68,800	79,120
	Min	54,820	63,043
Deputy Governor (Band 9)	Max	62,265	71,605
	Min	50,215	57,747
Deputy Governor/Head of Function (Band 8)	Max	49,900	57,385
	Min	38,240	43,976
Head of Function (Band 7)	Max	42,945	49,387
	Min	34,220	39,353

Notes:

1. The Band 7 to 11 scales do not have fixed incremental pay points.
2. Pay ranges which include 15% RHA are rounded to the nearest £.
3. Inner London covers – Brixton, Holloway, HQ Westminster, Pentonville, Wandsworth, Wormwood Scrubs

Appendix F

Current and recommended pay levels for prison officer grades and support grades

Old, pre-Fair and Sustainable grades

Grade	Current pay scale £ per year
Principal officer	33,537
	31,762
Senior officer	31,169
Prison officer	28,930
	25,915
	23,872
	22,671
	21,561
	20,754
Prison officer 2*	18,635
	17,000
	16,500
	16,000
Operational support grade	15,190
	18,755
	17,845
	17,320
	16,815
Night patrol	16,330
	15,955
	15,301
Storeman	16,202
Assistant storeman	15,052
Prison auxiliary	14,495

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

Fair and Sustainable scales**Custodial manager and supervising and specialist officers**

(Band 5 and Band 4)

National

Grade/Pay Band	Recommended pay ranges from 1 April 2013		
	£ per year	£ per year	£ per year
	National		
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial
Custodial manager (Band 5)	27,710	32,421	33,919
	26,940	31,520	32,976
	26,190	30,642	32,058
	25,460	29,788	31,164
	24,250	28,373	29,684
Supervising and Specialist officers (Band 4)	24,290	28,419	29,732
	23,630	27,647	28,924
	22,345	26,144	27,351
	21,130	24,722	25,864
	20,125	23,546	24,634

Note: Pay ranges which include 17% unsocial working hours and/or ACHP are rounded to the nearest £.

Outer London

Grade/Pay Band	Recommended pay ranges from 1 April 2013		
	£ per year	£ per year	£ per year
	Outer London		
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial
Custodial manager (Band 5)	30,210	35,346	36,979
	29,380	34,375	35,963
	28,565	33,421	34,965
	27,780	32,503	34,004
	26,460	30,958	32,388
Supervising and Specialist officers (Band 4)	26,790	31,344	32,792
	26,060	30,490	31,899
	24,640	28,829	30,161
	23,300	27,261	28,520
	22,190	25,962	27,162

Notes:

1. Pay ranges which include 17% unsocial working hours and/or ACHP are rounded to the nearest £.
2. Outer London covers – Belmarsh, Bronzefield, Downview, Feltham, Highdown, HQ Croydon, Isis

Appendix F

Inner London

Grade/Pay Band	Recommended pay ranges from 1 April 2013		
	£ per year	£ per year Inner London	£ per year
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial
Custodial manager	31,510	36,867	38,570
(Band 5)	30,645	35,855	37,511
	29,805	34,872	36,483
	28,985	33,912	35,479
	27,605	32,298	33,790
Supervising and	28,090	32,865	34,384
Specialist officers	27,325	31,970	33,447
(Band 4)	25,835	30,227	31,623
	24,430	28,583	29,904
	23,265	27,220	28,478

Notes:

1. Pay ranges which include 17% unsocial working hours and/or ACHP are rounded to the nearest £.
2. Inner London covers – Brixton, Holloway, HQ Westminster, Pentonville, Wandsworth, Wormwood Scrubs

Fair and Sustainable scales

Prison officer and operational support grades (Band 3 and Band 2)

National

Grade/ Pay Band	Current Levels		Recommended pay ranges from 1 April 2013	
	£ per year	£ per year	£ per year	£ per year
	National		National	
	37 hour Base Pay	37 hour inc 17% unsocial	37 hour Base Pay	39 hour inc ACH & 17% unsocial
Prison officer (Band 3)	19,030	22,265	19,030	23,499
	17,990	21,048	18,300	22,598
	17,000	19,890	17,600	21,734
	16,500	19,305	16,925	20,900
	16,000	18,720	16,120	19,906
OSG (Band 2)	15,325	17,930	15,480	18,948
	14,580	17,059	15,010	18,373
	14,150	16,556	14,555	17,816
	13,740	16,076	13,860	16,965

Notes:

1. Base pay for these officers is based on a 37 hour week. These officers may qualify for an additional unsocial hours payment of 17 per cent.
2. Pay ranges which include 17% unsocial working hours, ACH or ACHP are rounded to the nearest £.

Outer London

Grade/ Pay Band	Current Levels			Recommended pay ranges from 1 April 2013		
	Outer London			Outer London		
	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACH & 17% unsocial	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACH & 17% unsocial
Prison officer (Band 3)	21,530	25,190	26,587	21,530	25,190	26,587
	20,355	23,815	25,135	20,705	24,225	25,568
	19,235	22,505	23,753	19,910	23,295	24,586
	18,670	21,844	23,055	19,145	22,400	23,641
	18,100	21,177	22,351	18,235	21,335	22,518
OSG (Band 2)	17,825	20,855	21,819	17,980	21,037	22,008
	16,960	19,843	20,760	17,435	20,399	21,341
	16,460	19,258	20,148	16,905	19,779	20,693
	15,980	18,697	19,561	16,100	18,837	19,707
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial

Notes:

1. Base pay for these officers is based on a 37 hour week. These officers may qualify for an additional unsocial hours payment of 17 per cent.
2. Pay ranges which include 17% unsocial working hours, ACH or ACHP are rounded to the nearest £.
3. Outer London covers – Belmarsh, Bronzefield, Downview, Feltham, Highdown, HQ Croydon, Isis

Inner London

Grade/ Pay Band	Current Levels			Recommended pay ranges from 1 April 2013		
	Inner London			Inner London		
	£ per year	£ per year	£ per year	£ per year	£ per year	£ per year
	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACH & 17% unsocial	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACH & 17% unsocial
Prison officer (Band 3)	22,830	26,711	28,192	22,830	26,711	28,192
	21,585	25,254	26,654	21,955	25,687	27,111
	20,395	23,862	25,185	21,115	24,705	26,074
	19,795	23,160	24,444	20,305	23,757	25,074
	19,195	22,458	23,703	19,340	22,628	23,882
OSG (Band 2)	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial	37 hour Base Pay	37 hour inc 17% unsocial	39 hour inc ACHP & 17% unsocial
	19,125	22,376	23,410	19,280	22,558	23,600
	18,195	21,288	22,272	18,695	21,873	22,884
	17,660	20,662	21,617	18,125	21,206	22,186
	17,150	20,066	20,993	17,260	20,194	21,127

Notes:

1. Base pay for these officers is based on a 37 hour week. These officers may qualify for an additional unsocial hours payment of 17 per cent.
2. Pay ranges which include 17% unsocial working hours, ACH or ACHP are rounded to the nearest £.
3. Inner London covers – Brixton, Holloway, HQ Westminster, Pentonville, Wandsworth, Wormwood Scrubs

Appendix G: Locality pay

We recommend no change to locality pay for the old, pre-*Fair and Sustainable* grades so the rates remain as follows:

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

Establishments/sites covered:

Rate 1	Brixton, Holloway, Pentonville, Wandsworth, Wormwood Scrubs
Rate 2	Feltham, Huntercombe, The Mount, HQ Westminster
Rate 3	Belmarsh, Bronzefield*, Coldingley, Downview, High Down, Isis, Send, South East Area Office (Woking)
Rate 4	Aylesbury, Bedford, Bullingdon, Bullwood Hall#, Chelmsford, Grendon, HQ Croydon, Reading, Woodhill
Rate 5	Lewes and Winchester
Rate 6	Birmingham*, Bristol, Littlehey, Long Lartin, Onley

Notes:

Only payable to staff in post at 31 March 2012

* May be payable to Controllers at these establishments.

Due to close on 31 March 2013.

Appendix H: Allowances and payments

We make no recommendation on allowances and payments.

<i>Allowances</i>	<i>Old Scales</i>	<i>Fair and Sustainable Scales</i>
Care and maintenance of dogs	£1,526 a year	£1,526 a year
Specialist allowance		
Healthcare officers	£1,296 a year	
Caterers, dog handlers, librarians, physical education instructors, trade instructors and works officers	£1,200 a year	
<i>Payments</i>		
Operation Tornado payment	£19.32 per hour	£19.32 per hour
Payment Plus	£17.00 per hour	£17.00 per hour
<i>Allowances</i>		
Dirty protest allowance		
four hours or less per day	£5.75 per day	£5.75 per day
over four hours per day	£11.50 per day	£11.50 per day
On-call (radio pager)		
weekdays	£5.67 per period of more than 12 hours	
weekends and privilege holidays	£16.13 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£20.41 per 24 hour period or proportionately for periods of less than 24 hours	
On-call (home)		
weekdays	£7.09 per period of more than 12 hours	
weekends and privilege holidays	£20.17 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£25.47 per 24 hour period or proportionately for periods of less than 24 hours	

Appendix H

<i>Allowances</i>	<i>Old Scales</i>	<i>Fair and Sustainable Scales</i>
On-call (home)*		
weekday/privilege day		£9.00 per period of 12 hours or more
weekends and public holidays		£25.00 per period of 24 hours or more or proportionately for periods of less than 24 hours
(hourly rate)		(£1.04 per hour whilst on call outside of normal office hours)
Stand by (office)		
weekdays	£13.43 per period of more than 12 hours	
weekends and privilege holidays	£38.46 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£48.26 per 24 hour period or proportionately for periods of less than 24 hours	

* Note:

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

Appendix I: Notional rent

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

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



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