



Home Office

# Home Office Evidence to the Senior Salaries Review Body – Police and Crime Commissioners

2015/16 Pay Round

# Home Office Response to the Senior Salary Review Body's (SSRB) call for evidence on Police and Crime Commissioner (PCC) pay

The Senior Salaries Review Body (SSRB) are conducting a review of PCC salaries as part of their annual review of all senior salaries. This is the Home Office response to their call for written evidence on a number of issues for the SSRB to consider when determining its recommendations in relation to PCC pay.

## Q1. Any changes to the role and responsibilities of PCCs since the Home Office's 2014 submission

### Commissioning victims' services

1. There has been only one adjustment to the role of PCC's since last year. On 1<sup>st</sup> October 2014, PCCs took on responsibility for commissioning victims' services. The rationale for this was that PCCs are ideally placed to understand the support needs of victims in their communities and commission services specific to the needs of their area.
2. In the Government Response to the consultation "Getting it Right for Victims and Witnesses", published in July 2012, the Government announced its intention that PCCs would, in future, locally commission the majority of emotional and practical support services for victims of crime. In May 2013, it was confirmed to PCCs that locally commissioned services would be required to be in operation by 1<sup>st</sup> October 2014. In November 2013, the Ministry of Justice (MoJ) provided PCCs with budgets totalling £20.8m with which to prepare themselves, and local Voluntary, Community and Social Enterprise (VCSE) providers of support services, for local commissioning.
3. PCCs were given wide powers to commission or provide support services for victims of crime in the Anti-Social Behaviour, Crime and Policing Act 2014, which received Royal Assent on 13 March 2014.
4. The MoJ continues to provide close support to PCCs during this transition and has provided PCCs with ring-fenced grant funding for the commission of services in the final six months of 2014/15 of £31.5m, including £6.25m for restorative justice and £1.3m for specialist support for victims of sexual violence and domestic violence. PCCs have also been provided with indicative budgets totalling over £60.8m for 2015/16. We do not consider that the transition to these new arrangements warrants an increase in remuneration at this stage. The new arrangements should have time to operate before their impact can be assessed.

### Victims' Referral

5. Additionally, a first tranche of seven PCCs also took on responsibility for the provision of victims' referral arrangements and associated support in October 2014. The remaining PCCs will follow the move away from MoJ national arrangements with Victim Support in April 2015. The transfer of these additional victims' referral arrangements to the seven early adopters, and the different support arrangements that are required by PCCs in the interim, makes it difficult to conduct an assessment of the impact of these new responsibilities on PCCs at this stage. It would be sensible to conduct a full assessment of the impact after all PCCs have taken on the responsibility for both victims' commissioning and referral arrangements.

6. The scope of this additional responsibility is that PCCs will focus on the provision of support services for victims of crime. A victim of crime is defined as: a person who has suffered harm which was directly caused by a criminal offence; or, in relation to a person whose death was directly caused by a criminal offence, a family member who has suffered harm as a result of the person's death, or a family member who has been affected and suffered harm as a result of a criminal offence against the victim. It should be immaterial whether a complaint has been made about the offence, or whether the offender has been charged or convicted.
7. How victims' services are commissioned and provided will be a decision for the local PCC based on locally identified needs and priorities. The success of the commissioning role will be based on how the service has met the needs of the victim and the ability of victims to cope with the immediate impacts of the crime and, if possible, recover and return to the life they had before the crime took place.
8. A number of victims' services will still be commissioned nationally. PCCs will not be responsible for commissioning services for female victims of rape through Rape Support centres, the national homicide service or the court based witness service. Responsibility for commissioning these services will be retained by the Ministry of Justice. In addition, the Home Office is responsible for commissioning support for adult victims of human trafficking and modern slavery.

## Q2. The numbers of staff and associated costs of those directly employed by PCCs, including employer National Insurance and pension contributions

9. The Home Office does not collect or maintain centrally a consolidated data set on the size of PCCs' offices. But the number of staff, and the salaries of senior staff, is required to be published by the Elected Local Policing Bodies (Specified Information) Order 2011<sup>1</sup>. Typically, this information is provided on the website of each PCC.
10. PCCs have a significant degree of discretion over the size and functions of their offices. When PCCs took up office, they inherited a range of staff within their employment, many of whom were police staff. Arrangements were put in place to transfer the employment of these staff to the Chief Constable, based on each PCCs' view on how they wished to run their office. This process of "Stage 2 transfers" was a key element of the Government's implementation of PCCs. Its objective was to ensure there was a clear distinction between the role of the PCC and the role of the Chief Constable and their respective staff, so that they could deliver an effective response to crime, drive up efficiencies and provide a good quality service to the public.
11. All Stage 2 plans were approved and transfers completed by 30<sup>th</sup> April 2014.
12. The large majority of PCCs have pursued a maximum transfer option where the majority of staff were transferred to the Chief Constable and the Office of the PCC retained a relatively small number of support staff to hold chiefs to account. There are variances within this model, with some forces keeping a larger cut of staff than others, and some keeping functions which others are not. For example, Durham has retained a small office of only 5 permanent members of staff; Devon and Cornwall has a staff of around 24 (23.7 FTE); and GMP, one of the larger force areas, has a staff of around 32 (31.6 FTE). This

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<sup>1</sup> <http://www.legislation.gov.uk/ukxi/2011/3050/made>

variation is to be expected and is evidence of PCCs and Chief Constables deciding locally what is best for their forces.

13. A small number of PCCs have pursued transitional models or outsourcing models where staff are transferred to local authorities or other shared service provisions. These models reflect the principles for stage 2 plans and have been consulted on with unions.
14. Whilst for many PCCs, Stage 2 involved a significant reduction in the number of staff directly employed by them, there was, in practice, minimal impact on the PCCs' management responsibilities because a large proportion of the staff being transferred were already under the direction and control of the Chief Constable. Stage 2 was designed as a formalisation of employment of police staff and had no effect on the statutory role and responsibilities of a PCC. Therefore, the number of staff a PCC directly employs is not, in our view, a factor which should directly affect their salary.
15. Before the election of PCCs, all police staff were employed by police authorities, with the Chief Constable having direction and control over staff employed to support the police force rather than the police authority itself. When police authorities were disbanded with the introduction of PCCs, all staff became employees of the relevant PCC, although the Chief Constable retained direction and control over those staff employed to support the force. This was Stage 1 – a transitional phase designed to allow for considered decision making as to the long term split in staff and functions between PCCs and Chief Constables now being carried out under Stage 2.
16. The effect of completing Stage 2 was to establish and staff two separate bodies (or corporations sole) – the Office of PCC and the Office of Chief Constable. The expectation was that there would be a clear divide between the two bodies with each having clear roles and responsibilities.
17. PCCs must ultimately account for their expenditure to the public they serve – through the ballot box.

### Q3. An assessment of the overall package for PCCs

18. PCCs are responsible for setting the strategic direction and objectives for their force; holding the Chief Constable to account and overseeing effective and efficient spend of millions of pounds of public money. As was envisaged, PCCs have proven themselves to be visible figures; accountable to their local electorate and working hard to ensure their communities have a stronger voice in policing.
19. We are confident that the current overall package for PCCs remains competitive and continues to attract a strong field of candidates for the role of PCC, as demonstrated by the recent by-elections in the West Midlands and South Yorkshire. Experienced candidates for the by-elections have included former Ministers, MPs and current company directors.
20. PCCs are required to declare any paid or unpaid interests that may conflict with their role or affect the amount of time they have to devote to it. As per the SSRB's previous recommendations on PCC pay, we do not believe it would be appropriate for PCCs to receive performance related pay. Overall, the performance of PCCs should be judged only by the electorate.
21. PCCs have access to local government pension schemes, if they wish to take advantage of this.

22. There is not a benefits package for PCCs that extends beyond the PCC salary.

## Expenses

23. Expenses are only paid when incurred during the course of business. PCCs have an important role to hold their forces to account and are focussed on cutting crime. Expenses claimed by PCCs are reimbursements for costs incurred whilst undertaking those duties.
24. By publicly setting rates and requiring full publication of expenses quarterly we ensure PCCs will be fair and transparent in claiming expenses.
25. The limits for expenses are comparable to the expenses limits for the Mayor of London. The Mayor of London is the closest comparable role and he is also the PCC for London.
26. Paragraph 3 of Schedule 1 to the Police Reform and Social Responsibility Act 2011 provides that a PCC is to be paid authorised allowances. The term 'authorised allowances' means allowances, in respect of expenses incurred by the PCC in the exercise of their functions, which are of the kinds and amounts determined by the Home Secretary. The determination therefore covers travel expenses, subsistence expenses and exceptional expenses.
27. The expenses determination can be found here:  
<https://www.gov.uk/government/publications/expenses--2/expenses>.
28. The determination makes clear that, as part of their "monitoring officer" duties, Chief Executives of the office of the PCC should subject all PCC expense claims to rigorous verification and auditing.
29. Secondary legislation (the Specified Information Order 2011 and subsequent amendments) makes clear that the expenses reimbursed to the PCC or paid for by their office are to be published quarterly, as soon as practicable after the end of the quarter.
30. The purpose of authorised allowances is to reimburse expenses incurred by PCCs in carrying out their duties, not to provide a general gratuity for undertaking the role. Further to our previously submitted evidence, we are not aware of any examples to suggest that PCCs have been unable to legitimately claim for expenses incurred. We continue to work with the APCC to ensure that PCCs understand the guidance already in place.

## Q4. Our pay proposals for PCCs for 2015-16

31. Recommendations:
- We recommend a pay freeze for PCCs for 2015-2016 in line with current Government policy;
  - We recommend that the SSRB postpone any decision making regarding the effect on salary of the additional responsibility of victims' commissioning. We recommend that a full assessment of the impact be undertaken once all PCCs have taken on board the full range of responsibilities for victims.

## Background

32. When the SSRB were originally commissioned to assess and make recommendations on PCC pay in 2011, it invited respondents to answer four questions in its call for evidence:
- What factors should the SSRB take into account when recommending pay levels for PCCs?
  - Which are the most relevant comparable public sector roles that might provide a benchmark for PCC pay?
  - Would it be appropriate for PCCs, as elected officers, to be eligible for performance-related payments or bonuses? If so, how should performance be assessed and payments decided?
  - Should PCCs' pay be fixed for their four-year term of office? If not, how should it be reviewed or updated and at what intervals?
33. Respondents to that call for evidence generally agreed that base pay levels should reflect the importance and the full-time, demanding nature of the PCCs' role. The majority said that the size of police force, value of annual budget, total population and geographical area were factors that should be taken into account when recommending pay levels for PCCs.
34. In 2011, the SSRB concluded that the force weighting used to govern chief officer pay provided a suitable mechanism to calibrate a pay structure for PCCs. We had provided the SSRB with the force weightings and pay bands for chief constables. At the time, police officers, like other public sector workers, were in the middle of a two year pay freeze. In September 2013, the Police Negotiating Board (PNB) agreed a 1% pay increase for all officers in England and Wales and Northern Ireland. The PNB circular communicating this agreement and containing the revised pay scales can be found at: [http://www.local.gov.uk/c/document\\_library/get\\_file?uuid=b0baaffe-c5ce-4a36-bfcd-336b64fdb9ac&groupId=10180](http://www.local.gov.uk/c/document_library/get_file?uuid=b0baaffe-c5ce-4a36-bfcd-336b64fdb9ac&groupId=10180). For the year 2014/15, the PNB has again agreed a 1% pay increase for all officers. Whilst PCCs salaries had previously been correlated to those of Chief Constables, PCCs, being new in post, have not been subject to the same pay freeze as other areas.
35. We have also considered the pay of the Mayor of London as the closest comparable role particularly as the Mayor is also the PCC for London. According to the Greater London Authority Salaries and Pensions Determination 2009, the Mayor of London was awarded a yearly rate of £145,350. However in 2009, having forgone any increase in 2009/10, the Mayor's salary for 2009/10 amounts to £143,911. This figure also reflects his current salary as published on the Greater London Authority website.
36. It is our view that in considering any potential recommendations to increase PCC pay, it is important to pay close attention to the following:
- these are still relatively new roles which have not substantially changed since PCCs took up in office in November 2012; whilst PCCs have taken on responsibility for commissioning victim's services from October, an assessment of the impact of this upon the role should be conducted before any decision taken about reflecting the additional responsibility in their salary;
  - current public sector pay policy has resulted in a 1% cap on any pay awards and this has followed a two year public sector pay freeze;
  - the Police Negotiating Board agreed a 1% pay increase for chief officers in England and Wales, and Northern Ireland for the years 2013/14 and 2014/15, and the force weightings used to govern chief officer pay provided a suitable mechanism to calibrate a pay structure for PCCs;

- future PCC elections will be held in May 2016 and PCCs will hold office for four year terms.
37. The role of Police and Crime Commissioner is still relatively new. PCCs have not yet been in post for two years. It would be inappropriate to alter PCC salaries after less than two years in office and with no substantive changes to the role that can properly be assessed at this point in time, and, therefore, it is the Home Secretary's view that these salaries should be frozen for a further year.