



Review Body on
Senior Salaries

Supplement to the Thirty-Eighth Annual Report on Senior Salaries 2016

REPORT No. 86

Chief police officers in England, Wales and
Northern Ireland

Chair: Dr Martin Read, CBE



Review Body on Senior Salaries

REPORT No. 86

Supplement to the Thirty-Eighth Annual Report 2016

Chief police officers in England, Wales and Northern Ireland

Chair: Dr Martin Read CBE

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

July 2016



© Crown copyright 2016

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

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

This publication is available at www.gov.uk/government/publications

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

Print ISBN 9781474135375

Web ISBN 9781474135382

ID 29061603 07/16 55998 19585

Printed on paper containing 75% recycled fibre content minimum

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

Contents

	<i>Paragraph</i>	<i>Page</i>
	Major conclusions on all our remit groups	v
	Summary and recommendations	vi
	Context	1 vi
	The remit group	4 vi
	Data quality	7 vi
	Pay recommendations	9 vii
	Looking ahead – the future	13 vii
<i>Chapter 1</i>	Introduction	1
	SSRB approach	1.1 1
	The economic context	1.6 1
	<i>Economy and labour market</i>	1.7 2
	The chief police officer remit group	3
	<i>Workforce numbers</i>	1.8 3
	<i>Diversity</i>	1.12 4
	Nature of the police reward package	1.13 5
	<i>Chief Constables and Deputy Chief Constables</i>	1.14 5
	<i>Assistant Chief Constables and those of equivalent rank</i>	1.17 6
	<i>Performance-related pay</i>	1.18 6
	<i>Pension</i>	1.20 6
	<i>Allowances and benefits in kind</i>	1.22 7
	Sources of evidence	7
	<i>England and Wales</i>	1.25 7
	<i>Northern Ireland</i>	1.27 7
	<i>Discussion groups</i>	1.29 8
<i>Chapter 2</i>	Evidence	9
	Strategic context	2.1 9
	<i>Rank and grade structure review</i>	2.2 9
	<i>The Policing and Crime Bill 2015-16</i>	2.3 9
	Pay and affordability context	9
	<i>Affordability</i>	2.4 9
	<i>Differentials with ranks immediately below the remit group</i>	2.8 10
	<i>Pay targeting</i>	2.9 10
	<i>Pay progression</i>	2.13 10
	Pay proposals	10
	<i>England and Wales</i>	2.15 10
	<i>Northern Ireland</i>	2.18 11
	<i>Targeting</i>	2.19 11
	Other proposals	11
	<i>England and Wales</i>	2.22 11
	<i>Northern Ireland</i>	2.30 13
	Evidence on pay	2.31 13
	Evidence on recruitment	2.33 13
	<i>Factors affecting levels of recruitment</i>	2.36 14
	<i>Fixed-term appointments</i>	2.39 15

	<i>Discussion groups</i>	2.42	15
	<i>Factors affecting mobility across forces</i>	2.46	16
	<i>Localised recruitment issues</i>	2.54	17
	Evidence on retention	2.58	18
	Evidence on pensions	2.63	20
	<i>Pension schemes</i>	2.64	20
	<i>Pension taxation</i>	2.67	21
	<i>Total financial reward</i>	2.70	21
Chapter 3	Analysis and recommendations		23
	Context		23
	<i>Recruitment, retention and motivation</i>	3.1	23
	<i>The feeder group</i>	3.4	23
	<i>Mobility, local accountability and national control</i>	3.5	23
	<i>Implications for pay</i>	3.7	24
	Pay award		24
	<i>Introduction</i>	3.8	24
	<i>Consolidated or non-consolidated pay</i>	3.9	24
	<i>Pay targeting</i>	3.11	24
	<i>The pay award for 2016-17</i>	3.13	25
	Other pay issues		25
	<i>Review of Chief Constable and Deputy Chief Constable pay</i>	3.15	25
	<i>Proposals on Assistant Chief Constable and Commander pay</i>	3.16	25
	Proposals on allowances and other matters	3.20	26
Chapter 4	Looking ahead – the future		29
	A more strategic approach		29
	<i>Last year's report</i>	4.1	29
	<i>Proposals</i>	4.6	30
	Better evidence		33
	<i>Overview</i>	4.9	33
	<i>Gathering and provision of evidence</i>	4.10	33
	<i>Better data</i>	4.17	34
	<i>Timing of evidence</i>	4.24	35
<i>Appendix A</i>	Background information on the setting of police pay and the Terms of Reference of the SSRB		37
<i>Appendix B</i>	Website references for publications		40
<i>Appendix C</i>	Letter from the Chief Secretary to the Treasury to Pay Review Body Chairs of 19 August 2015		41
<i>Appendix D</i>	Letter from the Home Secretary to the Chair of the Senior Salaries Review Body of 15 July 2015		43
<i>Appendix E</i>	Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 6 August 2015		45
<i>Appendix F</i>	Letter from the Home Secretary to the Chair of the Senior Salaries Review Body of 9 November 2015		46
<i>Appendix G</i>	Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 21 October 2015		49
<i>Appendix H</i>	Chief police officer pay structure from 1 September 2015		52
<i>Appendix J</i>	Overview of allowances and benefits in kind received by chief police officers in 2015-16		54
<i>Appendix K</i>	Glossary of terms and abbreviations		55

Major conclusions on all our remit groups

- In making pay recommendations, the SSRB needs to consider a range of factors alongside basic pay and bonuses, including pensions, relative job security and the value of benefits in kind.
- Evidence shows that pay restraint and pension reform are not currently creating major recruitment and retention problems in the remit groups we have considered this year, nor in their feeder groups. However, morale is fragile.
- Departments need to be clear about their long-term objectives, their future operating model and the pay and workforce strategy required to support them. Annual changes to pay need to be linked to longer-term strategy.
- There should be more focus on maximising outcomes for lowest cost and less fixation on limiting basic pay increases across the board.
- Greater analysis is required of where value is being added and action taken where it is not.
- There needs to be demonstrable evidence that appraisal systems and performance management arrangements exist and are effective, and of a robust approach to reward structure and career development.
- Better decision making requires better data, particularly in respect of attrition, retention and recruitment. Emerging issues and pressures need to be identified promptly and accurately so that appropriate action can be taken.
- The feeder groups that will supply the next generation of senior public sector leaders must be closely monitored. The data relating to them needs careful scrutiny for early warning signs of impending problems.
- Where evidence supports it, pay increases should be targeted according to factors such as the level of responsibility, job performance, skill shortages and location.
- Tensions that exist in the system that hinder the development of a coherent workforce policy, such as between national and local control, need to be explicitly recognised and actively managed.
- The senior workforces within our remit groups need to better reflect the society they serve and the broader workforce for which they are responsible.

Summary and recommendations

Context

1. This report provides advice to the Government on pay for chief police officers in England, Wales and Northern Ireland.
2. We believe that the sights of evidence providers for all our remit groups should be lifted above the simple question of annual basic pay increases. Therefore, in addition to considering annual pay rises this year, we have set out what a more strategic approach should involve. This is summarised in the major conclusions presented at the beginning of this report.
3. The police are in the midst of a significant programme of structural reform, with far-reaching implications for chief police officers. Longer-term pay for this group will be shaped by ongoing work to design and implement a pay structure based on roles, competence and skills. This provides an opportunity to embed strategic principles into future pay and reward arrangements.

The remit group

4. We found that the chief police officers we met were motivated and dedicated to providing a high quality service. However, there is also clear frustration stemming from a feeling within the workforce that it is not sufficiently valued or supported.
5. A number of years of zero or below-inflation basic pay increases have contributed to this frustration. However, a number of other factors have also been important:
 - The impacts of pension changes and, in particular, the tax treatment of pensions.
 - The unique challenges and risks associated with chief police officer roles, which include: fixed-term appointments for Chief Constables and Deputy Chief Constables and the associated job insecurity; and a high public profile, press attention and the consequent impact on family life.
 - Perceptions of arbitrariness and unfairness around the treatment of allowances and non-pay benefits, driven in particular by the varied approaches taken by Police and Crime Commissioners.
6. The above issues appear to be reflected in low numbers of applicants per post, both in terms of entry into the chief police officer ranks and in terms of promotion to the most senior levels. There is also concerning evidence of a lack of mobility of chief police officers across forces. Whilst there appears to be a sufficient supply of chief police officers to meet immediate demand, this situation could shift rapidly.

Data quality

7. The data available to both us and to employers on the chief police officer workforce is highly fragmented, of poor quality and contains major gaps and inconsistencies. For example, we cannot currently rule out the possibility that the recruitment position is having a negative impact on the quality and experience of those becoming chief police officers. Nor are we able to satisfactorily assess the future demand for chief police officers in comparison to likely supply. Areas where data improvement is required are set out in paragraphs 21 and 22 below and, in more detail, in chapter 4.
8. Good information is a pre-requisite for effective workforce management. The continued absence of such data will call into question the tenability of the SSRB's future role in relation to chief police officers.

Pay recommendations

9. Concerns about potential future recruitment and retention within the most senior police roles are such that full use should be made of the 1 per cent the Government has said is available to fund pay awards in the public sector. The current recruitment and retention position does not provide a basis for exceeding the 1 per cent available. These points apply to both England and Wales and Northern Ireland.
10. We did not find sufficient evidence that targeted pay awards for certain sectors of the workforce, with corresponding lower pay awards for the others, would be beneficial in overall terms.
11. Therefore, the SSRB recommends a 1 per cent consolidated across-the-board pay increase for chief police officers in England, Wales and Northern Ireland.

Recommendation 1: SSRB pay recommendation for England and Wales

Recommendation 1: We recommend, with effect from 1 September 2016, a consolidated 1 per cent increase to the base pay of chief police officers in England and Wales. We also recommend a consolidated 1 per cent increase on incremental pay points at Assistant Chief Constable and equivalent rank and on London Weighting.

Recommendation 2: SSRB pay recommendation for Northern Ireland

Recommendation 2: We recommend, with effect from 1 September 2016, a consolidated 1 per cent increase to the base pay of chief police officers in Northern Ireland. We also recommend a consolidated 1 per cent increase on incremental pay points at Assistant Chief Constable rank in Northern Ireland and on the Northern Ireland Transitional Allowance.

12. Once the outcome of the review of the police rank and grading structure is known, there is a strong case for a fundamental review of chief police officer pay. This would include examination of whether the pay of Chief Constables is still being weighted correctly, according to appropriate criteria. We also question whether the current pay arrangements are the most effective way of delivering the needs of policing and incentivising chief police officers, particularly Assistant Chief Constables and Commanders. We think that weighting Assistant Chief Constable pay by police force, in accordance with the national pay structure that already determines the pay of Chief Constables and Deputy Chief Constables, should be given particular consideration. The same point applies in London to the relationship between Commander and Assistant Commissioner and Deputy Assistant Commissioner pay.

Looking ahead – the future

13. The SSRB's role is to make recommendations on remuneration. In both this and in our main 2016 report, we also provide advice on broader workforce policy matters, because we believe it is inseparably connected to remuneration. We set out in the major conclusions box at the start of this summary some strategic workforce policy proposals that we have developed for all of our remit groups. We comment specifically on chief police officers in chapter 4.
14. Nevertheless, our role is an advisory one. Workforce decisions need to be taken, implemented and monitored. Normally, these functions would be fulfilled by the relevant Government department. We understand that the Home Office expects workforce reform to be led by the police. The NPCC is already heavily engaged in this process and should give careful consideration to the proposals made in this report and lead on taking appropriate action. However, it is the Home Office which requests the SSRB's advice and

which is required, by statute, to consider it. Therefore, we emphasise that we regard the Home Office to be the party with final accountability for ensuring that a sufficiently clear strategic direction of workforce policy for chief police officers is developed, implemented, monitored and communicated (by the police or otherwise). In the absence of such clarity, the SSRB will not be satisfactorily able to help the Home Office to meet its statutory responsibilities.

15. We ask all the parties to work with each other and with the SSRB secretariat to ensure that much better data is collected and provided on a consistent basis across police forces. The SSRB can advise on what data needs to be collected, and does so in this report. However, we have neither the means to gather such evidence nor the authority to mandate others to do so. In our view, in the current decentralised system of 43 police forces, there is a key role in particular for the NPCC and the APCC in providing better data to the SSRB. That said, we believe the Home Office is ultimately responsible for ensuring that we receive consistent and comparable data from the appropriate parties and to hold police forces to account with regard to the data improvements required.
16. There is currently a lack of clarity around how the Home Office's desire for national control of pay aligns with local pay flexibility and determination of allowances. We believe that inconsistent and unclear practice in terms of allowances is having an adverse impact on the mobility of chief police officers across forces. This is correspondingly reducing the opportunities for innovation and dissemination of good practice. The Home Office and the APCC should consider how the system could achieve improved equity and fairness, and strike a better balance between local accountability and ensuring the provision of sufficient numbers of high-quality chief police officer candidates.
17. Following the second set of PCC elections in May 2016, it is important to monitor whether there are subsequent implications for the recruitment, retention and motivation of Chief Constables. Consideration should also be given to whether the fixed-term appointment regime for Chief Constables and Deputy Chief Constables, which preceded the advent of PCCs, remains appropriate in the current context.
18. Chief police officers believe they do not receive pension flexibility that is comparable with their counterparts in the wider public and private sectors. We encourage employers to examine the opportunities for making pension packages more flexible and to take action where appropriate.
19. The feeder group requires very close attention. The evidence we received this year suggests that some talented individuals are insufficiently motivated to seek promotion to the most senior levels, especially where it involves moving to a different part of the UK.
20. The lack of diversity in the most senior police officer ranks is a matter for concern. Employers need to take all possible actions to ensure that they pull through talented members of the currently under-represented groups to the most senior ranks.
21. Future data for this remit group needs to be focused and disaggregated to such a level that it can inform pay and workforce decisions. A central database of chief police officer vacancies is required. This could provide the basis for forecasting the future demand for, and supply of, chief police officers.
22. Associated priority areas for data improvement include: the feeder group that will provide the next generation of police leaders; allowances and benefits in kind; unfilled vacancies and temporary appointments; the calibre of applicants for chief police officer vacancies; the source and destination of new and departing chief police officers; turnover, including reasons for early retirement and leaving; and workforce morale.

Chapter 1

Introduction

SSRB approach

- 1.1 This report provides advice to the Government on pay for chief police officers in England, Wales and Northern Ireland. Although the SSRB has been providing advice to the Government on senior pay since 1971, this is only the second time this review body has advised on chief police officers, following our initial report last year.
- 1.2 Letters for the 2016-17 round to the Chair of the SSRB from the Home Secretary and the Minister of Justice for Northern Ireland are reproduced in Appendices F and G respectively.
- 1.3 Historically, the Government's main expectation of the SSRB, and the SSRB's main focus, has been the production of annual recommendations on increases in basic pay. However, we believe that it is necessary to take a more strategic approach, which lifts the sights of Government and remit groups above the simple question of annual basic pay increases.
- 1.4 Therefore, in addition to considering annual pay rises this year, our 2016 main report¹ set out our strategic recommendations on the pay of our remit groups. The major conclusions we reached are summarised at the beginning of this report. All of the key principles provided there apply to our chief police officer remit group. Some specific examples of particular relevance to this group include:
 - Better decision making requires better data, particularly on chief police officer attrition, retention and recruitment. Emerging issues and pressures in these areas need to be identified promptly and accurately so that appropriate action can be taken.
 - The feeder group that will supply the next generation of chief police officers must also be closely monitored. Data on whether police forces are succeeding in retaining those with the potential to take on the most senior roles needs to be collected and scrutinised carefully for early warning signs of impending problems.
 - Tensions that exist in the system that hinder the development of a coherent workforce policy, such as between national and local control (for example if local decisions on pay and allowances overturn nationally set arrangements), need to be explicitly and actively managed.
 - The senior police workforce needs to better reflect the society it serves and the broader workforce for which it is responsible.
- 1.5 These and the other strategic themes, and the manner in which they relate to chief police officers, are discussed further in the main body of this report.

The economic context

- 1.6 A brief overview of the economic context in which the chief police officer remit group is currently operating is given below. Further detail on economic context, and on other matters of interest such as total financial reward for senior people, is contained in chapter 2 of our 2016 main report.

¹ Review Body on Senior Salaries, Report No.85, Thirty-Eighth Report on Senior Salaries 2016, Cm 9248, TSO.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/518130/1027-WL-38th_Annual_Rpt_Sen_Sal_2016_Accessible_.pdf

Economy and labour market²

1.7 A combination of economic and policy factors have contributed to generally fragile morale in all our remit groups. Intuitively, therefore, it seems possible that, at some point, serious recruitment and retention issues may arise within those groups. As background:

- The UK economy grew by an estimated 2.3 per cent in 2015 and by 0.4 per cent during the first quarter of 2016. The economy is forecast to grow by around 2 per cent per year for the next few years. However, reduced global growth prospects, and downgraded growth forecasts, have contributed to a less positive economic outlook than when we commenced this year's review.
- Public sector debt remains at an historically high level, and the Government is committed to further fiscal consolidation.
- Generally, public sector workers have experienced substantial real terms pay cuts in recent years. Senior public sector workers have also seen significant pay cuts. A real terms cut of over 20 per cent in base pay and bonuses since 2010 has been typical for the SSRB's remit groups.
- The basic pay of the average public sector worker is still more than the average private sector employee. However, this difference can be broadly attributed to differences across the two sectors in the characteristics of workers and the types of jobs they do.
- The best paid, and therefore typically the most senior public sector workers, receive lower average basic pay than their senior private sector counterparts. A significant gap remains even after taking account of employee characteristics and job types.
- Over the next few years, the Government's plans for very limited nominal³ wage growth are expected to amount to a further real terms⁴ pay cut for public sector workers. Pay restraint of such extent and duration is unprecedented in recent times.
- By contrast, in the context of a gradual tightening of the labour market, private sector pay is forecast to grow in real terms⁵. This will, all other things being equal, make private sector employment relatively more attractive.
- By 2017-18, the Institute for Fiscal Studies expects public sector pay to fall to "much its lowest level relative to the private sector" since at least the mid-1990s, when there were recruitment and retention problems in parts of the public sector⁶.
- When the SSRB has met members of remit groups, including chief police officers, they have often relayed to us their perception that they are being poorly treated relative to other groups. Local Authority executives and University Vice-Chancellors are commonly cited as examples.
- Pension packages remain better, on average, for senior public sector workers than their private sector counterparts⁷.
- However, the value of senior public sector pensions has declined over time. Major changes to pension schemes over recent years, which have led to many workers contributing more, often for delayed future benefits, alongside a substantial tightening of pension tax rules, have adversely affected morale.

² All economic data in this section are up-to-date as of 14 June 2016.

³ In current or cash prices, not adjusted for inflation.

⁴ Adjusted for Consumer Prices Index (CPI) inflation.

⁵ Office for Budget Responsibility, *Economic and Fiscal Outlook – March 2016*, <http://budgetresponsibility.org.uk/efo/economic-fiscal-outlook-march-2016/>

⁶ Institute for Fiscal Studies (2016), *'The IFS Green Budget'*.

⁷ The SSRB's conclusion based on Towers Watson (2014), *Comparative Pension Valuation for Review Body Remit Groups: Report on results of comparative valuation of pension benefits for illustrative individuals*.

- Many currently in our remit groups are relatively close to retirement age and subject to significant transitional protections in a manner that future public sector leaders will not be.

The chief police officer remit group

Workforce numbers

1.8 In 2015, there were 201 chief police officers in England and Wales and 6 in Northern Ireland. The ranks and numbers in our remit group in 2015 are set out in Table 1.1 below.

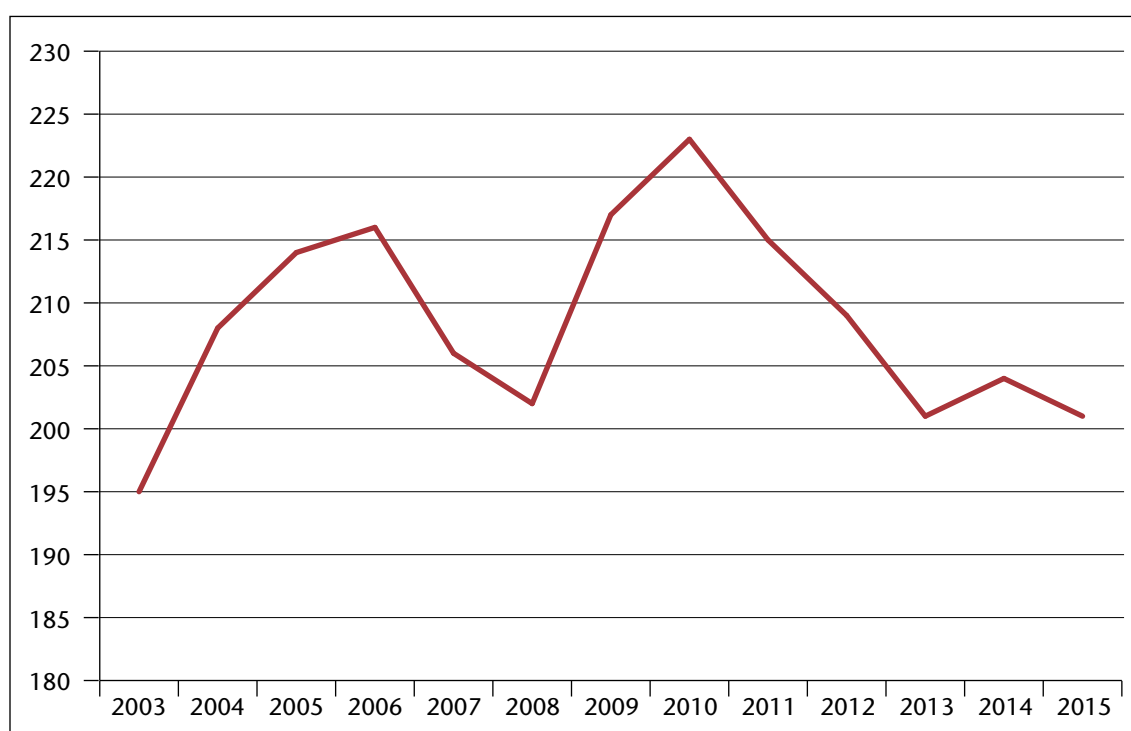
Table 1.1: Chief police officer ranks in England, Wales and Northern Ireland 2015

England and Wales (outside London)	Metropolitan Police	City of London	Northern Ireland
	Commissioner		
	Deputy Commissioner		
Chief Constable (41)	Assistant Commissioner (5)	Commissioner	Chief Constable
Deputy Chief Constable (41)	Deputy Assistant Commissioner (8)	Assistant Commissioner	Deputy Chief Constable
Assistant Chief Constable (84)	Commander (16)	Commander (2)	Assistant Chief Constable (4)

Source: Home Office, Metropolitan Police Service, Police Service Northern Ireland.

1.9 Chief police officer numbers in England and Wales from 2003 to 2015 are shown in Figure 1.1. After peaking at 223 in 2010, the number of chief police officers fell back to 201 by 2013, and has since remained close to that level.

Figure 1.1: Chief police officer numbers in England and Wales 2003-2015



Source: Home Office.

1.10 The Police Service of Northern Ireland chief police officer team has reduced in size from 9 members in May 2009 to 6 in May 2016.

1.11 The numbers of chief police officers between 2008 and 2015 in the Metropolitan Police Service, the largest single police service in the remit group, are set out in Table 1.2. The number of chief police officers has fallen since 2010, with the reduction in numbers focused at Commander rank.

Table 1.2: Metropolitan Police Service – chief police officer numbers 2008-2015 (in March each year)

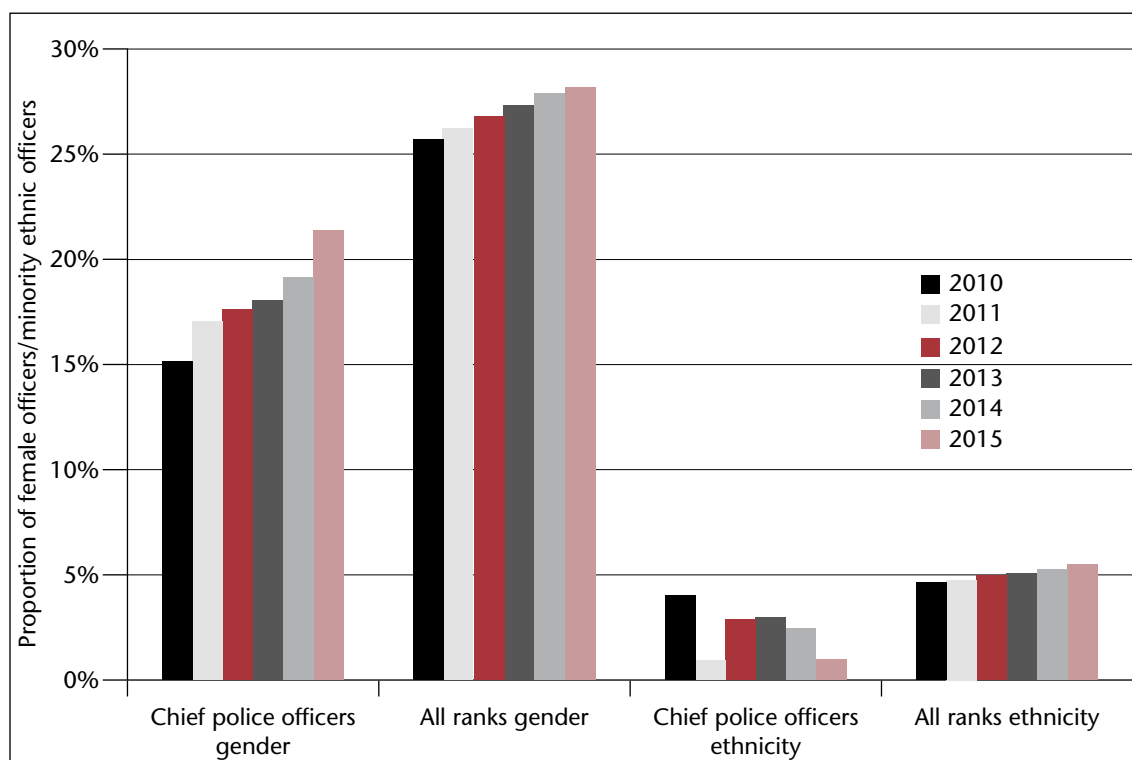
	2008	2009	2010	2011	2012	2013	2014	2015
Commissioner	1	1	1	1	1	1	1	1
Deputy Commissioner	1	–	1	1	1	1	1	1
Assistant Commissioner	5	3	4	5	4	6	6	5
Deputy Assistant Commissioner	10	8	8	4	8	7	6	8
Commander	21	27	27	26	23	19	18	16
Total	38	39	41	37	37	34	32	31

Source: Metropolitan Police Service

Diversity

1.12 The National Police Chiefs’ Council (NPCC) told us that in November 2015 in England and Wales, 47 chief police officers were female (up from 39 in 2014), including 10 Chief Constables (up from 8 Chief Constables in 2014). The NPCC added that in November 2015, 4 chief police officers were from ethnic minorities (down from 5 in 2014), including 1 at a rank equivalent to Chief Constable (none in 2014). Figure 1.2 shows the proportion of chief police officers who are a) female or b) minority ethnic between 2010 and 2015 in comparison with all police ranks. Note that these figures are not directly comparable with the NPCC data.

Figure 1.2: Chief police officers in England and Wales by gender and ethnicity 2010-2015



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

Nature of the police reward package

1.13 The core components of the chief police officer reward package (pay, pension and some allowances and benefits in kind) are set nationally. In addition, some chief police officers receive adjustments to pay, allowances and benefits in kind by local arrangement.

Chief Constables and Deputy Chief Constables

1.14 Since September 2003, Chief Constables and Deputy Chief Constables have received spot rate salaries with no incremental progression. These salaries are contained in the national pay structure which is set out in Appendix H. Each salary relates to ranking and grouping by police force area and is determined by a set of eight weighted measures⁸. In 2011, the Winsor Review of Police Pay and Conditions⁹ recommended retention of this pay system, based on a “rudimentary” form of job evaluation, “unless and until a more advanced system is devised”.

1.15 Chief Constables and Deputy Chief Constables are unusual in the SSRB’s remit in being appointed for a fixed term. Under Regulation 11 of the Police Regulations 2003, the initial fixed term is set for up to five years, then for three years and, beyond that, one year. There is no limit on the number of renewals. For chief police officers whose fixed-term appointment is not renewed before they reach full pension eligibility, a compensation scheme exists. This comprises a minimum of six months’ notice and, depending on age and length of service, a possible lump sum payment in lieu of pension.

1.16 Police and Crime Commissioners (PCCs) are responsible for appointing and replacing Chief Constables. They also have the discretion to set the Chief Constable’s salary at

⁸ The eight weighted measures are: six management areas (calls, crime, traffic, public order and reassurance, community policing and patrol); security-related expenditure; and the sparsity of the population in the police area.

⁹ Sir Tom Winsor was commissioned by the Home Secretary in 2010 to conduct an independent review of police officer and staff remuneration and conditions. Part one was published in March 2011 and part two in March 2012.

a rate up to 10 per cent above or below the rate for the post on appointment, but cannot alter that salary after appointment¹⁰. This year, the APCC told us that of 33 Chief Constables appointed since November 2012 on whom data was available, 20 were paid the spot salary, 10 were paid more and 3 were paid less¹¹. The APCC also explained that there were instances of PCCs applying higher pay on appointment but then not paying for the Chief Constable's legal protection insurance.

Assistant Chief Constables and those of equivalent rank

1.17 Assistant Chief Constables (and Commanders in the Metropolitan Police Service and the City of London Police) are subject to a national incremental pay scale and move up a pay point each year. This had been a six point scale but it was agreed by the Police Negotiating Board (PNB) that between June 2014 and June 2016 this would reduce to three points. The pay scale was reduced to five points in 2014, to four points in 2015, and then to three points on 1 June 2016. The difference in value between individual points now is such that eligible Assistant Chief Constables will receive an incremental pay increase of just over 6 per cent. The current pay scale for Assistant Chief Constables is set out in Appendix H.

Performance-related pay

1.18 On the recommendation of the Winsor Review, individual performance-related bonuses¹², which were introduced for the remit group in 2004, were abolished from April 2013 in the light of their abolition for the other police ranks. Tom Winsor explained that he did not believe it was right for high performing chief police officers to receive additional payments for exceptional performance. Instead, he said that high performance should be expected from police leaders, and that their basic pay assumed it. He added that those who performed exceptionally should be differentiated from average performers through promotion and non-financial recognition. Winsor also recommended the use of team bonuses for the police, a recommendation accepted by the Home Secretary.

1.19 The Winsor Review consulted on performance-related pay and found a great deal of opposition to it within the police. Winsor reported on widespread concern that simplistic performance measures were inappropriate, created perverse incentives and promoted the pursuit of short-term, quantitative targets. Also, Winsor was told that policing was a particularly complex occupation involving a very wide variety of professional disciplines and activities, for which it was almost impossible to devise easily measurable performance criteria. He also heard that individual bonuses were inimical to the teamwork necessary for effective policing and could interfere with the intrinsic motivations to do the job well.

Pension

1.20 There are three police pension schemes to which members of our remit group can belong: the 1987 Police Pension Scheme; the 2006 New Police Pension Scheme; and the 2015 Police Pension Scheme. Many currently in the remit group, as they were within 10 years of normal retirement age on 1 April 2012, are eligible for significant transitional protections from changes in pension arrangements that future chief police officers will not be. We were told by the Home Office that the great majority of the current remit group belongs to the 1987 Scheme. This is a final salary pension scheme and members make personal contributions which have risen over time, to 13.78 per cent of earnings from 2015. The retirement age for this scheme is 50, and to qualify for a maximum pension, 30 years' service is required. The scheme contains a "dual accrual" rate

¹⁰ PCCs do not have the power to vary the salaries of other chief police officer ranks.

¹¹ 36 were appointed in total.

¹² These awards had been up to 15 per cent of basic pay for Chief Constables, for Deputy Chief Constables up to 12.5 per cent and for Assistant Chief Constables up to 10 per cent. Double increments for Assistant Chief Constables were abolished in April 2014.

(1/60th of final pay for the first 20 years and 2/60ths for the final ten years, up to a limit of 40/60ths).

- 1.21 The pension scheme to which future chief police officers will generally belong is the 2015 Police Pension Scheme. This is a career-average pension scheme with a single accrual rate of 1/55.3. The retirement age for this pension is 60.

Allowances and benefits in kind

- 1.22 A range of allowances and benefits in kind for chief police officers are provided for in national regulations dating from 2003. They include geographically-based allowances, such as the London Allowance and the South East Allowance, to reflect the cost of living or special circumstances. Motor vehicle allowances are also included, under which, at a value decided by the PCC, the Chief Constable may be provided with a dedicated car.
- 1.23 At the same time, PCCs have the power to apply certain payments or benefits not specified by the regulations to chief police officers. An example would be the offer of private medical screening.
- 1.24 We have been told that the provision of allowances and benefits to our remit group members varies greatly across police forces. We lack full details of what is received where, but at Appendix J, we provide a list of those details which we have been able to establish. The Home Office told us that, before the Winsor Review, chief police officers received additional payments worth on average 21 per cent of basic pay for Chief Constables and less for the other ranks¹³. In the future, it will be very important that we understand the value of these benefits at the time of our review.

Sources of evidence

England and Wales

- 1.25 We received written and oral evidence from:

- the Home Office;
- the Association of Police and Crime Commissioners (APCC);
- the National Police Chiefs' Council (NPCC);
- the Chief Police Officers' Staff Association (CPOSA); and
- the Metropolitan Police Service (MPS).

- 1.26 The Home Office is the Government department responsible for chief police officers in England and Wales. The APCC represents Police and Crime Commissioners who are the employers of Chief Constables. The NPCC represents Chief Constables (who are the employers of Deputy Chief Constables and Assistant Chief Constables) and other chief police officers. CPOSA represents the chief police officer ranks in England, Wales and Northern Ireland. The Metropolitan Police Service is the largest single police force in our remit group.

Northern Ireland

- 1.27 We received written and oral evidence from:

- the Department of Justice for Northern Ireland (DoJNI);

¹³The Winsor Review found that Deputy Chief Constables received payments worth, on average, 14 per cent in addition to basic pay and that Assistant Chief Constables received payments worth on average 10 per cent in addition to basic pay.

- the Police Service of Northern Ireland (PSNI); and
- the Northern Ireland Policing Board (NIPB).

1.28 The DoJNI is responsible for human resources policy on the chief police officer remit group in Northern Ireland, the PSNI is the single Northern Ireland police force and the NIPB is the body responsible for appointing chief police officers in Northern Ireland.

Discussion groups

1.29 We also held two discussion sessions, one with a group of approximately 15 chief police officers, and the other with around 30 Strategic Command Course¹⁴ delegates (potential future chief police officers).

¹⁴The Strategic Command Course (SCC) prepares police officers and staff for promotion to the most senior ranks in the service. The course is a statutory requirement for police officers and police staff seeking promotion to Assistant Chief Constable (ACC) rank and above. Entrance to the course is through success at the Senior Police National Assessment Centre (Senior PNAC).

Chapter 2

Evidence

Strategic context

- 2.1 This year, the Home Office told us that it remained committed to the Winsor Review principles and recommendations, in particular linking pay to skills and contribution, and to modernising management practices. It said that the longer-term pay strategy for chief police officers would be shaped by work to implement a pay structure based on roles, competence and skills by 2019-20. This work would be informed by the College of Policing Leadership Review published in June 2015¹⁵.

Rank and grade structure review

- 2.2 Recommendation 2 of the Leadership Review was for a review of the rank and grading structures in policing across warranted and staff roles. The NPCC told the SSRB that a final decision on the new police rank and grade structure would be made this year and that its implementation would not start before 2017-18. The number of police ranks, currently nine, was expected to fall. The NPCC confirmed that the intention was to complete transition to the new rank and grading structure by 2020. The Home Office told us that this work would inform the development of a longer-term pay strategy.

The Policing and Crime Bill 2015-16

- 2.3 The Policing and Crime Bill 2015-16 includes enabling provisions for altering police ranks in line with the rank and grade structure review. It also contains measures intended to bring the fire and police services in England closer together under a PCC with, in some cases, a single chief officer from either the police or fire services employing all fire and police personnel. The Bill also formalises the role of PCCs in the police complaints process. At present we do not know what impact these proposed changes will have on the pay arrangements for Chief Constables, or on their recruitment, retention, or morale and motivation.

Pay and affordability context

Affordability

- 2.4 The Chief Secretary to the Treasury (CST) wrote to pay review body chairs on 19 August 2015 setting out Government policy on public sector pay for 2016-17. This letter is reproduced at Appendix C. He confirmed that the Government would fund public sector workforces for a pay award of 1 per cent a year for four years from 2016-17.
- 2.5 The Northern Ireland parties told us that they expected the PSNI budget to reduce by 2 per cent in 2016-17. However, they confirmed that a 1 per cent increase in chief police officer pay would be affordable in 2016-17.
- 2.6 The overall police pay bill in England and Wales is £6.6 billion. Total chief police officer remuneration in England and Wales is expected to cost £32 million to £33 million in 2016-17 including employer pension and National Insurance contributions. Consequently, a 1 per cent consolidated increase for the remit group in 2016-17 would add £320,000-£330,000 to this total. The pay bill constitutes a non-ring fenced proportion of the overall police grant to each force.

¹⁵ College of Policing (June 2015), *The Leadership Review*. http://www.college.police.uk/What-we-do/Development/Promotion/the-leadership-review/Documents/Leadership_Review_Final_June-2015.pdf

- 2.7 The APCC warned in its written evidence to the SSRB that, despite Government assurances that overall police funding would be protected, there was considerable uncertainty beyond 2017-18 over the funding available to PCCs. The NPCC expressed concern that what it described as the 1 per cent average pay cap for the next four years would limit police workforce pay reform and any transitional arrangements.

Differentials with ranks immediately below the remit group

- 2.8 For the Chief Superintendent rank, which is the one immediately below our remit group, the highest level of pay is currently £83,925, while a Superintendent is paid up to £75,816. In comparison, the lowest pay point for an Assistant Chief Constable is £96,597.

Pay targeting

- 2.9 The CST's letter said that the Government expected pay awards to be applied in a targeted manner to support the delivery of public services, and to address recruitment and retention pressures.
- 2.10 In our view, targeted or differential pay increases could be applied through changes to: pay scale minima or maxima; progression or target points on a pay scale; consolidated base pay; allowances; or non-consolidated bonuses or contribution awards. The choice of mechanism should be based on careful analysis of the best lever to achieve the desired outcome.
- 2.11 By necessity, the appropriate targeting mechanism will depend on the nature of the pay system. For instance, it is currently not possible to target high-performing individuals, except on appointment, in the spot pay systems within the SSRB's remit groups. These apply to Chief Constables and Deputy Chief Constables. It is, nevertheless, possible to target specific ranks.
- 2.12 Payments could be targeted towards certain geographical areas, roles carrying heavy responsibility or those which are particularly demanding or risky.

Pay progression

- 2.13 The CST's letter also referred to the Government's undertaking in the 2015 Budget to continue to examine pay reforms and modernise the terms and conditions of public sector workers. He said this would include a "renewed focus on progression pay", and looked forward to the pay review bodies playing an important role in advising the Government on how best to achieve pay reforms.
- 2.14 In oral evidence, the Home Office told us that the police-led review of the police rank and grading structure would end progression pay for those who received it in our remit group. Pay would instead be related to breadth of role, competence and skill. The NPCC confirmed that automatic increments based on length of service would not feature in the revised pay structure.

Pay proposals

England and Wales

- 2.15 The Home Office, the APCC and CPOSA all proposed a 1 per cent consolidated pay increase for the whole remit group in 2016-17.
- 2.16 The NPCC favoured a 1 per cent non-consolidated award in order to build a fund to help facilitate future chief police officer pay reform. It expected that not making a consolidated award this year would mean that 2 per cent would be available for a consolidated award the following year, once the new police rank structure had been confirmed. However, the

NPCC also said that a 1 per cent consolidated uplift for all chief police officers should be considered instead if the case for building a fund to support longer-term reform was not strong enough.

- 2.17 The MPS also proposed a 1 per cent non-consolidated award for 2016-17. However, this would be in “lump sum” payments targeted towards Commanders (equivalent to Assistant Chief Constables), discussed below.

Northern Ireland

- 2.18 All the Northern Ireland parties – the DoJNI, the PSNI and the NIPB – proposed a consolidated award of up to 1 per cent for 2016-17. They also supported an increase in the Northern Ireland Transitional Allowance (NITA), subject to affordability.

Targeting

- 2.19 The Home Office did not propose a targeted award, on the basis that it would be extremely challenging to implement this year, and because targeting specific groups at a critical stage of police reform could be counter-productive. It added that the supporting systems required for effective pay targeting had not been fully developed. In contrast, the MPS proposed a targeted award to us as a way of addressing local Commander recruitment and retention issues.
- 2.20 The NPCC supported the principle of pay targeting, but added that few forces would look to do so apart from the MPS. The NPCC also said that, if targeting was agreed, it would need to be justified on the basis of local needs. However, it added that few police forces actually wanted the local responsibility.
- 2.21 CPOSA said that it did not support pay targeting in principle, and that it would be impractical in view of the Government’s four year policy restraining public sector pay. It said that pay targeting was not appropriate within the MPS, as factors other than pay and cost of living were contributing to recruitment problems at Commander rank.

Other proposals

England and Wales

- 2.22 The Home Office asked the SSRB to consider, in the light of any further evidence put forward by employers, whether any adjustments should be made to the London and South East Allowances in 2016-17. It requested that the SSRB consider whether there was any new and compelling evidence for interim measures at local level and asked us to make recommendations accordingly, if there was strong evidence that pay would alleviate the situation. The Home Office said that the totality of all SSRB recommendations, including any local measures, must not increase the pay bill for the remit group by more than 1 per cent overall. Additionally, it said that any such emergency measures must:

- be an interim measure for a single year only, pending the police-led review of London and South East pay; and
- have standard criteria and a cap on payments to keep them within affordable limits.

- 2.23 The APCC said it would welcome a review of the current ranking and grouping of Chief Constable salaries within the national pay structure. It asked for this to be conducted in conjunction with the Leadership Review. It noted that there had been no review of chief police officer pay for some years.

- 2.24 The NPCC said that while a national framework was necessary for determining base pay, it also believed that some flexibility should be allowed on local uplifts. It proposed that the eight police forces¹⁶ bordering London have permission to increase the South East allowance by up to £1,000 above the current maxima. It also suggested that the SSRB define national criteria on local uplifts for all police forces to use. It added that it was difficult to strike the right balance between national control and local divergence. It also said that there was a need to monitor any potential widening of the public-private sector pay gap. The NPCC also proposed suspending fixed-term appointments, which apply to Chief Constables and Deputy Chief Constables, and reviewing them when a new police rank and grading structure was in place.
- 2.25 CPOSA asked us to consider allowing chief police officers on temporary promotion to receive 100 per cent of pay at the higher rank within 14 days, instead of 90 per cent in 28 days. In addition, they said that Assistant Chief Constables at the top increment level in smaller forces received little or no pay uplift when on temporary promotion and financially could be significantly disadvantaged when pension taxation was factored in. CPOSA also proposed the consolidation of the motor vehicle allowance into pay to the value of £8,500.
- 2.26 CPOSA said it believed the regulations on annual leave were antiquated, confusing, unfair and in urgent need of reform. The 2003 Police Regulations state that chief police officers with less than 10 years' service as a chief officer are granted "not less than" 42 annual leave days a year¹⁷ and a further 1½ days per month¹⁸. This compares with Superintendents who are granted less annual leave, at 31 days, but who have a further eight monthly leave days. Chief police officer respondents to a CPOSA membership survey said that some forces agreed their leave entitlement locally, but that current guidance is unclear and that there was variation in how forces interpreted the national guidance. CPOSA instead proposed for chief police officers a set number of days of annual leave, rather than a minimum, with a further eight leave days per month (in line with Superintendents).
- 2.27 In addition, CPOSA raised a number of pension-related issues with us, including the flexibility to convert pension funding into pay. CPOSA also told us that it had proposed to the Home Office pension holidays for chief police officers, whereby the rate of accrual would be slowed down and the individual's tax bill reduced.
- 2.28 The MPS made a number of additional proposals to the SSRB this year. These focused on providing the Metropolitan Police Commissioner with what it called limited but necessary pay flexibilities that would not disturb the national pay framework. These included setting the pay of Commanders in relation to the pay of the Assistant Commissioner. It also proposed accelerated incremental progression for Commanders as an additional recruitment and retention incentive for newly promoted chief MPS police officers. It said this would allow the MPS to recognise the greater exposure to criminal activities experienced more quickly by Commanders than those of equivalent rank elsewhere

¹⁶The eight areas are: Bedfordshire, Hampshire and Sussex (where the current maximum is £1,000) and Hertfordshire, Essex, Kent, Surrey and Thames Valley (where the current maximum is £2,000).

¹⁷Police Regulation 33 Annex O "1) a) Every member of a police force of or above the rank of superintendent shall be granted in each leave year the following period of annual leave namely–
i) in the case of a member of the rank of superintendent or chief superintendent, 31 days;
ii) in the case of a member of a rank higher than that of chief superintendent who has not completed 10 years' relevant service, not less than 42 days; and
iii) in any other case, not less than 48 days."

¹⁸Police Regulation 22 Annex E Paragraph 4 "Every member of a police force of, or above, the rank of superintendent shall, so far as the exigencies of duty permit, be allowed a day's leave on each public holiday and be granted in each month:
i) in the case of a member of a police force of the rank of superintendent or chief superintendent, eight monthly leave days;
ii) in any other case, 1½ monthly leave days."

in the UK and would provide a valuable way to overcome some of the challenges of Commander pay.

- 2.29 In addition, the MPS called for discretion in Police Regulations to allow police forces to respond to unique local circumstances and pay evidence-based local allowances. It said that an alternative to setting MPS Commander pay in relation to that of the Assistant Commissioner would be to align Commander pay with the Hay market median, as done for Assistant Commissioners and Deputy Assistant Commissioners (see the discussion on pay below). The MPS explained that it had recently established a Remuneration Committee in order to exercise local pay discretions. The MPS also proposed local recognition payments subject to chief police officer discretion¹⁹.

Northern Ireland

- 2.30 The Northern Ireland parties discussed Assistant Chief Constable pay in their evidence. In this year's remit letter, the DoJNI repeated its request that the SSRB give initial consideration to a review of Assistant Chief Constable pay in Northern Ireland. The PSNI also asked the SSRB to review Assistant Chief Constable pay and specified that it wanted it to do so in terms of job weight, risks and demands. It added that, for the second successive year, the Chief Constable of Northern Ireland was proposing the Police Scotland pay model, where the Assistant Chief Constables receive 60 per cent of the Chief Constable's pay (estimated at around £8,000 more than their counterparts in the rest of the UK). The NIPB said it would set out its position on Assistant Chief Constable pay in the next round (2017-18).

Evidence on pay

- 2.31 In October 2015, Hay Group updated for CPOSA its 2011 and 2014 comparisons of the remuneration of chief police officers with the public and private sectors. It found that chief police officer pay was significantly below the private sector and slightly less competitive than in 2014, against both the private and wider public sector. The data showed that, relative to the private sector, pay was less competitive the more senior the role.
- 2.32 The MPS also provided comparative pay data based on its own analysis of Hay Group data. In apparent contrast to the Hay Group's analysis for CPOSA, it suggested that chief police officer pay (in London) was broadly in line with private sector counterparts. We established that the differences could be explained by the MPS analysis making comparisons against external jobs with smaller job weight than the equivalent CPOSA analysis. The MPS data also showed that Commanders were paid below their private sector comparators, in contrast to their more senior colleagues. We can, however, give this finding only limited weight because the MPS analysis appears to benchmark all senior ranks against an insufficiently senior external comparison group.

Evidence on recruitment

- 2.33 CPOSA provided data from 34 forces in England and Wales, covering competitions to fill chief officer vacancies, between November 2011 and March 2015 (Table 2.1). It also provided data from 25 forces on competitions covering the period between April 2015 and October 2015 (Table 2.2)²⁰.

¹⁹ The MPS also proposed to both the SSRB and the Police Remuneration Review Body (PRRB) changes to the motor vehicle mileage rate and local discretion on determining mileage allowances. Please refer to the 2016 PRRB report for further information.

²⁰ CPOSA sent a request to the Chief Constables of all police forces, including Northern Ireland. Twenty-five forces responded, including 11 forces which stated that they had not held any recruitment processes during the period specified. No response was received from the PSNI.

2.34 Overall, the CPOSA data showed that between November 2011 and March 2015, the average number of applications per exercise was 2.8. Twenty of 110 exercises (18 per cent) received just one application. In the more recent dataset (covering fewer police forces) the ratio was lower, at 2.2 between April and October 2015. In the latter dataset, 5 of 19 recruitment processes (26 per cent) received only 1 application.

Table 2.1: Chief police officer recruitment in England and Wales from November 2011 – 31 March 2015

Post	Number of competitions		Applications			
	Total	With one applicant	Total	Average	External ¹	Internal ²
Chief Constable	19	5	56	2.9	22	34
Deputy Chief Constable	38	8	106	2.8	37	69
Assistant Chief Constable	53	7	150	2.8	46	104
Totals	110	20	312	2.8	105	207

Source: CPOSA

Notes:

¹ Applications from other police forces.

² Applications from the same police force.

Table 2.2: Chief police officer recruitment in England and Wales from April 2015 – October 2015

Post	Number of competitions		Applications			
	Total	With one applicant	Total	Average	External ¹	Internal ²
Chief Constable	5	2	11	2.2	6	5
Deputy Chief Constable	8	2	17	2.1	9	8
Assistant Chief Constable	6	1	14	2.3	13	1
Totals	19	5	42	2.2	28	14

Source: CPOSA

Notes:

¹ Applications from other police forces.

² Applications from the same police force.

2.35 The PSNI confirmed that it had filled internally the Assistant Chief Constable vacancy reported to the SSRB in 2015. The chief police officer team in the PSNI now comprised 6 chief police officers, down from 7 in 2015.

Factors affecting levels of recruitment

2.36 The Home Office written evidence told us there was still no evidence of any widespread problems in the recruitment of chief police officers. It acknowledged historically low application rates for some chief police officer roles in some forces but said there was no evidence that pay was the main cause. The Home Office added that, by November 2015, the 41 Police and Crime Commissioners who were elected in November 2012 in England and Wales had appointed 32 Chief Constables.

- 2.37 In oral evidence, the Home Office said it was difficult to draw from the available data any firm conclusions on why there were not many applicants for chief police officer roles. It was reluctant to assume that a pay solution was necessarily the answer. However, it viewed as sensible the creation of a professional or career service for chief police officers, so long as it was designed and shaped by the College of Policing, Her Majesty's Inspectorate of Constabulary and the police forces themselves.
- 2.38 CPOSA said that police forces were reporting that eligible Chief Superintendents and Superintendents were choosing not to apply for promotion to the remit group because of the cumulative impact of pay increases on pension tax liabilities.

Fixed-term appointments

- 2.39 The NPCC told us that the fixed-term appointment regime for the top two ranks meant that those younger Assistant Chief Constables contemplating the possibility of taking promotion were left feeling "daunted" by the length of service they would still need to complete before qualifying for their full pension. This was because they would no longer have the relative certainty provided by their current permanent terms of employment. The NPCC explained that fixed-term appointments had been introduced in the past to prevent Chief Constables from remaining in post for an undesirably long period of time but that, largely due to the impact of pension changes, this no longer happened. Indeed, there was recent evidence of PCCs appointing Chief Constables for periods far below the five year maximum in the first instance. The Home Office said that there had been previous debate on the continuation of fixed-term appointments and that this could be revived, particularly in relation to the PCC electoral cycle.
- 2.40 The Home Office explained that fixed-term appointments for chief police officers had been introduced during the 1990s. It said that, initially, all chief police officer appointments were for a fixed term. However, this was abolished for Assistant Chief Constables and those of equivalent rank in 2006. Recommendation 52 of the Winsor Review then stated in 2012 that "fixed term appointments for Chief Constables and Deputy Chief Constables should remain in place".
- 2.41 The Home Office said this year that fixed-term appointments were common among senior leaders. It said it regarded Chief Constables and Deputy Chief Constables as having a special status in a force and that fixed-term appointments provided an opportunity to review whether the leadership was meeting the needs of the force and the changing demands placed upon it. It added that movement among senior posts ensured that fresh ideas could be brought in and that force culture remained open. In addition, the Home Office said that fixed-term appointments allowed PCCs to have an active say in the leadership of their force and incoming Chief Constables on their senior leadership team.

Discussion groups

- 2.42 In the discussion we held with 15 members of the remit group in January 2016, they told us that, despite there being a healthy pool of talent, there was currently a growing reluctance to apply for chief police officer rank. They reported that a significant number of potential candidates were saying that they did not intend to apply. The discussion participants attributed this to a number of factors, including the high profile public commitment involved in such roles and the associated negative impact on family life. Also, these roles were perceived to have a level of accountability that was not adequately remunerated.
- 2.43 Other impediments to promotion were mentioned. These included: promotion to a job involving additional responsibilities, some of which are across more than one force area, often only for a very small salary uplift, making it safer and easier to stay at Chief Superintendent rank; the pay of Assistant Chief Constables in higher weighted police

forces being too similar to that of Deputy Chief Constables in smaller forces; and a perception that the Deputy would be the favoured candidate because they were known to the PCC.

- 2.44 At a discussion with Strategic Command Course delegates and organisers, delegates echoed the view of their senior peers that the remuneration for chief officer posts did not adequately reflect the level of accountability associated with such posts. They also said that the most senior police roles carried risks in terms of events potentially being career-limiting or career-ending. In addition, they reported that recent changes to pension taxation, and the related risk of large tax bills, were a disincentive to advancement.
- 2.45 Delegates also told us that it was possible that, for the first time, available posts would outnumber course participants. They also said that some capable people in the feeder ranks had not put themselves forward for the course because the offer was not sufficiently attractive. We contacted the College of Policing regarding this issue, and report what they told us later in this chapter.

Factors affecting mobility across forces

- 2.46 Data gathered in May 2016 from police forces in England and Wales outside London showed that:
- twenty-eight of 41 Chief Constables (approximately two-thirds of the total) had been the Deputy Chief Constable in the same police force immediately before becoming Chief Constable;
 - just 5 of the 41 Chief Constables had been in post since before 2011; and
 - only 3 of the current Chief Constables had previously been Chief Constable in a different force.
- 2.47 The College of Policing Leadership Review full report published in June 2015 confirmed that a number of stakeholders had raised a specific concern about the transparency and fairness of chief officer selections. In 2012, the regulation that required chief officers to have had experience in another force was removed, along with the requirement for Her Majesty's Inspectorate of Constabulary (HMIC) to guide and advise on chief officer appointments. Consequently, the Review reported that some now believed that chief officer selection tended to favour "safe" local candidates. The Review said that this concern applied equally to PCCs selecting Chief Constables and to Chief Constables selecting their teams.
- 2.48 The Review said that it would promote a debate with the Home Office, PCCs, and the NPCC about how strategic advice, support and coordination could be offered to those making decisions about appointment to senior leadership positions.
- 2.49 In oral evidence, the Home Office told us that central management of chief police officer appointments had been provided in the past by a senior appointments panel but that this had ceased with the advent of PCCs. The Home Office said it could envisage the College of Policing taking on a central recruitment role in future, with the NPCC taking an interest in its operation. Before we submitted this report, the Home Office provided

an update on Recommendation 1²¹ of the Leadership Review. It told us that the College had discussed with the parties its current and possible future role and responsibilities in guiding or advising on senior appointments. It said the possibility of opening chief police officer appointments up to other Home Office agencies, such as the Border Force, was one option proposed for consideration. However, any thinking on this was still at a very early stage. The Home Office added that the College had surveyed PCCs, chief police officers and those at Superintendent rank about what prevented some officers from applying for posts. Unfortunately, we did not see the findings in advance of submitting this report.

- 2.50 In oral evidence, CPOSA told us that the mobility of chief police officers was essential, not least as it contributed to police force preparedness for the unforeseen. They observed that there was a lack of proper central oversight of appointments to the remit group. In the past the HMIC, in a range of recruitment activities with the senior appointments panel discussed above, had supported mobility. It had assessed the skills and experience requirements of vacant posts, identified suitable candidates, and encouraged them to apply. Furthermore, by fielding independent panel members for recruitment exercises, the HMIC had helped to ensure the integrity of the selection process. CPOSA added that a large part of the chief police officer role now involved understanding the aspirations, focus and operating style of the PCC, in working relationships that could be intense and unpredictable.
- 2.51 The NPCC told us that it was very important for chief police officers to be exposed to more than one police force and take what they had learned in a previous force to their new one. It said that a lack of movement was harmful, both for the organisation and the individual. However, it explained that increasingly, remit group members preferred to stay put, build a good working relationship with one PCC and gain promotion in situ.
- 2.52 CPOSA added that the mobility of chief police officers would be assisted by PCCs adhering to nationally agreed rules on the relocation allowance. They said they were aware of instances of PCCs capping reimbursement of the relocation tax liability. CPOSA was concerned that, as a result, suitable candidates would be less willing to take up posts elsewhere if a house move was involved. They emphasised that it was vital for a transfer to leave no-one disadvantaged, and for there to be certainty beforehand that all reasonable relocation costs would be reimbursed. CPOSA members told us that chief police officers had been criticised in the press for claiming removal expenses to which they were entitled when moving house to take up a post in another part of the country.
- 2.53 The Strategic Command Course delegates that we met also told us that there was a very limited pool of people willing to move between forces, whether in the South East or elsewhere, and that it was financially disadvantageous to make geographical moves.

Localised recruitment issues

- 2.54 The PSNI confirmed that it had not made any external appointments at chief police officer rank since 2008. It said that the problem with recruitment from the feeder group into the pool of chief police officers remained, particularly as applications it had

²¹ "Existing police leaders should influence and drive the required culture change by demonstrating their own commitment to personal development and supporting the implementation of the review. In order to achieve the changes described in this review, senior leaders of the police service must set an example and model professional development. They should ensure their leadership styles are reviewed, the selection of their teams is open and fair and the diversity of thinking brought to their decisions is as broad as possible. All chief officers should complete continued professional development, use staff surveys and undertake regular 360-degree feedback sessions. The College will support forces that wish to introduce diversity of perspectives into their senior decision making, such as evaluating the use of external independent advisers by chief officer teams. The College will promote a debate with the Home Office, PCCs, and the National Police Chiefs' Council about how strategic advice, support and coordination can be offered to those making decisions about appointment to senior leadership positions. To be delivered by: Forces, the College, PCCs, NPCC."

hoped to receive from external Strategic Command Course delegates this year had not materialised. It added that its geographical position meant that it tended to miss out on the cross-fertilisation of skills, knowledge and ideas that other large forces enjoyed. They said that individuals in England and Wales were deterred from joining the PSNI by a lack of adequate financial recompense for a range of factors particular to Northern Ireland. These included: the complex policing culture and residual legacy enquiries; the fact that chief police officers were well-known in Northern Ireland and subjected to constant public scrutiny; and the impact of the terrorist threat on way of life, including for family members.

- 2.55 The MPS told us that it was actively looking at reducing the number of ranks at senior level, and creating a flatter structure in which each individual held greater responsibilities. However, these plans were still at an early stage. The MPS said that any resultant increase in size and complexity of remit group roles would put a premium on being able to attract talent into the MPS, particularly at Commander level.
- 2.56 The MPS told us that it had succeeded in filling two Assistant Commissioner vacancies in the last year. It also reported that the size of the field in a recent Commander recruitment competition was small. It expressed concern that a further exercise due later in 2016 would result in unfilled vacancies unless it was able to provide a more attractive remuneration package that took account of the cost pressures of living and working in London. It added that, while chief police officer numbers had been broadly stable in the MPS for the last two years, this masked the fact that it was not attracting significant numbers of applicants from other police forces, particularly at Commander level. It added that it knew from anecdotal information that the Commander package was not sufficiently attractive for external candidates to relocate to London. Nevertheless, it asserted that its ambition was to attract equal numbers of external and internal candidates.
- 2.57 The APCC said the Surrey and Sussex forces had reported just two and three applications respectively in their latest Chief Constable competitions. It cited the high cost of living as a factor. It explained that, consequently, the PCCs for those two areas would welcome the ability to pay higher levels of South East allowance in order to attract strong candidates from lower cost-of-living areas and to retain existing officers.

Evidence on retention

- 2.58 The rate of outflow from chief police officer posts in England and Wales in 2014-15 was 19 per cent, a fall compared to the previous two years. Outflow data for chief police officers from 2009-10 to 2014-15 is contained in Table 2.3 below and shows that the majority of those leaving are taking retirement.

Table 2.3: Chief police officer outflow in England and Wales (2009-10 to 2014-15)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Normal retirement	27	22	27	29	38	23
Transfer	15	13	8	13	11	10
Other ¹	3	4	3	8	3	5
Total outflow	45	39	38	50	52	38
Strength at start of year	217	223	215	209	201	204
Outflow rate² (%)	21	17	18	24	26	19

Source: Home Office

Notes:

¹ The "other" category includes early or medical retirements, deaths, dismissals and voluntary resignations.

² The outflow rate is calculated using the strength at the start of the year as the denominator.

2.59 As discussed above, following discussion with Strategic Command Course delegates, we sought further evidence from the College of Policing on whether the supply of future chief police officers was sufficient to meet the level of outflow. The College of Policing told us that there were 32 participants in the 2016 Strategic Command Course, more than in any of the previous four years. The numbers are in Table 2.4. We are unable to compare the number of delegates to forecasts of chief police officer vacancy numbers, because we have seen no such forecasts. Nevertheless, the data presented in Table 2.3 show that numbers leaving the chief police officer ranks annually in recent years (excluding transfers) have been between 26 and 41. On this basis, supply of and demand for future chief police officers may be broadly in balance, assuming that all Strategic Command Course delegates proceed to the most senior ranks, and that there is not a sudden upturn in retirements or other departures. It is important that data is provided on expected numbers of future vacancies and the APCC and the NPCC should be positioned to provide this data.

Table 2.4: Strategic Command Course Participants 2012-2016

	2012	2013	2014	2015	2016
Course participants	24	31	22	29	32

Source: The College of Policing

2.60 The 2015 College of Policing Leadership Review called for the introduction of more flexible exit and entry arrangements for those officers wanting to benefit from external experience. It added that there was strong support among stakeholders for ensuring that all current and future senior leaders had the opportunity to undertake a secondment with an organisation outside policing because of the value such experiences could add to leadership capacity. However, in a discussion with remit group members, we were told that once people left, they were unlikely to return.

2.61 The outflow data for chief police officers in the MPS is provided in Table 2.5. This suggests that the departure rate for the MPS is broadly in line with all police forces as a whole.

Table 2.5: MPS chief police officer outflow 2009-10 to 2014-15

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total outflow	7	3	9	8	5	5
Strength at start of year	36	37	34	35	31	29
Outflow rate¹ (%)	19	8	26	23	16	17

Source: Home Office

Note:

¹ The outflow rate is based on the strength at the start of the year.

2.62 The MPS explained that, in the next two years, a significant number of its chief police officers were expected to leave on reaching 30 years' service. It is essential that we have sight of such matters, and in future years, numerical forecasts will be important for our deliberations.

Evidence on pensions

2.63 CPOSA and the NPCC told us that changes to pensions and their taxation are having a negative impact on recruitment and retention. Whilst pension taxation is not within our scope for making recommendations, we recognise that the pension is an important element of total remuneration and of the overall package for chief police officers. Consequently, we are interested in its impacts on recruitment, retention and motivation.

Pension schemes

2.64 As discussed below, pensions generally form a greater part of the total reward package for public sector workers than for private sector workers. However, recent years have seen reforms that have significantly reduced the value of public sector schemes generally²², in ways which also apply to chief police officers. Significant changes include:

- For new entrants, the Normal Pension Age has risen.
- Since April 2011, the indexation of public sector pension benefits has been linked to the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). As CPI inflation is generally lower than RPI, this has led to an on-going lower value of pension benefits than would otherwise have been the case.
- Since 2012-13, chief police officers, in common with members of most public sector schemes, have made greater pension contributions.
- Since April 2015, new public sector pension schemes have been introduced. While these remain defined benefit schemes, the value of the pension is based on career average salary rather than final salary. However, those within 10 years of normal retirement age on 1 April 2012 remain in pre-2015 schemes. For those with steep career paths the benefits compared to those of their predecessors have been disproportionately reduced. This group, by definition, includes the most senior people.

2.65 In 2014, the Office of Manpower Economics published research from Towers Watson²³ looking at changes in the value of public sector pension schemes between 2010 and 2016. Whilst this study did not provide estimates for chief police officers, it did consider more junior ranks, who are subject to the same pension schemes. The impacts of the changes are dependent upon a range of variables, including length of service and rank. Nevertheless, the data show, for a sample of police careers, that the value of the pension

²² Cribb, J and Emmerson, C 'Workplace pensions and remuneration in the public and private sectors in the UK', IFS Briefing Note BN151, <http://www.ifs.org.uk/publications/7396>

²³ Towers Watson (2014), *Comparative Pension Valuation for Review Body Remit Groups: Report on results of comparative valuation of pension benefits for illustrative individuals*.

has fallen from between 26-41 per cent of salary in 2010 to 16-27 per cent of salary by 2016.

- 2.66 The same report also considered other senior public sector roles (Senior Civil Servants, the senior military, the judiciary and Very Senior Managers in the NHS). It found that, in all cases considered, pension values for illustrative members of those groups had also fallen over the same period.

Pension taxation

- 2.67 Changes in pension tax relief (lifetime and annual allowances) have also impacted disproportionately on higher earners, as detailed in Box 2.1.

Box 2.1: Recent pension taxation changes

The **annual allowance** is the limit determining the maximum increase in the value of tax approved benefits that a scheme member can earn over a particular tax year without incurring a tax charge. The allowance was reduced from £255,000 to £50,000 from April 2011 and further reduced to £40,000 with effect from 2014-15. In the Summer Budget 2015, the Chancellor announced that, from April 2016, the allowance would be tapered at a rate of £1 for every £2 of income received over £150,000, down to £10,000 for those with income over £210,000.

The **lifetime allowance** is the maximum amount of pension savings an individual can build up over their life from all registered pension schemes without incurring a tax liability. Since April 2012, the allowance has been reduced from £1.8 million to £1.25 million and has been reduced further to £1.0 million from April 2016.

- 2.68 As described in chapter 1, members of the 1987 pension scheme receive “dual accrual” of pension entitlement for the final 10 years of service. CPOSA told us that, consequently, the impact of the pension tax changes, for chief police officers in the 1987 scheme and in their final ten years, was greater than for their public sector peers. CPOSA’s suggested remedy was for members of the 1987 scheme to be able to treat any pay increase as wholly or partly non-pensionable pay. It told us that chief fire officers were able to do this.
- 2.69 The NPCC also highlighted the dual accrual issue discussed above, and said that individuals with a large increase in salary on promotion could experience significant tax charges under changes to the annual allowance and lifetime allowance. However, the NPCC also observed that experience to date showed that the financial benefits of promotion still outweighed the tax costs.

Total financial reward

- 2.70 Based on comparisons with the private sector, the best paid senior public sector workers are paid, according to one estimate, 16 per cent less than their private sector equivalents. This applies to senior public sector workers generally, rather than chief police officers specifically.
- 2.71 In our main 2016 report, we considered whether the (still generally superior) public sector pension offer counterbalances the shortfall in basic pay compared to the private sector. Our best overall assessment is that the relative attractiveness of a public sector pension may compensate a senior public sector worker in part, but not in full, for relatively lower pay. The overall remuneration differential between the public and private sectors, in terms of pay and pensions combined, is likely to fall into the range

between 0 and 16 per cent²⁴, in favour of the private sector. Therefore, an overall remuneration premium of 8 per cent in favour of the private sector is in the middle of a plausible range.

²⁴ A range is given because there are several alternative methodologies for estimating this, as discussed in our main 2016 report.

Chapter 3

Analysis and recommendations

Context

Recruitment, retention and motivation

- 3.1 We found that the chief police officers we met were motivated and dedicated to providing a high quality service. However, there is also clear frustration stemming from a feeling within the workforce that it is not sufficiently valued or supported.
- 3.2 A number of years of zero or below-inflation basic pay increases have contributed to this frustration. However, a number of other factors have also been important:
- The impacts of pension changes and, in particular, the tax treatment of pensions.
 - The unique challenges and risks associated with chief police officer roles, which include: fixed-term appointments for Chief Constables and Deputy Chief Constables and the associated job insecurity; and a high public profile, press attention and the consequent impact on family life.
 - Perceptions of arbitrariness and unfairness around the treatment of allowances and non-pay benefits, driven in particular by the varied approaches taken by PCCs.
- 3.3 The above issues appear to be reflected in low numbers of applicants per post both in terms of entry into the most senior ranks and in terms of promotion to the most senior levels. Whilst there appears to be a sufficient supply of chief police officers to meet immediate demand, this situation could shift rapidly.

The feeder group

- 3.4 Future chief police officers on the Strategic Command Course reported to us this year that some capable people had not put themselves forward for promotion to the remit group. They said that this was because the total reward package on offer was not sufficiently attractive to compensate them for the challenges and responsibilities of the most senior ranks. This situation needs to be kept under very close review.

Mobility, local accountability and national control

- 3.5 There is concerning evidence of a lack of mobility of chief police officers across forces. By way of potential explanation, we have heard anecdotally of tensions between Chief Constables and PCCs, and accounts of PCCs exercising local flexibilities in ways that are incompatible and inconsistent with national regulations and good practice. It is not within the remit of the SSRB to review the arguments for and against the PCC role generally. However, if it is impacting on recruitment, retention and mobility across forces, that is of interest to us.
- 3.6 Last year, we asked the Home Office, as part of its longer-term strategic planning, to consider the role of local flexibility within a national pay system. So far the Home Office has not responded specifically on this point. We regard such flexibilities, if applied consistently and with effective central oversight, as a useful tool to assist with recruitment and retention. However, the current situation for chief police officers appears to be acting against, rather than supporting, the movement between forces. This is, in part, because it is leading to inequitable and incoherent variations in reward and terms of service. There needs to be greater clarity on how the national pay system and local decision-making should interact.

Implications for pay

- 3.7 It is clear that pay is not the only factor influencing the actual and perceived attractiveness of chief police officer roles and we return in chapter 4 to the wider issues discussed above. Regarding pay, current levels of recruitment and retention do not provide a basis for exceeding the funded 1 per cent increase. Nevertheless, we believe that concerns about potential future recruitment and retention within the most senior police roles are sufficient to justify making full use of the 1 per cent that both the UK and Northern Ireland Governments have said is available to fund such pay awards in the public sector.

Pay award

Introduction

- 3.8 This year, the parties proposed to us a range of options on chief police officer pay. Issues we have consequently considered include the merits of consolidated versus non-consolidated pay, and a targeted versus a flat percentage award.

Consolidated or non-consolidated pay

- 3.9 This year, the NPCC and the MPS proposed a non-consolidated award for chief police officers. The Home Office did not support this approach, but said there was a need for a genuine debate on the likely impact on recruitment and retention of either a consolidated or non-consolidated award.
- 3.10 We have concerns about recommending a non-consolidated award this year: it would be unprecedented for this remit group and, given that its members have reported feeling undervalued to us, there is a real risk that its implementation could affect motivation adversely. Furthermore, we believe the risks surrounding the future funding of chief police officer pay make such action undesirable from the perspective of the remit group: forces face significant financial challenges and the pay budget is not ring-fenced.

Pay targeting

- 3.11 This year, the MPS proposed targeting the pay of its chief police officers at Commander rank. However, the evidence supporting a targeted approach, and demonstrating a positive overall impact, was of insufficient quality for us to support it. Nevertheless, we do believe that appropriately targeted (rather than flat across-the-board) pay increases can improve efficiency and support workforce reform. For example, in the case of chief police officers, geographically-targeted pay awards could potentially lead to enhanced intra-force mobility; and, furthermore, awards targeted by rank may provide stronger incentives to seek progression to the most senior levels.
- 3.12 However, the precise focus and means of any targeting must be based on good evidence of a positive impact on recruitment, retention and motivation. It should also be supported by proper monitoring and oversight. In addition, it is important to note that for targeted pay increases to be meaningful, some chief police officers would need to receive annual awards of significantly above 1 per cent. With a 1 per cent pay cap overall, this means that many other chief police officers would receive no or very minimal pay increases. This may be damaging to the motivation of those who are not targeted.

The pay award for 2016-17

- 3.13 For reasons explained above, as a holding measure until the new police rank and pay structures have been confirmed, we consider an across-the-board 1 per cent consolidated pay increase to be appropriate. We have also seen no evidence that the approach should differ between England and Wales and Northern Ireland.

Recommendation 1: SSRB pay recommendation for England and Wales

Recommendation 1: We recommend, with effect from 1 September 2016, a consolidated 1 per cent increase to the base pay of chief police officers in England and Wales. We also recommend a consolidated 1 per cent increase on incremental pay points at Assistant Chief Constable and equivalent rank and on London Weighting.

Recommendation 2: SSRB pay recommendation for Northern Ireland

Recommendation 2: We recommend, with effect from 1 September 2016, a consolidated 1 per cent increase to the base pay of chief police officers in Northern Ireland. We also recommend a consolidated 1 per cent increase on incremental pay points at Assistant Chief Constable rank in Northern Ireland and on the Northern Ireland Transitional Allowance.

- 3.14 In determining its recommendations on the appropriate level of pay for chief police officers the SSRB has, as requested by the Home Secretary in her letter of 3 November 2015 (Annex F) had regard to, among other things, “the consideration of the Police Remuneration Review Body (PRRB) in relation to police officers of other ranks”.

Other pay issues

Review of Chief Constable and Deputy Chief Constable pay

- 3.15 We note that the national pay structure for the Chief Constable and Deputy Chief Constable ranks has remained unchanged since its introduction on 1 September 2003. Following the outcome of the review of the police rank and grading structure, serious consideration should be given to a more fundamental review of the pay arrangements for these two most senior police officer ranks. This would look at how remuneration should be linked to factors including job weight and incentives for police officers to progress both into and within the chief police officer group.

Proposals on Assistant Chief Constable and Commander pay

- 3.16 This year’s evidence has alerted us to a number of factors potentially deterring those at Assistant Chief Constable or equivalent rank from progressing up the chief police officer ranks, or from moving between police forces.
- 3.17 Proposals were put to us on setting the pay of Assistant Chief Constables or Commanders in relation to that of others. The MPS proposed setting Commander pay in relation to the MPS Assistant Commissioner’s, or to the Hay market median. The PSNI proposed setting the pay of Assistant Chief Constables in Northern Ireland as a proportion of the Chief Constable’s, or in accordance with the pay rates for Assistant Chief Constables in Scotland.
- 3.18 We would like to revisit these suggestions in future, in the light of stronger supporting evidence and once the outcome of the review of the police rank and grading structure is known. We do question whether the current arrangements sufficiently incentivise mobility and progression of Assistant Chief Constables and Commanders. We think that weighting Assistant Chief Constable pay by police force, in accordance with the national pay structure that already determines the pay of Chief Constables and Deputy Chief Constables, is one option that should be given consideration. The same point applies in London to the relationship between Commander and Assistant Commissioner and Deputy Assistant Commissioner pay.

- 3.19 In addition to their proposals on targeting pay, discussed above, the MPS also proposed accelerated incremental progression for Commanders. However, we note that this would simply mean them reaching the top of the pay scale after one year instead of two. Consequently, we doubt whether this measure would have a significant impact on recruitment.

Proposals on allowances and other matters

- 3.20 Proposals from the parties on matters other than the 2016-17 pay award are set out above in paragraphs 2.22 to 2.30. We review them here.
- 3.21 We are sympathetic to the NPCC proposal to give permission to the eight police forces bordering London to increase the South East allowance by up to £1,000 above the current maximum. We are aware that, as the proposal applies to all ranks, it has also been put to the PRRB. We have not seen evidence that chief police officers should be treated differently from other ranks in this regard. The 2014 Anti-Social Behaviour, Crime and Policing Act stipulates that where an issue concerns members of police forces of chief police officer rank as well as those in the ranks below, the Home Secretary can decide that it would be preferable for the matter to be considered by the same body. Following similar principles, we believe it would be most appropriate for the Home Office to consider the appropriate approach to chief police officers in the light of the advice it has received from the PRRB.
- 3.22 The NPCC also suggested that the SSRB define national criteria on local uplifts for all police forces to use. Whilst it might be possible for us to do this in relation to chief police officers, we would first require the Home Office to include a request for advice on this matter in our remit. This would then lead us to investigate the matter more fully and encourage the parties to provide evidence.
- 3.23 On the proposals from CPOSA to alter arrangements for chief police officers on temporary promotion and clarify annual leave regulations, these matters were not included in our remit from the Home Office and there was no detailed evidence demonstrating a direct link to our terms of reference.
- 3.24 In relation to CPOSA's proposals on pensions, we understand that the option to take an honorarium (or non-pensionable payment) instead of a pensionable temporary salary was introduced in 2004 for those on temporary promotion to Deputy Chief Constable and Chief Constable ranks. As a safeguard against tax avoidance this option is subject to a final decision by the police force and not the individual. This was in particular recognition of those in the 1987 police pension scheme who gained no financial benefit from promotion and those actually disadvantaged by pension taxation. We support active consideration of options for increased pension flexibility, and comment on this further in chapter 4.
- 3.25 Also, regarding the proposals on motor vehicle allowances, we are aware that the PRRB is already considering this issue for the other police ranks. Again, we have not seen evidence that chief police officers should be treated differently from the rest of the police and we therefore think the Home Office should consider what to do for chief police officers in the light of the advice it has received from the PRRB. Nevertheless, we do note that incorporating the motor vehicle allowance into base pay, as proposed by CPOSA, would make it pensionable, which we believe would be inappropriate for this type of allowance.

3.26 On discretionary local allowances and recognition payments, as proposed by the MPS, we are aware that it has also put these proposals to the PRRB as such arrangements would apply to all police ranks. Once again, we have not seen evidence that chief police officers should be treated differently from the rest of the police. Therefore, we suggest that the Home Office should consider what to do for chief police officers in the light of the advice it has received from the PRRB.

Chapter 4

Looking ahead – the future

A more strategic approach

Last year's report

4.1 In our 2015 report on chief police officers, we asked the Home Office to ensure that it set out a longer-term strategy for the pay and reward of chief police officers. We said that this strategy should take into account the wider Government approach to senior pay in the public sector. We highlighted the need to understand the Government's strategic direction in the following areas:

- The future direction and context of policing and the evolution of chief police officer roles over the next three to five years.
- The need to recruit and retain people of the highest quality.
- The importance of mobility, whether geographical or in terms of movement in and out of the police service, in building up skills and experience.
- The broader reward package, including performance-related pay, incremental progression and pensions and the extent to which these various components appropriately incentivise career progression and use limited funds effectively.
- The importance of local flexibility within a national pay system, and managing the tension between them.
- How to increase diversity among chief police officers.
- The measurement of performance against competence, contributions and skills.
- The hybrid nature of the remit group leading to pay inconsistencies: some have incremental scales and permanent appointments and others have spot rates and fixed-term appointments.

4.2 The Home Secretary responded that she welcomed the SSRB's longer-term focus on future pay strategy for chief police officers and said she looked forward to seeing our views on this in due course, particularly in light of the findings of the College of Policing review of police leadership. She added that it was not her intention that the Home Office should set a long term pay strategy for chief officers. In her view, this was a matter that resided properly with an independent pay review body.

4.3 The SSRB's role is to make recommendations on remuneration. In both this and in our main 2016 report, we also provide advice on broader workforce policy, because we believe it is inseparably connected to remuneration. Nevertheless, our role is only an advisory one. Moreover, although our terms of reference require us to have reference to "policies for improving the public services", broader strategic considerations, such as the future direction and context of policing, and the evolution of chief police officer roles, are beyond our remit.

4.4 The above raises two key questions for the SSRB. First, who is responsible for making decisions about workforce reform, implementing it, monitoring progress against it and reporting to us on it? Second, who ensures that workforce policy is aligned with, and communicated in the context of, broader Government policy in relation to the public services? Normally, these functions would be fulfilled by the relevant Government department.

4.5 We understand that the Home Office expects workforce reform to be led by the police. The NPCC is already heavily engaged in this process and should give careful consideration to the proposals made in this report. However, it is the Home Office which requests the SSRB's advice and which is required, by the Anti-social Behaviour, Crime and Policing Act 2014, to consider it. Therefore, we emphasise that we regard the Home Office to be the party with final accountability for ensuring that a sufficiently clear strategic direction of workforce policy for chief police officers is developed (by the police, or otherwise), monitored and communicated. In the absence of such clarity, the SSRB will not be satisfactorily able to help the Home Office to meet its statutory responsibilities.

Proposals

4.6 This year, we noted the recommendations of the College of Policing Leadership Review published in June 2015, particularly Recommendation 2²⁵ to review the rank and grading structures in policing across warranted and staff roles. We will monitor progress on this with interest.

4.7 In addition, in our main 2016 report, we highlighted a number of proposals relevant to many or all of the SSRB's remit groups, including chief police officers. There was significant overlap with the strategic themes we identified for chief police officers last year. We expect these issues to be discussed in future evidence to the SSRB:

- Departments need to be clear about their long-term objectives, their future operating model and the pay and workforce strategy required to support them. Annual changes to pay need to be linked to longer-term strategy.
- There should be more focus on maximising outcomes for lowest cost and less fixation on limiting basic pay increases across the board. We encourage departments, with any required support from HM Treasury, to present future proposals which may involve using different senior pay structures as part of delivering improved overall budgetary efficiency.
- Tensions that exist in the system that hinder the development of a coherent workforce policy, such as between national and local control, need to be explicitly recognised and actively managed.
- Strategic consideration of the relevant pay system and its fitness for purpose in supporting the future policy agenda should be explicitly covered in evidence submissions to the SSRB.
- Where evidence supports it, pay increases should be targeted according to factors such as the level of responsibility, job performance, skill shortages and location. We ask that future departmental evidence to the SSRB on targeted pay increases explicitly sets out what type of pay targeting is needed to support the department's business needs. It should include thorough analysis of the implications, both for the groups specifically targeted and for the workforce as a whole.
- Where automatic pay increases, not linked to improved performance or a change in job role, are used by departments, they should set out how and why it suits their business model and the means through which it will drive improved staff performance.

²⁵ Recommendation 2: Review the rank and grading structures in policing across warranted and staff roles. Ranks and grades in policing may need to be reformed as we move towards policing based on greater levels of practitioner autonomy and expertise. While starting with police officer ranks, the same approach should be applied to police staff tiers and grades. The College will support such a review, creating an evidence base for how reform to the rank structure might be achieved successfully and permanently. This recommendation will require the Home Office and forces to work with the College to ensure consistency. To be delivered by: The College, Home Office, forces.

- Whilst the SSRB will want to consider the full pros and cons, where multi-year approaches can be demonstrated to make best use of limited funds we would welcome such proposals in the future.
- A successful pay strategy requires a rigorous and coherent approach to monitoring, assessing and rewarding staff performance. Employers should be able to demonstrate that appraisal systems and performance management arrangements exist and are effective. They should also be able to explain their approach to reward structure and career development.
- Analysis is required of where value is being added and action taken where it is not. For example, departments should be able to set out what approaches are being taken to deal with those employees who are relatively well paid, but whose contribution is more limited.
- We encourage public sector employers to examine the opportunities for making pension packages more flexible and to take action where appropriate.
- Better decision making requires better data, particularly in respect of attrition, retention and recruitment. Therefore, we request that departments continue to improve their evidence base for the public sector workforce.
- The feeder groups that will supply the next generation of senior public sector leaders must be closely monitored. The data relating to them needs careful scrutiny for early warning signs of impending problems. Employers need to understand the level of risk and plan accordingly.
- A greater focus on promoting diversity of the workforce is needed. The senior workforces within our remit groups do not reflect, in terms of ethnicity or gender, either the society they serve or the broader workforce for which they are responsible.
- Departments, working with other relevant parties, should put in place machinery to make an assessment of the impact of past pay and reward decisions in order to inform their strategic workforce planning and submissions to the SSRB in future years.
- Whilst the SSRB is supportive of taking appropriate time and care to align departmental spending decisions with proposals on workforce pay, we urge all departments to submit evidence in a timely fashion in future years. This will allow us time to give it full consideration and ensure we provide the highest-quality advice.

4.8 Applying some of the above points specifically to chief police officers:

- There is currently a lack of clarity around how the Home Office's desire for national control of pay aligns with local determination by PCCs of allowances. We believe that inconsistent and unclear practice in terms of allowances is having an adverse impact on the mobility of chief police officers across forces. This is correspondingly reducing the opportunities for innovation and dissemination of good practice. The Home Office should consider how the system could achieve improved equity and fairness, and strike a better balance between local accountability and ensuring the provision of sufficient numbers of high-quality chief police officer candidates.
- Specifically, the Home Office told us that it could envisage the College of Policing taking on central oversight of recruitment in future. In the Leadership Review, the College said it would promote a debate with the Home Office, PCCs, and the NPCC about how advice, support and coordination could be offered regarding appointment to senior leadership positions. We strongly encourage these avenues to be explored further.

- We note that the second set of PCC elections took place in May 2016, when new individuals were elected as PCCs in around half of 40 police force areas in England and Wales. We believe it is important to monitor whether there are subsequent implications for the recruitment, retention and motivation of Chief Constables. These may arise from working relationships between Chief Constables and PCCs, and also how those relationships combine with other aspects of the Chief Constable role. These aspects include the high profile of the role, the risk of adverse media attention and the fixed-term appointment regime. We also regard it as illogical that PCCs cannot alter the pay of Chief Constables after appointment.
- Consideration should also be given to whether the fixed-term appointment regime for Chief Constables and Deputy Chief Constables is still appropriate and, if so, whether it is correctly designed. There is anecdotal evidence that suitably able and qualified people are either delaying their applications to join those ranks or deciding not to apply at all.
- We would like to be kept informed on developments relating to pensions as they concern chief police officers, in particular by the Police Pensions Working Group and Police Advisory Board for England and Wales. Chief police officers may need greater flexibility to take a proportion of their pay as non-pensionable, especially if they may be affected by changes to the tax treatment of pensions. There is a danger that recruitment and retention problems could result if the police pension is seen to be less valuable. This is a particular risk if this is combined with other factors such as the high public profile, fixed-term appointments and working relations with PCCs, as well as pay lower than for private sector comparators. It is also vital that chief police officers receive accurate and timely information on pensions in order to make properly informed career and retirement planning decisions.
- Because they are more likely to reach the annual allowance threshold, chief police officers who are members of the 1987 Police Pension Scheme are adversely affected by the dual accrual rate compared to those in other public sector groups on a similar income and with similar length of service. As discussed in chapter 3, at present, those from Superintendent rank upwards on temporary promotion have the option to take an honorarium or non-pensionable payment because of the annual allowance threshold. Similar arrangements could be considered for members of our remit group who are not on temporary promotion.
- The feeder group requires very close attention. It is encouraging that the numbers coming through the Strategic Command Course have been higher this year than in the previous few years. Nevertheless, a feeling of frustration and being undervalued among senior officers raises the possibility that this position may be reversed in future years.
- Future recruitment to the most senior police officer ranks also requires ongoing attention. The evidence we received this year suggests that some talented individuals are not being sufficiently motivated to seek promotion to the most senior levels, especially where it involves moving to a different part of the UK.
- The lack of diversity in the most senior police officer ranks is a matter for serious concern, as, for example, only 24 per cent of chief police officers are female, and only 2 per cent are from ethnic minorities. Whilst we recognise that efforts have been made to improve the diversity of the police as a whole, and that there is no easy solution, employers need to ensure that they pull through talented members of the currently under-represented groups to the most senior ranks. Future pay and workforce proposals from the parties should be supported by an equality impact assessment.

- We expect to be kept informed of developments in the ongoing discussions between the Home Office and the other parties on chief police officer selection. We were told this year that they were meeting to discuss the causes of low applicant numbers in competitions for chief police officer vacancies.
- We are keen to monitor any potential hindrances to long-term pay reform resulting from the current policy on public sector pay restraint. We note that the NPCC expressed concern this year that the 1 per cent average pay cap for each of the next four years would limit police workforce pay reform and associated transitional arrangements. Furthermore, CPOSA told us that these funding limits made pay targeting impractical. We would like the parties to update us on this and any other possible impediments to pay reform in their evidence each year.

Better evidence

Overview

- 4.9 A number of the general proposals listed in paragraph 4.7 related to data and evidence. Compared to other workforce groups in the SSRB's remit, the quality of data we received on chief police officers this year was poor, both in terms of the types of data provided and the comprehensiveness of its coverage. Good information is a pre-requisite for effective workforce management. The continued absence of such data will call into question the tenability of the SSRB's future role in relation to chief police officers.

Gathering and provision of evidence

- 4.10 We ask all the parties to work with each other and with the SSRB secretariat to ensure that much better data is collected and provided on a consistent basis across police forces. The SSRB can advise on what data needs to be collected, and does so in this report. However, we have neither the means to gather such evidence nor the authority to mandate others to do so. In our view, in the current decentralised system of 43 police forces, there is a key role in particular for the NPCC and the APCC in providing better data to the SSRB. That said, we believe the Home Office is ultimately responsible for ensuring that we receive consistent and comparable data from the appropriate parties and to mandate police forces in order to achieve the data improvements required.
- 4.11 There are precedents for Government, or its agencies, to mandate the collection and publication of data, without it owning that process. For example, all universities receiving public funding are required to pay a subscription and provide data to the Higher Education Statistics Agency (HESA), which is a body owned and controlled by the higher education sector, and not by Government. There is a public interest in the collection of reliable, comparable data about Higher Education institutions, and also in the independence of the sector, and these two goals are perfectly compatible. The same logic applies to the police.
- 4.12 We request that, as we understand happened this year, the Home Office consults the other main parties on the matters to include before it submits the next annual remit letter to the SSRB. It will be the remit letter which guides which remuneration proposals we consider next year.
- 4.13 We remain of the view, expressed in our report on chief police officers last year, that machinery needs to be put in place to allow an assessment of the impact of past decisions on chief police officers' pay. In her letter to us in July 2015 (see Appendix D), the Home Secretary wrote that she does not plan to put in place additional mechanisms to monitor the impact of such changes, as these are matters that reside properly with an independent pay review body. Therefore, we ask all the parties to the SSRB who employ or represent chief police officers (the APCC, the NPCC, CPOSA, and the NIPB) to set out

in their submission to us each year what pay award was made and an assessment of its impact.

- 4.14 Notwithstanding the above, public sector employers need to understand for their own purposes the workforces for which they are responsible and the labour markets they are operating in. This should not only be for the SSRB's annual consideration: any large employer should be doing this routinely. Reliable and timely information is required to forecast where shortages of talented people are going to emerge and to identify what actions need to be taken.
- 4.15 In addition to written evidence and data, we give great weight to the oral evidence we receive from the Government and other parties. It is important the Government representatives who give evidence to us have real influence over workforce decisions and visible accountability to the individuals affected, as well as personal ownership of the broader strategic direction of policy. We request, at next year's oral evidence session, the presence of the most senior decision-makers in the Home Office on chief police officer pay.
- 4.16 Another area of importance to us is developing a connection with the College of Policing on a range of matters, particularly chief police officer data. We believe it would be helpful if the College gave evidence to the SSRB in future years.

Better data

- 4.17 Generally for our remit groups, data needs to be focused and disaggregated to such a level that it can inform pay and workforce decisions. For instance, information on levels and rates of staff exits is of far less value for workforce planning purposes if it is not possible to identify the reasons for leaving, such as morale within the organisation, retirement, early retirement, or other employment. Such data also need to distinguish between individuals according to their quality or performance. In addition, a central database of chief police officer vacancies is required. Furthermore, data on numbers of appointments needs to be supplemented with information on the ease of appointment and the quality of appointees.
- 4.18 In order to make proper evidence-based decisions, and in the interests of transparency, we need better information on the types and value of the allowances and benefits that chief police officers receive. We have been told that they form a significant proportion of total reward. We think consideration should be given to a review of the allowances and benefits of chief police officers.
- 4.19 Particular areas where we need up-to-date and more comprehensive data for chief police officers next year are:
- allowances and benefits by type, number and value;
 - unfilled vacancies and temporary appointments;
 - forecast future demand for, and supply of, chief police officers by rank;
 - the number and calibre of applicants for chief police officer vacancies and whether internal or external;
 - the source and destination of chief police officers joining and leaving police forces (both organisational positions and geographical locations);
 - data on turnover by rank, including early retirement;
 - reasons for leaving as given in exit interviews or surveys; and
 - data on sickness absence and proportion of leave taken.

- 4.20 On morale and motivation, it is of concern to us that, in contrast to the Senior Civil Service, the senior military and the judiciary, there is no qualitative data to measure or track the morale of the chief police officer remit group. This concern is exacerbated by the fact that anecdotal evidence, and our personal experience, suggests that frustration levels are high. One potential solution would be a regular national survey of chief police officers.
- 4.21 Regarding the feeder group, it is vital that there is an explicit, comprehensive, data-driven view of whether the pay and reward package is sufficient to recruit, retain and motivate the senior leaders of the future. This requires data which separately identifies those individuals demonstrating the strongest potential to progress to the most senior levels.
- 4.22 The additional data we sought out ourselves, through the College of Policing, on numbers of Strategic Command Course participants over time was useful in informing our thinking, and we encourage parties to give close consideration to whether there are other unutilised data sources that could be useful both to the SSRB and for employer workforce planning.
- 4.23 Our secretariat is ready to assist with further guidance on review body data requirements.

Timing of evidence

- 4.24 For the SSRB to approach its task coherently, consistently and efficiently, it is important that we consider chief police officers in the main public sector pay round, alongside the other senior public sector leaders in our remit: the judiciary, the senior military, Senior Civil Servants, certain Very Senior Managers in the NHS, and Police and Crime Commissioners. The main review body round ends with submission of reports in February each year, which means written evidence and proposals need to be provided by the preceding autumn. For the next round in 2017-18, it is important that the chief police officer parties submit written evidence in line with that timetable. Otherwise it will be very difficult for us to carry out our review.
- 4.25 That said, we do recognise that our recommendations on chief police officer remuneration may benefit from taking account of the thinking of the PRRB, which has previously submitted its advice in June, rather than February. Therefore, next year, although our main consideration of chief police officers will take place during the normal pay round, we will delay finalising recommendations on this one group whilst we await the completion of the PRRB's review. We therefore expect to submit our 2017 report alongside the PRRB report which, this year, was submitted in June.

Appendix A

Background information on the setting of police pay and the Terms of Reference of the SSRB

Following the Winsor Review²⁶ and the passing of the Anti-social Behaviour, Crime and Policing Act 2014, chief police officers (Chief Constables, Deputy Chief Constables and Assistant Chief Constables) in England, Wales and Northern Ireland were moved from Police Negotiating Board to the SSRB's remit²⁷. The Act also established the Police Remuneration Review Body (PRRB) to consider the pay of all police ranks up to and including Chief Superintendent.

The Review Body on Senior Salaries (previously known as the Review Body on Top Salaries) was formed in 1971 and is appointed by the Government to provide it with independent advice.

The Government wrote to us in September 2014 to confirm changes to the SSRB's terms of reference to reflect:

- The transfer of responsibility for MPs' pay, allowances and pensions from the SSRB to the Independent Parliamentary Standards Authority following the 2009 Parliamentary Standards Act.
- The addition of Police and Crime Commissioners to the SSRB's remit in 2013.
- The addition of senior police officers in England, Wales and Northern Ireland to the SSRB's remit from 2014.
- The removal of the requirement to maintain broad linkage between the remuneration of the SCS, judiciary and senior military.

Our terms of reference are now as follows:

The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor, the Home Secretary, the Secretary of State for Defence, the Secretary of State for Health and the Minister of Justice for Northern Ireland on the remuneration of holders of judicial office; senior civil servants; senior officers of the armed forces; very senior managers in the NHS²⁸; police and crime commissioners, chief police officers in England, Wales and Northern Ireland; and other such public appointments as may from time to time be specified.

The Review Body may, if requested, also advise the Prime Minister from time to time on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975. If asked to do so by the Presiding Officer

²⁶In 2012, Part 2 of the Winsor Review of Police Pay and Conditions recommended abolition of the PNB system because it "proved itself incapable of ensuring that the two sides reach agreement on the most significant matters of contention efficiently and in a timely way". The Review found the PNB to be adversarial, cumbersome and inefficient. It recommended the establishment of an independent police officer pay review body to consider the pay of all ranks up to and including Chief Superintendent, and that the Senior Salaries Review Body recommend on the pay of chief police officers (Chief Constables, Deputy Chief Constables and Assistant Chief Constables).

²⁷For England and Wales: Part 11, Section 133, subsection 3a of the Anti-social Behaviour, Crime and Policing Act 2014 states: "In the case of regulations under section 50 concerning members of police forces above the rank of chief superintendent, before making the regulations the Secretary of State shall (subject to subsection (5))— (a) consider advice on the matter from the Senior Salaries Review Body". <http://www.legislation.gov.uk/ukpga/2014/12/section/133>.

For Northern Ireland: Part 11, Section 134, subsection 3a of the Act states: "in the case of regulations concerning officers above the rank of chief superintendent, before making the regulations the Department of Justice shall (subject to subsection (5)) – (a) consider advice on the matter from the Senior Salaries Review Body". <http://www.legislation.gov.uk/ukpga/2014/12/section/134>.

²⁸NHS Very Senior Managers in England are chief executives, executive directors (except medical directors), and other senior managers.

and the First Minister of the Scottish Parliament jointly; or by the Speaker of the Northern Ireland Assembly; or by the Presiding Officer of the National Assembly for Wales; or by the Mayor of London and the Chair of the Greater London Assembly jointly; the Review Body also from time to time advises those bodies on the pay, pensions and allowances of their members and office holders.

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

- *the need to recruit, retain, motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities;*
- *regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff;*
- *Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;*
- *the funds available to departments as set out in the Government's departmental expenditure limits;*
- *the Government's inflation target.*

In making recommendations, the Review Body shall consider any factors that the Government and other witnesses may draw to its attention. In particular, it shall have regard to:

- *differences in terms and conditions of employment between the public and private sector and between the remit groups, taking account of relative job security and the value of benefits in kind;*
- *changes in national pay systems, including flexibility and the reward of success; and job weight in differentiating the remuneration of particular posts;*
- *the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.*

The Review Body may make other recommendations as it sees fit:

- *to ensure that, as appropriate, the remuneration of the remit groups relates coherently to that of their subordinates, encourages efficiency and effectiveness, and takes account of the different management and organisational structures that may be in place from time to time;*
- *to relate reward to performance where appropriate;*
- *to maintain the confidence of those covered by the Review Body's remit that its recommendations have been properly and fairly determined;*
- *to ensure that the remuneration of those covered by the remit is consistent with the Government's equal opportunities policy.*

The Review Body will take account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Members of the Review Body are:

Dr Martin Read CBE, Chair
Margaret Edwards
Sir Adrian Johns KCB CBE DL
David Lebrecht²⁹
John Steele³⁰
Dr Peter Westaway
Sharon Witherspoon

The Secretariat is provided by the Office of Manpower Economics.

²⁹ Ex Officio: Chair Police Remuneration Review Body.

³⁰ Ex Officio: Chair Armed Forces' Pay Review Body.

Appendix B

Website references for publications

This SSRB report can be found at:

<https://www.gov.uk/government/organisations/office-of-manpower-economics>

Evidence submitted to the SSRB by the Home Office:

<https://www.gov.uk/government/publications/home-office-evidence-to-the-senior-salaries-review-body-2016-to-2017>

Evidence submitted to the SSRB by the Association of Police and Crime Commissioners:

<http://www.apccs.police.uk/wp-content/uploads/2013/08/APCC-PRRB-Submission-2016-Final.pdf>

Evidence submitted to the SSRB by the National Police Chiefs' Council:

<http://www.npcc.police.uk/Publication/SSRB%20Submission%20from%20NPCC.pdf>

Evidence submitted to the SSRB by the Metropolitan Police Service:

http://www.met.police.uk/foi/pdfs/other_information/corporate/met-submissions-to-ssrb-jan2016.pdf

Evidence submitted to the SSRB by the Department of Justice for Northern Ireland:

<https://www.justice-ni.gov.uk/publications>

Evidence submitted to the SSRB by the Northern Ireland Policing Board:

<https://www.nipolicingboard.org.uk/police-pay>

Evidence submitted to the SSRB by the Police Service of Northern Ireland:

<https://www.psni.police.uk/globalassets/advice--information/our-publications/documents/psni-submission-ssrb-2016-17.pdf>

Appendix C

Letter from the Chief Secretary to the Treasury to Pay Review Body Chairs of 19 August 2015



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Jerry Cope (NHSPRB); Paul Curran (DDR); Peter Knight (Prison Services RB); David Lebrecht (Police/NCA PRB); Martin Read (SSRB); Patricia Rice (STRB); John Steele (AFPRB)

c/o Office of Manpower Economics
Fleetbank House
2-6 Salisbury Square
London EC4Y 8JX

Dear Jerry, Paul, Peter, David,
Martin, Patricia and
John,

19th
August 2015

PUBLIC SECTOR PAY 2016-17

Thank you for your work on the 2015-16 pay round. It is clear to me that the pay review bodies play an invaluable role in making independent, evidence-based recommendations on public sector pay, as well as providing expert advice and oversight in relation to wider reforms to pay policy and allowances. I am grateful to you and your colleagues for the careful thought you give to this work, and look forward to receiving your advice and recommendations during the 2016-17 pay round and beyond.

2. Savings from public sector pay and workforce reform made a significant contribution to reducing the deficit over the course of the last Parliament, saving around £8bn. The new government's Summer Budget last month set out that a further £20 billion of consolidation in public sector spending will be required to deliver a surplus by 2019-20. Whilst the deficit and debt are being reduced, the government will need to continue to ensure restraint in public sector pay. Without



such restraint, reductions would need to come from other areas of spend, resulting in negative impacts on public services and jobs. At a time of difficult decisions, the government's pay policy will help to protect the jobs of thousands of front line public sector workers.

3. As you will have seen, the government announced at Budget it will fund public sector workforces for a pay award of 1% a year for four years from 2016-17. The government expects pay awards to be applied in a targeted manner to support the delivery of public services, and to address recruitment and retention pressures. This may mean that some workers could receive more than 1% while others could receive less; there should not be an expectation that every worker will receive a 1% award. The relevant departments will submit in their evidence to you proposals covering the needs of their different workforces.

4. The Budget also set out that the government will continue to examine pay reforms and modernise the terms and conditions of public sector workers. This will include a renewed focus on progression pay, and considering legislation where necessary to achieve the government's objectives. Over the course of the Parliament, I look forward to the pay review bodies playing an important role in advising the government on how best to achieve pay reforms.

5. The relevant Secretaries of State will write to you shortly with a detailed remit covering these points and I look forward to receiving your recommendations.

With best wishes,

A handwritten signature in blue ink, appearing to read 'Greg Hands', written in a cursive style.

GREG HANDS

Appendix D

Letter from the Home Secretary to the Chair of the Senior Salaries Review Body of 15 July 2015



Home Secretary
2 Marsham Street
London SW1P 4DF
www.gov.uk/home-office

Dr Martin Read CBE
Chairman, Senior Salaries Review Body
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

15 July 2015

Dear Martin,

SENIOR SALARIES REVIEW BODY: FIRST REPORT WITH RESPECT TO CHIEF OFFICERS IN ENGLAND AND WALES 2015

Thank you for your letter of 11 June and for enclosing your first report, making pay recommendations for chief police officers in England and Wales.

Having given careful consideration to your recommendations and the evidence put forward to support them, I am pleased to inform you that I will accept your main recommendation to increase chief officer pay by 1%, including London weighting where applicable, pending a police-led review of the London and South East packages.

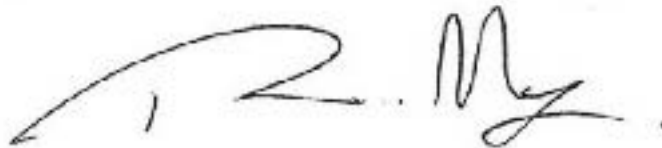
I note that you made your recommendations on pay for 2015/16 on the basis of inconclusive evidence and I would stress the importance for future pay rounds of having a strong rationale which takes into account the full range of information available. I agree that the evidence base for future rounds should be as consistent and complete as possible, without placing a disproportionate burden on forces. Officials are already working with our partners to ensure that the collective body of management data is improved for future evidence rounds.

I welcome your longer term focus on the future pay strategy for chief officers, including a full review of pay structures and look forward to seeing your views on this in due course, particularly in light of the findings of the College of Policing review of police leadership. However, it is not my intention that the Home Office should put in place additional mechanisms to monitor the impact of changes to senior police pay or that I should set a long term pay strategy

for chief officers – these are matters that reside properly with an Independent pay review body.

You also ask that the evidence round is brought forward to early autumn this year. You will understand that before the Government puts forward its position, it must take into account the forthcoming Spending Review as well as further work by College and NPCC in relation to the review of police leadership. This would make it difficult to bring forward the evidence process for the 2016/17 pay round to the timescale you suggest. However, I am willing to consider this in future as I do recognise the difficulties involved. If it would be helpful, I will ask my officials to discuss your evidence requirement for the next round and to see whether there is any data that we could provide in advance of the formal submission.

I am grateful to you and the members of the Body for your consideration of the evidence this year and for your first report on senior police pay. I will make a written statement to Parliament to reflect my decision and to highlight the publication of your report.

A handwritten signature in black ink, appearing to read 'T. May', with a large, sweeping flourish at the beginning.

The Rt Hon Theresa May MP

Appendix E

Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 6 August 2015

FROM THE OFFICE OF THE JUSTICE MINISTER



Department of
Justice
www.dojn.gov.uk

Minister's Office Block B,
Castle Buildings
Stormont Estate
Ballymiscaw
Belfast
BT4 3SG
Tel: 028 9052 8121
private.office@dojni.x.gsi.gov.uk

Our ref: COR/459/2015

Dr Martin Read CBE
Chair
Senior Salaries Review Body
Fleetbank House
2-6 Salishury Square
LONDON
EC4Y 8JX

6 August 2015

Dear Dr Read

SUPPLEMENT TO THE THIRTY SEVENTH ANNUAL REPORT ON SENIOR SALARIES 2015

I write by way of follow up to my letter of 6 July acknowledging receipt of your first report on the pay of chief police officers within the Police Service of Northern Ireland.

I am pleased to confirm that, following due consideration, I am content to accept all recommendations put forward in your report; namely an increase of one per cent in base pay and the Northern Ireland Transitional Allowance. In line with normal procedures, the Finance Minister will be required to approve and sign-off on these proposals. My officials are liaising with the Department of Finance & Personnel in this regard. The agreed pay award will be effective from 1 September 2015.

Once again thank you for the very detailed work carried out by the Senior Salaries Review Body in this, its first year under new arrangements.

*Yours
David Ford*

DAVID FORD MLA
Minister of Justice

Appendix F

Letter from the Home Secretary to the Chair of the Senior Salaries Review Body of 9 November 2015



Home Secretary
2 Marsham Street
London SW1P 4DF
www.gov.uk/home/office

Dr Martin Read CBE
Chair - Senior Salaries Review Body
Office of Manpower Economics
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

9 November 2015

Dear Mr. Read,

Senior Salaries Review Body 2016-17 Remit in respect of Senior Police Officers

I write following the Chief Secretary to the Treasury's letter of 19 August confirming the Government's approach to public sector pay for 2016/17. There remains a need for continued pay restraint across the public sector, with an expectation that pay awards will be targeted within workforces to better reflect those whose skills are most in demand and support the delivery of public services. In addition, the Government's paper on the Comprehensive Spending Review, '*A country that lives within its means*', published in July, described the need further to modernise terms and conditions in the public sector, especially unreformed areas of progression pay.

We have achieved a great deal over the last few years in policing and I have been clear that I want to build on this to finish the job of police reform. We need a police force that is flexible, professional and able to deal with the changing face of crime over the coming years. Workforce reform is a critical part of this and your independent recommendations will be of prime importance in ensuring that police officer pay reflects the competence, skills and professional development of officers in a way that is fair and sustainable.

I am particularly keen to support police leaders by giving them the tools they need to increase flexibility; allow movement in and out of policing; increase and introduce skills; and achieve a more diverse workforce mix as well as growing a culture of innovation and challenge. I remain committed to the programme of work that is being undertaken by the College of Policing in this respect. As you will be aware, the recent Review of Police Leadership has

made recommendations on matters including the extension of direct entry, a review of ranks, roles and standards and linking skills and competence more strongly to pay. I would emphasise that this work is being driven forward by the police themselves, rather than from the top down.

In considering the appropriate level of pay for senior police officers I would ask you to have regard to:

- The need to ensure that the proposals reflect the Government's policy on public sector pay as outlined in the Chief Secretary to the Treasury letter – in particular, that there will be funding for pay awards of up to an average of 1% a year, with the expectation that these will be applied in a targeted manner;
- The Government's continued commitment to maximising flexibility for chief constables and Police and Crime Commissioners to manage their workforce in the most efficient way possible at a local level;
- The role and nature of the office of constable in British policing;
- The prohibition on police officers being members of a trade union or withdrawing their labour;
- The need to recruit, promote, retain and motivate suitably able and qualified officers that reflect the communities they serve;
- The affordability of any recommendations, particularly in light of the forthcoming Comprehensive Spending Review; and
- The work of the College of Policing and chief constables in taking forward recommendations from the Review of Police Leadership.
- The consideration of the Police Remuneration Review Body in relation to police officers of other ranks.

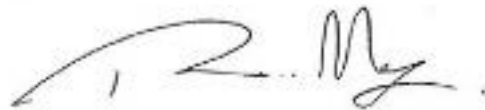
I refer to the SSRB the following matters for recommendation for 2016-17:

1. How to apply the pay award for 2016-17 for senior police officers, in accordance with CST's letter, including the consideration of parties' evidence on the targeting of particular groups;
2. Whether any adjustments should be made to London and South East allowances in light of further evidence put forward by employers;

Finally, these matters for recommendation should be considered in the broader context of the work currently being undertaken by the College with policing partners to take forward the recommendations of the leadership

review. This includes a review of rank structures and will look at the way in which skills are rewarded. This work will inform the development of longer-term pay strategy.

I place great value on the independent advice of both police pay review bodies and look forward to receiving your recommendations no later than 17 June 2016.

A handwritten signature in black ink, appearing to read 'T. May', with a large, sweeping flourish at the end.

The Rt Hon Theresa May MP

Appendix G

Letter from the Minister of Justice for Northern Ireland to the Chair of the Senior Salaries Review Body of 21 October 2015

FROM THE OFFICE OF THE JUSTICE MINISTER



Department of
Justice
www.dojni.gov.uk

Minister's Office Block B,
Castle Buildings
Stormont Estate
Ballymiscaw
Belfast
BT4 3SG
Tel: 028 9052 8121
private.offices@dojni.x.gsi.gov.uk

Our ref: SUB/1183/2015

Dr Martin Read CBE
SSRB Chairman
c/o Office of Manpower Economics
Level 8
Fleetwood House
2-6 Salisbury Square
LONDON EC4Y 8JX

21 October 2015

POLICE SERVICE OF NORTHERN IRELAND – PAY REMIT LETTER

Thank you for your report and recommendations for the remuneration of senior police officers in the Police Service of Northern Ireland for 2015/16. Processes are underway to apply the changes in full, as recommended.

I am pleased to provide the Senior Salaries Review Body with my latest remit letter for review of the remuneration for senior police officers serving in the PSNI, to include officers at the rank of Assistant Chief Constable, the Deputy Chief Constable and the Chief Constable

For your first review, parties in Northern Ireland noted the reforms that were being applied to police officers' terms and conditions following the agreements reached at the Police Negotiating Board. Some of these are still in the process of implementation, while the effect of the loss of some allowances and the pensions reforms is still being assessed.

Public Sector Pay Policy

The Northern Ireland Executive has not yet agreed the public sector pay policy applicable to Northern Ireland for 2016/17. In general terms, it has however endorsed the principle of adherence to the UK Government's public sector pay policies and public sector pay growth limits.

I am aware of the letter the Chief Secretary to the Treasury sent to the chairs of pay review bodies on 19 August. In the absence of a clear policy for Northern Ireland, I would suggest that the body operates within the parameters set out therein, noting that these may be subject to further restraint. The Executive's position will be provided in evidential submissions as the position becomes clearer.

2016/17

I would welcome the views of the Review Body on:

- the application of any pay award for senior police officers, in a targeted manner as requested by Treasury;
- whether any increase should be applied to the Northern Ireland Transitional Allowance; and
- initial thoughts in respect of a possible review of the pay of Assistant Chief Constables in the PSNI.

I am keen to ensure that the application of any award does not hinder the operational flexibility, transferability and movement of officers. On this basis it would be helpful if a consistent approach is adopted on key aspects of pay across all ranks, as well as with England and Wales.

I am conscious that in the future consideration will also have to be given to the ongoing reforms being taken forward in the College of Policing to ascertain what, if any, impact any further developments might have on policing in Northern Ireland, particularly in light of the leadership review. I ask that you consider these ongoing areas of work in the context of policing in Northern Ireland when reviewing remuneration.

FROM THE OFFICE OF THE JUSTICE MINISTER



I trust that this letter is helpful as you undertake this year's assessments. I can confirm that input has been sought from the Chief Police Officers' Staff Association, the Northern Ireland Policing Board and the PSNI on matters they would wish to see referred to you, all of which have been incorporated in this remit letter.

I look forward to receiving your recommendations in line with your proposed timetable.

A handwritten signature in black ink, appearing to read "David Ford".

DAVID FORD MLA
Minister of Justice

Appendix H

Chief police officer pay structure from 1 September 2015

Force Weighting	Force	Chief Constable Salary (£)	Deputy Chief Constable Salary (£)
10.0	West Midlands Greater Manchester	186,954	143,334
8.0	West Yorkshire	174,492	139,596
6.5	Thames Valley	165,147	136,245
6.0	Merseyside Northumbria	162,024	133,674
5.5	Hampshire	158,904	131,103
5.0	Kent Lancashire Devon & Cornwall	155,796	128,529
4.5	South Yorkshire Essex Avon & Somerset Sussex South Wales	152,685	125,964
3.5	Nottinghamshire	146,451	120,819
3.0	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire Derbyshire	143,334	118,248
2.5	Surrey Norfolk	140,217	115,680
2.0	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire Bedfordshire	137,133	113,109
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	133,983	112,173
	Northern Ireland	199,413	162,021

Force	Salary (£)
Metropolitan Police Service	
Commissioner	267,969
Deputy Commissioner	221,229
Assistant Commissioner	186,954
Deputy Assistant Commissioner	143,334
City of London	
Commissioner	165,777
Assistant Commissioner	136,734
Assistant Chief Constables and Commanders in England, Wales and Northern Ireland	
Salaries (£) (annual incremental pay points)	
	96,597
	102,822
	105,945 (removed 1 June 2016)
	109,056

Appendix J

Overview of allowances and benefits in kind received by chief police officers in 2015-16

England and Wales:

This is a summary and not intended to be a definitive list.

National

- *Relocation and removal expenses:* PCCs and chief police officers are required to pay all reasonable costs arising from the sale and purchase of a chief police officer's house, and all tax liabilities arising from any relocation package, so that the individual concerned is not placed at any personal financial disadvantage. Removal expenses are to be paid when a chief police officer moves home when joining a police force.
- *The Motor Vehicle Allowance:* All police officers have the option of a Motor Vehicle Allowance.

Geographical

- *London Weighting and London Allowances:* Police officers in the Metropolitan and City of London areas receive a pensionable London Weighting (currently £2,349 per annum) and non-pensionable London Allowances.
- *South East England Allowances:* are applicable in: Bedfordshire, Essex, Hampshire, Hertfordshire, Kent, Surrey, Sussex and Thames Valley.

Locally agreed

- Some instances of provision of private healthcare schemes or medical insurance.
- Provision of access to a car pool or dedicated car at a value determined locally.
- PCCs usually agree to cover the reactive element of legal protection insurance.

Northern Ireland

- *Northern Ireland Transitional Allowance (NITA):* Police officers in Northern Ireland receive £3,162 per annum to take account of the extraordinary circumstances they face there and the special difficulties which their job entails for them and their families.
- *Rent/Housing Allowance maximum:* Chief Constable: £18,000; Deputy Chief Constable and Assistant Chief Constable: £4,710
- *Broadband Allowance:* £360
- *Car Allowance:* £8,895
- *Healthcare Allowance:* £600

Appendix K

Glossary of terms and abbreviations

Accrual rate	The rate at which future benefits in a defined-benefit pension scheme accumulate.
APCC	Association of Police and Crime Commissioners.
Base pay	Basic salary, excluding non-consolidated bonuses, allowances, value of pensions, etc.
Chief police officers	The chief police officer ranks are: <ul style="list-style-type: none">• Metropolitan Police Service (MPS) Commissioner• MPS Deputy Commissioner• Chief Constable; MPS Assistant Commissioner; City of London Commissioner• Deputy Chief Constable; MPS Deputy Assistant Commissioner; City of London Assistant Commissioner• Assistant Chief Constable; MPS or City of London Commander
College of Policing	The College of Policing is the professional body for all officers and staff who work in policing in England and Wales.
CPI	Consumer Prices Index
CPOSA	Chief Police Officers' Staff Association
MPS	Metropolitan Police Service
NIPB	Northern Ireland Policing Board
NPCC	National Police Chiefs' Council (formerly ACPO)
PCC	Police and Crime Commissioner
PRRB	Police Remuneration Review Body
PSNI	Police Service of Northern Ireland
RPI	Retail Prices Index
Spot rate	Chief Constables and Deputy Chief Constables are all paid a standard amount within a national pay structure. This contrasts with Assistant Chief Constables whose base pay is at a specific point within a pay scale.
Winsor Review	An independent review of police officer and staff remuneration and conditions in England and Wales chaired by Tom Winsor and published in March 2011.

ISBN 978-1-4741-3537-5



9 781474 135375