



HM Prison &
Probation Service



**HM PRISON
SERVICE**

Public Sector Prisons

HMPPS Submission to the Prison Service Pay Review Body

HMPPS (England & Wales) Evidence

2019/20



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Introduction

- a. This document sets out the evidence from the HM Prison and Probation Service Agency (HMPPS) to the Prison Service Pay Review Body (Review Body) to inform the 2019/20 pay round. HMPPS is the agency responsible for Prisons and Probation in England and Wales, which replaced the National Offender Management Service (NOMS) on 1 April 2017.
- b. Our evidence outlines a range of pay proposals for the Review Body's consideration in line with Departmental affordability. The document provides a range of wider information to assist with the Review Body's work, including context on public sector pay policy, details of operational and policy changes, the financial position and strategic priorities of the Ministry of Justice (MoJ) and HMPPS. The document contains information on key areas raised by the Review Body in its 2018/19 report, including an update on our workforce and pay strategies.
- c. Our core workforce challenges remain the same: attracting and retaining the right staff to do the job in increasingly challenging operational environments. We believe that our 2019/20 proposals will support delivery of the wider reforms outlined in our evidence for the 2018/19 round and that are now being introduced as detailed in the sections below.
- d. The Government ended its across the board 1% pay policy for public sector workforces in September 2017, recognising that additional flexibility would be required, especially where skills shortages exist. For 2018/19 the Department agreed, as part of a cross-government approach, to a headline award of 2% for prison staff, with a 0.75% non-consolidated additional payment.
- e. Our proposals for 2019/20, and the continued use of policies such as Market Supplements, aim to address recruitment and retention issues in addition to improving our ability to deliver real efficiency and productivity gains, such as a

reduction in the requirement for costly Payment Plus hours replaced with additional contracted hours at plain time rates. Increasing permanent contract hours for staff was a key recommendation coming out of the 2018/19 pay round; and we are yet to realise the benefits due to delays in implementing the proposal.

1 Summary of Proposals

- 1.1 Proposed pay arrangements for Fair and Sustainable (F&S) Bands 2 to 5 and 7 to 11 including Operational Graduates and Accelerated Development Scheme (ADS) staff:
- Headline increases for all staff of 1%.
 - Additional Performance related pay progression (consolidated) for eligible staff as per the detailed proposals set out below.
 - Additional non-consolidated awards for eligible staff receiving an “Outstanding” performance assessment as per the detailed proposals set out below.
- 1.2 Proposals for Uniformed Closed Grades and G4S Equivalents and Phase One Operational managerial grades:
- Headline increases of 0.5% for all staff who would not benefit financially from opting into F&S.
 - Opportunities for staff to opt into F&S, where they would benefit financially from doing so, as set out in the detailed proposals below.
 - Additional non-consolidated awards for eligible staff receiving an “Outstanding” performance assessment as per the detailed proposals set out below.
 - Continued payment of any contractual payments as set out in the detailed proposals below.
- 1.3 Our evidence for 2019/20 contains a small number of supplementary proposals, namely: introducing an additional Market Supplement site and introducing a new National Technical Response Group and National Dog and Technical Support Group (NTRG / NDTSG) allowance.
- 1.4 Our proposals would mean a pay increase, depending on position within the pay range, of between c.1% and 6% for Bands 2 to 5; and an increase of

between c. 1% and 3% for managerial grades. Under our progression and pay point uplift proposals, the average F&S officer in Band 3 will receive an above inflation pay increase of 3.2%.

- 1.5 The Review Body stated in the 2018/19 report its continued support of HMPPS' long term aspiration that all staff should be on the F&S arrangements and would look forward to seeing HMPPS' comprehensive review of its pay structures, allowances and supplements.
- 1.6 Proposals continue to progress our long-term workforce strategy to remove the two-tier workforce from the Prison Service – closing the pay differentials over time between F&S Bands and closed grades where they exist, and encouraging staff to move onto modernised F&S terms. We continue to firmly believe in F&S – introduced in 2012 to modernise the grading and pay band structure, introduce market-facing pay scales, and put in abeyance a significant equal pay risk through the introduction of a single Job Evaluation System. It remains the case that our ambition is to have all staff on modern F&S terms and conditions in the future, and we are making progress with a majority of staff now on F&S terms (see section 3).
- 1.7 Our proposals continue to target investment within F&S in support of our pay strategy. Greater increases to F&S pay point values will provide additional incentive for greater numbers of staff across the remit group to opt into F&S and benefit financially as well as improve earning potential on promotion. Implementation of our new promotions and additional contracted hours policies as set out below and in last year's evidence will also over time help incentivise some closed grade staff to move into F&S.
- 1.8 However, within the constraints of Departmental funding (see following section), our evidence also recognises the pragmatic need to make an award to staff in the closed grades where they are unable to benefit from opting into F&S. These are experienced staff working in an operationally challenging environment that we have a clear business benefit in retaining. Although the quickest way to close the pay differential between these staff and F&S Bands would be to not make any award to the closed grade staff, we do not regard

this as a tenable long term approach. We therefore propose consolidated increases in the closed grades which are lower (by half) than those for F&S. Staff who would benefit from opting into F&S will be held back on existing values should they not take up this opportunity, sending a clear message that F&S offers the fairest, and more generous, set of terms for this group of staff.

- 1.9 We recognise the ongoing challenges in the Prison Service with morale and motivation of staff. Our ambition remains to deliver safe, decent and secure Prisons and our focus on safety and recruitment and retention is continuing. We are focussed on staff wellbeing and have now trained over 300 local Wellbeing Champions across England and Wales to promote and drive forward this agenda. Work to support our Governors wellbeing is also being progressed. The majority of our Prisons now have a healthy recruitment pipeline and we have stabilised the increases in our attrition levels. Employee relations remains challenging and we are continuing to deliver the policies set out in our 2018/19 evidence, including: laying the foundations for longer term reforms, motivating opportunities for staff and harmonisation of pay arrangements.
- 1.10 In preparing this evidence due consideration has been given to impact on protected characteristics (see Annex B).

2 Affordability

- 2.1 As set out in our Activation letter for the 2019/20 pay round, the Government's pay policy has three central principles which must be considered when determining final pay awards. These are:
- Current and future affordability to the taxpayer.
 - Targeting awards to ensure we can recruit and retain the best public servants.
 - Accompanying workforce reform and improvements in productivity, which can then be reinvested in higher pay.

- 2.2 Public sector wages account for a quarter of total public spending. The Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers, including public sector workers.
- 2.3 For those reasons, affordability within the Department is a critical part of your consideration when determining final awards. As per our 2015 Spending Review settlement, the Department is funded for a 1% increase in annual pay awards for 2019/20; and amounts above this are an unfunded pressure to be off-set with identifiable productivity savings as have been presented in this evidence.
- 2.4 The estimated cost of our proposals for 2019/20 is c. £29million (including employer National Insurance and pension costs (on-costs)). This includes the headline award as well as increases to pay points, pay progression for those below their pay band maxima, and the small number of additional proposals in this year's evidence (with minor IRC impact) set out in the summary above—namely introducing an additional Market Supplement site and introducing a new NTRG / NDTSG allowance.
- 2.5 These costs also include non-remit group staff in HMPPS who benefit from the Review Body's recommendations due to common terms & conditions and equal pay read across. It should be noted that Her Majesty's Treasury (HMT) have separately approved a multi-year programme of pay modernisation within NPS, implemented across the 2018/19 and 2019/20 pay years, which will cost c. £40m and be paid fully from the HMPPS budget (see Annex B).
- 2.6 The Department is funded for a 1% award. The recommendations above this have been deemed affordable as a result of productivity savings, as outlined in detail in section 7. In summary, these savings are being achieved through reduced vacancies, increased contracted hours and reduced Payment Plus, reduced use of Detached Duty, and recruitment of full time staff to Operational Support Grades (OSG) grades.
- 2.7 Other investments across Prisons are being made and prioritised. These are outlined in greater detail throughout this evidence and cover areas such as

recruitment, safety and security in the prison estate. These investments will help to add stability to the Prison system and should lead to further productivity benefits for the workforce including boosting staff's health, wellbeing and morale. Alongside this, the resulting benefits in offender outcomes should be recognised.

- 2.8 Similarly to pay proposals, Departmental decisions taken to prioritise and invest in funding such measures are done so in the context of wider Departmental and Governmental affordability.
- 2.9 Alongside our commitment to an increase of 2,500 Prison Officers between October 2016 and December 2018 (section 5.4), key headline investments include £3.6million investment in a national intelligence unit and £3million in a national Serious Organised Crime Unit, which includes regional teams (5.6). A further £10million has been invested in a programme to tackle drugs, improve security and boost leadership capabilities at 10 prisons which are struggling with acute problems, including high drug use, violence and physical infrastructure issues (5.7).
- 2.10 Recognising that our staff face increasingly challenging circumstances at work, measures have also been taken to improve our Occupational Health delivery model (5.3), implement body-worn cameras for Prison Officers (5.11), introduce a key worker role within the new Offender Management in Custody model (5.4), and to provide additional management training for new and experienced managers (10.7, 10.8). Additionally, following a successful six-month pilot, pelargonic acid vanillylamide (PAVA) – the synthetic pepper spray – will be rolled out to Prison Officers across the estate from early 2019 (5.11).
- 2.11 Any recommendations above those detailed in this submission would be unfunded and not off-set by the productivity savings we have identified, creating significant affordability issues for the Department.

3 The Remit Group

- 3.1 The Review Body remit group comprises all Prison Governors, Operational Managers, Prison Officers and OSGs (in closed grades and F&S). However, the vast majority (c. 95%) of non-operational staff outside the remit group have their pay indirectly determined by the pay awards made to the remit group staff as a result of either:
- An historical equal pay settlement that links pay awards for closed grade Prison Officers to those for non-operational colleagues with similarly weighted roles, or
 - Common pay and grading structures (F&S or the closed Managerial structures).
- 3.2 Costs presented in this evidence submission are therefore for HMPPS as a whole.
- 3.3 HMPPS is responsible for adult offender management services in both the community and custody and for youth custody across England and Wales, within the framework set by the Government. HMPPS is an Executive Agency of the MoJ. The Agency currently manages Her Majesty's Prison Service, the newly formed Youth Custody Service (YCS) and NPS. In addition, it oversees private sector provision for offenders, managing contracts for privately run prisons and youth custody facilities, prisoner escort services, Community Rehabilitation Companies and electronic monitoring services. It works to protect the public and reduce reoffending by delivering the punishments and orders of the courts, and supporting rehabilitation by helping offenders to reform their lives, whilst ensuring best value for money from public resources.
- 3.4 Table 1 below contains information on the remit group. As we have done in evidence for previous rounds, this table also contains information on the proportions of staff on F&S and closed grades. Following on from 2018/19 evidence, staff on F&S are now in an increasing majority.

Table 1: Operational (Review Body Remit Group) Closed Grade F&S Split (March 2018 Headcount)

Staff Group	Number in Closed Grade	Number in F&S	Total Number of Staff	% of Staff in F&S
OSG	919	3,576	4,495	79.60%
Prison Officer	7,703*	9,980**	17,683	56.40%
Senior Officer	850	1,115	1,965	56.70%
Principal Officer / Custodial Manager	190	1,231	1,390	92.90%
Governors / Operational Managers	79	807	886	91.10%
Total	9,741	16,709	26,450	63.20%

*Number of Prison Officers in closed grade includes those who would map to F&S Band 4 as Prison Officer Specialists.

**Number of Prison Officers in F&S includes those who have mapped to Band 4 as Prison Officer Specialists.

Informing Our Evidence

4 Economic Evidence

Introduction

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

UK economy

- 4.4 As usual, it is very important that the PRBs take into account the wider fiscal context when making their recommendations. The UK economy has solid foundations and continues to demonstrate its resilience. GDP has grown every year since 2010 and is forecast by the OBR to continue growing over

the forecast period. Employment is at a near record high and real wages are rising at the fastest rate for two years.

- 4.5 There has been a sustained worldwide slowdown in productivity growth since the 2008 financial crisis, but the UK has been affected more than most. Whilst productivity growth has improved since 2016 it remains below pre-crisis levels. Increasing productivity is the only sustainable way to boost economic growth and prosperity, and to deliver better jobs and higher income for people across the country. The forecast for productivity remains subdued in the medium term but is expected to rise gradually to reach 1.2% per year¹ by 2023.
- 4.6 With public services accounting for around 20% of UK GDP, public sector productivity plays an important role in the UK's productivity growth overall. While public sector productivity has increased by 0.8% in the last year, continued improvement is essential for meeting growing demands on our world class public services. Public sector pay awards should reward efforts to modernise workforces and delivery models.

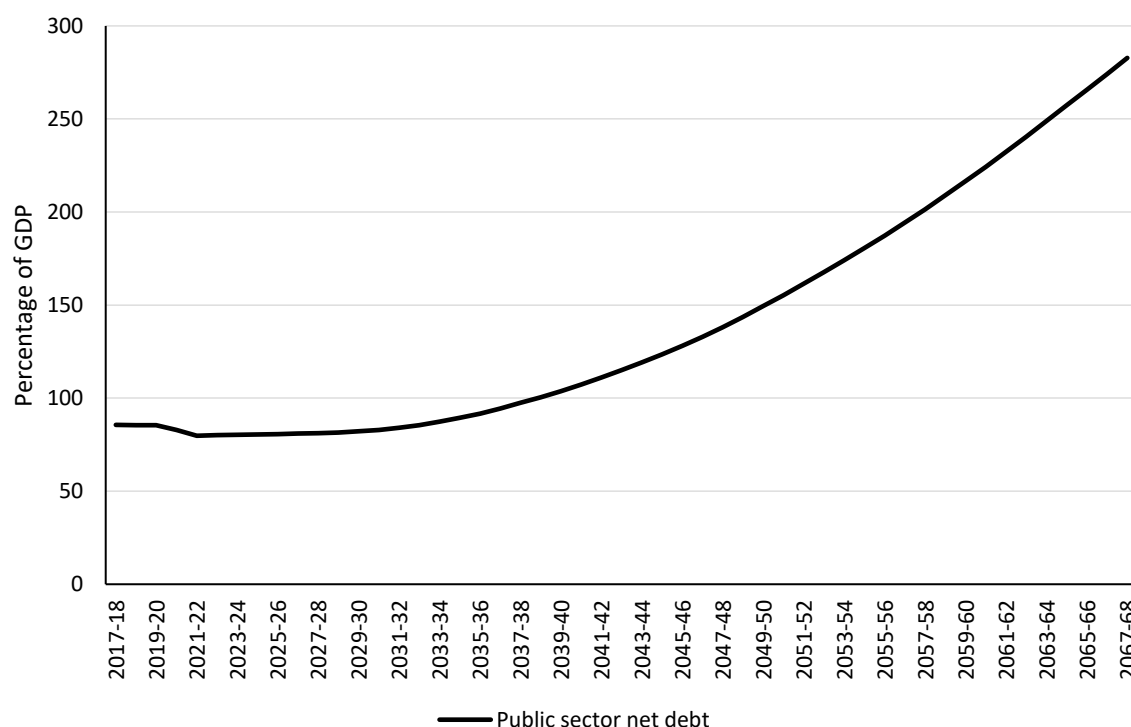
Public finances

- 4.7 Since 2010 the government has made significant progress in restoring the public finances to health, which have now reached a turning point. The deficit has been reduced by four-fifths from a post-war peak of 9.9% of GDP in 2009-10 to 1.9% in 2017-18. The fiscal rules approved by Parliament in January 2017 commit the government to reducing the cyclically-adjusted deficit to below 2% of GDP by 2020-21 and having debt as a share of GDP falling in 2020-21. These rules will guide the UK towards a balanced budget by the middle of the next decade. The OBR forecasts that the government has met both its near-term fiscal targets in 2017-18, three years early, and will meet them in the target year.

¹ OBR Economic and Fiscal Outlook, October 2018.

- 4.8 The need for fiscal discipline continues however as, despite the improvement, debt still remains too high at over 80% of GDP. Continuing to reduce borrowing and debt is important to enhancing the UK's economic resilience, improving fiscal sustainability, and lessening the debt interest burden on future generations.
- 4.9 The OBR's 2018 Fiscal Sustainability Report (FSR) was published in July and highlighted the long-term pressures and risks to the public finances, underscoring the importance of locking in this hard-won progress. The 2018 FSR projection shows that, left unaddressed, demographic change and non-demographic cost pressures on health, pensions, and social care would push the debt-to-GDP ratio far beyond sustainable levels in the long-term. This would pass an unacceptable burden on to the next generation, and the government is therefore committed to ensuring that debt remains on a sustainable trajectory.

Figure 1: Baseline projection public sector net debt (OBR Fiscal Sustainability Report, 2018)²



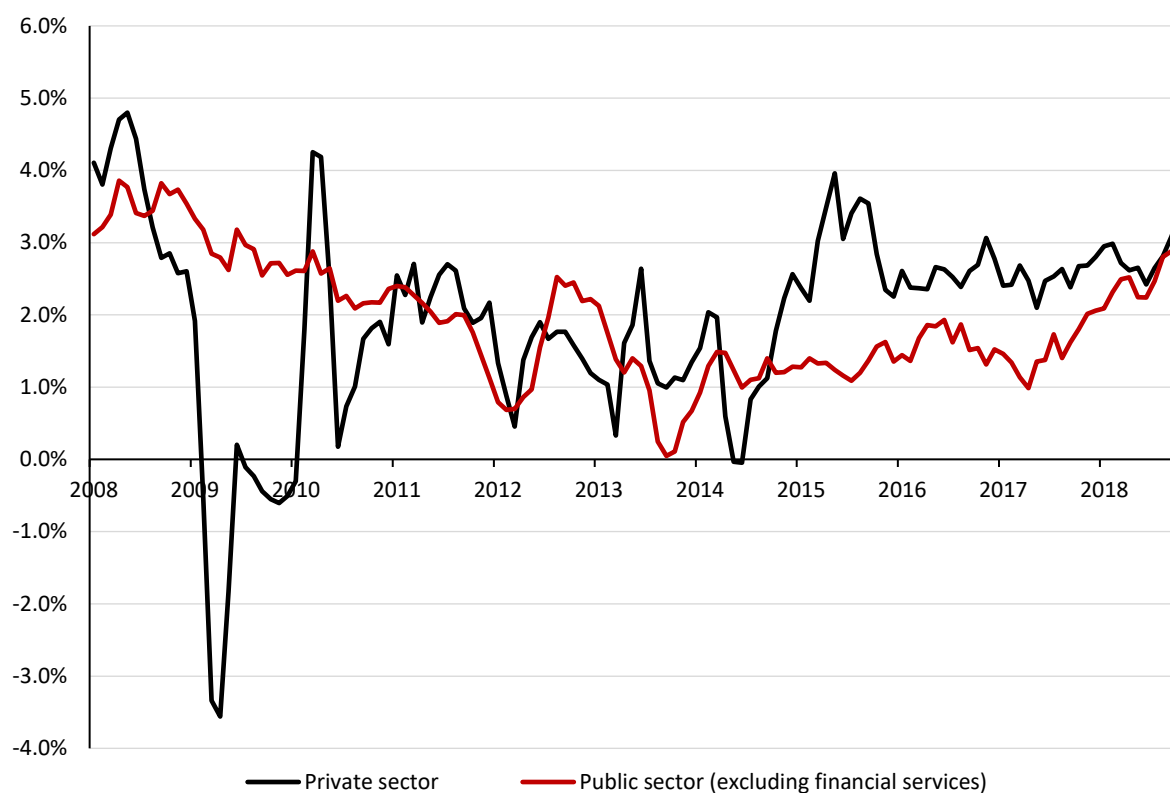
- 4.10 Affordable pay awards will be an essential part of keeping borrowing under control: the public sector pay bill was £183.79bn in 2017. This accounts for £1 in every £4 spent by the Government. There continues to be a need to ensure increases in pay are affordable to ensure the delivery of world-class public services remains sustainable. Keeping control of public sector pay supports the Governments fiscal strategy to avoid passing an increasing burden of debt onto future generations. We spend more on debt interest than on the police and Armed Forces combined.
- 4.11 Existing spending plans set through the Spending Review 2015 remain in place, excepting the NHS, where the Government has announced a five-year funding settlement. The affordability position for each workforce is set out elsewhere in this evidence pack.

² OBR Fiscal Sustainability Report, July 2018.

Labour market

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

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

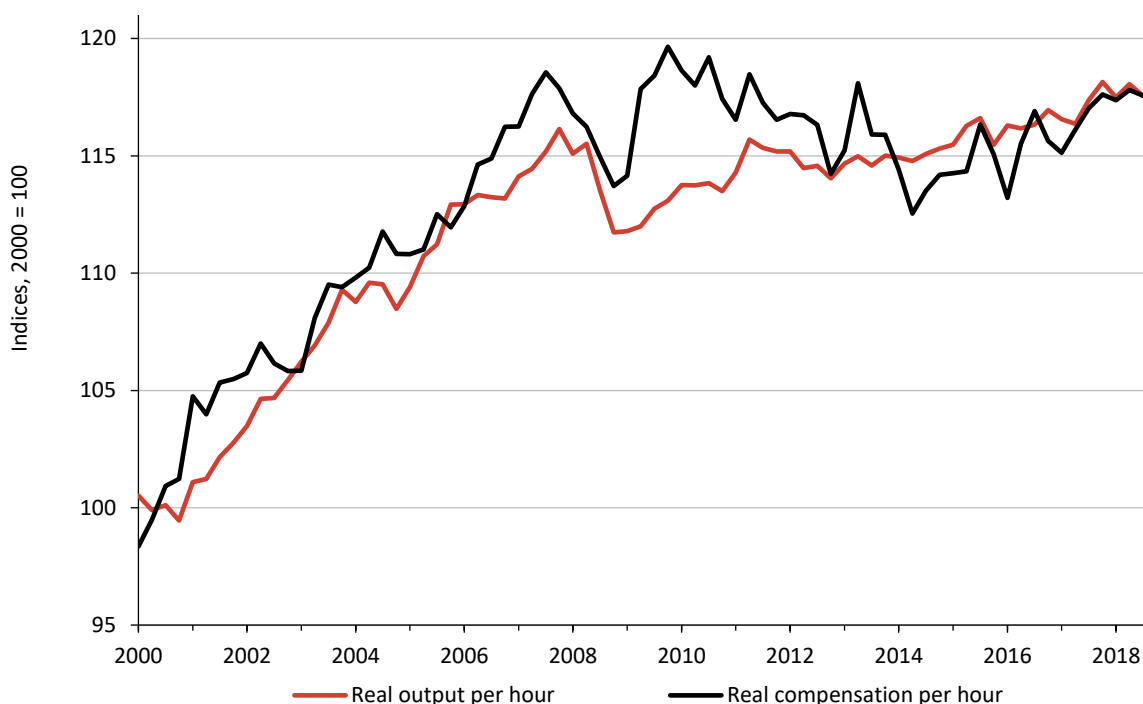


4.15 Total nominal wage growth rose to 3.3% in the 3 months to October³ (including bonuses), although wage growth remains lower than averages seen prior to the financial crisis, which reflects sluggish productivity growth. Public sector (excluding financial services) and private sector total wage growth are both above the current rate of inflation, at 2.7% and 3.4% respectively. Both the public sector and the private sector have seen real total pay growth in the last three months. It should be noted that wage growth as reflected in the ONS Average Weekly Earnings series reflects pay growth beyond annual settlements, including promotions, incremental increases and compositional changes.

³ Looking at annual growth rates for total pay (including bonuses), between July to September 2017 and July to September 2018.

- 4.16 The OBR forecast average earnings growth for the whole economy to be 2.6% in 2018, 2.5% in 2019, 2.8% in 2020, 3.0% in 2021, 3.1% in 2022 and 3.2% by 2023.⁴ Average earnings growth is forecast to remain below the pre-crisis average.
- 4.17 Ultimately, a pickup in productivity is vital for the recovery of cross-economy wage growth rates to pre-recession levels. Public and private sector wages tend to move in similar directions, both because of pay expectations and the implications of tax receipts on public sector budgets. Despite low unemployment, weak growth in labour productivity has been weighing down on wages and, ultimately, the public finances. The OBR forecasts productivity growth of 0.8% in 2019, 0.9% in 2020, 1.0% in 2021, 1.1% 2022 and 1.2% in 2023.

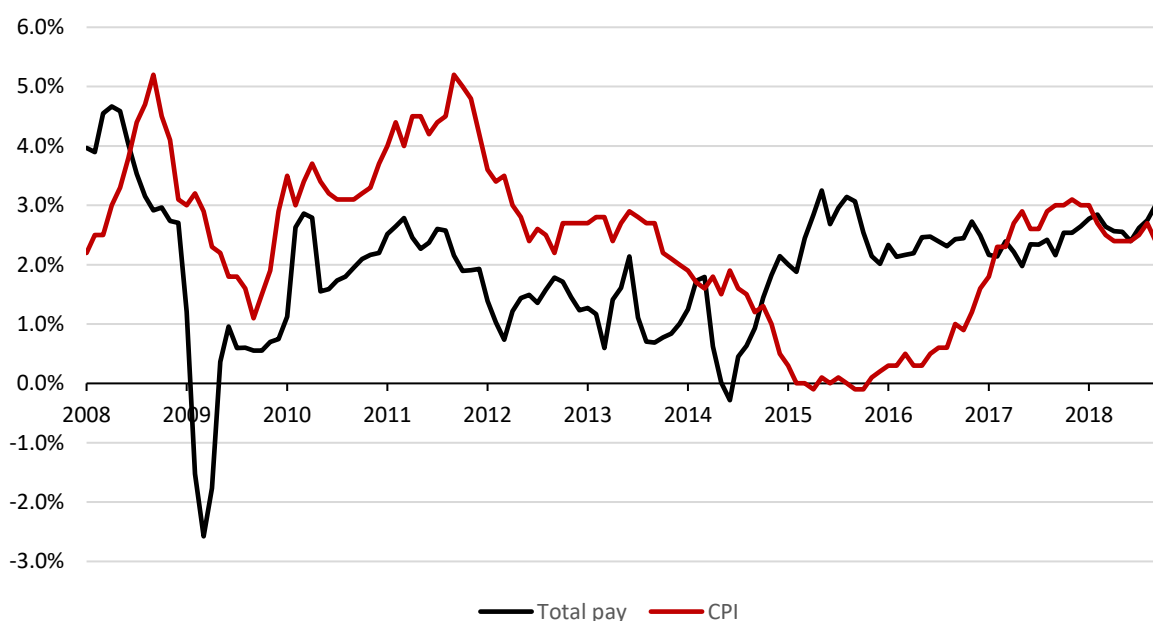
Figure 3: Real output per hour and real compensation per hour, year on year growth (ONS November 2018)



⁴ The OBR use Wages and Salaries divided by employees to estimate wage growth, and so this will not exactly correspond to the ONS headline AWE measure.

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

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



Public sector pay and pensions

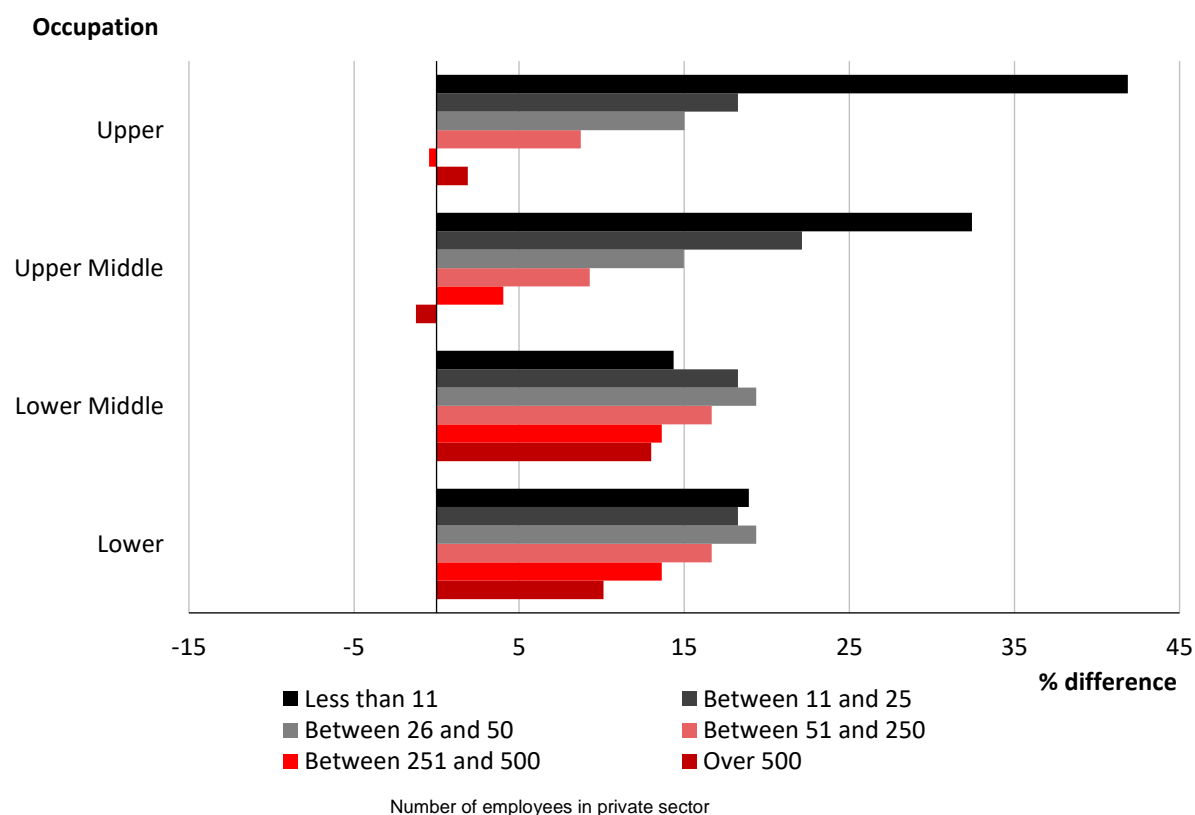
4.19 Public sector pay remains competitive: the median full-time wage in the public sector is £31,414, compared to £28,802 in the private sector⁵. Public sector workers benefit from wider Government measures to support wages and ensure that people take home more of what they earn. The introduction of the National Living Wage marked an increase in pay for approximately one million people across the UK labour market, including in the public sector. Income tax

⁵ ONS, Employee earnings in the UK, October 2018

changes mean that a typical taxpayer will pay £1,205 less in tax in 2019-20, compared to 2010-11, an additional support to public sector workers.

- 4.20 Following the 2008 financial crisis public sector workers were protected from the sharp drop in wages that was seen in the private sector, though wages subsequently grew at a slower pace. However, during Q3 2018 public and private sector wage growth was similar, and public sector remuneration when pensions are taken into account remains higher than in private sector, as shown in recent ONS analysis (see Figure 5).
- 4.21 This analysis shows that after controlling for various individual and job characteristics, on average there is a positive earnings differential in favour of the public sector, when pensions are included. However, as shown in Figure 5 below, this premium varies considerably by occupational skill level, and by the size of private sector firm being compared to the public sector, which is treated as a single large employer in this analysis. The right-hand side shows the average premium received by public sector workers in comparison to their private sector counterparts, and the left-hand side showing the penalty.
- 4.22 Key PRB workforces, including teachers, police and NHS staff such as nurses, midwives and GPs are in the upper and upper middle skill categories according to the ONS Standard Occupational Classification.

Figure 5: Average percentage difference in mean hourly earnings (includes pensions) of employees, by occupational group and firm size, private sector compared with public sector, UK, 2017⁶



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

4.24 The Budget confirmed a reduction of the discount rate for calculating employer contributions in unfunded public service pension schemes. The valuations indicate that there will be additional costs to employers in providing

⁶ONS, Public and private earnings in the UK, November 2018.

public service pensions over the long-term. It is a long standing principle that the full costs of public sector pensions are recognised by employers at the point they are incurred. This is important to ensure that the schemes are affordable and sustainable in the long-term. However, HM Treasury is working with departments to ensure that recognition of these additional costs does not jeopardise the delivery of frontline public services or put undue pressure on public employers.

Conclusion

- 4.25 This section summarises the economic and fiscal evidence which is likely to be relevant to the recommendations of the PRBs. This is intended to inform consideration of the affordability of specific pay awards, and to place these awards in economic context, on top of the workforce specific evidence presented elsewhere in this evidence pack.
- 4.26 Much of the evidence presented here will feed into retention and recruitment across public sector workforces. Retention and recruitment will vary considerably across geographies, specialisms and grades. As set out in our remit letter, we ask that the PRBs set out what consideration they have given to targeting in their final report, alongside affordability of awards.

5 Current Prison Environment

Violence and self-harm has been increasing

- 5.1 The operational context in which our prison staff work remains highly challenging. Levels of violence in our prisons, both against other prisoners and against staff, have continued to increase:
- There were 32,559 assault incidents in the 12 months to June 2018, up 20% from the previous year. Of these, 23,448 were prisoner-on-prisoner assaults, up 19% from the previous year.

- There were 9,485 assaults on staff in the 12 months to June 2018, up 27% from the previous year. Of these, 947 were serious assaults on staff, up 19% from the previous year. There has been a change in how these incidents are recorded since April 2017 which may have contributed to the increase.
- 5.2 Further to this, the level of self-harm within our prisons continues to rise, and the number of self-inflicted deaths has increased when compared to the number during the previous year:
- In the 12 months to June 2018, there were 49,565 incidents of self-harm, up 20% from the previous year.
 - In the 12 months to September 2018, there were 87 self-inflicted deaths, up from 78 in the previous year.
- 5.3 We are acutely aware of the need to prioritise building staff morale and motivation in these challenging circumstances. It is imperative that a safe, decent and secure environment for our staff and prisoners is delivered, and this remains our overarching priority. Our focus on staff wellbeing is continuing and we are started to see positive results for the change in our Occupational Health delivery model. We have started to move away from the traditional Occupational Health Nurse model to a mixed delivery provision that now includes local Mental Health Advisors working in Prisons. Access to the model is open to all staff and we are starting to see a reduction in staff sickness which is a positive sign of improved staff wellbeing.
- Our new Employee Assistance Programme (EAP) is offering bespoke health and wellbeing days in support of the drive to improve staff morale and motivation. We have also introduced Structured Professional Support (SPS) for Governors. This is not counselling as this is available for dealing with professional and general work-related issues through the EAP.
 - SPS focuses on enabling the development of healthy coping strategies for managing stress and mitigating the professional impact of Governors' work and provides the opportunity to review pressures associated with working with

a range of complex and challenging tasks and explore professional responses to dealing with traumatic incidents.

- SPS also allows Governors to understand how best to manage the demands of their work – work which requires both mental and emotional resilience.

5.4 As part of the Prison Safety and Reform White Paper published in November 2016, the Government committed to an increase of 2,500 Prison Officers by the end of 2018 (in addition to filling existing vacancies) to help deliver safer regimes and boost morale. The target was achieved earlier in 2018, ahead of schedule. Between the end of October 2016 (the closest data point in time to when the commitment was made) and the end of June 2018, the number of Band 3 to 5 Prison Officers (FTE) has increased from 17,955 to 21,608, a net increase of 3,653 FTE officers (including filling existing vacancies). The new staff are vital to the success of our Offender Management in Custody model (OMiC), which is now being implemented across the estate. OMiC increases staffing levels on residential units and provides an officer 'key worker' for every prisoner. Their role is to guide and coach prisoners through their sentence and to support them away from violence and re-offending.

Security threats to prisons continue to evolve, and drive instability and violence

- 5.5 We have recognised that our main security threats within the estate are serious organised crime and the illicit economy (including the conveyance of drugs), extremism, violence and disruption, and continuing to prevent escapes.
- 5.6 We are investing heavily in our capability to understand and get ahead of the criminal networks that lie behind the supply of illicit items: for example, we have made a £3.6million investment in new national intelligence units and a £3million investment in a new Serious Organised Crime Unit, which includes regional teams. These units will provide support at a national and local level, particularly to establishments where there is a high risk from serious organised crime. We have also recently established a Financial Investigations

Unit in order to track and investigate illicit financial transactions and gather further evidence to be able to proactively intervene to disrupt criminal activity.

- 5.7 We have launched a new £10million programme to tackle drugs, improve security and boost leadership capabilities in 10 prisons which are struggling with acute problems, including high drug use, violence and physical infrastructure issues, but nevertheless show strong potential for improvement. The prisons in the programme will be provided a minimum offer to improve their security capability, including new scanners and sniffer dogs trained to detect new psychoactive substances, and will then also receive additional support to tackle problems unique to their establishment. Prison management will train and support staff to set the highest expectations for prisoners and challenge disruptive and violent behaviour fairly, consistently and firmly to improve order and control.
- 5.8 Nevertheless, we recognise that drug use remains too widespread across the prison estate. The emergence of psychoactive substances has exacerbated the drug-use problem and caused increased violence in prisons. In response we have made it a criminal offence to possess psychoactive substances in prison, trained more than 300 sniffer dogs specifically to detect these substances and introduced innovative tests for them and are working with NHS England on the new specification for substance misuse treatment services.
- 5.9 Furthermore, we have appointed a new Executive Director for Prison Improvement and National Lead for Drugs, and formed a multi-agency drugs taskforce to respond to the threat that drugs pose. We are developing a comprehensive drug strategy for HMPPS with input from colleagues at the Department for Health and Social Care which will include specific guidance for prisons about reducing the supply and demand for drugs.
- 5.10 To manage extremism in prisons we have opened two separation centres in which the most serious extremist offenders will be housed, to prevent further disruption in the rest of the estate. We have announced further training for Muslim chaplains in prisons to ensure that they have the knowledge and

confidence needed to counter and challenge extremist views. Furthermore, we have reviewed and updated our case management system to ensure that those identified as being vulnerable to extremist views are managed in the most appropriate ways possible. We are aware that the number of people convicted of terrorist offences is likely to rise significantly over the next few years, and we will need to ensure that we have the capacity in the estate to respond to this.

- 5.11 We have also continued to implement body-worn cameras for Prison Officers alongside introducing “Five Minute Intervention” training to support better staff-prisoner relationships and improve evidence where assaults take place. During the past year, we also completed the implementation of smoke-free prisons which means offenders and staff can now live and work free from the harm of second hand smoke. Additionally, following a successful six-month pilot, PAVA – the synthetic pepper spray – will be rolled out to Prison Officers across the estate from early 2019 to use where deployment will reduce the risk of serious injury.

Rising Prison Population

- 5.12 Our prison population has almost doubled since 1993 and is projected to continue to rise to 86,400 by March 2023. There is a long-term issue with available spaces and we are dealing with increasingly prolific offenders who are serving longer sentences. Rising prison population has contributed to crowding across the estate (on average we have around 25% of the prison population housed in crowded conditions) and has reduced the system’s operational headroom. HMPPS defines crowding as ‘a prison cell shared by more people than it was originally designed to hold’. Crowding is highest in male local prisons. At the end of 2018, the prison population was 82,384 and the useable operational capacity of the estate was 85,200.

6 Strategy

6.1 This section provides an update on HMPPS strategy underpinning our evidence to the Review Body this year. The Chancellor of the Exchequer has confirmed that there will be a 2019 Spending Review, and confirmation of funding allocations will offer the opportunity for HMPPS to set a future business strategy over the Spending Review period. The Workforce Strategy (below) is a critical enabler for the HMPPS strategy.

Workforce Strategy

6.2 The previous section outlined some of the operational challenges that the Prison Service has experienced for many years and which have become more acute. As initially set out in our evidence to the Review Body for the last pay round, the Department has developed a HMPPS Workforce Strategy across prisons and probation to help meet some of these challenges; and we have set up a Workforce Programme to deliver that strategy (see implementation section below). Going forward our Workforce Strategy will form a critical element of our longer-term business planning in the next MoJ Spending Review submission.

6.3 The HMPPS Workforce Strategy sets out a future vision for prisons and probation. This is based on:

- Leaders: establishing a professional, confident and highly effective leadership cadre with a range of internal and external experience, who have the capability to run and transform the culture of offender-facing services and engage with a wide range of partners to improve outcomes for offenders.
- A professional and diverse workforce: ensuring prisons and probation have an inclusive talent pool by creating a variety of entry routes into the Prison Service, creating a range of specialisms and career paths, introducing apprenticeships and new opportunities for accredited learning, ensuring the capability of the whole Service is raised and over time is more representative of the UK and offender population.

6.4 The Workforce Strategy aims to address systemic challenges in our Prison workforce in the medium to longer-term. These include:

- Addressing the two-tier workforce, with Prison Officers on different terms and conditions since the introduction of F&S in 2012.
- Addressing insufficient capability to support the increasing numbers of prisoners and complex offender needs, e.g. mental health and self-harm; older prisoners; drugs.
- Providing Governors with greater flexibility in deploying resources to manage performance and offender outcomes.
- Reviewing and improving leadership capability, including middle management, to help address the challenges of an increasingly complex operating environment.
- Ensuring HMPPS can attract and keep the right type of candidates for the job and maintain a strong talent pipeline.
- Ensuring meaningful career routes and progression opportunities (linked to the implementation of the new Civil Service Success Profiles).
- Improving Black, Asian and Minority Ethnic (BAME) representation, so that the current workforce is more reflective of the offender population and wider society.
- Continued productivity improvements through OMiC and developments in digital technology to drive a more productive service that delivers better outcomes.

Pay and Reward

6.5 A key enabler of the Workforce Strategy is our approach on pay and reward, underpinned by our continued and firm belief in our strategy on F&S. As alluded to in the Review Body's 2018/19 report, HMPPS is continuing to refine our pay and reward model for the long-term, based on the following outcomes:

- Closer alignment: of Prison and NPS pay models.
- Professionalisation: a pay system that facilitates better career opportunities and pathways, links pay progression to performance, and helps retain and motivate both new and experienced staff.
- Employee Relations: a strategic approach to pay that commands the confidence of staff and helps address long standing workforce issues.
- Productivity: a pay system that supports continued improvement in workforce productivity and efficiency, delivering value for money and better offender outcomes.

The Two-tier Workforce

- 6.6 The critical factor in our long term approach to pay and reward is addressing the two-tier workforce that was necessarily created with the introduction of F&S in 2012.
- 6.7 HMPPS (or NOMS as it then was) delivered a programme of workforce reform in 2012 through the introduction of F&S, with three main elements:
- A modernised grading and pay band structure, reducing 43 different grades and pay scales and multiple separate allowances across different staff groups into a common, 11-Band structure.
 - A single Job Evaluation System to determine the relative job weight of all roles across the 11-Band structure, mitigating a significant equal pay risk of £680million.
 - Significant pay reform for Prison Officers, introducing market-facing pay scales for new entrants with existing officers able to protect their pay within closed grades. This would reduce long-term pay costs, whilst also enabling the public sector to remain competitive with the private sector.
- 6.8 The 15-year strategy was to target investment for F&S staff in annual pay rounds until the point that salaries in F&S caught up with closed grades. Public sector pay restraint associated with austerity has had the effect of

lengthening the time this would take and increasing the challenges to staff morale accordingly.

- 6.9 At present, the proportion of staff on F&S and closed grades has shifted, with the majority of staff now on F&S terms. As per section 3, 63.2% of prison staff are now on F&S, up from 53.7% in our evidence submission for the 2018/19 pay round. The increase is almost exclusively in Bands 2 to 5. This is important for our strategy going forward as it demonstrates the progress being made, albeit, due to the factors above, we are making slower progress than envisaged when F&S was designed in terms of providing adequate incentive for our existing closed grade cadre to opt in. The continued recruitment efforts are bringing new staff onto F&S terms but we still have a group of experienced staff who remain on closed terms and conditions.
- 6.10 Our position remains that F&S is the preferred pay proposition for staff working in the Prison Service, and this continues to be reflected in our evidence submissions.
- 6.11 In its report for the 2018/19 round the Review Body stated that staff who would benefit financially from opting into F&S but who choose not to do so would not be treated any differently with respect to their recommendations. The rationale for the Review Body position was that there were a range of different reasons why staff are choosing not to opt in. Therefore there was no straightforward way of limiting awards to those who would benefit from opting in without, at the same time, affecting those who had other reasons for not doing so.
- 6.12 We routinely identify staff who would benefit from opting in as part of the annual options exercise (for 2019/20 this work will be undertaken in January). From an HMPPS perspective, it would therefore be straightforward to ring fence this group and freeze their pay at an off-scale point.
- 6.13 The Review Body also cited concerns about the lack of trust and confidence amongst OSGs in terms of being forced to change to what are perceived to be less beneficial overall terms and conditions. We recognise this issue and will continue to develop our approach through increased engagement with the

Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers (POA)⁷, staff, and the HR Business Partner community to dispel inaccurate assumptions. We are also working with the Behavioural Insights Team to gain a better understanding of why staff are choosing not to opt in despite repeated assurances that doing so will not be to their detriment. In the meantime to support our overarching pay strategy, we will continue to recommend pay awards that will be more beneficial for staff who have decided to opt into F&S or who have been recruited directly onto those terms since 2012.

- 6.14 For these reasons it remains our firm position that the Review Body should no longer recommend pay increases for staff who would benefit financially from opting into F&S and therefore further incentivise them not to opt in. As such those staff who would benefit from opting in, but choose not to, should have their pay frozen and not benefit from the proposed increases to closed grade pay point values.
- 6.15 Furthermore, we expect to improve the attractiveness of F&S to staff on closed grades, through implementing a range of supportive policies, several of which were announced during the 2018/19 pay round. These include:
- Implementing around 3,000 new roles (Advanced Prison Officer (APO) and YCS specialist roles) at Band 4, offering genuine opportunities for staff to progress their careers and focus on enhanced specialist skills that include covering mentoring, incident negotiation and Tornado. (To date we have not commenced the full implementation of the new Band 4 specialist roles due to an extended Trade Union consultation period. Work is continuing and we plan to introduce the new roles during 2019).
 - Establishing additional Band 5 Custodial Manager posts through the implementation of the OMiC model, creating further promotion opportunities for staff and increasing pull through between the grades below.

⁷ Formerly the Prison Officers' Association

- Implementing our new pay on promotion policy from October 2018 to encourage our most experienced closed grade staff to take the increased promotion opportunities and develop their careers (which in turn will provide more operational stability by reducing the number of roles backfilled through temporary cover).
 - Achieving the net increase of 2,500 Prison Officers by December 2018 in line with the 2016 White Paper commitment, and improve retention and diversity through the new recruitment and attraction service. Having met our recruitment target ahead of schedule we will continue to recruit to fill vacancies in prisons and maintain appropriate staffing levels.
 - Implementing changes to permanent contracted hours proposals which will allow existing Prison Officers and OSGs who are in F&S to vary their working hours over and above a 37 per week, which will also increase the attractiveness of promotion for closed grade Officers.
- 6.16 HMPPS will review the success of the APO role and assess the impact of the new Promotions Policy in reducing the number of Prison Officers on Closed Terms and Conditions, in the medium and long term as well as in the initial stages of implementation.
- 6.17 The original F&S business case was based on a 15-year strategy which would have taken us through until 2027. At the time, this was based on projected pay increases that would have been well in excess of the 1% we have experienced over the past 5 years. Currently investing more in F&S than closed grades through targeting awards remains our strategy to close the gap. The current trajectory will likely take us beyond the 2027 target date unless a higher level of investment is available in the coming years.
- 6.18 We will explore whether the next Spending Review settlement provides any opportunities for further policies that facilitate the move of closed grade staff onto F&S. However, it is clear that there is no prospect of securing the

significant additional funding for the 2019/20 evidence needed to enable a much greater shift of closed grade staff onto F&S terms.

Implementation update

- 6.19 This section provides an implementation update on the policies set out in the 2018/19 evidence.
- 6.20 In developing leadership in our prisons:
- HMPPS is conducting a review of Leadership development. This will result in an enhanced leadership development offer, for all grades of manager / leader, with the learning offer directly relating to what it means to be a good leader in HMPPS. New learning will be piloted from January 2019 in the 10 taskforce prisons (see section 5), with final recommendations implemented across public sector prisons (and YOIs in the Youth Estate) and NPS in September 2019.
 - The direct entry recruitment programme aims to bring in 75 external experienced leaders over the next three years and has recruited 23 since 2017. By August 2019 the new recruits will have completed POELT training, a Prison Officer placement, Silver Commander and Adjudications training.
 - A year on from the start of the first cohort of Unlocked Graduates (the two-year leadership development programme aimed at graduates), 41 remain employed by HMPPS. The second cohort commenced in the summer of 2018 and 96 candidates are currently participating.
 - The HMPPS Empowered Senior Leaders Programme, another White Paper commitment, launched in November 2017. By the end of 2018 10 cohorts (109 delegates) had commenced the programme, with two cohorts completed and eight part way through the programme. Further evaluation will continue and, depending on results, we will ensure that we offer enough places to the remaining delegates in 2019/20 should this be what we commit to doing.
 - 35 of our senior leaders will have participated in the Ministry of Defence's week-long Command Leadership and Management programme by the end of

2018, developing their leadership skills alongside an international cohort of military personnel.

- The first cohorts of core management training for new and experienced line managers were completed in May 2018, and will now roll out further to prisons, probation, headquarters and the YCS. In 2018/19 HMPPS will have offered 576 places on the First Line Manager Core Programme and 112 on the Experienced Manager Programme.
- An accelerated development programme for staff with leadership potential was launched in January 2017, and assessments for the second cohort have taken place and the 19 successful candidates will be inducted onto the programme in November in preparation for the January 2019 start.
- We will potentially have offered up to 66 prison Heads of Function and high potential probation managers places on the Leadership Empowerment Accountability Potential (LEAP) programme by Spring 2019. We currently have 26 delegates on the programme developing the skills to take up positions in senior leadership (e.g. Deputy Governor) positions over an 18-month period.

6.21 For our professional and diverse workforce:

- As above, we are introducing around 3,000 specialist roles at Pay Band 4 (APO and YCS roles specifically trained to address the often complex needs of young people in custody). This involves direct recruitment along with transitioning the existing workforce via a comprehensive vocational training programme. The majority of the 3,000 specialist roles will be recruited in 2019.
- HMPPS piloted an extended Prison Officer Entry Level Training (POELT) course between April – September 2018 that incorporated different learning methodologies, including a mix of classroom and experiential training.
- Reviewing all HMPPS mental health and substance misuse training to ensure that staff have the capabilities to support offenders with complex needs.

Alongside this we are developing a comprehensive communication strategy to raise mental health and substance misuse awareness among all staff (for themselves and those for whom they are responsible).

- We currently offer a Level 2 Customer Service apprenticeship for OSG staff, as well as a Level 3 OSG to Prison Officer pathway apprenticeship in Custody and Detention. We have 18 candidates currently on this programme, with plans for further cohorts in early 2019. In the longer-term, when the current recruitment peak has stabilised, we would like to consider the possibility of increasing the volume of apprenticeships offered to prison staff in order to provide the workforce with a long-term development pathway and create greater permeability across the organisation.
- We have welcomed David Lammy's extensive review into the treatment of BAME individuals in the criminal justice system, and the work of the Race Disparity Audit which is looking at data on disproportionality. The Government has responded to Lammy's review (including setting out ambitions for increasing BAME Prison Officer recruitment and the diversity of HMPPS senior staff) and recently updated on progress made a year on from the review. Progress includes:
 - Increased diversity of our new Prison Officer intake (HMPPS have committed to a target of 14% of all staff being recruited from a BAME background by December 2020. Between January 2017 and June 2018, 11% of formal offers accepted for Prison Officer roles were BAME candidates).
 - Working towards a representative senior leadership, aligning with the current 14% BAME working population figure, developing targeted recruitment and retention initiatives, and identifying and removing existing barriers to progression.
 - Extending the range of data we publish that includes an ethnicity break down. For the first time this year, HMPPS published experimental statistics on Prison Officer and OSG recruitment by ethnicity. These statistics show that between January 2017 and June 2018, 20% of

Prison Officer applicants and over 18% of OSG applicants were from BAME backgrounds. By the final stage, 11% of Prison Officer applicants who accepted the offer and 13% of OSG applicants who accepted the offer were from BAME backgrounds. While there has been an overall increase in the proportion of BAME candidates applying and accepting formal offers, the data shows the gap between applications and offer acceptance, which is greater than is the case for white applicants.

- Creating a new dedicated team within the Youth Justice Policy Unit working on youth disproportionality.

7 Productivity

- 7.1 Government pay policy is clear that additional investment in public sector workforces requires clear productivity improvements to be made in return.
- 7.2 Evidence to the Review Body for the 2018/19 round outlined policies that will deliver productivity savings of £8million in 2018/19 and increasing to £16million per annum from 2019/20. This is largely through reducing the Payment Plus bill and reduced vacancies through implementing policies outlined in the previous section (such as new specialist roles and promotions policy). HMPPS have identified an additional £7million savings per annum based on reducing use of Detached Duty (from April 2019), and recruitment of full time staff to OSG grades rather than agency staff.
- 7.3 It is crucial to recognise that prison staff are working in increasingly challenging environments; pay awards recognise this fact and play an important role in enhancing morale and motivation. As outlined in section 5, violence levels and assaults on staff have been increasing, and the physical condition of the prison estate has been deteriorating. There are also fewer Prison Officers per prisoner than in 2010. The prisoner population has grown and become more complex – with proportionately more long-term violent

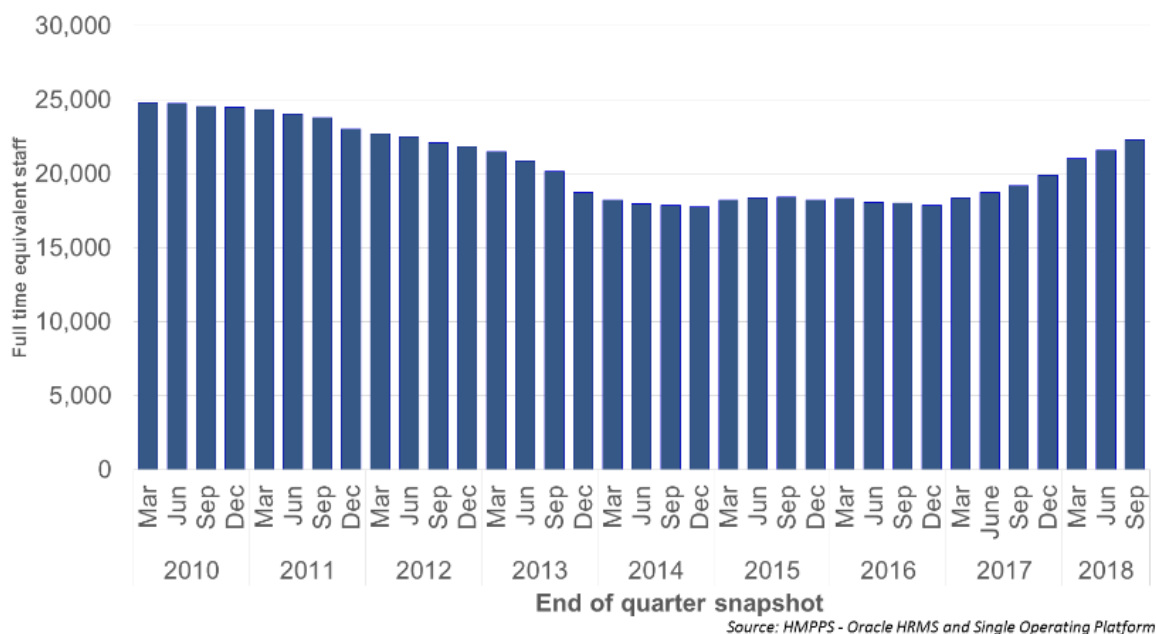
offenders. Data shows that over the past decade the number of offenders to staff ratio increased from around 2.91 offenders per Prison Officer as at 31 March 2008 to 3.22 as at 31 March 2018 in public sector prisons. This means we are asking a smaller number of staff to do more whilst delivering better outcomes in a more challenging environment.

- 7.4 Retaining prison staff and experience is crucial for productivity and achieving better outcomes, including confidence and morale, reducing the need for recruitment to replace staff, and the reliance on more expensive overtime (approximately £50million was spent on Payment Plus in 2017/18). There is robust internal evidence showing that experienced Officers (measured by the proportion of staff with at least two years' experience) have a positive effect on reducing violence in prisons. Our pay strategy strikes a balance between seeking to motivate and retain new recruits and staff on F&S and those on closed grades.
- 7.5 Prison Officers are also being trained to be more productive and gain experience in critical areas. Governors will be increasingly held to account for delivering a range of new training for staff through the introduction of the prison performance framework. The framework will help to improve prisoner outcomes and develop the skills of the workforce to meet these needs and enhance productivity.
- 7.6 The key worker role within the new OMiC model is currently being rolled-out across prisons, as outlined in section 5. This has been enabled by the investment in additional Band 3 Officers, and supports us to focus Officers at this grade more effectively on improving outcomes on safety and rehabilitation. Early indications suggest that good progress is being made in improved staff-prisoner relationships, enabled by additional one-to-one time with staff profiled into the key worker role, will support both reduced violence and self-harm and desistance from offending.
- 7.7 HMPPS is also in the process of developing a workload measurement for Operational Managers, to ensure that we can be confident about aligning the number and type of posts to the work demands.

8 Recruitment, retention and staffing

- 8.1 Recruitment and retention of sufficient numbers of Prison Officers to deliver safe, decent and secure regimes, supporting staff in public sector prisons to feel confident and motivated, is of paramount importance. We remain absolutely committed to ensuring that we have the right staffing levels and capability as we move towards a more integrated and professional workforce that fits with our wider reform of the prison system.
- 8.2 As part of the Prison Safety and Reform White Paper published in November 2016, the Government committed to an increase of 2,500 Prison Officers by the end of 2018. The target was achieved earlier in 2018 ahead of schedule. HMPPS now have the highest number of Officers in post since 31 January 2013 as shown in Figure 6. As at 30 September 2018, there were **22,319** FTE Band 3 to 5 Prison Officers in post. This represents increases of **711 (3.3%)** since 30 June 2018 and **3,109 (16.2%)** compared to 30 September 2017. Over the last year, **6,060** Band 3 Officers were appointed which represents an increase of **61.4%** compared to the 12 months to 30 September 2017. Over the same period **2,031** Band 3 Officers left, which was an increase of 17.3%.
- 8.3 The number of Band 2 Operational Support staff in post also increased and **4,686** FTE Band 2 Operational Support staff were in post as at 30 September 2018. This corresponds to an increase of **59 (1.3%)** compared to the previous quarter and **265 (6.0%)** compared to 30 September 2017.

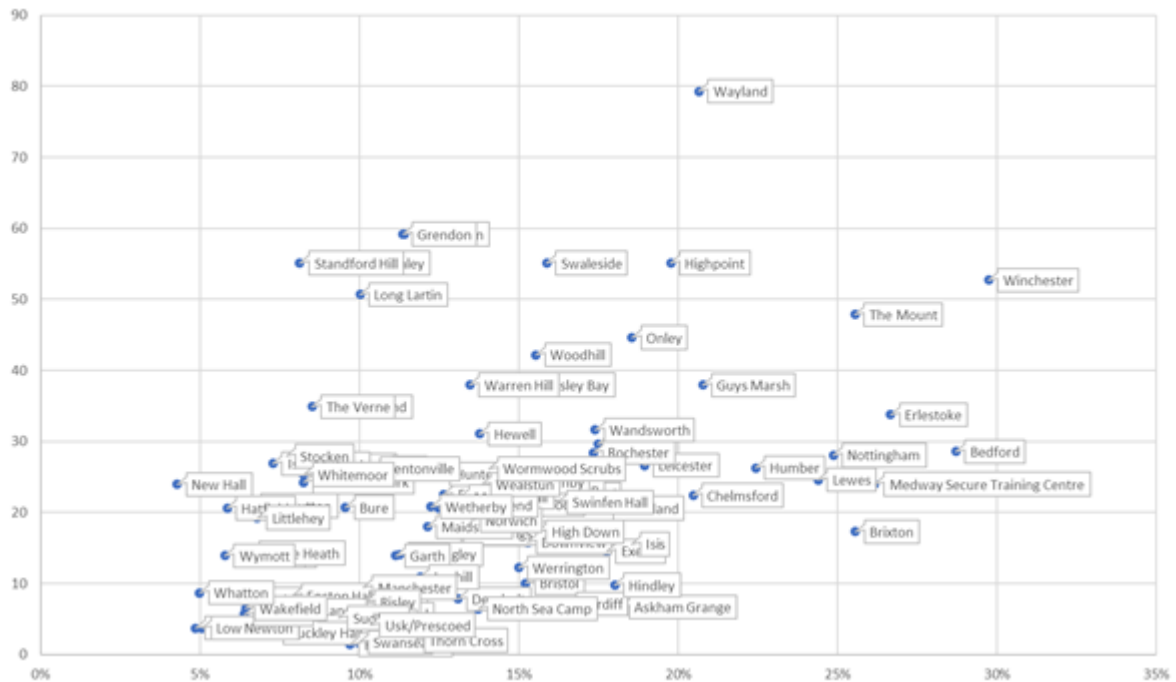
Figure 6: Number of Band 3 to 5 Prison Officers in post on a FTE basis, 31 March 2010 to 30 September 2018



Wider Prison Recruitment

- 8.4 HMPPS have in place a recruitment strategy and timetable for delivery of the recruits needed to meet the current vacancies levels, including future turnover. Next financial year (2019/20) we anticipate recruiting around 2,700 Prison Officers and 500 OSGs in order to replace leavers and maintain staffing levels (although the exact number will depend on officer leaving rates). We are continuing to recruit staff to provide the Key Worker function that is integral to the OMiC model (see section 5) in addition to those needed to support safety and security.
- 8.5 Attracting candidates especially in London and the South East remains challenging as shown in Figure 7, where it can take up to 60 weeks in a number of our hard to recruit sites to receive applications needed to replace leavers.

Figure 7: Weeks to get applications needed to replace leavers versus maximum leaving rate in last 5 years



8.6 To help with this recruitment strategy, HMPPS will continue to use the following measures to ensure we fill vacancies at hard to fill prisons:

- Use of local recruitment advisor roles in a number of establishments to support candidates applying to join the Prison Service. Their role is to improve the candidate experience and promote the positive work of the Prison.
- Use a localised recruitment process for the most difficult to recruit establishments that has been specifically designed to speed up the process of recruitment and have targeted local attraction strategies.
- Launch of a new Prison Officer recruitment process in October 2018. This includes the recruitment of new Prison Officers based on the new Success Profile Framework being introduced across the Civil Service. The changes will have a greater focus on strengths and behaviours, which will help us to assess applicants against the future role of the Prison Officer. The Success Profile Framework is being introduced to attract and retain people of talent

and experience from a diverse range of sectors and all walks of life, in line with the commitment to the Civil Service Workforce Plan.

- We will continue to use enhanced Market Supplements to attract Prison Officers (see detail in the section below). This has made it easier to attract good staff in the parts of the country where we have experienced a challenging local recruitment market. We are currently reviewing the list of hard to recruit establishments and will look to introduce Market Supplements where there is a business requirement to do so, or turn them off if a healthy recruitment pipeline is evident.

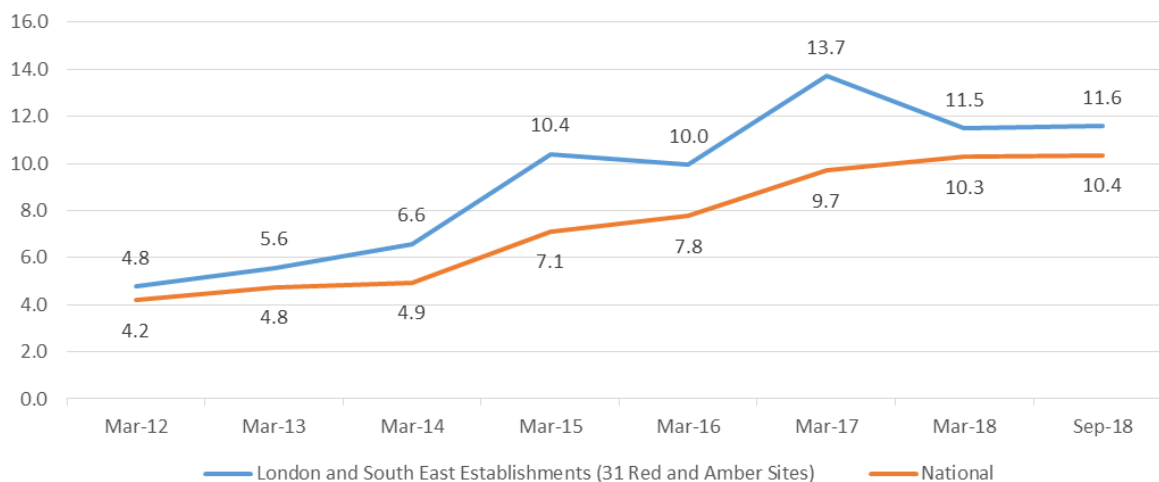
Retention

8.7 The overall HMPPS leaving rate for the year to 30 September 2018 was **9.1%** compared to 9.0% for the year to 31 March 2018 (Figure 8). Specifically for Band 3 to 5 Prison Officers, the leaving rate of **10.4%** in the year ending 30 September 2018 represented an increase of **0.1 percentage points** since the year ending 31 March 2018. When looking at reasons for leaving, 62.3% of Prison Officers who left the Prison Service resigned from their roles – up from 52.5% in the year ending 30 September 2017 – while 14.1% were dismissed and 11.2% retired (down from 19.4% and 14.6% respectively). The leaving rate for Band 2 OSG staff was **9.8%** in the year ending 30 September 2018; an increase of **0.1 percentage points** since the year ending 31 March 2018.

London and the South East: Prison Officer grades

8.8 The Band 3 to 5 Prison Officer leaving rate across establishments in London and the South East (31 Red and Amber sites) for the year to 30 June 2018 was **11.6%** compared to **13.7%** for the year to 31 March 2017. Figure 8 below shows the average leaving rate for the 31 Red and Amber sites against the National Band 3 to 5 Prison Officer average.

Figure 8: Leaving rate for Band 3 to 5 Prison Officers between March 2012 and September 2018



Action to improve retention of Prison Officers

8.9 The overall Prison Officer leaving rates have been rising over the last six years. Due to the large numbers of Prison Officers being recruited, a strategic response to Prison Officer retention was required.

8.10 Through our internal and external research our evidence suggests that the main drivers of attrition were:

- Staffing Numbers
- Pay and Reward
- Health and Wellbeing
- Ways of Working (working patterns)
- Physical Environment / Working Conditions

8.11 The identification of these drivers enables establishments locally to implement interventions in these areas. This has also enabled national improvements to be identified.

8.12 The POELT Mentor was the most promising intervention implemented and initial evidence suggests it has in most cases had a positive impact on

retention of new Officers. It was also clear from the research that the enhanced approach yielded quicker results.

- 8.13 The introduction of the APO role, underpinned by new promotion policies designed to incentivise promotion into these advanced roles, will also play a key part in retaining Prison Officers. APOs will be responsible for mentoring newly recruited staff. This will be a particularly effective way of improving the retention rate amongst experienced closed grade Prison Officers, who may have become disillusioned with their careers, by providing development opportunities, an avenue into F&S, and better pay outcomes.
- 8.14 We are aware that the initial data on Prison Officer retention illustrates that the Market Supplements are having a positive impact but it is still relatively early to fully evaluate their effectiveness. We will continue to monitor and assess retention rates at the HMPPS Retention Board and commit to a further review in 2019 which will include assessing the future of Market Supplements in some of the current Red / Amber establishments where recruitment and attrition levels have stabilised.
- 8.15 It is our intention to provide a comprehensive update and outline our future strategy following the conclusion of the review in readiness for our 2020/21 evidence submission.
- 8.16 The Retention Board meets monthly and has just concluded an in-depth review of recruitment and retention with each of the Prison Group Directors covering every Prison across the estate. The focus has been on voluntary leaving rates such as resignations and the root causes of their actions. This has led to a number of key themes being identified and good practice being shared across all Prison Groups with ownership being held locally by Governors and the HR Business Partners. The Retention Board will continue to monitor and work with prisons to address retention issues over the next 12 months. The approach will continue to be evaluated using the leaving rates data to understand the longer-term impact.

Impact of Market Supplements on recruitment and retention

Recruitment

- 8.17 Evidence suggests HMPPS still have a recruitment challenge at the Red and Amber sites, although the picture is vastly improved from the previous year. Table 2 below shows the total and average number of applications required in order to replace the number of estimated vacancies.
- 8.18 The salary on offer is generally higher in the areas around Red and Amber sites and market research has shown that Prisons are unable to compete without offering the additional remuneration packages. Red and Amber sites tend to draw their workforce from areas of the country where the median salary is much higher than at most Local Authorities. In 2017, 73% of Local Authorities within commutable distance of a Red site and 62% of an Amber site were in an area where the median salary was at least £30,600. This was the case in only 21% of Local Authorities around non- Red and Amber sites.
- 8.19 Our research on the cost of living also suggests that almost half of all of people at Red (48%) and Amber (45%) sites are living in a Local Authority where the median rent for a one-bedroom flat is at least £800 a month. The proportion has also increased in the time period we are looking at by 4% at Red and 3% at Amber sites. Considering the location of most of these sites monthly rents are more in line with the median rents for a one-bedroom flat in London (£1,400), the South East (£875) and the East (£775).

Table 2: Information on recruitment and retention at Red / Amber sites

Recruitment cluster	To replace 12 months of leavers	Total applications required	Average weekly apps (direct)	No. of weeks to receive sufficient applications	Red/Amber
Bullingdon, Grendon	49	980	16.60	59	Red
Highpoint	61	1220	22.10	55	Red
Elmley, Swaleside, Standford Hill	89	1780	32.30	55	Red
The Mount	55	1100	23.00	48	Red
Woodhill	72	1440	34.10	42	Red
Guys Marsh	30	600	15.80	38	Amber
Erlestoke	40	800	23.70	34	Amber
Wandsworth	68	1360	43.00	32	Amber
Aylesbury	29	580	19.60	30	Red
Bedford	48	960	33.60	29	Red
Rochester	36	720	25.30	28	Amber
Pentonville, Wormwood Scrubs	80	1600	61.20	26	Amber
Huntercombe	15	300	11.80	25	Red
Whitemoor	30	600	23.70	25	Amber
Lewes	50	1000	40.70	25	Amber
Medway Secure Training Centre	38	760	31.70	24	Red
Feltham	68	1360	58.60	23	Red
Chelmsford	46	920	41.10	22	Amber
Cookham Wood	25	500	23.60	21	Red
Send	16	320	15.20	21	Red
Littlehey	18	360	18.70	19	Amber
Brixton	51	1020	59.00	17	Amber
High Down	44	880	51.00	17	Red
Belmarsh	54	1080	63.90	17	Amber
Downview	19	380	24.10	16	Red
Isis	32	640	41.20	16	Amber
Coldingley	14	280	19.90	14	Red

8.20 HMPPS commissioned Havas People to undertake independent market research to understand and help to evaluate how effectively the Market Supplements have been in recruiting and retaining Prison Officers across Red and Amber sites. A total of 512 Prison Officers based in the 31 Red and Amber sites participated in a survey, and 14 HR Business Partners were interviewed. The main findings were:

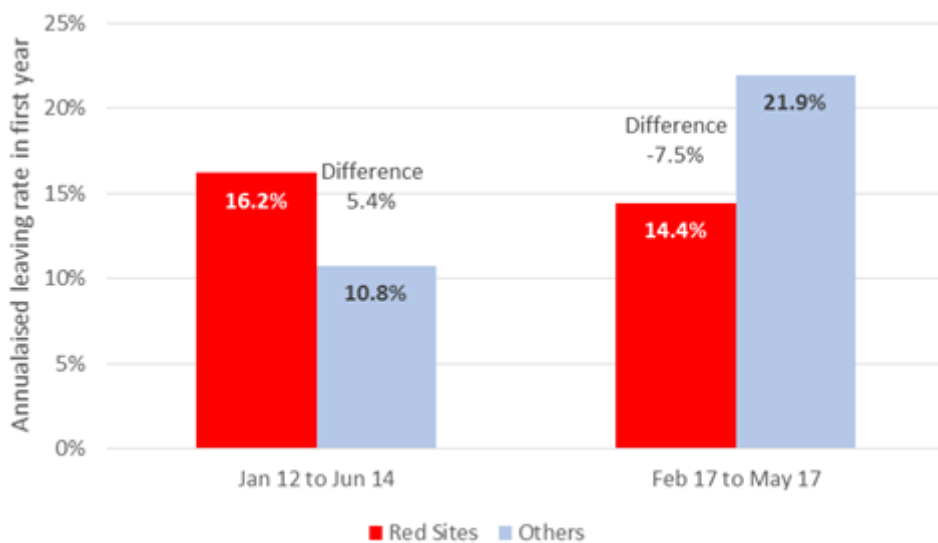
- The Market Supplement has helped attraction and helped the retention rates of Prison Officers, because they offer competitive salaries when compared to other local employers.
- Overall 79% of respondents were aware of the supplement when they applied to work in HMPPS.
- Three out of four respondents said they would not or probably would not have applied for the role as a Prison Officer without the Market Supplement.
- 62% of the Prison Officers are very or quite satisfied with the pay supplement being offered.

Impact on Retention

8.21 Leaving rates in the first 12 months of service are a key indicator of retention. A reduction in leaving rates in the first twelve months at Red sites following the introduction of the Market Supplement in 2017 was statistically significant.

8.22 The number of Red sites had higher leaving rates than other sites during the baseline period. After February 2017 the first-year officer leaving rates at Red sites improved to well below those of other sites as shown in Figure 9.

Figure 9: Leaving rate in the first year of service: comparing Red sites with other sites



8.23 While the research found that two out of three respondents are staying in their establishments because of the Market Supplement, the payment plays a slightly more complex role in relation to the retention of staff. While the reasons as to why people might leave or have resigned varied from prison-to-prison as shown in Figure 10 below, the main themes which emerged revolved around:

- A stressful and potentially dangerous environment.
- Not enough support/recognition from management.
- The Total Reward package which was not commensurate with the role they were doing and/or what that they could be paid elsewhere.

Figure 10: Reasons given by Prison Officers for leaving the Prison Service



8.24 While anecdotal responses in Figure 10 suggest that investment in improving the working environment would have a positive impact on reducing attrition, dissatisfaction with levels of pay is still the third most cited reason for staff leaving the Service.

8.25 Prison Officers who are leaving tend to be those relatively new to the role and in many cases have joined straight out of education with limited work

experience. Many of them leave within 1 or 2 years of service due to the high stress levels they experience and the often difficult working conditions they are operating within.

- 8.26 Throughout all the strands of the research, awareness of the Market Supplement was high. For example, in the survey with current staff, four out of five people who received the Market Supplement said they were aware of it when they applied.
- 8.27 The research also highlighted the need to attract the right people for the job. Whereas participants shared the opinion that pay is one of the main retention factors, they emphasised that only Prison Officers who are passionate about the job will accept the hard-working conditions and stay in the role long-term.
- 8.28 Based on the outcome of the research, we are not proposing to review the value of the Market Supplements in the 2019/20 pay round as we believe they are pitched at the right level especially when compared to the salary of Prison Officers on closed terms and the local labour markets.
- 8.29 The Red Site supplement will continue to be paid at £5,000 per annum and the Amber site supplement at £3,000 per annum. These values were increased in 2017 as the previous schemes we had in place did not achieve the desired outcome. Market Supplements remain an effective way to address pockets of recruitment and retention pressures in a targeted way without the need to reintroduce blanket Regional Pay arrangements.
- 8.30 If HMPPS proposes to apply Market Supplements to further Prisons, there is a recognition that this will have an IRC impact and appropriate approvals and governance will need to be followed to have them introduced.

Additional Red / Amber sites

- 8.31 In response to emerging evidence of recruitment and retention pressures, we propose bringing an additional prison – HMP Winchester – into scope for payment of a Market Supplement of £5,000 for existing staff as well as for

new entrants. The cost and IRC implications of paying the supplement at Winchester is included in the overall assessment of our pay proposals.

- 8.32 We are also considering bringing HMPs Wayland and Long Lartin into scope for Market Supplements of £3,000. However, we would first like to explore the possibility of piloting a non-pay related alternative location expenses package for staff to take up permanent post in these establishments. Given the rural locations of the two establishments, offering an incentive through travel support may help to resolve the problems before we commit to a Market Supplement. We will continue to review the position.
- 8.33 These establishments have experienced problems with Officer attraction and retention over the past year. Despite various targeted interventions and support they remain among our most difficult to resource prisons.
- 8.34 Our internal analysis suggests that HMPs Long Lartin, Wayland and Winchester will need to recruit a total of 50 members of staff to reach full Band 3 Prison Officer staffing levels and that includes replacing leavers, as shown in Table 3. Although Winchester may be close to its Prison Officer staffing requirement by June 2019, intervention is required not only to encourage further recruits to come forward in the future but also, in particular, to improve retention and bring down its turnover rate – which might otherwise remain high, given its large number of new recruits who generally have a higher propensity to leave.

Table 3: Current Staffing Levels and expected Recruitment Requirement

Establishment	Indicative required staffing levels (30 September 2018) ⁸	Number of Band 3-5 Officers in post(FTE) at 30 September 2018	Difference (FTE)	Forecast leavers between 30 September 18 and 30 June 19	Booked on Prison Officer Training Course (POELT) ⁹	Forecast joiners from applicant vetting volumes(WC N)	Expected Difference (recruitment requirement) ¹⁰
Long Lartin	374	315	-59	-31	41	18	-31
Wayland	238	220	-18	-43	35	8	-18
Winchester	215	204	-11	-53	65	10	0

8.36 Based on an assumption that 20 applications are needed in order to fill one Prison Officer vacancy, Table 4 shows the number of applications each establishment will need and the number of weeks a recruitment campaign needs to remain open for in order to replace the volume of leavers expected at the prison.

Table 4: Number of applications and weeks for recruitment required to replace volume of expected leavers, per prison establishment

Recruitment cluster	To replace 12 months of leavers	Total applications required	Average weekly applications (direct)	Number of weeks to receive sufficient applications
Long Lartin	37	740	14.6	51
Wayland	49	980	12.4	79
Winchester	64	1280	24.3	53

⁸ Governors now have the freedom to plan the workforce at their establishments by determining the number of staff in each role within their budget. This means that figures on staffing requirements are continuously evolving.

⁹ It can be expected that some of those who are shown as booked onto POELT will withdraw from the recruitment process before they are appointed.

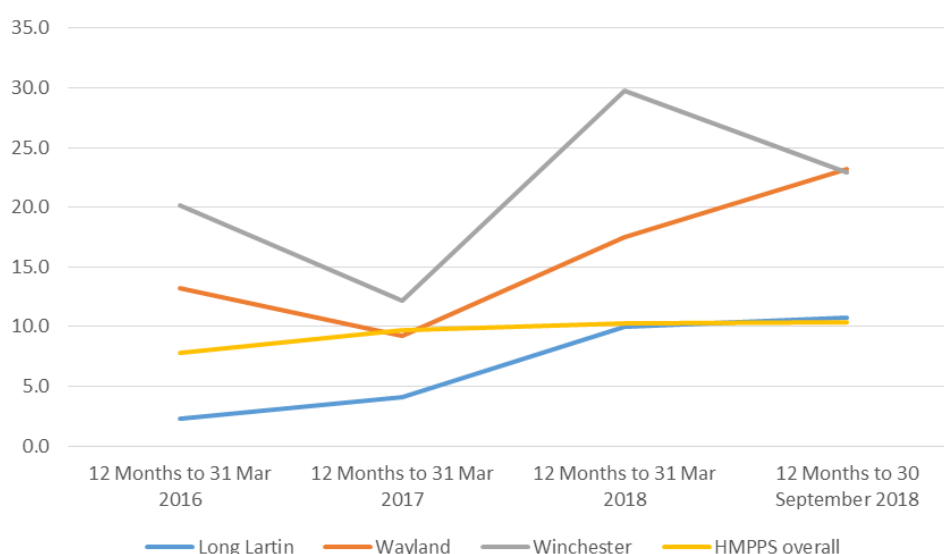
¹⁰ Any selected candidates who were not in post by June would be placed on a merit list and appointed slightly later.

8.37 Table 5 and Figure 11 show the leaving rates for the three establishments compared to HMPPS overall. The leaving rate for the three establishments increased significantly from March 2017 to March 2018. The leaving rate for HMP Wayland continued to increase in the 3-month period to 30 September 2018.

Table 5: Prison Officer leaving rates in HMPs Long Lartin, Wayland and Winchester, compared to HMPPS overall - up to 30 September 2018

Establishment	12 Months to 31 Mar 2016	12 Months to 31 Mar 2017	12 Months to 31 Mar 2018	12 Months to 30 September 2018
Long Lartin	2.3	4.1	10.0	10.8
Wayland	13.2	9.2	17.5	23.2
Winchester	20.1	12.2	29.7	22.9
HMPPS overall	7.8	9.7	10.3	10.4

Figure 11: Prison Officer leaving rates in HMPs Long Lartin, Wayland and Winchester, compared to HMPPS overall - up to 30 September 2018



8.38 In comparison, the leaving rate of Band 3 to 5 Prison Officers was 10.3% in the year to 31 March 2018, representing an increase of 0.6 percentage points from the year ending 31 March 2017. The overall rate was slightly higher at 10.4% for the 3-month period to 30 September 2018.

8.39 HMP Winchester has issues with both recruitment and very poor retention that need to be addressed – hence the introduction of Red site status for staff.

They are losing staff to nearby Red sites and even if they start at Winchester they are often quickly seeking a move for the higher pay at other Prisons or with the Home Office Border Force Agency.

- 8.40 HMP Wayland has been able to attract additional candidates only when vacancies have been advertised in a campaign clustered with nearby prisons. The majority of applicants, however, wish to work at Norwich Prison and, as a result, they frequently refuse any offer of employment at Wayland, either waiting for a post to arise at Norwich or starting at Wayland and then resigning; pushing up attrition rates. More recently, when Wayland posts have been advertised separately (between October 2018 and January 2019), application levels have been very low. Piloting an alternative location expenses package (possibly replaced in the future with a Market Supplement) is therefore being considered as a method by which to make the prison more attractive to candidates from further afield.
- 8.41 HMP Long Lartin has a similar problem with its rural location making attraction particularly challenging, although retention is generally at an acceptable level.
- 8.42 The alternative location expenses package would utilise existing Public Interest Transfer (PIT) policies and would offer the package to candidates on the Prison Officer merit list to incentivise them to apply for permanent posts at these locations. Offers would be limited to candidates who exceed more than 75 miles reasonable travelling time from home to the relevant prison. This aligns to current HMPPS relocation policy and is aimed to encourage a commitment to the move. The proposal also meets HMRC rules with the available package not exceeding the £8k per annum of receipted expenses.
- 8.43 Our approach to the payment of Market Supplements redresses the balance between solely solving a recruitment issue, and seeks to address attrition and the impact of Market Supplements in a locality. It also seeks to take a more consistent approach to the introduction and allow us to properly review the impacts of the supplements.
- 8.44 Adopting a targeted approach by grade and establishment represents a cost-effective way of improving the recruitment and retention offer. If we adopted

blanket regional pay arrangements this would result in us overpaying groups of staff where recruitment and retention pressures do not exist or are less acute. The use of Market Supplements to target recruitment and retention at specific grades within our hard to recruit sites appears to be having tangible benefits from early evaluation.

8.45 By implementing these new arrangements, long-term savings can be delivered as a result of being able to:

- Reduce future recruitment costs, through improved retention rates.
- Reduce the reliance on Payment Plus.
- Fulfil the Government commitment to deliver the new OMiC model and improve safety in prisons.
- Improve the employee relations landscape through reduced risk of violence; and improved working conditions for staff.
- The supplements are a temporary measure and therefore the benefits can be reviewed and amended based on what we learn and will build an evidence base on which to develop future strategies. We are committed to a further comprehensive review of our recruitment and retention position during 2019 and will use the data and evidence to develop our future strategy.

Operational Manager / Governor Recruitment and Retention

8.46 As referenced in section 9, the Prison Governors' Association (PGA) has raised some concerns around the recruitment and retention of Operational Managers / Governors. However, in our view there is no compelling evidence of widespread issues specific to managers.

8.47 Proposed increases (particularly to starting pay for Band 7) will, however, provide incentive for staff to seek promotion into management roles.

Conclusion

- 8.48 In light of the above we do not propose the re-introduction of rigid and blanket local pay additions or revisions to the F&S zonal boundaries. Instead we propose that we continue to implement and analyse the impact of the pay arrangements that were introduced in 2015 as well as progress work around our wider (non-reward specific) recruitment and retention strategy. This will enable us to respond to recruitment and retention pressures as and when necessary, and outside of annual pay rounds.
- 8.49 The Review Body may wish to note that our proposals for 2019/20 will result in higher starting pay, a pay increase for all existing F&S staff (including those at maximum), and will also provide an increase in the National to Outer/Inner London pay differentials.

9 Regional Pay

- 9.1 HMPPS operates a three zone regional (zonal) pay model comprising National, Outer London and Inner London as part of current F&S arrangements. This is in response to widely accepted evidence that significant locational pay differentials do not really exist outside of London and its outer fringes¹¹. There is no compelling evidence that this has changed. Although HMPPS does experience recruitment and retention pressures in some establishments located outside the South East, these are highly localised and role specific as evidenced in section 8.
- 9.2 As such, our firm view is unchanged from previous evidence submissions, in that targeted interventions remain the most appropriate way to address recruitment and retention pressures that are specific to HMPPS and

¹¹ HMPPS' three locality pay zones are based on the Office for National Statistics definition: London boroughs (for Inner London); rest of the London boroughs and other areas within the M25 (for Outer London); with remaining locations deemed as National. Cabinet Office supports this approach to defining pay zone boundaries and is the most widely used across government departments.

moreover, to specific establishments within the HMPPS estate and to a limited number of roles within these establishments.

- 9.3 More permanent and all-encompassing solutions, such as amendments to the F&S zonal pay model (or the re-introduction of universal local pay additions) would not only be a permanent and costly approach to addressing recruitment and retention pressures, but would also be contrary to current Government pay policy around regional pay. Blanket regional pay solutions, will create permanent and blanket divisions within the workforce. Regional pay will also permanently add to the wage bill due to overpaying for a whole workforce where recruitment and retention difficulties may not exist. The use of targeted Market Supplements offers HMPPS flexibility to determine where pay needs to be uplifted by role rather than a whole Prison workforce and as they are not permanent, can be turned off and on as required. For these reasons, we ask the Review Body to endorse our position and not recommend changes to the zonal pay model, or the re-introduction of across the board local pay additions.

Public Sector Comparisons – Total Cash

- 9.4 HMPPS seeks to ensure that F&S pay within each of the three pay zones is competitive with external labour markets. The prisons in which recruitment and retention pressures are most pronounced are concentrated mainly in London and the South East. Evidence suggests that these are establishment specific and often in relation to either accessibility issues or the presence of a major competing employer(s) in the immediate locality rather than the broader geographical area.
- 9.5 Whilst our pay is broadly comparable with the labour market in most cases, the demands of the role of a Prison Officer mean that prisons are unable to compete with jobs that pay comparable salaries but are less demanding. Examples include Aylesbury where staff are opting to work at Bicester Village, Feltham which competes with Heathrow airport and prisons on Sheppey which are competing with the Docks.

9.6 Using the most recent Korn Ferry Hay Group pay data as a comparator, maximum total pay¹², which is widely considered by stakeholders (e.g. Prison Officers' Association, Prison Governors' Association and Public & Commercial Services Union) to be the rate for the job, compares favourably in both London and Outer London with both the private and public sectors within roles at the levels we experience our greatest recruitment and retention challenges. We are, however, less competitive with the private sector for roles at Operational Manager / Governor level. Comparators can be found at Tables 6 and 7.

Table 6: Total pay comparison in London between HMPPS and public sector (2018)

London public sector Total Cash				HMPPS 2018				
Grade	Band	UQ	Med	LQ	Inner	Outer	Inner	Outer
	11				£95,163	£94,163		
Grade 6	10	£96,462	£82,745	£73,543	£85,188	£83,600	UQ-Med	UQ-Med
Grade 7	9	£82,577	£71,991	£64,502	£77,807	£76,220	UQ-Med	UQ-Med
	8				£61,763	£60,175		
SEO	7	£60,250	£52,637	£46,954	£53,628	£52,040	UQ-Med	Med-LQ
HEO	6	£45,291	£40,104	£36,468	£45,637	£44,049	UQ+	UQ-Med
	5				£41,272	£39,611		
EO	4	£35,299	£31,436	£28,590	£36,839	£35,177	UQ+	UQ-Med
AO – L11	3	£27,246	£25,205	£22,268	£31,874	£30,110	UQ+	UQ+
AA	2	£21,154	£18,599	£17,145	£25,414	£23,753	UQ+	UQ+

¹² Base salary and recurring allowances in recognition of maximum available additional committed hours and unsocial hours working.

Table 7: Total pay comparison in London between HMPPS and private sector (2018)

London private sector Total Cash				HMPPS 2018				
Grade	Band	UQ	Med	LQ	Inner	Outer	Inner	Outer
	11				£95,750	£94,163		
Grade 6	10	£140,594	£117,744	£98,755	£85,188	£83,600	LQ-	LQ-
Grade 7	9	£113,032	£95,542	£81,024	£77,807	£76,220	LQ-	LQ-
	8				£61,763	£60,175		
SEO	7	£75,725	£64,329	£55,287	£53,628	£52,040	LQ-	LQ-
HEO	6	£53,883	£45,868	£38,894	£45,637	£44,049	Med-LQ	Med-LQ
	5				£41,272	£39,611		
EO	4	£40,210	£34,133	£29,054	£36,839	£35,177	UQ-Med	UQ-Med
AO – L11	3	£31,832	£27,019	£23,364	£31,874	£30,110	UQ+	UQ-Med
AA	2	£24,932	£20,857	£17,939	£25,414	£23,753	UQ+	UQ-Med

- 9.7 We have also compared the F&S base pay maxima with Whitehall quartiles because there are also non-operational staff (including those in administrative roles) in F&S (i.e. not paid inclusive of additional or unsocial hours). There are no direct Hay or Civil Service comparator grades for Bands 5, 8 and 11. However, we have included these along with HEO/Band 6 to show relativity values. When staff join us from other government departments (OGDs), we treat non-comparator Band 5 as a lower HEO and Band 8 as a higher SEO (i.e. level transfer), but Band 11 as a higher role type than G6.
- 9.8 The comparators at Tables 8 and 9 show that we are highly competitive with other Civil Service employers in all regions and in almost all role types.

Table 8: Comparison of HMPPS total pay with Whitehall – National, excluding London (2018)

Nat'l exc. London - Whitehall Base Pay					HMPPS 2018	
Grade	Band	UQ	Med	LQ	National	
	11				£77,888	
Grade 6	10	£64,566	£61,325	£59,568	£68,852	UQ+
Grade 7	9	£53,460	£49,874	£47,878	£62,544	UQ+
	8				£48,831	
SEO	7	£39,158	£37,000	£35,307	£41,878	UQ+
HEO	6	£31,162	£30,047	£28,908	£35,047	UQ+
	5				£29,760	
EO	4	£23,136	£24,455	£25,899	£26,138	UQ+
AO	3	£18,921	£19,878	£20,307	£20,565	UQ+
AA	2	£16,693	£16,882	£17,271	£16,805	UQ+

Table 9: Comparison of HMPPS total pay with Whitehall – London (2018)

London -Whitehall Base Pay					HMPPS 2018			
Grade	Band	UQ	Med	LQ	Inner	Outer	Inner	Outer
	11				£81,838	£80,481		
Grade 6	10	£67,239	£64,432	£62,211	£72,810	£71,453	UQ+	UQ+
Grade 7	9	£55,070	£52,369	£50,496	£66,502	£65,145	UQ+	UQ+
	8				£52,789	£51,432		
SEO	7	£41,210	£39,510	£37,774	£45,836	£44,479	UQ+	UQ+
HEO	6	£33,475	£32,000	£31,197	£39,005	£37,648	UQ+	UQ+
	5				£33,718	£32,361		
EO	4	£27,879	£27,133	£25,479	£30,096	£28,739	UQ+	UQ+
AO	3	£23,848	£22,754	£21,635	£24,523	£23,166	UQ+	UQ-Med
AA	2	£20,900	£19,928	£19,021	£20,763	£19,406	UQ-Med	Med-LQ

9.9 When comparing base pay with the wider public and private sectors (Tables 10 to 13) analysis tells us that we are falling behind both nationally and in Inner and Outer London.

Table 10: Comparison of base pay between HMPPS and public sector – National, excluding London (2018)

Nat'l exc. London - Public Sector Base Pay					HMPPS 2018	
Grade	Band	UQ	Med	LQ	National	
	11				£77,888	
Grade 6	10	£84,590	£72,436	£62,092	£68,852	Med-LQ
Grade 7	9	£74,154	£63,568	£57,178	£62,544	Med-LQ
	8				£48,831	
SEO	7	£53,584	£47,260	£42,125	£41,878	LQ-
HEO	6	£40,552	£35,729	£32,455	£35,047	Med-LQ
	5				£29,760	
EO	4	£31,598	£28,127	£25,580	£26,138	Med-LQ
AO	3	£24,364	£22,533	£19,853	£20,565	Med-LQ
AA	2	£18,812	£16,546	£15,415	£16,805	UQ-Med

Table 11: Comparison of base pay between HMPPS and private sector – National, excluding London (2018)

Nat'l exc. London private sector Base pay					HMPPS 2018	
Grade	Band	UQ	Med	LQ	National	
	11				£77,888	
Grade 6	10	£108,621	£92,241	£79,298	£68,852	LQ-
Grade 7	9	£89,344	£77,035	£66,796	£62,544	LQ-
	8				£48,831	
SEO	7	£62,185	£54,097	£47,073	£41,878	LQ-
HEO	6	£45,284	£39,271	£33,866	£35,047	Med-LQ
	5				£29,760	
EO	4	£34,524	£29,547	£25,436	£26,138	Med-LQ
AO – L11	3	£27,583	£23,638	£20,381	£20,565	Med-LQ
AA	2	£22,290	£18,713	£16,543	£16,805	Med-LQ

Table 12: Comparison of the difference between London and National base pay between HMPPS and public sector (2018)

Public Sector Base Pay London / National Difference					HMPPS 2018			
Grade	Band	UQ	Med	LQ	Inner	Outer	Inner	Outer
	11							
Grade 6	10	£9,495	£8,131	£6,970	£3,958	£2,601	LQ-	LQ-
Grade 7	9	£8,324	£7,136	£6,419	£3,958	£2,601	LQ-	LQ-
	8							
SEO	7	£6,015	£5,305	£4,728	£3,958	£2,601	LQ-	LQ-
HEO	6	£4,551	£4,011	£3,643	£3,958	£2,601	Med-LQ	LQ-
	5							
EO	4	£3,546	£3,157	£2,871	£3,958	£2,601	UQ+	LQ-
AO – L11	3	£2,735	£2,529	£2,228	£3,958	£2,601	UQ+	UQ-Med
AA	2	£2,111	£1,858	£1,730	£3,958	£2,601	UQ+	UQ+

Table 13: Comparison of base pay between HMPPS and private sector –London (2018)

London private sector Base Pay					HMPPS 2018			
Grade	Band	UQ	Med	LQ	Inner	Outer	Inner	Outer
	11				£81,838	£80,481		
Grade 6	10	£119,704	£101,653	£87,390	£72,810	£71,453	LQ-	LQ-
Grade 7	9	£98,461	£84,896	£73,612	£66,502	£65,145	LQ-	LQ-
	8				£52,789	£51,432		
SEO	7	£68,530	£59,617	£51,877	£45,836	£44,479	LQ-	LQ-
HEO	6	£49,905	£43,278	£37,231	£39,005	£37,648	Med-LQ	Med-LQ
	5				£33,718	£32,361		
EO	4	£38,047	£32,562	£28,032	£30,096	£28,739	Med-LQ	Med-LQ
AO – L11	3	£30,409	£32,562	£28,032	£24,523	£23,166	LQ-	LQ-
AA	2	£24,565	£20,623	£18,231	£20,763	£19,406	UQ-Med	Med-LQ

9.10 The levels of pay exclude the recurring allowances that are paid in recognition of additional committed hours and unsocial hours working (UHW), which comprise a significant proportion of the total pay received by those in operational Prison Officer and Support roles, or the required hours addition (RHA) payment which comprises 17% of pay for Operational Managers. As evidenced above at Tables 6 and 7, and below at Tables 14 and 15 the total cash analysis compares more favourably to external comparators except

when comparing Operational Manager / Governor roles with the private sector.

Table 14: Total pay comparison between HMPPS and public sector – National, excluding London (2018)

Nat'l exc. London - Public Sector Total Cash					HMPPS 2018	
Grade	Band	UQ	Med	LQ	National	
	11				£91,120	
Grade 6	10	£86,727	£74,402	£66,121	£80,557	UQ-Med
Grade 7	9	£74,244	£64,726	£57,993	£73,176	UQ-Med
	8				£57,132	
SEO	7	£54,170	£47,325	£42,216	£48,997	UQ-Med
HEO	6	£40,721	£36,057	£32,787	£41,006	UQ+
	5				£36,427	
EO	4	£31,736	£28,263	£25,705	£31,994	UQ+
AO – L11	3	£24,496	£22,662	£20,021	£26,729	UQ+
AA	2	£19,019	£16,722	£15,415	£20,570	UQ+

Table 15: Total pay comparison between HMPPS and private sector – National, excluding London (2018)

Nat'l exc. London private sector Total Cash					HMPPS 2018	
Grade	Band	UQ	Med	LQ	National	
	11				£91,120	
Grade 6	10	£127,576	£106,842	£89,629	£80,557	LQ-
Grade 7	9	£102,567	£86,696	£73,522	£73,176	LQ-
	8				£57,132	
SEO	7	£68,714	£58,373	£50,168	£48,997	LQ-
HEO	6	£48,893	£41,621	£35,293	£41,006	Med-LQ
	5				£36,427	
EO	4	£36,487	£30,972	£26,364	£31,994	UQ-Med
AO – L11	3	£28,884	£24,517	£21,201	£26,729	UQ-Med
AA	2	£22,989	£19,204	£16,730	£20,570	UQ-Med

9.11 While the PGA has raised concerns, as per section 8 there is currently no compelling evidence of widespread recruitment and retention issues specific to managers (either operational or otherwise) or to the vast majority of non-operational roles. The increases to all minima and maxima that are proposed for 2019/20, in particular the significant increase in starting pay at Band 7 will,

however, help to address any such issues that do exist as well as encourage existing staff in Prison Officer roles to seek promotion into the first tier of operational management.

Regional pay issues in relation to promotions

- 9.12 Our new promotions policy will assist addressing the issue of staff who will not opt in or be promoted into F&S. These staff would experience a reduction of pay due to being in receipt of Local Pay Allowance (LPA) under closed grade pay arrangements. It is now impossible for any member of staff to incur a reduction in total pay attributed solely to the loss of LPA when they are promoted. Staff promoted into or between Bands 2 to 5 will almost always receive an overall increase by virtue of additional uplifts to the nearest higher pay point¹³ after pay on promotion (including any initial uplifts to address LPA deficits) has been calculated. Staff may also retain the entire value of (not just the deficit as a result of losing) the LPA above pay range maxima on a mark-time basis in instances where the issue cannot be addressed within the pay ranges.
- 9.13 These new measures mean that it is now no longer necessary to make LPA compensation payments and, as a result, these have been discontinued.

Regional pay issues in relation to staff transfers

- 9.14 Staff moving on level transfer are not compelled to move into F&S unless we can provide at least pay parity within the F&S pay ranges. However, it is recognised that a number of staff who would otherwise be able to opt into F&S without financial detriment are prevented from doing so due to the loss of LPA that would be incurred in instances where a deficit cannot be accommodated within the F&S pay ranges.

¹³ Operational Managers / Governors in open pay ranges will receive an additional uplift to initial pay on promotion to address any LPA deficit but do not benefit from a second pay point uplift. As such total pay in these circumstances will be identical to that prior to promotion.

- 9.15 We would be reluctant to apply the same mark-time above maximum approach that we now apply in exceptional circumstances for promotions (where moving into F&S is mandatory) which we believe are currently confined to moves within or into 10 establishments¹⁴, as containing pay within the pay ranges is a design principle of F&S. We are, however, aware that this is an issue that we should seek to resolve as part of our medium to longer term approach to addressing the two-tier pay structure.

10 Performance Management

- 10.1 We are committed to recognising and rewarding achievements and positive behaviours. Staff who are achieving good performance outcomes and demonstrating the required behaviours should make progress through the pay ranges. Our proposals in this section therefore support this.
- 10.2 While Performance Management policy sits outside of the Review Body Remit, the pay arrangements that are attached to it are matters for the Review Body to determine. In previous years, the Review Body has opposed the payment of non-consolidated awards for F&S Bands 2 to 4, as well as withholding consolidated pay progression for anyone unless they are subject to formal poor performance measures. Performance in these Bands can be objectively assessed and that processes are suitably robust. It therefore remains our firm view that staff who do not receive at least a “Good” performance assessment should not be eligible for pay progression. Staff should not automatically benefit from pay increases unless these are a result of increases to pay range minima or defined pay points. Automatic pay progression is contrary to Government pay policy, and progression for most public sector workers is now linked to performance and affordability. Our

¹⁴ Huntercombe; The Mount; Coldingley; Send; Aylesbury; Bedford; Bullingdon; Chelmsford; Grendon; and Woodhill

strongest performers in these Bands should be rewarded accordingly with additional non-consolidated awards.

- 10.3 We are committed to the current performance management system and do not feel that changing the system at this stage would result in a positive shift in attitudes. On the contrary, we believe that familiarity with the current system will prove more useful. Furthermore, we are making it a priority to improve line management capability linked to performance management with the main aims being improved relationships and an engaged workforce which in turn will lead to improved performance. We want to create a 'people centred' approach with managers spending more time engaging with staff and eventually to improve end of year statistics.
- 10.4 Within HMPPS there is guided distribution of performance markings and this is the mechanism / tool by which staff performance is assessed. The guidance available, and reiterated during the appraisal year, is clear that where there is justified evidence of a marking provided by a manager which aligns with what was agreed at the start of the year, the box marking should remain regardless of the guided distribution. Additionally, we believe that the new OMiC model can provide assurances to allay concerns about large spans of control resulting in ineffective performance management of Prison Officer grades. OMiC will result in managers in prisons having fewer staff to manage and therefore have more time for face to face conversations with their staff, enabling more effective performance management.
- 10.5 There is also evidence that has emerged since the formal introduction, in January 2018, of the First Line Manager course that managers now feel better equipped and more confident in managing staff, as shown in Table 16.

Table 16: First Line Manager course survey results before and after, 2018

Survey questions*	Before	After
I am confident in being able to influence others including Senior Managers and direct line reports	72%	91%
I am confident in helping others to develop to achieve organisational and personal goals	80%	93%
I am confident in tackling challenging issues with staff as an effective manager	61%	95%
I am confident in using HMPPS Attendance Management policy to effectively manage absence level in my team	41%	91%

*Likert scale (Strongly Agree, Agree, Neither, Disagree, Strongly Disagree)

10.6 Similarly, staff survey results demonstrate a positive shift in the way in which staff in Bands 2 to 5 perceive their performance as being assessed.

Table 17: Public Sector Prison Bands 2 to 5 People Survey results for performance management related questions

People Survey questions	2016 (completed returns: 4130)	2017 (completed returns 3724)
My Manager recognises when I have done my job well	55.6%	60%
I receive regular feedback on my performance	39.1%	43%
The feedback I receive helps me improve my performance	37.4%	43%
I think that my performance is evaluated fairly	40.6%	44%
Poor performance is dealt with effectively in the team	25.0%	29%
I have clear work objectives	55.7%	60%
I have agreed objectives which define what (activities) I do and how (behaviours) I do it ¹⁵	43.7%	56%

10.7 We have commissioned further analysis of the First Line Manager course. However, this evaluation was not available at the time of submission. We will

¹⁵ In the 2016 survey, the equivalent question was stated as 'I know what my priorities are and I have good conversations with my manager about my performance at work'. Therefore the comparison across the years is not a like for like.

aim to provide an update at Oral Evidence or, on request, as supplementary written evidence.

- 10.8 In addition to the First Line Management course, we are also piloting an Experienced Manager programme. This is aimed at Band 7 staff with a minimum of two years in the role and is being introduced in order to address concerns arising from the People Survey such as: poor performance; development for staff; managing change; engagement; and communication with staff.
- 10.9 In our 2018 evidence submission we stated the intention to provide further feedback on the evaluation of the revised Staff Performance Development Reports (SPDR) form which was launched in January 2016. Unfortunately, the sample size for the second round of surveys was extremely limited. The forward look will be to focus on the quality of conversations, regularity, and experiences and to tie this in with the People Survey.
- 10.10 We also conducted a detailed analysis of the effectiveness of evidence based training. Findings showed that one off training interventions for managers resulted in employees feeling that one-to-one conversations were useful in improving performance. It was felt that these one-to-one conversations were more effective than a formal process in supporting employee performance. The study also found to have resulted in more frequent personal conversations between managers and their staff – for example discussion of personal issues and career ambitions.
- 10.11 HMPPS have taken forward Civil Service Employment Policy (CSEP) diversity and inclusion recommendations in relation to appraisals and subsequently introduced, from the 2017/18 appraisal year, an equalities objective for all staff. We are now further committed to more emphasis on equality linking in with the Equality Strategy and Lammy recommendations. Unconscious bias training is mandatory for managers, and we will seek to further embed equality objectives and guidance for managers.
- 10.12 In view of the above we consider that we have made further strides to ensure that performance can be assessed fairly and objectively for all staff. Our

intention therefore is to support Cabinet Office and CSEP principles to incentivise and drive forward continuous improvement by linking pay progression to performance and withholding this for staff who are not meeting their objectives.

- 10.13 In addition to concerns around performance related pay in Bands 2 to 4 (and not recommending additional payments), in its previous two reports, the Review Body recommended that the additional 2% for “Outstanding” performance in Bands 7 to 11 should be an additional consolidated increase, rather than traditional non-consolidated awards. We do not mirror this recommendation in our proposals for 2018/19, and instead propose non-consolidated awards. These can be funded from within our established non-consolidated performance related pot (in accordance with HMT Pay Remit Guidance), rather than consolidated additions which create IRC pressures and permanent pay bill increases.
- 10.14 The POA opted out of the historic performance-related pay arrangements. As such, Officers and Support staff in closed grades will not receive an additional award in recognition of an “Outstanding” performance assessment.

Pay

11 Pay proposals for 2019/20

11.1 Our pay proposals for 2019/20 are detailed as follows and detailed pay tables are at the Annex A.

11.2 The main rationale and drivers for our proposals this year are to:

- Act as a vital enabler to support the introduction of wider reforms set out in last year's evidence submission.
- Provide all staff with a consolidated pay increase.
- Support recruitment and retention with higher starting pay.
- Lessen equal pay risks as part of F&S design principles.
- Reflect public sector pay policy and affordability.

Proposal 1: F&S zonal pay

11.3 We propose that:

- The current locality pay zone structure is not changed.
- The differential between National and Outer / Inner London maxima rates will increase by 1.0%.
- The differentials at pay range maxima continue to be applied consistently across all Bands.

11.4 Additional rationale and key drivers:

- Applies available pay flexibilities (e.g. Red and Amber site approach) to address local pay issues linked to specific roles rather than extending the zone structure to other geographical areas.
- To the best of our ability within budgetary and Government pay policy constraints, remains competitive with Whitehall, public and private sectors.
- Ensures that the same maxima London/National differentials apply to all Bands in line with our F&S zonal design.

11.5 The base pay cash value of Outer London and Inner London maxima for all Bands will be increased by 1.0% in line with the National Bands by adding the 37 hour base pay values on Table 18 below to the proposed National Band maxima base rates. This maintains the appropriate zonal differentials.

11.6 The proposed cash values are higher when comparing like for like working patterns that include any Additional Committed Hours / Additional Committed Hours – Pensionable (ACH/ACHP), UHW or RHA. All operational working patterns exceed the closed maximum LPA inner London rate of £4,250 and will be just under the £3,100 Outer London rate. Table 18 below shows the 2018 and proposed 2019 differentials.

Table 18: Additional pay for Inner and Outer London zones at maxima

Available Band	Like for Like Weekly Hours Work Pattern	Differential on Maxima	
		2018	2019
		National / Inner London¹⁶	
3	41 hours inc. ACH & 17% UHW	£5,145	£5,196
3	40 hours inc. ACH & 17% UHW	£5,016	£5,067
3	39 hours inc. ACH & 17% UHW	£4,888	£4,937
2 to 5	ACHP & 17% UHW	£4,845	£4,894
3	38 hours inc. ACH & 17% UHW	£4,760	£4,807
2 to 5 & 7 to 11	37 hours inc. 17% UHW / RHA	£4,631	£4,678
2 to 5 & 7 to 11	37 hours base pay	£3,958	£3,998
		National / Outer London¹⁷	
3	41 hours inc. ACH & 17% UHW	£3,381	£3,414
3	40 hours inc. ACH & 17% UHW	£3,297	£3,329
3	39 hours inc. ACH & 17% UHW	£3,212	£3,244
2 to 5	39 hours inc. ACHP & 17% UHW	£3,184	£3,215
3	38 hours inc. ACH & 17% UHW	£3,128	£3,159
2 to 5 & 7 to 11	37 hours inc. 17% UHW / RHA	£3,043	£3,074
2 to 5 & 7 to 11	37 hours base pay	£2,601	£2,627

Proposal 2: F&S Band 2

11.7 We propose:

- Increasing the maximum of Band 2 National (pay point 2) by 1.0%.
- Removing pay point 1 so that Band 2 becomes a single pay point.
- The base pay cash value of Outer London and Inner London maxima will be increased by adding the 37 hour base pay values shown in Table 18 to the proposed new National Band maxima values to maintain the appropriate zonal differentials.
- Ensuring that all staff continue to be paid at or above the Government's National Living Wage (NLW).

¹⁶ **Inner London:** Brixton, HQ Westminster, Pentonville, Wandsworth, and Wormwood Scrubs.

¹⁷ **Outer London:** Belmarsh, Bronzefield, Croydon, Downview, Feltham, Highdown and Isis.

11.8 Additional rationale and key drivers:

- Encourage closed grade OSG staff to join F&S pay arrangements by continuing to offer a significant and improved pay advantage.
- Align with the approach being taken by some OGDs.
- Ensure the base pay of Band 2 remains meaningfully above the increase to the Government's NLW for 2019/20.

11.9 Two years ago, the Review Body recommended reducing Band 2 from three pay points to two. This year, we propose that pay point 1 is removed so that Band 2 has a single rate of base pay (spot rate). In terms of OGDs, Band 2 is broadly equivalent to the Administration Assistant (AA) Grade and this move aligns us with a number of other Departments that are moving towards a spot rate for this entry level grade.

11.10 We propose increasing the new single rate by 1.0%. Setting the single rate at the current Band maximum in conjunction with the increased pay rate will ensure that will be effective from 1 April 2019.

11.11 This proposal goes some way beyond our strategy of closing the pay gap between the closed equivalent grades, which has already been achieved for Band 2 and now offers a significant and improved pay advantage for staff to join Band 2 F&S pay arrangements from closed grades. This is particularly true for OSGs. See Proposal 9.

11.12 The proposed Band 2 spot rate should also help with recruitment by offering a competitive starting pay, which (for a 37 hour week) will now increase National zone pay by £1,132 p.a. from £18,726 to £19,858. See Appendix A.

Proposal 3: F&S Bands 3 to 5

11.13 We propose:

- Increasing all National pay points in Bands 3 to 5 by 1.0%.

- The base pay cash value of Outer London and Inner London maxima will be increased by adding the 37 hour base pay values shown in Table 18 to the proposed new National Band maxima values to maintain the appropriate zonal differentials.

11.14 Additional rationale and key drivers:

- Maintain pay point spacing at the current percentage rates to ensure consistent applicable progression pay increases compared to last year.

11.15 We propose that all pay points in F&S Bands 3 to 5 National are increased by 1.0%. As we are proposing a smaller consolidated increase to pay in closed equivalent grades, it remains in line with our ongoing strategy to close pay differentials between higher paid closed Senior Prison Officer and Officer grades and F&S while taking account of market comparators. The uplift to the minimum and maximum should also help with future recruitment and retention.

11.16 The Outer and Inner London pay point values below maximum will be increased to maintain pay point spacing in line with F&S pay structure design, so that pay point two is 5% more than pay point one and subsequent pay points are 2% greater in Bands 3 to 4 and 2.4% in Band 5. These proposals provide a 1.0% uplift to all Outer London and Inner London pay point values.

11.17 This proposal will continue to deliver pay ranges that appropriately reflect the length of time (notionally expected, although not guaranteed, to be 4 to 5 years) it takes to become fully competent in a role and supports a key aim of F&S to mitigate equal pay risks

11.18 As a result of uplifting all base pay points by 1.0% the increase to pay on each point will range (dependent on working patterns and zone) between the values as shown in Table 19 below.

Table 19: Lowest and highest pay point uplifts - all zones & operational working patterns

	Lowest and highest pay point uplifts		
	Band 3	Band 4	Band 5
Highest	£319	£369	£414
Lowest	£216	£275	£309

Proposal 4: F&S Bands 7 to 11

11.19 We propose:

- Increasing all National Bands 7 to 11 pay range maxima values by 1.0%, in line with Bands 2 to 5.
- Increasing all National Bands 7 to 11 pay range minima to maintain pay ranges at 20%.
- Maintaining staff on Bands 7 to 11 at their relative position on this pay range (essentially a 1.0% pay uplift) before applying any progression.
- Shortening the Band 7 pay range from 20% to 15% by making the minimum 15% less than the new maximum. Staff below the minimum at this stage will move back onto the new pay range as part of progression.
- The base pay cash value of Outer London and Inner London maxima will be increased by adding the 37 hour base pay values shown in Table 18 to the proposed new National Band maxima values to maintain the appropriate zonal differentials.

11.20 Additional rationale and key drivers:

- Create a greater gap between Band 5 and Band 7 to incentivise movement of Custodial Managers on promotion to Operational Manager.
- Continue to encourage the remaining managerial grades to opt into F&S by making F&S more attractive.

- Give staff more opportunity for future pay progression following opt-in.

- 11.21 The 2018 market data in Section 9 shows that the published pay range maxima for managerial Bands 7 to 11 continue to be generally competitive against the Whitehall and public sector markets. Unlike Bands 3 and 4, the F&S total pay maxima for operational staff in Bands 7 to 11 is greater than equivalent operational grades in closed pay arrangements (except in some cases where LPA is paid in closed grades). Hence there is generally no pay gap to close for these staff. However, in line with Bands 2 to 5, we propose to increase open Bands National maxima by 1.0% in 2019 to improve our competitiveness. Additionally, this will make F&S more attractive to staff in closed grades by providing more headroom for progression following opt-in or promotion.
- 11.22 We are proposing to initially increase the minima of all the open pay ranges so that they continue to be worth 20% less than the maxima. We will then increase staff pay so that they maintain their relative position on a 20% pay range. For example, an individual on a pay rate that is half way between the minimum and maximum of his or her pay range, will continue to be at the mid-point after the minimum and maximum are increased. This will essentially provide a 1.0% uplift in line with staff on pay points in Bands 3 to 5 before any progression.
- 11.23 Our proposal is to then shorten the Band 7 pay range so that the minimum is worth 15% less than the maximum. After progression is applied if any staff are still below the new minimum we will increase their pay to the minimum pay range value.
- 11.24 Our reasoning for shortening the pay range is to encourage movement of our Custodial Managers to the Operational Manager role by enhancing pay on promotion so that it is no longer more beneficial to remain as a Custodial Manager and increase earnings through working Payment Plus hours. It also means that staff will be able to annually progress from minimum to maximum in a shorter time.

11.25 Band 6 (currently a non-remit group Band) has a 15% pay range and to maintain structural integrity of the F&S open pay ranges, Band 7 cannot be shorter.

11.26 In the same way as the lower Bands, the 37 hour differential values shown in Table 18 will be added to the proposed new National Band maxima rates to maintain the appropriate zonal differentials. The Outer and Inner London minima will be increased to maintain the current pay range length of 20% for Bands 8 to 11 and the new 15% for Band 7. Table 20 compares 2018 closed managerial grades and National Bands 7 to 11 rates with the proposed 2019 minima and maxima vales. All figures are for a 37-hour week inclusive of RHA.

Table 20: Comparison of closed managerial grades and equivalent F&S Bands

Closed Managerial Grades Compared to F&S Bands							
Grade Scale	Year	Values inc. RHA		Band	Year	Values inc. RHA	
		Min	Max			Min	Max
Manager F	2018	£36,278	£45,917	Band 7	2018	£40,829	£48,997
	2019	£36,460	£46,148		2019	£43,033	£49,487
Manager E	2018	£40,038	£53,111	Band 8	2018	£47,607	£57,132
	2019	£40,239	£53,378		2019	£48,087	£57,704
Senior Manager D	2018	£48,671	£68,578	Band 9	2018	£60,980	£73,176
	2019	£48,915	£68,921		2019	£61,591	£73,909
Senior Manager C	2018	£58,640	£74,647	Band 10	2018	£67,126	£80,557
	2019	£58,934	£75,021		2019	£67,803	£81,363
Senior Manager B	2018	£62,822	£82,888	Band 11	2018	£75,933	£91,120
	2019	£63,137	£83,303		2019	£76,692	£92,031
Senior Manager A	2018	£66,721	£85,395				
	2019	£67,055	£85,822				

Proposal 5: Performance related pay progression in F&S

11.27 We propose:

- Eligible staff in Bands 2 to 5 and 7 to 11 rated as “Good” or “Outstanding” receive annual progression effective 1 April 2019:
- Following pay point uplifts, those below maxima in Bands 3 to 5 progress to the next available higher pay point.
- All staff in Band 2 on pay point 1 will move to pay point 2 irrespective of eligibility or performance to facilitate the change to a single pay rate.
- Following relative position uplifts, staff in Bands 7 to 11 will progress by increasing pay by a further 2.0% (resulting in overall increases of just over 3.0%), subject to maxima.
- Staff in Band 7 who are below the new Band minimum after the 2.0% pay progression uplift has been applied will be moved to the new minimum.

11.28 Additional rationale and key drivers:

- Link reward to performance, and so recognise and reward performance and behaviours.
- Support our aim for staff to move to maxima within a time that reflects full competence within a role.
- Prioritise full pay progression to the next pay point for the lower paid staff in Bands 2 to 5, where our retention challenges are greatest.
- Improve rates of retention by progressing staff towards pay range maxima (rate for the job).

11.29 Under F&S pay arrangements, there is no automatic entitlement to annual progression increases as this is subject to performance, affordability, public sector pay policy and the Review Body recommendations. There are also eligibility criteria relating to the date a new employee joins HMPPS.

- 11.30 It is our firm position that there should be no pay progression in any Band where performance is not rated “Good” or “Outstanding” under the SPDR appraisal system, unless these staff are in Band 7 and are below the new Band minimum, in which case they move to the minimum. This supports the principle of rewarding the right achievements and behaviours. Progression will apply to eligible staff who are in the Band on 31 March 2019 and in post on 1 April 2019. Pay progression for April is applied retrospectively for Bands 7 to 11 once the SPDR process is closed.
- 11.31 Progression in the Bands 7 to 11 'open' pay ranges is through a percentage increase in pay that can vary or be none from year to year. It remains our intention to enable staff to move from pay range minima to maxima within five to six years – a time that reflects achievement of full competence within a role. This assumes that the annual progression remains affordable and compliant with public sector pay policy.
- 11.32 For someone starting on the minimum, an average increase of at least 3.4% would be required each year on top of an award for maintaining the relative position on the pay range following uplifts to the minimum and maximum. However, most operational staff will join their new Band through promotion or opt-in and will start in the top half of the range and do not need this level of annual increase to reach their maximum in a reasonable time. Due to affordability constraints this year, we are proposing staff in Bands 7 to 11 below their Band maxima see a progression increase worth 2.0% in 2019, calculated on their base pay after the relative position uplift and will be subject to Band maxima.
- 11.33 As the 2.0% progression will be in addition to pay uplifts from maintaining the relative position, there will be a total pay increase of up to just over 3.0%
- 11.34 Bands 3 to 5 pay ranges currently contain 5 pay points with the intention that staff can progress from minima to maxima over 4 progressions and our proposal for 2019/20 is that eligible staff can progress in their Band to the next available higher pay point.

11.35 Our proposal to make the current maximum of Band 2 (pay point 2) a single pay rate for the Band will entail moving all staff from pay point 1 irrespective of their performance or date of joining.

11.36 We will progress eligible staff in Bands 2 to 5 to the next available higher pay point effective 1 April 2019 and progression pay after pay points have been increased will provide an uplift of between 3.0% and 6.0% within Bands 2 to 5. Staff in Bands 3 to 5 who are subsequently identified as not having achieved at least a “Good” performance assessment (e.g. the payroll department was not notified in time) will be returned to their pre-progression pay point in the month that this is advised to payroll.

11.37 Table 21 below shows the impact of both uplifting pay point values and progressing to the next pay point for Bands 2 to 5. The combined percentage increases are similar within the Outer and Inner London pay ranges.

Table 21: Progression with new pay point values Bands 2 to 5 National

Annual Progression Bands 2 to 5							
Band 5 - National Uplift & Progress		Total Uplift		Band 4 - National Uplift & Progress		Total Uplift	
2018	2019	£	%	2018	2019	£	%
£34,819	£35,168	£349	1.0%	£30,581	£30,887	£306	1.0%
£34,012	£34,352	£1,156	3.4%	£29,990	£30,290	£897	3.0%
£33,224	£33,556	£1,128	3.4%	£29,411	£29,705	£879	3.0%
£32,453	£32,778	£1,103	3.4%	£28,844	£29,705	£861	3.0%
£30,933	£31,242	£1,845	6.0%	£28,444	£29,133	£1,637	6.0%
		£309	1.0%	£27,496	£27,771	£275	1.0%
Band 3 - National Uplift & Progress		Total Uplift		Band 2 - National Uplift & Progress		Total Uplift	
2018	2019	£	%	2018	2019	£	%
£28,607	£28,893	£286	1.0%	£19,661	£19,858	£197	1.0%
£28,060	£28,340	£833	3.0%	£18,726	£19,132	£1,132	6.0%
£27,520	£27,794	£820	3.0%				
£26,994	£27,263	£800	3.0%				
£25,735	£25,991	£1,528	5.9%				
		£256	1.0%				

Note: Pay values for Bands 5, 4 and 2 are for a 37-hour week with 17% unsocial hours working. Band 3 values are for a 39-hour week (including 2 hours ACH) with 17% unsocial hours working and all values are rounded.

Proposal 6: Rewarding “Outstanding” performance markings for Phase One managerial staff on closed terms and staff in Bands 2 to 5 and 7 to 11.

11.38 We propose:

- Staff in F&S pay arrangements who receive an “Outstanding” performance marking will receive an additional non-consolidated payment on base pay as at 31 March 2019 of 1% in Bands 2 to 4 and 2% in Bands 5 and 7 to 11.
- Operational Phase One Managers and Senior Managers on closed terms will receive an additional non-consolidated payment on base pay as at 1 April 2019 of 1% for an “Outstanding” performance marking.
- Uniformed closed grades will not receive any form of performance recognition payment as the POA previously opted out of these arrangements.

11.39 Additional rationale and key drivers:

- Support Cabinet Office and CSEP principles to incentivise and drive forward continuous improvement, ultimately leading to better provision of services to the public.
- Ability to reward high performing staff.
- Align the first line managers in Band 5 with the level of performance pay for Bands 7 to 11.
- Reflect the value of last year’s Review Body recommendations as a non-consolidated payment for Bands 7 to 11. In order to reduce the cost of permanent pay bill increase we do not propose that the additional award for staff in Bands 7 to 11 is consolidated as per the Review Body recommendations for the previous two years.
- Strengthen the link between reward and performance, where performance can be adequately measured.
- Meet trade union groups’ requests that this should apply to all F&S Bands.

- 11.40 These awards are in addition to any consolidated performance related progression increases. The awards apply to eligible staff who are in post by 31 March or April 2019 and achieve an “Outstanding” performance box marking.
- 11.41 For closed grade staff, the percentage is based on the 1 April pay rate. The “Outstanding” non-consolidated performance awards are available to Operational Phase One Managers on closed terms, but not closed grade Officers and Support staff due to the POA opting out of the historic performance-related pay arrangements.
- 11.42 For staff in F&S pay arrangements percentage is calculated on the 31 March rate. This relates directly to their F&S pay during the performance period, reflects arrangements under pre-F&S terms and conditions and supports Cabinet Office principles to drive forward continuous improvement to provide better provision of services to the public.
- 11.43 Our proposal for non-consolidated “Outstanding” performance awards for the 2017/18 performance year are:
- F&S Bands 2 to 4 = 1%
 - F&S Bands 5 and 7 to 11 = 2%
 - Closed Phase One Operational Managers = 1%

Proposal 7: Allowances

- 11.44 We propose:
- The current temporary increases to Payment Plus and OSG overtime will be made permanent.
 - NTRG / NDTSG staff to receive a new allowance to replace and enhance current on call arrangements.
 - RHA in closed operational manager grades is increased by 0.5% in line with our pay proposals for these staff.

- Staff on Cover will now receive additional and unsocial hours / RHA payments at the rate for the Band at which they are temporarily working.
- No other allowances to have a cash or percentage increase.

11.45 Additional rationale and key drivers:

- Enhanced Payment Plus and OSG overtime rates have been in place for over two years and we wish to provide clarity to staff in the future.
- Change to the cover payments is being introduced as part of our incoming promotion policy, and in accordance with the Review Body recommendation in 2018/19.
- To ensure NTRG / NDTSG staff are paid for all hours on call and at the same rates in closed terms and F&S pay arrangements to safeguard operational stability.
- Closed terms RHA increased so that Operational Managers D, E and F receive the same total pay award as Operational Managers paid on the closed all inclusive scale rates.
- There is no evidence that other allowances need to be increased or introduced.

F&S Market Supplements at Red and Amber sites

11.46 As set out in section 8 we intend (subject to review during 2019) to continue paying existing Market Supplements. We are also proposing adding a further prison (Winchester) to the suite of 'red' sites in which Market Supplements of £5,000 are payable and to apply the Market Supplements to both new entrants and existing staff.

11.47 Following the Review Body recommendations last year, we stopped eroding the OSG Red site Market Supplement when pay is increased either through revalorisation or annual progression. Accepting this recommendation has had the unintended consequence for staff who were at maximum on 31 March

2018 receiving a lower rate of Market Supplement than staff who progressed to maximum effective 1 April 2018. We will look to try and address this in the future, but we cannot make any changes as part of this year's pay award due to the considerable cost with budgetary and IRC constraints.

Payment Plus & OSG Overtime

11.48 We are proposing to make permanent the £22 per hour rate for Payment Plus and the additional £5 per hour for OSG overtime and Tornado payments. These payments have been in place for over two years and we wish to provide clarity to staff in the future. We expect the reliance on both to reduce in time because current and future recruitment volumes, take up of additional contracted hours under incoming policies, and improvements in retention rates.

NTRG / NDTSG on call allowance

11.49 On-call requirements of the NTRG / NDTSG staff are unique (far above the on-call requirements of other groups of staff) and the willingness of this group of staff to meet these requirements is vital to operational stability.

11.50 There are currently significant differences in what NTRG / NDTSG staff earn when they are on call with those on closed pay terms earning significantly more than those on F&S (staff on F&S pay terms typically earn £400 less). This is due to the different rates and criteria in the closed terms and F&S, where the staff are required to be on call for 16 hour periods during the working week but are currently only paid for 12 hours in line with existing on-call rates.

11.51 We are proposing an allowance reflecting the principle that staff should receive remuneration for the entire period for which they remain on call (i.e. 16 hours rather than 12 hours). This will provide pay parity without cutting across current national policies and support our overarching strategy of investing in F&S and incentivising staff on closed pay terms to opt into F&S.

11.52 We have undertaken a review of the level of on-call these staff undertake and as a result propose a new allowance that replaces pay for all hours on-call and the essentially obsolete radio pager rate. The allowance is to be non-pensionable and annualised at £6,670 for both closed grade and F&S NTRG / NDTSG staff. The allowance will replace all existing on-call arrangements and will be paid monthly along with the employee's salary. This will cover both primary and secondary on-call duties with staff no longer required to make monthly claims.

RHA and other allowances

11.53 We propose that the RHA in closed terms is increased by 0.5% in line with our proposals for Operational Manager scale pay – see proposal 8.

Cover payments

11.54 Under the new promotions policy, cover now also includes payment of additions such as Additional Committed Hours non-pensionable (ACH), Additional Committed Hours pensionable (AHP), unsocial hours and RHA at the rate for the Band being temporarily covered rather than the substantive grade / Band. This is an integral part of our incoming promotions policy to align arrangements for cover (as far as possible) with those for substantive promotions. It also responds to recommendation 17 of the Review Body report for 2018.

Duty Governor Payment

11.55 In last year's report, the Review Body asked us and the PGA to discuss and preferably submit a joint proposal regarding the best way to reward the additional responsibilities and workload linked to the role of Duty Governor. We have held "without prejudice" discussions with the PGA over the Duty Governor role and will not be progressing the allowance. The workload management tool being introduced will help to identify the correct resource requirements for our Operational Managers and we are firmly of the view that

investment in additional staff, if necessary, represents greater value for money.

Other allowances and payments

11.56 There are no changes to any other allowance or payment in F&S or closed grades unless they are calculated as a percentage of base pay. These will increase in cash terms at the same percentage as base pay increases, such as F&S unsocial hours working and RHA - both of which are currently paid at 17% of base salary.

Proposal 8: Operational Graduate & Accelerated Development Scheme (ADS)

11.57 We propose that Operational Graduates and staff on the ADS will receive a consolidated increase of 1.0%, in line with headline F&S increases.

Operational Graduate Scheme

11.58 In its last report, the Review Body recommended a pay award for the Operational Graduates who subsequently received a pay increase aligned to the F&S award. The HMPPS Graduate scheme is now closed to new joiners but still has a small number of legacy graduates from the 2015 cohort on the programme. All are awaiting the Head of Function (HoF) assessments to progress. It is estimated that these staff will all graduate from the scheme in 2019. We propose that any staff remaining on the scheme from 1 April 2019 will have their pay point uplifted by 1.0%.

'Unlocked' Graduate Scheme

11.59 The Operational Graduate scheme has now been replaced by the external 'unlocked' graduate scheme that was launched on 9 January 2017. The scheme is being run by the independent charity, Unlocked. All of the candidates are paid the same salary as other Prison Officers.

- 11.60 The charity aims to raise the profile of the Prison Service as a professional career. The first cohort started in 2017 and the contract has recently been awarded for the next 5 years. Currently, there are 41 individuals who have passed probation in the first cohort; of these 37 are working as Prison Officers and 4 are Supervising Officers. An additional 96 in the second cohort have completed the initial training and are now working as Prison Officers. The total of both cohorts are working across 12 prisons. Unlocked have been commissioned to recruit 115 individuals in 2019.
- 11.61 There is a development programme running throughout the two years, which includes a postgraduate diploma and Masters' degree, in partnership with the University of Suffolk.
- 11.62 On completion of the scheme, participants will either progress to leadership roles within HMPPS or will use their experience to join other organisations. We hope that the scheme's participants will become a network committed to tackling and reducing offending and crime by, for example, working in the charity sector, becoming a social entrepreneur, or encouraging more employers to take on ex-offenders.

HMPPS Accelerated Development Scheme (ADS)

- 11.63 We have now introduced the Accelerated Development Scheme, which is open to staff at Band 3 and 4 who currently work in Public Sector Prisons and as a minimum have completed POELT, their probation period and at least two years' service at Band 3.
- 11.64 This programme is for high-potential staff who have already demonstrated that they have the potential to be functional heads within a very short time-frame. They may have had previous managerial experience, or perhaps are graduates who have already demonstrated their ability to progress very quickly. In all cases they will be identified as being talented and have the potential to progress rapidly, with development, to a management level.

- 11.65 The scheme has been advertised nationally and annually and we expect to recruit a cohort of up to 25 people per year. Candidates will be dispersed across HMPPS region/groups and those applying for the scheme will be expected to fully accept mobility, both in respect of their initial development period and beyond.
- 11.66 We expect all those on the scheme to begin with a substantial period of learning and complete an apprenticeship in Operational Management. During this period they will gain some basic skills and knowledge required to undertake the role of a Band 7 Operational Manager. This will provide staff with the confidence to manage incidents, undertake adjudications and have the fundamental understanding to develop as an Operational Manager within a prison.
- 11.67 This will be followed by an initial regional deployment in a supernumerary position that will enable the individual to develop their skills further within an operational setting. The selected candidates on the scheme will be managed by establishment line managers working closely with the central ADS Manager (HR Directorate) for the duration of the programme. We currently have 20 ADS staff that started in Sept 2017 and a further 21 staff join the scheme in Jan 2019. They will be paid at the same rate as F&S Band 7.
- 11.68 Graduates and ADS staff who were in post on both 31 March 2018 and 1 April 2018 will also be eligible for additional non-consolidated awards that align with those for their equivalent F&S Band, upon receipt of an “Outstanding” performance marking.

Proposal 9: Uniformed Staff and Phase One Operational Managers on closed (pre-F&S) pay arrangements

11.69 We propose (in addition to those contained in proposals 5 & 6):

- That all grade scale and single pay points are increased by 0.5%.
- That all staff are paid at or above the Government’s NLW.

- Any staff still below the maximum of their pay scale contractually receive a pay progression increases of one pay point.
- Operational Managers currently at scale maximum contractually receive a 2% non consolidated progression payment for a “Good” or better SPDR marking.

11.70 Rationale and key drivers:

- Progress our strategy to close the pay differentials between F&S Bands and closed grades where they exist.
- Recognise the need to award staff in the closed grades after earlier years of pay restraint.
- Retain experienced staff and reverse current increased attrition.
- Help to maintain operational and employee relations stability.
- Act as a key enabler for supporting workforce reforms.
- Compliance with the Government’s NLW.
- Honour contractual pay progression, including non-consolidated payments at the maxima for eligible Operational Managers.

11.71 In line with our long-term intention to continue to invest in F&S pay structures, HMPPS are of the view that any staff benefitting financially from opting into F&S and choosing not to, should not be in receipt of a pay rise, either consolidated or non-consolidated.

11.72 To support our ongoing strategy of reducing pay leads in closed terms where they still exist, our proposals continue to target investment within F&S. Although it remains the case that we do not wish to invest, in the long term, outside F&S, we do recognise the need to award staff in the closed grades. Therefore we propose that all scale pay points are uplifted by 0.5%. Staff who would benefit financially from opting into F&S but choose not to would, however, have their pay frozen at current values and will not benefit from the proposed 0.5% uplifts.

11.73 We also see a consolidated award as a key enabler to reform and will help to reduce attrition amongst our most experienced staff and stabilise the Employee Relations outlook.

11.74 This award will be in addition to any contractual annual progression remaining for the very few staff who may still be below the maximum of their pay scale. Operational Managers currently at their pay scale maximum will be eligible for a 2% non-consolidated progression payment for a “Good” or “Outstanding” performance marking.

11.75 In October 2018 the Government announced an increase to £8.21 per hour for the NLW effective 1 April 2019. Where the scale or spot rate pay for any member of staff falls below this new rate, we will adjust their pay accordingly to ensure we meet our legal obligations. If their NLW pay has increased pay by less than the proposed 0.5% pay award then we will further increase pay to match the award. We propose no further action if the new NLW has increased pay by more than 0.5%.

Proposal 10: Opt-in to F&S

11.76 We propose:

- To make permanent the 2% annual opt-in incentive (enhanced opt-in), which has been in place since 2014, for remaining Operational Managers to opt into F&S.
- To enable Principal Officer Specialists who opt in to move directly to F&S Band 5 maximum.
- To enable Prison Officer Specialists, working to Band 4, who opt in to join F&S at the maximum.
- Normal opt-in policy to apply for all other grades.

11.77 Rationale and key drivers:

- To provide Operational Managers, Principal Officer Specialists and Prison Officer Specialists working to Band 4 with the necessary financial benefit to opt into F&S pay arrangements.
- Under our pay award proposals effective 1 April 2019, OSGs, Prison Officer 2s (PO2s), G4S Prison Custody Officers (PCOs) and Principal Officers can benefit from normal opt-in policy.
- Enables longer term reforms by ensuring opt-in to F&S is financially beneficial.
- Closed terms Prison Officers cannot benefit from opting in due to the continuing pay gap.

2017/18 Opt-in

11.78 We identified a total of 1,808 operational staff who could opt in after the April 2017 award and a summary of those that accepted is on the following Table 22:

Table 22: Operational grades who were sent opt-in offer letters in February 2018 and accepted

Staff sent opt-in offer letters and those that accepted			
Operational Grades	Volume	Total opt-ins with %	
OSGs	1031	334	32.40%
Principal Officer - Standard	134	59	44.03%
Principal Officer - Specialist	13	3	23.08%
G4S PCO	37	8	21.62%
Prison Officer 2	5	1	20.00%
Prison Officer - Specialist	558	152	27.24%
Phase One Managers	30	15	50.00%
All Operational Grades	1808	572	31.64%

The 'volume' is not the total number of staff in closed grades. It denotes the number of staff in closed grades who were sent an opt-in letter because all (except G4S PCOs) could financially gain from opting into F&S. G4S PCOs would join F&S at the maximum of Band 3 with no change in pay, but would benefit from the ACH flexibility.

- 11.79 For the 2017/18 opt-in we again offered OSGs on closed terms an opt-in directly to the maximum of Band 2 as a special incentive. This would have increased the total pay for the majority by £823 on the National Band, £845 on the Outer London Band and £1,323 on the Inner London Band. This would have been effective 1 April 2017 and in addition to the £400 pay award. In its most recent report, the Review Body expressed disappointment that only a third of OSG staff took up the opportunity to opt into F&S.
- 11.80 The Review Body has asked that we increase efforts to persuade staff with assurances that joining F&S will see no change to their terms and conditions. We will do our utmost through engagement with staff and the POA, as well as working more closely with HR Business Partners, to allay unfounded concerns and to provide reassurances that we will never remove their unsocial working hours and payment while they remain in the OSG role.

2018/19 Opt-in

- 11.81 Due to the delayed implementation of the 2018/19 pay award we anticipate running the 2018/19 opt-in exercise during February 2019 for payment in the March 2019 payroll.

2019/20 Opt-in

- 11.82 As stated earlier, our firm position is that any member of staff who would benefit financially from opting into F&S and chooses not to, should not be in receipt of a pay rise, either consolidated or non-consolidated payment.
- 11.83 It is still not possible for closed Prison Officers to gain financially by opting into F&S due to their large pay lead over F&S rates at Band 3. Senior Officers in Outer London and National locations still just fall short of financial gain by joining F&S. However, Senior Officers in Inner London will generally be able to gain by opting in.
- 11.84 In 2019, OSGs under our proposals for Band 2, will have the added benefit of moving to the higher spot rate pay. Compared to 31 March 2019 pay, this will

provide an additional £1,046 (National – where no LPA is paid), £1,161 (Outer London) and £1,690 (Inner London), uplifts of 5.30%, 5.08% and 7.05% respectively.

- 11.85 PO2s, G4S PCOs and Principal Officers will also benefit from normal opt-in policy and receive additional pay increases following our pay proposals as illustrated on Table 23 below.
- 11.86 Under standard opt-in policy, Principal Officer Specialists and Prison Officer Specialists working to Band 4 remain in closed grades because they do not gain financially on opt-in due to the loss of their specialist allowance. We propose that we allow both staff groups to move directly to the maximum of their Band. Where LPA is not an issue, this will increase their pay from their 31 March 2019 rate by £635 and £902 respectively in the National Bands.
- 11.87 Although staff who can financially benefit from opting into F&S will only get an increase by doing so, Table 23 below gives examples of what the pay award would have provided with the additional opt-in gain.

Table 23: 2019/20 award and opt-in gain

Principal Officer Specialist –Opt-In to Maximum Band 5 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£36,158	£36,333	£175	£36,793	£460	£635

Principal Officer – Standard Opt-In to point 4 Band 5 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£34,958	£35,133	£175	£35,939	£806	£981

Senior Officer including LPA – Standard Opt-in to Maximum Band 4 Inner London Only						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£36,769	£36,932	£163	£37,208	£276	£439

Prison Officer Specialist –Opt-in to Maximum Band 4 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£31,412	£31,564	£152	£32,314	£750	£902

Prison Officer 2 (PO2) 39 hour – Standard Opt-in to Minimum Band 3 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£22,131	£22,242	£111	£22,466	£224	£335

G4S Prison Custody Officer – Standard Opt-in to Maximum Band 3 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£25,172	£25,298	£126	£25,425	£127	£253

OSG – Standard Opt-in to Single Pay Point Band 2 National						
	31/03/2019	01/04/2019		01/04/2019		
Opt-In Year	Closed Pay	Proposed Closed Pay	Pay Award Gain	Proposed F&S Pay	Further Gain from Opt-in	Total Gain
2019	£19,730	£19,829	£99	£20,776	£947	£1,046

- 11.88 The vast majority of Phase One Operational Managers (closed Band 7 to 11 equivalents) have already moved across to F&S pay arrangements. Nonetheless, we wish to continue incentivising those few remaining on closed terms to opt into F&S and propose making the temporary 2% consolidated increase to base pay permanent from 1 April 2019.
- 11.89 In line with our approach in previous years, following the pay uplifts under our proposals, we will maintain the current pay calculation to establish the initial assimilation rate for Operational Phase One Managers. This means that those who opt in will benefit both in terms of the increased RHA proposed this year and the previously enhanced RHA rate in F&S to provide an annual total pay increase from opting in ranging from 1.74% to 1.99%. These increases will also give staff with the lower rates of LPA the opportunity to opt in with a financial benefit. Following opt-in, our proposed higher rates to the F&S Band maxima will provide additional 'headroom' for future progression pay uplifts ranging from 3.33% to 6.46%. Table 24 below illustrates this in detail.

Table 24: Managers & Senior Managers opting into F&S National from scale maxima¹⁸

Phase One staff opting into F&S							
Proposed Scale	Manager		Senior Manager				
	F	E	D	D	C	B	A
Pre-F&S Scale Pay (2019)	£40,423	£47,653	£63,197	£68,921	£75,021	£83,303	£85,822
RHA	£5,725	£5,725	£5,725	N/A	N/A	N/A	N/A
2% Annual Non-Con	£808	£953	£1,264	£1,378	£1,500	£1,666	£1,716
Total Pay	£46,956	£54,331	£70,186	£70,299	£76,521	£84,969	£87,538
↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓							
Opt in to Band & Assimilation Pay							
Assimilation Band	7	8	9	9	10	11	11
Opt in Base Pay	£40,129	£46,416	£59,932	£59,931	£65,236	£72,437	£74,628
2% Addition Applied	£40,931	£47,344	£61,131	£61,130	£66,540	£73,886	£76,120
RHA 17%	£6,958	£8,048	£10,392	£10,392	£11,312	£12,561	£12,940
Opt-in Total Pay	£47,890	£55,392	£71,523	£71,522	£77,852	£86,447	£89,061
↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓							
Increase in Pay from Opting in							
Increase in Pay £	£933	£1,061	£1,337	£1,223	£1,331	£1,478	£1,522
Increase in Pay %	1.99%	1.95%	1.91%	1.74%	1.74%	1.74%	1.74%
↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓							
Headroom for Future Progression							
Base Pay Maxima	£42,297	£49,320	£63,170	£63,170	£69,541	£78,659	£78,659
RHA 17%	£7,190	£8,384	£10,739	£10,739	£11,822	£13,372	£13,372
Total Pay	£49,487	£57,704	£73,909	£73,909	£81,363	£92,031	£92,031
Headroom £	£1,597	£2,312	£2,386	£2,387	£3,511	£5,584	£2,970
Headroom %	3.34%	4.17%	3.34%	3.34%	4.51%	6.46%	3.33%

¹⁸ For example, the calculation for a Manager F opting in from pay maximum after any progression or non-consolidated pay will be:

Pre-F&S scale pay: £40,423 + £5,725 (RHA) + £808 (2% annual non con) = £46,956
 Base pay on opt-in: £40,423 + £5,725 / 1.15 + 2% = £40,931
 Total pay on opt-in: £40,931 + £6,958 (17% RHA) = £47,890
 Headroom (available progression) £49,487 (Band maximum) - £47,890 (pay on opt-in) = £1,597

Update – Promotions and additional contracted hours

11.90 We have now rolled out our pay on promotion policy, and will be looking over the coming months to implement the additional contracted hours policy, as set out in last year's evidence. Pay on promotion (or cover) now attracts a 10% (for a single Band) base pay enhancement, and 15% for two or more Bands. Cover payments are now also aligned to arrangements for substantive promotions so that staff on cover now receive additional payments such as ACH/ACHP, unsocial hours or RHA at the rate for the Band being temporarily covered.

11.91 Linked to the additional contracted hours policy (under which staff in F&S Bands 2 to 4 will eventually be able to work as many as 43 hours per week (and those in Band 5 up to 39) staff moving on promotion or level transfer will now be able to continue to work at least 39 hours and retain the previously transitional ACHP payments.

11.92 All of this will provide greater incentives for staff to seek promotion (or level transfer) both into and within F&S. This will aid us in our efforts to move staff into F&S as well as encourage career development, in turn acting as crucial enablers to moving staff into the APO and YCS roles as part of our wider workforce reforms.

Financial Considerations

11.93 The estimated cost of the above proposals for 2019/20 is c. £29million¹⁹. This has a headline IRC impact of 1.4%. These costs are presented for both operational and non-operational staff given the significant read across of the Review Body recommendations to non-remit group staff.

¹⁹ This is inclusive of all additional elements such as the NTRG / NDTSG allowance and introduction of a new Market Supplement site. On Costs Accruing Superannuation Liability Charges / Earnings Related National Insurance Contribution are included.

- 11.94 Additionally, HMPPS has received separate approval for multi-year pay reform within the NPS. Year 2 of this reform is due for implementation in April 2019 at a cost of c. £11.5million (0.56% IRC). This means that for HMPPS as whole, pay increase for 2019/20 will total £40million (IRC of 2.0%). A detailed breakdown of costs is at Annex B.
- 11.95 Although the Government has moved away from blanket 1% awards (in exchange for productivity gains and to improve recruitment and retention), and did accept an award of 2% (plus progression) in 2018, pay restraint is still an integral part of the Governments fiscal policy. HMPPS also continues to operate under severe budgetary pressures. As detailed in the preceding sections, we have also invested significantly in measures to improve staffing levels, operational conditions and health and safety, all of which are issues of utmost importance to our staff. As such, any recommendations above those detailed in this submission would be unfunded and would create significant affordability issues for the Department. As such, as per our activation letter, we would ask that the Review Body makes recommendations that are in accordance with Government pay policies (and any slight tolerances that have been agreed as part of this evidence submission process). This includes the counting, for the purposes of calculating IRC, of performance related pay progression.



Conclusion

11.96 We believe that our proposals will help to reverse the current high rates of attrition amongst our most experienced staff; help to avoid employee relations flashpoints over pay, maintain operational stability; and provide meaningful pay awards for all members of staff.

11.97 We also consider that these proposals will enable us to consolidate our current operating environment, and enable us to implement immediate reforms such as APO (underpinned by the promotions policy) and additional contracted hours, while working towards wider and longer term pay and workforce reforms.



Additional Tables & Annexes

F&S Band pay ranges 2018/19 and proposed 2019/20

			Pay Effective 1 April 2018					Proposed Pay Effective 1 April 2019					
Band	Zone	Working Hours / Pattern	Pay Points / Range 1 April 2018 to 31 March 2019					Pay Points / Range 1 April 2019 to 31 March 2020					
			1	2	3	4	5	1	2	3	4	5	
2	National	37 hour Base Pay	£16,005	£16,805				£16,973					
		37 hour inc 17% unsocial	£18,726	£19,661				£19,858					
		39 hour inc ACHP & 17% unsocial	£19,591	£20,570				£20,776					
	Outer London	37 hour Base Pay	£18,483	£19,406				£19,600					
		37 hour inc 17% unsocial	£21,625	£22,704				£22,932					
		39 hour inc ACHP & 17% unsocial	£22,624	£23,753				£23,991					
	Inner London	37 hour Base Pay	£19,775	£20,763				£20,971					
		37 hour inc 17% unsocial	£23,137	£24,292				£24,536					
		39 hour inc ACHP & 17% unsocial	£24,206	£25,414				£25,670					
3	National	37 hour Base Pay	£18,499	£19,404	£19,783	£20,172	£20,565	£18,684	£19,599	£19,981	£20,373	£20,771	
		37 hour inc 17% unsocial	£21,644	£22,703	£23,146	£23,601	£24,061	£21,860	£22,930	£23,377	£23,837	£24,302	
		38 hour inc ACH & 17% unsocial	£22,243	£23,333	£23,788	£24,255	£24,728	£22,466	£23,566	£24,025	£24,497	£24,976	
		39 hour inc ACHP & 17% unsocial	£22,643	£23,752	£24,215	£24,691	£25,173	£22,870	£23,990	£24,457	£24,938	£25,425	
		39 hour inc ACH & 17% unsocial	£22,843	£23,962	£24,429	£24,909	£25,395	£23,072	£24,202	£24,674	£25,158	£25,649	
		40 hour inc ACH & 17% unsocial	£23,443	£24,591	£25,071	£25,563	£26,062	£23,678	£24,837	£25,322	£25,819	£26,323	
		41 hour inc ACH & 17% unsocial	£24,043	£25,221	£25,712	£26,218	£26,729	£24,284	£25,473	£25,970	£26,480	£26,997	
	Outer London	37 hour Base Pay	£20,840	£21,860	£22,286	£22,723	£23,166	£21,048	£22,078	£22,508	£22,950	£23,398	
		37 hour inc 17% unsocial	£24,383	£25,576	£26,075	£26,586	£27,105	£24,626	£25,831	£26,334	£26,852	£27,376	
		38 hour inc ACH & 17% unsocial	£25,059	£26,285	£26,797	£27,323	£27,856	£25,309	£26,547	£27,064	£27,596	£28,135	
		39 hour inc ACHP & 17% unsocial	£25,509	£26,758	£27,279	£27,814	£28,357	£25,764	£27,025	£27,551	£28,092	£28,640	
		39 hour inc ACH & 17% unsocial	£25,735	£26,994	£27,520	£28,060	£28,607	£25,991	£27,263	£27,794	£28,340	£28,893	
		40 hour inc ACH & 17% unsocial	£26,410	£27,703	£28,243	£28,797	£29,359	£26,674	£27,979	£28,524	£29,084	£29,652	
		41 hour inc ACH & 17% unsocial	£27,086	£28,412	£28,966	£29,534	£30,110	£27,357	£28,695	£29,254	£29,829	£30,411	
	Inner London	37 hour Base Pay	£22,060	£23,140	£23,591	£24,054	£24,523	£22,282	£23,372	£23,827	£24,295	£24,769	
		37 hour inc 17% unsocial	£25,810	£27,074	£27,601	£28,143	£28,692	£26,070	£27,345	£27,878	£28,425	£28,980	
		38 hour inc ACH & 17% unsocial	£26,526	£27,824	£28,367	£28,923	£29,488	£26,793	£28,103	£28,650	£29,213	£29,783	
		39 hour inc ACHP & 17% unsocial	£27,003	£28,325	£28,877	£29,443	£30,018	£27,274	£28,609	£29,166	£29,738	£30,319	
		39 hour inc ACH & 17% unsocial	£27,241	£28,575	£29,132	£29,703	£30,283	£27,515	£28,861	£29,423	£30,001	£30,586	
		40 hour inc ACH & 17% unsocial	£27,957	£29,325	£29,897	£30,484	£31,078	£28,238	£29,619	£30,196	£30,789	£31,390	
		41 hour inc ACH & 17% unsocial	£28,672	£30,076	£30,662	£31,264	£31,874	£28,961	£30,377	£30,969	£31,577	£32,193	

Band	Zone	Working Hours / Pattern	Pay Points / Range 1 April 2018 to 31 March 2019					Pay Points / Range 1 April 2019 to 31 March 2020				
			1	2	3	4	5	1	2	3	4	5
4	National	37 hour Base Pay	£23,501	£24,653	£25,138	£25,633	£26,138	£23,736	£24,900	£25,389	£25,889	£26,399
		37 hour inc 17% unsocial	£27,496	£28,844	£29,411	£29,990	£30,581	£27,771	£29,133	£29,705	£30,290	£30,887
		39 hour inc ACHP & 17% unsocial	£28,766	£30,177	£30,770	£31,376	£31,994	£29,054	£30,479	£31,078	£31,689	£32,314
	Outer London	37 hour Base Pay	£25,842	£27,109	£27,641	£28,184	£28,739	£26,099	£27,379	£27,917	£28,466	£29,026
		37 hour inc 17% unsocial	£30,235	£31,718	£32,340	£32,975	£33,624	£30,536	£32,033	£32,663	£33,305	£33,960
		39 hour inc ACHP & 17% unsocial	£31,632	£33,183	£33,834	£34,499	£35,177	£31,947	£33,513	£34,172	£34,844	£35,529
	Inner London	37 hour Base Pay	£27,062	£28,389	£28,946	£29,515	£30,096	£27,332	£28,672	£29,235	£29,810	£30,397
		37 hour inc 17% unsocial	£31,663	£33,215	£33,867	£34,533	£35,212	£31,978	£33,546	£34,205	£34,878	£35,564
		39 hour inc ACHP & 17% unsocial	£33,125	£34,750	£35,431	£36,128	£36,839	£33,456	£35,096	£35,785	£36,489	£37,208
5	National	37 hour Base Pay	£26,438	£27,738	£28,397	£29,070	£29,760	£26,703	£28,015	£28,681	£29,361	£30,058
		37 hour inc 17% unsocial	£30,933	£32,453	£33,224	£34,012	£34,819	£31,242	£32,778	£33,556	£34,352	£35,168
		39 hour inc ACHP & 17% unsocial	£32,362	£33,953	£34,759	£35,583	£36,427	£32,686	£34,292	£35,107	£35,939	£36,793
	Outer London	37 hour Base Pay	£28,750	£30,163	£30,879	£31,611	£32,361	£29,038	£30,465	£31,188	£31,927	£32,685
		37 hour inc 17% unsocial	£33,638	£35,291	£36,128	£36,985	£37,862	£33,974	£35,644	£36,490	£37,355	£38,241
		39 hour inc ACHP & 17% unsocial	£35,192	£36,921	£37,798	£38,694	£39,611	£35,544	£37,291	£38,176	£39,080	£40,008
	Inner London	37 hour Base Pay	£29,957	£31,429	£32,175	£32,937	£33,718	£30,255	£31,742	£32,496	£33,266	£34,056
		37 hour inc 17% unsocial	£35,050	£36,772	£37,645	£38,536	£39,449	£35,398	£37,138	£38,020	£38,921	£39,846
		39 hour inc ACHP & 17% unsocial	£36,669	£38,471	£39,384	£40,317	£41,272	£37,034	£38,854	£39,777	£40,719	£41,686

Band	Zone	Working Hours / Pattern	Pay Range 1 April 2018 to 31 March 2019		Pay Range 1 April 2019 to 31 March 2020	
			Min	Max	Min	Max
7	National	37 hour Base Pay	£34,897	£41,878	£36,780	£42,297
		37 hour inc RHA	£40,829	£48,997	£43,033	£49,487
	Outer London	37 hour Base Pay	£37,065	£44,479	£39,065	£44,924
		37 hour inc RHA	£43,366	£52,040	£45,706	£52,561
	Inner London	37 hour Base Pay	£38,196	£45,836	£40,257	£46,295
		37 hour inc RHA	£44,689	£53,628	£47,101	£54,165
8	National	37 hour Base Pay	£40,690	£48,831	£41,100	£49,320
		37 hour inc RHA	£47,607	£57,132	£48,087	£57,704
	Outer London	37 hour Base Pay	£42,858	£51,432	£43,290	£51,947
		37 hour inc RHA	£50,144	£60,175	£50,649	£60,778
	Inner London	37 hour Base Pay	£43,989	£52,789	£44,432	£53,318
		37 hour inc RHA	£51,467	£61,763	£51,985	£62,382
9	National	37 hour Base Pay	£52,120	£62,544	£52,642	£63,170
		37 hour inc RHA	£60,980	£73,176	£61,591	£73,909
	Outer London	37 hour Base Pay	£54,288	£65,145	£54,832	£65,797
		37 hour inc RHA	£63,517	£76,220	£64,153	£76,982
	Inner London	37 hour Base Pay	£55,419	£66,502	£55,974	£67,168
		37 hour inc RHA	£64,840	£77,807	£65,490	£78,587
10	National	37 hour Base Pay	£57,373	£68,852	£57,951	£69,541
		37 hour inc RHA	£67,126	£80,557	£67,803	£81,363
	Outer London	37 hour Base Pay	£59,541	£71,453	£60,141	£72,168
		37 hour inc RHA	£69,663	£83,600	£70,365	£84,437
	Inner London	37 hour Base Pay	£60,672	£72,810	£61,283	£73,539
		37 hour inc RHA	£70,986	£85,188	£71,701	£86,041
11	National	37 hour Base Pay	£64,900	£77,880	£65,549	£78,659
		37 hour inc RHA	£75,933	£91,120	£76,692	£92,031
	Outer London	37 hour Base Pay	£67,068	£80,481	£67,739	£81,286
		37 hour inc RHA	£78,470	£94,163	£79,255	£95,105
	Inner London	37 hour Base Pay	£68,199	£81,838	£68,881	£82,657
		37 hour inc RHA	£79,793	£95,750	£80,591	£96,709

Closed Uniformed Grades pay scales 2018/19 and proposed 2019/20

Grade	Pay Point	2018	2019	Grade	Pay Point	2018	2019
Principal Officer	Year 2	£34,958	£35,133	Prison Officer	Point 6	£30,212	£30,364
	Year 1	£33,130	£33,296		Point 5	£27,106	£27,242
Senior Officer	Single Rate	£32,519	£32,682		Point 4	£25,002	£25,128
					Point 3	£23,764	£23,883
OSG	Maximum	£19,730	£19,829		Point 2	£22,621	£22,735
	Year 4	£18,792	£18,886		Point 1	£21,790	£21,899
	Year 3	£18,251	£18,343		Entry Level	£19,606	£19,705
	Year 2	£17,731	£17,820	G4S Prison Custody Officer (PCO)	3 years or more	£25,172	£25,298
	Year 1	£17,231	£17,318		2 years	£23,982	£24,102
Entry Level	£16,846	£16,931	1 year		£23,126	£23,242	
G4S Security Officer (SO)	2 years or more	£19,443	£19,541		New starter	£19,703	£19,802
	1 year	£18,648	£18,742		Maximum	£17,985	£18,867
	New starter	£16,282	£16,714	Maximum	£15,941	£16,714	
				Night Patrol (closed)			
				Prison Auxiliary (closed)			

Grade	Working Hours / Pattern	2018				2019			
		1	2	3	4	1	2	3	4
Prison Officer 2	37 hour Base Pay	£16,057	£16,892	£17,407	£17,922	£16,714	£16,977	£17,495	£18,012
	37 hour inc 17% unsocial	£18,787	£19,763	£20,366	£20,969	£19,555	£19,863	£20,469	£21,074
	38 hour inc ACH & 17% unsocial	£19,308	£20,311	£20,931	£21,550	£20,097	£20,414	£21,037	£21,658
	39 hour inc ACH & 17% unsocial	£19,828	£20,858	£21,495	£22,131	£20,640	£20,964	£21,604	£22,242
	40 hour inc ACH & 17% unsocial	£20,349	£21,406	£22,059	£22,712	£21,182	£21,515	£22,171	£22,827
	41 hour inc ACH & 17% unsocial	£20,870	£21,955	£22,624	£23,293	£21,724	£22,066	£22,739	£23,411

Operational Phase One Manager pay scales 2018/19 and proposed 2019/20

	Including RHA			Excluding RHA	
Effective From	01-Apr-18	01-Apr-19		01-Apr-18	01-Apr-19
Senior Manager A	£85,395	£85,822	Senior Manager D From 23 July 2009	£62,882	£63,197
	£82,890	£83,305		£58,304	£58,596
	£77,466	£77,854		£54,560	£54,833
	£73,897	£74,267		£52,826	£53,091
	£71,110	£71,466		£52,160	£52,421
	£68,633	£68,977		£47,080	£47,316
	£66,721	£67,055			
Senior Manager B	£82,888	£83,303	Manager E	£47,415	£47,653
	£77,466	£77,854		£42,800	£43,014
	£73,897	£74,267		£40,843	£41,048
	£71,110	£71,466		£37,526	£37,714
	£68,633	£68,977		£35,748	£35,927
	£66,721	£67,055		£34,342	£34,514
	£62,822	£63,137			
Senior Manager C	£74,647	£75,021	Manager F	£40,221	£40,423
	£69,756	£70,105		£35,795	£35,974
	£67,314	£67,651		£34,069	£34,240
	£64,583	£64,906		£32,704	£32,868
	£60,751	£61,055		£31,627	£31,786
	£58,640	£58,934		£30,582	£30,735
Senior Manager D Inclusive of RHA closed 22 July 2009	£68,578	£68,921	Manager G	£33,111	£33,277
	£63,089	£63,405		£30,850	£31,005
	£58,685	£58,979		£29,516	£29,664
	£56,552	£56,835		£28,320	£28,462
	£52,447	£52,710		£27,100	£27,236
	£48,671	£48,915		£25,864	£25,994
		RHA	£5,696	£5,725	

Annex B: Supplementary tables

Increase in Remuneration Cost (IRC)

Breakdown of costs and IRC impact in line with 2019/20 pay proposals		
Items in IRC calculation	Cost	IRC impact
F&S Bands 2 to 5: Headline increase of 1%	£8.5m	0.42%
F&S Bands 2 to 5: Progression	£13.2m	0.65%
F&S Bands 6 to 11: Headline increase of 1%	£1.9m	0.09%
F&S Bands 6 to 11: Progression at 2%	£2.0m	0.10%
Closed Prison Officer Grades: Headline increase of 0.5%	£1.7m	0.09%
Closed Grade Managers / Governors	£0.1m	0.01%
Closed Grade non-operational staff ("Bailey" equal pay settlement read across)	£0.3m	0.02%
NTRG/NDTRG Allowance	£0.3m	0.02%
Additional Market Supplement site	£0.5m	0.03%
Total cost of proposals (HMPPS - excluding NPS)	£28.6m	1.43%
NPS (HMT approved pay modernisation)*	£11.5m	0.56%
Total cost (HMPPS including NPS)	£40.1m	1.99%

* HMT have approved a Business Case for a multi-year programme of pay modernisation within the NPS. The second set of pay awards under NPS pay modernisation are due in April 2019 at a cost of £11.5million.

Not all proposals have a stand-alone cost. For example, range shortening is achieved through progression (we remove, or increase, the pay point once staff have moved off the original value)

Proposals impact one another: for example, a different headline increase will alter the value of progression.

Additional salary information

Current starting salaries

- Minimum of the F&S pay ranges captured in Annex A.
- Staff at Red / Amber sites begin at the mid (third) pay point of these ranges

Average salary for Band 3 Prison Officers

Basic Pay (£)	Sep-18	Dec-17
Based on hours worked ¹	24,551	24,967
Based on comparable 39 hours ²	24,870	25,223

Pay with recurring allowances (£)	Sep-18	Dec-17
Based on hours worked ¹	27,836	27,608
Based on comparable 39 hours ²	28,155	27,864

Notes

The average costs for base pay only has dropped due to the large increase of new entrants from the current recruitment drive over the period and the reduction in closed grade Prison Officers. However, the average costs have increased when including allowances. This is likely to have happened due to more staff receiving Market Supplements and the reduction in National based Closed Officers who do not receive LPA.

Costs include Band 3 F&S Prison Officers and Closed Prison Officers

Costs exclude Closed Prison Officers in Specialist roles (Map to F&S Band 4)

Note 1 - Costs include all ACH payments (1 to 4 hours) for F&S Band 3 Prison Officers

Note 2- Includes the cost of 2 x AHC for all F&S Band 3 Prison Officers (39 Hours). Base pay for Closed Officers is based on 39 hours already

Recurring allowances included in average salaries with allowances

Closed Prison Officers

Local Pay Allowance
Mark-Time Payments

F&S Band 3 Prison Officers

Unsocial Element (17% of basic pay)
Market Supplements
Mark-Time payments

Averages for hours worked reflect the hours staff on F&S are contracted to work, which can be anything between 37 and 41 hours per week, and their actual pay.

Averages for 39 hours gives a like for like comparison for F&S Officers of 39 hours against closed Prison Officers who all work 39 hours. F&S staff, in fact, work a range of hours as explained above.



Average salary after 5 years

- For Bands 2 to 5, expected to be the maximum of the F&S pay ranges captured in Annex A.
- For Bands 7 to 11 progression will vary but it is our aspiration to have progressed staff in these ranges to maximum within a similar timeframe.

Allowances

Recurring allowances for the Review Body remit group as at 30 September 2018			
Allowance Name	Annual Rate	% of PRB workforce	Notes
Allowances paid to staff on F&S grades only			
Unsocial Element	17% of base pay	63.60%	Paid to all Operational staff in F&S Bands 2 to 5, in recognition of being required to work (a guideline amount of 20% - 30%) unsocial hours between 7pm - 7am. Staff in closed grade equivalents receive this element within all-inclusive pay.
Additional Contracted Hours Non-Pensionable	Base pay hourly rate + 20%	16.60%	Paid to Operational staff in F&S Band 3 if they choose to work an additional 1 to 4 hours per week over their contracted 37. Staff in closed grade equivalents receive this element, but pensionable and at plain time, within all-inclusive pay.
Additional Contracted Hours Pensionable	Base pay hourly rate	15.00%	Paid to staff who have opted into F&S terms and conditions to maintain their 39 weekly hours they were previously working in their closed grade. Operational staff in F&S Bands 2, 4 and 5.
Required Hours Addition	17% of base pay	2.70%	Paid to all Operational Managers in F&S Bands 7 to 11. With some policy differences this is the Operational Manager equivalent of the unsocial element for Bands 2 to 5.
Market Supplement	Up to £900	1.60%	Paid to Operational Band 2 staff in our most challenging to recruit / retain Red site establishments.
	£3,000	7.00%	Paid to Operational Band 3 staff in our most challenging to recruit / retain Amber site establishments.
	£5,000	8.10%	Paid to Operational Band 3 staff in our most challenging to recruit / retain Red site establishments.
Allowances paid to staff in both F&S grades and closed grades			
Care & Maintenance of Dogs	£1,526	0.60%	Paid for one dog
	£1,908	0.60%	Paid for multiple dogs
Allowances paid to staff in closed grades only			
Local Pay Allowance	£250	1.70%	Paid to all closed grade staff in specific locations.
	£1,100	0.60%	
	£2,600	1.90%	
	£3,100	1.50%	
	£4,000	1.20%	
	£4,250	1.50%	
Specialist	£1,200	2.30%	Paid to Closed Officer Grades working in a specialised job.
Specialist Healthcare	£1,296	0.10%	

Required Hours Addition	£5,696	0.10%	Paid to all Operational Managers in Closed Grades Manager E and F (and some reserved rights Senior Manager D at reduced, eroded, value). With some subtle policy differences this is the Operational Manager equivalent of the unsocial element which is paid within all-inclusive pay for closed Prison Officer Grades. Closed grade Senior Managers A-C receive Required Hours Addition within all-inclusive pay.
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Establishments with Market Supplements

Red establishment	Amber establishment
Aylesbury	Belmarsh
Bedford	Brixton
Bullingdon	Chelmsford
Coldingley	Erlestoke
Cookham Wood	Guys Marsh
Downview	Isis
Elmley	Lewes
Feltham	Littlehey
Grendon	Pentonville
High Down	Rochester
Highpoint	Wandsworth
Huntercombe	Whitemoor
Medway	Wormwood Scrubs
Send	
Standford Hill	
Swaleside	
The Mount	
Woodhill	

Establishments with local pay rate (historical)	
Establishment	Local Pay Rate
Brixton	£4,250
Pentonville	£4,250
Wandsworth	£4,250
Wormwood Scrubs	£4,250
Feltham	£4,000
Huntercombe	£4,000
Latchmere House	£4,000
The Mount	£4,000
Belmarsh	£3,100
Bronzefield	£3,100
Coldingley	£3,100
Downview	£3,100
High Down	£3,100
Isis	£3,100
Send	£3,100
Aylesbury	£2,600
Bedford	£2,600
Bullingdon	£2,600
Bullwood Hall	£2,600
Chelmsford	£2,600
Grendon	£2,600
Reading	£2,600
Spring Hill	£2,600
Woodhill	£2,600
Lewes	£1,100
Winchester	£1,100
Bristol	£250
Littlehey	£250
Long Lartin	£250
Onley	£250

Progression

Average progression increases of Review Body remit group staff eligible for pay progression (%)		
Financial Year	Average % Increase	
	Remit Group	Band 3 F&S only
2018/19	2.90%	3.00%
2017/18	2.80%	
2016/17	3.60%	
2015/16	6.50%	
2014/15	7.20%	
2013/14	7.40%	

Notes

All closed Prison Officers reached the maximum of their pay scale in 2015/16 hence the large reduction in the figures from 2016/17 onwards.

Increases based on staff who progress and excludes all staff on maxima and staff who joined between 1 January and 31 March 2018.

Averages exclude headline increases for all (e.g. 2% in 2018/19) on top of which progression is paid.

Based on staff in F&S Bands 2 to 5, Closed Officer and Managerial Grades (A to F).

Staff in post figures based at 31 March each year.

Excludes NPS.

Percentage of staff progressing for the 2018/19 pay award

Remit Group ¹	Staff Progressing	Revaluation only (of 2%)
PRB	34%	66%
Non-PRB	44%	56%
Both Remits	37%	63%

F&S Band 3 to 5 Officers	Staff Progressing
2018/19 award	66%
2019/20 award ²	73%

Notes

All staff in closed grades for both remits are on maxima of their pay scales and receive the revalorisation only.

Only staff who progress are in F&S Bands 2 to 11.

1 - Includes staff in both F&S pay grades and Closed Grades.

2 - Based on staff in post as at 30 September 2018. Any new joiners joining up until 31 December 2018 will also progress on 1 April 2019.

Excludes NPS.

Groups of staff eligible for progression

In F&S (for both Review Body remit and non-remit groups) progression is now only available to staff who are below pay range maxima of Bands 2 to 11, subject to being in post on both 31 March and 1 April of the pay settlement year, and in receipt of at least a "Good" performance assessment for the previous reporting year. However, in the last two reports the Review Body has not endorsed HMPPS position for staff in Bands 2 to 5 and has allowed progression for staff who have not received at least a "Good" performance assessment as long as they were not subject to formal poor performance measures.

External recruits on or after 1 January will not be eligible for progression until the next pay settlement year, even if they are in post in both 31 March and 1 April of that year.

There are no Review Body remit group closed grade staff who are eligible for progression as all have now reached their pay range maximum.

There are a small number of non- remit group staff who have yet to reach pay range maxima and continue to receive contractual progression (previously agreed with HMT). All are expected to reach maxima by 2020.

Annual leave entitlements

Operational/ Non-operational	Relevant Date	Staff Group	Additional Information	Entitlement for less than 10 years service	Entitlement after 10 years service
Non-operational	N/A	NHS pay bands	All staff regardless of start date	27 + 8 public holidays on starting 29 + 8 after 5 years 33 + 8 after 10 years	
Operational	1 July 2000	Ex Prison Governor Grades who joined 'Phase One' on 1 July 2000.	Ex Prison Governor 'Phase One' covers Manager F up to Senior Manager A grades and Bands 7-11.		
	Pre 1 October 2009	<ul style="list-style-type: none"> Prison officer (closed), Senior Officer (excluding promotees from PO2), Principal Officer (closed), and Night Patrols 	Staff in this group who have since joined Fair and Sustainable terms at their grade mapping Band and role will continue to have this entitlement. (Excluding promotees from PO2).	27 days Plus QB privilege day Plus 8 public holidays	32 days Plus QB privilege day Plus 8 public holidays
	Pre 1 April 2012	Operational Support Grades			
Non-operational	Pre 1 March 2014	Bands 9-11 and Closed 'Phase One' Senior Managers A-D		31.5 days Plus QB privilege day Plus 8 public holidays	
Operational and Non-operational	Pre 1 March 2014	Those who are not in one of the above categories and who were in NOMS/Civil Service prior to 1 March 2014		26.5 days leave Plus QB privilege day Plus 8 public holidays	31.5 days leave Plus QB privilege day Plus 8 public holidays
Operational and Non-operational	On or after 1 March 2014	New starters to NOMS/Civil Service on or after 1 March 2014		25 days Plus QB Plus 8 public holidays	30 days Plus QB Plus 8 public holidays

Pension arrangements

Pension arrangements in Public Sector Prisons are in line with the various schemes that are available (depending on start date) under the overarching Principal Civil Service Pension Scheme (PCSPS). Some longer serving staff will additionally have reserved rights to retire with full pension earlier than under the terms of the PCSPS.

Sickness absence

We generally align in principle to the wider Civil Service in terms of accrual rates and maximum number of days entitlement. However, due to the nature of operational roles within Public Sector Prisons there is scope for staff to apply for sick leave excusal (absences do not count towards accrued days) if the absence is as a result of an injury, assault, or disease contracted at work.



Equalities considerations

Informed by initial analysis there are pay gaps between staff with protected characteristics and staff without protected characteristics. This is due to the lower representation of staff with protected characteristics at higher grades and therefore better paid roles (in comparison with their overall representation across the workforce). The potential impact of our pay proposals for 2019/20 on these pay gaps is a likely increase due to revalorisation of the pay ranges (higher cash increases for those without protected characteristics, who are already earning more in the higher grades / Bands). These could, however, be offset by possible improvements as a result of progression delivering higher awards for those below pay range maxima who are more likely to be those with protected characteristics. As this is a gap generated by workforce demographics rather than a function of pay, this will be addressed including through measures we are taking to improve career progression for minority groups.