



Police
Remuneration Review Body

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Fifth Report
England and Wales 2019

Chair: Anita Bharucha



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

July 2019



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Police Remuneration Review Body

Terms of reference¹

The Police Remuneration Review Body² (PRRB) provides independent recommendations to the Home Secretary and to the Northern Ireland Minister of Justice on the hours of duty, leave, pay, allowances and the issue, use and return of police clothing, personal equipment and accoutrements for police officers of or below the rank of chief superintendent and police cadets in England and Wales, and Northern Ireland respectively.

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

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

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

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

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

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

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

Members³ of the Review Body

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Professor Monojit Chatterji
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The secretariat is provided by the Office of Manpower Economics.

³ Members of the Review Body are appointed through an open competition adhering to the Commissioner for Public Appointments' Code on Public Appointments. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578090/Public_Appointments_Governance_Code_.pdf. [Accessed on 24 May 2019]

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POLICE REMUNERATION REVIEW BODY

England and Wales Fifth Report 2019

Executive Summary

1. As at 31 March 2018 there were some 122,400 police officers in England and Wales in our remit group⁴ spread over 43 independent police forces. The annual police officer pay bill for financial year 2018/19 was around £6.3 billion⁵. Our terms of reference for this report relate to the pay and certain other conditions of service of these police officers in England and Wales.

Our remit

2. In the remit letter we received from the Home Secretary, dated 19 December 2018, we were asked to make recommendations on the pay award for 2019/20 for police officers of all ranks, including chief police officers, in England and Wales. We were invited to review the National Police Chiefs' Council (NPCC) proposals for pay reform, including aspects of the proposals themselves, the ways in which this work has progressed and the NPCC's plans for implementation. We were also asked to reflect affordability in our considerations and to outline our approach to targeting.

The policing context

3. The policing environment is demanding and challenging. Police officers at all ranks undertake important, difficult, complex and sometimes dangerous work. During the course of this review we have been struck by officers' sense of vocation and public service. It is right that officers are held in esteem by the Government and the general public for the nature of the work they do.

Response to last year's report

4. The Government chose not to accept all our recommendations last year. We recognise that pay determination decisions are ultimately for government, and our role is advisory. However, during the course of this review we have heard considerable dissatisfaction from police officers about the way last year's pay award was handled. We were reminded by police officers we met that, unlike many other workers, they are prohibited from taking industrial action, and that they feel this gives weight to an independent Review Body process as the appropriate mechanism for fair consideration of their pay. Our recommendations result from our careful consideration of the evidence presented to us. The perceived credibility of the Review Body process may be at risk if recommendations are then set aside. We suggest to the Government that, as and when it comes to consider the pay award for police officers this year, it considers carefully the motivational aspects of the decisions it makes, and the message it will be conveying about its views on the value of the Review Body process in general.

⁴ Home Office (July 2018), *Police workforce, England and Wales: 31 March 2018*. Available at <https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2018>. [Accessed on 24 May 2019]

⁵ This includes basic pay, pension and national insurance contributions.

Observations on pay reform proposals

5. This is the fifth year in which we have been asked to look at the progress of workforce and pay reform in policing. In previous reports we had commented that we were not convinced that significant progress was being made. This year we welcome the fact that there has been some progress, and that the team responsible for delivering the programme has been expanded. (Paragraph 2.40)
6. While there has been some forward movement, our concerns about the programme still centre around the broad themes identified in earlier reports. We are still not clear that the collective strategic leadership which the programme requires from the Home Office, NPCC and Police and Crime Commissioners (PCCs) is in place. We are not clear that the rationale for the changes, and the narrative about the benefits which they are expected to deliver, are being clearly articulated and communicated to those who will be most affected by them. (Paragraphs 2.42 to 2.44 and 2.46)

Leadership

7. We understand the Government's ambition to ensure that police reforms are police-led. However, we think that the requirement, under this model, for the changes to be agreed and delivered by 43 separate and independent police forces, each with different priorities and resources, represents a considerable obstacle to the success of the project. The time horizon of chief officers and PCCs is likely (and properly) to be set by local concerns. We are still not clear whether or how the leadership of the 43 separate forces can be persuaded to settle on a single vision, and to implement it uniformly. Against this background we are also not clear how, or from where, the longer-term strategic leadership of this project will be supplied. (Paragraph 2.46)
8. We note the appointment of a new NPCC lead for pay and workforce reform, and that, as he might be expected to do, he is undertaking his own review of the programme as he takes over his new responsibility. This seems to be a sensible approach. We suggest, if it has not been done already, that commissioning a separate, external, technical evaluation of the programme could be of assistance in providing an impartial view on planning and resourcing without delaying the programme. We would be happy to provide a contribution to this if that would be helpful. (Paragraphs 2.45 and 2.65)

Readiness

9. Beneath these general concerns there are also more specific concerns about the level of readiness for reform at the individual force level. We note that work still needs to be done to assess this level of readiness at the force-by-force level, where there are unanswered questions about the capacity and readiness for change. It is likely that this work will raise a fresh set of new, and as yet unaddressed, challenges in relation to forces' preparedness for the changes required to support delivery of the Policing Vision 2025. (Paragraphs 2.47 to 2.49)

Communicating the vision

10. We heard from the NPCC about the significant steps that were being taken during 2018 to improve stakeholder engagement. We observe that the NPCC's relatively informal and continuous approach to engagement with the chief interest groups does not sit well with many stakeholders. Those stakeholders would prefer a more formal and structured process which enables them to seek the views of their members, or to use negotiating mandates on the basis of concrete proposals. (Paragraph 2.50)
11. We note the concern of the staff associations that the consultation timetable appeared to be compressed. (Paragraph 2.51)

12. We note also that PCCs are a significant player in the policing landscape and we question whether they have been engaged in this project as fully as they need to be. (Paragraph 2.64)

Funding the project

13. Significant concerns were raised with us about the assumption that pay reform should be cost neutral. We are not convinced by this assumption. As a general principle, pay reform projects are difficult to deliver on a cost-neutral basis, at least in the short term, even if cost neutrality can successfully be achieved in the longer term. We find it difficult to avoid the conclusion that, if the project is to work, significant investment upfront will be required. The importance of this point needs to be taken on board more fully by those designing and managing the project. We urge the Home Office to consider the case for additional funding and how it might best be provided. (Paragraph 2.52)

Other areas requiring work

14. There are a number of areas where we make specific observations on the NPCC's proposals on more detailed aspects of the project: for example, the constable workstream, p-factor, benchmarking and variable pay. We conclude that, in general, more work still needs to be done in all of these areas. (Paragraphs 2.55 to 2.56 and 2.60 to 2.62)
15. A new pay mechanism built on competence will necessarily require robust performance management arrangements to be in place. For the police, implementation of performance assessment, and the connection between this and pay, represents a significant cultural change. The full impacts of these aspects of the reform programme have not been properly recognised. In our collective experience, implementation of such systems can be fraught with difficulty. The changes will need to be properly managed and resourced, including in terms of the training and support provided to officers, particularly those with line management responsibilities. (Paragraph 2.64)
16. We are also concerned that the timetable does not take account of the time needed to put in place the legislation to make the required changes to police regulations. (Paragraph 2.64)

Longer-term considerations

17. In addition to the areas identified above, we question whether enough attention has been given to some of the longer-term cultural implications of the reform project. If successful, these changes will ultimately produce a graduate-only police force. This in turn will create a cadre of police officers with very different career expectations and ambitions from their predecessors. The new generation of graduate-level officers may no longer view policing as a career-long vocation. This may lead to implications for career lengths in policing and the ability of forces to retain the officers they need to operate effectively. We also note that there will be a long transitional period, during which the new graduate entrants have to be managed alongside their non-graduate counterparts. (Paragraphs 2.57 to 2.59)

The evidence

18. The main points which we noted from the evidence presented to us are as follows:
 - *Policing environment* – The parties provided us with consistent evidence of increasing demand on the police service due to fewer officers, fewer police staff and police community support officers, increased crime rates, the increasing complexity of crime, and so-called displaced demand by which the police were being called on as a consequence of gaps left by other under-resourced agencies. We note that there

are issues around the measurement of demand and that crime figures give little indication of the complexity of the crimes or the resources necessary to deal with them. (Paragraphs 3.14 to 3.15)

- *Government pay policy and affordability* – We are required to make affordability a major consideration when making our recommendations. Aspects of affordability were presented to us as a binary choice between pay or the number of officers, but we do not see this as clear-cut. Affordability assessments are made complicated by the number of individual forces, each with their own budgetary challenges and priorities. Added to this is the extent to which service needs – which could have long-term implications – are to be balanced against more immediate budgetary considerations. We understand the Government’s desire for productivity improvements to be the trade-off for any growth in wages but, as we have commented previously, the measurement of productivity in policing is particularly problematic. However, in evidence to us, the parties provided qualitative data as to how productivity has improved as a consequence of reductions in officer numbers and the expectation that the workforce will do more with less, and also as a consequence of increased spans of responsibility. (Paragraphs 3.30 to 3.36)
- *Economy, inflation, labour market, earnings and pay settlements* – The state of the economy and labour market provides an overall context to our pay recommendations. While Consumer Prices Index inflation had fallen back from 3.1% in November 2017 to 1.9% in March 2019, the employment rate has continued to grow to record levels. Average weekly earnings growth was 3.5% in the three months to February, the highest rate for ten years, and median pay settlements were 2.5% in the first quarter of 2019, similar to the levels seen throughout 2018. (Paragraphs 3.42 to 3.43)
- *Police earnings* – Our analysis indicated that police constables and sergeants saw an increase in median full-time gross annual earnings of 1.7% in 2017/18 while continuing to receive a pay lead over the whole economy (41% higher) and professional occupations (8% higher). This increase in police earnings was the second successive annual increase following a period of broadly flat median full-time gross annual earnings between 2011/12 and 2015/16. Increases in median earnings in the wider economy have led to the police pay lead over the whole economy falling by 9 percentage points since 2011/12. Comparisons with the professional occupations will become increasingly relevant as the aspirations of the police workforce reflect those of a graduate-level profession. (Paragraphs 3.53 to 3.54)
- *Workforce diversity* – We note that the proportions of female and black and minority ethnic officers have increased but that these remain below levels representative of the communities served by the police. (Paragraph 3.84)
- *Recruitment* – There is little problem in recruiting to the police: the service remains an attractive career. However, this overarching picture obscures some internal recruitment problems, including detective roles which remain hard to fill. In our Third Report, we recommended the introduction of targeted pay arrangements to give chief officers the flexibility to make additional payments to officers in hard-to-fill roles and we comment on these in this report. We remain of the view that pay should not be considered as the only solution for hard-to-fill roles, and welcome the reports of action to address detective numbers. Workforce reform should be the means of addressing issues around shortage groups. The aim is to develop a higher skilled workforce, appropriate career pathways and specific developmental opportunities for specialists. (Paragraphs 3.85 to 3.87)

- *Retention* – There does not currently appear to be an issue with the retention of police officers in the federated and superintending ranks and the attrition rate, at 6.1%, remains low. However, evidence presented to us indicated a problem in ensuring a sufficient number of quality applicants for vacancies in the chief officer ranks. (Paragraph 3.88)
- *Police officer motivation and morale* – Morale and motivation among police officers remains low with a consistent message emerging about the effect on morale of increasing demand and reducing resource. These factors are leading to officers feeling unable to do their jobs properly and unable to achieve a work-life balance. We comment on the lack of robust national evidence on morale and motivation. While many forces undertake their own analysis, the results are not collated on a national level and this needs to be addressed, not just to enable us to fulfil our remit but to provide a measure of the effects of workforce and pay reform. (Paragraphs 3.97 to 3.100)
- *Pension taxation* – We observe that the impact of changes in pension taxation are not felt exclusively by the police, but that many officers feel uniquely affected by the new taxation regime because of the specific way that police pension funds accrue. (Paragraph 3.104)
- *Legal obligations* – We remain concerned that the provisions of the Children and Families Act 2014 have still to be reflected in police determinations and regulations. We also note an increase of 1.5 percentage points in the median gender pay gap. While the pay scales used for the majority of police ranks ensure that most individuals at the same point in their career will be paid the same salary, the gender pay gap provides an indication of how gender balance is reflected in the senior ranks within policing. (Paragraphs 3.108 to 3.109)

Basic pay recommendations for 2019/20

19. We received a number of base pay proposals from the parties this year. The NPCC put forward a range of pay uplift proposals, including discussion of a possible three-year award. We would normally expect to have a concerted view from the ‘employer’ side: this was not the case this year.
20. We found that the three-year proposal did not appear to have been fully developed. It did not align with, or support, future workforce and pay reform. A three-year proposal could be considered as part of the implementation phase of pay reform. Therefore, **we recommend a one-year pay award for police officers in 2019/20**. (Paragraphs 4.11 to 4.12)
21. The key factors we took into account in reaching our main pay uplift recommendation were:
 - the evidence we received of increasing complexity and changing demand on the police, including the impact of displaced demand;
 - increased productivity in terms of service improvements achieved despite falling officer numbers;
 - the nature of police work, which is important, difficult, complex and sometimes dangerous;
 - that police productivity depends to a considerable extent on goodwill and discretionary effort which requires officers to be suitably motivated;

- the state of police morale, with officers concerned about their ability to do their jobs properly and their work-life balance;
 - the evidence provided on affordability; and
 - the state of the wider economy, including the level of pay settlements and the cost of living.
22. Taking the above factors together, **we recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2019.** (Paragraphs 4.13 to 4.19 and 4.23)

Targeted pay arrangements

23. In the remit letter for this pay round, we were asked to outline our approach to targeting. We feel that the most pressing shortage areas in policing relate to certain hard-to-fill roles, but in our view these areas are already appropriately catered for in the existing hard-to-fill payments mechanism, and we do not see a case for making recommendations for any further change in this area. (Paragraph 4.24)
24. In our 2017/18 report we recommended the introduction of appropriate, targeted arrangements to allow local flexibility for chief officers to make additional payments to police officers in hard-to-fill roles and in the superintending ranks using the current bonus payment framework. These arrangements are now being used, but it is too early to judge the effectiveness of these payments. We note however that there appears to have been little appetite for their use, with only 14 forces likely to use them for the federated ranks and 3 for the superintending ranks. We ask that the parties update us next year on the use of these payments. (Paragraphs 4.85 to 4.86)

Issues relating to specific ranks or groups of officers

Police apprentices

25. We were invited this year to review the NPCC's proposals for apprenticeship progression pay. In addition to the NPCC's own proposal, we learned that 17 police forces in England and Wales had now set the base salary for new starters on the Police Constable Degree Apprenticeship (PCDA), in keeping with our 2018 recommendation. However, the NPCC told us that 19 forces had still not confirmed their PCDA starting rate for 2019/20, with 20 forces not intending to start PCDA recruitment until after October 2019. Information on the phasing out of existing entry routes and the finalisation of the new graduate-only entry routes was not as complete as we would wish, and there is too much uncertainty around the future pay rates for degree-holders under pay reform. Therefore, **subject to further review in the next pay round, we recommend no change to the current arrangements for apprentice progression, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.** (Paragraphs 4.28 to 4.33)

Superintending ranks

26. We are sympathetic to views of the Police Superintendents' Association (PSA) and the Police Federation of England and Wales that the superintending ranks should receive the On-call Allowance. We invite the NPCC to provide us with a proposal regarding this for next year's pay round or to set out an alternative method for compensating the superintending ranks for undertaking such duties. Furthermore, we invite the NPCC to work with the PSA to develop a proposal on the broader aspects of the pay of superintending ranks for our consideration next year. (Paragraphs 4.71 to 4.72 and 4.88)

Temporary payments for deputy chief constables

27. We have noted the request that we consider whether deputy chief constables should be eligible to receive temporary payments for superintending roles of exceptional scale and complexity. Given the current link between the pay of chief and deputy constables, however, our initial view is that this issue should be dealt with as part of a wider review of chief constable pay which we understand to be forthcoming. (Paragraph 4.91)

Chief police officers

28. We have again this year been asked to consider the pay of chief police officers. These officers are the senior leaders in policing and it is important that they are appropriately rewarded. We recognise growing concerns, particularly in this group, that the pension taxation system generates the risk of a tax charge, possibly substantial, for those who have used up their annual allowance. This may be a disincentive to those considering promotion, and may generate retention problems. This is not a problem unique to those at the top of policing and there are other public sector groups whose more highly paid workers are experiencing similar issues. However, we do not feel that this is a matter for us to take account of in our recommendations, although it is a matter that may need to be addressed sooner or later by those responsible for pension taxation policy. (Paragraphs 4.20 and 4.22)
29. We comment that chief officer pay would benefit from structure and consistency, especially given the low numbers of applicants for posts and the relatively short time that chief officers spend in post. Further to observations in our Fourth Report, we note that there would be benefit in a wider review of chief police officer pay and conditions. (Paragraph 4.21)

Allowances

30. **We recommend that Dog Handlers' Allowance and London Weighting are both uprated by 2.5%, in line with our recommendation for the main pay award.** (Paragraphs 4.40 and 4.45)
31. We have observed increasing differentiation in the packages offered by individual police forces because of the discretion available to chief officers. We note that if these local changes are not managed with due care, there may be unintended consequences for recruitment and retention. In this context, we suggest that the London and South East Allowances should be considered together in a coherent way in the planned NPCC review of allowances as part of the reform programme. (Paragraphs 4.52 to 4.53 and 4.58)
32. We have received submissions about the level of the On-call Allowance. In response to these, the impact of such duties on people's lives and the fact that the payment has not been increased since its introduction in 2013, **we recommend that On-call Allowance should be increased from £15 to £20 from 1 September 2019.** (Paragraph 4.70)

Forward Look

33. We note the expectation that pay and workforce reform will feature strongly in our remit for next year and invite the Home Office to set out clearly in the remit letter how they would like us to approach making recommendations against the new pay structures, including with regard to the p-factor. (Paragraphs 5.2 to 5.3)

34. We have previously highlighted the importance of a robust evidence base to inform the design of workforce and pay reform and to measure and demonstrate the effects of the workforce reforms. Where we have identified gaps in evidence, we encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data. (Paragraphs 5.4 to 5.7)
35. We note that chief police officers are not part of our standing terms of reference. It is for the Home Secretary to determine which Review Body should consider their award for next year. We would welcome clarity on this and invite the Home Secretary to initiate the necessary formal changes if they are to become a permanent addition to our remit group. (Paragraph 5.8)

Our 2019/20 recommendations (from 1 September 2019)

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

Anita Bharucha (Chair)

Elizabeth Bell

Andrew Bliss

Monojit Chatterji

Richard Childs

Patrick McCartan

Christopher Pilgrim

Trevor Reaney

29 May 2019

CHAPTER 1 – INTRODUCTION

Introduction

1.1 This is our Fifth Report to the Home Secretary following our establishment in 2014, and in it we make recommendations in relation to the pay and allowances of police officers of all ranks. This is the second year in which our recommendations cover chief police officers. We also consider the other matters in our remit letter as identified in more detail below. As in previous pay rounds we have been guided throughout the process by our standing terms of reference and the remit letter we received from the Home Secretary.

Our 2018 Police Remuneration Review Body Report

1.2 Our Fourth Report was submitted to the Home Secretary on 25 May 2018, setting out our recommendations on police officers' pay and allowances (Appendix A). As also requested, we wrote to the Home Secretary on 30 April 2018, ahead of our main report, providing our recommendations and observations on the National Police Chiefs' Council's (NPCC) proposals for police officer apprenticeship pay. The recommendations in our report and letter were:

- i. The time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 should be consolidated onto all pay points for officers at these ranks.
- ii. In addition to and following our first recommendation, a consolidated increase of 2% to all police officer pay points at all ranks.
- iii. London Weighting and Dog Handlers' Allowance should be updated by 2%.
- iv. Police forces should appoint apprentice constables on a starting salary of between £18,000 and pay point 1.
- v. Following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.

1.3 The Home Secretary responded to our report on 24 July 2018 by accepting recommendations ii-v.

Response to last year's award

1.4 The Police Remuneration Review Body (PRRB) is at heart an independent, advisory body. In this case, and unlike some other Review Bodies, the PRRB operates on a statutory basis. We respond to the remit which we receive from the Home Secretary. As with all Review Bodies, our process is evidence based and our final recommendation reflects some informed judgement. After following the agreed process, we make recommendations to the Home Secretary. We are aware that the Review Body process is valued by police officers, not least as it provides a mechanism which reflects the inability of the police to take industrial action.

1.5 It is ultimately for the Government to determine police pay. The Government can take account of the Review Body's recommendation, and adopt it, or reject it, as it sees fit.

- 1.6 Where previous recommendations have been rejected, we do not normally seek to argue for their implementation. Our usual approach is to start work each year on the basis of the latest position and to look forward. Our recommendations on pay uplift are informed by factors in our terms of reference which include recruitment, retention, morale and motivation.
- 1.7 We observe that decisions made about implementation in a previous year are capable of having an impact in the following year because these may be interpreted as sending signals about the value the employer places on the workforce. This year, we have heard considerable levels of dissatisfaction from police officers about the way that last year's award was handled. We observe to the Government that, when it comes to consider the pay award for police officers this year, it bears these points in mind, and in particular the motivational aspects of the decisions it makes and the messages they send about the credibility and value it places on the Review Body process.

The 2019/20 remit

- 1.8 The Home Secretary's remit letter of 19 December 2018 set the context for our deliberations (Appendix B). It asked us to continue to consider chief officers, in order to promote consistency as the police moved towards a new pay structure. The remit letter referred the following matters to us for recommendation:
- How to apply the pay award for 2019/20 for police officers of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.
 - To review the NPCC's design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design.
 - To review the NPCC's detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.
 - To review the NPCC's proposals for progression pay for police apprentices.
 - To review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period.
- 1.9 The Home Secretary's remit letter also emphasised the need for pay discipline over the coming years to ensure the affordability of public services and the sustainability of public sector employment. We were asked to make affordability a major consideration when making our recommendations, and to describe in our report the steps we have taken to reflect affordability in reaching our recommendations.

Our approach to the 2019/20 pay round

- 1.10 We have scrutinised the evidence we received and reached recommendations based on several different sources of evidence, such as: the context provided in the remit letter we received; written and oral evidence submissions; the economic and labour market context; police workforce and pay statistics and our analyses of these; and external independent reports.

Our visits

- 1.11 In autumn 2018, we conducted visits to four police forces in England: the Metropolitan Police Service, Northumbria, Greater Manchester and Thames Valley. We were able to meet police officers of all ranks, including probationers. Recurring themes in our discussions were: the 2018 pay award; increasing demands on the police in terms of quantity, complexity, and displaced demand from other agencies; and concerns around the effects of pension policies.
- 1.12 These visits provide important context to our decision-making process. They enable us to hear directly from our remit group on a range of workforce and pay issues and enhance our understanding of the challenges that police officers face. We are grateful to those who organised and participated in our visits.
- 1.13 Delays in the appointment of new Review Body Members reduced the timeframe available for us to conduct our visit programme, which led to us conducting fewer visits than we would have liked. We hope to resume a full visit schedule ahead of the next round and look forward to visiting a range of forces in the coming year.

Parties giving evidence

- 1.14 In February 2019 we received written evidence from the parties listed below. This is available through the links in Appendix C:
- The Home Office, including the Government’s economic evidence;
 - The National Police Chiefs’ Council (NPCC);
 - The Association of Police and Crime Commissioners (APCC);
 - The Metropolitan Police Service (MPS);
 - The Police Federation of England and Wales (PFEW);
 - The Police Superintendents’ Association (PSA)⁶; and
 - The Chief Police Officers’ Staff Association (CPOSA).
- 1.15 We also received a written submission from an individual police officer on a range of pay and workforce related matters.
- 1.16 We held a series of oral evidence sessions with the parties in February and March 2019. The Minister of State for Policing and the Fire Service (accompanied by Home Office officials) and representatives from the NPCC (accompanied by the College of Policing), APCC, MPS, PFEW, PSA and CPOSA attended.
- 1.17 We are grateful to all those who provided written evidence and attended oral evidence. It would have been helpful if HM Treasury officials had participated in oral evidence, and we hope they will do so again in future.

Environment for our considerations

- 1.18 In previous reports, we have looked at the work being done on workforce and pay reform within the police service. These reforms have the potential to change significantly how the police workforce is organised and how forces deliver services to the public. The Home Secretary asked us to review several aspects of the reform programme and we set out the evidence we received in relation to these in Chapter 2, alongside our conclusions on the information we were provided with.

⁶ The PFEW and the PSA provided a joint submission for written evidence. The PSA also provided a further submission jointly with the Superintendents’ Association of Northern Ireland (SANI).

- 1.19 The policing environment, government pay policy, and the performance of the wider economy and labour market set important context to our deliberations. We consider these at the start of Chapter 3, before turning to indicators on changes in the policing workforce and police officer recruitment, retention, motivation and morale. We note that the policing environment is demanding and challenging. Police officers at all ranks undertake important, difficult, complex and sometimes dangerous work. During the course of this review we have been struck by officers' sense of vocation and public service and it is right that officers are held in esteem by the Government and the general public for the nature of the work they do.
- 1.20 We present our recommendations on pay and allowances in Chapter 4 including looking at the pay arrangements for police apprentices. We then conclude our report in Chapter 5 by looking at the potential environment for the next pay round and building the evidence base for the future.

CHAPTER 2 – POLICE WORKFORCE AND PAY REFORM

Introduction

- 2.1 In this chapter we comment on the evidence we received in relation to the police workforce and pay reform work undertaken so far and planned for the future.

Police workforce and pay reform

Our previous commentary on pay and workforce reform

- 2.2 Our 2018 Report was the fourth in which we considered evidence regarding the progress of workforce and pay reform in policing, and we offered comments on the process as we had seen it evolve.
- 2.3 In that report we said that we were unconvinced that there was clarity of vision or that significant progress had been made on pay reform and observed that the pace of work and the resources committed needed to be increased if the intended implementation dates were to be reached successfully. We also noted the inherent structural problems in having to secure the necessary commitment from each of the 43 separate and independent police forces, and suggested that, if the level of ambition were to be maintained, the Home Office, as well as the NPCC and College of Policing might need to collaborate to develop the timetable, and to ensure that the work was appropriately resourced to ensure success. We also thought that such a joint approach might raise the level of confidence among stakeholders that their interests would be considered in the process. Alternatively, we suggested that it might be better to put greater focus on a smaller number of core elements, and on implementing discrete aspects or projects that would provide clear and identifiable benefits for police forces, and the service they provided to the public. We identified proposals for entry routes for police officers and chief police officer pay and conditions of service as being areas for urgent review.

Police workforce and pay reform – the NPCC proposals

- 2.4 The NPCC explained to us that the vision and benefits of the pay reform programme were set out in Policing Vision 2025 and that the programme reflected the changing landscape and operational requirements on policing. The NPCC also told us that the workforce reform programme was essential for pay reform and that the current pay structure would not sit alongside the workforce reform proposals. It said that the whole programme was about providing flexibility, rewarding competence and skills and being affordable as well as providing the police with a transparent pay structure.
- 2.5 The NPCC reported that significant work had been undertaken since April 2018. On workforce reform, four priority areas had been agreed that formed the focus of its work:
- *Initial recruitment* – a key component of the workforce transformation programme was a new recruit assessment process for constables for implementation in April 2020.
 - *Initial entry routes* – the Police Constable Degree Apprenticeship (PCDA) and Degree Holder Entry Programme (DHEP) for implementation in 2020.
 - *Professional development programme* – this key building block for workforce reform would build and provide the infrastructure, processes and tools to ensure that policing was delivered by a professional workforce in a culture where continuing improvement and professional development were recognised and valued.

- *Advanced practitioner* – a scheme to provide lateral career progression for police constables to recognise and reward enhanced skills, competence and contribution.
- 2.6 In addition, the NPCC said that other initiatives in place to support workforce reform included:
- *Senior Leaders' Hub* – to support progression to the most senior levels of the service; to provide and coordinate continuous professional development opportunities for chief officers and a range of services to support chief officer appointments.
 - *National Wellbeing Service* – available to all officers, this would deliver a range of services based on a holistic model of promote, prevent, detect and support, and treat and recover.
 - *Leadership and Management Development* – a range of tools to support leadership and management development at all levels from sergeant to superintendent.
 - *Workforce transformational enablers* – with a focus on continuous professional development and performance and development review.
- 2.7 The NPCC confirmed that the design principles for the reward programme had been agreed by the Chief Constables' Council. The NPCC said that it had received useful feedback on these principles from the staff associations and that it was working to mitigate concerns. The NPCC added that the areas of concern were mainly around:
- how principles would be used;
 - increments no longer linked to time served;
 - preparedness of forces for reform;
 - local flexibilities; and
 - affordability.
- 2.8 The NPCC said that progress on the reward aspects of the reform programme was focused on four workstreams:
- the constable pay scale;
 - p-factor;
 - benchmarking for all ranks; and
 - variable pay.
- 2.9 On the **constable workstream** the NPCC explained that three stages to a constable's career pathway were proposed:
- *Stage 1* – training, which would either be via a PCDA, a 2-year police degree entry scheme or a degree entrant who would then complete a policing diploma.
 - *Stage 2* – a foundation constable.
 - *Stage 3* – the fully competent constable.
- 2.10 In addition, a lateral career pathway was proposed which would enable an officer to achieve advanced practitioner/leading constable status with extra remuneration.
- 2.11 The NPCC emphasised that the future constable pay scale would need to be flexible to accommodate the new routes into policing (envisaged under Stage 1 above). The NPCC envisaged that, at the point of entry, base pay would vary to reflect qualifications and experience. It was the NPCC's aim that, on advancing to Stage 2, all officers would move onto the same national pay scale, albeit that the length of time to get there would be different for officers on different routes.

- 2.12 Officers would advance to Stage 3 on passing the Established Constable Review (previously referred to as the higher skills assessment). The NPCC informed us that the College of Policing was expected to start testing the criteria and process for the Established Constable Review in late February 2019. The NPCC also advised us that the potential timescales and differences in pay levels as constables moved through the stages had still be to determined.
- 2.13 On the **p-factor workstream**⁷, the NPCC said that 12 descriptors⁸ had been agreed, and that they covered the responsibilities, obligations, and terms and conditions that were peculiar to service as a police officer, and shared by very few workers in the public sector, and even fewer in the private sector. The intent of the p-factor policy would be to:
- identify and highlight the p-factor component so that it could be separated out to support base pay benchmarking;
 - have detailed and accurate descriptors;
 - enable a monetary value to be ascribed to the p-factor;
 - build in a regular review of the factors and monetary value; and
 - be paid to all who held the Office of Constable.
- 2.14 The NPCC added that it would need to take independent advice on what the percentage value of p-factor should be and how it should be applied across ranks above constable.
- 2.15 The NPCC told us that proposed pay rates for the new reward framework would be informed by independent **benchmarking work**. The NPCC reported that this work was not yet complete and that they would return in early 2020 with a final view on the future approach.
- 2.16 The NPCC said that it had identified various factors relevant to the pay considerations. It was noted that among these were the aim that pay rates should be set on a national basis, but with local flexibilities available where appropriate to aid recruitment, and that pay scales should be simplified, with the intention that they would be shorter than at present.
- 2.17 In its evidence regarding **variable pay**, the NPCC set out its overarching framework and principles. The NPCC said that, in relation to variable pay, flexibilities should be available to chief officers at a local level, and that variable payments, on top of base pay, should cover:
- mandated allowances (e.g. overtime, temporary acting up, on-call, dog handlers' allowance); and
 - discretionary allowances to deal with external and internal recruitment and retention issues, in recognition of, and compensation for, a specific piece of work, specialist skills and/or particularly demanding roles.
- 2.18 The NPCC said that the variable pay proposal would be based on the following design principles:
- the use of the arrangement would be at the discretion of the local chief officer (with the exception of the baseline London and South East Allowances);

⁷ The p-factor is used to describe and value the unique nature of policing and the restrictions and expectations placed on police officers.

⁸ Banded under four headings, these are: **Physical**: uniquely confrontational and high risk of physical harm and expectation of assault. **Psychological**: trauma of exposure to distressing incidents and materials and level of scrutiny. **Legal**: non-feasance, the failure to perform an act that is required by law; exposure to risk; accountability and scrutiny; membership of trade unions and limited political activity. **Social/economic**: use of social media; victimisation based on profession; disruption to family life and associates and business activity.

- the amount paid would be set locally and, again, would be at the discretion of the local chief officer and non-pensionable;
- parameters for maximum payments would be set; and
- payments would be individual role and/or location specific.

Police workforce and pay reform – managing the National Reward Framework Project

2.19 The NPCC said that the reform programme was a large and complex project, with project disciplines in place, and highlighted a number of key aspects of the management of the programme in their evidence:

- *Governance* – The project was being delivered by the National Reward Team, set up specifically to deliver the new framework on behalf of the NPCC. This team reported into the National Reward Programme Board, chaired by the National Pay and Conditions lead who was the Senior Responsible Owner for the project and responsible for its delivery.
- *Dependencies* – The links to other relevant strands of work had been mapped by the College of Policing and there was now a better understanding of how the work needed to be prioritised and sequenced.
- *Workplan structure* – There was a four-phase plan for the work which provided a framework for programme monitoring and governance, with objectives and high-level deliverables defined for each phase.
- *Timeline* – This was predicated on a number of factors including resource availability, timely decision-making, the PRRB process, delivery of the change enablers (workforce reform) in 2019, completion of consultation and successful preparation for implementation. The aim was for all officers to have transitioned to the new structure by 2025. The NPCC confirmed that the 2020 ‘go-live’ date was tight and could be considered unrealistic because of the number of variables outside the NPCC’s control.
- *Implementation* – This would follow a similar format to that used for other nationally-led programmes whereby the central team would define the national plan, along with procedures, guidance and protocols, which local forces would then be required to implement including, for example, making the necessary changes to payroll and appraisal. The NPCC said that a service impact assessment would be carried out to assess the readiness of forces for implementation of pay reform. The NPCC also indicated that it was the responsibility of the College of Policing to work with forces to implement the linked workforce reforms and enabling activities.
- *Transition* – The NPCC was developing proposals on transition with the aim of producing a national transition plan.
- *Funding* – The cost to forces to implement the framework would depend on their existing level of readiness for change (for example, whether they already had an appraisal system in place). The true cost would depend on the nationally agreed approach to transition. There was no confirmed additional funding, and the NPCC expected that the Home Office would consider additional funding as part of the next Comprehensive Spending Review. The NPCC recognised that pay reform without investment would be challenging, and that a service impact assessment would assist them in making an assessment of the level of risk.
- *Risk and issue management* – There were mechanisms in place to identify and manage risk.

- 2.20 The NPCC said that it had been working with the Home Office to develop a pay model to indicate total future reward costs. The NPCC acknowledged that any pay reform without investment would be challenging but that there was no confirmed additional funding.
- 2.21 The NPCC added that significant steps had been taken in 2018 to improve stakeholder engagement and that it was committed to ensuring that as much consensus as possible was reached on the new national reward framework and the respective policy changes.

Police workforce and pay reform – other parties' evidence and response to the NPCC proposals

- 2.22 The **Home Office** said in written evidence that a key element of the workforce reform programme was refocusing pay to reward competence, development and skills. The Home Office added that it strongly believed that police reform should be police led⁹. The Government expected implementation of the new pay and reward structures to begin in 2020 and to see rapid progress made, although the Home Office observed that the programme of work remained ambitious. The Home Office confirmed that it would continue to support the work through the provision of workforce modelling and analytical capability. The Home Office said it had stressed that the NPCC had to consider whether it had the right level of support, resources and expertise to achieve timely implementation.
- 2.23 The Home Office told us that pay reform was dependent on robust performance management systems and that the police must introduce the necessary mechanisms. The Home Office said that the Government wanted to see a drive towards a more consistent and standardised system.
- 2.24 The Home Office also confirmed that it was working with the College of Policing to ensure that all senior leaders had the skills and capabilities required to lead policing into the 21st century.
- 2.25 Turning to the adequacy of consultation and stakeholder engagement, the Home Office said that it welcomed the NPCC's development of a communications strategy and plan setting out, formally, how stakeholders would be engaged.
- 2.26 The **MPS** told us that it supported pay reform but that such reform could not be cost-neutral. The MPS said that it would have no appetite for holding money back from some officers to create the capacity to pay others, given the backdrop of a prolonged period of pay restraint.
- 2.27 The **APCC** said that it was satisfied with the design principles and assumptions underpinning the pay and reward framework. In addition, the APCC welcomed the NPCC's assumption that transition to the new framework would be cost-neutral but observed that it might prove difficult to achieve. The APCC added that it was content, so far, with the level of NPCC consultation with the staff associations but stressed that consultation and engagement would be particularly important during transition and implementation.
- 2.28 The APCC confirmed that it was supportive of the NPCC's proposals on progression pay for police apprentices and local determination of the starting salary.

⁹ The functions of the NPCC, formed in April 2015, include to work with the College of Policing, to develop joint national approaches on criminal justice, value for money, service transformation, information management, performance management and technology and to work with the College of Policing in order to develop joint national approaches to staff and human resource issues, including misconduct and discipline, in line with the chief officers' responsibilities as employers.

- 2.29 In their written evidence, the **PFEW** and **PSA** raised a number of concerns about the NPCC's proposals on workforce and pay reform. They reported that the NPCC had said that the service could not continue with the current pay point structure, and that police reward needed to be modernised to deliver workforce transformation in support of the Policing Vision 2025. However, the PFEW and PSA said that the NPCC had not explained how changing pay in the way suggested would deliver workforce transformation.
- 2.30 The PFEW and PSA also told us that the NPCC reform principles were not underpinned by a clear rationale for change. The PFEW and PSA said that they agreed with certain reform design principles but questioned the feasibility of a cost-neutral pay bill and the transition assumptions. The PFEW and PSA also observed that the risk register and timeline were inadequate. Moreover, they told us that they were unhappy with the way that pay reform engagement had been undertaken so far and that they were concerned that the time scheduled for subsequent consultation appeared to be short, which led them to conclude that this would be narrow in focus. The PFEW and PSA were also concerned that there was no mechanism for matters to be resolved when agreement could not be reached and suggested that, in this context, consideration should be given to reform of the Police Consultative Forum.
- 2.31 When these points were tested in oral evidence, the PFEW emphasised that it was not opposed to pay reform but that it was concerned at the lack of progress. In addition, the PFEW told us that the lack of clarity on what the programme was trying to achieve was leading to a perception that the hidden intention of the reform programme was to drive down pay, a point reinforced in their view by the lack of any guarantee of additional government funding to implement the new pay model.
- 2.32 On the specifics of the proposed constable pay scale, the PFEW and PSA stated that they were concerned about a number of factors:
- the complexity of the new four stage constable pay scale;
 - the assessment and recognition of competence (ARC) mechanism by which constables would progress to Stage 2;
 - the higher skills assessment as a mechanism to access a significant pay uplift; and
 - problems with the advanced practitioner pilot.
- 2.33 As the NPCC work moved towards transition and implementation, the PFEW and PSA stated that they wanted the NPCC to provide:
- a full project plan three months after the end of the PRRB round;
 - a decision on which pay reform elements it would prioritise; and
 - a cost-benefit analysis of assessing and recognising competence (ARC).
- 2.34 The PFEW said that it supported the introduction of a p-factor but questioned the values involved in the NPCC's benchmarking exercise on basic pay. The PFEW considered that the p-factor should be added to salary after benchmarking and that it should be set at the same level as in the military.
- 2.35 The PFEW and PSA said that they had not seen enough detail to make a realistic assessment of the timelines for transition and implementation but raised various concerns about the number of stages that would need to be completed to enable launch of the new system. They also expressed concern at the practicalities of rolling out

competence-related pay. They referenced the PEEL: Police Legitimacy 2017 Report which recorded that only three forces were able to demonstrate having conducted performance development reviews for their whole workforce¹⁰.

2.36 The PSA told us that the p-factor would be detrimental to the superintending ranks.

2.37 In oral evidence the PSA told us of their frustration at the time taken to develop the reform proposals and, anecdotally, that officers were concerned that the lack of detail about the proposals was making officers suspect that the overall intention was simply to suppress the police pay bill.

Our comment

Our approach

2.38 We have been specifically asked by the Home Secretary, in his remit letter for the round, to review the NPCC's:

- design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design;
- detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes; and
- proposals for progression pay for police apprentices.

2.39 We considered the most effective way to respond to the particular requests in the remit letter. The Review Body is established to offer independent advice to the Home Secretary on a range of areas related to the pay and terms and conditions of police officers. Our expertise is based around the skills needed for pay determination and we follow a clear and transparent process for gathering evidence and for interacting with stakeholders. We are also mindful of the aim of the reforms to support the delivery of the Policing Vision 2025. Our response to the remit letter is, therefore, provided in this broad context and we provide commentary under five themes:

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

Strategy, clarity of vision, design principles and assumptions for reform

2.40 In our 2018 Report we made some suggestions for the forward management of the pay and workforce reform programme, including around the vision for the programme, communication, resourcing and stakeholder engagement. In reviewing the NPCC's evidence this year, we welcome the fact that some progress has been made and that the project team set up to deliver the new framework has been expanded. Nevertheless, we are concerned that issues commented on last year continue to be raised with us by the parties and that these are a focus of our observations again this year. We also note that, following our observations last year about the scale of ambition in the programme, its scope is essentially unchanged. Taken together, we think that long-term strategic

¹⁰ HMICFRS (December 2017), *PEEL: Police Legitimacy 2017 A National Overview*. Available at: <https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/peel-police-legitimacy-2017-1.pdf>. [Accessed 24 May 2019]

oversight of the programme is required and we question the extent to which the targets for implementation have been assessed for realism. Consequently, we emphasise the need for further work across a number of fundamental areas, as explained and discussed below.

- 2.41 The NPCC told us that the reform programme was essential to enable achievement of the Policing Vision 2025. The Home Office advised us that workforce reform would ensure the policing system had the capability, capacity and wellbeing support to meet the challenges of emerging and rapidly changing types of crime in an effective and efficient manner, and so increase public confidence in the service. We understand that the workforce reform programme is intended to be an essential precursor for pay reform and that the police want to be able to recruit and retain people by providing a lateral career pathway and a pay structure which provides career development and focuses on rewarding the acquisition of competence and skills rather than time served. We also understand that reform is about enabling the police to respond to rapidly changing types of crime and the broader issue of demand on policing.
- 2.42 At the strategic level, the Policing Vision as presented to us seems clear. However, we have not seen evidence of a clear narrative or plan which articulates how the various individual, tactical changes which comprise the pay and workforce reform programme fit together to achieve the vision for that programme and how this, in turn, will facilitate the Policing Vision 2025. This leads us to conclude that work is necessary to develop a plan which demonstrates and explains the coherence between the various elements. We have concerns as to how all the individual elements of the programme, once implemented, will operate in practice.
- 2.43 We are also concerned that Police and Crime Commissioners (PCCs) appear to have had limited engagement in the development of the programme. As we discuss later, PCCs will have a critical leadership role in implementing this wide-ranging and ambitious programme given their responsibility for setting police priorities and budgets and their public accountability for policing in their area. Their buy-in to both the overall strategy and the detailed components will be essential to enable the success of the programme.
- 2.44 We note a number of reservations expressed to us by stakeholders, in particular the PFEW, about the lack of clarity about the benefits to be derived from the programme and the absence, in their view, of the case for change. Their observations tend to underline a concern we share, which is that the design principles need to be properly and fully understood by the key parties if they are to underpin the work effectively. There is the need for those arguing for the changes to be able to communicate the rationale in a way which makes sense to those involved at all levels of the police service. Based on what has been achieved so far, we think that much more needs to be done, particularly through proactive stakeholder engagement and development of a focused communication plan which sets out clearly the planned changes, how the various components fit together and the benefits.

Leadership, consensus and engagement

- 2.45 We have welcomed engagement with the NPCC during the course of this, and our previous, reviews. We note the responsibility for leadership of the programme within the NPCC is being taken over by a new chief constable. The transition to new leadership will need to be managed so as to accelerate momentum and ensure that the reform programme continues to receive the direction and prioritisation it needs to be delivered successfully.
- 2.46 We have been told of the importance of the police reform programme being police-led. We understand the rationale for this approach, and the view that benefits should derive from an internally-devised and driven programme of reform. This approach, if

successful, should ensure that bespoke elements relevant to the policing environment are properly taken into account. But it will only work if there is buy-in from the front-line service providers most affected by the changes. We continue to have reservations about whether a project of this scale can be managed through the existing structures, particularly the requirement to achieve consensus, both on the nature of their reforms and their implementation, across 43 separate and independent forces, each of whom have different structural and financial issues, and who will all face their own unique challenges in implementing the reforms. We are not clear that the collective strategic leadership which the programme requires from the Home Office, NPCC and PCCs is being provided. The time horizon of chief officers and PCCs is likely (and properly) to be set by local concerns and we are not clear how the required long-term strategic focus will be supplied within this environment.

- 2.47 In this context, we note that individual forces will be expected to deliver change against a national implementation plan. We were not able to form a view on whether the College of Policing could provide the tailored support needed to individual chief officers, who may be at widely differing stages along the path towards the ultimate goal. This diversity of approach, and level of readiness among different forces, appears to us to be a significant challenge to the success of the project. Our view, therefore, is that strong, central co-ordination and leadership will be required to drive through the programme.
- 2.48 Our observations in this regard are reinforced by independent research undertaken as part of a Home Office Police Transformation Fund project. Led by the London Mayor's Office for Policing and Crime¹¹, this research aimed to understand the extent to which police forces were prepared for the changes to training, learning and development required by Policing Vision 2025. This survey concluded that while many forces were preparing for the changes, the level of preparation was low, with 29% stating that their force was not prepared and only 20% viewing their force as prepared. In addition, the report highlighted the uncertainty in forces about the rationale for change or whether or not Policing Vision 2025 would bring benefits to the force or, indeed, be implemented successfully. While we acknowledge that this report focused on training, learning and development, we assess that the general conclusions read across to the wider reform programme.
- 2.49 The NPCC indicated to us that it was confident that it was in a good position with regard to transition. However, we note that the NPCC still had to conduct service impact assessments to gauge the readiness of forces for reform. Given that transition is intended to start in 2020, we question if there is a sufficiently developed understanding of the practical issues that might yet stand in the way of implementation.
- 2.50 We have been asked in our remit to consider the extent to which stakeholders have been consulted in the development and design of the proposals. The NPCC has told us that significant steps were taken in 2018 to improve stakeholder engagement. We note that the NPCC had adopted a 'continuous engagement' model of stakeholder management. We also note that some of the consultees would have preferred a more formal process in which they were invited to respond to specific developed proposals, which they would be able to consult on formally with their membership. We observe that from the staff associations' perspective, the problem with continuous engagement was that the gradual evolution of proposals made it difficult to know the decision points in the project at which it would be advisable for them to seek views or a mandate from their members.
- 2.51 We also note the concern of the staff associations that the NPCC timetable for consultation and sharing of reform proposals appeared to be compressed.

¹¹The Open University with IFF Research (August 2018), *Implementing the Transformation of Police Training Learning and Development: Baseline Survey Report*. Available at: https://centre-for-policing.open.ac.uk/system/files/news_files/Police%20Learning%20Survey%20Open%20University%20August%202018.pdf. [Accessed on 24 May 2019]

Funding and resources for pay reform

- 2.52 The NPCC told us that it expected investment in pay reform to be considered as part of the next Comprehensive Spending Review. Therefore, at the point that evidence was presented to us, there was no confirmed additional spending. The NPCC told us that without additional funding, forces would be left to finance transition and implementation costs from within their existing budgets, which could have an impact on other priorities. The NPCC also stated that pay reform without investment would be challenging; the MPS was clear that the reform work could not be undertaken on a cost-neutral basis, while the APCC also said that it would be challenging. We share these general concerns: pay reform projects are difficult to deliver on a strict cost-neutral basis, at least on a short-term basis, even if cost neutrality can be achieved in the longer term. We are not convinced by the assumption that a project of this nature can be done in a cost-neutral way, and we cannot point to any comparable example where this has been successfully achieved. We assess that investment in reform is appropriate and urge the Home Office to consider the case for some additional funding and how it might best be provided.
- 2.53 We observe that the PFEW and the PSA were suspicious that the absence of additional funding implied an intention to suppress police pay and, that by implication, there would be winners and losers. We suggest that transparency is needed on this point.
- 2.54 We note that the National Reward Framework Project team had expanded during 2018 to comprise eight core members and that the budget for the team was constantly reviewed. With transition and implementation approaching, adequate resourcing of the programme team is essential for it to retain the capacity to carry out the work required.

Specific aspects of the reform proposals

- 2.55 **The constable workstream** – The evidence presented to us on the constable workstream focused mainly on the implementation of entry routes. We note the lack of clarity on the process for officers to progress to established constable. We also heard concerns among the staff associations about the Established Constable Review process. If it is indeed the case that changes in constable status and pay will hinge on decisions being made at sergeant level, then we would want to see work being done to ensure that these changes were properly resourced and that the supervising officers concerned were ready for, and comfortable with, this extra responsibility.
- 2.56 We note that the proposals anticipate shorter pay scales but there is no discussion of the implications of this and the possibility, indeed likelihood, that an increasing number of officers will reach the top of their scale much earlier than they would under current arrangements. The rank for the great majority of officers is constable and this means that many could remain on the same pay point for a considerable time. We note the implications this could have for long-term retention and motivation.
- 2.57 Finally, we recognise the aim to transform policing into a graduate profession. We do not comment on this policy aim as such, but we observe that there are potentially wide-ranging implications arising from increasing the qualification level of the recruitment pool. This change will generate some critical issues for implementation which we have not seen addressed in the evidence presented to us. In the short term, there will be the challenge of managing a workforce which comprises two cohorts: the newer graduate group, alongside long-standing constables. We see this as particularly relevant given that officers can expect to be constables for some considerable time, so these two groups could co-exist for many years. We hope that the questions of equity which will inevitably arise from this process will be assessed as part of the transition and implementation plans.

- 2.58 In the medium and longer term, the challenges of managing a progressively graduate-only workforce will need to be addressed. Graduates may have higher aspirations for careers and for earnings than their non-graduate predecessors. Policing has traditionally been an environment where the opportunities for promotion are limited, and we are concerned that if expectations of the new cohort of graduates are not met, then some will use policing as a stepping stone to a career elsewhere. If this were to occur, there would be implications for the average career length and experience base of officers generally.
- 2.59 As matter of urgency, we invite the NPCC to consider how it will communicate and manage career progression and promotion possibilities to enable policing to encourage and attract, and then retain and develop, the entrants it requires in a competitive graduate-level labour market.
- 2.60 **P-factor** – We note that work is in hand to progress the p-factor proposal and that the descriptors have been shared with the staff associations and that there is general agreement on these. However, the question of the value of the p-factor is unresolved. There is more work to be done if this proposal is to be developed to the point where we are in a position to consider it. We invite the NPCC, if it wishes to pursue this course, to put the necessary work in hand, pending which, and subject to the terms of our remit letter, we would be ready to offer comment as part of a future pay round review.
- 2.61 **Benchmarking** – We are grateful to the NPCC for including in their evidence to us the initial findings on their independently-commissioned benchmarking work. It is too early for us to comment in detail on these for this pay round and we acknowledge that the NPCC is not yet in a position to present its final proposals. We anticipate making comprehensive observations as part of next year’s pay round, and look to the Home Office to clarify in the remit letter how they would like us to approach making recommendations against the new pay structures, including with regard to the p-factor discussed above.
- 2.62 **Variable pay** – In setting out their framework for variable pay, the NPCC asked for our views with the aim that this would enable them to take the work forward and develop proposals for consultation. In principle, targeted measures which enable pay to deliver a cost-effective and positive outcome ought to be welcomed. But we also agree with the NPCC’s observation that monetary reward can only be part of the solution, and that this approach is not a substitute for good organisational design and leadership. We note however that payments would largely be at the discretion of the local chief officer. We heard reservations about the extensive use of such discretions within the police pay system, and we would want to be reassured that the exercise of local determination will not result in the creation of an internal market within policing, with different forces offering different packages. Transparency will be important. We suggest that, if relatively wide flexibilities are to be exercised, some overarching principles for payment are clearly defined at the outset and communicated.

Risk

- 2.63 In our narrative above, we have identified risks which link to all aspects of the programme. Overall, we judge the risks to the project to be significant and that urgent action needs to be taken for them to be adequately mitigated. The key risks are:
- The lack of long-term strategic oversight of the programme jeopardises timely and effective achievement of the Policing Vision 2025.

- The lack of a clear statement, understood by stakeholders, which defines the vision for the programme and the benefits to be derived from it. Without such a statement, there is a risk to coherent and effective delivery and a risk to workforce buy-in to the changes.
- The lack of cohesion between the various components of the programme and the risk that the considerable amount of money and effort which has been invested in the pay and workforce reform will not achieve the required outcomes and Policing Vision 2025.
- The difficulty of implementation, and getting agreement to the reforms, across 43 independent forces, against a backdrop of significant other pressures on policing. Each force and PCC have their own resourcing and local challenges and priorities. There is a risk that the delivery of change generally will not be given sufficient priority. We continue to consider that strong, central leadership will be essential to deliver the programme to ensure that it gets the strategic oversight, the resource and priority required for long-term success.
- The capacity within forces (and among individual officers) to implement the changes against a backdrop of increased demand on officers collectively.
- The adequacy of resources for what all are agreed is a large, ambitious and complex programme. Furthermore, the cost-neutral assumption needs to be reviewed urgently. This is a further risk to the credibility of the programme and transparency is needed on this point.
- The new entry routes into policing and the move to a graduate-only force generate a range of risks to the overall management of the workforce, especially during transition.

2.64 There are other more specific areas where we have not seen a great deal of activity underway, and where we think there are risks which might merit more attention. These are discussed below:

- We are not clear on the extent to which the NPCC has engaged with PCCs given their responsibility for local police priorities and resourcing, and we suggest this area needs urgent attention given the critical role that PCCs will need take to ensure effective, timely and coherent implementation. Any form of incremental implementation, driven by local priorities, could be damaging to the success of the programme.
- We understand the interdependency between a performance assessment process and a competency-based pay structure. For the police, implementation of such arrangements represents a significant cultural change. It is not clear whether the practical implications of this have been fully recognised by those involved in the management of policing and the corresponding impact on individual officers, whether reporting or being reported on. In our collective experience, implementation of such systems can be fraught with difficulty. A competence-based pay arrangement will only work if officers have the skills and confidence to determine whether an individual is fit (or not) for the enhanced status and, where appropriate, additional reward. Those responsible for the assessment of officers need training, guidance, support and the time capacity to undertake this additional reporting role. Arrangements will have to be in place to support those officers who do not meet the assessment standard, which suggests the need for the line management capability within policing to be developed to ensure that officers have the knowledge and skills necessary to oversee the reporting mechanism and its implications. These aspects of implementation will need to be properly managed and resourced.

- The staff associations have raised concerns with us about the time needed to enable the necessary legislative changes, specifically to Police Regulations, to be concluded in time to underpin the reforms. We note that issues around EU exit are likely to have first call on lawyers' time and the Parliamentary agenda. We invite the Home Office and NPCC to work together to ensure that the implementation timetable is realistic in this regard.

2.65 We are aware that the new NPCC lead is undertaking his own review of the programme as he takes over his new responsibility. This seems to be a sensible approach. We note that a separate, external, technical evaluation of the programme could add value in providing an impartial view on planning and resourcing without delaying the programme. We would be happy to provide a contribution to this if that would be helpful.

CHAPTER 3 – OUR ANALYSIS OF THE 2019/20 EVIDENCE

Introduction

3.1 This chapter reviews the key points from the evidence provided on matters which form part of our standing terms of reference, apart from evidence directly concerned with the pay and workforce reform project covered in Chapter 2.

Policing environment

3.2 The evidence we received for our last report painted a picture of a smaller workforce dealing with rising demand, new and more complex types of crime, and an increasing role to fill the gaps left by other underfunded and under-resourced agencies (the problem of ‘displaced demand’). This message has continued to be a consistent theme in the evidence we have received this year, and we have seen or heard little to suggest that this background context has improved.

3.3 The **Home Office** said that demand on the police was rising as the crimes reported became more complex and resource-intensive. The challenge from serious and organised crime networks was growing and the threat from terrorism continued to evolve.

3.4 The **NPCC** identified a number of factors that had an impact on police and crime demand, which included:

- the UK population had increased;
- there had been a rapid rise in the levels of recorded crime;
- Serious and Organised Crime had grown and evolved in scale;
- the terrorist threat had elevated in scale and complexity; and
- compliance with new and existing legislation and regulatory requirements had grown into a significant burden for policing.

3.5 The **MPS** reported increases in both crime and non-crime demand. The MPS assessed that profound cuts to other public services had displaced demand more appropriately dealt with elsewhere (e.g. in response to mental health or social care issues).

3.6 The MPS also observed that, in some areas, the real change was the growing complexity of crime rather than volume. The greatest driver of complexity was the rapid growth in, and use of, technology.

3.7 The **PFEW** and the **PSA** said that although there had been increased public scrutiny and debate surrounding the police service’s ability to understand and manage demand over the last few years, there were still no common standards for measuring policing demand. However, they pointed to a 14% reduction in police officers since 2009, and a steady rise in police-recorded crime over the last five years (including a sharp increase in some higher-harm violent offences since June 2017) as an indication of the increasing demand officers faced.

3.8 The **CPOSA** stated that policing continued to be ever more complex through globalisation and digitisation, alongside a refocusing of activity towards crimes such as serious sexual offences, domestic abuse and modern-day slavery. The management of these new demands had added to leadership challenges seen by senior police officers and had required a change in leadership culture.

*Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services State of Policing Report 2017*¹²

- 3.9 The annual report on the State of Policing in 2017 (the latest available at the time of submitting our report to Government) by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) found that there was less evidence of artificial demand suppression (by downgrading the severity of calls for example) than the previous year. However, it highlighted that forces were not managing all demand properly, with almost a quarter of forces not meeting enough of their demand or managing it inappropriately.
- 3.10 The report reflected that, to be effective, police forces needed to manage the demand they faced. However, the report concluded that in many cases, it was troubling how little forces knew about demand – particularly demand coming from hidden crime, such as so-called honour-based violence and modern slavery.

*HMICFRS Policing and Mental Health Report*¹³

- 3.11 HMICFRS produced its first report on the theme of policing and mental health as part of its responsibility for inspecting effectiveness in how the police protect those who are vulnerable and provide support to victims. The report reflected increasing demand for a police response to mental health-related calls, and concerns that forces tended to underestimate the level of demand from mental health incidents.
- 3.12 The Inspectorate had significant concerns that the police were exceeding their duty in responding to mental health problems, and considered that the police needed to have a clearer picture of the demand they face from people with mental health problems. It called for a radical rethink on the response to those with mental health problems so that they were guaranteed a timely response and expert support, which all too often was not available when needed.

*National Audit Office Financial Sustainability of Police Forces in England and Wales 2018 Report*¹⁴

- 3.13 The National Audit Office's (NAO) report looked at the funding pressures that each force had encountered between 2010/11 and 2018/19, and examined how these pressures had affected the services that the police were able to provide. The NAO found signs that police forces were struggling to deliver an effective service, citing an increase in the average length of time it took to charge an offence, decreases in the proportion of crimes resulting in a charge and the arrest rate as indicators of increased service stress. It also said that it was not clear what impact a reduced workforce would have on the ability of forces to meet increasing demand for police services.

Our comment

- 3.14 We continue to be grateful to the parties for providing evidence on the policing environment and the demands on policing. The evidence continues to provide consistent messages of increasing demand on the police service due to fewer officer numbers, fewer police staff and police community support officers (PCSOs), increased crime rates and increasing complexity of crime and displaced demand.

¹² HMICFRS (June 2018), *State of Policing 2017*. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/wp-content/uploads/state-of-policing-2017-double-page-1.pdf> [Accessed on 24 May 2019]

¹³ HMICFRS (November 2018), *Policing and Mental Health*. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/wp-content/uploads/policing-and-mental-health-picking-up-the-pieces.pdf> [Accessed on 24 May 2019]

¹⁴ NAO (September 2018), *Financial Sustainability of Police Forces in England and Wales 2018*. Available at: <https://www.nao.org.uk/wp-content/uploads/2018/09/Financial-sustainability-of-police-forces-in-England-and-Wales-2018.pdf> [Accessed on 24 May 2019]

3.15 While the HMICFRS State of Policing report presented a positive picture with regards to less evidence of artificial demand suppression by forces, we are concerned by its findings that some forces were not meeting enough of their demand or did not understand how much demand they faced. We recognise that demand on the police service is inherently difficult to measure. Crime figures give little indication of their complexity or the resources required to deal with them, and only represent one aspect of police demand. Other aspects of police demand can be harder to quantify, particularly those relating to proactive policing and working with vulnerable people.

Government pay policy and affordability

3.16 The **Home Office** reported that Parliament had approved an increase in police funding of up to £970 million for 2019/20 compared with 2018/19¹⁵. The key components of this settlement were:

- an increase of £161 million in central government grants to PCCs;
- flexibility for PCCs to increase their police Council Tax precept level for a Band D house by up to £2 a month without holding a local referendum. This would raise just over £500 million of additional local investment in local policing if all PCCs increased the precept by £24;
- additional funding of £153 million to help the police manage unexpected increases in their contribution to public sector pensions;
- an extra £59 million funding for counter-terrorism policing; and
- an extra £89 million for national programmes and priorities.

3.17 The Home Office stated that the pay award for 2019/20 must be funded from the police funding settlement and that no additional central funding would be available. It said the police had a number of financial pressures that they needed to manage in the 2019/20 funding settlement including: funding the 2019/20 pay award; increased pensions costs; and tackling increased demand by filling key capability gaps. The Home Office's assessment was that the settlement provided funding to address these pressures, alongside a pay award which would equate to approximately £70 million for the current workforce in the 2019/20 financial year.

3.18 The Home Office advised that the Government was committed to creating effective productivity measures for policing. It was working with the Office for National Statistics (ONS) to explore methods for measuring this.

3.19 In its economic evidence the Government said it recognised that public sector workers deserved to be fairly rewarded for the vital work they did, and that it sought to ensure that the overall package remained fair and competitive. The Government considered that its flexible approach to pay allowed it to recognise areas of skills shortage, and improvements to workforce productivity. It added that with budgets for 2019/20 already set, it was crucial that Pay Review Bodies considered the evidence presented to them about affordability alongside material on the economic and fiscal context.

3.20 The Government further considered that affordable awards would be an essential part of keeping government borrowing under control, as the public sector pay bill accounted for £1 in every £4 spent by the Government. It added that it spent more on debt interest than on the police and armed forces combined.

¹⁵The Chancellor of the Exchequer subsequently announced a further £100 million funding for 2019/20 would be made available to police forces in the worst affected areas in England and Wales for knife and violent crime.

- 3.21 The **APCC** said that some PCCs welcomed the additional flexibility on the precept as it offered the opportunity to increase investment in local policing, which was supported by the public. However, some PCCs had reservations, as the additional precept increased council tax and would mean that the burden of the additional funding would fall significantly on local taxpayers. Many PCCs had included proposals for additional officers and when making the case for increasing the precept, they expressed concern that a higher than expected pay award would affect their ability to deliver these plans. The **NPCC** reported that some chief constables shared these concerns.
- 3.22 The **NPCC** highlighted that government support for local policing budgets had reduced by 34% in real terms since 2010, and that even with increases in council tax precept, total funding for police forces had reduced by 21% over this period. Although the police grant for 2019/20 appeared generous, the additional employer pension contributions would cost £330 million¹⁶ in 2019/20, more than the total increase from the central government grant and the pensions grant combined.
- 3.23 When submitting their evidence to us in February 2019, the **NPCC** stated that affordability was not known, as budgets were still being finalised. However, most forces had budgeted for a 2% pay award in 2019/20.
- 3.24 The **MPS** said that no pay settlement since the imposition of a pay freeze had been funded by Government. The 2017 pay award had to be met through efficiency savings. Every 1% added to pay amounted to approximately £18 million per annum on the **MPS** police officer pay bill, and equated to the overall cost of about 300 constables.
- 3.25 The **MPS** remained concerned about the medium- and long-term affordability position. Despite the wider efficiency savings delivered by the **MPS**, and the growth in council tax revenue allocated by the Mayor of London to policing, the **MPS** would only be able to recruit to 31,000 officers in late 2019/20 (still 1,000 fewer than the size of establishment in 2015). Longer-term projections indicated that, without a growth in central government funding, officer numbers in London might have to fall to around 28,000 by 2022/23.
- 3.26 The **MPS** calculated that, despite additional funding in 2019/20, the increase in employer pension contributions from 21.3% to 31.0% represented an additional cost of £33 million to the **MPS**. It added that, if the additional government funding were not made permanent in 2020/21, then this pressure would increase to £78 million each year. The **MPS** considered this to be a major issue that required clarity from the Government on how the pressure would be met.
- 3.27 The **PFEW** and the **PSA** reported that central government funding was 1.5% lower per force in 2018/19 compared with the previous year in real terms. While local funding growth meant every force had experienced a real-term increase in funding overall, the levels had varied greatly because of the different socio-economic circumstances of each local authority. The average value of properties was not the same in all areas, so that there would be a difference in the funds that could be raised from the council tax precept in, say, Northumbria, when compared to, for example, Surrey.
- 3.28 The **PFEW** and the **PSA** estimated the cash increase for each force based on PCCs increasing the precept by the maximum allowed. They concluded that all forces would be able to afford a pay uplift of at least 8%.

¹⁶This included additional costs of £28 million faced by the **MPS** for their police staff who were members of the civil service pension scheme.

*National Audit Office Financial Sustainability of Police Forces in England and Wales
2018 Report*

- 3.29 The NAO report recommended that the method by which funding was allocated to police forces should be reviewed, as the current formula did not account for the full range of demands on police time.

Our comment

- 3.30 We note that our remit letter this year asked us to make affordability a major consideration when making our recommendations, and we were conscious of this issue during the course of our work in the current pay round.
- 3.31 It is not unusual to have pay issues expressed in the form of a balanced choice between increasing pay or increasing the number of officers. In practice however, the decisions are rarely so clear-cut. Officers within the individual forces will be paid from budgets which include an assumption for pay, but which will not generally have ringfenced pay components. The same is true at all levels of budget up to and including central government. In practice, there are degrees of flexibility at every level in how budgets can be constructed or how money is spent. It is neither realistic nor feasible for us to take account of the possible range of flexibilities and priorities which each force will assign to police pay, or to take account of the potential trade-offs that might exist between pay and other possible expenditures.
- 3.32 More generally, there is a tension for any Review Body between determining pay uplifts based upon workforce-related factors, such as recruitment, retention, morale and motivation, and taking a purely budget-based approach. The former should lead to a service needs-based determination, which might have long-term implications for workforce capability, the latter to cost-based solutions, which tend to be based on shorter-term considerations which may or may not take account of workforce considerations. In practice the two cannot be entirely distinguished, but any Review Body would be remiss in discharging its function and remit if it were to set aside a determination process based on service needs, and replace it with one based on budgetary considerations alone.
- 3.33 A key component of policing funding is represented by money from council tax precepts. The money available to forces from council tax precepts does not represent a uniform proportion of each force's funding and is, therefore, more beneficial to some forces than others. Furthermore, decisions made within each force on how to spend the available money are influential in how affordable any pay recommendation is at force level. We do not, and could not, make overall recommendations based upon a series of micro-assessments of each of the 43 forces. We have to rely on the overarching evidence presented to us by the various parties. However, we note that the figures quoted in evidence imply that the budgets overall would support a pay increase of at least 2% and we will return to this point later in the report.
- 3.34 We note that there appear to be diverging funding priorities among PCCs and chief officers. Some of them tend to favour increasing officer numbers, while others are more inclined to raise base pay. We recognise that there are choices to be made over funding priorities, driven by a range of local circumstances and by the need to focus on areas of the greatest risk, threat and harm, so that setting up pay determination as a simple binary choice between pay and officer numbers is unrealistic.
- 3.35 We understand the Government's desire to see productivity improvements as being the trade-off for any growth in wages. However, while it might be reasonable to view a productivity improvement as a natural pre-condition for growth in real wages, it should not be a requirement for any cash increase, and in particular for increases too small to

maintain the real value of wages. The measurement of productivity is difficult in much of the public sector, and particularly problematic in policing. We commented in our last report on the lack of a robust quantitative measure of productivity in the police service. The Home Office's commitment to exploring methods for measuring this with the ONS is welcome, but, at the time of writing, we are still awaiting reports on the outcome of this work.

- 3.36 In the absence of robust quantitative data or measurement methodologies, we invited evidence-giving parties to suggest qualitative examples of how productivity might have been improved. In the public sector this has often been achieved by staffing cuts, and expectations that the workforce do more with less. We were given plenty of examples of this in the police, including the reductions in officer numbers, and increased spans of responsibility, particularly in the superintending ranks. Cutting workforce numbers while expecting existing levels of service to be maintained is in itself a major contribution to productivity. However, productivity should not be merely about cost effectiveness but about improving service. We are grateful to the MPS for providing us with information on its work to make efficiency savings and service improvements.

Economy, inflation, labour market, earnings and pay settlements

- 3.37 The parties submitted written evidence for this report in February 2019. In this section we briefly summarise the main headlines from the evidence they supplied on the economy and labour market. Our assessment at the end of this section includes the latest data available to us at the time of finalising our recommendations.

- 3.38 The Government's economic evidence provided a general economic outlook including at the time, the latest Office for Budget Responsibility (OBR) projections for the economy and labour market. The key points were:

- The UK economy had solid foundations and continued to demonstrate its resilience. Gross Domestic Product (GDP) had grown every year since 2010.
- While UK productivity growth had improved since 2016 it remained below levels seen before the 2008 financial crisis. Increasing productivity was the only sustainable way to boost economic growth and prosperity. The OBR forecast for productivity remained subdued in the medium term but was expected to rise gradually to reach 1.2% per year by 2023.
- While public sector productivity had increased by 0.8% in the last year, continued improvement was essential for meeting growing demands on public services.
- The Government had made significant progress in restoring the public finances. The deficit had been reduced by four-fifths from 9.9% of GDP in 2009/10 to 1.9% in 2017/18. However, debt remained too high at over 80% of GDP, and further reductions in borrowing and debt would be important to enhancing the UK's economic resilience, improving fiscal sustainability, and lessening the debt interest burden on future generations.
- Total employment reached a record high in the three months to October 2018 with 32.5 million people in work. The unemployment rate was 4.1% and remained close to its historic low. The OBR forecasted that employment would rise every year to reach 33.2 million by 2023 and that the unemployment rate would reach 3.7% in 2019, before returning to 4.0% by 2023.
- Total nominal wage growth had risen to 3.3% in the three months to October (including bonuses) but remained lower than averages seen prior to the financial crisis, reflecting sluggish productivity growth. Both public sector (excluding financial

services) and private sector wage growth were above the rate of inflation. The OBR expected average earnings growth to be 2.5% in 2019 rising to 3.2% by 2023, remaining below the pre-crisis average.

- Inflation had fallen back from a peak of 3.1% in November 2017 to 2.1% in the year to December 2018. The OBR forecasted Consumer Prices Index (CPI) inflation to be 2.0% in 2019.

3.39 The **NPCC** noted that:

- the CPI and CPIH (which includes owner occupiers' housing costs) measures of inflation stood at 2.1% and 2.0% respectively in December 2018;
- median gross weekly earnings for full-time employees were 3.5% higher in April 2018 than in April 2017; and
- earnings adjusted for inflation in 2018 were at a similar level to 2011, but this was 3.7% lower than in 2008, prior to the financial crisis.

3.40 The **MPS** cited Incomes Data Research information showing that pay awards in the whole economy remained steady at 2.5% in the three months to the end of August 2018. The MPS pointed to the higher costs associated with living in London compared with the UK average: average house prices were more than double; average monthly rent was 72% higher; travel costs were almost double; and childcare costs were noticeably higher.

3.41 The **PFEW** and the **PSA** reported that the regular pay measure of average weekly earnings had been rising gradually over the last year, and wage growth had been occurring at a faster rate in the private sector than the public sector. They also observed that inflation in September 2018 had been higher than the police pay award on both the CPI and Retail Prices Index (RPI) measure, meaning the real-terms pay of police officers had continued to fall.

Our comment

3.42 The state of the economy and labour market provides an overall context to our pay considerations. We reviewed the latest available economic and labour market indicators and forecasts, as at 17 April 2019, when considering our recommendations. The key points to note are:

- GDP growth was 1.4% in 2018. The latest OBR forecast is for GDP to increase by 1.2% in 2019 and 1.4% in 2020.
- The CPI measure of inflation was 1.9% in March 2019, the OBR expects it to be 2.1% in 2019 and 1.9% in 2020.
- The employment rate has continued to grow to record levels, but is expected to stabilise over the next few years. This recent employment growth has been dominated by full-time employees, in contrast to much of the post-recession employment growth which had been concentrated among part-time and self-employed jobs.
- Labour productivity growth continued to be very weak in 2018, with the level of labour productivity only around 2.5% above that seen a decade ago.
- Average weekly earnings growth was at 3.5% in the three months to February 2019, the highest rate for ten years.
- Median pay settlements were 2.5% in the first quarter of 2019, similar to levels seen throughout 2018.

- 3.43 We have taken due account of these latest and forecast economic and labour market indicators in producing our report. We note the picture painted by general economic evidence from the Government which showed an upbeat story on growth but a more downbeat story on the growth in productivity. We further note that employment remains high, and that a tight labour market is likely to drive demand for commensurately higher wage settlements.

Police earnings

Our analysis

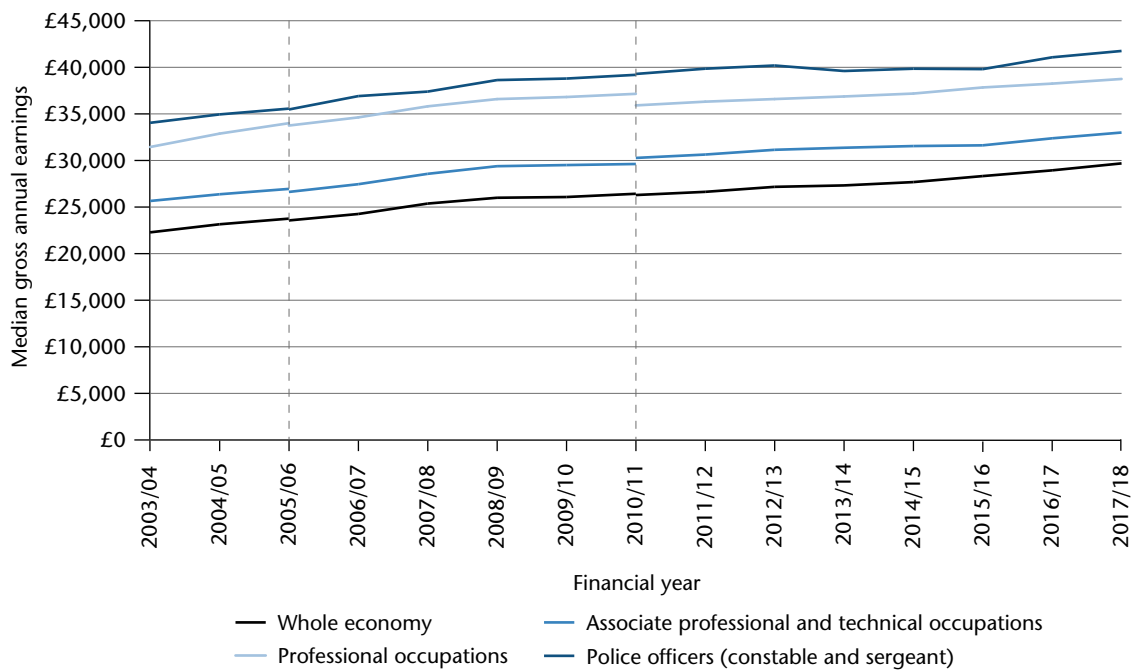
- 3.44 We have examined the annual earnings¹⁷ of police officers using results from the Annual Survey of Hours and Earnings (ASHE) published by the ONS, and the Police Earnings Census run by the Home Office. ASHE is a sample survey, published in autumn each year, which provides headline earnings estimates for occupations across the economy; for police officers it produces figures jointly for constables and sergeants and, separately, for the grouping of more senior ranks. The Police Earnings Census, conducted in its present form since 2010/11, covers all police officers and permits detailed analysis of earnings. The Police Earnings Census data provide a useful insight into the range of earnings received within and across ranks, and the take-up and value of individual pay components.
- 3.45 We used the ASHE data to compare median¹⁸ full-time¹⁹ gross annual earnings of police officers (constables and sergeants) with: the whole economy; associate professional and technical occupations group (the occupational group which includes police officers); and professional occupations (which tend to be graduate professions).
- 3.46 Our analysis showed that in 2017/18 police officers saw an increase in median full-time earnings of 1.7% (see Chart 3.1). This was the second consecutive annual increase, following a period of broadly flat median full-time earnings between 2010/11 and 2015/16. Median full-time earnings for the three comparison groups in 2017/18 rose by 2.6% for the whole economy, 1.3% for professional occupations, and 1.9% for associate professional and technical occupations.

¹⁷ Earnings include basic pay and additional pay from overtime and allowances. Earnings are presented in terms of gross pay (that is before tax, National Insurance and other deductions) in current prices unless otherwise stated.

¹⁸ The median is the value below which 50% of workers fall. It gives a better indication of typical pay than the mean as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings.

¹⁹ We focus on full-time earnings to control for any differences caused by different mixes of full- and part-time workers over time and between occupations.

Chart 3.1: Median full-time gross annual earnings, England and Wales, 2003/04 – 2017/18

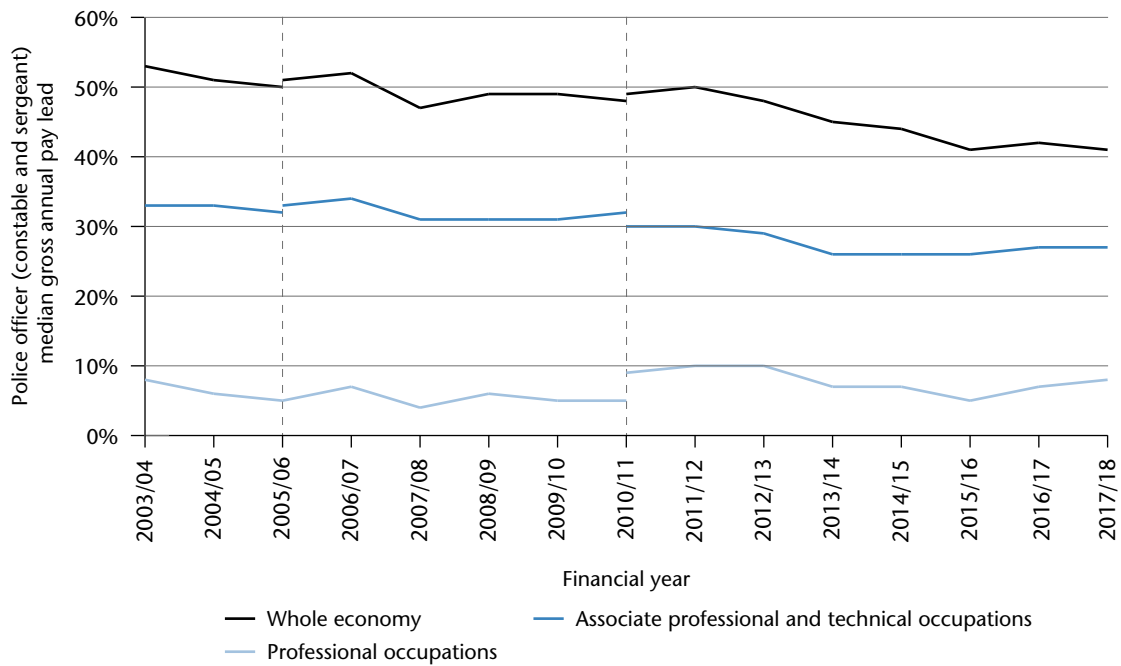


Source: OME analysis of Annual Survey of Hours and Earnings, ONS.

Note: There are discontinuities in the series due to changes in sampling methodology (in 2005/06) and to the Standard Occupational Classification (in 2010/11).

3.47 Our analysis included looking at the differentials between police earnings and the earnings of our selected comparison groups. Median full-time police earnings in 2017/18 were 41% higher than in the whole economy (Chart 3.2). This differential has been relatively stable since 2015/16, having previously fallen each year since 2011/12 (when it was 50%). For the other comparison groups the differentials have been broadly flat since 2013/14. In 2017/18, median full-time gross annual earnings for police officers were 27% higher than associate professional and technical occupations, and 8% higher than professional occupations.

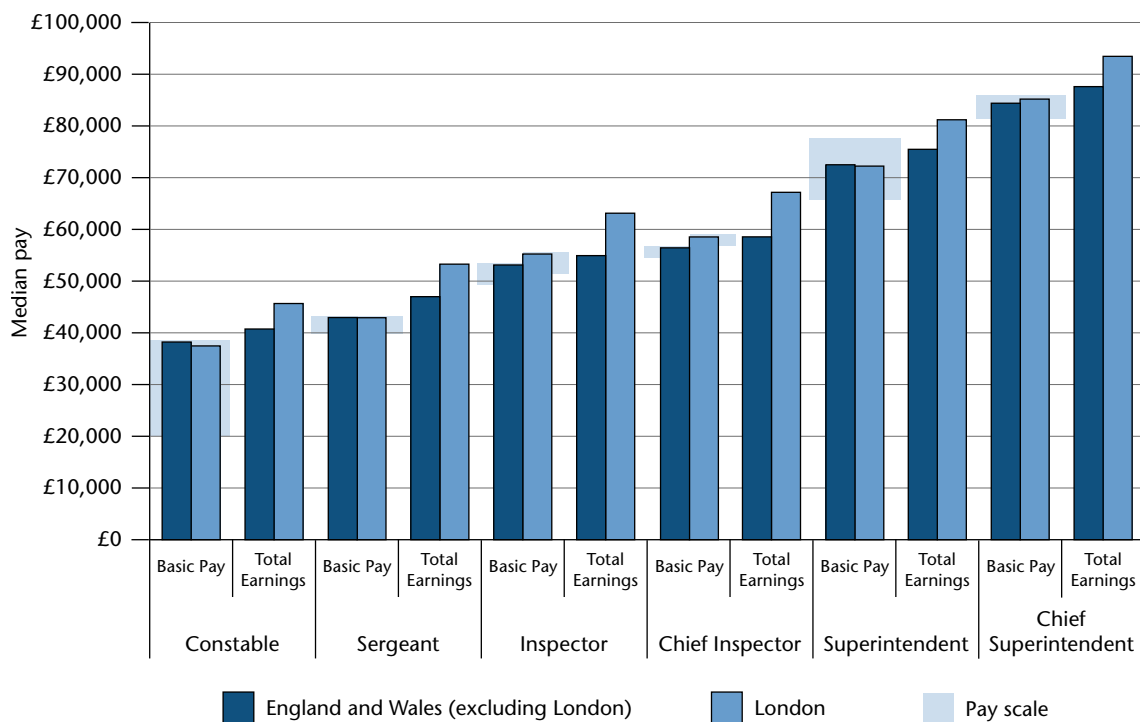
Chart 3.2: Police officer full-time median gross annual pay lead relative to other groups, England and Wales, 2003/04 – 2017/18



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

- 3.48 For a detailed analysis of police earnings we used the latest available Police Earnings Census data (covering the financial year 2017/18). We found that median basic pay for full-time federated and superintending officers ranged from £37,500 for constables in London to £85,200 for chief superintendents in London (Chart 3.3). Inspectors and chief inspectors are the only ranks to have different basic pay scales in London to elsewhere in England and Wales, resulting in higher median basic pay for those ranks in London.
- 3.49 We also noted that median total earnings for full-time federated and superintending officers ranged from £40,700 for constables outside London to £93,500 for chief superintendents in London (Chart 3.3). Median total earnings are higher in London than the rest of England and Wales for all federated and superintending ranks, due to London-based officers receiving London Weighting and higher rates of location and replacement allowances.

Chart 3.3: Median basic pay and total earnings, by rank, full-time officers, England and Wales, 2017/18



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

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

3.50 Median basic pay in 2017/18 was close to the pay scale maxima for all the federated ranks. We concluded that this is as a result of at least half of officers being at the top of their respective pay scales (Table 3.1). We also observed that around 22% of constables were on the new pay scale in March 2017, but that little use was being made of pay point 0.

Table 3.1: Distribution of officers on pay scales, England and Wales, March 2018

	Constable		Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
	Old scale	New scale					
0*	..	1%	..	16%	–	–	–
1	..	6%	11%	16%	24%	23%	27%
2	..	6%	12%	13%	22%	23%	28%
3	..	4%	9%	56%	54%	18%	46%
4	1%	3%	68%	–	–	36%	–
5	2%	2%	–	–	–	–	–
6*	–	–	–	–	–
7*	3%	..	–	–	–	–	–
8	7%	–	–	–	–	–	–
9*	..	–	–	–	–	–	–
10	63%	–	–	–	–	–	–
Total	78%	22%	100%	100%	100%	100%	100%

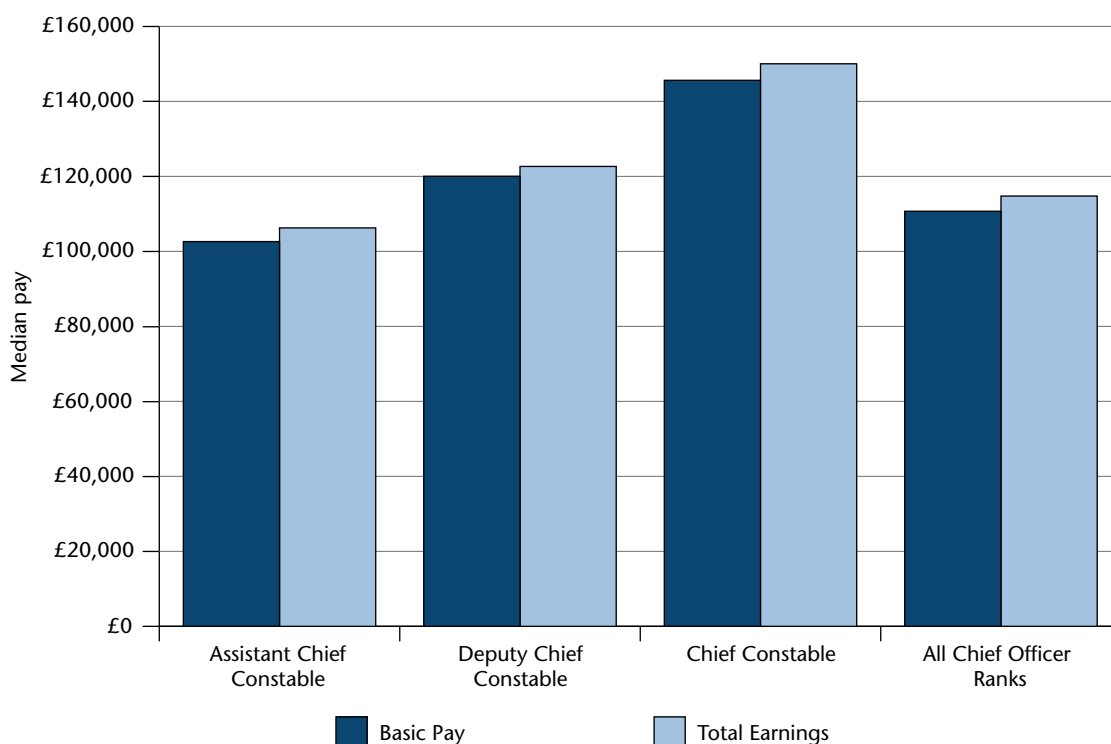
Source: OME analysis of Police Earnings Census data, Home Office.

Notes:

- Percentages represent proportions of all officers in each rank – where there are two pay scales for a rank, percentages have been calculated based on the total number of officers across both pay scales.
- “..” represents a non-zero percentage less than 0.5%.
- “–” represents non-applicable pay points.
- * Pay points 6, 7 and 9 were removed from the old constable pay scale on 1 April 2014, 2015 and 2016 respectively. Pay point 0 was removed from the sergeant pay scale on 1 April 2014.

3.51 Turning to chief officer pay, we noted that median basic pay in 2017/18 ranged from £102,600 for assistant chief constables to £145,600 for chief constables (Chart 3.4). Median total earnings ranged from £106,300 for assistant chief constables to £150,000 for chief constables.

Chart 3.4: Chief police officer median basic pay and total earnings, by rank, England and Wales, 2017/18



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

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

3.52 Our assessment of police earnings included the proportion of full-time officers in receipt of specific allowances and overtime (Table 3.2) and the median annual values of those payments for those officers who were in receipt of the particular payments (Table 3.3). Our key observations included:

- the vast majority of eligible officers received Unsocial Hours Allowance (e.g. 90% at the constable rank) and overtime payments (92% of constables and 91% of sergeants), although the proportions decreased as rank increased;
- a significant percentage of officers received Replacement Allowance (available to officers who joined the police before September 1994), particularly at the higher ranks (e.g. 69% of chief superintendents);
- the percentages of officers receiving Location Allowances and London Weighting reflected the proportions of officers working in London and the South East (excluding those receiving Replacement Allowance in South East forces); and
- very few officers received Away from Home Overnight and Hardship Allowances.

Table 3.2: Percentage of full-time officers in receipt of additional pay components, by rank, England and Wales, 2017/18

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
Location Allowance	44%	41%	37%	33%	33%	26%
London Weighting	28%	29%	25%	22%	26%	21%
Replacement Allowance	15%	27%	43%	50%	66%	69%
Unsocial Hours Allowance	90%	88%	82%	69%	5%	–
Away from Home Overnight Allowance	5%	5%	4%	4%	–	–
Hardship Allowance	1%	1%	1%	–	–	–
On-call Allowance	11%	15%	32%	51%	–	–
Overtime	92%	91%	–	–	–	–
Other payments (e.g. Dog Handlers', secondment allowances)	50%	51%	49%	51%	48%	42%

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

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

Table 3.3: Median value of additional pay components, full-time officers in receipt of relevant payments, by rank, England and Wales, 2017/18

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
Location Allowance	£4,338	£2,500	£2,000	£2,000	£1,011	£2,000
London Weighting	£2,385	£2,385	£2,385	£2,385	£2,385	£2,385
Replacement Allowance	£2,271	£2,780	£2,845	£2,692	£2,859	£3,303
Unsocial Hours Allowance	£557	£553	£283	£86	£27	–
Away from Home Overnight Allowance	£150	£150	£150	£135	–	–
Hardship Allowance	£90	£90	£150	–	–	–
On-call Allowance	£660	£600	£570	£585	–	–
Overtime	£2,100	£2,535	–	–	–	–
Other payments (e.g. Dog Handlers', secondment allowances)	£222	£249	£320	£1,231	£2,194	£1,260

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

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

Our comment

3.53 Our own analysis, based on the Annual Survey of Hours and Earnings data, indicates that police officers (constables and sergeants) saw an increase in median full-time gross annual earnings of 1.7% in 2017/18, while continuing to receive a pay lead over the whole economy (41% higher), professional occupations (8% higher) and associate professional and technical occupations (27% higher). This increase in police earnings was the second successive annual increase following a period of broadly flat median full-time gross annual earnings between 2011/12 and 2015/16. However, increases in earnings in the other groups meant the gaps between the earnings of police officers and others have been relatively stable for the last two years.

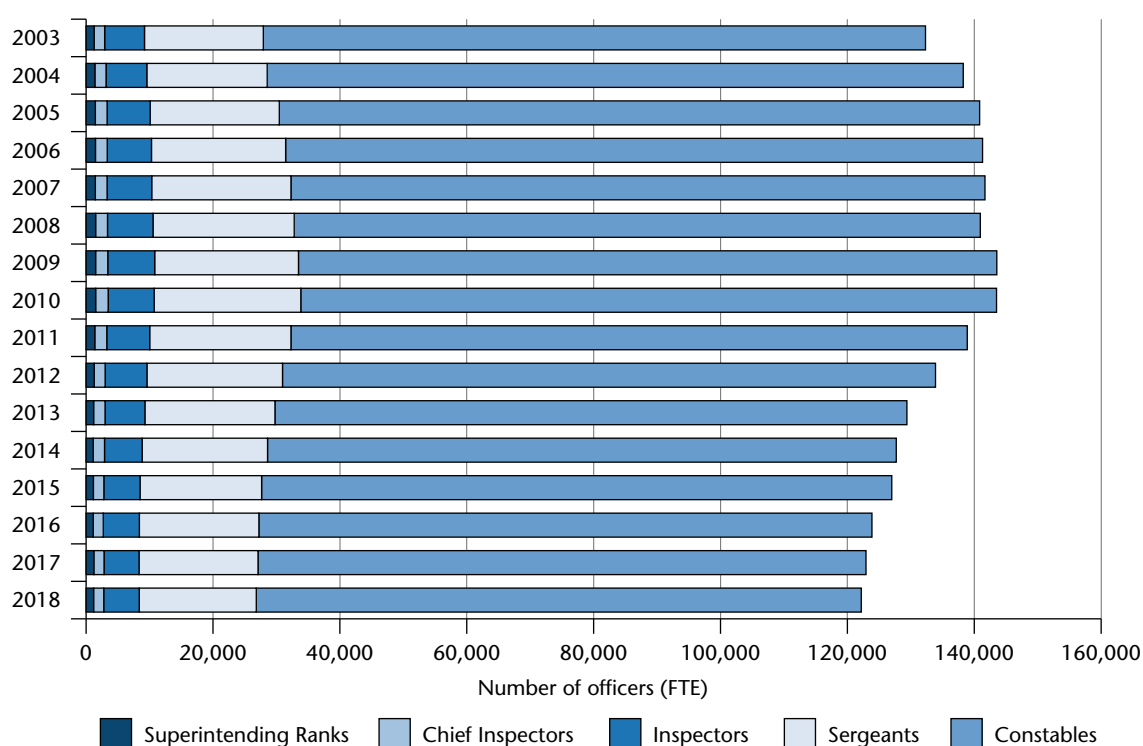
3.54 Comparisons with professional occupations will become increasingly relevant in our considerations as the workforce and pay reform work progresses, and as policing workforce and pay structures, and the aspirations of the workforce, increasingly reflect those of a graduate-level profession.

Workforce, diversity, recruitment and retention

Our analysis

3.55 We have examined the police workforce and recruitment and retention using the Police Workforce Statistics published by the Home Office. We observed that the full-time equivalent (FTE) number of police officers (Chart 3.5) grew (by 8%) from 2003 to 2010, but the period since 2010 has seen overall officer numbers decrease (by 15%). Between 2017 and 2018 there was a 0.6% decrease in the number of officers.

Chart 3.5: Number of police officers (FTE), by rank, England and Wales, March 2003 – March 2018

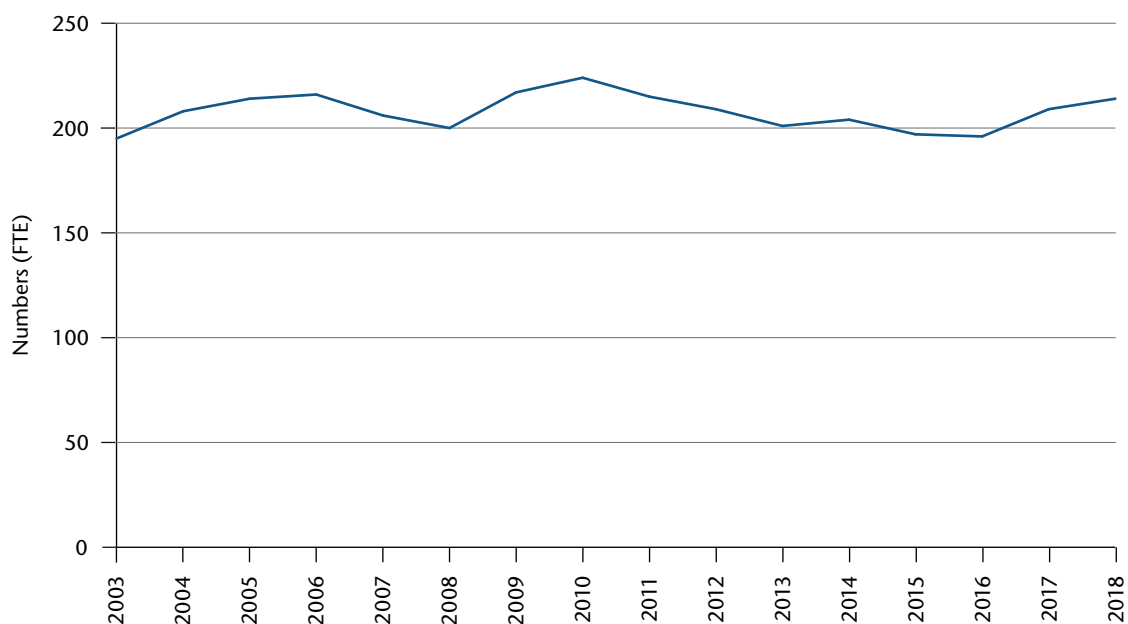


Source: Police Workforce Statistics, Home Office.

3.56 In March 2018 police officers accounted for 61% of the total police workforce (excluding special constables) and police staff 31% (with PCSOs, designated officers and traffic wardens making up the remainder). Police staff numbers increased from under 63,000 in 2003 to nearly 80,000 in 2010; they have since fallen back to just under 63,000 in 2018 (a decrease of 21% since 2010). The number of PCSOs has also fallen, by around 6,800 (40%), since 2010.

3.57 As at March 2018, there were 214 FTE chief police officers in England and Wales. The number of chief police officers peaked in 2010 at 224 (Chart 3.6) and, while the number of officers has increased by 18 FTE (9%) since 2016, the chief officer workforce remains 5% (10 FTE) smaller than in 2010. Overall police officer numbers in England and Wales fell by 15% between 2010 and 2018, indicating a shift in the balance between chief officers and the superintending and federated ranks.

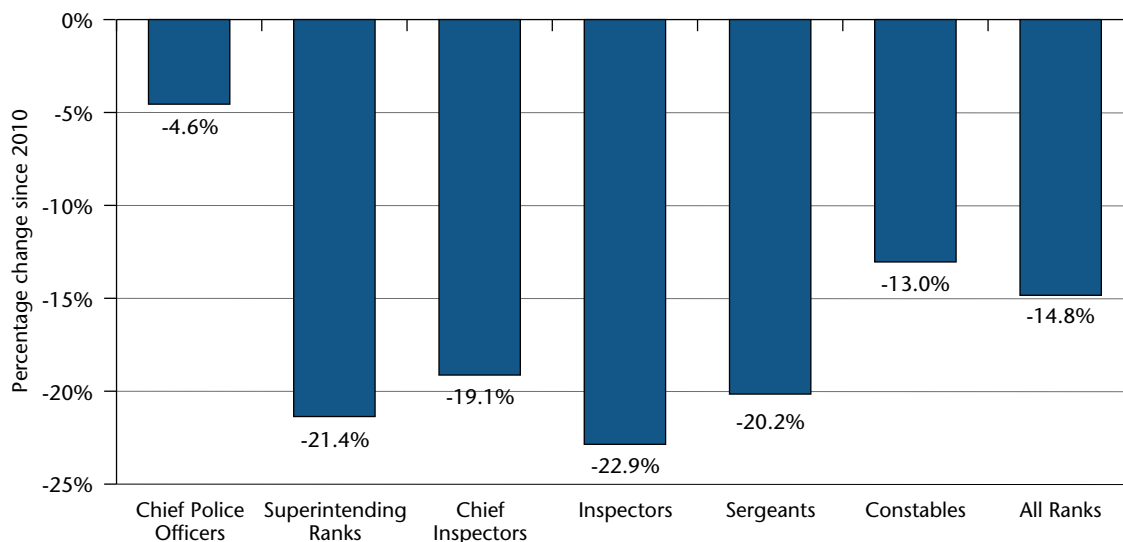
Chart 3.6: Chief police officer numbers (FTE), England and Wales, March 2003 – March 2018



Source: Police Workforce Statistics, Home Office.

3.58 Between March 2017 and March 2018 there were increases in the numbers of chief officers (up 2.3%) and inspectors (up 1.4%) but decreases in all other ranks. The largest proportional decrease since 2010 (Chart 3.7) has been for inspectors (23%). However, in absolute terms, the greatest decreases have been for constables (approximately 14,300 officers) and sergeants (approximately 4,700 officers).

Chart 3.7: Percentage change in the number of police officers (FTE) between March 2010 and March 2018, by rank, England and Wales



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

3.59 Between March 2017 and March 2018, there were increases in officer numbers in 23 forces and decreases in 20. The largest proportional increase was in Humberside (up 9.3%) while the largest proportional decrease was in West Mercia (down 3.9%).

- 3.60 HMICFRS assigns the work of police officers to three broad roles – frontline, frontline support, and business support (Table 3.4); since 2010, police officer numbers have reduced in all these roles. The proportion of officers in frontline roles increased from 91.0% to 93.4% between March 2010 and March 2016, as a result of proportionally larger reductions in frontline support and business support roles.
- 3.61 However, in both 2017 and 2018 the number of frontline support and business support roles increased while the number of frontline roles continued to fall. Consequently, the proportion of officers in frontline roles has fallen from its peak of 93.4% in March 2016 to 92.2% in March 2018.

Table 3.4: Number of police officers by role (FTE), England and Wales, March 2010 – March 2018

	Frontline	Frontline Support	Business Support	Proportion of officers in frontline roles
				Full-time equivalent
2010	123,384	6,499	5,670	91.0%
2011	119,729	6,469	4,912	91.3%
2012	116,122	5,971	4,161	92.0%
2013	113,009	5,215	3,762	92.6%
2014	111,383	4,706	3,309	93.3%
2015	110,853	4,324	3,528	93.4%
2016	106,411	4,087	3,401	93.4%
2017	105,502	4,114	3,471	93.3%
2018	103,837	4,348	4,428	92.2%
2010 – 2018	-15.8%	-33.1%	-21.9%	
2010 – 2016	-13.8%	-37.1%	-40.0%	
2016 – 2018	-2.4%	6.4%	30.2%	

Source: Police Workforce Statistics, Home Office.

Notes:

- Data for 2010 to 2014 were collected on a different basis to those for 2015 to 2018. The figures presented for 2010-2014 have been estimated based on a parallel running year (2015) where data were collected on both bases.
- Officers who are classified as being in 'National Policing' or 'Other' roles are excluded from this model.

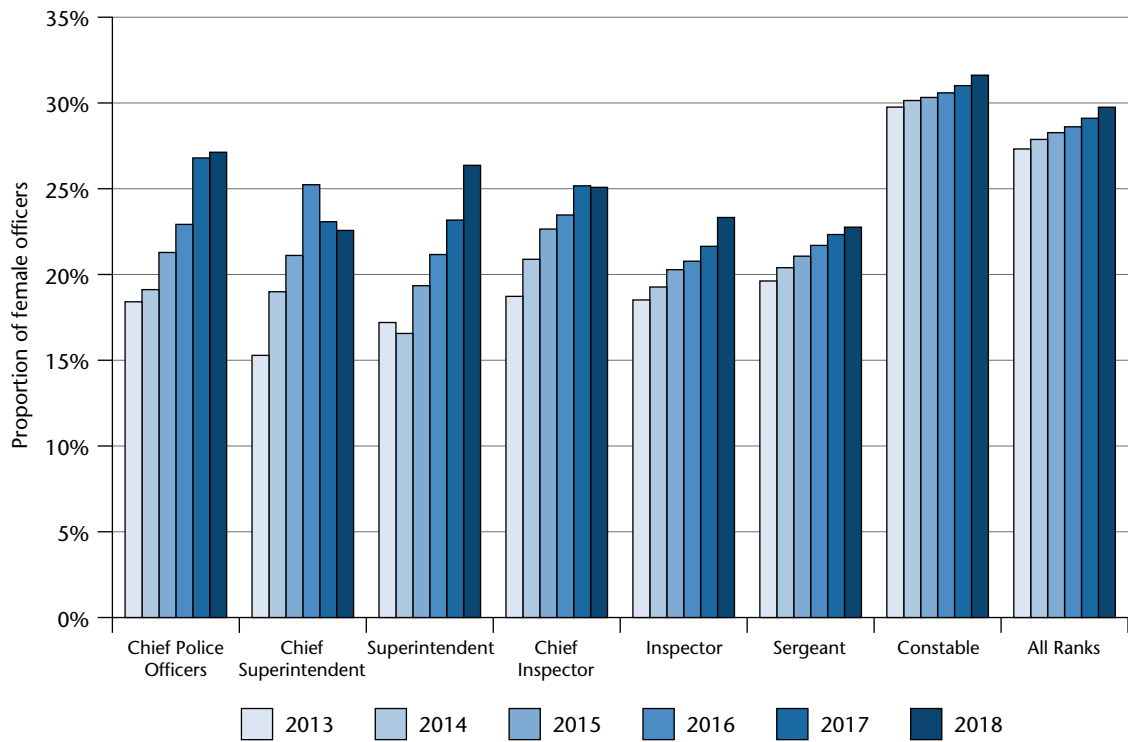
Workforce diversity

- 3.62 The proportion of officers who were female (Chart 3.8) increased from 27% to 30% between 2013 and 2018, but the proportion of female officers was lower for ranks above constable. The proportion of black and minority ethnic (BME) officers (Chart 3.9) increased from 5.1% to 6.6% between 2013 and 2018, continuing a steadily upward path over the past decade, but again the proportion of BME officers was lower for ranks above constable²⁰. Most of these indicators show some improvement in diversity across the officer workforce in recent years, but remain below levels representative of the communities served by the police.
- 3.63 Figures from the Police Earnings Census showed that the length of service distributions for female and BME officers were skewed towards shorter lengths of service²¹. This reflected recent recruitment trends which have resulted in higher proportions of new entrants who are female and/or from a BME background than existing officers.

²⁰ Proportions of BME officers exclude officers who did not state their ethnicity from the denominator.

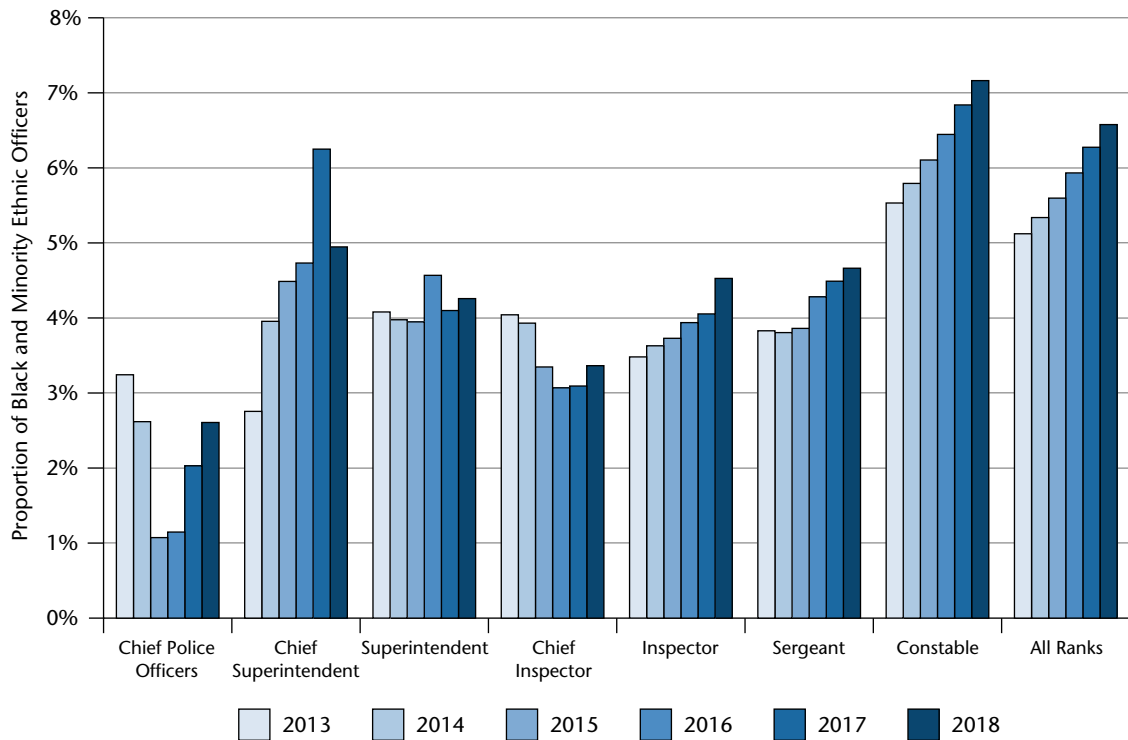
²¹ The Home Office Police Workforce Statistics do not publish breakdowns of the length of service data. Headline figures from the Police Earnings Census differ slightly from, but are broadly comparable with, the published data.

Chart 3.8: Percentage of female officers (FTE), by rank, England and Wales, March 2013 – March 2018



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

Chart 3.9: Percentage of Black and Minority Ethnic officers (FTE), by rank, England and Wales, March 2013 – March 2018

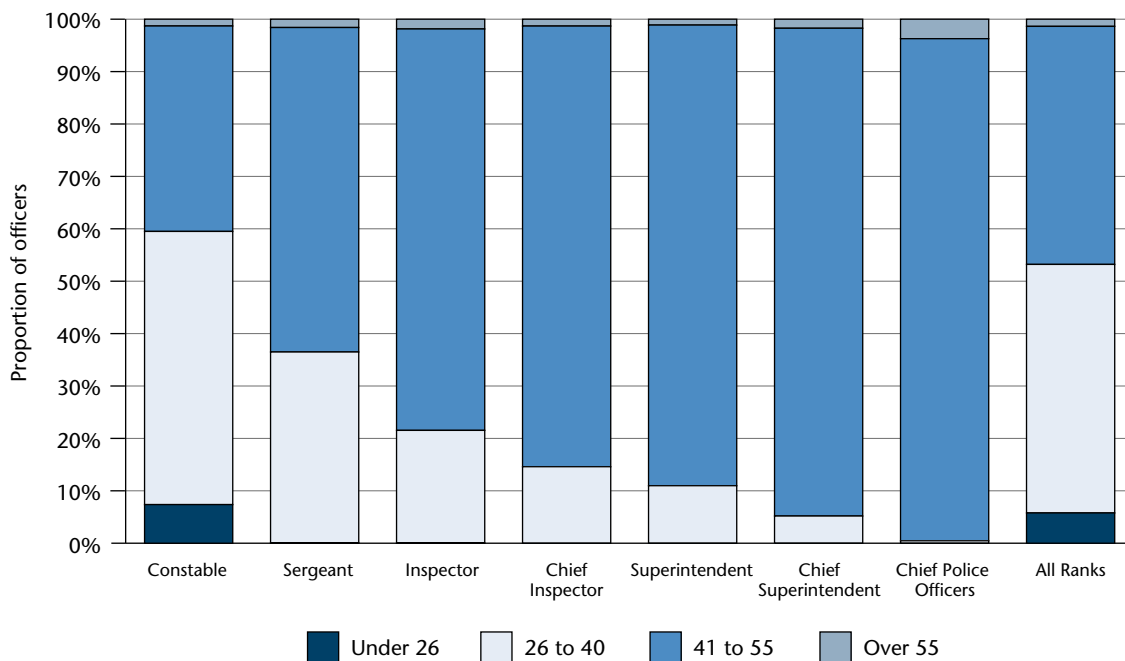


Source: OME analysis of Police Workforce Statistics, Home Office.

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

3.64 Just over half of all police officers (by headcount) were aged 40 or under on 31 March 2018, with 6% of all officers aged under 26 (Chart 3.10). The proportion of officers aged under 40 decreases as rank increases: 60% of constables were under 40, but only one chief officer.

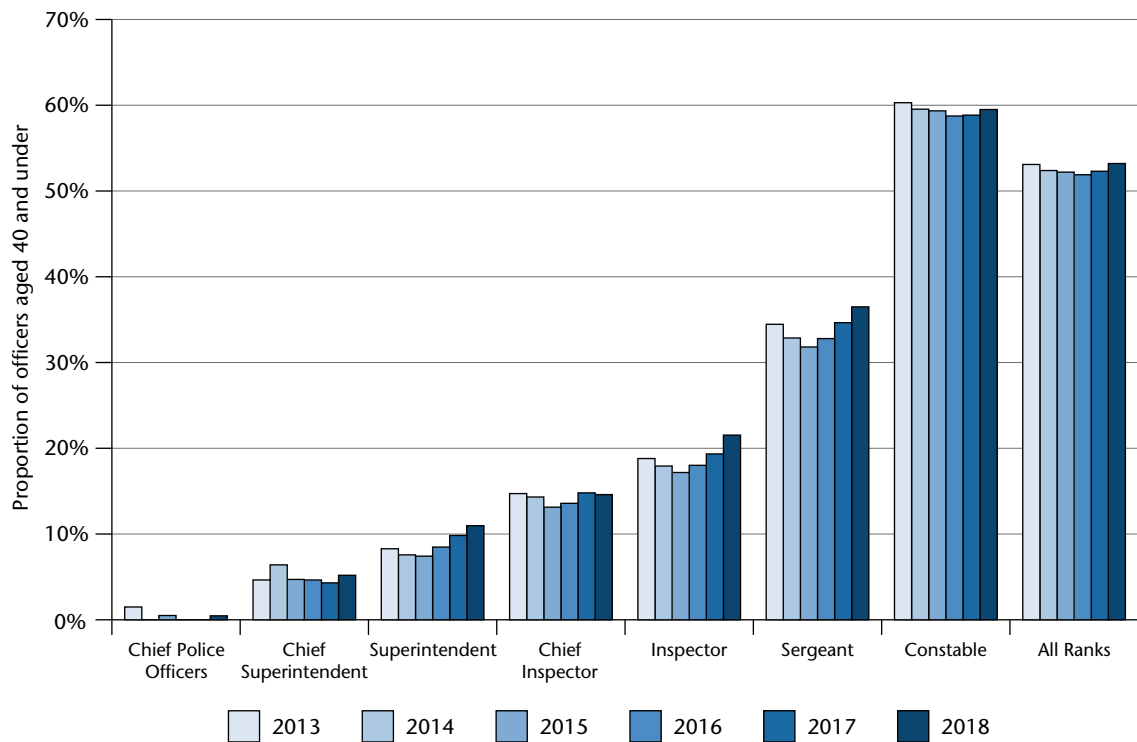
Chart 3.10: Age breakdown of police officers (headcount basis), by rank, England and Wales, March 2018



Source: Police Workforce Statistics, Home Office.

3.65 Looking at change over time (Chart 3.11), the overall proportion of officers aged 40 and under fell between 2013 and 2016, reaching a low point of 51.9% in March 2016, before recovering to 53.2% in March 2018. In the ranks from sergeant to superintendent, the proportions of officers in this age group have generally been increasing since March 2015.

Chart 3.11: Proportion of police officers aged 40 and under (headcount basis), by rank, England and Wales, March 2013 – March 2018

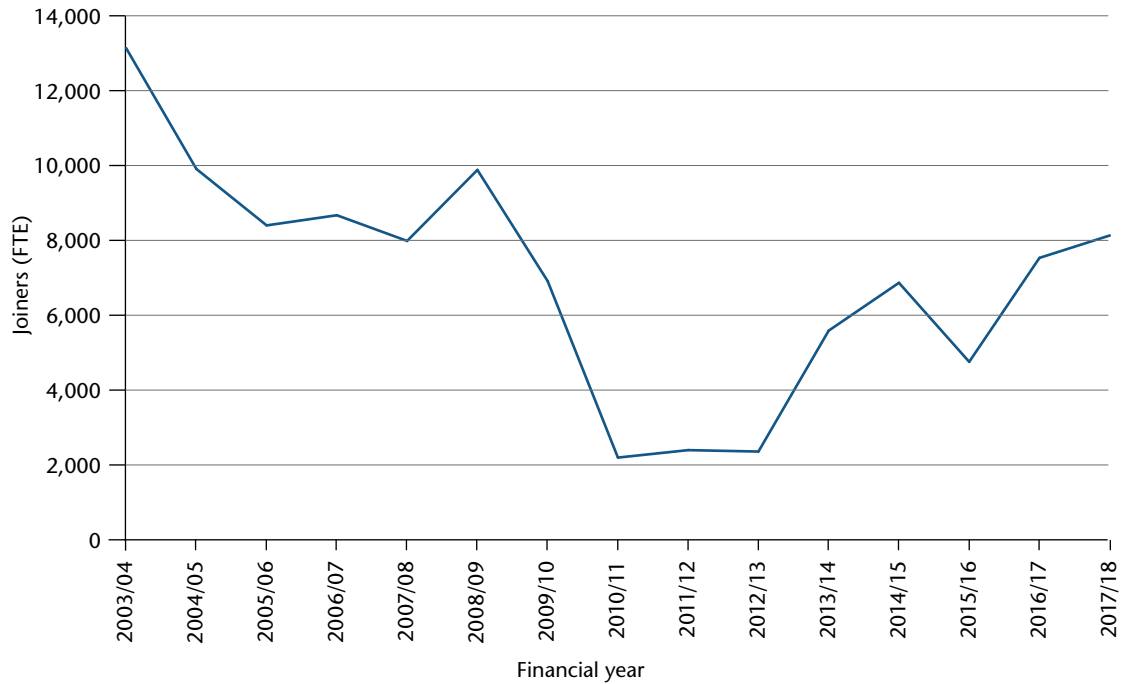


Source: Police Workforce Statistics, Home Office.

Recruitment

3.66 We observed that the FTE number of police officer joiners (Chart 3.12) fell sharply after 2008/09, with fewer than 2,500 joiners annually between 2010/11 and 2012/13 (due to most forces freezing recruitment as a response to public sector austerity), before partially recovering in 2013/14 and 2014/15. There was a dip in 2015/16, but afterward numbers rose to over 8,100 by 2017/18, their highest level since 2008/09.

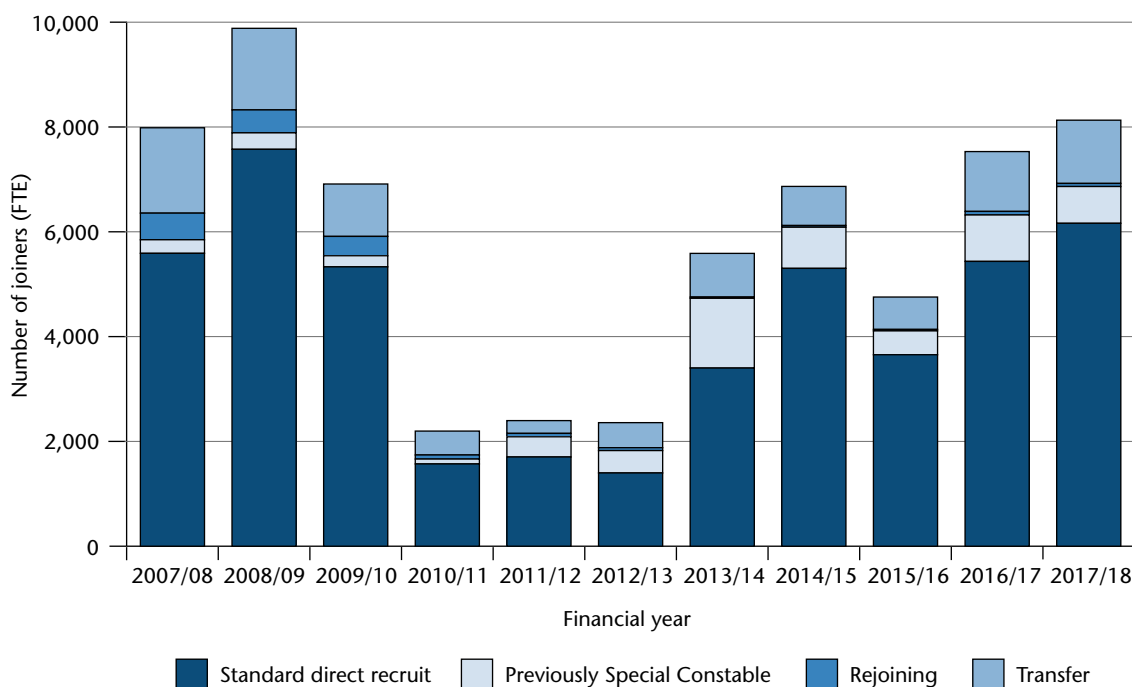
Chart 3.12: Police officer joiners (FTE), England and Wales, 2003/04 – 2017/18



Source: Police Workforce Statistics, Home Office.

- 3.67 For the last eleven years the majority (usually 70-80%, but around 60% in 2012/13 and 2013/14) of officers joining have been new recruits joining as an officer for the first time (Chart 3.13); in 2017/18 these accounted for over 6,100 joiners (76%).
- 3.68 In 2010/11, the number of officers re-joining the police service in England and Wales fell significantly, from around 370 FTE in 2009/10 to just under 80 FTE, and has remained low ever since; in 2017/18, just 60 full-time equivalent officers re-joined the service.
- 3.69 There has also been a recent increase in the number of transfers between forces. These fell from a peak of 1,630 in 2007/08 to just under 250 in 2011/12. In 2017/18 transfers stood at 1,210 – the highest level since 2008/09.

Chart 3.13: Police officer joiners (FTE), by route of entry, England and Wales, 2007/08 – 2017/18



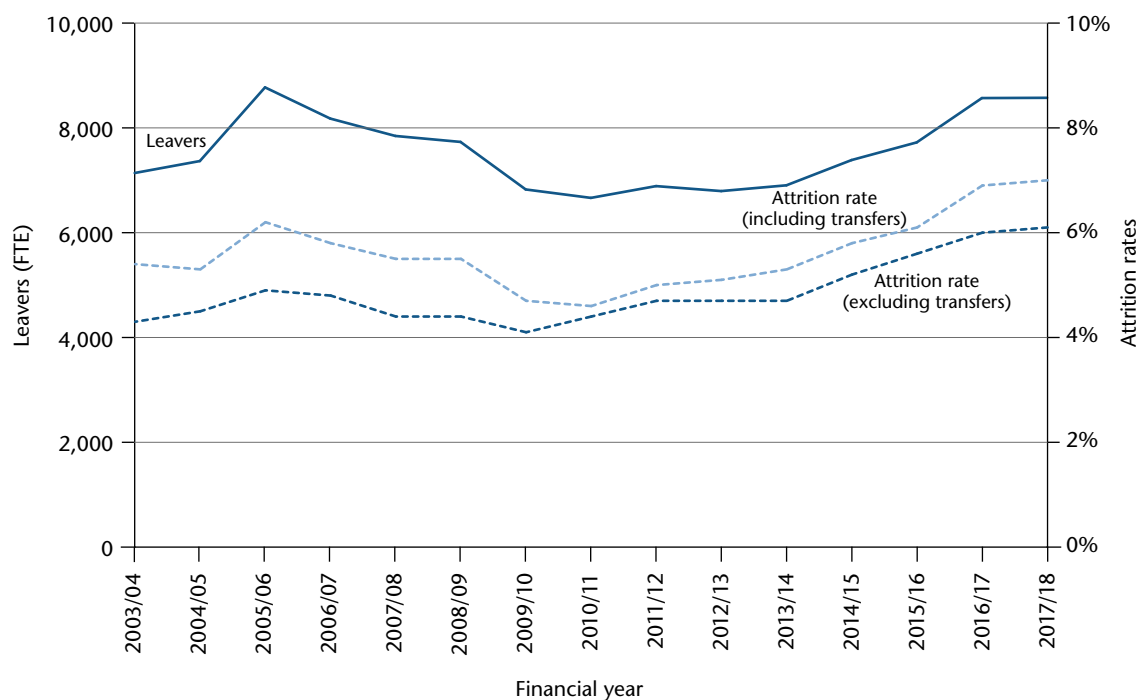
Source: Police Workforce Statistics, Home Office.

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

Retention and attrition rates

3.70 The number of officers leaving (Chart 3.14) remained virtually unchanged between 2016/17 and 2017/18 (at 8,600), having risen each year since 2012/13. The headline attrition rate (the total number of police officers leaving forces in the financial year as a proportion of the total officers in post in the March just before the financial year began) has risen each year since 2010/11 and reached 7.0% in 2017/18. Omitting those leavers who transferred to other forces within England and Wales rather than leaving the service altogether, the attrition rate was 6.1% in 2017/18.

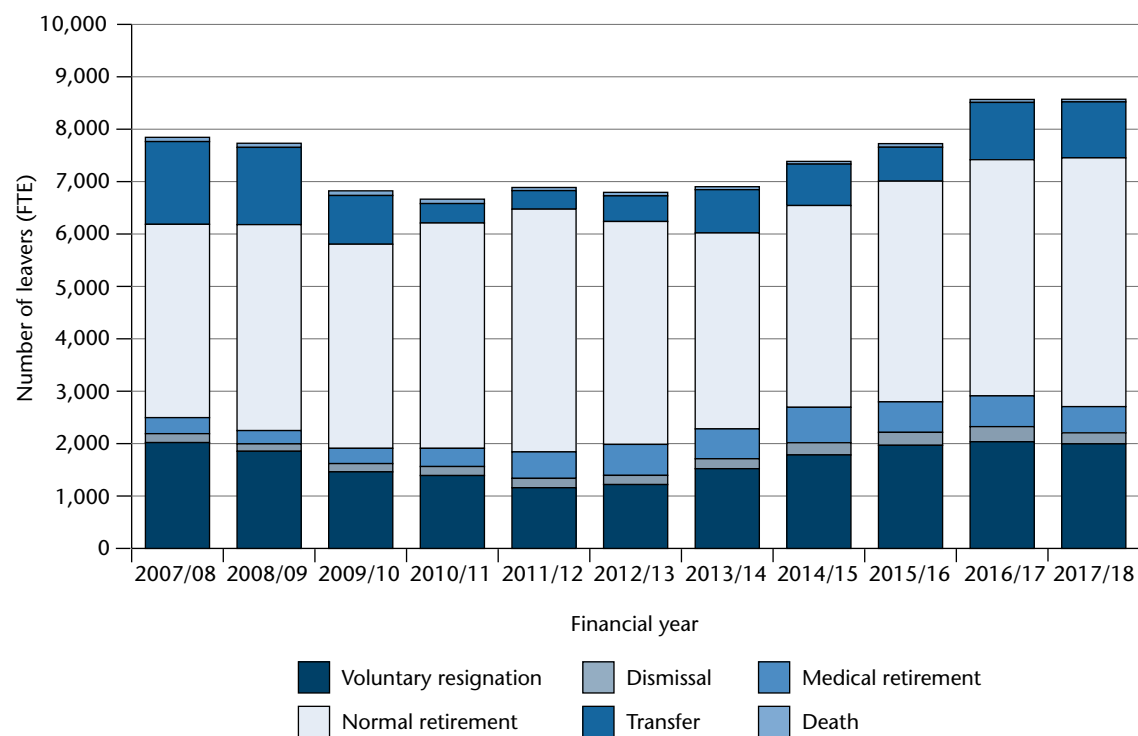
Chart 3.14: Police officer leavers and attrition rates (FTE), England and Wales, 2003/04 – 2017/18



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

3.71 Over half (55%) of police leavers in 2017/18 were normal retirements (Chart 3.15). The number of voluntary resignations rose by 76% in the five years between 2011/12 and 2016/17 but has since fallen back by 2% in 2017/18. In 2017/18 there were around 2,000 voluntary resignations, accounting for just under a quarter of leavers.

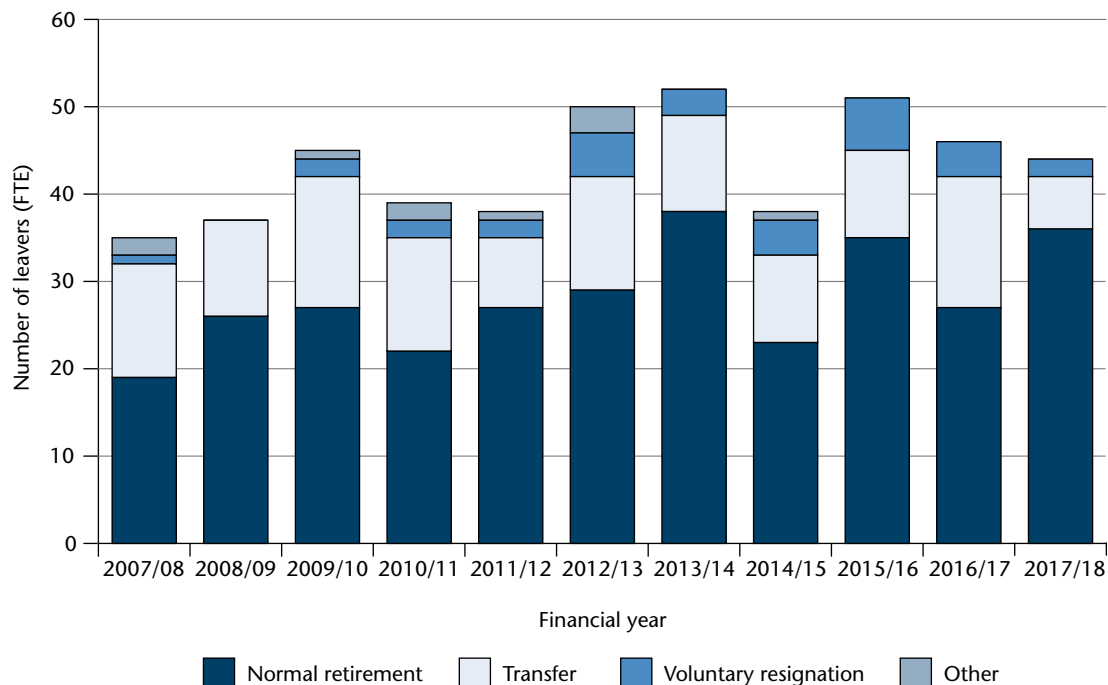
Chart 3.15: Police officer leavers (FTE), by leaver type, England and Wales, 2007/08 – 2017/18



Source: Police Workforce Statistics, Home Office.

3.72 We noted that the number of officers leaving the chief officer ranks during 2017/18 was 44, down slightly from 46 during 2016/17 (Chart 3.16). However, when transfers between forces are excluded there were 38 leavers in 2017/18, an increase of 7 on 2016/17. The majority of chief police officers leaving the service took normal retirement.

Chart 3.16: Chief police officer outflow (FTE), by leaver type, England and Wales, March 2007 – March 2018



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

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

Parties' evidence on recruitment and retention

3.73 The **Home Office** said that recruitment and retention of police officers at the national level continued to appear stable. It pointed to a 10-year high in the number of people joining police forces; low attrition rates; voluntary resignations accounting for less than 2% of the workforce; and stable retirement rates.

3.74 The Home Office recognised that some forces were experiencing difficulties in filling detective roles, and welcomed the co-ordinated action police forces were taking to ensure all forces had adequate numbers of detectives required to investigate crime. The Home Office also explained that it was funding the development of a Police Now Detective Scheme to help to bridge the gap in detective numbers.

3.75 The Home Office stated that it had recently amended legislation to enable chief officers to make bonus payments to those in hard-to-fill roles in federated ranks and demanding superintending roles. Amendments had also been made to the Police Regulations 2003 in February 2019 that would provide forces in England and Wales with greater flexibility to recruit former officers. This included enabling people who had left the police and gained further experience, skills and knowledge to re-join at a higher rank.

3.76 The Home Office acknowledged the low numbers of applications for chief officer roles and supported the work being taken to attract, progress and retain chief police officers.

3.77 The **NPCC** reported that after several years of minimal recruitment, forces had recruited in significant numbers, and this was expected to continue given the latest funding settlement. There was no shortage of applicants but there did appear to be some

challenges in converting these to successful recruits. The NPCC reflected that upward movements in earnings in the wider economy illustrated a pressure for forces in terms of future recruitment.

- 3.78 The NPCC highlighted a national lack of accredited investigators, citing a 17% vacancy rate across England and Wales which equated to around 5,000 full-time detectives. A survey of forces in December 2018 had indicated that 14 out of the 36 forces that responded intended to use the new payments for hard-to-fill roles. The likely level and frequency of these payments was unclear.
- 3.79 The NPCC advised us that retention figures were causing concerns in some forces, but this was partly due to transfers within the service rather than exits. The overall turnover rate is below that seen in most other organisations.
- 3.80 The **APCC** said it had participated with the NPCC, the CPOSA, and the PSA in a roundtable discussion convened by the College of Policing regarding the appointment, progression and retention of chief officers. This was in recognition of the shortage of quality applicants to the chief officer ranks noted in our last report, and mounting evidence of issues with both the talent pipeline and the retention of chief officers. The roundtable had agreed on four issues that affected appointment, retention and progression, one of which was the personal impact on individuals, including financial, family and relocation factors.
- 3.81 The **PFEW** and the **PSA** acknowledged that, while availability and accessibility of national policing workforce data had improved since 2015, there was still a paucity of clear and accurate figures on a number of key recruitment and retention indicators. Responses to Freedom of Information requests from 32 forces showed that the ratio of applicants to vacancies varied greatly. In forces with more than 100 vacancies, there were an average of 4.7 applications per vacancy. There were no data on what proportion of applicants were actually suitable.
- 3.82 In a PFEW survey of 598 leavers undertaken between October 2017 and April 2018, the main reasons given for leaving the police were: morale (53%); impact of job on family-personal life (44%); and impact of job on psychological health (43%).
- 3.83 The **CPOSA** expressed concern that the number of applicants for chief police officer vacancies was critical. There were an average of 1.9 per post, this ratio reduced to 1.67 applicants for assistant chief constable/commander roles.

Our comment

- 3.84 We note that the proportions of female and black and minority ethnic officers have increased but that these remain below levels representative of the communities served by the police. We trust that if the recruitment of a higher proportion of new entrants who are female and/or from a BME background continues, the gap between the two will continue to narrow and we look forward to receiving further evidence on this next year.
- 3.85 The message we frequently receive on police recruitment and retention, and which is borne out by the figures, is that there is little problem in recruiting generally: the police service remains as attractive a career as it ever has been. However, the picture is not quite as simple as these data might suggest and there are internal recruitment problems where some posts, such as detective roles, remain hard to fill.
- 3.86 In our Third Report we recommended the introduction of targeted pay arrangements to give chief officers flexibility to make additional payments to officers in hard-to-fill roles. We are disappointed at the length of time that it has taken to implement these. We request that parties keep us updated on the use and effectiveness of these payments.

- 3.87 We remain of the view, as expressed in our previous reports, that pay should not be considered as the only solution for hard-to-fill groups. Therefore, we welcome the co-ordinated action reported around detective numbers. We continue to emphasise the priority that should be attached to addressing shortage groups through workforce reform as part of developing a higher skilled workforce, appropriate career pathways and specific developmental opportunities for specialists.
- 3.88 Despite the decrease in officer numbers, there does not currently appear to be an issue with the retention of police officers in the federated and superintending ranks. The attrition rate remains relatively low at 6.1% (excluding transfers) in 2017/18. While this was slightly higher than in 2016/17, this rise was mainly as a result of a smaller starting workforce rather than increasing numbers of leavers. Normal retirements continue to account for the majority of leavers, and the number of voluntary resignations fell slightly in 2017/18. We note that transfers between forces may cause problems for some forces, but the NPCC reported no particular transfer hotspots.
- 3.89 However, the CPOSA figures indicate that there continues to be a problem in ensuring a sufficient number of quality applicants for vacancies in the chief officer ranks. We welcome the cross-party work on chief officer appointment, recruitment and retention that we have been informed about, and ask to be kept informed of progress.

Police officer motivation and morale

- 3.90 The NPCC noted the lack of reliable national data on motivation and morale. It reflected that there was anecdotal evidence that suggested sickness levels were increasing.
- 3.91 The MPS's annual attitude survey had shown a lower engagement score than those seen in central government, but progress had been made. Only 16% of respondents felt their pay was reasonable considering their duties and responsibilities, and 14% were satisfied with the total benefits package (e.g. annual leave, pension). The MPS reported strong signs that a lack of resources was having a worrying impact on officers' morale.
- 3.92 The PFEW's 2018 Pay and Morale Survey found that:
- 72% of respondents were dissatisfied with pay, dissatisfaction with basic pay had increased by 21 percentage points since the first Pay and Morale Survey in 2014 and dissatisfaction with allowances had risen by 12 percentage points over the same period;
 - around three-fifths of respondents to the survey said their personal morale was low (similar to 2017) and more than two-thirds did not feel valued in the police;
 - 12% of respondents planned to leave the police either as soon as possible or within the next two years (unchanged on 2017) and 67% of respondents said that their pay and benefits had a major impact on their intention to leave (up 5 percentage points on the previous year); and
 - 77% of respondents said that their pay and benefits had a negative impact upon their morale, this was a 4 percentage point increase on 2017.
- 3.93 The PFEW's 2018 Demand, Capacity and Welfare Survey indicated that the majority of officers felt imbalance between demand and capacity was preventing them from doing their job properly and nearly three-quarters of officers reported that their workloads were too high. The PFEW said there was a clear and demonstrable link between demand and capacity pressures and aspects of officer wellbeing. The PFEW concluded that the survey results highlighted a continuing theme whereby committed officers were having to work inordinately hard in an attempt to maintain service levels.

- 3.94 The 2018 PSA and SANI Pay and Morale Survey found that the issues most likely to have a negative effect on respondents' morale were: taxation policies, work/life balance and how the police as a whole are treated. PSA also expressed concern that there was growing inconsistency in the application of pay related regulations, including an increasing use of chief constables' discretion, which was unhelpful in an era of cross border interoperability and could affect morale if officers were paid differently for the same job.
- 3.95 The PSA's most recent resilience survey had confirmed that:
- more than three-quarters of officers in the superintending ranks were working more than 50 hours a week;
 - most were working rest days/annual leave days and spending more time on call;
 - more than half reported symptoms of anxiety; and
 - more than a quarter reported symptoms of depression.
- 3.96 The CPOSA's chief officer attitude survey had found that 57% of chief officers were extremely motivated to do a good job, 7 percentage points higher than a year previously. However, the majority of respondents worked over 50 hours a week and 30% worked in excess of 60 hours a week.

Our comment

- 3.97 The evidence shows that morale and motivation among police officers remains low. A consistent message appears to be emerging, from various sources, regarding effects on morale of increasing demands on officers and reductions in resources. These are leading to officers feeling unable to do their jobs properly, and unable to achieve a work-life balance.
- 3.98 We note the conclusions of the PFEW about the efforts of officers to maintain service levels and this reinforces the anecdotal evidence we have of a highly committed workforce, with a real sense of vocation. We conclude that police productivity depends to a considerable extent on discretionary effort and the goodwill of officers.
- 3.99 We note the PSA's concerns on the effect of discretionary pay on morale. We consider that local flexibility is an important tool to deal with local recruitment and retention issues, but local changes need to be managed with care to avoid the creation of an internal market within policing.
- 3.100 There continues to be a lack of robust evidence from the NPCC on the morale and motivation of police forces on a national basis. Many forces undertake surveys of their officers or participate in the Durham climate survey, yet the results are not collated at a national level. This makes it difficult to draw any national conclusions. The need to motivate police officers forms part of our terms of reference for reaching our recommendations, and we expect the Home Office or the NPCC to provide evidence on a national basis to allow us to consider this matter and monitor it over time. The staff associations continue to provide us with the findings of their member surveys, and these demonstrate that officers consider their own morale to be low. The introduction of a core set of questions within the officer surveys that forces conduct would provide consistent trend data on officers' morale and motivation. This is our Fifth Report, and we have raised this issue in each of our previous reports but seen no progress. This point needs to be addressed as without such data we will continue to have difficulties in undertaking sufficiently developed analyses of this remit issue, and there will be limited information to measure the effects of workforce and pay reform.

Pension taxation

- 3.101 Data from the **PSA** and SANI 2018 Pay and Morale Survey showed that issues created by the annual allowance tax charges were increasing in both volume and impact, and that as part of the overall remuneration package officers were becoming much less satisfied with the pension arrangements. At the time of presenting evidence, the PSA reported that no solution or proposals had been put forward to resolve the issues created by the annual allowance tax charge.
- 3.102 The **CPOSA** said that its members continued to report the increasingly detrimental impact of pension annual allowance taxation due to the unique nature of the double accrual defined benefit pension scheme. The CPOSA was engaging with Home Office and HM Treasury officials in an attempt to change the accrual rules. In a separate move, it had joined a group of public sector leader organisations which was planning a pan-public sector submission to HM Treasury citing the unfairness of the annual allowance.
- 3.103 We also received a letter from the Chair of the UK Pensions Consultative Forum, underlining the concern of Forum members about the impact of the current rules relating to annual allowance, in particular the detrimental effect of the rules on promotion, progression and operational efficiency.

Our comment

- 3.104 We observe that, as with many public sector workforces, the effects of the pension taxation regime are only slowly coming to be appreciated by workers who might be affected. These effects are generally seen at more senior levels. The messages we have received give the impression that many officers feel that the police have been uniquely affected by changes to the taxation regime. There is some substance to such a claim, in that the way pension funds accrue faster after 20 years in the 1987 Police Pension Scheme may compound the problem. However, as a very general issue, the police service is not affected by the pension taxation issue any differently from many other parts of the public sector, and the solutions which might be needed to remove or reduce the disincentives on senior officers would be equally applicable to other affected professions.
- 3.105 We ask that parties continue to provide us with evidence on the effect of pension taxation on our remit group, and in particular how it interacts with recruitment, retention and motivation.

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

- 3.106 The **Home Office** said that the Government was committed to reflecting provisions of the Children and Families Act 2014 for police officers, particularly the sections relating to arrangements for shared parental leave. It was formally consulting with policing partners on amendments to Police Regulations 2003 and determinations to implement these provisions.
- 3.107 The Home Office reported that all forces had published gender pay gap data by the statutory deadline. It was working with the NPCC and the Government Equalities Office to improve the consistency of reporting and encourage forces to publish a detailed breakdown of data. This would enable better analysis of the causes of the pay gap and ensure that any measures implemented to reduce it could be evaluated effectively.

Our comment

- 3.108 We continue to be largely reliant on our parties in raising matters which fall under this section of our terms of reference, and we are grateful to those who have done so. We expressed concern in our last report about the length of time taken to reflect the provisions of the Children and Families Act 2014 in police regulations and determinations. We therefore remain concerned that these provisions have still not been formally implemented. We urge the Home Office and other stakeholders to consider the lessons that can be learnt from this process so that future changes to employment law can be reflected in police regulations in a much timelier manner.
- 3.109 Police forces reported their gender pay gap (covering both officers and staff) to the Government Equalities Office. The responses from police forces for the year to 31 March 2018 showed that the gender pay gap by force varied between 0.4% (Cleveland Police) and 31.5% (Leicestershire Constabulary), with a median gender pay gap of 20.2% across all forces. The median gender pay gap was 1.5 percentage points higher than the previous year. While the pay scales that are used for the majority of police ranks ensure that individuals at the same point in their career will be paid the same basic salary, the gender pay gap provides an indication of how gender balance is reflected in the senior ranks within policing. We welcome the work being done to improve the consistency and detail of the figures being reported.
- 3.110 We note the legal requirement to undertake Equality Impact Assessments, and the relevance of such assessments to the workforce and pay reform work. We ask that the parties keep us updated on the outcome of these assessments.

CHAPTER 4 – PAY PROPOSALS AND RECOMMENDATIONS FOR 2019/20

Introduction

- 4.1 In this chapter, we make our recommendations on police officer pay and allowances for 2019/20. We also review other proposals presented by the parties.

Basic pay uplift

- 4.2 The **Home Office** asked us for views on how to apply the pay award for 2019/20 in the context of how it would support the NPCC's overarching proposals and timetable for a new pay structure. The Home Office requested an objective assessment of the information made available to us by the policing 'employers' (the NPCC and the APCC).
- 4.3 The Home Office also asked us to consider whether there was evidence to suggest that targeting of pay awards to address internal recruitment and retention pressures was required in the 2019/20 pay round. It explained that flexibility for chief officers to target pay towards those with higher skills and towards hard-to-fill posts would be proposed in the new pay and reward framework. However, the Home Office considered that the Review Body should be mindful of the need to hold current pay structures steady ahead of implementation of the new framework when considering whether there was a case for targeting in this pay round.
- 4.4 The **NPCC** proposed numerous different variations on a pay award, each with a varying degree of support from its members. This complexity reflected the lack of consensus among chief constables which seemed to derive in part from uncertainty over individual force funding positions and variations in the funding received from central government.
- 4.5 The NPCC advocated a pay uplift in the range of 2% to 2.5% for 2019/20. It explained that the majority of forces favoured an increase of 2% but that there was also minority support for an uplift to 2.5%. However, the NPCC asked us to consider first a three-year pay award of: 4% in year one (2019/20); 0% in year two (2020/21); and 2% in year three (2021/22). The NPCC proposed that, if such a three-year award were implemented, the PRRB should be asked to revisit the third year of the three-year period if CPI inflation had increased beyond 2.5% in the preceding twelve months, but with a minimum 2% pay increase nonetheless guaranteed.
- 4.6 The NPCC had also considered targeting pay rises for this current year but thought that changing relative base rates might not be appropriate ahead of reform. It concluded that any such targeting should be carried out in the following year, if a one-year award was preferred. By then, there would be a full picture of the issues to be addressed for each rank.
- 4.7 The **MPS** also proposed a three-year pay award in line with the proposal from the NPCC, or alternatively a one-year consolidated uplift of 2.5%.
- 4.8 The **APCC** supported a one-year pay award based on the most recently published CPI inflation figure of 2.1%. It advised that lack of future financial certainty was seen as an inhibiting factor for PCCs in considering a front-loaded three-year pay proposal.
- 4.9 The **PFEW** and the **PSA** favoured a three-year pay award of 5% a year. However, should a three-year settlement not be considered possible, they proposed a one-year award of 6.2% for 2019/20. The PSA did not support the NPCC's multi-year pay award proposal, in part because of concern about the link between pay and the annual allowance in the pension taxation system.

- 4.10 The **CPOSA** said that the pay increase for chief police officers should be no lower than that for any other police ranks. It was not in a position to give an informed view on the NPCC's three-year proposal, but expressed concern at the possible impact upon its members of breaching the annual allowance within the pension taxation system.

Our comment and recommendation

Timescale for the award

- 4.11 We received a number of base pay proposals from the parties this year. As always, we welcomed the submissions from the staff associations and the analytical work they had done to support them. The NPCC put forward a range of pay uplift proposals, including discussion of a possible three-year award.
- 4.12 We began our consideration of the pay uplift for 2019/20 by examining the proposals received from the parties for a three-year pay award. We are not against such awards in principle, and see the benefits in having certainty on pay over a longer period in order to assist with strategic focus, particularly when major changes are in train. However, it was not clear to us exactly how the NPCC proposal would support future workforce and pay reform and it was sent at too short notice for other parties to be able to provide informed comments. If the Review Body were to be asked to look at a multi-year award proposal, our preference would have been to receive something already considered by all the parties. We would also want the award's relationship to the timetable and objectives for pay reform to be clearly signposted.

Recommendation 1. We recommend a one-year pay award for police officers in 2019/20.

Policing environment

- 4.13 The evidence we received of increasing complexity and changing demand on the police, including the impact of displaced demand, has been a key factor in our pay considerations this year, as has the impact on police officers of reduced numbers among their ranks and greater spans of responsibility. There is also qualitative evidence of increased productivity in policing in terms of service improvements achieved despite falling officer numbers.
- 4.14 We have also considered our recommendation in the context of the nature of police work. We conclude that our recommendation needs to recognise the important, difficult, complex and sometimes dangerous work undertaken by police officers at all ranks and the personal risk officers are exposed to.

Morale and motivation

- 4.15 Aligned to the above, we have taken into account the extent to which police productivity depends to a considerable extent on goodwill and discretionary effort which, in turn, requires officers to be suitably motivated.
- 4.16 We are concerned that morale and motivation among many police officers remains low, with many officers reporting that they feel unable to do their jobs properly or achieve a work-life balance. While there are issues here for management to address, we consider that these issues are not new and that if left unresolved will lead to a long-term impact on recruitment and retention.

Affordability

- 4.17 We have been asked in our remit letter to consider affordability in our considerations. We discuss our approach to this elsewhere in the report in more detail. In summary however, the parties indicated to us that a 2% pay increase had been budgeted for and was affordable. We were also told that a significant minority of NPCC forces regarded a higher figure, 2.5%, as affordable and appropriate. We consider that within individual police budgets there will be some flexibilities available, and our recommendation this year is made in this context.

Economic factors

- 4.18 The wider economy, including the level of pay settlements and the cost of living, are factors in our deliberations. The rate of CPI inflation is 1.9% (March 2019) and the OBR expects this to rise to 2.1% in 2019. The current rate of RPI inflation is 2.4% (March 2019). We also note that median pay settlements were 2.5% in the first quarter of 2019, similar to those seen in 2018.

Relationship to pay reform

- 4.19 The police pay reform process is extensive, complex and lengthy. We have concluded that planned pay reform, with significant progress still to be made, should not influence our pay recommendation this year.

Chief police officers

- 4.20 We have again this year been asked to consider the pay of chief police officers. These officers are the senior leaders in policing and it is important that they are appropriately rewarded. In the context of a one-year pay award, we did not receive any proposals from the parties for chief police officers to receive a different pay award from that made to the federated and superintending ranks.
- 4.21 The CPOSA told us that there was an urgent need to conduct a comprehensive, wholesale review of chief officer pay and the APCC said that it would look to bring forward proposals relating to such a review in 2020/21. The CPOSA also highlighted that some forces/PCCs are supplementing the chief officer package with benefits and that this was leading to inconsistencies across England and Wales. We commented in our Fourth Report on the inconsistencies in relocation allowances across forces. We suggest that chief officer pay would benefit from structure and consistency, especially given the low numbers of applicants for posts and the relatively short time that chief officers spend in post²². Therefore, we repeat our observation from our Fourth Report that there would be benefit in a wider review of chief police officer pay and conditions.
- 4.22 We have noted that issues arising from changes to the annual allowance for pensions are affecting chief police officers, and also some officers in the superintending ranks. We hope that a solution to the problem can be found through the most appropriate channels, for example in the area of pension taxation policy.
- 4.23 After taking the above factors into account, we recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2019. The recommended rates of pay are given in Appendices D and E.

Recommendation 2. We recommend a consolidated increase of 2.5% to all police officer pay points for all ranks from 1 September 2019.

²² 75% of respondents to the NPCC and CPOSA Chief Officer Attitude Survey (December 2018) had less than 3 years' service in their current rank.

Targeted pay arrangements

4.24 In the remit letter for this pay round, we were asked to outline our approach to targeting. We did not receive any specific proposals for pay targeting and the NPCC indicated that a targeted award would be inappropriate while proposals for the new reward framework are being developed. We agree with this approach. However, we assess that the most pressing shortage areas in policing relate to certain hard-to-fill roles which are already catered for in the hard-to-fill payments mechanism discussed further below and our view is that this remains the most appropriate means to remunerate officers in these categories.

Pay arrangements for police apprentices

- 4.25 The **Home Office** said that it expected the NPCC to provide fully developed proposals for apprentices' pay progression in the 2019/20 pay round.
- 4.26 The **NPCC** proposed minimum and maximum pay rates for Police Constable Degree Apprentices (PCDA) over a three-year period (Table 4.1). The starting range would be between £18,000 and £23,589 (pay point one for constables) and culminate in a proposed foundation constable rate of approximately £26,000. Pay progression over that time would depend on starting salary and be subject to chief officer discretion. Chief officers had agreed it would be helpful to offer a standard progression rate, which could be varied locally subject to appropriate justification.

Table 4.1: NPCC proposed pay scale for PCDAs from September 2020 onward

Year	Minimum pay point	Maximum pay point
1	£18,000	£23,586
2	£20,000	£24,654
3	£22,000	£25,728

Source: NPCC evidence.

Note: The maximum pay points would be subject to adjustment in light of more accurate benchmarking in 2019.

- 4.27 The **APCC** supported the NPCC's proposal that pay progression for apprentices be a matter for local determination within a prescribed range. However, the **PFEW** and **PSA** expressed concern at the plan for apprentice pay progression to be determined locally by chief officers. The **MPS** told us that its apprenticeship scheme had not yet started, but that it was confident that the NPCC proposals on apprenticeships would provide the necessary degree of flexibility on pay.

Our comment and recommendation

- 4.28 In his 2019 remit letter, the Home Secretary asked us to review the NPCC's proposals for apprenticeship progression pay. Last year, the Government accepted our recommendation as part of our first response to the NPCC's proposals on apprentice constable pay, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale. This would be pay point 1 or 2, depending where on the pay scale an apprentice had been appointed. This recommendation on police apprentice pay was accepted by the Government.
- 4.29 We also commented in last year's report that, when returning to police apprentice pay in 2019, we would have expected to see a fully developed proposal which revisited the initial starting salary as a key determinant of pay progression rates. In addition to the NPCC's own proposal, we learned this year that 17 police forces in England and Wales

had set the base salary for new starters on the Police Constable Degree Apprenticeship (PCDA) at between £18,000 and pay point 1 (£23,586), in keeping with our 2018 recommendation. However, the NPCC told us that 19 forces had still not confirmed their PCDA starting rate for 2019/20, with 20 forces not starting PCDA recruitment until after October 2019. Nevertheless, available data from the NPCC indicated that the range of basic starting pay for the PCDA lay above the median for equivalent (Level 6) apprenticeships in England and in the upper quartile.

- 4.30 We asked in 2018 for the NPCC to provide clear proposals on how apprentice constable pay would progress in years two and three. We are grateful to the NPCC for setting out its recommended approach in evidence this year, and for including pay comparisons with policing and non-policing degree-holders on entry and in year two. We also found it helpful to learn that chief constables had agreed a standard progression rate and had given consideration to the criteria for any local variation.
- 4.31 However, information on the phasing out of existing entry routes and the finalisation of the new graduate-only entry routes was not as complete as we would wish. Moreover, too much uncertainty exists around the future pay rates for degree-holders under pay reform, which still await the completion of benchmarking against the graduate market and further work on the higher progression stages. Our understanding is that this work will affect the setting of entry-level pay of degree-holders, which is a key comparator for PCDA pay. Consequently, we are not able to make a fully developed recommendation specifically on apprentice pay progression this year.
- 4.32 In 2018 we made a recommendation on the interim handling of police apprentice pay pending further developments. As there is not yet full clarity on pay progression for apprentices after the first year, we suggest that the same arrangements from last year are retained for the incoming apprentice cohort this year.
- 4.33 In considering the position of new apprentices we are also conscious that there needs to be clarity about the progression path for the cohort who began last year, i.e. the first year that the apprenticeship system was in operation. We note the Amendment to the Determination under Regulation 24 (Annex F-Pay) which sets out further elements of the progression path for such constables, however we invite all the parties concerned with the pay determination process to satisfy themselves that this covers all the possible contingencies. We also ask that forces set a fair, defensible and proportionate pay uplift for their police apprentices after the first twelve months.

Recommendation 3. Subject to further review in the next pay round, we recommend no change to the current arrangements for apprentice progression, namely that following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables should move to the next pay point on the existing police constable pay scale.

Allowances

- 4.34 The **Home Office** said that all allowances were currently under review as part of the NPCC's reform of pay and reward structures. The **NPCC** stated that its aim with the range of allowances received by officers in addition to base pay was to build in sufficient flexibility to deal with current and future police workforce challenges.
- 4.35 The **MPS** advised us that in February 2019, the Metropolitan Police Commissioner had announced the payment of a one-off recognition payment for 2018/19 to the overwhelming majority of police officers up to and including the rank of chief superintendent. The MPS told us that it was made under the provisions of Police

Regulation 34 in view of the outstanding difficult, unpleasant and important work of officers across the MPS in delivering professionally through the cumulative impact of terrorist attacks, the Grenfell Fire, tackling street violence and major national events, all at a time of officer vacancies putting extra pressures on all teams and extensive organisational change.

- 4.36 The **PFEW** and **PSA** observed that the NPCC wished to examine allowances as part of its reform programme. The PFEW and PSA added that opinions varied on the degree to which they needed reform. The PFEW and PSA explained that the range of available allowances had been negotiated over time, and that it was unclear what the NPCC was proposing to do with several of the allowances. However, the PFEW and PSA had significant concerns, due to equality considerations, about the apparent will to create more discretionary and fewer mandated allowances.
- 4.37 The PSA proposed that the Home Secretary asked the Police Consultative Forum to undertake a review of allowances to: remove chief officer discretion from the South East Allowances; uplift and synchronise each allowance to prevent any concerns in relation to market destabilisation; and put in place an automatic mechanism to uprate them in line with the cost of living, either following the CPI or RPI.

Dog Handlers' Allowance

- 4.38 The **Home Office** observed that Dog Handlers' Allowance had historically been raised in line with the pay award, and stated that it was currently being reviewed by the NPCC as part of a wider review of allowances. The Home Office added that it had not been sighted on any evidence to suggest that Dog Handlers' Allowance should be increased this year. The Home Office asked us to consider the evidence put forward by the other parties on whether there was a case for increasing it in 2019/20.
- 4.39 For 2019/20, the **NPCC** asked for Dog Handlers' Allowance to be increased in line with base pay. The **APCC** proposed an uplift in Dog Handlers' Allowance of 2.1% commensurate with its basic pay award proposal. The **PSA** supported increasing Dog Handlers' Allowance in line with the uplift to the basic pay award, but also suggested linking it to the rate of inflation in recognition of the additional costs incurred by dog handlers.

Our comment and recommendation

- 4.40 We have reviewed the evidence received from the parties on Dog Handlers' Allowance and note that the outcome of the NPCC's review of this allowance is awaited. In previous years we have recommended uplifts to Dog Handlers' Allowance in line with our recommended uplift to the basic pay award. We have requested that those proposing alternative approaches should set out the arguments and evidence to support their position. Once again, we did not receive evidence to suggest departing from our previous position. We therefore recommend that Dog Handlers' Allowance should be uplifted by 2.5%.

Recommendation 4. We recommend that Dog Handlers' Allowance should be uprated by 2.5% from 1 September 2019.

London Weighting

- 4.41 The **Home Office** did not consider the historical link to annual pay increases alone to be a valid reason for uprating London Weighting this year. It also advised that it was included in the NPCC's wider review of allowances. The **NPCC** proposed increasing London Weighting in line with base pay. The **APCC** said the PCCs supported a 2.1% uplift to the London Weighting in keeping with its proposed pay uplift.
- 4.42 The **MPS** proposed a 2.5% uplift in London Weighting in keeping with its pay uplift proposal for 2019/20. The MPS added that London Weighting, currently worth £2,445, was pensionable and increased in line with the annual pay settlement. The MPS explained that London Weighting was originally granted to acknowledge the greater cost associated with living and working in the capital. However, any attempt to align the allowance to a cost-related formula had long been abandoned and the methodology behind its original calculation was also unknown.
- 4.43 The **PFEW** and **PSA** said that their understanding was that the MPS was keen to offer an uplift on London Allowances and Weighting. They added that they would not wish to usurp any offer that assisted their members but that they were unclear on what offer might be made, or whether any such offer would be supported by the NPCC.
- 4.44 The **PSA** supported the **PRRB's** previous approach of uplifting London Weighting in line with the recommended uplift to the basic pay award. However, it suggested that it should be linked to the rate of inflation as the allowance recognised the additional costs incurred by officers working in London.

Our comment and recommendation

- 4.45 We note that the outcome of the NPCC's review of allowances, including London Weighting, is awaited. In previous years, we have recommended uplifts to London Weighting in line with our recommended uplift to the basic pay award and invited parties to set out alternative approaches with supporting arguments and evidence. Once again, we received no evidence to suggest departing from our previous position. We therefore recommend that London Weighting should be uplifted by 2.5% in 2019/20 to maintain the ratio of pay between officers in London and those in other forces.

Recommendation 5. We recommend that London Weighting should be updated by 2.5% from 1 September 2019.

London Allowances

- 4.46 The **Home Office** explained that in addition to basic pay, police officers in London receive regional allowances of up to £6,783 per annum, including £4,338 in London Allowances (and the remainder in London Weighting).
- 4.47 The **NPCC** advised us that the London Allowances were non-pensionable, with London Allowance 1 worth £1,011 a year and London Allowance 2 worth £3,327 but with separate allowances paid to officers who joined the police before 1994. The NPCC explained that the current arrangements for London Allowances had grown organically and were now confusing and that it would make sense to refresh the allowance structure to make it easier to administer and understand. The NPCC suggested that a scheme similar in structure to that offered by the NHS might be proposed, but preferably one that did not differentiate between inner and outer areas of London.

- 4.48 The NPCC added that there was also interest in offering chief officers greater flexibility to be able to respond more proactively to particular recruitment and retention challenges, but that this idea required further development. The NPCC said that current recruitment and retention issues were location-based and that there might be a need to enable greater flexibility, in particular, in the MPS. The NPCC explained that this was the basis of the request in the MPS submission for the introduction of a variable element to the London Allowance and for greater flexibility to target specific problems. The NPCC thought some neighbouring forces would have reservations about the proposal but it agreed that the arguments put forward by the MPS, particularly in terms of operational risk, were sound. The NPCC added that the type of flexibilities requested could also prove beneficial to South East forces (in relation to the variable element of their allowances) and might also allow the MPS to reinstate its London residency criteria for new joiners, something which the NPCC thought surrounding forces would welcome.
- 4.49 The MPS said that it had no pay contingency available, and that the Metropolitan Commissioner should be given the discretion to flex payments of London Allowances in line with forces in the South East. The MPS said that it was not pressing for fundamental change to the London Allowances as it recognised the importance of staying in line with the pace of national reform. However, it thought that there was sufficient evidence to propose combining London Allowances 1 and 2 into a single non-pensionable London Allowance of £4,338. The MPS also asked for the Metropolitan Commissioner to be granted discretion to increase the combined value of London Weighting and Allowances (£6,783) up to a maximum of 33% (£2,238).
- 4.50 The MPS explained that this £2,238 uplift would become a variable element of the baseline recruitment and retention London Allowance paid to all officers. The MPS envisaged it being used to address specific recruitment and/or retention difficulties and emphasised that any payment made within this flexible range could also be removed in line with the recruitment and retention risk.
- 4.51 The MPS said the same flexibility was afforded to the chief constables in the South-East region. While the MPS welcomed the variable payment proposals in the NPCC submission, it considered that these were aimed specifically at dealing with inter-departmental/area recruitment and retention challenges, and not those faced at a macro-level. In its view the MPS recruitment and retention problem was a multi-faceted one and there was room for both approaches.

Our comment

- 4.52 The MPS has again proposed increased flexibility on London Allowances to solve a problem that it raised with us last year around recruitment and retention. While we remain sympathetic to the MPS's case, and note that it has received the support of the NPCC this year, we are still concerned that the proposal could cause difficulties for neighbouring police forces. The MPS raised the option of varying the level of payment over time in response to changes in the recruitment and retention situation. However, we observe that payments of this nature are difficult to withdraw once introduced. While the NPCC has mentioned the possibility of the future reintroduction of the London residency requirement for new joiners to the MPS, this is far from certain.
- 4.53 We are also mindful of the contrast between the proposed operation of this variable payment and the one-off flat-rate payment actually made by the MPS this year to the overwhelming majority of police officers. We are therefore of the view that London Allowances should be left unchanged until the NPCC's comprehensive review of police allowances has taken place.

South East Allowances

- 4.54 Officers in eight forces can receive the South East Allowances as compensation for living in the areas with the highest living costs. In the Essex, Hertfordshire, Kent, Surrey and Thames Valley this allowance is worth up to £3,000 per annum, and up to £2,000 per annum in Bedfordshire, Hampshire or Sussex. The upper limits on the South East Allowances were increased by £1,000 in 2016. However, the **NPCC** explained that no additional funds were given to forces to pay for the increase, and only three forces increased it when given the flexibility to do so – Surrey and Sussex by £500 and Bedfordshire by £1,000.
- 4.55 The **PFEW** and **PSA** said they had been expecting the NPCC to have conducted work on updating the London and South East Allowances in terms of structure and value after last year's submission, and were disappointed that no progress appeared to have been made. In the absence of such progress, the PFEW and PSA recommended the inclusion of the London and South East Allowances in a wider review of allowances as part of comprehensive police pay reform. In the meantime, the PFEW and PSA called for the discretionary element to be removed from the South East Allowances, and for them all to be set at the upper limit permissible (currently £3,000). The PFEW and PSA also called for both the London and South East Allowances to be updated in line with inflation.
- 4.56 The PFEW and PSA said that the London and South East Allowances needed to be considered together, as there was a danger of officers being poached by other forces if the payments were not aligned. While London Weighting and Allowances were paid to all officers, there were variations in the levels of South East Allowances paid to officers in the surrounding forces. Consequently, the PFEW and PSA proposed that all forces around London should be paid the same amount in South East Allowance, and that this should be mandated, not discretionary. Two-thirds of PFEW survey respondents in 2018 in receipt of the London or South East Allowance had said that they were dissatisfied with the amount of that allowance.
- 4.57 The PSA stated that the South East Allowances should be updated in the same way as London Weighting, the discretionary aspect removed, and an automatic mechanism put in place to uplift it based on CPI or RPI inflation.

Our comment

- 4.58 We have observed increasing differentiation in the value of the South East Allowances across the relevant forces. If these local changes are not managed with due care, there may be unintended consequences for recruitment and retention. We agree that the London and South East Allowances should be considered together in a coherent way in the planned NPCC review of allowances that will be part of the reform programme.

On-call Allowance

- 4.59 The **Home Office** asked us to review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period. This was not only because we had highlighted it as a matter requiring attention in our last report but also because the Home Office had received representations from the PSA suggesting that On-call Allowance should be a priority for review in 2019/20 ahead of the wider review of allowances.
- 4.60 The **NPCC** said that the On-call Allowance for the federated ranks should be raised from £15 to £20, with subsequent index-linking to basic pay. However, there had not been majority support within the NPCC for the extension of the On-call Allowance to the

superintending ranks. The NPCC said that payment for on-call duties should form part of base pay for senior managers and therefore for the superintending ranks, as would be the case in most employment sectors.

- 4.61 The NPCC explained that the On-call Allowance had not been increased since it was introduced in 2013 but that, when questioned in focus groups, members of the federated ranks said that the allowance was appreciated and effective.
- 4.62 The NPCC added that the superintending ranks had expressed concern in their focus group about the number of rotas they had to cover and their increasing on-call workload. The majority of focus group participants had supported a £25-£34 payment for a 24-hour on-call period.
- 4.63 The NPCC was clear that improvements were needed in the way that on-call arrangements were managed and monitored in forces. It recommended that on-call arrangements and their impact should become an item on Health and Wellbeing Boards. The NPCC noted that other bodies which paid an on-call allowance did so at a rate higher than the £15 paid to police officers.
- 4.64 The APCC said that in principle it was not supportive of allowances for superintendents. However, it acknowledged that the PSA had made a persuasive case for some kind of payment to recognise the increased expectation on superintendents. There was some support among PCCs for the introduction of a time-limited on-call payment for the superintending ranks but this support was not universal.
- 4.65 The PFEW and PSA said that in the absence of a full review of the usage and amount of the On-call Allowance (which the Winsor Review, the PRRB, and the staff associations had been seeking), officers should be paid £29.17 per day, the same as police staff. The PFEW and PSA said they saw no reason for the difference and argued it was an amount that should be paid to all ranks, as this would be in keeping with the NPCC's aspiration for staff and officer pay to be better aligned. The PFEW and PSA added that they expected future On-call Allowance payments to be in line with awards for police staff.
- 4.66 The PFEW and PSA suggested that the scope of the review should be the rate and use of on-call and should specifically assess to what extent the use of on-call had increased, what it was actually used for, and whether the rate was sufficient to engender the intended behaviours. The PFEW and PSA advised that there had been a large increase in the use of on-call to manage the gap between demand on policing and availability of resources.
- 4.67 The PSA provided data on on-call duties from its 2018 Pay and Morale Survey. These showed that:
- 68% of those who performed on-call duties were on-call for more than one area of responsibility, up from 63% in 2017.
 - The proportion of respondents on-call for more than 7 days per month continued to increase.
 - 37% of respondents who performed on-call on rest days and on annual leave said that they did not receive compensatory days off in lieu.
 - 93% of respondents who performed an on-call function felt that they should be paid an allowance for being on-call, up slightly from 92% in 2017.
 - 34% of respondents said they had additional responsibilities devolved to them from a person of a more senior rank, up from 32% in 2017's survey.

- 4.68 The PSA added that the evidence of superintendents exercising greater scope of work and responsibility fully supported the increasing requirement for a compensatory on-call payment to recognise the disruption caused by being on-call. The PSA also recommended that the superintending ranks should receive at least £29.17 for any 24-hour on-call period, backdated to April 2018. It also asked that chief officers not determine the payment and for a mechanism to update it regularly.
- 4.69 The PSA explained that as part of the reform programme it had written proposals on superintendents and targeted payments and on-call payments but that these had been rejected by the NPCC. The PSA also remarked that items described as 'agreed' at the Police Consultative Forum were not as they appeared, as no formal agreement process actually existed. Moreover, in the PSA's view, discretionary arrangements, when a few forces agreed to implement certain payments, were no substitute for a blanket policy across all forces. The PSA stressed that the now urgent matter of reaching a decision on the introduction of on-call payments to superintendents was being continually postponed. Consequently, the PSA did not now expect the Police Consultative Forum to achieve a consensus on the matter before the implementation of pay reform.

Our comment and recommendation

- 4.70 We have been told about increasing pressures on police officers and that the On-call Allowance, which has not been increased since its introduction in 2013, is lower than that received by other workforces. With reform of police pay and allowances pending, and in view of the impact of such duties on people's lives and the information from the NPCC that the payment is out of step with other workforces, we make an interim recommendation for the amount of On-call Allowance to be increased from £15 to £20 in 2019/20. However, with reform of police pay and allowances approaching, we do not support linking any future increase to the On-call Allowance automatically to the annual pay award. We would like the parties to look carefully at the usage and value of On-call Allowance and provide us with a full, evidence-based rationale for the appropriate amount next year.

Recommendation 6. We recommend increasing the On-call Allowance from £15 to £20 from 1 September 2019.

- 4.71 We had hoped strongly that the NPCC would make a proposal to us this year about payments to the superintending ranks for undertaking each on-call period, not least as our remit letter this year implied that the NPCC would do so.
- 4.72 We are sympathetic to the proposal received from the PSA and PFEW for the superintending ranks to receive On-call Allowance, particularly in view of the reports on the frequency, burden and breadth of on-call duties that we received from the PSA again this year. In addition, we agree that improvements should be made to how on-call is managed and monitored, but are not persuaded by the view of the NPCC and APCC that it is inappropriate for the superintending ranks to receive the On-call Allowance because of their senior status: in other spheres, senior workers can receive an on-call payment, for example in the medical profession. We therefore ask that the NPCC provides us with a proposal in time for next year's pay round on the introduction of the On-call Allowance to the superintending ranks or sets out an alternative method for compensating the superintending ranks for undertaking such duties.

Payment for hard-to-fill and demanding roles

- 4.73 The **Home Office** told us that, as set out in previous evidence submissions, there continued to be some difficulties around internal recruitment and retention for some groups of specialist officers. The Home Office reported that in September 2018, following the 2017 recommendation from the PRRB, the Home Secretary had announced his approval of NPCC proposals for the introduction of time-limited and targeted payments. This had provided chief constables with the flexibility to make payments of up to £4,000 a year for hard-to-fill roles in the federated ranks and demanding superintending roles through to September 2020. The Home Office had recently amended legislation to make determinations to enable these payments to be made, with the flexibility to back date to 1 September 2017.
- 4.74 The Home Office added that the NPCC would provide us with an overview of the extent to which the time-limited, targeted bonus payments were being used to address internal recruitment pressures for hard-to-fill and demanding superintending roles. The Home Office said that it would welcome our views on whether more directed targeting of such payments at specific roles was needed.
- 4.75 From the Home Office there were early indications that the discretionary targeted payments for hard-to-fill and demanding superintendent posts had not yet been greatly used.
- 4.76 The **NPCC** confirmed that hard-to-fill payments for the federated ranks were likely to be made by 14 forces to various ranks or roles, including: detectives (many detective candidates moving from front-line roles lost an average of £1,200 annual allowance for unsocial hours); firearms officers; Level 2 Public Order Officers; inspectors/chief inspectors; family liaison officers; and tutor constables. However, as the size and, the frequency (e.g. monthly, quarterly) of payments were yet to be determined, the anticipated total annual cost of payments was not yet known. Ten forces had said that the payments would effectively be a continuation of those already made under Regulation 34 of Police Regulations.
- 4.77 The NPCC explained that expected take-up of payments for demanding superintending roles appeared to be lower, with three forces indicating that they intended to use the available provision.
- 4.78 The NPCC added that the most common reason for a role being hard to fill was the nature of the work involved, a factor which payment would not address. It stated that the term 'hard-to-fill' had been used as the criterion to identify internal recruitment and retention problems which were a symptom of an underlying problem. In the NPCC's view, payments should be directed at the factors making the roles unattractive. In this case the reasons could include an unwillingness to take on a particular role because of its nature and/or location, or to acquire the requisite skill set. This would mean moving the rationale for future payments to 'mission critical skills' or exceptionally demanding roles. The NPCC proposed that the term 'hard-to-fill' should no longer be used as the reason for such payments.
- 4.79 The **MPS** said it was grateful to the PRRB for supporting flexible payments for hard-to-fill and demanding roles. The MPS said that it was conscious that it was only a temporary concession, until 2020, and was hopeful that the national NPCC work on variable payments would provide a more permanent pay lever. The MPS said that it would look for future proposals to have a wider application, particularly in relation to demanding roles and locations.

- 4.80 The MPS explained that its main areas of concern continued to surround the detective role (primarily at borough level), where it had used the hard-to-fill payments, albeit with limited success. Challenges elsewhere persisted, and other factors could exacerbate the problem such as training capacity (e.g. when the demand for trained firearms officers increased) or inability to release staff due to shortages and a dearth of experience in critical areas. The MPS stated that its workforce planning teams worked hard to resolve such difficulties but observed that the nature of some roles and/or their location simply made them unpopular, in particular detectives, domestic abuse and surveillance.
- 4.81 The MPS advised that discretionary pay flexibilities would be a valuable lever, alongside other incentives, in helping to attract and retain officers into a small and defined set of operationally critical roles.
- 4.82 The **PFEW** and **PSA** recalled that targeted bonuses had been introduced the previous year following agreement from the staff associations at the Police Consultative Forum, on the basis that had nothing been done, they were concerned that officers would have lost pay. The PFEW and PSA explained that they had expressed significant concerns about the proposals at the time, particularly that discretionary pay was often the cause of unfairness in pay. The PFEW and PSA advocated that much more rigorous testing of pay targeting was needed, including an assessment of the equality impact. They also hoped that, in the longer term, more objective criteria might be used and would set out if the payment were to be linked to skills. The PFEW and PSA sought an opportunity to review: the circumstances in which targeted bonus payments would be paid; the impact on equal pay; and the guidance around their use, perhaps by incorporating more standard criteria.
- 4.83 The PSA expressed concern that few forces were intending to apply the targeted payments to the superintending ranks. It thought there were various reasons for this, including that forces wanted to focus additional money on the front line; it was too difficult to differentiate who should and should not receive the payment; those not in receipt would feel undervalued; such payments should be part of a national pay award; and the payment could make postings more difficult. Consequently, the PSA recommended a central budget for the payments and for the payments to be backdated, as well as a national application form. It also called for payment to continue beyond 2020 until it could be incorporated into the workforce reform programme.
- 4.84 The PSA added that police regulations on police pay and conditions, for example on targeted payments for hard-to-fill and superintending posts, were particularly important to police officers because the officers had no employment contract. In the PSA's view, when the content of those police regulations was left subject to chief constable discretion and was disregarded, it led to disharmony and to the possibility of legal challenge. It said that ideally, the temporary arrangement should have resulted in effective engagement with officers and implementation by all forces.

Our comment

- 4.85 In our 2018 Report, we recommended the introduction of appropriate, targeted arrangements to allow local flexibility for chief officers to make additional payments to police officers in hard-to-fill roles and in the superintending ranks using the current bonus payment framework. We also recommended that this measure be time-limited to September 2020 as pay reforms emerged. Last year, we expected to receive an NPCC proposal on the implementation of such payments but none materialised. However, since then, progress was made and the Government approved the introduction of such payments, and the NPCC evidence to us this year estimated the extent to which forces would make use of this discretionary provision. It is too early to judge the effectiveness of these payments, although we note that there appears to have been little appetite

for their use, with only 14 forces likely to use them for the federated ranks and 3 for the superintending ranks. We ask that the parties update us next year on the use of these payments.

- 4.86 The Home Office has asked for our views this year on the need for more directed targeting of hard-to-fill payments at specific roles. This is something we can consider but to inform our thinking we would first welcome the results of a post-implementation review of hard-to-fill payments to find out, among other things, why the initiative was only put to limited use.

Pay targeting for the superintending ranks

- 4.87 The PSA proposed an additional 'contributory pay point' at the top of each pay scale for superintendents and chief superintendents. It would be valued at £2,000 for superintendents and £4,000 for chief superintendents. The PSA added that reaching and remaining on the new maxima should be conditional on their performance and development review assessment and on agreeing with their line manager to undertake additional responsibilities. The PSA was also of the view that there should be no element of chief officer discretion included in any mechanism or regulation.

Our comment

- 4.88 We are sympathetic to the PSA's case for additional pay, particularly in view of the overall reduction in the number of officers in the superintending ranks and the increased levels of risk associated with the acquisition of greater responsibilities and accountabilities. We note that the NPCC acknowledges in its written evidence that the superintending ranks have experienced some of the biggest changes of all the police ranks since 2011 and regard their pay as a priority area for reform. It would be helpful to see a rationale for the amounts proposed for each new pay point. Moreover, we are reluctant to reduce flexibility on the pay of the superintending ranks by adding a mandatory pay point ahead of pay reform. However, we suggest that the NPCC work with the PSA on this priority area for pay reform and include a joint proposal on the pay of the superintending ranks in next year's evidence.

Temporary payments for deputy chief constables

- 4.89 The CPOSA asked the PRRB to consider whether deputy chief constables should be eligible to receive temporary payments for superintending roles of exceptional scale and complexity. This determination made provision for payments of up to £4,000 per annum in circumstances where the role was deemed to be exceptionally challenging.
- 4.90 The CPOSA had raised the issue of discretionary payments for those deputy chief constables with cross-border responsibilities the previous year. It had since been encouraged by the introduction in 2018 of discretionary payments for superintendents with particularly challenging roles. The CPOSA had been pursuing the case for certain deputy chief constables from lower-weighted police forces doing equal work across more than one force with those from higher-weighted forces to receive such a payment, but no progress had been made through the Police Consultative Forum. The CPOSA observed that as a consequence, large differences in pay endured between deputy chief constables who routinely worked together in close cross-collaboration.

Our comment

- 4.91 We would welcome views from other parties on the proposal from the CPOSA to extend the discretionary payments for superintending roles of exceptional scale and complexity to deputy chief constables holding cross-border responsibilities the previous year. Given the current link between the pay of chief and deputy constables, however, our initial view is that this issue should be dealt with as part of a wider review of chief constable pay which we understand to be forthcoming.

CHAPTER 5 – FORWARD LOOK

Introduction

- 5.1 It will be for Government to set the remit for the next pay round. However, the core of the report will be driven by our standing terms of reference. In this chapter we aim to give the parties who provide evidence, and the remit group more generally, some indication of areas which are likely to be of continuing interest to us in future pay rounds.

Environment for future pay rounds

- 5.2 The next year will be critical for pay reform as the planned implementation date approaches. We have highlighted the challenges and risks as the Review Body sees them, but we encourage leadership, commitment and resource to enable the programme to deliver against the Policing Vision 2025.
- 5.3 Our ability to comment on the pay and workforce reform programme is constrained to some extent by the way we operate within the Pay Review Body process, and by the extent and timeliness of the evidence which is provided to us. If we are asked to perform a similar critical/evaluative role in the coming year as we were asked to perform this year, we invite the Home Office to consider what evidence might be required for this purpose and to work with the parties to ensure it can be delivered. This particularly applies if the Home Office would like us to make specific recommendations on any detailed pay proposals arising out of the NPCC benchmarking work and also on the entitlement to, and value of p-factor. If there is to be a p-factor, the Home Office will need to consider how and when the factor might be reviewed, and by whom.

Evidence gaps and data limitations

- 5.4 We appreciate the parties' continuing efforts to improve the evidence base and the additional information that has been provided this pay round in response to the requests in our last report. We have commented in our report on the following specific issues:
- the lack of a robust quantitative measure of productivity in the police service; (Paragraph 3.35)
 - evidence relating to the morale and motivation of officers on a national basis; (Paragraph 3.100) and
 - the effect of pension taxation on the recruitment, retention and motivation of our remit group. (Paragraph 3.105)
- 5.5 We encourage those responsible for gathering data to consider what improvements can be made to facilitate the provision of data in these areas.
- 5.6 In addition, we have heard anecdotally that officers are choosing to opt out of the police pension scheme for affordability reasons, preferring instead to have the immediate cash benefit. We would welcome any data which can be provided to validate and quantify this.
- 5.7 We have previously highlighted the importance of a robust evidence base to inform the design of workforce and pay reform and to measure and demonstrate the effects of the changes.

Chief police officers

- 5.8 We were asked again this year to review the pay of chief police officers. This group is not part of our standing terms of reference but that of the Senior Salaries Review Body. It is for the Home Secretary to determine which Review Body should consider their award for next year. We would welcome clarity on this.

Issues raised with us outside of our remit

- 5.9 The staff associations suggested that there is an important role for a strengthened Police Consultative Forum. We understand that the Home Office has taken steps to facilitate the bringing together of parties and that the Policing Minister has commissioned a full review of the role of the Police Consultative Forum. We suggest that there needs to be a formally constituted body with clear terms of reference and that there may be benefit in looking further at the role of the Police Consultative Forum to consider whether, as one of its functions, it could provide a mechanism to facilitate consultation between the parties which might align with the parties' expectations and preferences for how they wish to be consulted. We will be interested in the coming round to understand whether progress has been made in this regard and the extent to which the concerns of stakeholders for the need for an improved mechanism for consultation have been met.
- 5.10 In Chapter 3 we make observations on the impact of the pension taxation regime. We are aware that this is not an issue unique to the police and that other groups have raised concerns. We look forward to work by all the parties concerned to resolve the issue. We will continue to monitor the situation and, in accordance with our normal remit and terms of reference, will invite evidence from parties if it is clear that this is having an adverse effect on the ability to recruit and retain officers at senior levels.

APPENDIX A – PREVIOUS PRRB REPORTS

2018 Report

We submitted our 2018 Report on 25 May 2018 and the Government responded to the recommendations on 24 July 2018²³. The recommendations were as follows:

Our 2018/19 recommendations (from 1 September 2018)

- We recommend that the time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 should be consolidated onto all pay points for officers at these ranks.
- *In addition to and following* our first recommendation, we recommend a consolidated increase of 2% to all police officer pay points at all ranks.
- We recommend that London Weighting and Dog Handlers' Allowance should be uprated by 2%.
- Police forces should appoint apprentice constables on a starting salary of between £18,000 and pay point 1.
- Following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, the apprentice constable should move to the next pay point on the existing police constable pay scale.

Previous recommendations

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

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

²³House of Commons (July 2018), *Home Office update: Written statement – HCWS914*. Available at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS914/>. [Accessed on 24 May 2019]

Report	Recommendation	Government response
3rd (2017)	<p>A consolidated increase of 2% to all pay points for federated and superintending ranks</p> <p>London Weighting and Dog Handlers' Allowance to be updated by 2%</p> <p>The introduction of appropriate, targeted arrangements in 2017/18 to allow local flexibility for chief officers to make additional payments to police officers in hard-to-fill roles and in superintending ranks. This interim measure should have a time limit through to September 2020.</p> <p>In order to support our consideration of pay and reward, the Home Office, NPCC and CoP should publish an integrated police workforce and pay reform plan through to 2020 which specifies the strands of reform, their purpose, lead responsibilities and the implementation strategy.</p>	<p>Increased consolidated pay by 1% and, for 2017/18 only, provided a 1% non-consolidated pay award</p> <p>Increased London Weighting and Dog Handlers' Allowance by 1%</p> <p>The Home Secretary welcomed this recommendation</p> <p>The Home Secretary looked to the CoP and the NPCC to take forward this work</p>
4th (2018)	<p>The time-limited 1% non-consolidated pay award received by the federated and superintending ranks in 2017/18 to be consolidated onto all pay points for officers at these ranks</p> <p>In addition to and following the first recommendation, a consolidated increase of 2% to all police officer pay points at all ranks</p> <p>London Weighting and Dog Handlers' Allowance to be updated by 2%</p> <p>Police forces to appoint apprentice constables on a starting salary of between £18,000 and pay point 1</p> <p>Following twelve months, and subject to satisfactory completion of Year 1 of their apprenticeship, apprentice constables to move to the next pay point on the existing police constable pay scale</p>	<p>Rejected</p> <p>Increased pay by 2%</p> <p>Accepted</p> <p>Accepted</p> <p>Accepted</p>

APPENDIX B – HOME SECRETARY’S REMIT LETTER



Home Secretary

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

Police Remuneration Review Body
Office of Manpower Economics
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

19 December 2018

Dear Members

Police Remuneration Review Body Remit 2019/20

I am writing to ask you to conduct the annual review of police officer pay. In order to promote consistency as we move towards new pay structures, I would ask that this continues to include chief police officers.

I see the PRRB continuing to play a key role in the ambitious programme of pay reform that is being led by the National Police Chiefs' Council (NPCC). The expertise of the PRRB in advising Government on the approach to pay is vital in providing an independent view on the detailed proposals that are now emerging and ensuring that implementation of a new pay and reward framework from 2020 can be achieved.

In light of this, I refer to the PRRB the following matters for recommendation for 2019/20:

1. **How to apply the pay award for 2019/20 for police officers of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.**
2. **To review the NPCC's design principles, framework and assumptions for pay reform; and to provide views on the extent to which the views of the staff associations have been considered in the development of the design.**
3. **To review the NPCC's detailed project plan and risk register and provide observations on the timescales for implementation, taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.**

4. To review the NPCC's proposals for progression pay for police apprentices.
5. To review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24 hour on-call period.

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. There will still be a need for pay discipline over the coming years to ensure the affordability of public services and the sustainability of public sector employment. I would ask that you continue to make affordability a major consideration when making your recommendations. This year, I also request that you describe in your final report what steps you have taken to reflect affordability in reaching your recommendations.

Only by properly targeting pay awards can we ensure we recruit and retain the best public sector workers where they are needed most. I am seeking the PRRB's views on the optimal allocation of additional investment in pay for the police in 2019/20 to ensure recruitment and retention pressures are properly addressed, and ask that you outline the approach you have taken to targeting in your final report.

As in previous years, in considering the appropriate level of pay for police officers I would also ask you to have regard to the standing terms of reference as set out in previous remit letters and to consider each matter for recommendation in the context of future reform plans.

Thank you for your hard work in this important area and I look forward to receiving your recommendations in May 2019.



Rt Hon Sajid Javid MP

APPENDIX C – THE PARTIES’ WEBSITE ADDRESSES

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

Home Office	https://www.gov.uk/government/publications/home-office-evidence-to-the-police-remuneration-review-body-2019-to-2020
National Police Chiefs’ Council	https://www.npcc.police.uk/Publication/PRRB/NPPC%20Pay%20Report%20110219.pdf
Metropolitan Police Service	https://www.met.police.uk/SysSiteAssets/foi-media/metropolitan-police/priorities_and_how_we_are_doing/corporate/met-hq-people-change-mps-police-remuneration-review-body-2019.pdf
Association of Police and Crime Commissioners	http://www.apccs.police.uk/publications/
Joint submission from the Police Federation of England and Wales, and the Police Superintendents’ Association	https://www.policesupers.com/wp-content/uploads/2019/02/PRRB-Submission-on-behalf-of-PFEW-and-PSA-2019-v1.0.pdf
Joint submission from the Police Superintendents’ Association and Superintendents’ Association of Northern Ireland	https://www.policesupers.com/wp-content/uploads/2019/02/PSA-SANI-PRRB-2019-submission-FINAL.pdf
Chief Police Officers’ Staff Association	https://cposa.uk/

APPENDIX D – RECOMMENDED CHANGES TO POLICE OFFICER PAY SCALES AND ALLOWANCES FROM 1 SEPTEMBER 2019

Salary scales

The salary scales for the federated and superintending ranks in effect from 1 September 2018 are set out below along with our recommendations for effect from 1 September 2019.

Rank	Pay point	With effect from 1 September 2018	Recommended for effect from 1 September 2019	Notes
Constable (appointed on or after 1 April 2013)	0	£20,370	£20,880	a,b
	1	£23,586	£24,177	c
	2	£24,654	£25,269	d
	3	£25,728	£26,370	
	4	£26,802	£27,471	e
	5	£28,947	£29,670	
	6	£33,267	£34,098	
Constable (appointed before 1 April 2013)	On commencing service	£24,936	£25,560	
	On completion of initial training	£27,831	£28,527	
	2	£29,445	£30,180	f
	3	£31,245	£32,025	
	4	£32,229	£33,036	e
	5	£33,267	£34,098	
	6	£36,189	£37,095	
Sergeant	1	£40,488	£41,499	
	2	£41,847	£42,894	
	3	£42,738	£43,806	
	4	£43,998	£45,099	

Rank	Pay point	With effect from 1 September 2018	Recommended for effect from 1 September 2019	Notes
Inspector	0	£50,160	£51,414	
	1	£51,573	£52,863	
	2	£52,986	£54,312	
	3	£54,408	£55,767	
Inspector (London)	0	£52,356	£53,664	
	1	£53,775	£55,119	
	2	£55,200	£56,580	
	3	£56,622	£58,038	
Chief Inspector	1	£55,521	£56,910	g
	2	£56,634	£58,050	
	3	£57,804	£59,250	
	In post 31 August 1994	£58,749	£60,219	
Chief Inspector (London)	1	£57,732	£59,175	g
	2	£58,845	£60,315	
	3	£60,009	£61,509	
	In post 31 August 1994	£60,945	£62,469	
Superintendent (promoted to rank on or after 1 April 2014)	1	£66,789	£68,460	
	2	£70,275	£72,033	
	3	£73,947	£75,795	
	4	£78,888	£80,859	
Superintendent (promoted to rank before 1 April 2014)	1	£66,789	£68,460	
	2	£69,543	£71,283	
	3	£72,297	£74,103	
	4	£75,057	£76,932	
	5	£77,814	£79,758	
Chief Superintendent	1	£82,779	£84,849	
	2	£85,578	£87,717	
	3	£87,327	£89,511	

Notes:

- a. Entry point for an officer appointed in the rank of constable, unless either of sub-paragraphs (i) or (ii) applies:
 - (i) The chief officer of police may, after consultation with the local policing body, assign any officer to pay point 1 on the basis of local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of this note; and
 - (ii) The chief officer of police shall assign to pay point 1 any officer who:
 1. Possesses a Policing Qualification as defined by the chief officer after consultation with the local policing body;
 2. Was, prior to appointment, serving as a special constable who has been assessed and has achieved 'Safe and Lawful' attainment to National Standards, or the equivalent as specified by the chief officer;
 3. Was, prior to appointment, serving as a police community support officer who has been signed off as competent to perform independent patrol and who has served a minimum of 18 months in the role.
- b. The salary paid to an officer at pay point 0 shall be between £20,880 and £24,177 as determined by the chief officer of police, after consultation with the local policing body, based on local recruitment needs or the possession of a policing qualification or relevant experience other than those specified in sub-paragraph (ii) of note (a) above.
- c. On completion of initial training, an officer who entered at pay point 0 will move to pay point 1.
- d. All officers will move to pay point 2 after twelve months at pay point 1 and progression will continue to be at a rate of one pay point per twelve months of service thereafter with the exception of pay point 4 which is subject to note (e) below.
- e. With effect from 1 January 2017, officers at pay point 3 will only progress to pay point 4 if they have at least twelve months' reckonable service at pay point 3 and have successfully completed a Foundation Level ARC assessment, or re-assessment.
- f. All officers move to this salary point on completion of two years' service as a constable.
- g. Entry point for an officer appointed to the rank, unless the chief officer of police assigns the officer to a higher point.

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

Allowances

The implemented revised values of allowances from 1 September 2019 are set out below:

London Weighting	£2,505 per annum
Dog Handlers' Allowance	£2,340 per annum
On-call Allowance	£20 per day

The values of all other allowances and payments remain unchanged.

APPENDIX E – RECOMMENDED CHANGES TO CHIEF POLICE OFFICER PAY FROM 1 SEPTEMBER 2019

Chief Constable and Deputy Chief Constable Salaries

Force Weighting	Forces	Chief Constables		Deputy Chief Constables	
		With effect from 1 September 2018	Recommended for effect from 1 September 2019	With effect from 1 September 2018	Recommended for effect from 1 September 2019
10.0	West Midlands Greater Manchester	£194,523	£199,386	£149,142	£152,871
8.0	West Yorkshire	£181,560	£186,099	£145,248	£148,878
6.5	Thames Valley	£171,834	£176,130	£141,765	£145,308
6.0	Merseyside Northumbria	£168,585	£172,800	£139,089	£142,566
5.5	Hampshire	£165,342	£169,476	£136,413	£139,824
5.0	Kent Lancashire Devon & Cornwall	£162,108	£166,161	£133,734	£137,076
4.5	South Yorkshire Essex Avon & Somerset Sussex South Wales	£158,868	£162,840	£131,067	£134,343
3.5	Nottinghamshire	£152,382	£156,192	£125,715	£128,859
3.0	Hertfordshire West Mercia Cheshire Humberside Staffordshire Leicestershire Derbyshire	£149,142	£152,871	£123,036	£126,111
2.5	Surrey Norfolk	£145,896	£149,544	£120,366	£123,375
2.0	Cleveland Durham Cambridgeshire North Wales North Yorkshire Gwent Northamptonshire Suffolk Dorset Wiltshire Bedfordshire	£142,689	£146,256	£117,690	£120,633
1.5	Gloucestershire Lincolnshire Cumbria Warwickshire Dyfed-Powys	£139,410	£142,896	£116,718	£119,637

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

Metropolitan Police Service Salaries

	With effect from 1 September 2018	Recommended for effect from 1 September 2019
Commissioner	£278,820	£285,792
Deputy Commissioner	£230,190	£235,944
Assistant Commissioner	£194,523	£199,386
Deputy Assistant Commissioner	£149,142	£152,871

City of London Salaries

	With effect from 1 September 2018	Recommended for effect from 1 September 2019
Commissioner	£172,491	£176,802
Assistant Commissioner	£142,272	£145,830

Assistant Chief Constable and Commander Pay Scale

Pay point	With effect from 1 September 2018	Recommended for effect from 1 September 2019
1	£100,509	£103,023
2	£106,986	£109,662
3	£113,475	£116,313

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

APPENDIX F – CHIEF POLICE OFFICER RANKS IN ENGLAND AND WALES 2019

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

