

# Police Remuneration Review Body

**Executive Summary** 

Fifth Report
England and Wales 2019

Chair: Anita Bharucha

# **Police Remuneration Review Body**

#### Terms of reference<sup>1</sup>

The Police Remuneration Review Body<sup>2</sup> (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.

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.

<sup>&</sup>lt;sup>2</sup> 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.

#### Members<sup>3</sup> of the Review Body

Anita Bharucha (Chair)
Elizabeth Bell
Andrew Bliss QPM
Professor Monojit Chatterji
Richard Childs QPM
Patrick McCartan CBE
Christopher Pilgrim
Trevor Reaney CBE

The secretariat is provided by the Office of Manpower Economics.

<sup>&</sup>lt;sup>3</sup> 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]

#### POLICE REMUNERATION REVIEW BODY

# **England and Wales Fifth Report 2019**

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1. As at 31 March 2018 there were some 122,400 police officers in England and Wales in our remit group<sup>4</sup> spread over 43 independent police forces. The annual police officer pay bill for financial year 2018/19 was around £6.3 billion<sup>5</sup>. 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

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.

## 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)

<sup>&</sup>lt;sup>4</sup> 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]

<sup>&</sup>lt;sup>5</sup> This includes basic pay, pension and national insurance contributions.

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 policeled. 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