

**Report into the pay of HM Chief Inspector of  
Constabulary (HMCIC), Chief Fire & Rescue  
Inspector, HM Inspectors of Constabulary (HMI) and  
Inspectors of Fire & Rescue Authorities in England  
(IFRAE)**

David Lebrecht

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# Report into the pay of HM Chief Inspector of Constabulary (HMCIC), Chief Fire & Rescue Inspector, HM Inspectors of Constabulary (HMI) and Inspectors of Fire & Rescue Authorities in England (IFRAE).

This independent report has been commissioned by the Home Office. Its purpose and scope are as follows:

To consider HMCIC/IFRAE and HMI/IFRAE pay and make recommendations to Ministers to inform decisions on future pay arrangements. It seeks to answer the following questions:

- i. What should pay for HMCIC and HMIs be in order to:
  - a. Attract the right skills and talent to the roles
  - b. Secure value for money for the taxpayer
  - c. Reflect the sense of public duty or public service in such appointments
  - d. Avoid placing undue upward pressure on pay in other, similar roles across Government
- ii. How should pay be structured, whether on pay scales or spot rates?
- iii. How should Government approach the setting of pay in future?

The report first sets out the background outlining the need for a review and acknowledging previous changes.

It goes on to explain the evidence gathered from Home Office representatives, the Chief Inspector, the Inspectors and the Chief Operating Officer of HMI/IFRAE.

Then there is a section covering evidence provided by Korn Ferry regarding both job evaluation and benchmarking.

Finally, there is due consideration of the specific issues raised in the terms of reference and recommendations made for a way forward.

A full copy of the terms of reference are attached as **Appendix (1)**.

## Background

Pay for the Inspectors of constabulary is set by the Home Secretary with the consent of Treasury. The pay arrangements for both the Chief Inspector and the Inspectors have changed on several occasions in recent years.

There has been downward pressure on pay in the public sector and, consistent with this, the Chief Inspector is paid less than his predecessor and scales for Inspectors have been amended on two occasions. Prior to 2015, HMI remuneration was set comparably to chief constables in order to attract those in these roles. In 2015 the Home Office changed the pay to a scale from £165,000 to £185,791, but no one was ever appointed at £165,000. Then in 2016 the Home Office benchmarked inspector roles against others including inspectors working across the Criminal Justice System, various regulators and chief constables.<sup>1</sup> This saw the present pay scale for inspectors introduced which has a range from £133,983 to £185,791, with entry either at the base point or up to a maximum of £185,791 if the salary of applicant is already higher than £133,983.

The pay for Chief Inspector was set on appointment of the current incumbent and remains at £199,995.

Of the five inspectors, two are paid at the maximum with one a little above, while two, including one newly appointed have pay based on the minimum, though in both cases with an additional supplement bringing their total pay above £140,000.

The addition of Fire and Rescue responsibilities came about without any change in salary but, given the positions are covered by legislation, there are two separate appointments for each inspector, with the Fire portfolio being unpaid. It was agreed to renew HMI inspector contracts, which are normally for five years, in parallel with the acquisition of fire accountabilities in July 2017.

It was further agreed, at the time of the introduction of Fire and Rescue Service inspections that pay would be reviewed independently.

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<sup>1</sup> Benchmarked organisations were Chief Constables, Care Quality Commission, HM Crown Prosecution Service, HM Inspectorate of Prisons, HM Inspectorate of Probation, Ofsted Ofqual, Ofgem, Ofwat, Monitor, Office of Rail Regulation

## Evidence

This review has included discussions with Home Office officials, the Chief Inspector and the Inspectors as well as the Chief Operating Officer of HMI/IFRAE.

To assist a fair evaluation of the roles, the discussions were aimed at understanding the purpose of the inspectorate and the aspects that together led to the role being carried out efficiently and effectively. Naturally most comments related to Police inspections as the Fire inspections are only just taking place for the first time.

In the words of one inspector they were there to inspect policing in the interests of the public

It was stressed that the importance of the Inspectorate should not be under-estimated. Examples were provided by inspectors where a positive contribution to society had followed – domestic abuse and counter-terrorism being two.

There are also examples where inspection does not take place – the United States was mentioned by one inspector where there are no common standards, little accountability or performance monitoring. It was stated that in the US there is no real way to measure how and if they adequately serve their communities.

The Inspectorate can only operate with the co-operation of key stakeholders – police, fire, government and the public. Beyond the right to inspect, the role of inspectors is dependent on their ability to influence and persuade. They must make their judgements and encourage compliance with their decisions.

At this point the track record for HMI/IFRAE, as confirmed by Home Office representatives, is successful but reputations take time to build and are easy to destroy. The Inspectorate is acutely aware of the need for continued care in its work and judgements.

Inspectors are Crown Appointments, and this creates an unusual employment arrangement. In effect it means an inspector has no official line manager, although there is a loose arrangement for performance management via the HMCIC/IFRAE. It does mean that conventional reward arrangements such as progression and bonuses would be difficult to manage.

The role of HMI/IFRAE has some standard activities that would occur in any senior role, for example a Board responsible for the management of the organisation, but most practical steps are the accountability of the Chief Operating Officer and HMCIC/IFRAE.

There is also a routine around many of the police inspections, and in due course the same is likely to be true of fire inspections. This routine has changed in recent years with the introduction of a PEEL<sup>2</sup> based regime which requires inspection of every force each year and, within that requirement, is now moving to less overall inspections, based on risk assessments. This change was accompanied by a budget increase of £9.4 million to take account of the additional workload. Thematic inspections – for example counter-terrorism, county lines and stalking and harassment continue also but with fewer than before the PEEL regime commenced.

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<sup>2</sup> Police Effectiveness Efficiency and Legitimacy

However, the conduct of the inspection does take place to a formula, albeit one that adapts as required. The challenge from inspections comes particularly where it becomes appropriate to rate forces either as 'requires improvement' or 'inadequate'.

To reach a judgement, especially one that is seen as unfavourable, the inspectorate has an internal moderation process that involves all inspectors and can include the Chief Inspector.

Once decided, the report, while collectively agreed, is handled by the appropriate inspector who has accountability for managing its publication and ensuing media interest as well as persuading the Chief Constable of the force to take appropriate steps to improve the position.

The challenge in the role, therefore, goes well beyond the production of inspection reports and the inspectors talked extensively about the importance of managing relationships and handling the media.

It is also important to stress that the volume of work is considerable and while there are no doubt efficiencies possible, the addition of fire inspections has added significantly to both volume and the number of relationships that inspectors need to manage.

An important, but perhaps less recognised, component of the inspector role is in engagement with cross-area issues. Inspectors are allocated as the Senior Responsible Officer to lead specific projects. These include joint inspections undertaken with Prisons, Probation, the Crown Prosecution Service, Ofsted and the Care Quality Commission; monitoring and engagement with police forces but particularly focused on those rated in the bottom two categories<sup>3</sup>; design of the PEEL inspections and design of bespoke inspections for groups like British Transport Police or the National Crime Agency.

For many years the inspectorate was largely made up of former or seconded police officers and even today serving officers take a leading part in inspections. However, in recent years recruitment has been from a more varied background and, while it can take time for those outside the sector to be completely effective in a new area, there does not appear to be any issues with a broader based team.

However, there was a consistent view within the Inspectorate of the essential need for at least one inspector to have senior police experience, and in due course someone with senior fire experience.

This was partly to assist credibility with the police and other stakeholders such as Police and Crime Commissioners but more importantly to bring a breadth of knowledge and experience that would benefit all inspectors.

The Home Office put forward a different view stating it is desirable to attract former Chief Constables but that the pay arrangements should not be set to do so, and that the Inspectorate could operate effectively without anyone with significant sector experience.

This is a position that has evolved as earlier correspondence from 2014 indicated agreement between the Home Secretary and the Chief Inspector, that it was 'essential to secure a high-calibre Chief Constable who can excel in such a high-profile role'.

Credibility is important to the Inspectorate, but this comes more from overall performance rather than the origin of the inspectors themselves. When selected the individuals are

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<sup>3</sup> Rating categories are outstanding, good, requires improvement and inadequate

chosen for the skills and experience that they bring which will assist in the role rather than simply their point of origin.

Regarding pay, although there is currently a range albeit with no mechanism for moving through, the general belief was that the role carried equal weight for all inspectors and that a 'spot rate' was likely to be the most appropriate going forward.

There was some recognition of a growth in experience and effectiveness in the early years and that that might have a pay impact.

Those at the top of the scale considered the pay to be in the right zone while the most recent recruits are clearly dissatisfied with the arrangements.

The Home Office view was that the findings of the benchmarking exercise in 2016 were valid and that pay should be set to towards the lower end of the scale. It considered there would be no issues recruiting, lower pay would provide good value for taxpayers and a figure near the present minimum would minimise the risk of demands from bodies that saw themselves as comparable with the Inspectorate.

## Job Evaluation

The Hay Group method of job evaluation is very widely used in the UK by private and public sectors. In the Public Sector work is regularly undertaken with Local Government, Central Government and Agencies, NHS Trusts, Police and Fire Services, Universities and Housing Associations.

The method is built on the premise that all roles can be assessed using three core factors of:

Accountability (what the job is there to achieve)

Problem-Solving (the challenges and constraints in delivering the results)

Know-How (the knowledge, skills and experience needed to be able to deliver results)

A more comprehensive description of the job evaluation method is included in **Appendix (2)**.

### HM Chief Inspector of Constabulary and HM Chief Inspector of Fire & Rescue Services

Hay Evaluation

**GIV3 920      G4+(66) 608    G6-C 700      2228    A1**

This evaluation recognises the need for a highly credible individual with a mastery of concepts, principles and practices gained through a wide and deep experience, ideally with at least some of this at the highest levels of public service. The credibility of the role within Police and Fire and Rescue is critical to effective inspection and, regardless of background, the job holder must establish respect very quickly (G). The role has a broad remit covering the effectiveness of the Police and Fire and Rescue Services in England and Wales and must take a long-term perspective of both trends and advice (IV). This is an exposed role with a critical need to build excellent relationships through all the organisations within the inspection remit. It must also have the ear of Ministers and policy makers at the highest level. There is a clear need for the very highest levels of influencing and communications capabilities, because of the need to develop working partnerships across Police and Fire and with that setting policy in these areas (3).

In Problem Solving terms, this is seen as a role governed by the statutory powers to inspect and report on the efficiency and effectiveness of police forces as set out in section 54(2), of the Police Act 1996. The role agrees the inspection criteria with the Home Office and sets the objectives of the inspection programmes within the organisation. The role must also make decisions with a major impact both nationally and locally in a specific area which can be challenged by judicial review (66%).

In accountability terms this is seen the role as an independent holder of public office under the Crown, appointed under Royal Warrant (G). It has a responsibility for the effective use of resources of the Inspectorate of c 350 staff and an annual budget of c£24m. However, in evaluating the full impact of the role, it is seen as having an indirect accountability through the provision of analysis, interpretation, inspection and advice to develop the effectiveness and efficiency of all Police and Fire and Rescue Services in England and Wales which covers the work of c 240,000 staff and annual spending of c £15.5 billion (6-C).

## HM Inspector of Constabulary and HM Inspector of Fire & Rescue Services

Evaluation

**GIII+3 800 G4 (57) 460 G-5C 528 1788 A1**

This evaluation recognises the need for a highly credible individual with a mastery of concepts, principles and practices gained through a wide and deep experience, ideally with at least some of this at the highest levels of public service. The credibility of the role within Police and Fire and Rescue is critical to effective inspection and regardless of background, the job holder must establish respect very quickly (G). The role has a broad remit covering about a quarter of the Police and Fire and Rescue Services in England and Wales, in a regional area and must take a long-term perspective of both trends and advice. As well as the regional focus each of the role is responsible for one or more thematic areas across the board (III+). This is an exposed role with a critical need to build excellent relationships through all the organisations within the inspection remit. There is a clear need for very highest levels influencing and communications capabilities because of the need to develop working-partnerships across Police and Fire and with that setting policy in these areas (3).

In Problem Solving terms this is seen as a role governed by the statutory powers to inspect and report on the efficiency and effectiveness of police forces as set out in section 54(2), of the Police Act 1996 and the inspection criteria agreed by the Home Office. The role works with HMI Board colleagues and sets the objectives of the inspection programmes for the year within each organisation. The role must also make decisions with a major impact nationally and locally in a specific area which can be challenged by judicial review (57%).

In accountability terms the role is seen as an independent holder of public office under the Crown, appointed under Royal Warrant but also as a member of the HMI Board, chaired by the chief Inspector (G-). It has a responsibility for the effective use of resources of the Inspectorate resources for inspections and the standards of those inspections. However, in evaluating the full impact of the role, it has an indirect accountability through the provision of analysis, interpretation, inspection and advice to develop the effectiveness and efficiency of about a quarter of Police and Fire and Rescue Services in England and Wales which covers the work of c 60,000 staff and annual spending of c £4 billion (5C).

### Summary of Evaluations and Commentary

Role Title	Know How	Problem Solving	Accountability	Total Score
HM Chief Inspector	GIV3 920	G4+ (66) 608	G6-C 700	2228 A1
HM Inspector	GIII+3 800	G4 (57) 460	G-5C 528	1788 A1



## **The type of role**

Both these Inspector roles have an accountability which is indirect, but on the very large areas of policing and fire and rescue. The A1 profile where the score for Problem Solving is one step higher than the score for the Accountability factor reflects this indirect accountability. These roles are usually seen as providing expert advice and guidance to support the achievement of results through the development of capability and the interpretation and application of policies. This effectively means that both roles have a higher proportion of the overall score in the Know How (knowledge, skills and experience factor). Although the overall score is lower than, for example a Chief Executive with a much more direct accountability, it is appropriate to compare these inspector roles with others at the same Know-How and Problem-Solving factor levels.

## **Typical Role Comparators**

The HM Chief Inspector role is big and demanding. In the Civil Service it would be seen as a Pay Band 3 role. The equivalents might be DG roles in smaller departments such as DCMS or DfT. It is also the equivalent of a regulator such as Ofgem. The evaluation puts the role clearly larger than the HM Inspector of Prisons, Probation or the Crown Prosecution Service roles but it is not as big as the CQC Chief Executive role. In the NHS, a role at this level would be the Chief Executive of a mid-sized Hospital Trust with a teaching school such as the Royal Liverpool or Royal Bristol or of a large service provider trust. In policing, the role would be the equivalent, in job size terms, of the Chief Constable of a significant force such as Greater Manchester or the West Midlands. In Local Government, equivalent roles with this Know How Score would be the Chief Executive of a County Council such as Hampshire or Surrey. Finally, in the military, there do not appear to be many actual roles at this exact level and it sits between the 3-star and 2-star levels that have been evaluated by Korn Ferry.

The HM Inspector role is also significant. In the Civil Service, it would be seen as a larger Pay Band 2 role. The equivalents might be Directors in large Departments with a complex portfolio. In the NHS, a role at this level would be the Chief Executive of a District General Hospital with regional specialties. Roles with this score have been, for example, the Finance Director of the largest NHS Hospital Trusts such as Imperial and Bart's. In Policing, the role would be the equivalent of the Chief Constable of a force with a mid-sized population and some policing complexity such as Nottinghamshire, West Mercia, Cheshire or Humberside. In Local Government, equivalent roles with this Know How score would be the Chief Executive of an outer London Borough such as Bromley or Bexley or the largest roles reporting to the Chief Executive in the biggest Local Authorities such as Kent and Birmingham. Finally, in the military, this role would sit at the 2-star level.

## Reward Benchmarking Information

### Police Chief Constable and Deputy Chief Constable Pay

Force Weighting	Forces	Chief Constable Pay 1 Sep 2018	DCC Pay 1 Sep 2018
10.0	West Midlands, Greater Manchester	£194,523	£149,142
8.0	West Yorkshire	£181,560	£145,248
6.5	Thames Valley	£171,834	£141,765
6.0	Merseyside, Northumbria	£168,585	£139,089
5.5	Hampshire	£165,342	£136,413
5.0	Kent Lancashire, Devon & Cornwall	£162,108	£133,734
4.5	South Yorkshire, Essex, Avon & Somerset, Sussex, South Wales	£158,868	£131,067
3.5	Nottinghamshire	£152,382	£125,715
3.0	Hertfordshire, West Mercia, Cheshire, Humberside, Staffordshire, Leicestershire, Derbyshire	£149,142	£123,036
2.0	Cleveland, Durham, Cambridgeshire, North Wales, North Yorkshire, Gwent, Northamptonshire, Suffolk, Dorset, Wiltshire. Bedfordshire	£142,689	£117,690
1.5	Gloucestershire, Lincolnshire, Cumbria, Warwickshire, Dyfed-Powys	£139,410	£116,718

\*Data above taken from the Police Remuneration Review Body, 4th report 2018

## SCS Pay Scales

The Senior Civil Service salary scales with relevance to the HMICFRS as of 2017/18 are listed in the table below.

Pay Band	Minimum	Maximum	Median
2	£88,000	£162,500	£99,900
3	£107,000	£208,100	£134,500

The SSRB made recommendations in the Fortieth Report on Senior Salaries Review Body 2018 which are shown below.

Pay Band	Minimum	Maximum
2	£90,000	£136,000
3	£111,500	£167,500

## Senior Military Officer Pay Scales

The senior military officer salary scales with relevance to the HMICFRS as of 2017/18 are listed in the table below. The 2-star rank refers to Rear-Admirals, Major Generals and Air Vice Marshals. The 3 Star rank refers to Vice Admirals, Lieutenant Generals, and Air Marshals

Rank	Minimum	Maximum
2-star	£116,665,	£128,530
3-star	£135,741	£164,541

\*Data from the Fortieth Report on Senior Salaries Review Body 2018

## Regulators

Korn Ferry have provided the disclosed pay from an analysis of the latest available report and accounts of several organisations with regulatory powers.

Role	Base pay (range)	Performance Pay
Chief Executive Ofcom	£333,750 plus £15,000 flexible benefits	£33,500
Chief Executive Ofgem	£195,000 -£200,000	£15,000 – 20,000
Chief Executive CQC	£185,000 - £190,000	
Chief Regulator Ofqual	£160,000 - £155,000	
Chief Executive Homes and Communities Agency	£160,000 - £155,000	
Chief Executive Office of Rail and Road	£155,000- £160,000	£10,000 - £20000

### Other pay information

Korn Ferry consultants work with many large NHS Hospital Trusts. These are big roles and those with a similar job size to HM Chief Inspector of Constabulary and Fire and Rescue are, in their experience paid in the range of £200,000 to £230,000 base salary. Those roles with a similar job size to HM Inspectors of Constabulary and Fire and Rescue, in their experience, are paid in the range £170,000 and £200,000.

They also work extensively with Local Government. The roles identified with a similar job size to HM Chief Inspector of Constabulary and Fire and Rescue are paid in a range from £190,000 to £220,000. Roles linked in job evaluation size to HM Inspectors of Constabulary and Fire and Rescue, in their experience, are paid around a median of £180,000.

### Korn Ferry data

Korn Ferry use job evaluation scores as a means of accessing their PayNet salary database to make reward comparisons against roles evaluated at the same size. This method compares roles across a wide range of organisations large or small. It differs from the most common alternative approach which is to choose a group of similar organisations of about the same size and then compare salaries of jobs with a similar job title. They find this a particularly useful approach for organisations where there are only a small number of

comparator organisations and finding an exact match difficult. They have used two different data sets in this report.

1. Data from the Industrial and Service organisations in the database (this excludes the higher paying financial sector and Oil and Gas sector. These data are valid as of the 1<sup>st</sup> July 2018.
2. Data from the Public. Sector and not for profit organisations in the data base. These data are valid from the 1<sup>st</sup> July 2018.

They have used a range of terminology:

Base salary. All contracted pay including regional allowances.

Total cash. Base salary plus any annual incentive or bonus payments.

Upper Quartile (Q3 or P75). The position in the market where 25% of the organisations in the database pay more and 75% pay less.

Median (or P50). The point in the market where 50% of the organisations pay more and 50% pay less.

Lower Quartile (Q1 or P25). The position in the market where 75% of the organisations in the database pay more and 25% pay less.

In their experience, Public Sector organisations (other than central government) very rarely, if ever, pay any bonuses or have non-consolidated performance related payments. In this report they focus on Base Salary data.

#### Base Salary Data from Industrial and Service Organisations

Korn Ferry Level	75th Upper quartile £	50th Median £	25th Lower quartile £	Average £
Level 26	355,942	283,233	223,936	323,535
Level 25	289,000	231,795	185,253	246,775

#### Base Salary Data from Public and not for Profit Organisations

Korn Ferry Level	75th Upper quartile £	50th Median £	25th Lower quartile £	Average £
Level 26	-	188,790	-	199,770
Level 25	220,716	166,292	145,786	192,732

#### Commentary

They have evaluated the Role of HM Chief Inspector of Constabulary and Fire and Rescue Services at the Korn Ferry reference level 26 and that of HM Inspector of Constabulary and Fire and Rescue Services HM Inspector at reference level 25. The data shown under Industrial and Service organisations is a very broad analysis covering roles in all sectors other than Oil and Gas and “city” type financial services. This shows a median for reference level 26 of £ 283,223 and for reference level 25 of £231,795. These data reflect only Base Salary in the wider economy and do not show annual performance incentives (bonus) or Long-Term Incentives (such as share option schemes) found at these levels in the private sector. They quote these base salary data because it provides a first point of comparison when developing Public Sector pay arrangements where individuals might move from the private sector.

The Public and not for Profit Organisations data at reference level 26 in this sample covers less than 10 jobs with a Median of £189,000. The higher average of £199,770 indicates that a few roles in the sample were paid at a higher level. The data for reference level 25 is more solid coming from a sample of 40 roles and showing a median of £166,292. The Upper Quartile or 75<sup>th</sup> percentile, shows the considerable variation at this level and that 25% of the roles in the sample had base pay in excess of £220,716.

## The Issues

### Pay

The Inspectorate plays a key role in ensuring PEEL is in place – that we have legitimate, efficient and effective policing in the interests of the citizens of the United Kingdom. It now has the additional responsibility to ensure the same is true of the Fire and Rescue service.

It is an interesting and challenging role which has and needs to continue to attract high quality applicants with the right skills, attitude and talent.

From the evidence, it is clear there is no consensus on pay between the Home Office and the appointees beyond the view that discussions on the subject satisfy neither party.

Clearly the review does not take place in a vacuum. It originated a discussion between the Inspectorate and the Home Office at the time that the Inspectorate took on responsibility for Fire and Rescue Service inspections. No additional money was awarded but contracts of incumbents were extended. It was also agreed to put this review in place to try and resolve pay issues in a way that worked for all concerned.

A key challenge, therefore, for the review is to reconcile the evident tensions in a way that fits sensibly within the agreed terms of reference.

There is, for example a fundamental disagreement as to whether the inspectorate should include at least one former Chief Constable, and in due course Chief Fire Officer, among its number. If the new salary introduced is much below the current maximum, it is likely to discourage the most senior Chief Constables from applying.

It is not a solution to pay more for previous sector experience, as once in post, all advised there is no objective justification for paying one inspector more than another.

With a Chief Inspector and five inspectors, albeit one is only available for 20% of her time, provided that current standards are either maintained or improved, it seems the taxpayer is getting good value for money already. Inspector salaries as a small part of the overall budget are not going to affect this either way. This is particularly the case given the importance and challenge of assisting the task of providing excellent police and fire and rescue services to society in, what remains, difficult circumstances.

It is clear from the discussions that those in post are committed to both public duty and service.

Pay in the public sector at managerial and senior leadership levels, inter alia, is a product of history, policy and personal negotiations. There is no universal framework for senior appointment pay within the public sector. Consequently, the answer to the question as to an appropriate pay level can reference an array of choices. The Chief Inspector of prisons is paid £135,000; the CEO of Ofcom is on £330,750. The SCS pay band 2 median is £99,900, the SCS pay band 3 median is £134,500 while the CEO of NHS Improvement is paid between £265,000 and £270,000. Some jobs in the public sector have pay reviewed regularly and others have a fixed amount that may remain unchanged for many years.

This leads to a position where, while considering evidence is essential, any final recommendation will be arrived at by a combination of evidence and judgement, and that

judgment needs to take place against the backdrop of the agreed terms of reference and the desire of all parties for pay not to be an issue dividing the two parties.

Providing a sensible pay recommendation for the Chief Inspector and the Inspectors should not place undue upwards pressure on pay in other roles across government if it is at a similar or lower rate of pay than the maximum available today.

One of the challenges for Korn Ferry has been to find exact comparators for the role – it is possible to see similarities, but it is hard to read across the complete role, and that works both ways.

The job evaluation process acts, therefore, as both essential evidence and a critical guide.

## Pay Structure

There was a consensus among those interviewed, including Home Office officials that all inspectors were carrying out the same role and, as such the pay should be the same for each inspector.

There was a view that there could be a short range to recognise developing expertise and to provide some flexibility in attracting police candidates.

However, there was also a counter view that if you were good enough to be selected, you brought enough to be paid the full rate from day one.

While there is some potential benefit in a short scale, the nature of the engagement as a Crown Appointment means that it would be difficult to devise a fair method for movement through the scale other than by time served, which is not an attractive option.

The pay range that exists at present has been created by circumstance and is clearly not considered fit for purpose by either those responsible or those in receipt.

This leads to a conclusion that both from the point of view of acceptance to the reality of job worth, it would be appropriate to pay all inspectors on a single fixed rate applicable from the date of appointment

## Setting of pay in future

Until 2009, pay for both the Chief and Inspectors was increased in line with increases negotiated for Chief Police Officers. As the period of public sector pay restraint was introduced, this was applied to both the Chief Inspector and the Inspectors with a pay freeze that has not been lifted since<sup>4</sup>.

This review recommends rates for the Chief Inspector and the Inspectors based on current data such that the freeze between 2009 and now does not need to be considered.

There may be a perception that appointment as an Inspector represents a post-career option for Chief Police Officers and with an attractive salary, and it is certainly potentially a role for

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<sup>4</sup> In 2011 and 2012 a 1% pay increase was offered but not accepted by most inspectors after discussion between the Home Office and the Inspectorate



such people. Under the previous police pension arrangements, which still apply to some Chief Officers, achieving a 'full' pension at 30 years means that applicants will still have a significant working expectation ahead of them. Under the 2015 police pension arrangements, normal retirement age is now 60 but Chief Constables and their deputies remain on fixed-term contracts and so may well choose an Inspector career at a similar stage to those on the old pension scheme.

The Inspectors without police experience are currently all well short of state pension age, and there is no evidence that the age profile is likely to change significantly.

Thus, although on Crown Appointments for a five year fixed-term, it is hard to see why, where affordable, pay should not be increased regularly. If, as has been suggested, pay should be fixed for five years, this does not address the issue as to how and when a new appointee or a re-appointment should receive a pay rise?

Additionally, regular increases should lessen the risk of future pay tensions between the Home Office and the Inspectorate.

At the same time, there does not appear to be an ideal way to manage pay changes.

Ultimately the Home Secretary is responsible for pay and it could be left for him to decide. However, aside from the potential time and effort involved, it might raise questions about independence that would be unhelpful.

An alternative suggestion would be to follow the recommendations of the Senior Salaries Review Body (SSRB).<sup>5</sup> During the period of a 'one per cent award' this might have seemed attractive and appropriate. However, the most recent report, while it had a similarity around the recommendations had both complexity in its construction and differences in the government response.

Since 2015, pay for the police has been covered by the pay review process. For 2015 and 2016, pay for Chief Officers was the subject of recommendation by the SSRB and for 2017 and 2018 by the Police Remuneration review Body.

Members of Parliament have their pay determined by a formula that awards in line with changes in average earnings in the public sector using Office for National Statistics (ONS) figures.

## Assistant Inspectors

An essential part of the inspection regime is the role played by serving police officers on secondment.

The pay of Assistant Inspectors is not part of this review, but it is appropriate to comment.

At present there are no Assistant Inspectors, but should this change, the strong possibility is that the role would be occupied by senior police or fire officers on secondment. The salary for this position has historically been aligned with the salary of a Deputy Assistant

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<sup>5</sup> The Senior Salaries Review Body makes recommendations on pay for the Senior Civil Service, Senior Armed Forces, the Judiciary and Police and Crime Commissioners

Commissioner of the Metropolitan Police, currently £149,142 with effect from 1<sup>st</sup> September 2018.

The Home Office have suggested that if appointed in future, Assistant should be paid 77.1% of the HMI pay, a relativity consistent with the differential at the time of their 2016 benchmarking survey.

If the role were to come back, and an experienced police or fire person was required, the Home Office might care at that time to take soundings before deciding on an appropriate salary.

## Pension Abatement

Pension abatement is a public sector arrangement that applies in certain circumstances to ensure an individual who retires and draws a pension may not earn more, by way of 're-employed' salary and pension, than before retirement. Where a new salary and pension exceeds the previous salary, the excess will be deducted from the pension.

While this may be a sensible protection of taxpayer money, unfortunately its application can be seen by recipients as unfair. First, it only applies to employees of the relevant organisation who have a public sector pension. Secondly, amongst those with public sector experience, the application is not consistent. In the Inspectorate today, there are two appointees entitled to draw public sector pensions – one with pension abatement and one without. (The rationale is that the appointee without abatement would no longer be entitled to remain in the previous pension scheme.)

As time passes and the police pension normal retirement age increases, the likelihood is that this will become less of an issue.

It does, however, indicate the need to have a sensible salary in place for Inspectors as to have a sensible pay amount abated is one thing, but to have a lesser rate that is then reduced is unlikely to attract the best public sector talent.

## Recommendations

Recommendations cover the following issues:

- **Pay Structure**
- **Future pay Setting**
- **Pay for HMCIC/IFRAE**
- **Pay for HMI/IFRAE**
- **Transition**
- **Supplements**

### Pay Structure – Recommendation One

The role of the HMI/IFRAE is a single role, albeit selection into the role comes from varied backgrounds and contains the complexity of being two rather than one appointment. There is a bar to entry based on skills, capability, experience and commitment, but having met the bar, a common salary is appropriate.

Additionally, there is no fair and appropriate method to progress within a pay scale given the nature of these positions as Crown Appointments.

**Therefore, it is recommended that the current pay scale be replaced with a single spot rate going forward.**

This spot rate should be clearly conveyed to any future applicants for the role of either Chief Inspector or Inspector as individually negotiated higher salary rates are likely to cause issues with the other inspectors.

### Future Pay Setting – Recommendation Two

The roles are five-year appointments made by the Crown. For many years the pay of inspectors was routinely increased in line with Police Chiefs, and given that was the primary recruitment source, this made a lot of sense.

Since the public sector pay freeze introduced in 2010, the pay of inspectors has not been increased although many other public sector employees including Senior Civil Servants, beyond the first two years, have received increases.

It is also the case that some public sector appointments do not have pay reviewed either regularly or at all.

If there is no mechanism to review pay for inspectors, it would fall to the Home Secretary to consider from time to time, perhaps when making new appointments but then applying the outcome to all.

Recognising the need for independence, it may be preferable to have a regular mechanism with the Home Secretary having the ability to intervene if not felt appropriate to apply an award in any particular year. It could also assist in preventing future recruitment challenges.

There appears to be no ideal answer, but the best mechanism is probably to align increases with the basic awards the Home Secretary applies to Chief Police Officers.

**Therefore, it is recommended that the pay for the Chief Inspector and the Inspectors be increased each year with effect from September 1 in line with the base award for Chief Police Officers, as accepted by the Home Secretary.**

### **Pay for HMI/IFRAE – Recommendation Three**

Consistent with the evidence, alongside the Korn Ferry job evaluation and consideration of the bench-marking data:

**It is recommended that the pay of the Inspectors should be £175,000**

This is above the median figure for jobs with a Korn Ferry level 25 but below the median pay of £180,000 applicable in Korn Ferry's experience of equivalent roles in Local Government, in the range for NHS comparators and below the current scale Inspectorate maximum.

This recommendation is made recognising the context of this review and with a belief that, while a lower figure might have been selected if the Inspectorate was being first established, to do this and ignore the climate of the review would be a mistake. It also reflects a view that the salary should not be set at a level that is likely to discourage the most senior Chief Constables from applying.

**It is recommended that this salary should be reviewed annually in line with Recommendation 2 above.**

### **Pay for HMCIC/IFRAE - Recommendation Four**

The top leadership role in an organisation would normally attract a differential of between 10 and 20%. Given that HMCIC/IFRAE does not have direct management accountability for the Inspectors, the recommendation for the differential is at the lower end.

**It is recommended that the pay of the Chief Inspector should have a 10% premium above Inspectors and be paid £192,500. This salary should be reviewed annually in line with Recommendation 2 above.**

### **Transition – Recommendation Five**

The terms of reference for the review confirmed that existing appointees would not see their pay fall because of this review.

**As the recommended pay figure is lower, this arrangement should come into effect and these salaries would not be reviewed before the new salary catches up.**

### **Supplements – Recommendation Six**

Currently the two inspectors paid on the scale entry point each receive a personally, negotiated supplement.

**It is recommended that the supplements cease when individuals are moved onto the new pay point.**

# Appendix 1

## HMI Pay Review Terms of Reference

### Aim

1. Independently to carry out a review into the pay of HM Chief Inspector of Constabulary (HMCIC), Chief Fire & Rescue Inspector, HM Inspectors of Constabulary (HMI) and Inspectors of Fire & Rescue Authorities in England (IFRAE).

### Principles

2. The review will be conducted in accordance with a set of principles. These are that the review will be:
  - **Independent** – not subject to undue influence by the Department, HMIs or others, and not bound by any prior HO commitments on pay or salary scales elsewhere.
  - **Evidence-based** – drawing its conclusions from the evidence it finds
  - **Mindful of value for money** – having due regard to the importance of securing the right skills whilst ensuring value for money for the taxpayer and not create pay inflation pressure elsewhere.
  - **Innovative** – prepared to consider creative and radical options where the evidence indicates this, and not be bound by precedent.
  - **Transparent** – setting out its reasoning clearly in a way which stands up to robust challenge. The Department should publish the findings.
  - **Able to deliver at pace** – by focusing on relevant evidence, and reporting findings by December. The HO must resource the review appropriately.

## Purpose and scope of the review

3. The purpose of this review is to consider HMCIC/IFRAE and HMI/IFRAE pay and make recommendations to Ministers to inform decisions on future pay arrangements. It will seek to answer the following questions:
  - i. What should pay for HMCIC and HMIs be in order to:
    - a) Attract the right skills and talent to the roles
    - b) Secure value for money for the taxpayer
    - c) Reflect the sense of public duty or public service in such appointments
    - d) Avoid placing undue upwards pressure on pay in other, similar roles across Government
  - ii. How should pay be structured, whether on pay scales or spot rates?
  - iii. How should Government approach the setting of pay in future?
4. The reviewer may provide advice on the implementation of any new approach to pay, for example considering how any recommendations could apply to incumbents as well as to new entrants to these roles.

## Timing

5. The review will be commissioned in July and will aim to conclude no later than December 2018, with its report published shortly thereafter.

## Outputs

6. The review will provide an assessment which aims to address the questions in paragraph (3) and to do so in line with the principles set out above. A short report of findings will be produced which, along with any supporting evidence, will be presented to the Minister for consideration. The reviewer may be asked to meet with the Minister to discuss their findings.