



Prison Service  
Pay Review Body

# Prison Service Pay Review Body

Nineteenth Report on  
England and Wales 2020

## Executive Summary

*Chair:* Tim Flesher CB

# Prison Service Pay Review Body

## Standing terms of reference

The role of the Prison Service Pay Review Body is to provide independent advice on the remuneration of governing governors and operational managers, prison officers and support grades in the England and Wales Prison Service. The Review Body will also provide independent advice on the remuneration of prison governors, prison officers and support grades in the Northern Ireland Prison Service.

In reaching its recommendations the Review Body is to take into account the following:

- The need to recruit, retain and motivate suitably able and qualified staff taking into account the specific needs of the Prison Service in England and Wales and the Northern Ireland Prison Service;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Relevant legal obligations on the Prison Service in England and Wales and the Northern Ireland Prison Service, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability;
- Government policies for improving the public services, including the requirement to meet Prison Service output targets for the delivery of services;
- The funds available to the Prison Service in England and Wales and the Northern Ireland Prison Service as set out in the Government's departmental expenditure limits; and
- The Government's inflation target.

The Review Body shall also take account of the competitiveness of the Prison Service in England and Wales with the private sector, and any differences in terms and conditions of employment between the public and private sectors taking account of the broad employment package including relative job security.

The Review Body may also be asked to consider other specific issues.

The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, staff and professional representatives and others.

Reports and recommendations for the Prison Service in England and Wales should be submitted to the Prime Minister and the Lord Chancellor and Secretary of State for Justice. Reports and recommendations for the Northern Ireland Prison Service will be submitted to the Minister of Justice, Northern Ireland.

The members of the Review Body are:

Tim Flesher CB (*Chair*)  
Mary Carter  
Nicholas Caton  
Luke Corkill  
Professor Andrew Dickerson  
Judith Gillespie CBE  
Leslie Manasseh MBE  
Paul West QPM DL

The secretariat is provided by the Office of Manpower Economics.

## **The International Labour Organization 336th Report of the Committee on Freedom of Association**

The POA<sup>i</sup> took a complaint to the International Labour Organization (ILO) in August 2004, alleging that legislation deprived Prison Officers of the right to take industrial action and that they did not enjoy adequate compensation guarantees to protect their interests in the absence of the right to strike. In its 336th Report of the Committee on Freedom of Association (March 2005) the ILO noted that the POA saw the Prison Service Pay Review Body (PSPRB) as an inadequate compensatory mechanism because it had no powers to make binding recommendations, only to report and recommend, and there was no duty on the Minister to implement the award promptly or at all.

The Government stated that the establishment of the PSPRB in England and Wales, and Northern Ireland was inextricably linked to the introduction of voluntary agreements in that the Prison Service gave up the right to set pay increases in exchange for the POA's agreement not to organise industrial action. The Government stated that recommendations of the PSPRB are not binding in law, but in practice they would only be departed from in exceptional circumstances and are complied with in practice.

The Committee recommended that the Government continued to ensure that the awards of the PSPRB are binding on the parties and may be departed from only in exceptional circumstances.

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<sup>i</sup> The professional trades union for prison, correctional and secure psychiatric workers.

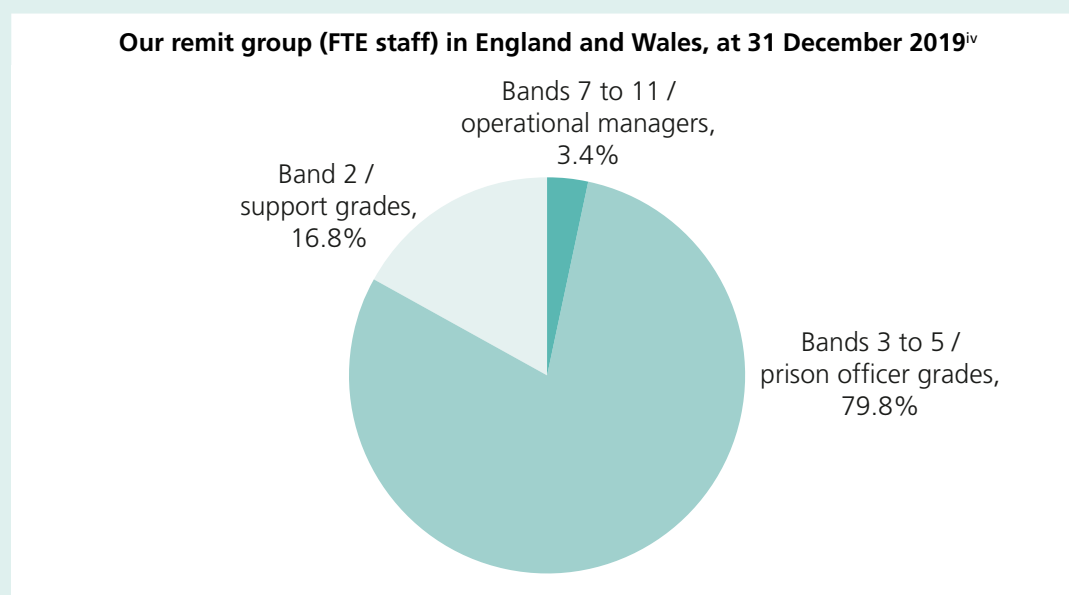
## Her Majesty's Prison and Probation Service (HMPPS) in England and Wales and our remit group

Her Majesty's Prison and Probation Service (HMPPS) is responsible for adult and young offender management services for England and Wales within the framework set by the Government. It is an Executive Agency of the Ministry of Justice. The agency currently manages Her Majesty's Prison Service and the National Probation Service. In addition, it oversees privately run prisons and Community Rehabilitation Companies. Its role is to commission and provide offender management services in the community and in custody, ensuring best value for money from public resources. It works to protect the public and reduce reoffending by delivering the punishments and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

On 20 March 2020, the prisoner population across both the public and private sector estates was 83,709 (1.4% higher than a year earlier)<sup>ii</sup>.

HMPPS paybill costs relating to the remit group in 2019-20 were approximately £1.2 billion (including social security and other pension costs)<sup>iii</sup>.

At the end of December 2019 there were 27,762 full-time equivalent staff (FTE) in our remit, down from 28,311 a year earlier (a decrease of 1.9%). The composition is below.



	<i>FTE staff</i>
Bands 7 to 11 / operational managers	942
Bands 3 to 5 / prison officer grades	22,154
Band 2 / support grades	4,666

<sup>ii</sup> 20 March 2020 date has been used as this was prior to the scheme to manage the early release of prisoners due to coronavirus (Covid-19). For comparison, on 1 May 2020 the prisoner population was 80,827 (2.2% lower than a year earlier).

<sup>iii</sup> Office of Manpower Economics (OME) estimate based on September 2019 prison staff numbers and estimated allowance costs.

<sup>iv</sup> OME analysis of HMPPS workforce data. Her Majesty's Prison and Probation Service, (2020). *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020]

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# Prison Service Pay Review Body 2020 report on England and Wales

## Summary

Our recommendations for 2020 are:

**Recommendation 1:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Band 2 spot rate and the National Bands 3 to 5 base pay points, along with the closed support and officer grade spot rates and base pay points, be increased by 2.5%, as set out in Appendix D. This award to be consolidated and pensionable for all staff.

**Recommendation 2:** We recommend that from 1 April 2020 the consolidated, pensionable salary for Prison Auxiliary and Night Patrol staff be increased to the National Living Wage or by 2.5%, whichever gives the greater amount.

**Recommendation 3:** We recommend that from 1 September 2020 the *Fair and Sustainable* National Band 3 base pay points increase by £2,564 giving a total consolidated and pensionable award of £3,000 when the 17 per cent unsocial hours payment is included. On 1 September 2020, this replaces the 'amber' market supplement and £3,000 of the 'red' market supplement for those Band 3 staff who currently receive them.

**Recommendation 4:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager pay scales (including the closed grade Required Hours Addition cash element) be increased by 2.5%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.5% so that they remain at the same relative position in the 2020 pay range. This award to be consolidated and pensionable for all staff.

**Recommendation 5:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2020 progress by one pay point effective from 1 April 2020.

**Recommendation 6:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2020 receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum.

**Recommendation 7:** We recommend that from 1 April 2020 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.5% and continue to be applied consistently across all bands, positioning maxima at £2,726 and £4,148 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

## Introduction

i. This report sets out our recommendations on pay and allowances for operational prison staff from 1 April 2020. While writing our report this year, we were mindful that the Prison Service is operating in a very different and challenging context due to coronavirus (Covid-19). We recognise that this is adding further pressures onto the already difficult job that prison staff do and we have been enormously impressed by the many ways in which staff at all levels

have confronted these extraordinary challenges and the risks these entail. We believe the determination of staff to maintain stability across the prison estate highlights the bravery and professionalism of our remit group and this should be commended.

ii. The impact of Covid-19 has also made it more difficult for us to consider the key economic benchmarks which we would usually draw on when making our decisions. Although we have considered the data that was available to us at the time of reaching our decisions we are aware that forecasts by the Bank of England and Office of Budget Responsibility suggest that Covid-19 will have a significant downward impact on the whole of the United Kingdom and global economy.

iii. We have made recommendations for our remit group based on the evidence we received. The objectives we have set out to address this year are:

- To provide all staff with an above-inflation, consolidated pay increase;
- To improve the competitiveness of our remit group's pay scales and ranges;
- To target pay to support the recruitment and retention of Prison Officers, particularly in light of increased Border Force and Police recruitment; and
- To reduce the pay differential between *Fair and Sustainable* and closed grades where the gap continues to remain significant.

iv. We ask that the Government consider this year's recommendations and publishes our report in good time to ensure staff receive their pay award without delay.

### **Role of the Prison Service Pay Review Body**

v. The Prison Service Pay Review Body (PSPRB) was established under statute in 2001 to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales, and in Northern Ireland. The PSPRB was set up by the Government as a compensatory mechanism for the remit group's loss of the right to take industrial action of any form. This was reinforced in the 336th report of the International Labour Organization (ILO) in 2005, in which the Government gave a clear and unequivocal commitment to depart from the PSPRB's recommendations only in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This commitment by the Government to the ILO remains.

### **Our remit and approach this year**

vi. On 30 October 2019, the Minister of State for Prisons and Probation, Lucy Frazer QC MP, wrote to us asking us to commence our work for the 2020-21 pay round. The activation letter drew our attention to the three central principles of the Government's pay policy: current and future affordability to the taxpayer; targeting awards to ensure HMPPS can recruit and retain the best public servants; and accompanying workforce reform and improvements in productivity, which can then be reinvested in higher pay. The Minister further asked that the PSPRB have due regard to the HMPPS policy commitment to prioritise investment in the *Fair and Sustainable* pay and grading structure.

vii. We received written submissions from the Public and Commercial Services Union, the Prison Governors' Association and Her Majesty's Prison and Probation Service (HMPPS). Although the POA has maintained its position of not submitting evidence to us, as mandated by its membership at its 2015 Conference, we received an open and without prejudice letter from its General Secretary in April 2020. In late 2019 and early 2020 we also conducted 16 visits

allowing us to meet and hear evidence from remit group staff at all levels on a wide range of issues.

### **2020 pay award**

viii. In determining the headline increase for staff this year, we concluded that there is a need for a consistent approach to pay awards for staff in both *Fair and Sustainable* and the closed grades. We felt it was particularly important to recognise frontline operational staff in both structures who continue to do a demanding job. Although we had limited official economic data, we noted both the figures of the Consumer Prices Index including owner occupiers' housing costs rate of inflation in March 2020 at 1.5% and the average earnings growth across the whole economy at 3.1% in the three months to January 2020. We also looked at the competitiveness of the pay scales and ranges, alongside the Incomes Data Research (IDR) report on prison staff pay comparability commissioned in 2019 and the Office for National Statistics' Annual Survey of Hours and Earnings (ASHE) data. We sought to recommend a headline award that was affordable, offered value for money and would allow our remit group to see some real-terms pay growth.

ix. We therefore recommend a consolidated, pensionable increase of 2.5% for all staff. For Prison Auxiliary staff and Night Patrol staff, we recommend that their consolidated, pensionable salary is increased to the Government's National Living Wage or by 2.5%, whichever is the greater. These recommendations will deliver the same percentage increase to staff irrespective of whether they are on *Fair and Sustainable* or closed scales.

### ***Fair and Sustainable* Band 3**

x. In analysing the evidence available to us this year, we felt that it strongly supported targeting additional investment at the *Fair and Sustainable* Band 3 Prison Officer scale. Band 3 is the main operational recruitment grade into the Prison Service, which is facing a significant challenge in terms of retaining staff at this grade. HMPPS informed us in oral evidence this year that it needed capacity to recruit up to 4,000 new Prison Officers a year, at a cost of around £13,000 per recruit, to keep pace with current attrition rates and recruitment drives by the Border Force and Police. We calculate in our report that the cost of new Band 3 recruits leaving the Service after less than two years of service is around £30 million a year. This is not only an inefficient use of public money but suggests that the Service is overall not attracting or selecting candidates for the longer term, indicating that there could be more fundamental issues with the recruitment, training and induction processes.

xi. HMPPS introduced market supplements of £3,000 and £5,000 in early 2017 to aid recruitment and retention at 31 prisons that had been failing to recruit and retain sufficient numbers of staff. However, in its own review of the supplements carried out at the end of 2019, it found that, although they had been reasonably effective at slowing resignation rates between March 2017-18, those rates had started to rise again from March 2018. In the data we received from HMPPS showing the breakdown of leaving rates per establishment, eight out of the top ten sites with the highest turnover rates between April 2018 and March 2019 were not 'amber' or 'red' market supplement sites. This indicates that retention is a wider problem across the whole prison estate.

xii. We have expressed concern in recent years that the market supplements are having a ripple effect at other prisons. Our concern is highlighted in HMPPS's review of the market supplements in which it concludes that it plans to seek approval from Her Majesty's Treasury to continue paying the market supplements from March next year and potentially expand the sites that receive them. One such site is HMP Wayland (in rural Norfolk) which had a resignation rate of 20.5%. We have serious reservations that expanding the sites that receive the supplements

will introduce yet more tiers to an already complex and unequal pay system and may have unintended consequences for other prisons that are in close proximity.

xiii. Our own analysis of the IDR and ASHE data this year points to an insufficiently competitive level of pay for Band 3 Prison Officers. This analysis showed that, while the Band 3 pay range overlapped with many of the comparators in the IDR study, this was often an overlap at the lower end of the comparator range. In particular, the Band 3 maximum fell below median economy-wide earnings in all regions, showing the relative position of the pay range maximum has deteriorated in recent years. Overall Band 3 pay compared poorly against other occupations located in the same broad occupational group as Prison Officers. While we recognise that there are a number of factors that influence individuals' career decisions, we believe pay is a key contributor. The overwhelming conclusion we drew from these data is that there is a clear issue with the market position of Band 3 Prison Officer pay; a conclusion borne out by the trends in the workforce data, particularly retention rates.

xiv. We believe it is crucial that the Prison Service invests in its pay structure now, not only to bring down the cost of turnover among the cohort of newly recruited Prison Officers but to also attract recruits who will remain in the Prison Service and bring the benefits of experience to the effective running of prisons. Our recommendations represent the first significant step towards improving the relative position of staff pay at Band 3, but we note that further meaningful increases will likely be needed in future years to improve the relative pay position of all staff in our remit group.

xv. We therefore recommend that from 1 September 2020 the 'amber' market supplement is consolidated into pay, resulting in a £3,000 increase in pensionable pay for all staff on the *Fair and Sustainable* National Band 3 pay scale. This £3,000 increase should be paid to all operational staff in Band 3, including those working at 'red' market supplement sites. We further recommend that HMPPS continues to pay an amended non-consolidated 'red' site market supplement of £2,000 a year to those Band 3 Prison Officers at the 18 prisons that currently receive it. We will review this in the future in line with our longer-term aspirations for Band 3 Prison Officer pay.

xvi. By increasing pensionable pay for Band 3 Prison Officers by £3,000 we are making a substantial move to close the gap between the maxima of the two pay structures, whilst reducing anomalies in the pay system. Our calculations show that this will reduce the gap between the National Band 3 maximum and the closed grade Prison Officer maximum by almost two thirds. We believe that this award recognises and supports HMPPS's policy commitment to invest more in *Fair and Sustainable* and to reduce the risk of equal pay claims.

### **Pay progression and performance awards**

xvii. In our report last year we made it clear to HMPPS and staff in our remit group that, if we did not receive evidence to demonstrate that the performance management system was sufficiently robust, credible and fair, then we would be unlikely to continue to recommend performance-related pay progression or performance awards for any grades of staff going forward. HMPPS acknowledged this year that there were "issues" in performance management across the Prison Service and the system was "inadequate" in assessing women, Black, Asian and minority ethnic and disabled staff. However, it fell short of recognising this problem applied to all grades of staff. We received written evidence from HMPPS still proposing performance-related pay progression and performance awards for operational managers despite it providing us with no credible evidence to show that the system was working for these grades. In fact, the data continued to show a large discrepancy between the number of senior managers receiving 'Outstanding' performance markings compared to more junior staff.



xviii. We therefore recommend that all staff on *Fair and Sustainable* Bands 3 to 5, following uplift to the pay scales, should progress to the next pay point unless they are subject to formal poor performance measures. Last year we recommended that *Fair and Sustainable* Band 2 became a spot rate and consequently staff at this grade do not receive pay progression.

xix. Following the uplift to the pay ranges, we recommend that all staff on *Fair and Sustainable* Bands 7 to 11 should receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum. Those staff on formal poor performance procedures should not receive pay progression and are entitled to the general pay award uplift only.

xx. We further reserve the right not to recommend any performance-related pay progression or performance awards until we are confident that the performance management system is robust, credible and fair, and bias in the system has been appropriately addressed.

### **Allowances**

xxi. We are mindful that many of the allowances within our remit have not been reviewed by the PSPRB for a considerable number of years. We therefore wish to flag to all parties that we propose to undertake a rolling programme to review some of these allowances each year, depending on the weight of the evidence we receive.

xxii. For our 2021 report, we also ask the parties to send us evidence on notional rents, the National Tactical Response Group, and the workload of operational managers. Further detail on these requests can be found in Chapters 4 and 5 of our report.

### **Cost of our recommendations**

xxiii. We estimate that our recommendations will result in an increase of approximately 4.0%<sup>v</sup> (£48.2 million) to the total paybill for our remit group. This equates to 1.0% of HMPPS's £5 billion annual budget for operational expenditure<sup>vi</sup> as of 2018-19. As we have set out in previous reports, we do not consider that the cost of pay progression or contractual performance awards should be included when calculating the cost of the annual pay award.

### **Looking ahead**

xxiv. Looking ahead to the next pay round, we have asked the parties to address several issues in evidence for our 2021 report so that we may consider them more fully. These cover a range of data requests as well as evidence about recruitment and retention, motivation and morale, performance management and equality and diversity. We also note that a lot of the information requested in our 2019 report was not provided to us this year, particularly by HMPPS in its written evidence. We are an evidence-based body and this information is important to enable us to discharge our statutory duty. We take this responsibility seriously and will continue to challenge HMPPS and other stakeholders where necessary when this information is not provided.

xxv. We see our recommendations this year as a first significant step towards reaching our longer-term aspiration of setting a single rate or scale for our remit group grades that reflects the market rates of pay for similarly skilled workers. We intend to update and maintain our data, such as the IDR report comparators and ASHE data, to support our 2021 and future

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<sup>v</sup> This percentage takes account of both our recommended increase to pay scales and those elements of the paybill that are not subject to any increase. It also takes account of anticipated savings from the recommended changes to the market supplements.

<sup>vi</sup> HMPPS, (2019). *HMPPS Annual Reports and Accounts 2018-19*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2018-19> [accessed on 21 May 2020]. At the time of writing our report the Annual Reports and Accounts for 2019-20 had not been published.

reports. However, we repeat that substantial investment is likely to be needed over the next few years to improve relative pay for our remit group grades.

xxvi. We ask that HMPPS submits timely evidence to us for our 2021 report in order that we can deliver our report in time for a 1 April 2021 implementation date.

## **Conclusion**

xxvii. Whilst we recognise the financial pressures that HMPPS faces within its current budget, we feel there are strong value for money justifications for our recommendations. The evidence we received this year demonstrates uncompetitive pay levels and unsustainable recruitment and retention costs. It is imperative that the Service invests in pay to ensure that the *Fair and Sustainable* pay framework remains competitive and that it reduces the worsening retention rate and associated costs of this, particularly at Band 3. It is equally important to ease the burden on experienced officers, who are key to maintaining stability across the prison estate and to training and mentoring new recruits.

xxviii. We further consider that the Service can make immediate productivity savings through a reduction in Band 3 Prison Officer turnover costs by implementing our recommendations thereby, in part, offsetting the cost of a higher award this year.

Tim Flesher CB (*Chair*)

Mary Carter

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