

Police Remuneration Review Body

# Police Remuneration Review Body

Ninth Report England and Wales 2023

**Executive Summary** 

Chair: Zoë Billingham CBE

## 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.

<sup>&</sup>lt;sup>1</sup> 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

Zoë Billingham (Chair) CBE Andrew Bliss QPM Professor Monojit Chatterji Richard Childs QPM Kathryn Gray Mark Hoble JP Patrick McCartan CBE Trevor Reaney CBE

The secretariat is provided by the OME.

<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 of Practice. Available at: <u>https://www.gov.uk/government/uploads/system/uploads/</u> <u>attachment\_data/file/578090/Public\_Appointments\_Governance\_Code\_.pdf</u> [Accessed on 31 May 2023]

# Foreword

This is our Ninth Report to the Home Secretary. The Home Secretary's remit letter of 29 November 2022 asked us to make a formal recommendation on the police officer pay award for 2023/24 to all ranks including chief police officers. We welcome the Police Superintendents' Association back to the Police Remuneration Review Body process this year. We regret that the Police Federation of England and Wales did not participate, following its withdrawal in 2021, and we hope to hear from it next year.

In our 2022 Report, we highlighted the unusual volatility of the economic climate. We referred to sharp increases in household bills and energy prices being at unprecedented levels. We expressed our concern about the impact on police officers especially the lowest paid. However, developments since officers received their pay award in September 2022 have shown that last year was not as exceptional as we had hoped. As we finalise our 2023 Report, the Consumer Prices Index rate of inflation over the last year is at 8.7% and food inflation is at 19.3%. While inflation is forecast to be lower later this year, overall prices are not expected to fall. Therefore, the financial hardship experienced by many officers will continue, and this has an undoubted impact on officers' motivation and morale.

At the same time, the wider labour market remains competitive. We recognise that the successful completion of the Uplift Programme is a significant achievement but that beyond this the service will need to recruit at a level that will enable it to maintain these higher levels of police officer numbers.

But policing needs more than just additional capacity. The events of this year, and the publication of a number of reviews and inquiries into policing, have underlined the need for the service to be able to recruit and retain a workforce equipped with the attitudes and skills to meet the challenges of the 21st century. The Policing Vision 2030 commits the service to rebuilding trust and engagement with local communities, adapting the service to the changing nature of crime and developing a representative and inclusive workforce with a strong ethical and professional culture. Pay and reward are critical to facilitating such changes and efforts to develop a workforce modernisation plan should be expedited. A key element of that strategy must be a review of starting salaries. These are too low, especially given the increased starting pay in other parts of the public sector such as teaching.

In 2022, we recommended a pay award of  $\pounds$ 1,900 to all police officers, and among other things, we considered again this year the case for a targeted flat cash award, with greater relative benefit to the lowest paid. However, such awards inevitably reduce the differentials between ranks and are not sustainable over the long term.

In reaching a pay recommendation for 2023/24, we gave weight to the fact that police officers are prohibited from taking industrial action. Therefore, in addition to pay trends in the private sector, we considered the implications for policing of the shape of, and increase in, pay settlements that have been offered by the Government to parts of the public sector following strike action.

Those offers and settlements also suggest that funding arrangements can be flexible. We note that overall police funding has increased by 3.6% in cash terms for the financial year ending 2024, but observe that the evidence we received demonstrated that this has been funded by an increase in funding from the council tax precept of 7.1% while central government funding to police forces only increased by 1.8%.

We have also given weight in our considerations to developments in private sector pay. Annual growth in Average Weekly Earnings excluding bonuses was 7.0% in the private sector in the three months to March 2023, and median pay settlements ranged from 5.6% to 7% in the three months to April 2023.

Given these factors, and considering all our Terms of Reference, we conclude that a annual pay uplift of 7% for all officers up to and including the rank of assistant chief constable and commander reflects our obligation to deliver a fair and just pay award. In addition, we are recommending the abolition of pay point 0 of the constable scale to address the financial pressures on the most junior ranks and support ongoing recruitment. To recognise the growing responsibilities of the superintending rank, we are recommending an adjustment to pay point three of the chief superintendent pay scale to be implemented over two years. With regard to chief officers, we recommend that all those above the ranks of assistant chief constable and commander should receive at least 5%. Those officers in posts whose pay is being uplifted as part of changes to realign and simplify senior pay arrangements will receive an additional award, such that the overall uplift does not exceed 7%.

Zoë Billingham (Chair) Andrew Bliss Monojit Chatterji Richard Childs Kathryn Gray Mark Hoble Patrick McCartan Trevor Reaney

31 May 2023

# POLICE REMUNERATION REVIEW BODY

## England and Wales Ninth Report 2023

## **Executive Summary**

Our 2023/24 recommendations (from 1 September 2023)

- 1. A consolidated increase of 7% to all police officer pay points for all ranks up to and including assistant chief constable and commander.
- 2. The removal of pay point 0 of the constable pay scale.
- 3. Point 3 of the chief superintendent pay scale to be uplifted by £2,838 from 1 September 2023 and £2,837 from 1 September 2024. These uplifts are to be made before the application of the respective pay awards for these years.
- 4. London Weighting to be uprated by 7%.
- 5. Dog Handlers' Allowance to be uprated by 7%.
- 6. The introduction of a new pay structure for those appointed as a chief constable or deputy chief constable from 1 September 2023 comprising three pay points for chief constables, and with deputy chief constable pay set at 82.5% of equivalent chief constable pay. Any chief constable or deputy chief constable who resigns or retires from the police service, and is subsequently reappointed to the same post within the same force, is to be reappointed on no more than their previous salary<sup>4</sup>.
- 7. A consolidated increase of 5% to all existing chief constable and deputy chief constable pay points from 1 September 2023. To start the transition between the existing and new structures, where an existing pay point remains below the pay for the same post in the new pay structure, that pay point is to receive an additional consolidated award of up to 2%, such that the overall uplift does not exceed 7%.
- 8. Policing parties to bring forward proposals to improve the independence, transparency and consistency of determining and reporting on chief officer pay and allowances. We expect this to include proposals on how to place, in the public domain on an annual basis, a consistent set of data on the total pay and allowances received by each chief officer in each force.
- 9. A consolidated increase of 5% to the pay points of all chief officers in the Metropolitan Police Service and the City of London Police above the rank of commander.

<sup>&</sup>lt;sup>4</sup> The PRRB does not support the practice of chief constables resigning and being rehired at a higher salary. We understand from the National Police Chiefs' Council that options for using "retire and rehire" schemes for chief constables who wish to resign and be reappointed are limited by Regulations.

- 10. A consolidated increase of an additional 2% to the Metropolitan Police Service deputy assistant commissioner pay point in order to retain the link with deputy chief constable pay.
- 11. The Relocation Allowance for chief officers to be amended as proposed by the chief officer remuneration review. The impact of the scheme to be reviewed within three years of implementation.
- 12. Policing parties to bring forward next year additional proposals for a review of the existing power of Police and Crime Commissioners to increase and decrease base pay of chief constables by plus or minus 10% on appointment. As an interim measure, the Home Office to issue guidance to Police and Crime Commissioners advising them against exercising their power to vary starting salaries on appointment until the review is concluded.
- 13. The National Police Chiefs' Council to provide an interim report by 30 November 2023 on its progress to develop a long-term pay and reward strategy. This should include an update on the work on constable base pay and the back-to-first-principles review of the P-factor.
- 1. We received the Home Secretary's remit letter on 29 November 2022 asking us to make a formal recommendation on the police officer pay award for 2023/24 for all ranks including chief officers. The letter also asked us to:
  - consider proposals resulting from the review of chief officer remuneration; and
  - provide further commentary and observations on benchmarking and the P-factor, and whether the points raised in the last pay round have been addressed.
- 2. Policing is a challenging profession. Officers are daily required to deal with difficult, dangerous and complex issues often at a risk to their personal safety. But the nature of the challenge is changing. A number of recent reports including the Strategic Review of Policing by the Police Foundation have set out the long-term factors behind the deterioration in public confidence in policing and the challenge the service will face in rebuilding the trust of local communities.
- 3. Our report has been completed during a period of significant economic uncertainty. In Chapter 2 we consider Government pay policy, the performance of the wider economy and labour market, the policing workforce and environment, police recruitment, retention, motivation and morale. Economically, this has been a challenging year, and the chapter sets out changes to inflation since police officers received their pay award for 2022/23 on 1 September 2022. The Consumer Prices Index rate of inflation peaked at 11.1% in the year to October 2022, and was 8.7% in

the year to April 2023. The largest upward contributions to the annual rate of inflation in April 2023 came from energy prices and food. Mortgage rates for many have also increased sharply. As guided by HM Treasury, we look at average earnings and pay settlements; annual growth in Average Weekly Earnings was 7.0% in the private sector in the three months to March 2023, and median pay settlements ranged from 5.6% to 7.0% in the three months to April 2023.

- 4. Chapter 2 then sets out evidence from staff surveys and our visits which suggests morale is declining and, while not the sole cause, the perceived real-terms decline in pay over the last decade is a factor. The chapter also highlights both the success of the Uplift Programme in meeting its target, and the recruitment and retention challenges the service faces over the next few years. This includes the creation of a more diverse workforce that is representative of the communities it serves, which is an important factor in maintaining police legitimacy, and the management of the increased levels of inexperience in the service following the Uplift Programme.
- 5. In Chapter 4 we summarise the issues we took into account in making our recommendation for a basic pay award for the police officers in 2023/24 and for changes to police allowances. We focus first on the performance of the economy and the challenges posed by inflation which we highlight above. We reiterate the concerns we set out in our 2022 Report regarding the impact on the lowest paid police officers of the substantial increase in the cost of living and the ongoing economic volatility.
- 6. Police officers are prohibited from taking industrial action. We consider the implications for morale of the pay settlements that have been offered by the Government to parts of the public sector including the NHS, following strike action. We give weight to the need for the police service to continue to recruit at a level that will maintain police officer numbers at the new level following the Uplift Programme. At the same time, the service needs to ensure that those officers it is recruiting and retaining are those with the capabilities and attitudes to assist with the rebuilding of trust in their community and deal with the increasing complexity of demand driven by changing social attitudes and technology.
- 7. We explain that we balanced all these factors with affordability. We note the evidence we received from parties regarding the resources available for a pay award for 2023. However, we observe affordability is about choice and priorities. We draw attention to evidence that demonstrates a degree of flexibility in individual police force budgets and central government budgets. In particular, we highlight that additional funding has been found to support increased pay offers to nurses and teachers above 3.5%. We also point out that we were told that overall police funding has increased by 3.6% in cash terms for the financial year ending in 2024. But the evidence we received demonstrated that this has been funded by an increase in funding from the council tax precept of 7.1%. Government funding to police forces only increased by 1.8%.

- 8. We also point out that the recruitment of around 2,000 extra officers above Uplift Programme targets suggests that funding arrangements can be flexible. We observe that average public spending and other key sectors have had greater additional funding from Government than the increase given to the police service. We also highlight comments made by the Chancellor of the Exchequer in which he stated that while departments fund pay settlements from resources they receive in spending reviews "in exceptional circumstances there can be a discussion with the Treasury as to any additional help."
- 9. We reflect on the shape of recent pay awards in other parts of the public sector. We explain the reasoning behind our decision to recommend a universal percentage uplift to base pay to all officers in ranks up to and including assistant chief constable and commander rather than a universal cash award as we did in 2022.
- After taking the above factors into account including the economic 10. situation, pay trends in the private sector, developments in public sector pay, the prohibition on the police taking strike action, our analysis of recruitment, retention, motivation and morale, and balancing against affordability, we conclude that a pay uplift of 7% across all ranks up to and including assistant chief constable and commander is the most suitable approach. We appreciate that this is largest increase that we have ever recommended but in recognition of our obligation to deliver a fair and just pay award and because police officers do not have the right to strike we judge that it is justified. We set out that the 2023 pay award should be fully funded. To assist the lowest paid we also recommend an increase to starting salaries through the removal of the bottom pay point of the constable pay scale. That will raise starting salaries to £28,551 after the 2023 pay award has been applied. In addition, to reflect a significant expansion of the role of chief superintendents, we recommend an adjustment to pay point 3 of their pay scale to be implemented over two years.
- 11. In Chapter 3 we comment on various aspects of pay modernisation as requested by the Home Secretary. This includes detailed commentary on the introduction of the Pay Progression Standard, the use of benchmarking and the police service's work on the P-factor. We continue to urge policing parties to give priority to the development of a workforce modernisation plan that sets out how the police service will deliver its Policing Vision 2030. That vision contains a commitment to rebuild trust and engagement with local communities, adapt the service to the changing nature of crime and develop a representative and inclusive workforce with a strong ethical and professional culture. A pay and reward strategy could help facilitate the changes needed. We also call for a fundamental back to first principles review of the P-factor to ensure that it focuses on those elements of officers' work that are unique to policing and that there is clarity on how it will be used to set pay.

- 12. The Home Secretary's remit letter requested that we consider a particular set of pay reform proposals this year relating to chief officers. This is part of a series of pay reform measures we have considered over a number of years. In 2020, we recommended the removal of the first pay point in the sergeant scale. Last year, we supported the raising of the Police Constable Degree Apprentice minimum to pay point 0. This year we are recommending the removal of pay point 0 of the constable pay scale. In the 2024 pay round, we hope to consider the outcome of the National Police Chiefs' Council's (NPCC) review of constable base pay and starting salaries. In our view, that work should revisit the conclusions of the Winsor Review on the length of scales and progression.
- Our consideration of the proposals from the chief officer remuneration 13. review is set out in Chapter 5. In the interests of simplification we accept the proposal to reduce the number of pay groups for chief constables from 12 to 3. However, we ask that in designing the composition of the three new pay groups more weight is given to the degree of challenge facing forces from crime and terrorism. We also propose that the implementation of the reform should take place over at least three years. Our strong view is that in 2023/24 no chief constable or deputy chief constable should receive more than the 7% increase we are recommending for other ranks. Therefore, in 2023/24 we recommend that all chief constable and deputy chief constable pay points should receive a pay award of 5%. Those pay points that remain below the value for the same post in the new structure receive an additional award of up to 2%, such that their overall uplift does not exceed 7%, to begin the journey of transitioning towards the new structure. In support of these changes we are also recommending a review of Police and Crime Commissioners' powers to vary the starting salaries of chief constable on appointment by up to 10%.
- 14. In our Forward Look (Chapter 6) we set out the issues we will want to consider in future pay rounds. A key issue will be the development of a pay and reward strategy for the police service to support the delivery of the Policing Vision 2030 and the review of the P-factor. We have accepted the NPCC's offer to provide a mid-year update on this work which we are asking to be submitted to us by 30 November 2023. That review should also include an update on the work on constable base pay. We will continue to focus on recruitment and retention given the need to maintain police officer numbers at the new level following the Uplift Programme, to ensure the service has the capabilities it needs and to increase diversity.