



Prison Service
Pay Review Body

Prison Service Pay Review Body

Twenty Second Report on
England and Wales 2023

Chair: Tim Flesher CB



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2023

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**Presented to Parliament by the
Prime Minister and the Lord Chancellor and Secretary of State for Justice
by Command of His Majesty
July 2023**



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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
Luke Corkill
Judith Gillespie CBE
Raj Jethwa
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 POAⁱ 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.

ⁱ The professional trades union for prison, correctional and secure psychiatric workers.

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Glossary of Terms

ACH	Additional Committed Hours
ACHP	Pensionable Additional Committed Hours
ASHE	Annual Survey of Hours and Earnings
AWDL	Average Working Days Lost
Covid-19	Coronavirus
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs
EI	Employee Engagement Index
FTE	Full-time equivalent
GDP	Gross Domestic Product
HMIP	His Majesty's Inspectorate of Prisons
HMP	His Majesty's Prison
HMPPS	His Majesty's Prison and Probation Service (or the Prison Service)
HMPS	His Majesty's Prison Service
IDR	Incomes Data Research
ILO	International Labour Organization
LPA	Locality Pay Allowance
MoJ	Ministry of Justice
NHS	National Health Service
NLW	National Living Wage
OBR	Office for Budget Responsibility
OME	Office of Manpower Economics
ONS	Office for National Statistics
OSG	Operational Support Grade
PCS	Public and Commercial Services Union
PGA	Prison Governors' Association
POA	The professional trades union for prison, correctional and secure psychiatric workers
PSPRB	Prison Service Pay Review Body
RHA	Required Hours Addition/Allowance
RPD	Regional Probation Director
SPS	Scottish Prison Service
TOIL	Time off in lieu
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UWH	Unsocial Working Hours allowance
YCS	Youth Custody Service
YOI	Young Offender Institution

His Majesty’s Prison and Probation Service in England and Wales and our remit group

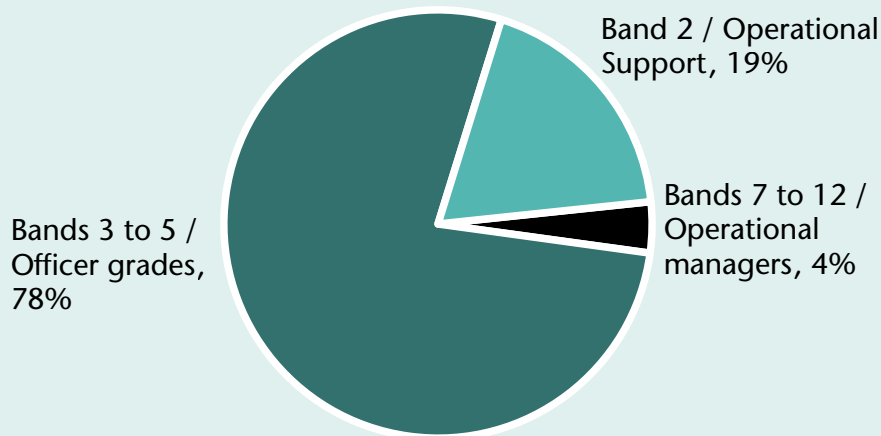
His Majesty’s Prison and Probation Service (HMPPS) is responsible for adult and young offender management services for England and Wales within the framework set by the Government. It is an Executive Agency of the Ministry of Justice. The agency currently manages His Majesty’s Prison Service and the Probation Service. In addition, it oversees privately run prisons and services such as the prisoner escort service and electronic tagging. 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.

At 30 December 2022, the prison population across the public and private sector was 82,176, a 3.9% increase from the previous year.ⁱⁱ

HMPPS’s paybill costs relating to the remit group were approximately £1.3 billion for the period 1 April 2021 to 31 March 2022 (including employer National Insurance and other pension costs).

At the end of December 2022 there were 27,872 full-time equivalent staff (FTE) in our remit, a 1% decrease from the previous year. The composition is below.

Our remit group (FTE staff) in England and Wales, at 31 December 2022ⁱⁱⁱ



Grade	FTE staff
Bands 7 to 11 / Operational managers	1,070
Bands 3 to 5 / Officer grades	21,632
Band 2 / Operational Support	5,169

ⁱⁱ GOV.uk, (2022). *Prison population figures: 2022, Population bulletin: weekly 30 December 2022*. (online) Available at: <https://www.gov.uk/government/publications/prison-population-figures-2022> [accessed on 22 May 2023].

ⁱⁱⁱ OME analysis of unpublished HMPPS data. Percentages may not sum to 100% due to rounding.

Prison Service Pay Review Body 2023 report on England and Wales

Executive Summary

This report sets out our recommendations on pay and allowances for operational prison staff. Our recommendations for 2023 are:

Recommendation 1: We recommend that from 1 April 2023 the *Fair and Sustainable* National Band 2 base pay spot rate be increased by £2,000. This award to be consolidated and pensionable.

Recommendation 2: We recommend that from 1 April 2023, the *Fair and Sustainable* National Bands 3 and 5 base pay points and Band 4 spot rate be increased by 7%, as set out in Appendix D. This award to be consolidated and pensionable.

Recommendation 3: We endorse the proposal from HMPPS and the PGA that from 1 April 2023, the *Fair and Sustainable* Band 7 becomes a spot rate at the maximum.

Recommendation 4: We recommend that from 1 April 2023, the *Fair and Sustainable* Bands 7 to 11 base pay minima and maxima, and spot rates be increased by 5%, as set out in Appendix D. This award to be consolidated and pensionable.

Recommendation 5: We recommend that from 1 April 2023, the *Fair and Sustainable* Band 12 spot rate be increased by 5%, as set out in Appendix D. This award to be consolidated and pensionable.

Recommendation 6: We recommend that from 1 April 2023, those closed grade staff who would not financially benefit from opting in to their equivalent *Fair and Sustainable* grade receive a non-consolidated, non-pensionable payment of £1,500.

Recommendation 7: From 1 April 2023, we recommend that HMPPS ensures that all closed grade pay rates at least match the National Living Wage.

Recommendation 8: We recommend that from 1 April 2023 all closed grade staff who choose to opt in this year are moved on to the maximum of their respective *Fair and Sustainable* grade pay scale, range or spot rate. The opt in process should be expedited to start as close as possible to the publication date of this report.

Recommendation 9: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 and 5 who are in post on 31 March 2023 progress by one pay point, effective from 1 April 2023.

Recommendation 10: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 8 to 11 who are in post on 31 March 2023 receive a consolidated and pensionable progression increase of 4%, capped at the 1 April 2023 band maximum.

Recommendation 11: We recommend that from 1 April 2023, the fixed cash pay differentials for the *Fair and Sustainable* Inner and Outer London zones be increased by 7% and continue to be applied consistently across all bands, positioning maxima at £4,616 and £3,035 respectively above the 37 hour National maxima. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases are to be consolidated and pensionable.

Recommendation 12: We recommend that from 1 April 2023, the *Fair and Sustainable* Band 12 spot rate has the consolidated and pensionable Inner and Outer London cash differentials applied in the same way as for Bands 2 to 11 to create Inner and Outer London Band 12 spot rates. These Inner and Outer London rates replace the £5,000 non-consolidated payment.

Recommendation 13: We recommended that from 1 April 2023, the Care and Maintenance of Dogs allowance be increased by 7% to £2,604 per annum to those with responsibility for a single dog. We further recommend that the rate for multiple dogs is set at 25% above the single dog allowance rate.

Introduction

i. Our recommendations form a coherent package, that should help to address many of the difficult issues the Service is facing, particularly on recruitment and retention and by removing the risks relating to the two-tier pay system. We had three main objectives when formulating our recommendations this year:

- to maintain the improvement in the competitiveness of Prison Service pay resulting from last year's award, recognising the serious issue of retention and the need to recruit significantly more prison officers, not only to replace the still high numbers of leavers but also to service the enlarging prison estate;
- to give all staff a pay award, or the opportunity of accessing a pay award, which broadly reflects developments in the rest of the economy; and
- to end the two-tier pay system between *Fair and Sustainable* and the closed grades after 10 years and move decisively to a single pay scale for the vast majority of staff, achieving one of His Majesty's Prison and Probation Service's (HMPPS) objectives.

ii. We are conscious that we are making our recommendations in an environment of heightened industrial action. Many other Pay Review Body remit groups are taking part in strike and other industrial action, in response to proposed pay settlements and the impact of

increases in the cost of living. We feel strongly that our remit group should not be disadvantaged compared to other public sector groups that have been able to use industrial action as a bargaining tool when negotiating their pay. The majority of our remit group do not have the right to take any form of industrial action and we are acutely aware that our compensatory mechanism role for our remit group is even more important this year and this brings an even greater emphasis this year on the ruling by the International Labour Organization (ILO) and the Government's stated commitment to it. We therefore ask that the Government carefully considers the recommendations we make this year, and the substantial evidence on which they are based.

Role of the Prison Service Pay Review Body

iii. The Prison Service Pay Review Body (PSPRB) was established in 2001 under statute 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 created as a compensatory mechanism for our remit group's loss of the right to take industrial action of any form. This was outlined in the 336th report (2005) by the ILO, in which the Government gave a clear and unequivocal commitment only to depart from our recommendations in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This is a pledge the Government has since reaffirmed and not rescinded. This therefore places a particular responsibility on the PSPRB, and it is one that we take very seriously when formulating our recommendations.

Our remit and approach this year

iv. In the Autumn Budget and Spending Review 2021, the Chancellor of the Exchequer confirmed that public sector workers would receive pay rises over the next three years, 2022-23 to 2024-25, because economic and labour market recovery would allow a return to a normal pay setting process. HM Treasury's economic evidence to all eight public sector Pay Review Bodies in January 2023 confirmed its approach has not changed. The Minister of State for Prisons, Parole and Probation, the Rt Hon Damian Hinds MP, wrote to our Chair on 16 November 2022 asking us to commence our work for the 2023-24 pay round. This letter did not restrict our remit and requested that we make recommendations pertaining to our whole remit group. The Minister's activation letter drew our attention to the economic context and requested that affordability be central when forming our recommendations.

v. We received written submissions from the POA, the Prison Governors' Association, the Public and Commercial Services Union and HMPPS and held oral evidence sessions with each of these parties. This year we were pleased to be able, once again, to undertake face-to-face prison visits, having been limited to virtual visits in the previous two years due to coronavirus (Covid-19) restrictions. This allowed us to hear first-hand feedback on: working in a closed environment during Covid-19 and the challenges of reopening prison regimes; reaction to our 2022 pay recommendations; recruitment and retention challenges; the cost of living and inflationary impacts on staff; and motivation and morale.

2023 pay award

vi. As highlighted above, we had three core objectives when forming our recommendations this year. We were also mindful of the difficult economic backdrop and recognised the impact of high inflation and the resulting increases in the cost of living on our remit group, particularly those on the lowest incomes. As ever, we are evidence-led when making our recommendations and we therefore focused on the workforce data, particularly trends in recruitment and retention, as well as the relative market position of operational Prison Service pay. We have also considered the wider economic context including data on average earnings growth and pay settlements across the whole economy that were available to us when we were making our decisions.

vii. In its written evidence, HMPPS proposed a consolidated cash award of £2,000 for staff on the *Fair and Sustainable* Band 2 spot rate. HMPPS's proposal represents an uplift of 10.3% on the 2022 National spot rate value and would ensure that the rate stays ahead of the National Living Wage (NLW). We welcome and endorse this proposal, which will help to improve the market position for these staff and, we hope, the significant retention issues at this grade. We note that HMPPS increased the Band 2 National base pay spot rate from 1 April 2023 in order to remain compliant with the NLW. Therefore, Band 2 staff will have already received part of their proposed pay increase.

viii. For this round, HMPPS proposed flat cash awards for Bands 3 to 5 equivalent to 4% of the respective National band maxima. It told us that this was consistent with its aim of targeting the lower paid, with those lower down the pay scales receiving a higher award in percentage terms. HMPPS considered it was too early to evaluate the impact of our 2022 recommendations on recruitment and retention and asked us not to make recommendations to consolidate some or all of the remaining market supplements. HMPPS considered that there should not be any further heavy investment in pay until the impact of those recommendations could be measured.

ix. We remain very concerned about recruitment and retention of Band 3 staff, and the increasing leaving rates at Bands 4 and 5. The data we have seen suggest that recruitment is still challenging despite a more positive outlook from HMPPS. Attrition rates remain too high and we have yet to see evidence of any sustained reduction. Staff morale remains low and HMPPS continues to make use of market supplements and high levels of Payment Plus and overtime. We are keen to build on the improvements in market position resulting from our recommendations in 2022. Therefore, and consistent with our three main objectives for this year, we recommend that the *Fair and Sustainable* National Bands 3 and 5 base pay points and the Band 4 spot rate are increased by 7%.

x. We were told by HMPPS that this year, its proposals for Bands 7 to 11 were submitted with controlling paybill growth in mind. Therefore, there were no, or very limited, increases proposed to the maxima of these bands, instead proposing a number of non-consolidated payments for those at the maxima. It stated that after the proposed investment in increased pay for Bands 2 to 5, there would be limited funds available for Bands 7 to 11 within the budget it had chosen to allocate for pay. Whilst we consider it important that all staff should receive, or have the opportunity to receive, a significant pay award this year, we recognise that the recruitment and retention issues for Bands 7 to 11 are not as severe as for those in Bands 2 to 5, although we have noted that these have started to increase albeit from a lower

baseline. Therefore, we recommend a consolidated pay award of 5% for staff in *Fair and Sustainable* Bands 7 to 11. We believe this is broadly commensurate with HMPPS's strategy of targeting the lower paid and with the level of pay settlements in the wider labour market.

xi. This year, HMPPS proposed that the Band 12 spot rate be increased by £1,750 (consolidated and pensionable) an increase of around 1.6%. It said that this would maintain the consolidated pay lead that Band 12 has over Band 11 and was reflective of the synergies this group has with the wider Civil Service. After considering the available evidence and in line with our recommendation for the other operational manager grades, we recommend a consolidated and pensionable increase of 5% to the spot rate for Band 12.

xii. We considered the pay award for the closed grades in great depth. Our primary objective this year was to target higher awards to Bands 2 to 5 for recruitment and retention purposes and to improve, or at least maintain, their market positioning. This has the secondary effect of closing the pay gap between those on *Fair and Sustainable* and those on closed grade terms, making it more attractive for closed grades to opt in. This is one of our long-standing aims, shared by HMPPS. Our recommendation would also make opting in to *Fair and Sustainable* more attractive than under HMPPS's proposals. Therefore, after much deliberation informed by the evidence, we have decided not to make any pay recommendations this year on pay for closed grade staff who would benefit financially from opting in to *Fair and Sustainable*. We consider that this approach, whilst the result of a difficult decision, offers the majority of closed grade staff a clear financial incentive to opt in to *Fair and Sustainable* via the opportunity to access a consolidated increase in pay.

xiii. There are some closed grade staff in our remit who cannot financially benefit from opting in to *Fair and Sustainable*. HMPPS proposed a £500 one-off non-consolidated payment for such staff. We do not consider this to be adequate and have recommended a non-consolidated payment of £1,500 for these staff. This also has the effect of targeting the lower paid grades in this population. Given that more staff will benefit financially from opting in under our recommendations when compared with HMPPS's proposals, we believe that in view of the prevailing economic situation, a higher payment than that proposed by HMPPS is warranted for those who would not benefit from opting in.

Pay band restructuring

xiv. This year HMPPS presented proposals to us on restructuring the pay ranges for Bands 7 to 11 by making Band 7 a spot rate and shortening Bands 8 to 11. As we note in Chapter 4, we have reluctantly endorsed the spot rate for Band 7 as we are wary about unpicking proposals which both HMPPS and the unions support. However, we do not endorse the restructuring of Bands 8 to 11. We do not agree that the case has been made that these should be restructured in the way proposed, nor are we convinced that it takes as little as two or three years for senior operational manager grades to become fully competent in what can be very complex roles.

Opting in to *Fair and Sustainable*

xv. This year, we have recommended that *Fair and Sustainable* grades receive a significant award for the reasons stated above. The award also has the effect of largely closing the final remaining gap between the two pay structures. This should allow the majority of closed

grade Prison Officers to benefit financially from opting in to *Fair and Sustainable*. This is an important aim that we have shared with HMPPS for some years now. As an additional encouragement for the closed grades to opt in to *Fair and Sustainable* and thereby access higher pay, we recommend that HMPPS move all closed grade staff who choose to opt in this financial year onto the maximum of their respective *Fair and Sustainable* band. Additionally, we ask HMPPS to expedite, and extend, its 2023-24 opt in window to ensure staff are able to opt in as close to the publication date of our report as possible.

Performance management and pay progression

xvi. Last year, HMPPS introduced a new performance management system which ended the link between end of year markings and progression through the scales and ranges. We considered that the previous performance management system was not fit for purpose, however, we have yet to be convinced that the new system is an appropriate method to reward good or better performance within an operational environment such as the Prison Service.

xvii. We make recommendations on progression for staff in *Fair and Sustainable* Bands 3 and 5 as they do not have contractual pay progression. We do not make recommendations on Bands 2 and 4 as these are spot rates. This year, HMPPS proposed one pay point progression for staff in Bands 3 and 5 who are not subject to formal poor performance procedures. This is consistent with the approach taken in previous years and we therefore have endorsed this proposal.

xviii. This year we have made no recommendations on the length of pay ranges for Bands 8 to 11, as discussed above. It remains our view, and with very limited evidence provided to dissuade us, that operational managers should be able to progress through the pay ranges from minima to maxima within five to six years. We consider that there is no evidence to justify a change from what we have recommended previously. We therefore recommend 4% progression for staff in *Fair and Sustainable* Bands 8 to 11.

Locality pay

xix. In our 2022 report, we asked the parties to provide evidence to us for this report on the Inner and Outer London pay differentials in *Fair and Sustainable*. Unfortunately, we received very limited evidence for this report. We therefore considered that the HMPPS proposal to freeze London pay was not appropriate. We concluded that the Inner and Outer London cash differentials should be increased by the headline award as in previous years. However, we are mindful that we have made a number of different 'headline' awards. Therefore, we decided to recommend that the differentials should increase by the Bands 3 to 5 (the most populous broad grade group) headline award of 7%. We have also proposed that Band 12 staff are brought onto the consolidated and pensionable *Fair and Sustainable* Inner and Outer London differentials. This will remove further anomalies within the pay system and resolve the issue of London Band 12 staff earning less in pensionable pay than the Band 11 Governors they manage.

Allowances

xx. This year we continue with our rolling review of allowances and payments, by looking at Payment Plus and Operational Support Grade (OSG) overtime. The POA proposed increases to both Payment Plus and OSG overtime rates, while HMPPS proposed that both should remain at current levels. As we have noted, one of our main objectives this year has been to focus on the headline pay awards and therefore we have made no recommendations on Payment Plus and OSG overtime. However, we have asked the parties to provide evidence to us on both allowances for our 2024 report.

xxi. We have made one recommendation on the Care and Maintenance of Dogs allowance, which we have increased by the Bands 3 to 5 headline award of 7%. This is in keeping with our commitment in our 2022 report to increase this allowance by the headline award. We make no recommendation on any other allowances or payments. As part of our rolling review of allowances we will be considering Dirty Protest and Tornado payments as part of our 2024 report.

Cost of our recommendations

xxii. We estimate that our recommendations will result in an increase of approximately 5.6% (£79 million) to the total paybill for our remit group, excluding pay progression.^{iv} This equates to around 1% of HMPPS's £5.8 billion annual budget for operating expenditure as of 2021-22. Additionally, we estimate that the £1,500 non-consolidated payment for closed grade staff ineligible to opt in will cost around £0.4 million.^v In line with HMPPS's proposals this year, we have not estimated the cost of closed grade staff opting in to *Fair and Sustainable*. There may also be additional staff on other pay/allowance arrangements who would not financially benefit from opting in. As we have set out in previous reports, we do not include the cost of pay progression or contractual performance awards when calculating the cost of the annual pay award.

xxiii. We consider that our recommendations this year offer value for money and will deliver long-term productivity savings to the Prison Service through increased retention and lower recruitment and training costs that will offset some of the cost of this award.

Looking ahead

xxiv. Looking ahead to the next pay round, we have asked the parties to address several issues in evidence for our 2024 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, equality and diversity, market supplements and allowances. There are still a number of issues that we feel need addressing and we look forward to receiving evidence on these for our 2024 report.

^{iv} Our estimate takes account of both our recommended increase to pay scales, restructuring and those elements of the paybill that are not subject to any increase. In line with that of HMPPS, Our estimate does not include the cost of staff opting in to *Fair and Sustainable*, as we cannot be sure how many staff will be eligible for, and decide to opt in. We note that HMPPS's evidence did not estimate this cost under its proposals.

^v This covers the 234 full-time equivalent staff who would not, due to their LPA allowances, financially benefit from opting in under HMPPS's proposals. Staff numbers may change given our recommendations differ to HMPPS's proposals.

Conclusion

xxv. Building on our recommendations from last year, we have targeted additional investment where we believe it is most needed – at the lowest paid operational grades where long-standing recruitment and retention problems persist. Our package of recommendations will achieve the three objectives we set ourselves: maintaining the improvement in the competitiveness of Prison Service pay resulting from last year's award to help with recruitment and retention; giving all staff a pay award, or the opportunity of accessing a pay award, which broadly reflects developments in the rest of the economy; and largely ending the two-tier pay system between *Fair and Sustainable* and the closed grades.

xxvi. We recognise the financial constraints that HMPPS needs to operate within and that our recommendations will cost more than HMPPS budgeted for in its proposals. However, we believe our coherent package of recommendations will help to address many of the difficult issues the Service is facing and has faced, particularly on recruitment and retention at Bands 2 and 3. Improvements will in turn reduce some significant recruitment and training costs and largely remove the risks associated with operating a two-tier pay system.

Tim Flesher CB (Chair)
Mary Carter
Luke Corkill
Judith Gillespie CBE
Raj Jethwa
Leslie Manasseh MBE
Paul West QPM DL

Chapter 1: Introduction

Our role

1.1 The Prison Service Pay Review Body (PSPRB) was established in 2001 under statute¹ 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.

1.2 The PSPRB was created as a compensatory mechanism for our remit group's loss of the right to take industrial action of any form. This was outlined in the 336th report² (2005) by the International Labour Organization (ILO), in which the Government gave a clear and unequivocal commitment only to depart from our recommendations in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This is a pledge the Government has since reaffirmed and not rescinded. This therefore places a particular responsibility on the PSPRB, and it is one that we take very seriously when formulating our recommendations. The Minister of State for Prisons, Parole and Probation noted in oral evidence this year the importance of our remit group and the PSPRB being a compensatory mechanism for our remit group. Given this context, if the Government rejects any of our recommendations, the remit group should receive a full explanation of the "exceptional circumstances" that have led to that decision.

1.3 We are conscious this year that we are making our recommendations in an environment of heightened industrial action. Many other Pay Review Body remit groups are taking part in strike and other industrial action, in response to proposed pay settlements and the impact of increases in the cost of living. We feel strongly that our remit group should not be disadvantaged compared to other public sector groups that have been able to use industrial action as a bargaining tool when negotiating their pay. The majority of our remit group do not have the right to take any form of industrial action, we are acutely aware that our compensatory mechanism role for our remit group is even more important this year and this brings an even greater emphasis this year on the ruling by the ILO and the Government's commitment to it. We therefore ask that the Government carefully considers the recommendations we make this year, and the substantial evidence on which they are based.

1.4 We have standing terms of reference. They emphasise that we should provide independent advice based on the relevant evidence available to us. There are several elements in our terms of reference that we are required to take account of when making our recommendations to Government. These are:

- Recruitment and retention factors. For example, whether the Prison Service can recruit and retain the numbers of suitably able staff that it requires;
- Remit group morale;

¹ The Prison Service (Pay Review Body) Regulations 2001 (SI 2001 No. 1161). (online) Available at: http://www.legislation.gov.uk/uksi/2001/1161/pdfs/uksi_20011161_en.pdf [accessed on 22 May 2023]. The PSPRB covers England and Wales, and Northern Ireland; the Scottish Prison Service is outside our remit.

² The International Labour Organization, (2005). *336th Report of the Committee on Freedom of Association*. (online) Available at: [https://www.ilo.org/public/libdoc/ilo/P/09604/09604\(2005-88-series-B\).pdf](https://www.ilo.org/public/libdoc/ilo/P/09604/09604(2005-88-series-B).pdf) [accessed on 22 May 2023].

- Labour market issues, including regional and local data, and their effects on recruitment and retention;
- The legal obligations placed on the Prison Service;
- Affordability of our proposals and the funds available to the Prison Service;
- The Government's inflation target;
- The competitiveness of the Prison Service with the private sector, taking account of any differences in terms and conditions and taking account of the broad employment package; and
- The economic and other evidence submitted by the Government, trade unions, staff, professional associations and others.

Outcome of our last report

1.5 In our 2022 report for England and Wales, we made recommendations relating to our entire remit group, that is, those on *Fair and Sustainable* and closed grade pay structures. We recommended a headline consolidated award for all staff in both pay structures of at least 4% from 1 April 2022. We also made a targeted consolidated award to all pay points for *Fair and Sustainable* Band 3 Prison Officers of £2,500 from 1 September 2022, totalling £3,000 when unsocial hours elements were included. This replaced £3,000 of market supplements being paid at almost a third of prisons. We also recommended a £1,500 consolidated award to *Fair and Sustainable* Band 2 Operational Support Grades, amongst the lowest paid in our remit group, this award fully eroded market supplement for those staff. In addition, we made recommendations relating to: reducing the pay points in Bands 3, 4 and 5; increasing the Unsocial Working Hours allowance and Required Hours Addition in *Fair and Sustainable* from 17% to 20%; pay progression for staff in *Fair and Sustainable*; and uprating the Care and Maintenance of Dogs allowance rates.

1.6 The Government accepted all but one of our recommendations by Written Ministerial Statement³ in Parliament on 19 July 2022. The Government rejected Recommendation 4 – for *Fair and Sustainable* Band 12 staff – by reducing our recommended headline award for those staff from 5% to 3%. The Secretary of State for Justice, the Rt Hon Dominic Raab MP, stated that this would be consistent with the approach taken by the Government for other senior roles across the public sector. We wrote to the Secretary of State to outline our disappointment at this decision and to note this was the fourth time one of our recommendations had been rejected. We reminded him of the Government's commitment only to depart from our recommendations in exceptional circumstances and that Band 12 was now in our remit and that our recommendations should not be overridden by those of another Pay Review Body.

1.7 Our recommendations were implemented in autumn 2022 and backdated to 1 April 2022, save in respect of Recommendation 5, which was backdated to 1 September 2022.

³ UK Parliament, (2022). *Prison update. Statement made on 19 July 2022*. (online) Available at: <https://questions-statements.parliament.uk/written-statements/detail/2022-07-19/HCWS232> [accessed on 22 May 2023].

Our remit this year

1.8 In the Autumn Budget and Spending Review 2021,⁴ the Chancellor of the Exchequer confirmed that public sector workers would receive pay rises over the next three years, 2022-23 to 2024-25, because economic and labour market recovery would allow a return to a normal pay setting process. HM Treasury's economic evidence⁵ to all eight public sector Pay Review Bodies in January 2023 confirmed its approach has not changed.

1.9 The Minister of State for Prisons, Parole and Probation, the Rt Hon Damian Hinds MP, wrote to our Chair on 16 November 2022 asking us to commence our work for the 2023-24 pay round. The letter (see Appendix A) did not restrict our remit and requested that we make recommendations pertaining to our whole remit group. The Minister's activation letter drew our attention to the economic context and requested that affordability was central when forming our recommendations. Our response (see Appendix B) confirmed our timetable for submitting this report.

Our timetable

1.10 Our timetable in recent years has been a source of great frustration to us and to our remit group, due to delays in receiving both the activation letter and the Government's written evidence. Since 2016 this has resulted in staff receiving their pay award well after the 1 April implementation date. We continue to consider this as unacceptable. We were therefore disappointed that the Government missed its own target of the end of December 2022 for submitting its written evidence for this pay round. The Government evidence was received eight weeks later than agreed with our secretariat. We would much prefer to be in a position where we can report in February for a March publication, enabling staff to be paid as close to the April implementation date as possible.

Our evidence base

1.11 We again invited all the parties representing staff in our remit group to submit evidence and we received written evidence from all the parties. We also heard representations in oral evidence from:

- The Minister of State for Prisons, Parole and Probation, Rt Hon Damian Hinds MP, and His Majesty's Prison and Probation Service (HMPPS) officials led by its Director General Operations, Phil Copple.
- The POA, represented by Mark Fairhurst, National Chair, Steve Gillan, General Secretary, Dave Todd, Vice National Chair, and Joe Simpson, Deputy General Secretary.
- The Prison Governors' Association (PGA), led by Andrea Albutt, PGA President, Mitch Albutt and Carl Davies, PGA National Officers.

⁴ HM Treasury, (2021). *Autumn Budget and Spending Review 2021 (HTML)*. (online) Available at: <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents/autumn-budget-and-spending-review-2021-html> [accessed on 22 May 2023].

⁵ HM Treasury, (2022). *Economic Evidence to the Pay Review Bodies: January 2023*. (online) Available at: <https://www.gov.uk/government/publications/economic-evidence-to-the-pay-review-bodies-january-2023> [accessed on 22 May 2023].

- The Public and Commercial Services (PCS) union, represented by Susan Webb and Nigel Wharrier, PCS HMPPS Joint Branch Vice Chairs and Sheila Pevely, PCS Full-Time Officer.

1.12 We base our recommendations in this report on evidence from a range of sources. These include:

- Written and oral evidence from the parties (as above);
- Economic data from a number of sources, including the Office for National Statistics and the Office for Budget Responsibility;
- Statistical data provided by HMPPS on the composition of our remit group and its pay, which we shared with all the parties, along with publicly available data published on its website;
- The Incomes Data Research 2019 report on prison staff pay comparability, with pay data updated each year by our secretariat;
- The 2022 Civil Service People Survey results for HMPPS as a whole and separately for the Prison Service;
- Information gathered during our 2022 prison visits (see below); and
- His Majesty’s Inspectorate of Prisons (HMIP) inspection reports and the HMIP 2021-22 annual report.

Visits

1.13 This year we were pleased to be able, once again, to undertake face-to-face prison visits, having been limited to virtual visits in the previous two years due to coronavirus (Covid-19) restrictions. In August to October 2022, we visited ten public sector prisons, one private sector prison and the HMPPS training college at Newbold Revel. This year, it was positive to have generally full discussion groups with more staff in attendance than in the years just prior to Covid-19. This allowed us to hear first-hand feedback on: working in a closed environment during Covid-19 and the challenges of reopening prison regimes; reaction to our 2022 pay recommendations; recruitment and retention challenges (at all grades but particularly at Bands 2 and 3); the cost of living and inflationary impacts on staff; and motivation and morale. We also held three virtual discussion groups for Band 12 staff, due to them being a small group of staff geographically spread across England and Wales. A summary of the main points from our discussion groups with staff can be found in Chapter 2.

1.14 Visits remain an important and integral part of our process, enabling us to engage directly with our remit group to gain valuable insights into their experiences of working in prisons, and to understand their concerns, to collect evidence and to test the written and oral evidence provided by the parties. We are grateful to those staff who took the time and volunteered to speak with us and to those at the sites we visited who made the practical arrangements.

Our 2023 report

1.15 This report follows our usual format. Chapter 2 sets out the economic, financial and environmental context in which we make our recommendations and summarises the evidence we received. Chapter 3 sets out detailed information on our remit group, including data on its composition, and reports on issues covered by our terms of reference. Chapter 4 sets out our analysis of the evidence together with our recommendations for 2023. Finally, in Chapter 5, we comment on areas that we consider the parties should give further attention to ahead of our 2024 report.

Chapter 2: Context and the parties' proposals

Introduction

2.1 This chapter gives the context for our recommendations. It sets out information on the economic situation and describes the financial and environmental context in which His Majesty's Prison and Probation Service (HMPPS) made its proposals and how these informed our recommendations. The chapter concludes with a summary of the main points that arose during our prison visits, which were held between August and October 2022, and the parties' proposals this year.

Economic context

2.2 Our recommendations are reached in light of the economic evidence from a range of sources, using the latest data available. While life has gradually returned to normal since the start of the coronavirus (Covid-19) pandemic over three years ago, there have been some lasting impacts across the economy, which have been further compounded by the ongoing war in Ukraine. Inflation has remained very high, although is forecast to fall during this year. In its March 2023 Economic and Fiscal Outlook, the Office for Budget Responsibility (OBR) reported that real household disposable income is expected to fall by 5.7% over the financial years 2022-23 and 2023-24.⁶ This, driven by increases in inflation, would be the largest two-year fall since records began in 1956-57.

Economic activity

2.3 UK Monthly Gross Domestic Product (GDP) is estimated to have fallen by 0.3% in March 2023, after showing no growth in February 2023. In March 2023, GDP was estimated to be 0.1% above its pre-Covid-19 level in February 2020.⁷ According to the OBR, GDP is expected to contract by 0.4% in Q1 2023, 0.6% below its peak in Q2 2022. GDP growth is expected to be flat in Q2 2023, with growth returning in the second half of 2023.

Inflation

2.4 The Consumer Prices Index (CPI), rose by 10.1% in the 12 months to March 2023, down from 10.4% in February. While this was lower than the peak of 11.1% in October 2022, it remained at historically high levels. The CPI including owner occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023, down from 9.2% in February.⁸ In its March forecast, the OBR expected CPI inflation to fall sharply to 2.9% by the fourth quarter of 2023, as the rapid price increases in 2022 dropped out of the calculation of annual inflation, gas and electricity prices fell, and there was some further easing of supply

⁶ This is on a per-person basis. OBR, (2023). *Economic and fiscal outlook – March 2023*. (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2023/> [accessed on 22 May 2023].

⁷ ONS, (2023). *GDP monthly estimate, UK: March 2023* (online) Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/march2023> [accessed on 22 May 2023].

⁸ ONS, (2023). *Consumer price inflation, UK: March 2023* (online) Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2023> [accessed on 22 May 2023].

bottlenecks, which flowed through to the price of tradable goods. On a calendar year basis, the OBR expected CPI inflation to be 6.1% in 2023 and 0.9% in 2024.⁹

Employment and earnings

2.5 The labour market remains tight. The UK unemployment rate was estimated at 3.8% in December 2022 to February 2023, 0.1 percentage points lower than the previous year and 0.2 percentage points below pre-pandemic levels (December 2019 to February 2020).¹⁰ The OBR expects the unemployment rate to rise to a peak of 4.4% in 2024.¹¹

2.6 The UK employment rate was on an upward trend from 2012 but decreased from the start of the Covid-19 pandemic. The rate increased from the end of 2020 and was estimated at 75.8% in December 2022 to February 2023, 0.3 percentage points higher than a year earlier. It was 0.8 percentage points lower than before the Covid-19 pandemic (December 2019 to February 2020).¹²

2.7 The economic inactivity rate had been on a downward trend since the 2010s but increased during the Covid-19 pandemic. The rate was estimated at 21.1% in December 2022 to February 2023, 0.3 percentage points lower than a year earlier and 0.9 percentage points higher than before the Covid-19 pandemic (December 2019 to February 2020). The decrease in economic inactivity over the year was driven by those aged 16 to 24 years. The overall increase in economic inactivity since the start of the pandemic was mainly due to an increase in the number of people who were long-term sick.¹³

2.8 When comparing January to March 2023 with the same period in 2022, the number of job vacancies fell by 188,000 over the year, to 1.11 million. However, overall vacancies remained 304,000 above their pre-Covid-19 levels (January to March 2020). The Office for National Statistics (ONS) said that the fall in the number of vacancies reflected uncertainty across industries, with economic pressures a factor in holding back on recruitment.¹⁴

2.9 The ONS restarted collecting and publishing data on labour disputes, having suspended this series during the pandemic. The recent data show a sharp pick-up in industrial disputes, with a peak of 826,000 working days lost in December 2022, the highest

⁹ OBR, (2023). *Economic and fiscal outlook – March 2023*. (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2023/> [accessed on 22 May 2023].

¹⁰ ONS, (2023). *Employment in the UK: April 2023*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2023> [accessed on 22 May 2023].

¹¹ OBR, (2023). *Economic and fiscal outlook – March 2023*. (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2023/> [accessed on 22 May 2023].

¹² ONS, (2023). *Employment in the UK: April 2023*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2023> [accessed on 22 May 2023].

¹³ Ibid.

¹⁴ ONS, (2023). *Vacancies and jobs in the UK: April 2023*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/april2023> [accessed on 22 May 2023].

number since 2011. In February 2023, 348,000 working days were lost; most of these were in the public sector, specifically in education.¹⁵

2.10 According to the Average Weekly Earnings series, annual growth in average total pay (including bonuses) was 5.9% for the whole economy in December 2022 to February 2023 (see Table 1). Annual growth in regular pay (excluding bonuses) for the whole economy was at 6.6%. Growth in public sector earnings was below that for the private sector and the whole economy. Annual average total pay growth for the private sector was 6.1% in December 2022 to February 2023, and 5.3% for the public sector. Annual average regular pay growth for the private sector was 6.9% in December 2022 to February 2023, and 5.3% for the public sector.

2.11 In real terms (adjusted for inflation), in December 2022 to February 2023, total pay fell by 3.0% over the year and regular pay fell by 2.3%. The fall in real-terms regular pay is amongst the largest since comparable records began in 2001.¹⁶

Table 1: Average Weekly Earnings annual growth rates, seasonally adjusted, December 2022 to February 2023.¹⁷

Average Weekly Earnings	Whole Economy (%)	Private Sector (%)	Public Sector (%)
Total pay (including bonuses)	5.9	6.1	5.3
Regular pay (excluding bonuses)	6.6	6.9	5.3
Real total pay (including bonuses)	-3.0	–	–
Real regular pay (excluding bonuses)	-2.3	–	–

2.12 In its March 2023 forecast, the OBR projected whole-economy nominal¹⁸ earnings growth of 5.0% in 2023, and 1.8% in 2024. Despite strong nominal earnings growth, high inflation means real earnings growth will be broadly flat in 2023, before being forecast to rise to 0.7% in 2024.¹⁹

2.13 According to XpertHR, which collates data on pay settlements in the public and private sectors, the median increase in basic pay by number of pay reviews, for the 12 months to the end of March 2023, was 4.9%. In the three months to the end of March 2023, the median increase was 6.0%.²⁰

¹⁵ ONS, (2023). *LABD: Labour disputes in the UK*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacedisputesandworkingconditions/datasets/labdlabourdisputesintheuk> [accessed on 22 May 2023].

¹⁶ ONS, (2023). *Average weekly earnings in Great Britain: April 2023*. (online) Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/april2023> [accessed on 22 May 2023].

¹⁷ Ibid.

¹⁸ Not adjusted for inflation.

¹⁹ OBR, (2023). *Economic and fiscal outlook – March 2023*. (online) Available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2023/> [accessed on 22 May 2023].

²⁰ OME analysis of XpertHR data. Available to XpertHR subscribers.

2.14 In the 12 months to the end of March 2023, a quarter of pay awards were below 3.0% and a further quarter in excess of 6.5%. In the 12 months to the end of March 2023, the private sector recorded a median increase in basic pay of 5.0%, higher than the public sector at 4.0%. According to XpertHR, private sector employers are predicting a median pay rise of around 5% in the year to December 2023.²¹

National Living Wage

2.15 The National Living Wage (NLW) (for those aged 23 and over) increased from £9.50 to £10.42 an hour from 1 April 2023, an increase of 9.7%.²² The uplift forms part of the Government's target for the NLW to reach two-thirds of median earnings by 2024 for workers aged over 21 years, as long as economic conditions permit. HMPPS informed us that a number of its support grades would need to have their base pay increased from 1 April 2023 to ensure compliance with the NLW.

Financial context

2.16 In the Autumn Statement of November 2022, the Chancellor announced three priorities within the Government's plan to ensure national debt falls as a proportion of the economy over the medium term: stability; growth; and public services. In order to meet these priorities, the Autumn Statement launched a government-wide 'Efficiency and Savings Review' in which individual departments were asked to identify savings to manage pressures from higher inflation. This, together with the state of the economy, has resulted in a very difficult financial context for the Ministry of Justice (MoJ).

Affordability

2.17 Affordability was one of the key issues presented in the written evidence provided to us by HMPPS. It told us that HMPPS and the MoJ had to find a way to fund inflationary pressures alongside the pay settlement we recommended for 2022-23, which was above what had been budgeted for. The Department told us it had to take on significant additional pressure and make further difficult efficiency and reprioritisation decisions from other workstreams in order to meet the cost of our 2022-23 recommendations.

2.18 The written evidence said that this year's recommendations should recognise the substantial investment made in pay in 2022-23. HMPPS stated that it did not yet have sufficient data to evaluate fully the impact of last year's award on recruitment and retention. Therefore, it considered that there should not be any further heavy investment in pay until the impact of the 2022-23 award can be measured. HMPPS reported that pay was only one of a number of factors causing staff to leave and that another round of high investment in pay would not be affordable or sustainable, especially given inflationary pressures across the department's budgets. The evidence suggested that HMPPS and the MoJ would not be in a financial position to exceed the proposals it had submitted, without reprioritising funding.

²¹ OME analysis of XpertHR data. Available to XpertHR subscribers.

²² GOV.uk, (2023). *National Minimum Wage and National Living Wage rates*. (online) Available at: <https://www.gov.uk/national-minimum-wage-rates> [accessed on 22 May 2023].

HMPPS costed its proposals for 2023-24 for our remit group at approximately £53 million (excluding progression).²³

Pay and Workforce Strategy

2.19 In its written evidence last year, HMPPS stated that it needed to make and respond to changes in working cultures and environment as a result of the pandemic and technological advances. One of its key priorities and of interest to us was its proposed development of a workforce and reward strategy. It said its workforce and reward strategy plans would see a high-performance workforce, emphasising engagement and wellbeing, underpinned by reward incentives. This included more flexible contracts and career opportunities across the Service.

2.20 We welcomed this direction of travel and were keen to see the action plan and agreed monitoring targets in the evidence provided for this report. Unfortunately, the HMPPS submission this year contained no substantial evidence in this area. We therefore expect to see evidence on HMPPS's workforce and reward strategy and its plan and targets for achievement ahead of our 2024 report.

Environmental context

2.21 In our previous reports we have noted the challenges that the Service and our remit group faced during Covid-19. We heard on our visits that the effects were still being felt on the physical and mental health of staff. As we write our report, we are conscious that the Service is still seeking to understand what its new 'business as usual' looks like. Additionally, as for the wider economy, it is facing the challenge of high inflation, particularly around energy and food costs. The Service also faces an increase in the projected prison population, with a large increase in the number of prison places required. This is further coupled with some significant challenges around recruiting and retaining staff, most notably at the Band 2 and 3 grades, which we return to in Chapter 3. It is clear that the Prison Service and its staff face another very challenging year ahead.

One HMPPS Programme

2.22 The One HMPPS programme has been implemented to achieve a renewed focus on operational delivery at a national and regional level. The programme will consider how there can be more alignment between prisons and probation, focusing on how HMPPS can deliver to achieve its objectives and efficiencies as part of its Spending Review 2021 targets. HMPPS states that this will look at more regional ways of working, allowing innovations and to build on local networks.

2.23 As part of these changes, we note that the Director General Prisons, Phil Copple, has taken on operational responsibility for both the prison and probation services. HMPPS's evidence also noted that the One HMPPS programme would bring together both Prison Group Directors and Regional Probation Directors into an Area Executive Team that will report to a new Area Executive Director. As part of this programme, HMPPS is reviewing its headquarters function to ensure it can best support frontline delivery.

²³ This figure includes revalorisation, restructuring and on-costs. Costs relating to closed grade staff opting in to *Fair and Sustainable* are excluded.

2.24 HMPPS noted in its written evidence that over the next 12 months the programme will look at developing and implementing a new approach to national and regional delivery. This will include revised ways of working between HMPPS and MoJ functions. HMPPS states that it does not anticipate that there will be changes to the operating model at prison governor level and that structural impacts on front line operational staff will be minimal.

Operation Safeguard

2.25 We note that HMPPS reactivated Operation Safeguard at the end of November 2022. This is the Government's established procedure to ensure that prisons can operate effectively and safely during periods of high demand, whereby prisoners are accommodated, in the short-term, in police cells. This contingency had not been used since 2008. On 30 November 2022, the Prisons Minister announced²⁴ to Parliament that the MoJ had written to the National Police Chiefs' Council to request the temporary use of up to 400 police cells due to specific pressures in the adult male estate, whilst noting that there was ample capacity in the women's and youth estates.

2.26 In its written evidence, the POA noted the use of Operation Safeguard and considered it would come at a "huge" cost to taxpayers. It stated that its use was not because the Prison Service had insufficient physical capacity in the form of useable cells (noting that HMPs Berwyn and Five Wells were not running at full capacity) but was because there was a shortage of staff, meaning that cells had to be taken out of use. In its written evidence, the Prison Governors' Association (PGA) said that HMPPS would not have the resilience within its prison officer staffing groups to respond to additional pressures, noting that Operation Safeguard was an expensive measure. During oral evidence, HMPPS stated that Operation Safeguard was a temporary measure, brought about by increases in the prison population, rather than staffing shortages. It accepted, however, that there were unit closures due to staffing issues at a small number of prisons, but it was operationally managing these.

Prison population

2.27 The prison population at 30 December 2022, across the public and private sector was 82,176, 3.9% higher than the previous year. This increased by a further 3.2% to 84,772, at 5 May 2023. The useable operational capacity²⁵ across the estate in England and Wales at 30 December 2022 was 84,385, 3.9% higher than 12 months earlier.²⁶ The useable operational capacity increased by a further 1.9%, reaching 85,992 at 5 May 2023.²⁷

2.28 The latest prison population projections for England and Wales indicate that the prison population is expected to rise to 94,400 by end of March 2025, with a range of 93,100 to 106,300 prisoners by March 2027. The upper end of this projection represents an increase of around 25% from May 2023 levels. This increase is based on a number of factors which

²⁴ UK Parliament, (2022). *Hansard, Prison Capacity, Volume 723: debated on Wednesday 30 November 2022*. (online) Available at: <https://hansard.parliament.uk/Commons/2022-11-30/debates/520966EF-BB43-4380-8800-21C46222BE00/PrisonCapacity> [accessed on 22 May 2023].

²⁵ Useable Operational Capacity of the estate is the sum of all establishments' operational capacity less 2,000 places.

²⁶ GOV.uk, (2022). *Prison population figures: 2022, Population bulletin: weekly 30 December 2022*. (online) Available at: <https://www.gov.uk/government/publications/prison-population-figures-2022> [accessed on 22 May 2023].

²⁷ GOV.uk, (2023). *Prison population figures: 2023, Population bulletin: weekly 31 March 2023*. (online) Available at: <https://www.gov.uk/government/publications/prison-population-figures-2023> [accessed on 22 May 2023].

include the increase in police officer numbers, uncertainty around court recovery from Covid-19 and changes in sentencing policy to keep the most serious offenders in prison for longer.²⁸

2.29 HMPPS data indicate there was an average of 2.3 prisoners per full-time equivalent remit group staff member, at 31 March 2022, the same as the previous year.²⁹

His Majesty's Inspectorate of Prisons annual report

2.30 His Majesty's Inspectorate of Prisons (HMIP) is an Arm's Length Body of the MoJ, whose purpose is to "ensure the independent inspection of places of detention, report on conditions and treatment and promote positive outcomes for those detained and the public". In 2021-22, HMIP published 63 inspections, scrutiny visits and thematic reports.

2.31 In the HMIP 2021-22 annual report,³⁰ published in July 2022, the Chief Inspector, Charlie Taylor, noted that 40 years had passed since publication of the first HMIP annual report and the work of the Inspectorate remained as relevant now as it did then. It was noted that full inspections resumed in May 2021 and that prisoners were locked in cells for longer periods than in 1982, some for 23 hours or more a day. Covid-19 restrictions had remained in place in prisons, even when infection levels had been low and the most vulnerable prisoners vaccinated. Time out of cell was, and seemingly continues to be, a challenging issue for the Prison Service.

2.32 The Chief Inspector noted that the biggest challenge facing the Prison Service was recruiting enough staff and stemming the flow of resignations, noting that in some prisons, resignations had "become a flood". He observed that following the opening up of the economy and the increase in wages in other sectors, those prisons in more economically buoyant parts of the country found it increasingly hard to recruit new staff and the numbers of staff leaving had increased. This had led to distant relationships with prisoners, monotonous and unfulfilling work for prison staff – mainly unlocking doors – and inexperienced officers supervising new recruits. He noted that too many officers left in their first year of service. The Chief Inspector suggested that, in the rush to fill vacancies, HMPPS was not undertaking sufficient checks and balances to filter out unsuitable candidates.

2.33 Looking to the year ahead, the Chief Inspector noted that the Service had the chance to reset after a difficult two years during Covid-19. There needed to be greater opportunities and ambitions for prisoners to develop vital skills. He concluded by acknowledging the work of all prison staff who continued to keep the Service running despite the difficulties caused by Covid-19.

Safety in custody

2.34 Published data show that violence in prisons decreased during the pandemic but then started to increase. There were 20,993 assault incidents in the 12 months to December 2022,

²⁸ GOV.uk, (2023). *Prison population projections: 2022 to 2027*. (online) Available at: <https://www.gov.uk/government/statistics/prison-population-projections-2022-to-2027> [accessed on 22 May 2023].

²⁹ OME analysis of unpublished HMPPS data.

³⁰ HM Inspectorate of Prisons, (2022). *Annual report 2021-22*. (online) Available at: <https://www.justiceinspectorates.gov.uk/hmiprisons/inspections/annual-report-2021-22/> [accessed on 22 May 2023].

up 7% from the 12 months to December 2021. In the year to December 2022, there were 7,229 assaults on staff, which was a 4% decrease from the 12 months to December 2021. However, in the 12 months to December 2022, the number of serious assaults on staff increased by 2% to 709.³¹

2.35 Violence in prison has a financial impact on HMPPS, whether it relates to compensation for prisoners, the cost of staff sickness absence or the cost of investigations. HMPPS has previously stated to us that there was a correlation between the reduction in frontline prison officer numbers and the significant increase in the levels of violence, both against staff and prisoners. HMPPS accepted that the recruitment and retention issues it faces were undoubtedly having an impact on its ability to provide consistent regimes for prisoners and had an adverse impact on prison safety. We note that according to Freedom of Information data, the MoJ was reported to have paid over £117 million in compensation to prisoners, staff and others during the financial years 2018-19 to 2021-22. Reducing prison officer numbers is therefore a false economy leading to negative outcomes for both staff and prisoners.

2.36 The number of self-harm incidents across all establishments increased by 3% to 55,264 in the 12 months to December 2022. Incidents decreased by 6% in male establishments but increased by 37% in female establishments. Self-harm incidents per 1,000 prisoners, which takes account of changes to the prison population, decreased by 9% in male establishments but increased by 36% in female establishments.³²

2.37 HMPPS noted in its written evidence a significant number of work strands, some of which form part of its Prison Safety Next Generation Programme, running from 2022 to 2025. Its evidence noted the following initiatives on improving safety in custody:

- Establishments to undertake a self-assessment of the Challenge, Support and Intervention Plan to ensure it is embedded with good practice identified and areas for improvement;
- Alternatives to wet-shave razors to reduce harm, pilots to conclude in spring 2023 with evaluation in late 2023;
- A range of training and support for staff, in relation to dealing with self-inflicted deaths, trauma focused peer support, and support for those staff assaulted whilst at work;
- Rolling out of PAVA synthetic pepper spray for prison officers, along with SPEAR³³ training, body worn cameras and rigid bar handcuffs (although we note the announcements of some of these initiatives were first made in 2018); and
- Setting up an innovation taskforce to address the drivers of violence and self-harm in prisons.

³¹ GOV.uk, (2023). *Safety in custody quarterly: update to December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-december-2022> [accessed on 22 May 2023].

³² Ibid.

³³ Spontaneous Protection Enabling Accelerated Response.

2.38 The PGA noted in its written evidence that the Service could not be allowed to return to high levels of violence and self-harm and staff should be free to work in an environment that sought to reduce this. It noted that smaller groups of prisoners resulted in lower levels of threat and physical violence because the ratio of officer to prisoner was improved. It also said that, in the absence of sufficient numbers of new recruits, the only way to reduce levels of violence, which were being exacerbated by staffing shortages, was to reduce the prisoner population. The POA noted that, following the removal of restrictions in prisons, levels of violence had started to increase. It said its members were concerned that control and safety were being eroded and would return to pre-Covid-19 levels; there was a risk that the violence in prisons was becoming “normalised”.

Evidence from visits

2.39 As discussed in Chapter 1, we were pleased to be able to return to in-person visits having previously not being able to due to Covid-19 restrictions. We visited ten public sector prisons, one private prison and the HMPPS training college at Newbold Revel (see Appendix C for the full list of locations visited). In addition, we held three virtual discussion groups with Band 12 staff working in different locations. We were pleased to be able to meet significantly more staff in person this year and to see the working environment at first hand. As in previous years, we have grouped below the main cross-cutting themes and issues raised into separate categories for ease of reference. A summary of this was shared with the parties earlier this year.

2.40 The main pay and allowances issues raised with us were:

- Nearly all staff commented that the pay award had been eroded by cost-of-living increases and inflation, notably transport costs (fuel) and home heating had adversely impacted staff considerably.
- Closed grades were particularly disappointed by the pay award, although most accepted that it had been the highest award they had received for some time.
- Band 3 Prison Officers at non-market supplement sites were generally pleased with the £3,000 pay uplift. However, those at the market supplement sites said consolidation of all or a part of the market supplements increased their pensionable pay and therefore increased their required pension contributions, so they felt they had not fully benefitted in take-home pay terms from the recommendation. However, it was accepted that this meant their base pay had increased, which gave permanency and resolved concerns over market supplements being removed at a later date.
- Band 12 staff were displeased that the pay recommendation for their grade had been reduced to that for the Senior Civil Service and there was a feeling they had been misled when given the opportunity to opt in.
- Officer grades said many were having to rely on Payment Plus to supplement their basic pay. Some said staff were working more than 50-60 hours a week when combining their contracted and Payment Plus hours together.

- Dog Handlers said they were generally content with the increase to the Care and Maintenance of Dogs allowance.

2.41 The main points raised around recruitment and retention were as follows:

- There was a real concern expressed about recruitment to Bands 2 and 3, particularly from Governors. Many prisons stated that they were struggling to fill vacancies, due to a lack of applicants and worsening retention.
- It was noted that the Service was due to expand with significant increases in the prison population and size of the estate. Staff expressed concerns that the Service would not be able to staff new accommodation, as it was more than enough of a challenge to staff the existing estate.
- There appeared to be some dynamic local labour markets, with certain prisons appearing to struggle to recruit and retain Band 3 staff. The Police Service and Border Force were mentioned as alternative roles, but also train operating companies, delivery companies and supermarkets. Staff said the reasons for people leaving were not all due to pay but also other conditions, such as the working environment in prisons and the inability to work flexibly and from home.
- Many prisons had significant Band 2 staffing issues, noting that there were many other jobs available in the wider labour market, many that offered higher pay and a safer and more pleasant working environment.
- It was reported that some Band 4 and 5 staff, including the closed grades, were leaving the Service for other jobs, which staff said would previously have been “unheard of”.
- Operational managers told us that there were difficulties in recruiting Band 8 Deputy Governors because they were paid at the same rate as a Band 8 Head of Function. They said there needed to be an incentive to pass the Deputy Governor assessment, such as making the Deputy Governor a Band 9 role at all prisons or awarding an additional allowance for Band 8 Deputy Governors.

2.42 The main themes raised around motivation and morale were:

- There was a general feeling of apathy and low morale amongst staff. Many said the Covid-19 pandemic had taken its toll and they were still exhausted. This was being compounded by high vacancy levels and operating full regimes with staffing shortages.
- This year, for the first time, a number of operational managers and Governing Governors said they also felt burnt out and exhausted.
- Many uniformed grades felt that they were not adequately supported by their managers and that their decisions were often overruled.
- Operational Support Grades (OSGs) continued to report they felt unappreciated by the Service, other prison staff, prisoners and the wider public. We were disappointed to again hear from support grades that they received comments such as, “you’re just an OSG”.

2.43 The main points raised on locality payments and market supplements were:

- It was felt that the payment of Band 12s in London was unresolved as their London allowance was not pensionable, unlike the London allowance for Bands 2 to 11. Due to the rejection of our 2022-23 Band 12 pay recommendation, this meant that Band 11s in Inner London earned more in pensionable pay than their Band 12 line manager. Staff felt this distortion of the pay structure was unfair and needed to be resolved.
- Staff in London commented that the cost of travel was a significant drain on their pay and the London allowances did not adequately compensate for the cost of living in, or travelling into, London.
- Staff said the recent £3,000 increase in Band 3 base pay would not help recruitment at the remaining market supplement sites as total pay had increased by less than the headline pay award.

The parties' proposals

2.44 As noted in Chapter 1, this pay round is again running late as the written evidence from the Government was delivered some eight weeks later than expected. We received all the written evidence from all the parties by late-February 2023. We were pleased to see that this year there was an effort made to address some of the additional evidence requests from Chapter 5 of our 2022 report. However, we were disappointed that HMPPS did not provide evidence on some of the key areas we wished to focus on for this report. These were: London pay, recruitment and retention payments, unsocial hours allowances, and the allowances we had indicated we would be considering this year as part of our rolling review of allowances – Payment Plus and OSG overtime. Whilst HMPPS proposed that allowances be kept at their current rates, it was disappointing that it offered very limited or no rationale in support of its proposal.

2.45 We request that all parties carefully consider Chapter 5 of our report this year and ensure that their responses to our requests for further information, alongside the elements in our terms of reference, are clearly stated in their written evidence submissions for our 2024 report. This includes the supporting evidence and a clear rationale if a party considers that a particular payment should be increased or not, or changed in some other way.

2.46 The key points in the written evidence we received this year are summarised below.

2.47 HMPPS made the following proposals in its written evidence to us:

Headline award

- The *Fair and Sustainable* Band 2 National spot rate to increase by £2,000.
- A flat consolidated £1,015 increase to all *Fair and Sustainable* Band 3 National pay points.
- A flat consolidated £1,140 increase to the *Fair and Sustainable* Band 4 National spot rate.

- A flat consolidated £1,300 increase to all *Fair and Sustainable* Band 5 National pay points.
- A flat award of £2,000, consolidated within range, non-consolidated above the maxima for *Fair and Sustainable* Bands 6³⁴ to 9 that do not already achieve this because of range shortening. Balances above the maxima, or payments at the maxima, to be non-consolidated.
- The *Fair and Sustainable* Bands 10 and 11 National maxima to increase by £500 with staff receiving a £1,000 flat rate increase, consolidated below the maxima and non-consolidated fully or partially above the maxima.
- The *Fair and Sustainable* Band 12 spot rate to increase by £1,750.
- A 0% award for all closed grade staff at respective scale maxima, unless required to remain compliant with the NLW. A £500 non-consolidated payment for those closed grades that would not financially benefit from opting in to *Fair and Sustainable*.

Pay band restructuring

- The *Fair and Sustainable* Band 7 pay range to become a spot rate set at the current band maximum.
- Reducing the length of the *Fair and Sustainable* Bands 6, 8 and 9 pay ranges from 20% to 15%, by increasing the minima. Staff stay on their existing salaries unless they are below the minimum of the new range, in which case they move on to that minimum.
- Reducing the length of the *Fair and Sustainable* Bands 10 and 11 pay ranges from 20% to 15%, by increasing the minima. Staff stay on their existing salaries unless they are below the minimum of the new range, in which case they move on to that minimum.

Pay progression

- Staff in Bands 3 and 5 who are not subject to formal poor performance procedures, to move to the next pay point.
- Assuming shorter pay ranges are accepted, staff in Bands 6, 8 and 9 who are not subject to formal poor performance procedures to progress up respective pay ranges by 2% following restructuring and the pay uplift (capped at the maxima).
- Assuming shorter pay ranges are accepted, staff in Bands 10 and 11 who are not subject to formal poor performance procedures to progress up the pay range by 2% following restructuring and the pay uplift (capped at the maxima).
- No progression for staff in *Fair and Sustainable* Bands 2, 4, 7 or 12 as these bands are already or are proposed to be spot rates.

³⁴ Band 6 is not within the remit of the Prison Service Pay Review Body.

Locality pay and market supplements

- The differential between National and Outer/Inner London maxima rates at *Fair and Sustainable* Bands 2 to 11 to remain at 1 April 2022 levels.
- Maintaining the current £2,000 red site market supplement and the £3,500 red plus site market supplement.

Allowances and payments

- No increase to the either the Unsocial Hours Allowance (Bands 2 to 5) or the Required Hours Addition (Bands 7 to 11).
- No increase to the rate for Payment Plus or OSG overtime.
- No introduction of new allowances or increase to any existing allowances.

2.48 The POA made the following proposals in its written evidence:

Pay

- All staff to receive a consolidated pay increase of 12%, both those on *Fair and Sustainable* and closed grade pay structures.
- Back pay from the delayed pay award should attract an interest rate of 10.7% for every month it is delayed.
- OSG pay to be removed from the Prison Service Pay Review Body (PSPRB) remit and returned to collective bargaining.

Allowances

- Payment Plus to be made pensionable and uprated to £30 per hour.
- OSG overtime to increase to time and a half for green hours and double time for red hours.³⁵
- A five year non-consolidated retention allowance for all staff in the remit group of £5,000, paid at £1,000 a year for five years.
- Unsocial Working Hours allowance for OSGs to increase from 20% to 30%.
- Tornado payments to be made pensionable and increased from £24.86 to £40.00 an hour for Bands 3 to 5 and from £19.00 to £35.00 an hour for OSGs.
- For Dirty Conditions payments, the rate for up to 4 hours to increase from £10 per period to £15 per period, and for more than 4 hours the rate to increase from £20 per period to £30 per period.
- Those staff in Bands 2 to 5 who volunteer to train for specialist tasks to be paid an additional one-off payment of £1,500 for each additional role volunteered for or for qualification achieved.

³⁵ Green hours are between 07.00 and 19.00 hours on weekdays. Red hours are between 19.00 and 07.00 hours on weekdays and all day weekends and public/privilege holidays.

Other

- The *Fair and Sustainable* pay model to be scrapped and replaced by a negotiated, fit for purpose, uncomplicated pay structure.
- The overtime rate for part-time OSGs to be payable once contracted hours have been completed and not once the 37/39 hours week has been completed.
- Band 3 Prison Officers in the Youth Custody Estate to support Band 4 Youth Custody Specialists by remaining as Band 3 Youth Support Officers.
- A pension age of 60 to be implemented across the board.

2.49 The PGA made the following proposals in its written evidence:

- *Fair and Sustainable* Bands 7 to 11 pay ranges to be increased by 10% with staff maintaining their relative positioning in the pay range.
- Bands 7 to 11 should receive a consolidated and pensionable progression increase through the pay range of 10%.
- The PGA is supportive of the HMPPS proposal to make Band 7 a spot rate.
- The role of the Duty Governor to be rewarded by a separate allowance.
- An additional payment for *Fair and Sustainable* Band 8 Deputy Governors in recognition of the additional qualification required to undertake this role.
- The Incomes Data Research report³⁶ into prison staff pay comparability should be refreshed and updated.
- The PSPRB to commission research that evaluates total reward for all pay bands.

2.50 The Public and Commercial Services Union HMPPS branch made the following proposals in its written evidence:

- A cost of living pay award that matched the rate of inflation along with an agreed cost of living award relating to pay restoration.
- Staff who volunteer to train in a specialism to be paid an annual allowance of £500.
- London Weighting to increase to £5,000 a year.
- Annual leave provisions to increase to at least 35 days on entry to the Service.
- More flexible working options to be introduced, such as a four day working week, with no detriment in pay, along with hybrid working for those who are able to work from home.

2.51 The next chapter provides an overview of our remit group and the issues we consider under our terms of reference.

³⁶ IDR, (2019). *Prison Pay Comparability Study*. (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 22 May 2023].

Chapter 3: Our Remit Group

Introduction

3.1 This chapter sets out the evidence we have received on the staff in our remit group. It presents data on the composition of our remit group and reports on the matters covered by our terms of reference including recruitment and retention; motivation and morale; equality and diversity; and the competitiveness of the Prison Service employment package in England and Wales.

3.2 We receive staffing data from His Majesty's Prison and Probation Service (HMPPS) annually to help to inform our deliberations. We have used the most up-to-date information available, therefore time periods covered vary in some places.

The composition of our remit group

Staff numbers

3.3 At 31 December 2022 there were 27,872 staff on a full-time equivalent (FTE) basis in the remit group, a 1% decrease from December 2021 (see Figure 3.1). Between 31 December 2021 and 2022 the number of Bands 3 to 4 Prison Officers (including specialists) decreased by 2%. Staff numbers for most operational grades also decreased, except for Band 2/Operational Support and Bands 6³⁷ to 8 managers.³⁸

3.4 At 31 December 2022, 1,070 FTE staff (4%) were operational managers; 21,632 (78%) were Bands 3 to 5 prison officer grades and 5,169 (19%) were Operational Support Grades (OSGs). Around 94% of remit group staff were based in establishments, 4% in the Youth Custody Service (YCS) with the remaining 2% shared between area services and HMPPS headquarters.³⁹

³⁷ Band 6 is not within the remit of the Prison Service Pay Review Body, however we have maintained consistency with the categories in the underlying data throughout the chapter.

³⁸ On a headcount basis there were 29,263 staff in our remit group at 31 December 2022. OME analysis of unpublished HMPPS data.

³⁹ OME analysis of unpublished HMPPS data.

Figure 3.1: Remit group size, 31 December 2012-2022.⁴⁰

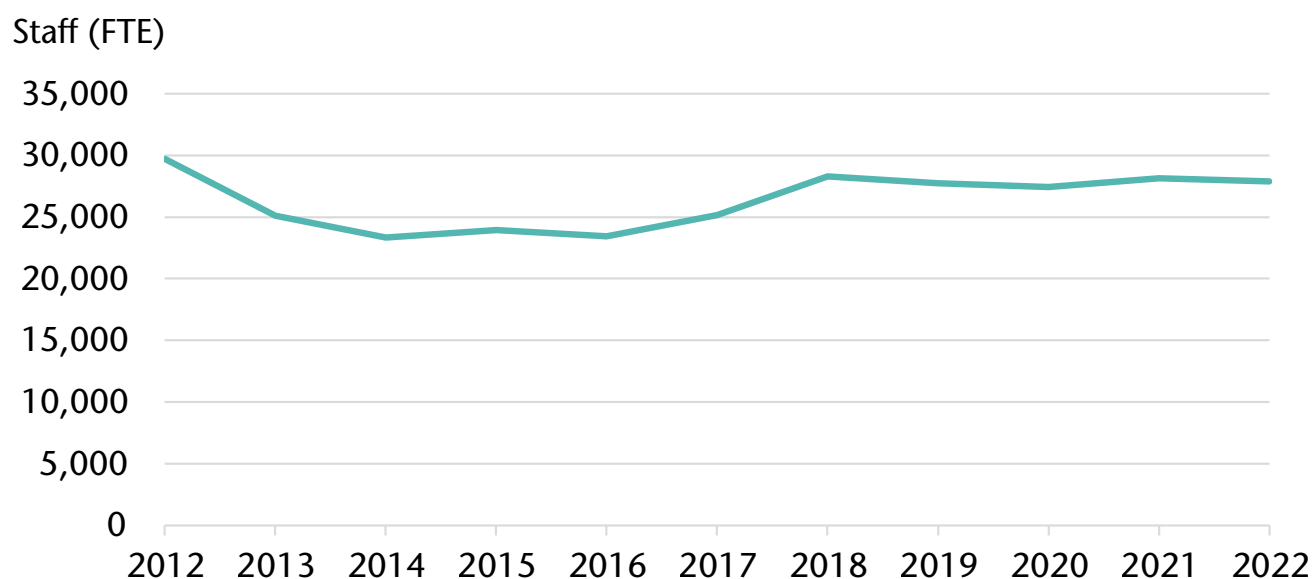


Table 3.1: Remit group staff (FTE) by grade, 31 December 2018-2022.⁴¹

Broad staff group	2018	2019	2020	2021	2022	Change 2021 to 2022	Change 2021 to 2022 (%)
Bands 9-12/Senior Managers	188	215	215	215	244	29	13%
Bands 6-8/Managers	725	727	764	783	826	44	6%
Band 5/Custodial Managers	1,463	1,639	1,688	1,819	1,705	-114	-6%
Band 4/Supervising Officer	1,983	1,971	1,882	1,771	1,728	-43	-2%
Bands 3-4/Prison Officer (incl. specialists)	19,276	18,544	17,994	18,566	18,200	-366	-2%
Band 2/Operational Support	4,676	4,666	4,900	5,002	5,169	168	3%
Total (remit group)	28,311	27,762	27,443	28,155	27,872	-283	-1%

3.5 Overall, 85% of the remit group were in the *Fair and Sustainable* grades at 31 December 2022 (on an FTE basis), an increase from 81% in December 2021. Band 3 is the grade with the lowest proportion of *Fair and Sustainable* staff, at 79% as at 31 December 2022.⁴²

⁴⁰ The data includes Band 12 staff from 2022. OME analysis of unpublished HMPPS data and HMPPS, (2023). *HM Prison and Probation Service workforce statistics*. (online) Available at: <https://www.gov.uk/government/collections/national-offender-management-service-workforce-statistics> [accessed on 22 May 2023].

⁴¹ Ibid.

⁴² OME analysis of unpublished HMPPS data.

Staff characteristics

3.6 Our terms of reference require us to consider the relevant legal obligations on the Prison Service with regard to equality and diversity. We regularly receive data from HMPPS on the diversity of our remit group and this year we were pleased to receive additional data, including breakdowns by protected characteristics, to ensure we have the appropriate granularity and up-to-date equality and diversity data on all areas of our remit. We set out some of the key points from this information below.

3.7 The Ministry of Justice (MoJ) publishes annual gender pay gap statistics, in accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The gender pay gap shows the difference in the average (mean or median) pay between all male and female staff in a workforce. The latest reporting period was 1 April 2021 to 31 March 2022, which we refer to as 2021/22. For the MoJ overall, the mean gender pay gap was 5.9% in 2021/22 (the same as in 2020/21 and up from 5.8% in 2019/20). The median gender pay gap was 11.4% (down from 13.6% in 2020/21 and 15.6% in 2019/20). The mean gender bonus gap was 11.6% in 2021/22, compared to 31.7% in 2020/21. The median bonus gap was 0.0% in 2021/22 compared to 27.4% in 2020/21.⁴³ We note that separate data for our remit group are not published. Across the Civil Service as a whole, the mean gender pay gap was 8.5% in 2021/22 and the median was 11.3%.⁴⁴

3.8 At 31 December 2022, 35.6% of the remit group were female, up 1.5 percentage points from 2021. The gender split by grade group was as follows:⁴⁵

- 51% of OSGs were female, up 2.2 percentage points from 2021.
- 32% of officers were female, up 1.0 percentage point from 2021.
- 39% of operational managers were female, up 1.0 percentage point from 2021.

3.9 At 31 December 2022, around 45% of OSGs were aged 50 or over. This age group accounted for around 40% of OSGs in 2011. This grade group also had the largest proportion of staff aged 60 or over, compared to other grade groups, at 18% in December 2022. The age profile of Bands 3 to 5 staff has been decreasing over time, with there being proportionally more younger staff. At 31 December 2022, 26% of Bands 3 to 5 officers were aged under 30, whereas the proportion was 11% in 2011. At 31 December 2022, 56% of operational managers were aged 50 or over. The proportion of operational managers aged over 50 has increased since 2011, when 33% were aged 50 or over.⁴⁶

3.10 At 31 December 2022, 9.9% of the remit group were from ethnic minority backgrounds. This is an increase of 0.8 percentage points from December 2021 and an increase of 3.5 percentage points from 2017. The corresponding proportion in the wider England and Wales population, as reported in the Office for National Statistics' 2021 Census

⁴³ Ministry of Justice, (2022). *Ministry of Justice gender pay gap report: 2022*. (online) Available at: <https://www.gov.uk/government/publications/ministry-of-justice-gender-pay-gap-report-2022>. [accessed on 22 May 2023].

⁴⁴ Cabinet Office, (2022). *Statistical bulletin – Civil Service statistics: 2022*. (online) Available at: <https://www.gov.uk/government/statistics/civil-service-statistics-2022/statistical-bulletin-civil-service-statistics-2022> [accessed on 22 May 2023].

⁴⁵ OME analysis of unpublished HMPPS data.

⁴⁶ OME analysis of unpublished HMPPS data.

data was 18.3%. As in previous years, the percentage of staff from an ethnic minority background decreases as seniority increases. In December 2022:⁴⁷

- 11.0% of OSGs were from an ethnic minority background, up 0.7 percentage points from 2021.
- 9.8% of Bands 3 to 5 officers were from an ethnic minority background, up 0.9 percentage points from 2021.
- 6.7% of operational managers were from an ethnic minority background, up 0.6 percentage points from 2021.

Two-tier pay structure

3.11 Since the introduction of *Fair and Sustainable* in 2012, staff have occupied both the *Fair and Sustainable* and the closed grade pay structures, with the latter including a collection of TUPE⁴⁸ transferred in grades. As we have noted in previous reports, HMPPS said that it saw the journey to equalise the two pay structures as taking around 15 years. Previously, HMPPS accepted that pay restraint had made this a longer journey than initially intended. We were therefore pleased that Recommendation 5 from our 2022 report was accepted by the Government, making significant progress in narrowing the gap between the two structures, along with the recommended increase in the unsocial working payments from 17% to 20%. Each year HMPPS runs an opt in exercise for those staff who would financially benefit from transferring onto *Fair and Sustainable* terms and conditions of service and pay scales, writing to them individually to highlight the potential financial benefit.

3.12 As at 31 December 2022, 15% of our remit group remained on the closed grades, a decrease from 19% on the previous year. The majority of our remit group remaining on the closed structure are Prison Officers who, ahead of the recommendations in this report, would not financially benefit from opting in to *Fair and Sustainable*. The second group are closed grade OSGs who, despite generally financially benefiting from opting in, choose not to, although in recent years many more have done so. We continue to hear from those closed grade staff that, in spite of HMPPS's reassurances to the contrary, they do not believe that other terms and conditions, such as pensions, would not be changed. The final group of closed grade staff who are unable to benefit financially from opting in are those in receipt of legacy Locality Pay Allowances (LPAs) or other legacy payments/allowances.

3.13 HMPPS's proposals this year sought to close the differential between Band 3 Prison Officers and closed grade Prison Officers, by awarding the latter a 0% pay increase and increasing the Band 3 maximum by 4%. HMPPS said this would allow the Band 3 pay maximum to overtake the closed grade maximum, thereby offering closed grade Prison Officers a £423 financial benefit from opting in. Under these proposals this would be the first year that the National *Fair and Sustainable* Band 3 maximum would be greater than that of the bulk of closed grade Prison Officers (excluding those with LPAs or specialist pay allowances). For those staff in LPA sites who would not financially benefit from opting in (234.1 FTE staff) HMPPS proposed a one-off £500 non-consolidated payment. HMPPS also stated in its written evidence that it intended in future years to continue to invest in the *Fair*

⁴⁷ OME analysis of unpublished HMPPS data.

⁴⁸ Transfer of Undertakings (Protection of Employment) Regulations 2006.

and *Sustainable* bands and incentivise staff to opt in but had no plans to submit proposals to invest in closed grades.

3.14 HMPPS confirmed in oral evidence that no other terms and conditions change for closed grades on opt in, except for those working a 36 hour week who would opt in to a 37 hour week. However, most of the closed grades in our remit group work a 39 hour week. HMPPS said there would be no changes to how annual leave was calculated and those staff not currently required to pass a fitness test would not have to do so on opting in. The POA stated in oral evidence that it also had a part to play in “dispelling some of the myths” around opting in to *Fair and Sustainable*. We return to this issue in Chapter 4.

Allowances

3.15 The Prison Service continues to spend a significant amount on allowances, representing 18% of the total paybill in 2021-22. From 2020-21 to 2021-22, total expenditure on allowances increased by 1.7%, from £222 million to £226 million.

3.16 Total expenditure on Payment Plus peaked at £55 million in 2020-21 and decreased to £49 million in 2021-22. While this was driven by an 8.4% decrease in *Fair and Sustainable* Payment Plus expenditure, closed grade expenditure also decreased, by 20.2%. Additionally, total expenditure on overtime for *Fair and Sustainable* and closed grade staff increased from £11.9 million in 2020-21 to £12.3 million in 2021-22 (an increase of 3.4%). This was driven by an increase in *Fair and Sustainable* overtime expenditure which is at its highest level since 2013-14.

3.17 Time off in lieu (TOIL) is a debt HMPPS accrues of time owed to staff who have carried out additional, unpaid hours of work. This needs to be repaid in the future by allowing the relevant staff time off. At 31 March 2022, the total number of TOIL hours owed to officers and support grades was 331,183, a 6.1% increase from 2021 (312,120 hours). The absolute number of TOIL hours increased for all grades from 31 March 2021 to 2022. However, the TOIL hours per officer decreased for Band 5 staff, by 0.6 hours.

3.18 From 31 March 2021 to March 2022, the total number of staff receiving temporary cover payments increased by 6.2%, from 1,601 to 1,700. The use of temporary cover has been on an upward trend for many years. We remain concerned about the high use of temporary cover, in particular in those cases where the ‘temporary’ arrangements have continued for a prolonged period. We hope that our recommendations this year, in respect of Band 7, and HMPPS’s indication that recruitment has been improving, will go some way to reducing its use by offering substantive promotion opportunities.

3.19 This year, we continued with our rolling programme of reviewing allowances. This aims to ensure that all allowances are subject to a thorough review at least every five years. There is a complex arrangement of allowances in place across the Prison Service, many of which have not been reviewed despite notable changes in allowance expenditure. As we said in our report last year, we believe it is wrong that an allowance should simply be left unchanged in cash terms for many years while it declines in real value. We also wish to consider whether an allowance remains fit for purpose and is achieving its intended aim. However, we also remain open to considering specific allowances ahead of their scheduled

five-year review, should the parties request that we do so, and provide evidence to support an earlier review.

3.20 Last year, we considered unsocial working allowances for *Fair and Sustainable* Bands 2 to 11 and the Care and Maintenance of Dogs allowances, making recommendations on both. This year, we intended to review Payment Plus and OSG Overtime. We also requested that HMPPS and the parties provided us with evidence for a review of the London pay differentials. While we present our considerations on these areas in Chapter 4, we regret the lack of detailed evidence provided. This represents a missed opportunity to review these allowances comprehensively.

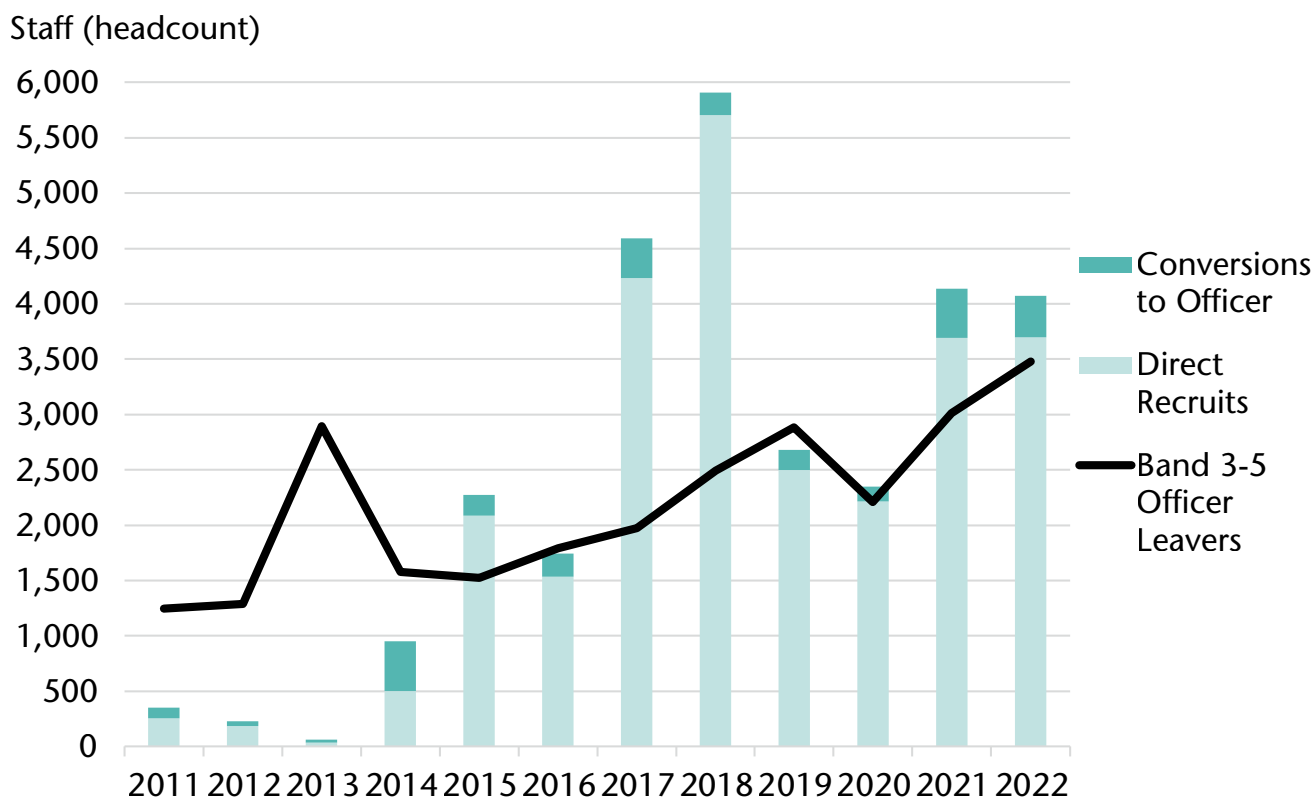
Recruitment and retention

3.21 Our terms of reference require us to take account of the ability of the Prison Service to recruit, retain and motivate suitably able and qualified staff when making our recommendations. In its written evidence, HMPPS noted that recruitment remained a significant challenge, with staffing gaps not being felt uniformly across the estate and some sites being particularly challenged. It also stated that it was too early to understand fully the recruitment impact of our 2022 recommendations. However, in oral evidence HMPPS expressed more optimism about the recruitment picture, indicating that there were signs of “green shoots” but said that retention remained a cause for concern.

Recruits and conversions to officer

3.22 Following the Coronavirus (Covid-19) related decline in officer leavers and joiners, the numbers of joiners and leavers have both increased. There were 4,070 new Bands 3 to 5 officers in the year to 31 December 2022, a 1.6% decrease from the previous year, but an increase of 74% (1,720) more joiners than in the year to December 2020. Of the new officers recruited in the year to 31 December 2022, 3,965 (91%) were new recruits and 375 (9%) were conversions from other Prison Service roles. In the year to 31 December 2022, the number of Bands 3 to 5 leavers was 3,478, a 15% increase from the previous year. Overall, in the year to December 2022, there were 592 more joiners than leavers (see Figure 3.2).

Figure 3.2: Staff headcount of direct recruits into Band 3, conversions to Band 3 officers from existing staff, and Band 3 to 5 officer leavers, year to December 2011-2022.⁴⁹



3.23 In its written evidence, HMPPS informed us that the delivery of the planned 20,000 additional prison spaces would require up to 5,000 additional prison officers across both public and private prisons, with 2,000 of these needed in the public sector. However, application volumes had been decreasing for public sector prisons (data on the private prison estate is not known) despite the number of open campaigns increasing. The written evidence also provided details of a number of current and forthcoming initiatives HMPPS was taking to improve recruitment levels and accelerate the recruitment and training processes. During oral evidence in March 2023, HMPPS told us that there had been a general improvement in the recruitment picture since the previous summer, with the number of applications increasing from around 6,000 to around 11,000 per month. It said there were improvements at nearly all prison sites, although by how much was dependent on location. HMPPS told us during oral evidence that its recruitment pipeline looked healthier and there had been 700 new Band 3 Prison Officer starters in January 2023.

3.24 HMPPS also publishes statistics on recruitment diversity.⁵⁰ These statistics are based on self-declared ethnicity and declaration rates are typically high, at above 98%. Between 1 January 2021 and 31 December 2022, ethnic minority candidates made up 23.4% of all

⁴⁹ OME analysis of unpublished HMPPS data.

⁵⁰ These statistics are classified as experimental and the statistics within the release should be treated as estimates. HMPPS, (2023). *Recruitment Diversity Statistics: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022/recruitment-diversity-statistics-december-2022> [accessed on 22 May 2023].

prison officer applicants, 18.1% of provisional offers,⁵¹ and 15.7% of formal offers accepted. Over the same two-year period, ethnic minority candidates made up 22.1% of OSG applicants, 15.9% of provisional offers and 14.3% of formal offers accepted. For HMPPS overall, between January 2021 and December 2022, 23.1% of all candidates were from ethnic minority backgrounds, and accounted for 16.8% of those made a provisional offer. The proportion of HMPPS applicants from ethnic minority backgrounds accepting a final offer was 14.7%. This is slightly above HMPPS's commitment, in accordance with recommendation 28 of the 2017 Lammy Review,⁵² of 14%, and represents some progress.

3.25 Within prison officer and OSG applicants, there was evidence of a disparity in outcomes when comparing ethnic minority candidates with white candidates, showing that ethnic minority candidates had a disproportionately lower success rate. This was mainly driven by a large proportion of ethnic minority candidates not reaching the assessment stage. There was also evidence of a disparity in outcomes when comparing female applicants to male applicants for prison officer but not OSG roles (noting that there are proportionally more female OSGs than female prison officers).

3.26 There was also evidence of a disparity in outcomes when comparing disabled applicants to non-disabled applicants for OSG and prison officer roles. For disabled candidates, the stage that caused the largest disparity was between being made a provisional offer and accepting a final offer. HMPPS said that this may be influenced by the fitness test which takes place between the provisional and final offer.⁵³

3.27 HMPPS told us that it found no adverse impact against any group, including ethnic minority candidates, participating in the prison officer recruitment process at any stage of that process. It said it tailored marketing to increase diversity of applications and was targeting prisons where there was a disparity between the ethnic minority workforce and the regional working population through using an enhanced recruitment approach.

Leaving rates

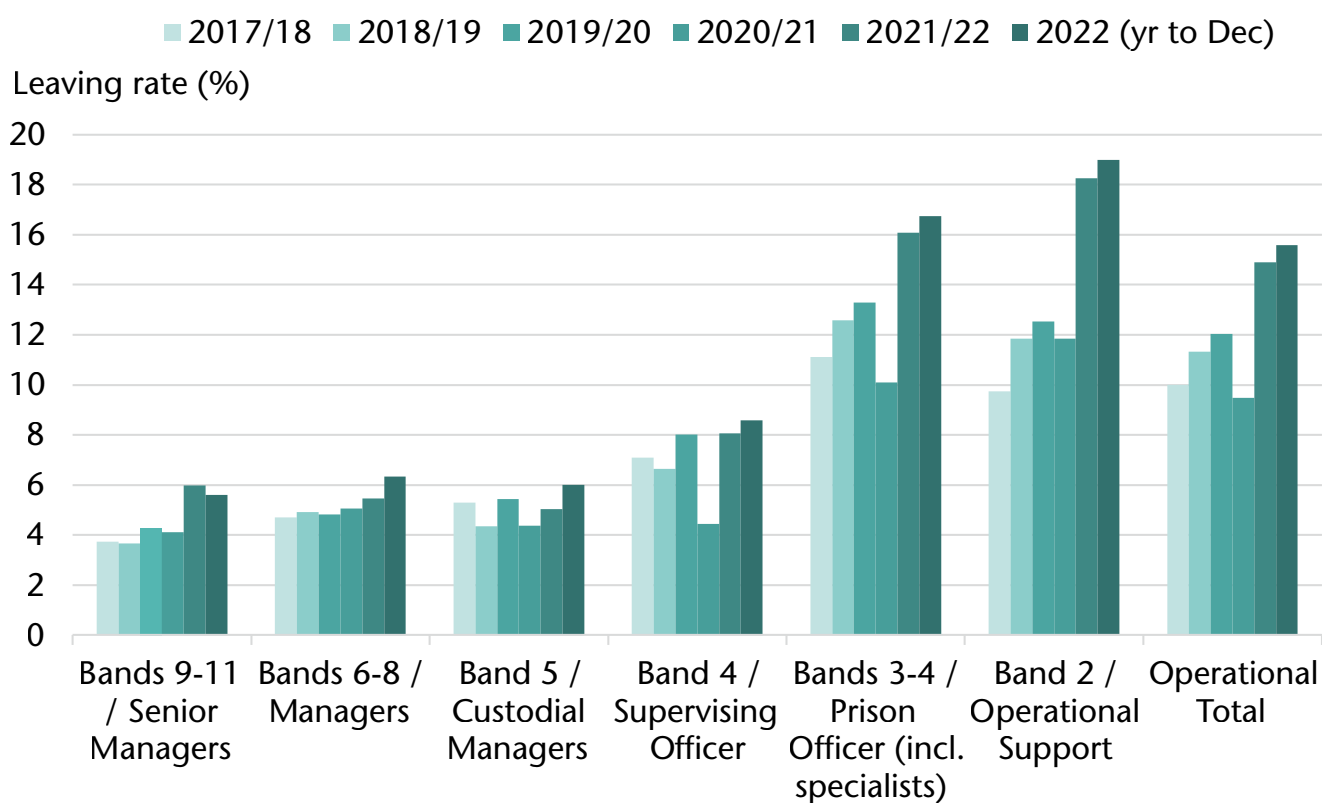
3.28 Figure 3.3 shows the leaving rate by grade for the years ending 31 March 2018 to 31 March 2022. More recent data covering the year to 31 December 2022 are also shown. The overall leaving rate decreased during the Covid-19 pandemic but has since increased to above pre Covid-19 levels, reaching 15.6% in the year to 31 December 2022. Leaving rates for Bands 3 and 4 Prison Officers (including specialists) and Band 2/Operational Support staff rose sharply in the year to 31 December 2022 to 16.7% and 19.0% respectively. Leaving rates also increased for Band 4 and 5 staff, to 8.6% and 6.0% respectively. The lowest leaving rates in the year to 31 December 2022 were for Bands 9 to 11/Senior Managers, at 5.6%.

⁵¹ Applicants who have been made a provisional offer undergo pre-employment checks including security vetting.

⁵² HMPPS, (2023). *Lammy review: final report*. (online) Available at: <https://www.gov.uk/government/publications/lammy-review-final-report> [accessed on 22 May 2023].

⁵³ HMPPS, (2023). *Recruitment Diversity Statistics: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022/recruitment-diversity-statistics-december-2022> [accessed on 22 May 2023].

Figure 3.3: Annual leaving rate of permanent operational staff by grade, 12 months to 31 March 2018-2022 and 12 months to 31 December 2022.⁵⁴

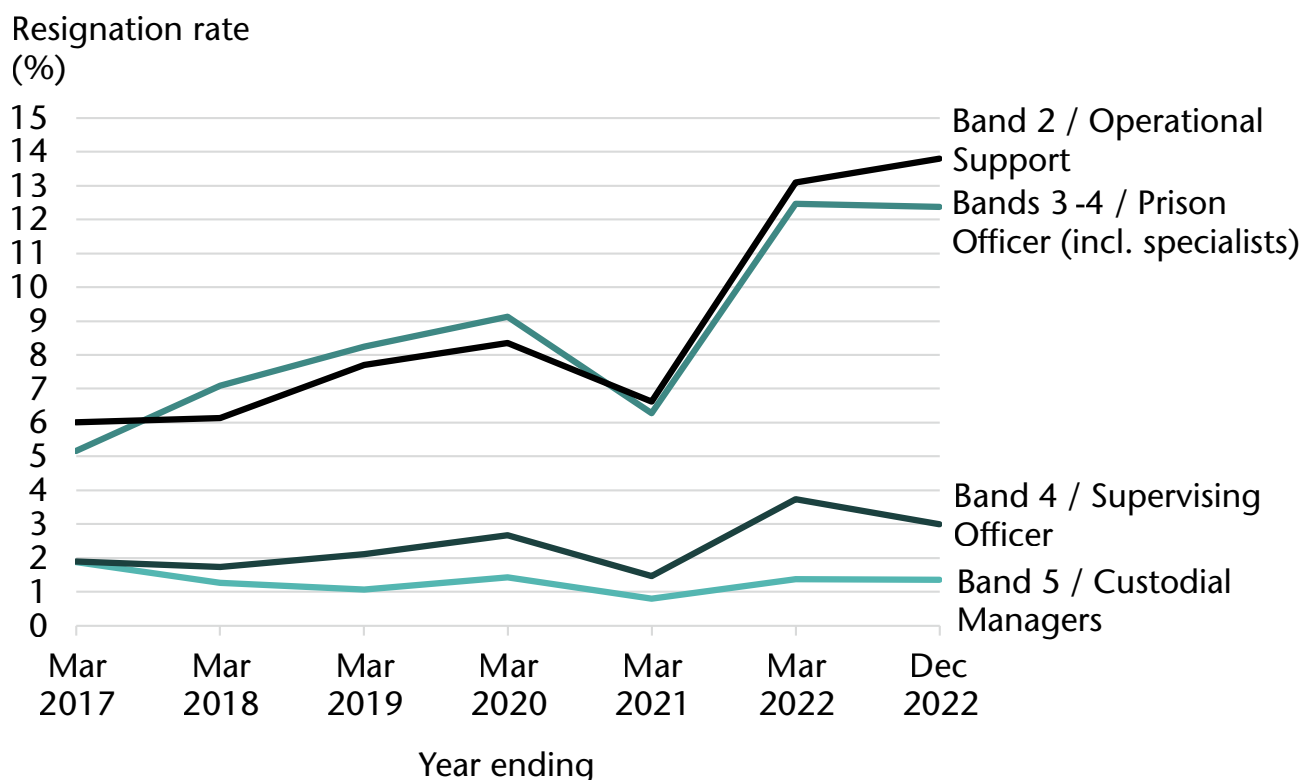


Reasons for leaving

3.29 The main reason for leaving across grades in Prison Service establishments was resignation. In the year to 31 December 2022 resignations accounted for 67% of all leavers from Prison Service establishments, similar to the previous year (66%). After resignation, retirement was the next most likely reason for leaving. During 2022, resignation rates for Band 2 and Bands 3 and 4 staff continued to increase and were at historically high levels, at 13.8% and 12.4% respectively.

⁵⁴ OME analysis of HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

Figure 3.4: Annual resignation rate of permanent operational staff by grade, 12 months to 31 March 2017-2022 and 12 months to 31 December 2022.⁵⁵



Leavers by length of service

3.30 Figures 3.5 and 3.6 show Bands 3 to 5 and Band 2 leavers in recent years by length of service. In the year to 31 December 2022, the number of Bands 3 to 5 leavers with 5 or more years of service increased the most, compared with the year to 31 March 2022. Leavers with 0-1 years of service accounted for the greatest number of leavers in the year to 31 December 2022. For Band 2/OSGs the number of leavers with 0-1 years’ experience increased the most in between the year to 31 March 2022 and the year to 31 December 2022. Over the same period, the number of leavers with more than 2 years’ service decreased.

⁵⁵ OME analysis of HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

Figure 3.5: Bands 3 to 5 leavers by length of service, 12 months to 31 March 2017-2022 and 12 months to 31 December 2022.⁵⁶

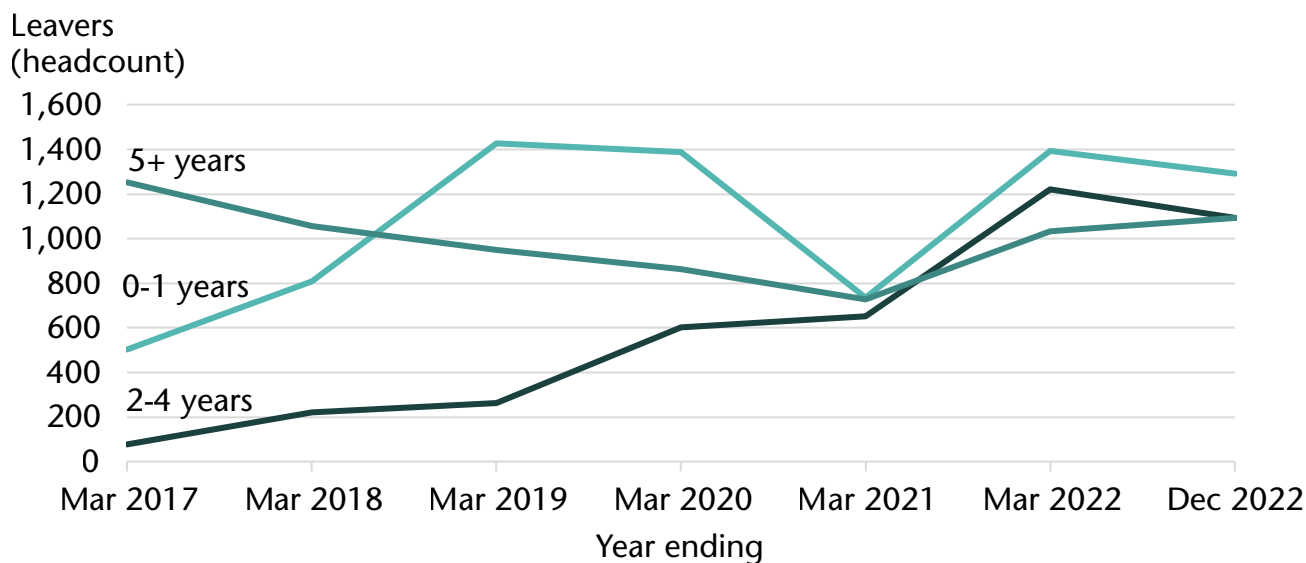
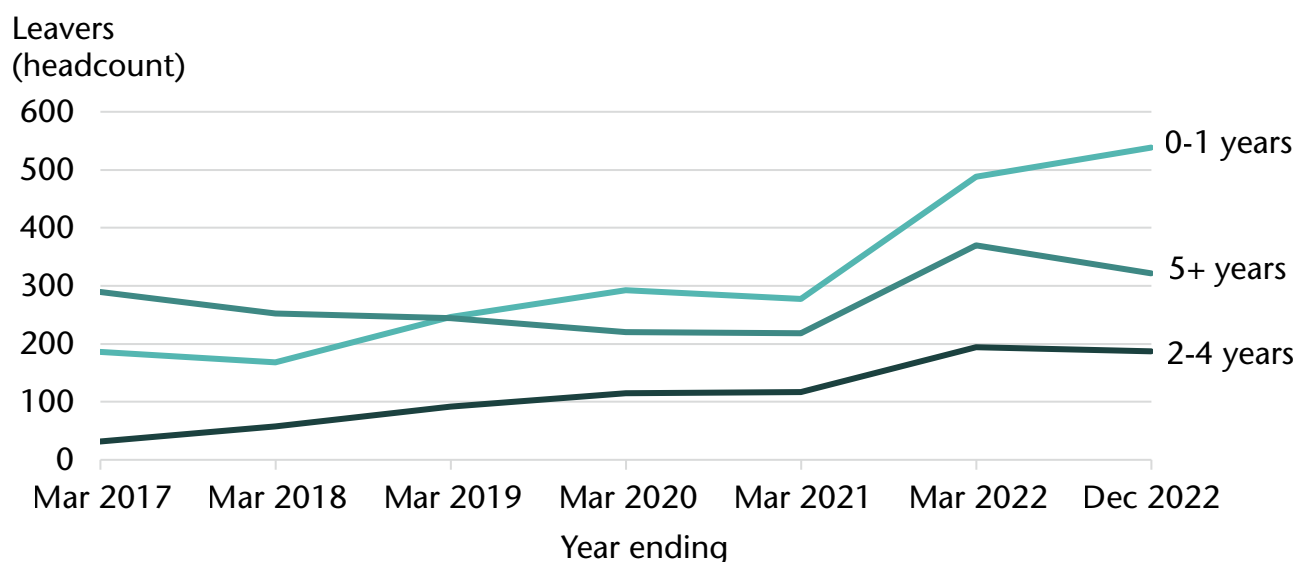


Figure 3.6: Band 2 leavers by length of service, 12 months to 31 March 2017-2022 and 12 months to 31 December 2022.⁵⁷



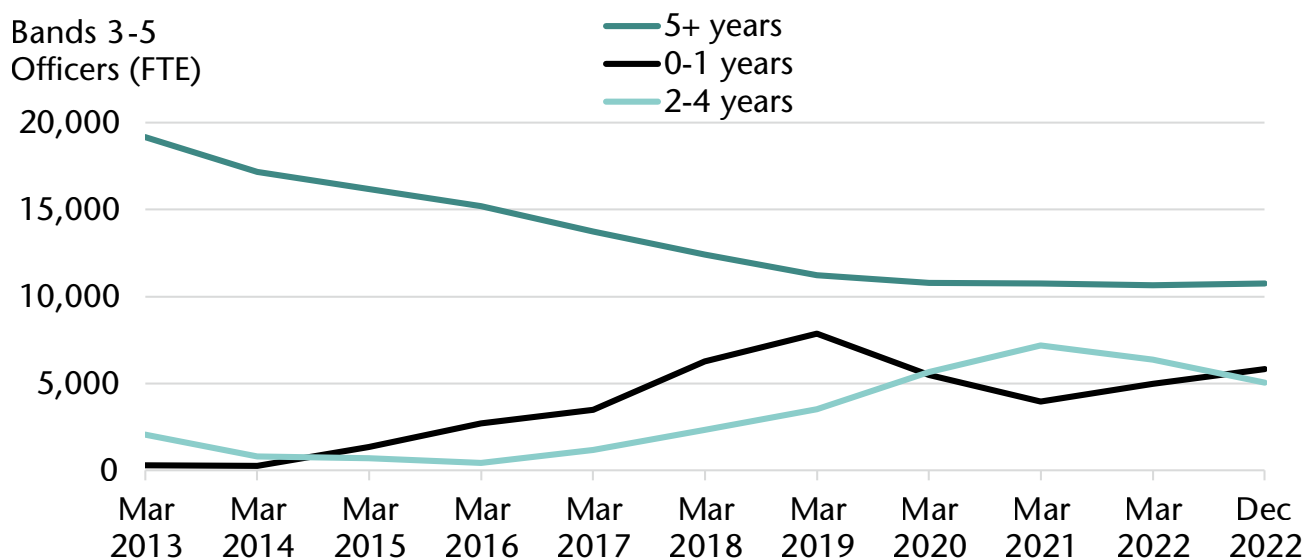
Staff by length of service

3.31 The composition of our remit group in terms of time served has changed over time. Figure 3.7 shows that the number of Bands 3 to 5 staff with more than 5 years' service has decreased since 31 March 2013. At 31 December 2022, 50% of Bands 3 to 5 staff had more than five years' service, compared with 89% at 31 March 2013.

⁵⁶ OME analysis of HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

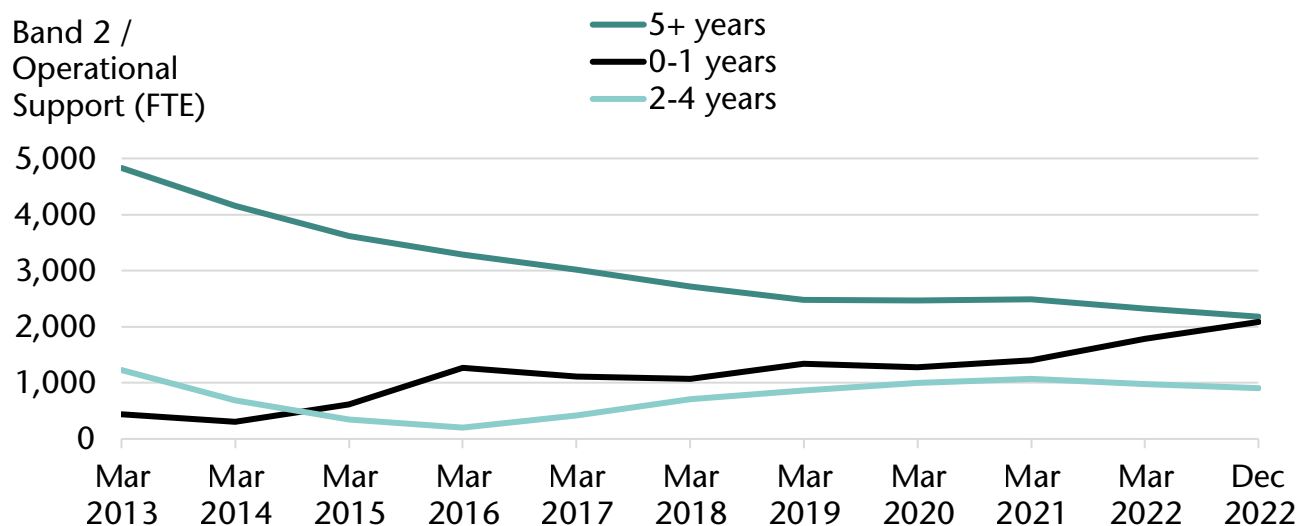
⁵⁷ Ibid.

Figure 3.7: Bands 3 to 5 officers in post (FTE) by length of service, at 31 March 2013-2022 and at 31 December 2022.⁵⁸



3.32 There is a similar pattern for Band 2/Operational Support staff. At 31 December 2022, 42% of these staff had more than 5 years’ experience, a decrease from 74% as at 31 March 2013. This was similar to the proportion with less than 2 years’ experience at 40%, as seen in Figure 3.8.

Figure 3.8: Band 2 staff in post (FTE) by length of service, at 31 March 2013-2022 and at 31 December 2022.⁵⁹



Evidence from the parties

3.33 In addition to the evidence set out earlier in this chapter, HMPPS provided examples of current and forthcoming initiatives it is taking to improve recruitment levels and accelerate

⁵⁸ OME analysis of HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

⁵⁹ Ibid.

the process. These include: delivering the Advance into Justice scheme in January 2022, supporting armed forces service leavers and veterans into prison officer roles; offering home to work travel and paying relocation expenses to encourage applications to some of the most difficult to recruit to prisons; and continued delivery of the OSG to prison officer fast-track scheme.

3.34 In August 2021, HMPPS introduced an exit interview process, to inform the introduction of targeted local interventions to reduce staff turnover. All leavers are offered an exit interview, but it is not mandatory and there is a response rate of around 30%. HMPPS found that the top five drivers for leaving the Prison Service were stated in these interviews to be: career progression; leadership; health & wellbeing; pay & reward; and ways of working. In May 2022, HMPPS began a retention oversight process at the top eight attrition sites, aiming to better understand the key retention issues and provide targeted, evidence-based support to address them.

3.35 In its written evidence, the Prison Governors' Association (PGA) stated the Prison Service remained in a "crisis of recruitment", resulting in low levels of applications. This was compounded by high exit rates across the organisation. The PGA considered that attrition was costing the Prison Service vast amounts of money and energy as the organisation attempted to recruit, train and adequately resource establishments, with the majority of prisons short of staff. In oral evidence, the PGA stated that Operation Safeguard was in effect, not because of a lack of prison places but a lack of staff. It said that operational managers were leaving due to burn out and exhaustion, with others seeking roles in headquarters. It also said that a well-regarded scheme for suitable Bands 3 to 5 staff to promote to Band 7 was underfunded.

3.36 The POA also considered that the Service was in a "retention crisis" and that staff were being asked to provide Detached Duty cover to struggling establishments, with the Service now considering forced Detached Duty rather than relying on volunteers. The union thought that the potential to earn higher rates of pay in less-demanding employment was "luring keen and capable young staff away". There needed to be a long-term financial incentive to encourage these staff to commit to the vocation of being a prison officer. The POA noted that there were multi-faceted issues around retention and, while retention frameworks were "worthy ambitions", they needed to be underpinned by credible pay levels. In oral evidence the POA said that the Service needed to attract more recruits with life skills, perhaps in their 30s and 40s but the salary structure did not incentivise them to join. It considered that the current attrition rate was unsustainable and that the Service would have further significant staffing problems within 12 to 18 months.

3.37 The Public and Commercial Services (PCS) union noted in its written evidence that leaving rates were higher than pre-Covid-19 levels and were continuing on an upward trend. It thought that ongoing pay restraint would impact on the ability to recruit, retain and motivate the skilled persons the Service needed, with the cost of increasing leaving rates and constant recruitment representing a false economy. It echoed this during oral evidence, saying that staff churn was costing HMPPS a significant amount of money every year. PCS said that staff left to join a range of organisations such as supermarkets, the Police and Border Force (although the latter was dependent on location).

Locality pay and market supplements

3.38 Two different sets of locality pay arrangements apply to staff in our remit group. Staff in the closed grades at certain establishments continue to qualify for one of six rates of LPA ranging from £250 to £4,250 per year (see Appendix E). Under these legacy arrangements, the relevant rate of LPA was paid to all staff at each eligible location, irrespective of the extent of recruitment and retention difficulties for their particular grade at that location. With the introduction of *Fair and Sustainable* in 2012, LPAs were replaced with three pay zones: a basic National pay range and enhanced ranges for those working in Outer London and Inner London establishments and headquarters.

3.39 In February 2017, HMPPS introduced market supplements, which did not form part of pensionable pay, for 31 sites across England and Wales for a period of four years (initially) which has since been extended. We considered market supplements added further complexity to the *Fair and Sustainable* pay structure. Following Recommendation 5 in our 2022 report, Band 3 staff in the former amber sites ceased to receive payments from 1 September 2022 due to basic pay (inclusive of the Unsocial Working Hours allowance) increasing by £3,000 which fully eroded the amber market supplement. Operational Band 2 staff ceased to receive payments from 1 April 2022 due to their basic pay increasing by £1,500, which eroded the market supplement for those staff completely. Following our report last year, the balance of red (£2,000) and red plus (£3,500) market supplements remain, currently paid at 18 sites. As at 31 October 2022 there were 2,410 Band 3 staff eligible to receive a market supplement, around 3,000 fewer when compared with 30 November 2021.⁶⁰

3.40 The establishments remaining eligible for market supplements are those that HMPPS considers have the most severe recruitment and retention issues. In its written evidence, HMPPS proposed maintaining these residual market supplements at current levels. It stated that until the recruitment and retention impact of the significant investment in pay in 2022-23 could be measured, the payment of market supplements at these remaining sites was required to support operational capacity. HMPPS proposed to review market supplements annually. It did not support further erosion of market supplements for this pay round, citing what it saw as the potential impact on morale on staff at the establishments where recruitment and retention were most difficult, who saw their pay increase by lower amounts last year than those not in receipt of market supplements.

3.41 We remain concerned about the potential adverse impact that market supplements could have on other prisons, particularly those close to market supplement sites, and on the complexity they add to the pay system. However, during oral evidence, HMPPS did say that while it wanted the ability to use market supplements should it need to act at other sites, this did not impact on its intention to erode fully the supplements by the end of the decade.

3.42 We discussed market supplements in our oral evidence sessions. The PCS said that it considered market supplements to be divisive and they did little to help staffing. Market supplements were not temporary or short-term and staff became used to receiving them. PCS thought that investment in consolidated pay would be better. The POA told us that it

⁶⁰ OME analysis of unpublished HMPPS data.

thought all market supplements should be consolidated in to pay and that the pay structure needed to incentivise staff to stay without “bolt on” payments.

Fair and Sustainable analysis

3.43 Each year, we consider a range of pay comparability data to examine the state of the labour market for *Fair and Sustainable* grades. We place a particular emphasis within our analysis on Band 3 Prison Officers, the most populous grade within the Prison Service. Our analysis of the relative position of Prison Service pay in England and Wales is based on comparing Gross Annual Earnings, recorded in the Office for National Statistics’ (ONS) Annual Survey of Hours and Earnings (ASHE) data. We have also included updated comparator analysis based on the approach used by Incomes Data Research (IDR) in its 2019 Prison Pay Comparability Study.⁶¹

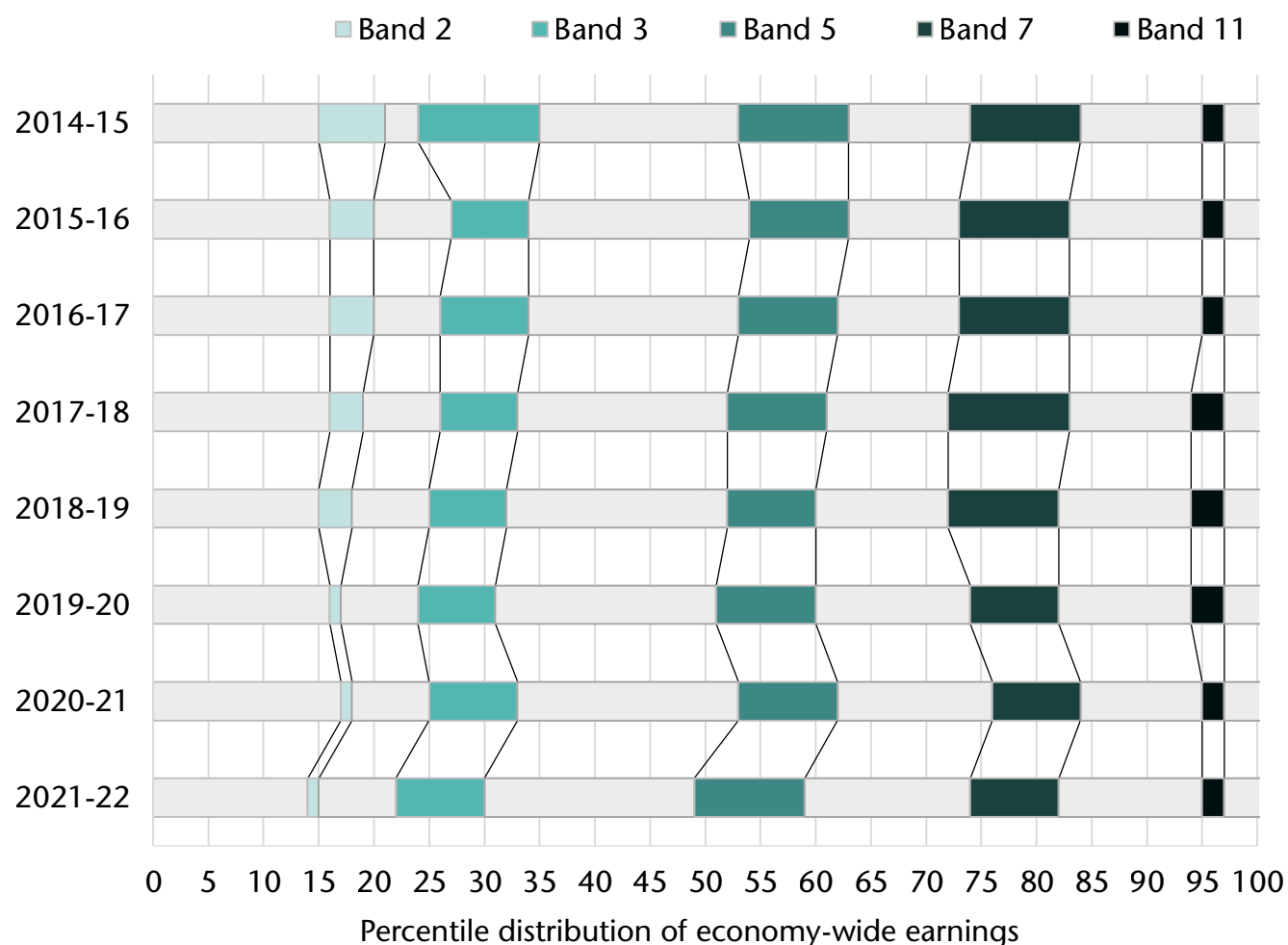
ASHE analysis

3.44 Our ASHE analysis is based on comparing *Fair and Sustainable* pay bands with Gross Annual Earnings across the economy, recorded in the ONS ASHE data. We have treated the latest ASHE data with some caution as the earnings estimates are for the financial year 2021-22. Over the Covid-19 pandemic period, earnings estimates were affected by changes in the composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult. Data collection disruption and lower response rates meant that, for 2020-21 and 2021-22, data were subject to more uncertainty.

3.45 Figure 3.9 shows where selected *Fair and Sustainable* pay bands fall in the economy-wide distribution of earnings over time, from financial years 2014-15 to 2021-22. We note Bands 4, 8, 9 and 10 are excluded from the chart as they overlap with other grades. Over this period, the relative position of the range minima and maxima fell for Bands 2 to 5. For Band 7, the relative position of the maxima decreased, as did the relative position of the Band 8 minima. For grades above Band 8, the relative position of the pay scales remained stable. The relative position of pay for Bands 2 and 4 deteriorated the most between 2014-15 and 2021-22. The relative position of Bands 2 to 5 worsened in the latest year, 2021-22, probably driven by the pay pause and follows a year of improvement in 2020-21. The improvement in 2020-21 appears to have been driven by the Covid-19 pandemic and its effect on economy-wide earnings, which decreased by 0.6% between 2019-20 and 2020-21, whilst prison officer pay increased by 2.5%.

⁶¹ IDR, (2019). *Prison Pay Comparability Study* (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 22 May 2023].

Figure 3.9: Position of national *Fair and Sustainable* Bands 2, 3, 5, 7 and 11 in the percentile distribution of economy-wide earnings, England and Wales, financial years, 2014-15 to 2021-22.⁶²



3.46 Figure 3.10 compares the *Fair and Sustainable* Band 3 pay range (minimum and maximum) to the 25th, 50th (median) and 75th percentiles of gross regional earnings and includes Scotland and Northern Ireland. It shows:

- In financial year 2021-22, the Band 3 maximum was below median earnings in all regions, as had been the case for several years. The largest gaps are in London and the South East.
- Compared with 2020-21, in absolute terms, the gap between the Band 3 maximum and median pay increased for all regions. This is likely to be due to the pay pause, when Band 3 pay from 1 April 2021 only increased by 1.0-1.3%, whereas median earnings in the ASHE data increased between 3.2% and 8.1% depending on region.
- In 2021-22, the closed grade Prison Officer maximum of £31,649 matched or exceeded the comparator median earnings in most regions, except London, the South East and the East. Closed grade locality rates could increase this maximum salary by between £250 and £4,250 depending on the establishment. In 2020-21,

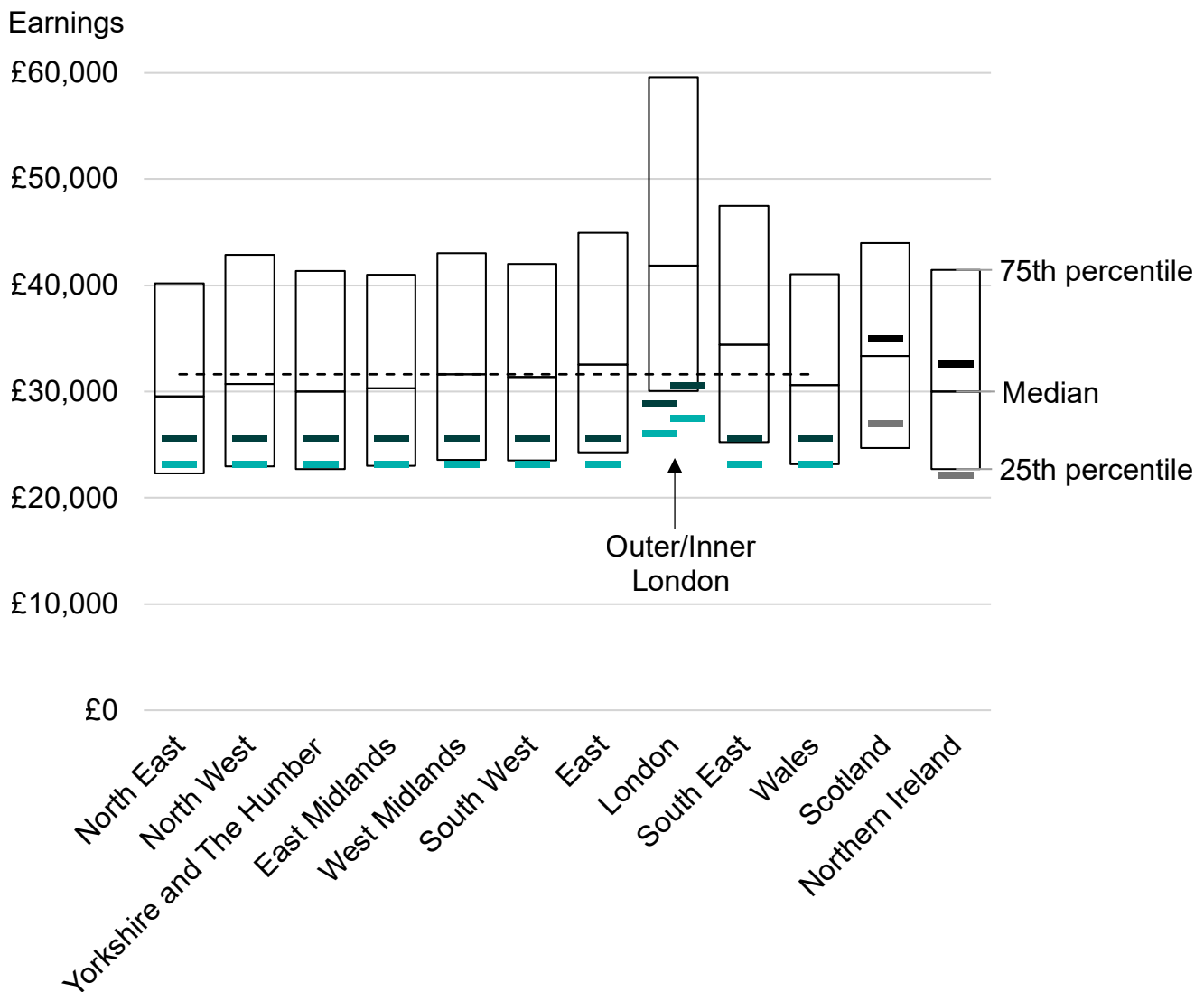
⁶² OME analysis of unpublished ASHE data.

the closed grade Prison Officer maximum also exceeded median earnings in the East.

- Both Scotland and Northern Ireland have wider pay ranges for their respective grades, the Band D Residential Officer in Scotland and the Prison Custody Officer in Northern Ireland. In absolute terms, the difference between the National Band 3 maximum and minimum was £2,553 in 2021-22. For Scotland, the difference was £7,980 and for Northern Ireland, £10,480.
- In Scotland, the minimum of the pay scales was well above the 25th percentile of earnings in Scotland and the maximum also exceeded median earnings in Scotland. This contrasts with the Band 3 pay scale maximum in England and Wales, which did not exceed median earnings in any region.
- In Northern Ireland, the Custody Prison Officer minimum was just below the 25th percentile of earnings in Northern Ireland and the pay scale maximum exceeded median earnings in Northern Ireland. A Custody Prison Officer in Northern Ireland is eligible to receive the Supplementary Risk Allowance, which was £3,492 from 1 September 2021. When this allowance is included, the position of the pay scales markedly improved relative to economy-wide earnings.

Figure 3.10: Comparison of the Band 3 pay range (37 hours plus 17% unsocial) against regional earnings. The closed grade Prison Officer (39 hours excluding locality pay) maximum, Scottish Band D Residential Officer and Northern Ireland Prison Custody Officer rates are also shown, financial year, 2021-22.⁶³

- Band 3 max (2021-22)
- Band 3 min (2021-22)
- - - - Closed grade Prison Officer (2021-22)
- Band D Residential Officer (Scotland)/Custody Prison Officer (NI) max (2021-22)
- Band D Residential Officer (Scotland)/Custody Prison Officer (NI) min (2021-22)



Comparator analysis

3.47 The 2019 IDR study provided pay comparisons for operational Prison Service staff against other occupations judged by IDR as being suitable comparators. Figure 3.11 below sets out, for Band 3 staff outside London, the values for base pay including unsocial hours from 1 September 2022,⁶⁴ against the pay of selected comparators. The chart seeks to

⁶³ OME analysis of unpublished ASHE data.

⁶⁴ This is the date that erosion of the amber site market supplement came into effect for Band 3 Prison Officers.

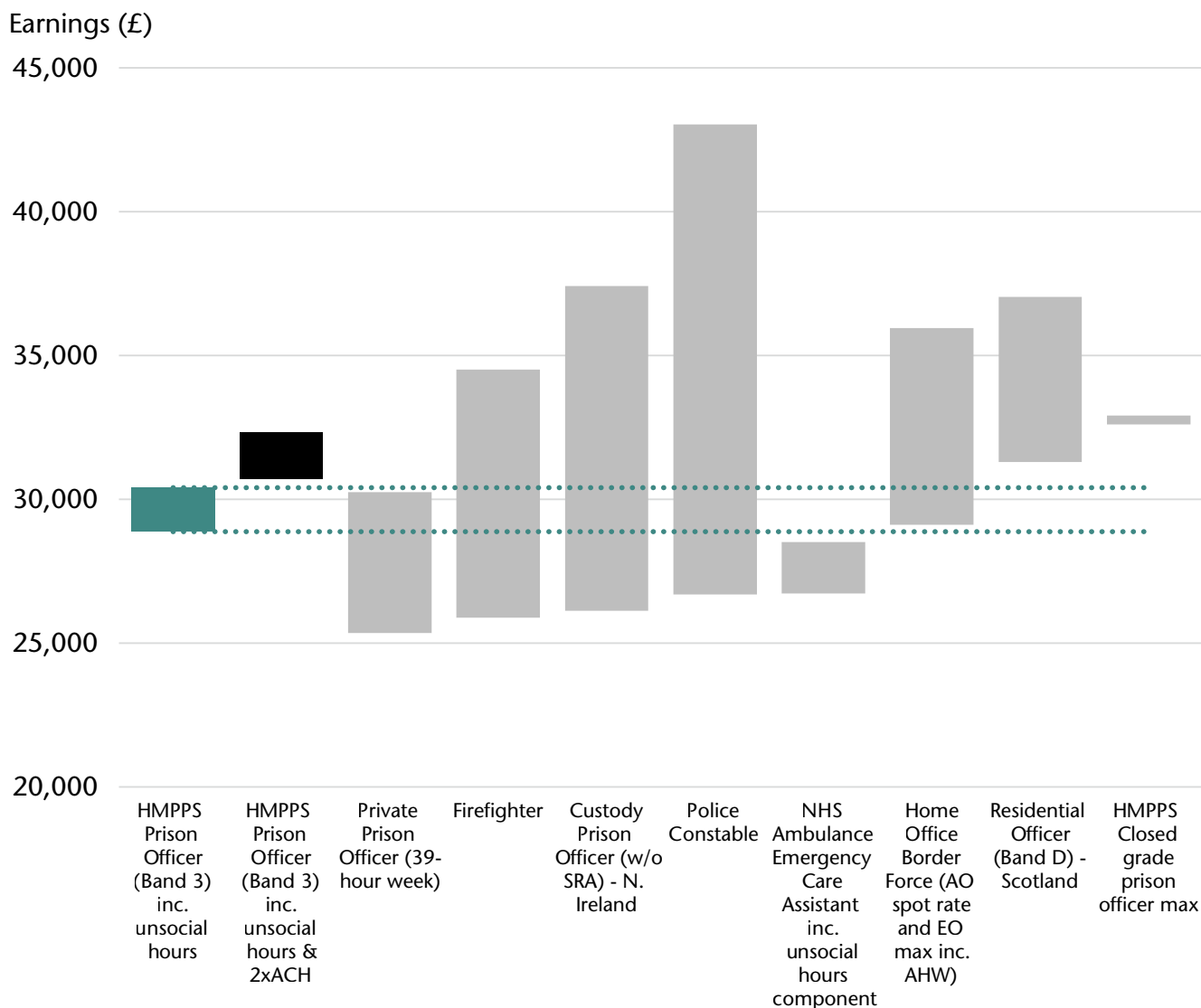
demonstrate the range of pay available in similar roles, compared with the Band 3 Prison Officer pay range. It was not possible to obtain pay data for all of the original comparators, so a sample of the identified comparators is shown. The data were retrieved in April 2023 and use the latest available salaries.

3.48 The Band 3 salary including unsocial hours and 2 x Additional Committed Hours (ACH) has also been included. This darker green bar is most comparable with the private sector prison officer salary figures. We note that as at October 2022, the majority of Band 3 staff (53%) worked a 37 hour week, 31% worked 2 x ACH (or a 39 hour week) and 14% worked 4 x ACH (or a 41 hour week).⁶⁵ Figure 3.11 shows that:

- The Band 3 pay range including unsocial hours overlaps with five of the seven comparators. It is completely above pay for the NHS Ambulance Emergency Care assistant (including unsocial hours), which was not the case in 2021-22. Where Band 3 overlaps, it tends to be at the lower end of the comparator ranges. This reflects the broader pay ranges in most of the comparator groups. However, the relative position of Band 3 pay (as from 1 September 2022) improved compared with 2021-22. For example, in 2021-22, Band 3 pay was entirely beneath the Border Force Administrative Officer minimum to the Executive Officer maximum; as from 1 September 2022 the pay ranges overlap.
- Band 3 pay is entirely beneath that of the Scottish Prison Service (SPS) Residential Officer. This was driven by restructuring by SPS of the Residential Officer pay scale, removing the first point of the SPS pay scale (a move from a four point pay scale to three).
- Compared with the sample of private prison sector roles, the Band 3 minimum (from 1 September 2022) including unsocial hours and 2 x ACH was above the maximum. The private sector prison minimum was below that of all comparators and may reflect a more regional approach to pay, compared with the National pay scale for Band 3 prison officers.

⁶⁵ OME analysis of unpublished HMPPS data, at October 2022.

Figure 3.11: Band 3 National pay and closed grade Prison Officer pay (from 1 September 2022) compared to selected IDR-based comparators.^{66,67,68}



⁶⁶ Note y-axis does not start at zero. Adapted from IDR (2019), *Prison Pay Comparability Study*. (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 22 May 2023].

⁶⁷ Data from multiple sources. HMPPS pay values – unpublished HMPPS payroll data from 1 September 2022. Private prison officer – OME analysis of publicly advertised private prison sector roles, sourced between February and April 2023. NHS Ambulance Emergency care assistant – NHS Employers, Pay scales for 2022/23. (online) Available at: <https://www.nhsemployers.org/articles/pay-scales-202223> [accessed on 22 May 2023]. Firefighter – Fire Brigades Union, National Careers Service, Pay settlement 2022. (online) Available at: <https://www.fbu.org.uk/pay-rates/pay-settlement-2022> [accessed on 22 May 2023]. Police Constable – Police Federation, Constable pay scales. (online) Available at: <https://www.polfed.org/resources/pay-scales/constable-pay-scales/> [accessed on 22 May 2023]. Northern Ireland Custody Prison Officer – Gov.uk, PSPRB Thirteenth report on Northern Ireland: 2022. (online) Available at: <https://www.gov.uk/government/publications/psprb-thirteenth-report-on-northern-ireland-2022> [accessed on 22 May 2023]. Scottish Residential Officer – based on unpublished Scottish Prison Service payroll data from 1 April 2022. Home Office Border Force – unpublished Home Office payroll data from 1 July 2022.

⁶⁸ The salary points for NHS Ambulance Emergency Care Assistant and Border Force both include an estimate of unsocial hours. These estimates were based on IDR’s calculations in the 2019 report.

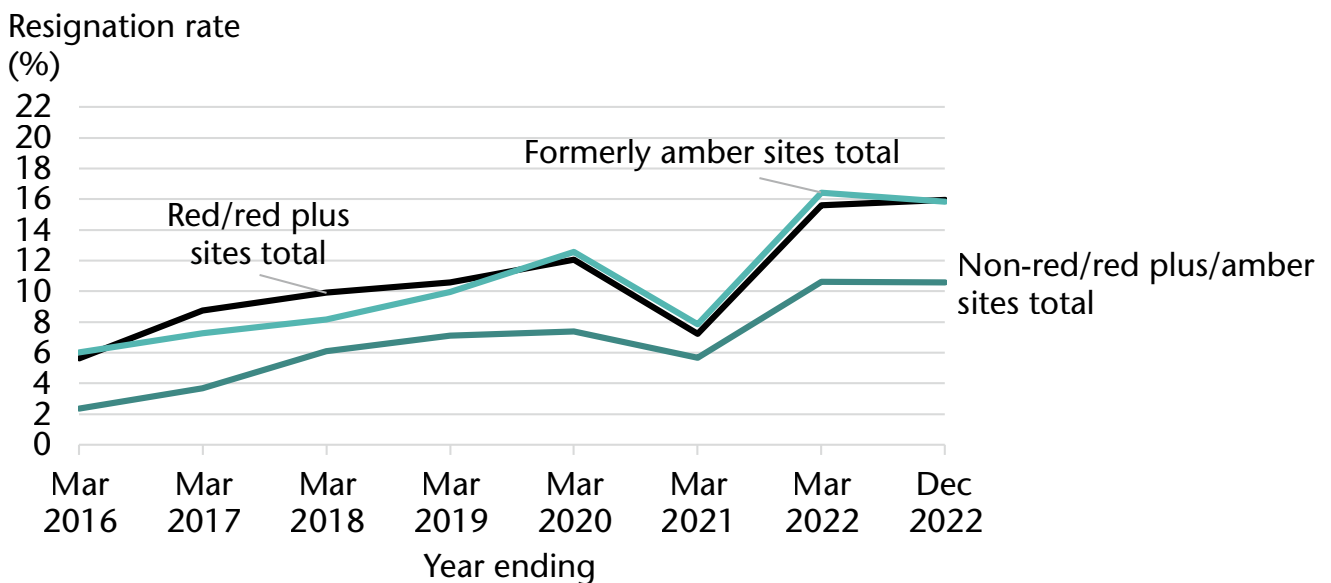
Recruitment and retention

3.49 In addition to the workforce data provided above, we also drew on the latest HMPPS workforce data to examine recent trends across a number of indicators, specific to Bands 2 and 3 staff.

3.50 Figure 3.12 shows Bands 3 and 4 resignation rates split by prison type. We note that market supplements were introduced in 2017, therefore our charts show data which pre-date the introduction of market supplements, as well as the period after they were introduced. In the year to 31 March 2022, resignation rates for all groups increased sharply and have remained at these levels in the year to 31 December 2022. Resignation rates in the latter period were around 16% for red/red plus and former amber sites and were at 10.6% for non-market supplement sites. The overall Bands 3 and 4 resignation rate was 12.5% in the year to 31 December 2022. Resignation rates for Band 4/Supervising Officer and Band 5 staff tend to be lower than for Bands 3 to 4. In the year to 31 December 2022, the resignation rate was 3.7% for Band 4/Supervising Officer and 1.4% for Band 5.

3.51 We note, however, that some prisons, which have never had a market supplement, have higher leaving rates than red/red plus sites. This indicates that there continues to be variability in leaving rates and that some non-market supplement sites may face similar retention issues compared to those which pay a supplement.

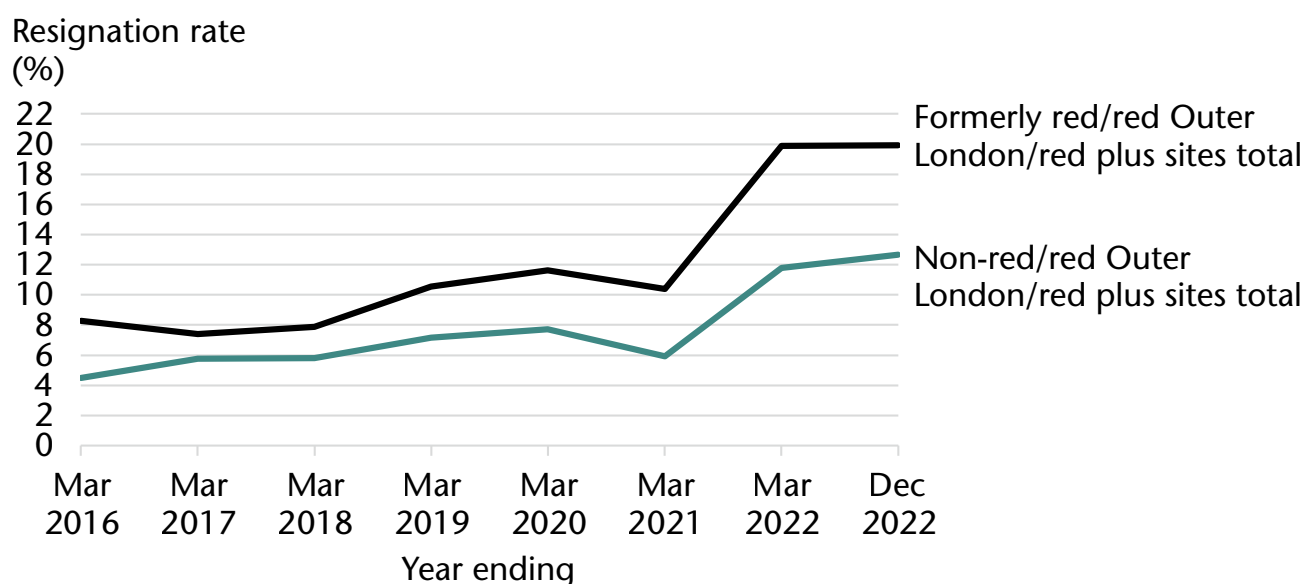
Figure 3.12: Bands 3 and 4 (including specialists) resignation rates split by prison type, 12 months to 31 March 2016-2022 and 12 months to 31 December 2022.⁶⁹



3.52 Figure 3.13 below shows Band 2 resignation rates split by prison type. The figure shows that resignation rates for both site types increased sharply in the year to 31 March 2022. Resignation rates for formerly red sites remained stable between the year to 31 March 2022 and the year to 31 December 2022 (at 19.9%) but increased for non-market supplement sites (at 12.7%). The overall resignation rate for Band 2 was 13.8% in the year to December 2022.

⁶⁹ OME analysis of unpublished HMPPS data.

Figure 3.13: Band 2 resignation rates split by prison type, 12 months to 31 March 2016-2022 and 12 months to 31 December 2022.⁷⁰



Summary

3.53 Overall, the key points which we drew from this analysis were:

- Analysis of ASHE data shows that between financial years 2019-20 and 2021-22, Band 3 maximum pay was below median earnings in all regions, even when market supplements were factored in. Prison officer maxima in Scotland and Northern Ireland were above median earnings in Scotland and Northern Ireland respectively.
- The relative position of pay for Bands 2, 3, 4 and 5 has deteriorated since financial year 2014-15, compared with wider-economy earnings. The relative positions of Bands 2, 3 and 4 have deteriorated the most compared with other grades. The improvement in relative position in 2020-21 seen across grades was reversed in 2021-22.
- Band 3 pay (from 1 September 2022) compares more favourably against comparator pay than in financial year 2021-22. However, many of the other comparators have a higher range of earnings available and Band 3 pay tends to overlap at the lower end of the comparator ranges.
- Resignation rates for Bands 3 and 4 staff (including specialists) were at historically high levels in the year to 31 December 2022, for both red plus and non-market supplement sites. In the year to 31 December 2022, Band 2 had a higher overall resignation rate than Bands 3 and 4. Band 2 resignation rates were also at historically high levels for all site types.

3.54 We comment further on our findings in Chapter 4.

⁷⁰ Band 2 staff were formerly eligible to receive three types of market supplement: red, red Outer London and red plus. Following our recommendation from 1 April 2022, all three market supplements ceased to be payable as they were consolidated into base pay. OME analysis of unpublished HMPPS data.

Evidence from the parties

3.55 HMPPS previously informed us that the main competitors for the Service had widened to include retail, hospitality, the care sector and transportation, whilst also noting the traditional competitors, such as the Police and Border Force. In its written evidence it noted that there was a risk of increased problems of recruitment and retention in a jobs market where there was a range of employers offering opportunities that had more flexible and less stressful working arrangements and, in some cases, sign-on bonuses. HMPPS also noted that the Police and Border Force were running recruitment campaigns in parallel to the HMPPS recruitment drive, but with higher rates of pay, which was challenging. There was also a risk of increasing competition with the private prison sector as that expands in the coming years, with both sectors competing for similar candidates.

3.56 The POA considered that there needed to be a long-term financial incentive to get suitable staff to commit to a vocation as a prison officer. In oral evidence the POA stated that prison staff needed a pay award that gave parity with others and noted that extra money had been found for an enhanced offer to NHS staff. The POA said that with better base pay, staff would stay in the Service and not have to work as many additional hours to “live”, which would in turn reduce the amount spent on Payment Plus. The reduction in staff turnover would also save on training and recruitment costs.

3.57 In its written evidence, the PGA stated that the disparity in pay growth between the public and private sectors added recruitment and retention pressures because staff left to take better paid private sector jobs. It echoed this point during oral evidence, giving examples of pay increases in both the public and private sectors. The union also reported in oral evidence that the Institute for Fiscal Studies had said that 10 years of pay restraint had adversely affected higher earners more as a result of greater targeting of pay awards at the lower paid over this period.

3.58 In its written evidence, the PCS said that ongoing pay restraint would impact on the ability to recruit, retain and motivate the skilled staff that the Service needed. It also noted that the pay for higher paid public sector workers also needed addressing. During oral evidence the union said that pay needed to be market facing and there needed to be pay restoration; that is pay being increased to reflect the real terms reduction in pay as a result of inflation since 2010. It said that staff in supermarket warehouses were being paid more than Band 3 base pay but that it was not just the lower paid who were being squeezed financially but also middle earners.

Performance management

3.59 As we noted in our report last year, HMPPS introduced its new performance management system in April 2022. This saw it move to a system whereby the focus is on regular conversations between line managers and staff, every eight weeks where possible or longer for those managers with large spans of control. It also moved away from end of year recognition to one of on-the-spot recognition in the form of vouchers, small bonuses or gifts. HMPPS assured us last year that the system would be reviewed each year by senior managers to provide a level of oversight and identify any biases in the system.

3.60 In its written evidence, HMPPS stated that between September 2021 and February 2022 there were seven sites in its early adopter phase which tested how different operational environments adapted to the new system, with learning incorporated into the wider HMPPS roll out in April 2022. Last year, in oral evidence HMPPS stated that feedback from the early adopter sites had been positive, saying that staff said they saw their managers more frequently and welcomed the more immediate recognition element of the system. We understand from HMPPS that there is no full evaluation on how the performance management system is working, nor on how in-year rewards are distributed by grade or protected characteristic, because the system has not been in operation for the full performance year. It stated these were likely to be available in April or May 2023, something we will need to receive for our next report.

3.61 Both the POA and PGA stated in written evidence that the new performance management system was that used in the MoJ and was unsuitable for operational prison staff, noting managing staff in an operational prison environment was different from those in office-based roles. The POA commented that Band 5 staff have very wide spans of control, which could make it impractical for them to have performance discussions with all of their staff every eight weeks. The PGA further noted that its members considered that the in-year bonus scheme was not applied equally across the organisation and Governors had far larger teams but smaller budgets with which to recognise good and excellent performance. PCS said it was unclear whether measures had been put in place to ensure that staff in establishments received equitable treatment with those in headquarters and area offices in relation to reward and recognition. PCS asked for external assurance to monitor the implementation and ongoing operation of these new arrangements. It is difficult to reconcile the different views of HMPPS and the unions on the state of performance management and we encourage them to work together to ensure that the system is fit for purpose in an operational prison environment.

Motivation and morale

Civil Service People Survey

3.62 The annual Civil Service People Survey began in 2009 and is run across the Civil Service to gauge attitudes and experiences of those working in government departments.

3.63 The 2022 survey ran from 22 September to 31 October and received 25,713 responses from HMPPS staff in total and 10,683 responses from His Majesty's Prison Service (HMPS) & YCS. This translates to approximate response rates of 41% and 28% respectively, both improvements over the previous year when the response rates were 37% and 23%.⁷¹ Due to the low response rates for the Prison Service and the factors affecting selection bias, including the motion passed at the POA 2010 Conference instructing its members not to participate in the survey, as well as the Covid-19 pandemic, it is important to treat results from this survey with caution.

3.64 The Employee Engagement Index (EEI) is a summary index designed to measure employee engagement and commitment to their organisation's goals and values. The EEI score is calculated from responses to five specific questions; the scale ranges from very

⁷¹ OME analysis of unpublished HMPPS data.

disengaged (0%) through to very engaged (100%). The EEI for HMPPS as a whole rose from 59% in 2021 to 60% in 2022. For HMPS & YCS the EEI rose from 54% in 2021 to 57% in 2022.

3.65 On the pay and benefits theme, in HMPS & YCS, 26% of people were satisfied with the total benefits package (up 5 percentage points from 2021 but still lower than in the 2020 survey). 25% thought their pay adequately reflects their performance (up 6 percentage points), and 21% felt their pay was reasonable compared to people doing a similar job (up 5 percentage points). There were significant variations within these (and other) average scores when considered by grade and role. Bands 2 to 5 Operational grades were more negative overall (only 20% were satisfied with the total benefits package, 18% felt pay reflects their performance, and 17% felt pay was reasonable compared to people doing a similar job). Bands 7 to 11 Operational grades were more positive overall (31% were satisfied with their package and felt pay reflects performance, and 20% felt pay was reasonable compared to people doing a similar job).

3.66 In HMPS & YCS, 61% said they could access support to cope with the emotional demands of their work, an increase of 5 percentage points from 2021. 69% felt safe in their working environment in 2022, up 5 percentage points from 2021.

3.67 In HMPS & YCS discrimination, bullying and harassment was reported at lower levels overall in 2022 than 2021. 15% reported discrimination in 2022 versus 18% in 2021. 14% indicated that they had been bullied and/or harassed at work in 2022, versus 18% in 2021. In 2022, of those who indicated that they had been bullied and/or harassed at work, 39% said they had reported it and only 20% said they saw appropriate action being taken to address the behaviour. In 2021, 38% of people said they had reported the bullying and/or harassment and 16% said appropriate action was taken to address the behaviour.

3.68 Relating to future intentions, 58% of people in HMPS & YCS said that they want to stay working for the organisation for at least the next 3 years, up 6 percentage points from 2021. In 2022, 20% said they want to leave their organisation within the next 12 months or sooner, versus 27% in 2021. This varies by grade and role with 52% of Band 3 Officers reporting that they want to stay for at least the next 3 years (an increase from 42% in 2021) and 25% intending to leave in the next 12 months or sooner (down from 36% in 2021).

Sickness absence

3.69 We consider sickness absence in our report as it can significantly affect staffing levels. High levels of sickness absence can also be an indicator of low motivation and morale.

3.70 In the year to 31 December 2022, HMPS, YCS and HMPPS headquarters operational staff lost an average of 15.8 working days (AWDL) due to sickness absence.⁷² This is similar to levels in the year to 31 March 2022, but an increase of 2.4 days compared with the previous year. By grade, Bands 3 and 4 prison officers (including specialists) had the highest AWDL, at 16.9, in the year to 31 December 2022. Operational manager grades had lower AWDL

⁷² OME analysis of HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

compared with Band 4 staff and below. Between the year to 31 March 2021 and the year to 31 December 2022, AWDL increased for all grades, except for Bands 6 to 8/Managers.

3.71 In the year to 31 December 2022, the most common reason for sickness for Bands 3 to 5 officers was 'Epidemic/Pandemic', accounting for 25% of known sickness reasons. This is 1 percentage point lower than in the year to 31 March 2022, and 16 percentage points lower than in the year to March 2021. Following 'Epidemic/Pandemic', 'Mental and Behavioural Disorders' was the next most common reason for absence in the year to 31 December 2022 (at 25%), the same as in the year to 31 March 2022, but slightly higher than the year to 31 March 2021 (23%).

3.72 For Band 2/Operational Support, 'Epidemic/Pandemic' was also the most common reason for absence in the year to 31 December 2022, accounting for 21% of known sickness reasons. This was followed by 'Mental and Behavioural Disorders' at 20%.

3.73 Across HMPPS grades in aggregate, 'Mental and Behavioural Disorders' was the most common known reason for sickness in the year to 31 December 2022 (31% of known reasons). Over the same period, 'Epidemic/Pandemic' accounted for 20% of all known reasons.

Evidence from the parties

3.74 There was no specific section in the HMPPS evidence that covered motivation and morale beyond what we have noted in relation to the Civil Service People Survey, although HMPPS does link some of its proposals to motivation and morale. HMPPS noted in its written evidence that its proposed use of a flat cash approach for each of the *Fair and Sustainable* officer and support grades would see pay targeted at the lower paid. It considered this to be key to improving productivity and boosting morale in the most populous staffing groups. HMPPS also stated that shorter pay ranges in Bands 7 to 11 would address pay range overlaps and leapfrogging on promotion which can lead to morale issues for those managers earning less than the staff they manage. HMPPS also said that further erosion of the market supplements would have an effect on morale for those staff at the hardest to recruit and retain prisons due to potentially lower pay awards than those at non-market supplement sites.

3.75 The POA noted that morale was at "rock bottom" due to a number of factors, including the normalisation of violence in the workplace, poor pay and a default pension age of 68. It also noted that recommendations on pay that included non-consolidated elements and the Government's failure to accept all of the Review Body's recommendations also undermined morale. It further considered that low morale was compounded by a "lack of interest" by everyone from managers to Ministers on what it says are the genuine concerns of its members on a range of different issues, such as annual fitness tests and PAVA synthetic pepper spray.

3.76 In its written evidence, the PGA stated that increased prisoner numbers and overcrowding had adversely affected its members' family lives, health and wellbeing. It also

provided us with a short report⁷³ it had commissioned from the University of Lincoln, which provided further insight on the health and wellbeing of operational managers. This study found that, among other things, operational managers felt exhausted, were fearful about what the Service would look like in the future and felt that more needed to be done to support the wellbeing of operational managers.

3.77 The PCS said in its written evidence that morale was low across the grades it represents, particularly noting that its non-operational grades were seen as “lesser” than their operational counterparts. The union stated that morale could not be looked at without recognising the impact that low pay and economic pressure had on the mental health and well-being of staff. It mentioned that a national survey of PCS members found that 85% of the 12,000 respondents stated that the cost of living had affected their physical or mental health. Providing staff with better flexible working options would improve morale.

3.78 All of the evidence we have considered this year indicate that the Service is facing significant ongoing challenges. We turn to our analysis of the evidence and our resulting recommendations in Chapter 4.

⁷³ University of Lincoln, (2023). *Just Get On With It – A Qualitative Exploration of the Health and Wellbeing of Prison Operational Managers and Governor grades*. (online) Available at: <https://policyhub.lincoln.ac.uk/just-get-on-with-it-a-qualitative-exploration-of-the-health-and-wellbeing-of-prison-operational-managers-and-governor-grades/> [accessed on 22 May 2023].

Chapter 4: Our recommendations on pay

Introduction

4.1 This chapter summarises our analysis of the evidence we considered and sets out our recommendations on pay and allowances from 1 April 2023.

4.2 The earlier chapters of this report set out and consider the evidence from a range of sources, in particular: evidence from His Majesty's Prison and Probation Service (HMPPS), the three unions, and our remit group; economic evidence from a range of sources; pay data; evidence specific to the remit group such as recruitment, retention and morale; equality and diversity; and the competitiveness of Prison Service staff remuneration. As we mention in Chapter 1, this year we are making our recommendations in a volatile economic context and an environment of heightened industrial action. Many other Pay Review Body remit groups are taking part in strike and other industrial action, with some settlements being reached outside the normal Pay Review Body process. Industrial action is something most of our remit group is legally prohibited from taking.

4.3 We had three main objectives when framing our recommendations this year:

- to maintain the improvement in the competitiveness of Prison Service pay resulting from last year's award, recognising the continuing serious issue of retention and the need to recruit significantly more prison officers, not only to replace the still high numbers of leavers but also to service the enlarging prison estate;
- to give all staff a pay award, or the opportunity of accessing a pay award, which broadly reflects developments in the rest of the economy; and
- to end the two-tier pay system between *Fair and Sustainable* and the closed grades after 10 years and move decisively to a single pay structure for the vast majority of staff, achieving one of HMPPS's objectives.

4.4 Building on our recommendations from last year, we target additional investment where we believe it is most needed – at the lowest paid operational grades where long-standing recruitment and retention problems persist. We also recognise the financial constraints that HMPPS needs to operate within and that our recommendations will cost more than HMPPS budgeted for in its proposals. However, we believe our coherent package of recommendations will help to address many of the difficult issues the Service is facing.

Analysis

4.5 Following the coronavirus restrictions put in place in prisons throughout England and Wales from March 2020, regimes have been gradually returning to normal. Staff leaving rates (particularly at Bands 3 and 4), which temporarily decreased during the pandemic, have increased and exceed pre-pandemic levels. Additionally, levels of violence in prisons have begun to increase, following a decrease due to restricted regimes during the pandemic.

As we noted in Chapter 2, this causes a significant financial and staffing cost to the Service.⁷⁴ Due in part to previous levels of turnover, some recently recruited staff are experiencing 'normal' conditions for the first time. Some of the parties who provided us with evidence this year expressed concern that these staff were under-prepared for this "new reality" and have decided to leave, thereby increasing attrition rates further.

4.6 We heard from several sources that, whilst there is a government strategy to increase the number of prison places by some 20,000, certain prisons are having to restrict their capacity. The unions told us that such restrictions were not caused by a lack of space, but by insufficient numbers of staff, although HMPPS disputed this. The use of Operation Safeguard was announced by the Government on 30 November 2022, meaning that 400 police cells have been made available for prisoners on a temporary basis. The unions told us that this leads to additional costs for the Service and disruption for establishments.

4.7 In its written evidence, HMPPS told us that although the number of open recruitment campaigns had increased over the previous year, the number of applications received had declined. It said that around 5,000 additional staff would be needed, around 2,000 of whom will be employed in public sector prisons, to deliver the additional 20,000 prison places safely. Evidence from HMPPS and the other parties confirmed that when trying to recruit into Bands 2 and 3, there was competition not only from traditional alternatives, such as the Border Force and Police, but also increasingly from non-traditional areas such as online retailers, courier services and supermarkets. During oral evidence, HMPPS told us that it was seeing the "green shoots" of recovery in recruitment with an increase in applications. This was encouraging but it was too early to tell if this was the start of a trend and could do little in itself to diminish the scale of the recruitment challenge which HMPPS faces.

4.8 Even more concerning to us is the retention picture, which remains very challenging, something HMPPS accepted in oral evidence. The overall leaving rate has increased since the dip during the pandemic. In particular, there remain high rates of staff leaving in their first two years of service, a point emphasised by the POA during oral evidence. This high level of churn creates both a training and a financial burden. It also places a significant load on a diminishing cadre of experienced staff. In our 2020 report, we noted that the cost of new Band 3 recruits leaving the service within the first two years of service was around £30 million a year, when the overall leaving rate was lower than at the time of writing this report. We also heard from HMPPS that the time spent in initial training for a new Band 3 Prison Officer had been reduced from 10 weeks to 6 weeks. This was felt by the unions and by more experienced staff to be insufficient, leaving new recruits under-prepared for their roles. In Chapter 2, we noted the findings published in His Majesty's Inspectorate of Prisons 2021-22 annual report⁷⁵ which included the view that the biggest challenge facing the Prison Service was recruiting enough staff and stemming the flow of resignations.

4.9 In Chapter 3 we reported on issues relating to motivation and morale and we take these into account when forming our recommendations. While many of the indicators covered by the annual Civil Service People Survey showed some improvement in 2022 over

⁷⁴ Compensation paid to prisoners, staff and others was reported to be an estimated £117 million between 2018-19 and 2021-22 according to Freedom of Information data from the Ministry of Justice.

⁷⁵ HM Inspectorate of Prisons, (2022). *Annual report 2021-22*. (online) Available at: <https://www.justiceinspectors.gov.uk/hmiprison/inspections/annual-report-2021-22/> [accessed on 22 May 2023].

the previous year, the picture remains negative overall. All the unions told us that morale was very low among their members. Sickness rates remained relatively high, with an average of 15.8 days lost per member of staff in the year to 31 December 2022.⁷⁶ We also noted that levels of violence in prisons had been increasing since the pandemic and this directly impacts on staff motivation and morale.

4.10 We have previously encouraged HMPPS to produce a long term pay strategy whilst taking meaningful steps towards a single, unified pay structure that is clear and coherent across all grades, with rates of pay aligned to the labour markets the Service is operating in. While there was little mention of such a strategy in its written evidence, HMPPS did propose that the Band 3 Prison Officer pay maximum should exceed that of the majority of closed grade Prison Officers for the first time. This is an objective we share.

4.11 We consider that the recruitment and retention picture, particularly for Bands 2 and 3, remains bleak. Our analysis of a range of pay and workforce data, summarised in Chapter 3, showed that:

- Band 3 maximum pay in 2021-22 was below median earnings in all regions, even when market supplements were factored in. This contrasts with the position in both Scotland and Northern Ireland where the prison officer equivalent maxima were above median earnings.
- Band 3 maximum pay in 2022/23⁷⁷ compared more favourably against comparator pay than in 2021/22. However, many of the other comparators have a higher range of earnings available and Band 3 pay tends to overlap at the lower end of the comparator ranges.
- The proportion of Bands 3 to 5 officers with more than five years' service has decreased significantly, from 89% at 31 March 2013 to 50% at 31 December 2022.
- The proportion of Band 2 staff with more than five years' service has also decreased, from 74% at 31 March 2013 to 42% at 31 December 2022.
- The Service is continuing to lose a high number of Bands 3 to 5 officers in their initial years of service.
- The leaving rate for Band 2 staff increased from 18.3% in the 12 months to 31 March 2022 to 19.0% in the 12 months to 31 December 2022. The resignation rate also increased, from 13.1% to 13.8% over the same period. These rates were higher than pre-pandemic levels.
- The leaving rate for Bands 3 and 4 Prison Officers (including Specialists) increased to 16.7% in the 12 months to 31 December 2022, up from 16.1% in the 12 months to March 2022. The resignation rate was also at historically high levels,

⁷⁶ HMPPS, (2022). *HM Prison and Probation Service workforce quarterly: December 2022*. (online) Available at: <https://www.gov.uk/government/statistics/hm-prison-and-probation-service-workforce-quarterly-december-2022> [accessed on 22 May 2023].

⁷⁷ This relates to pay for period covered by our 2022 recommendations, from 1 September 2022 to March 2023.

at 12.4% in the 12 months to December 2022. Both of these rates were higher than pre-pandemic levels.

4.12 Our recent recommendations, focusing on the lower paid, have sought to improve our remit group's relative market position, particularly for Band 3. As shown in Chapter 3, this has had some success. In making our recommendations this year, we are aiming to maintain and advance this improvement in market position. We are firmly of the view that further investment in Band 3 remuneration is necessary to assist in attracting and retaining the calibre and quantity of staff needed for the years ahead.

4.13 In our 2022 report, we made a recommendation that took the first step in eroding the market supplements for Bands 2 and 3 staff. We did this by fully eroding the Band 2 market supplements and for Band 3, consolidating the amber market supplement into pay, along with consolidating £3,000 of the red and red plus market supplements into pay (inclusive of the Unsocial Working Hours (UWH) allowance). It was our intention to return to market supplements this year and consider making a recommendation to further erode them. However, we require more complete data in order to make an evidence-based decision. We noted last year that HMPPS took the unusual step of making changes to the market supplements during the middle of the pay round due to its very serious concerns over recruitment and retention rates at some sites. While market supplements may help in the short term to address some recruitment and retention problems in some locations, they are more akin to a 'sticking plaster' than an effective pay system. It is our view that market supplements can be divisive; add to the complexity of the pay system; create new problems around geographic boundaries; exacerbate the more serious, structural issues of a multi-tier pay system and make these issues harder to solve.

4.14 In its written evidence, HMPPS proposed retaining the remaining red and red plus market supplements as they stood, to support operational capacity and to address local recruitment and retention issues. It said that more time was needed to assess the impact of our 2022 recommendations on recruitment and retention. During oral evidence, HMPPS stated that it remained committed to fully eroding market supplements in the medium term but wanted to retain the flexibility to use them for the time being. HMPPS did not rule out expanding them further. The POA told us that it regards market supplements as unfair and proposed that they should be abolished, with base pay increasing to the level of a red plus site. While the POA wanted to see market supplements fully eroded within the next three years, it regarded the 2023 headline award as a higher priority. We remain committed to eroding the remaining market supplements fully, but we have decided not to make a recommendation on further erosion this year. We agree that, given the wider economic context and need for more evidence, it is more appropriate this year to concentrate on the headline award. We plan to return to market supplements in subsequent years and ask that HMPPS provides us with continuing information on their use, together with a detailed analysis of their impact on recruitment and retention.

4.15 As in previous rounds, we received written evidence from HMPPS on the non-pay measures it had implemented to try to help improve recruitment and retention. On recruitment, HMPPS told us, for example, that it had schemes to support former armed forces personnel joining the service, its First Deployment Scheme and a new National First Posting Relocation campaign. Regarding retention, initiatives include work on leadership

programmes (around five different programmes) and greater structured supervision of new Band 3 Prison Officers. While these initiatives are broadly to be welcomed, we retain doubts over their cost and effectiveness given the volume of initiatives. We hear each year of new initiatives being introduced, many of which we have welcomed. However, we rarely hear how effective these have been, with some never being referred to again, and many suspended or abandoned after a relatively short time, possibly too soon to assess their impact, such as the Advanced Prison Officer scheme. Inevitably this leads to a degree of frustration and scepticism regarding such initiatives from the unions and experienced staff.

4.16 We ask the Government to consider carefully the package of recommendations we make, and the evidence on which they are based. It is crucial that the Prison Service continues to invest in its pay structures to recruit, train and retain the staff it needs in frontline operational roles. This is to ensure a stable and effective Service and to deliver its ambitions, as set out in the Prison Strategy White Paper.⁷⁸ Building on last year, our recommendations this year aim to maintain the relative competitiveness of pay for staff at Bands 2 and 3. Our recommendations also close the gap between Band 3 Prison Officers and their closed grade equivalents, making it more financially beneficial for the vast majority of remaining closed grade staff to opt in to *Fair and Sustainable* than under HMPPS's proposals.

Pay award and restructuring

4.17 In relation to the headline awards this year, we wanted to ensure that all staff in our remit group could receive an award, to address the ongoing difficulties with recruitment and retention, and to take account of wage increases across the economy. While continuing to build on last year's approach of targeting the lower paid, we also wanted to ensure that those in managerial grades received an increase to recognise the importance of their roles in the Prison Service and, broadly, in line with increases in pay in the labour market more generally.

4.18 Our principal focus has been on the workforce data, particularly trends in recruitment and retention, as well as the relative market position of operational Prison Service pay. We have also considered the wider economic context including inflation, and the data on average earnings growth and pay settlements across the whole economy that were available to us when we were making our decisions.

Band 2 pay award

4.19 In its written evidence, HMPPS proposed a consolidated cash award of £2,000 for staff on the *Fair and Sustainable* Band 2 spot rate. Band 2 staff play a critically important role in the safe and effective running of prisons, particularly the experienced Band 2 staff. HMPPS's proposal represents an uplift of 10.3% on the 2022 National spot rate value and would ensure that the pay rate stays ahead of the National Living Wage (NLW). However, we note that HMPPS has already increased the Band 2 base pay spot rate⁷⁹ from 1 April 2023 in order to remain compliant with the NLW. The NLW increased by 9.7%, from £9.50 to £10.42 per

⁷⁸ GOV.uk, (2021). *Prisons Strategy White Paper*. (online) Available at: <https://www.gov.uk/government/publications/prisons-strategy-white-paper> [accessed on 22 May 2023].

⁷⁹ Based on a 37 hour week.

hour. Therefore, Band 2 staff will have already received part of the proposed £2,000 pay increase.

4.20 HMPPS considered that this was consistent with its approach of targeting the lower paid and recognised that Band 2 was increasingly being seen as a gateway to becoming a Band 3 Prison Officer. During oral evidence, HMPPS stated that it wanted Band 2 to have a pay lead over the NLW but did not have a vision about how much headroom there should be. The POA proposed that Band 2 staff receive a consolidated award of 12%, while the Public and Commercial Service (PCS) union proposed an uplift of 10.5%.

4.21 We welcome the proposal by HMPPS this year to provide a substantial increase to the Band 2 spot rate, which should help to improve the market position for these staff and, we hope, ameliorate the significant retention issues at this grade. We endorse the HMPPS proposal of a £2,000 increase to Band 2 base pay. We do not consider, however, that there should be a formal link with the NLW longer term, given the importance of Band 2 staff in the safe running of prisons. As for other staff in our remit group, we have regard to the same issues of recruitment, retention and market comparisons when considering Band 2 staff, and these will continue to form the basis of our recommendations in future reports.

Recommendation 1: We recommend that from 1 April 2023 the *Fair and Sustainable* National Band 2 base pay spot rate be increased by £2,000. This award to be consolidated and pensionable.

Bands 3 to 5 pay award

4.22 For this round, HMPPS proposed flat cash awards for Bands 3 to 5, equivalent to 4% of the respective National band maxima. It told us that this was consistent with its aim of targeting the lower paid, with those lower down the pay scales receiving a higher award in percentage terms. HMPPS said that it was too early to evaluate the impact of our 2022 recommendations on recruitment and retention. It considered that there should not be any further heavy investment in pay until the impact of those recommendations could be measured. In oral evidence however, HMPPS told us that recruitment was showing early signs of improvement.

4.23 The POA proposed that all staff in *Fair and Sustainable* Bands 2 to 5 and all closed grade staff should receive a consolidated uplift of 12%, with staff receiving interest of 10.7% on back pay for each month the award was late. During oral evidence, the POA stated that it was right to concentrate on the lowest paid in our remit group and that the “cost-of-living crisis” and recruitment and retention issues in Bands 2 to 5 justified its proposed award.

4.24 The PCS proposed a consolidated award of 10.5% for all staff, to match the rate of inflation and provide some pay restoration. PCS wanted staff to have a competitive market-facing rate of pay. During oral evidence, the union added that pay awards for the lowest paid should be maintained and not be “one-offs” and said staff in a supermarket warehouse were paid more than Band 3 base pay.

4.25 We also note that annual growth in regular pay (excluding bonuses) for the whole economy was at 6.6% in December 2022 to February 2023, and 6.9% for the private sector.

Data on pay settlements indicate that the median increase in basic pay by number of pay reviews, was 6.0% in the three months to the end of March 2023.

4.26 We reviewed a wide range of relevant pay and workforce data to reach our conclusions on the pay award for Bands 3 to 5. As mentioned in Chapter 3, we remain particularly concerned about recruitment and retention of Band 3 staff, and increased leaving rates at Bands 4 and 5. Band 3 is the main operational recruitment grade into the Service and the extent of the ongoing recruitment and retention challenges for this group is clear in all the evidence we have seen. The data shared with us suggest that recruitment is still challenging despite the more positive HMPPS outlook. Attrition rates remain too high and we have yet to see evidence of any reduction. Staff morale remains low and HMPPS continues to make use of market supplements. We are also aware of other localised schemes which provide financial incentives to join or remain in the Service. The churn caused, particularly in the first two years of service, by worryingly high leaving rates leads to a training and financial burden as well as increasing the load on a diminishing pool of experienced staff.

4.27 As mentioned in Chapter 3, our 2022 recommendations improved the pay position of Band 3 staff relative to a number of comparable occupations which create the competitive labour market within which HMPPS operates. At the time we noted this was the first step. We are therefore keen to ensure that this improvement in market position is maintained and advanced, something we do not consider the HMPPS proposals do. We are also cognisant that, unlike the remit groups for some other Pay Review Bodies, the majority of our remit group are unable to take industrial action. In the light of the still relatively poor positioning of the pay of Bands 3 to 5 in the employment market, the increasingly challenging working conditions, combined with the critical issue of recruitment and retention pressures we consider an award of 7% to be an appropriate and justifiable pay award. Therefore, we recommend that the *Fair and Sustainable* National Bands 3 and 5 base pay points and the Band 4 spot rate are increased by 7%.

Recommendation 2: We recommend that from 1 April 2023, the *Fair and Sustainable* National Bands 3 and 5 base pay points and Band 4 spot rate be increased by 7%, as set out in Appendix D. This award to be consolidated and pensionable.

Band 7 restructuring

4.28 In its written evidence this year, HMPPS included a joint proposal with the Prison Governors' Association (PGA), to move Band 7 to a spot rate, together with the general principle of range shortening for operational managers. It said this aimed to ensure a meaningful increase upon promotion for Band 5 staff and to try to remove the perception that it was not worthwhile seeking such promotions when similar earnings for Band 5 staff could be achieved by working Payment Plus. HMPPS said this would also incentivise Band 7 staff to seek promotion. During oral evidence, the PGA told us that the proposed spot rate would aid staff to progress from Band 5 to Band 7 and it agreed with the HMPPS proposal. As Band 5 staff already managed junior staff and delivered complex tasks, the PGA did not consider it to be a "big jump" to a Band 7 role. The PGA said it would also reduce the number of Payment Plus hours Band 5s were working because promotion would be more

attractive. The PGA also thought that it took less than five years to become competent at Band 7 and that staff should be paid the rate for the job.

4.29 We remain concerned over how appropriate the use of spot rates is, particularly for operational managers. In addition, beyond the tactical value of removing an obstacle to promotion from Band 5 to Band 7, we find it difficult to see any compelling rationale for their introduction. We understand that Band 5 staff working Payment Plus could potentially earn more than their colleagues at Band 7 but feel that there should be a pay range for the first operational manager grade in the Service that rewards experience in the role. However, we are wary about unpicking proposals which both HMPPS and the unions support. Therefore, we endorse moving Band 7 to a spot rate at the maximum. We remain concerned however, about the longer-term consequences of this approach given that the lack of scope for pay progression might create retention problems in the future. Therefore, HMPPS should monitor the impact of this recommendation going forward, and keep us informed, to ensure that there are no unintended adverse consequences in the medium to longer term. We return to this issue in Chapter 5.

Recommendation 3: We endorse the proposal from HMPPS and the PGA that from 1 April 2023, the *Fair and Sustainable* Band 7 becomes a spot rate at the maximum.

Bands 8 to 11 restructuring

4.30 Progression from the pay band minima to maxima with the acquisition of experience in role is a common feature of Prison Service pay structures. In its written evidence HMPPS stated that part of its rationale for proposing the shortening of the pay ranges in Bands 8 to 11 from 20% to 15% was both to stop leapfrogging by newly promoted staff and overlaps between bands. HMPPS also stated that shorter pay ranges would mean a move away from higher progression awards whilst providing flexibility in recognising the time it took staff to become fully proficient. This would assist in managing progression in the future and move it towards its “future vision to pay the rate for the job, based on market values”.

4.31 In oral evidence, HMPPS told us that it expected staff to become fully competent in a new role within two to three years. It therefore considered that range shortening would move each of these Bands towards its future vision for pay. HMPPS has previously said this would take between five and six years. HMPPS stated that a shorter pay range would provide more scope to reduce the time that it would take to progress from minima to maxima. Alternatively, the rate of progression could be varied to achieve this in the same time it currently took. HMPPS considered that the proposed change would allow it to better control the cost of in-year progression and supported a move towards a “rate for the job” pay structure, aligned to “market conditions”. It said the proposal also aimed to increase the incentive to promote by reducing overlap between the bands.

4.32 In evidence from HMPPS and the PGA, both were supportive of the general principle to achieve shorter pay ranges for Bands 8 to 11, alongside swifter progression. In its own written evidence, the PGA said that it wanted to shorten the ranges for Bands 8 to 11 in future years, while in oral evidence it said that it had been mandated by conference to seek for these bands to be moved to spot rates. The PGA agreed with HMPPS that it took fewer

than five years for staff to become competent in the relevant role, so they should be paid the rate for the job.

4.33 We found the evidence for the proposed restructuring of Bands 8 to 11 to be inconsistent. On the one hand, HMPPS claims that it should take two to three years to become fully competent and by extension reach the maximum of the pay scale. On the other, it proposes progression of only 2%, which would extend rather than reduce the time taken to reach the maximum beyond the current five years. We recognise, and agree with, the aspiration to shorten the ranges for Bands 8 to 11, although we consider that the minimum period to progress to the top of the range should not be less than three years. Given our reservations, we do not endorse the proposed restructuring of Bands 8 to 11 and request that the parties provide us with clearer evidence and rationale for future reports. Our recommendations on the headline award should apply to the current structure for Bands 8 to 11.

Bands 7 to 11 pay award

4.34 The headline awards proposed by HMPPS were: a £2,000 (consolidated in the range and non-consolidated above the maxima) payment for Bands 7 to 9 who did not achieve this amount as a result of restructuring; and a £500 increase to the maxima of Bands 10 and 11 with a £1,000 (consolidated in the range and non-consolidated above the maxima) payment for those who did not achieve this amount as a result of restructuring. To demonstrate the size of the awards, HMPPS proposed a Band 8 at the National maximum would receive a 0% consolidated award, but a 3.8% (£2,000) non-consolidated award. A Band 11 at the National maximum would receive a 0.6% consolidated award (£500 uplift to maximum), and a 0.6% non-consolidated award (flat rate increase of £1,000 consolidated below the maximum).

4.35 During oral evidence, HMPPS said that its proposals for Bands 7 to 11 were submitted with controlling the paybill growth in mind. Therefore, there were no, or very limited, increases proposed to the maxima of these bands. It stated that after the proposed investment in increased pay for Bands 2 to 5, there would be limited funds available for the higher grades within the budget it had chosen to allocate for pay. Within the operational manager grades, HMPPS considered it a priority to address the obstacles to promotion from Band 5 to Band 7.

4.36 In its written evidence this year, the PGA proposed a headline award of 10% for Bands 7 to 11, with pay progression of 10% consolidated and that the maxima and minima be increased by 10% for these bands. During oral evidence, the PGA said that it felt all staff in the Service deserved to be recognised. It also mentioned that the Institute for Fiscal Studies had said that ten years of pay restraint had adversely affected higher earners more due to greater targeting of pay awards at the lower paid over parts of that ten-year period.

4.37 Whilst we consider it important that all staff should receive, or have the opportunity to receive, a significant pay award this year, we recognise that the recruitment and retention issues for Bands 7 to 11, are not as severe as for those in Bands 2 to 5. Therefore, we recommend a consolidated pay award of 5% for staff in *Fair and Sustainable* Bands 7 to 11. We believe this is broadly commensurate with HMPPS's strategy of targeting the lower paid and with the level of pay settlements in the wider labour market.

Recommendation 4: We recommend that from 1 April 2023, the *Fair and Sustainable* Bands 7 to 11 base pay minima and maxima, and spot rates be increased by 5%, as set out in Appendix D. This award to be consolidated and pensionable.

Band 12 pay award

4.38 In its written evidence this year, HMPPS proposed that the Band 12 spot rate be increased by £1,750 (consolidated and pensionable), which is an award of around 1.6%. It said that this would maintain the consolidated pay lead that Band 12 has over Band 11 and was reflective of the synergies this group has with the wider Civil Service. HMPPS also informed us that 11 of the 12 Regional Probation Directors will have the opportunity to opt in to Band 12 from 1 April 2023. In its written evidence, the PGA proposed an increase of 10% to the Band 12 spot rate.

4.39 This is the second year we make recommendations for *Fair and Sustainable* Band 12. This grade was introduced by HMPPS to accommodate Prison Group Directors and a small number of other senior operationally facing HMPPS staff. The Band 12 spot rate is considered by HMPPS to be inclusive of unsocial hours and therefore staff at this grade do not receive the Required Hours Addition/Allowance (RHA). We were very disappointed that the Government rejected our Recommendation 4 last year. It reduced our 5% award to 3%, bringing it into line with that for Senior Civil Servants. This had the effect of Band 11 earning higher pensionable pay than Band 12. We do not understand the logic of bringing Band 12 into our remit, but then for us to be bound by the recommendations of another Pay Review Body. We expect, as for the rest of our remit, that the Government should accept our recommendations.

4.40 After considering the available evidence and in line with our recommendation for the other operational manager grades, we recommend a consolidated and pensionable increase of 5% to the spot rate for Band 12. We also consider the anomaly relating to locality pay for Band 12 staff later in this chapter and make a recommendation (at paragraphs 4.61 and 4.62) to rectify it.

Recommendation 5: We recommend that from 1 April 2023, the *Fair and Sustainable* Band 12 spot rate be increased by 5%, as set out in Appendix D. This award to be consolidated and pensionable.

Closed grades

4.41 We considered the pay award for the closed grades in great depth. As stated earlier, our primary objective this year was to target higher awards at Bands 2 to 5 for recruitment and retention purposes and to improve, or at least maintain, their market position. This has the secondary effect of closing the pay gap between those on *Fair and Sustainable* and those on closed grade terms, making it more attractive for closed grades to opt in. This is one of our long-standing aims, shared by HMPPS. Our recommendation would also make opting in to *Fair and Sustainable* more attractive than under HMPPS's proposals.

4.42 In its written evidence, HMPPS proposed no award for those closed grade staff who would benefit financially from opting in to *Fair and Sustainable*. It considered that any award for closed grades would undermine the strategic direction of travel for HMPPS to end the two tier pay structure for the majority of staff. Each of the unions proposed in written evidence that the closed grade awards should mirror those for *Fair and Sustainable*. During oral evidence, the POA suggested that it would be possible to give awards for both Band 3 and closed grades that would bring the two pay scales into alignment, although at a substantially higher level than proposed by HMPPS.

4.43 As a result of our recommendations, most closed grade staff will benefit financially from being able this year to opt in to the maximum of the relevant *Fair and Sustainable* pay band. This is on the basis of the *Fair and Sustainable* National 37 hour pay plus UWH/RHA, and 2 x Pensionable Additional Committed Hours⁸⁰ and excludes closed grade staff with additional allowances/payments. Illustrated awards on opt in are shown below, which include a combination of the previous *Fair and Sustainable* pay lead for some grades and the effect of our recommendations this year:

- Closed grade Operational Support Grade (OSG) to Band 2 – £5,250 (around 24%);
- Closed grade Prison Officer to Band 3 – £1,380 (around 4%);
- Senior Officer to Band 4 – £3,110 (around 9%);
- Principal Officer to Band 5 – £5,800 (around 15%); and
- For closed grade operational managers, this ranges from around £6,590 a year (13%) for a Manager F to approximately £12,010 a year (13%) for a Senior Manager A.

4.44 Therefore, after much deliberation informed by the evidence, we have decided not to make any pay recommendations this year on pay for closed grade staff who would benefit financially from opting in to *Fair and Sustainable*. We consider that this approach, whilst the result of a difficult decision, offers the majority of closed grade staff a clear financial incentive to opt in to *Fair and Sustainable* via the opportunity to access a consolidated increase in pay. Furthermore, we do not intend to make recommendations in respect of the closed grades in future years, except for those who would not benefit financially from opting in to *Fair and Sustainable*.

4.45 There are some closed grade staff in our remit whose circumstances differ from those we have discussed above, that is those who cannot benefit financially from opting in to *Fair and Sustainable*. HMPPS proposed a £500 one-off non-consolidated payment for closed grade staff who would not benefit financially from opting in to *Fair and Sustainable*.

4.46 Given the prevailing economic situation, and recognising the impact of high inflation and the resulting increases in the cost of living on our remit group, we do not consider a £500 non-consolidated payment adequate. We have therefore recommended a higher flat cash, non-consolidated award, which targets the lower paid.

⁸⁰ This applies to *Fair and Sustainable* Bands 2 to 5.

Recommendation 6: We recommend that from 1 April 2023, those closed grade staff who would not financially benefit from opting in to their equivalent *Fair and Sustainable* grade receive a non-consolidated, non-pensionable payment of £1,500.

4.47 As discussed, a number of closed support grades have already seen their pay increase from 1 April 2023 due to the increase to the NLW. Therefore, we recommend that HMPPS should ensure that the pay for all closed grades is, at least, compliant with the NLW.

Recommendation 7: From 1 April 2023, we recommend that HMPPS ensures that all closed grade pay rates at least match the National Living Wage.

Opting in to *Fair and Sustainable*

4.48 As we have noted in our previous reports, our visits have highlighted that there is a level of distrust from some closed grade staff that, on opting in to *Fair and Sustainable*, their terms and conditions of service will be changed. This is despite HMPPS written assurances to staff that there are, in practice, no detrimental changes to terms and conditions resulting from opting in. However, scepticism remains. This year, HMPPS made it clear to us that the majority of closed grades' concerns around changes to terms and conditions do not in fact apply to staff who opt in. For example, it said there are no changes to how annual leave is calculated, no changes to pension arrangements or, for those closed grade staff who are not currently required to pass a fitness test, no requirement to pass such a test if they opt in. HMPPS also stated that the only change on opting in for some staff was to the standard working week, which increased from 36 hours to 37 hours a week. However, the standard full-time working week for the majority of closed grades in our remit is already 39 hours. We were pleased to hear that a significant number of closed grades opted in to *Fair and Sustainable* during HMPPS's most recent 2022-23 opt in exercise. We also welcome the POA's statement in oral evidence that it was the role of the POA, as well as HMPPS's job to dispel the "myths" around opting in to *Fair and Sustainable* and we urge both parties to work together to do so.

4.49 The HMPPS process of opting staff in to *Fair and Sustainable* does not automatically move staff to the respective grade maxima. We have heard from staff on visits that their belief is that they would opt in to the maximum of their equivalent *Fair and Sustainable* band. Although HMPPS assures us that only those staff that would benefit financially from opting in are invited to do so as part of the annual opt in exercise, the complexity of the approach could potentially result in closed grade staff moving to a pay level below the maxima of their *Fair and Sustainable* equivalent scale or range.

4.50 This year, we have recommended that *Fair and Sustainable* grades receive an award which largely closes the remaining gap between the two pay structures. This should allow the majority of closed grade Prison Officers to benefit financially from opting in to *Fair and Sustainable*. The exceptions being those closed grade staff who may be in receipt of some specialist allowances, LPAs or under TUPE arrangements. Recommendation 6 sets out a non-consolidated award for these staff. The alignment of the two pay structures is an important aim that we have shared with HMPPS for some years. As an additional encouragement to the

closed grades to opt in to *Fair and Sustainable*, we recommend that, this year, HMPPS moves all closed grade staff to the maximum of their relevant *Fair and Sustainable* band on opt in.⁸¹ We believe this would also reduce the administrative burden of the opt in process on HMPPS and the Ministry of Justice (MoJ).

4.51 Additionally, we ask HMPPS to expedite, extend and communicate its 2023-24 opt in window to ensure that staff are able to opt in as close to the publication date of our report as possible, rather than having to wait until the end of the pay year. Otherwise, closed grades would have to wait an unduly long time to access the pay increases inherent in opting in. We note that our recommendations this year will mean more staff have the opportunity to benefit financially from opting in than under the HMPPS proposal. This could impact on the costs associated with its annual opt in exercise, which HMPPS advised in oral evidence it budgets for separately. However, these costs are uncertain as they are dependent on how many staff choose to opt in and should diminish as there will be less, if any, need to conduct future opt-in exercises.

Recommendation 8: We recommend that from 1 April 2023 all closed grade staff who choose to opt in this year are moved on to the maximum of their respective *Fair and Sustainable* grade pay scale, range or spot rate. The opt in process should be expedited to start as close as possible to the publication date of this report.

Performance management and pay progression

4.52 HMPPS has implemented a new performance management system which will have been in place for a full year for all staff. This new system has ended the link between end of year markings and progression through the scales and ranges. We have in the past noted our concerns about the previous performance management system, particularly around its robustness, credibility and fairness. We considered that the old performance management system was not fit for purpose, however, we have yet to be convinced that the new system is an appropriate method to reward good or better performance within a pressured operational environment such as the Prison Service. Unfortunately, we have not been provided with evidence on how the new system is functioning for this report, although the unions told us that the new system was still proving challenging for frontline staff and managers. This means we have not yet seen any analysis or evaluation of data on the new system. We return to this matter in Chapter 5.

Support and officer grades

4.53 We make recommendations on progression for staff in *Fair and Sustainable* Bands 3 and 5 as they do not have contractual pay progression. We do not make progression recommendations for Bands 2 and 4 as these are spot rates. This year, HMPPS proposed one pay point progression for staff in Bands 3 and 5 who are not subject to formal poor performance procedures. This is consistent with the approach taken in previous years and, with the absence of evaluation of the new performance management system, we recommend that all staff progress to the next pay point unless they are subject to formal poor performance procedures.

⁸¹ For clarity, this means that the opt in calculations are done using the respective *Fair and Sustainable* grade maxima.

Recommendation 9: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 and 5 who are in post on 31 March 2023 progress by one pay point, effective from 1 April 2023.

4.54 There is no further contractual progression available for closed grade support and officer grades because these staff are all on their relevant pay scale maxima.

Operational managers

4.55 This year, as discussed earlier in this chapter, we have made no recommendations on the length of pay ranges for Bands 8 to 11. It remains our view that operational managers should be able to progress through the pay ranges from minima to maxima within five to six years. We do not consider there to be any evidence to convince us to depart from what we have recommended previously. We therefore recommend 4% progression for staff in *Fair and Sustainable* Bands 8 to 11.

Recommendation 10: We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 8 to 11 who are in post on 31 March 2023 receive a consolidated and pensionable progression increase of 4%, capped at the 1 April 2023 band maximum.

4.56 There remains no further contractual progression for closed grade operational managers who are all at pay scale maxima.

Locality pay

4.57 Our remit group have access to a number of locality pay variations which include: legacy LPA rates available to closed grade staff; *Fair and Sustainable* Inner and Outer London differentials; and the red and red plus market supplements available to *Fair and Sustainable* Band 3 Prison Officers at certain establishments.

4.58 In our 2022 report, we asked the parties to provide evidence to us for this report on the Inner and Outer London pay differentials in *Fair and Sustainable*. We asked the parties to consider whether there needed to be adjustments made or whether these should continue to be increased by the headline pay award, as in recent years. We also enquired whether the *Fair and Sustainable* zonal boundaries were correctly aligned. Unfortunately, we received very limited evidence for this report. PCS indicated that it believed London pay should be set at £5,000 a year across both *Fair and Sustainable* London zones. HMPPS proposed no increase in the allowance for either zone this year, except for some technical adjustments for staff in Bands 2 and 3. HMPPS also stated that pay in London remained competitive with the public and private sectors, although it provided no supporting evidence. It also noted in oral evidence that London prisons had a better staffing position and were not having the same level of recruitment and retention difficulties as other locations.

4.59 Firstly, we make no recommendation on the legacy LPA rates. These will diminish as the number of closed grades opt in to or are promoted into *Fair and Sustainable*, leave or retire from the Service. In respect of the Inner and Outer London *Fair and Sustainable*

differentials, we received no evidence to suggest that these needed significant readjustment. However, we did not consider that the HMPPS proposal to freeze London pay was appropriate. Whilst we note that HMPPS considers that recruitment and retention might be in a better position in London, staff working in London are equally, if not more, adversely affected by the cost of living as those staff outside London.

4.60 We therefore concluded that the Inner and Outer London cash differentials should be increased by the headline award as in previous years. However, we are mindful that we have made a number of different headline awards. Therefore, the differentials should increase by the Bands 3 to 5 (the most populous broad grade group) headline award of 7%. We recognise that this will mean that those staff in Band 2 and Bands 7 to 11 will receive a slightly different award in London than their counterparts on the National zone. Under this approach, the maxima for the Inner and Outer London zones will from 1 April 2023 be set at £4,616 and £3,035 above the National maxima. We recommend that the other points (where relevant) are adjusted so that progression steps between pay points have the same percentage value as on the National bands, in accordance with the *Fair and Sustainable* pay design. The pay scales and ranges are set out in Appendix D.

Recommendation 11: We recommend that from 1 April 2023, the fixed cash pay differentials for the *Fair and Sustainable* Inner and Outer London zones be increased by 7% and continue to be applied consistently across all bands, positioning maxima at £4,616 and £3,035 respectively above the 37 hour National maxima. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases are to be consolidated and pensionable.

Band 12

4.61 Staff on the Band 12 spot rate, within and outside the London zones, have a different pay arrangement. The Band 12 staff within the London zones receive a £5,000 non-consolidated and non-pensionable London payment. Following the Government's rejection of our Band 12 headline award last year – reducing it from 5% to 3% – we now have the anomaly whereby Band 11 Governors in Inner London can earn more in pensionable pay than the Band 12 who manages them. This is something that has been raised both by the PGA and by Band 12 staff on our visits. HMPPS has previously told us that if the payment was to be made pensionable then it would result in a Band 12 staff member taking a reduction in pensionable pay should they move to a role outside London. However, we note this is already the case for all *Fair and Sustainable* grades who move to a role outside London.

4.62 We therefore believe it makes little sense for there not to be Band 12 Inner and Outer London rates of pay as there are for Bands 2 to 11. This would also have the advantage of removing a further anomaly in the pay system. Therefore, we recommend that the £5,000 non-consolidated and non-pensionable payment for qualifying Band 12s in London is replaced for those staff by the consolidated and pensionable Inner and Outer London *Fair and Sustainable* cash differentials that apply to Bands 2 to 11. Appendix D sets out these spot rates.

Recommendation 12: We recommend that from 1 April 2023, the *Fair and Sustainable* Band 12 spot rate has the consolidated and pensionable Inner and Outer London cash differentials applied in the same way as for Bands 2 to 11 to create Inner and Outer London Band 12 spot rates. These Inner and Outer London rates replace the £5,000 non-consolidated payment.

Allowances and payments

4.63 This year we continue with our rolling review of allowances and payments, by looking at Payment Plus and OSG overtime. We also looked at a number of other allowance issues from our last report or which the parties have drawn to our attention. We also note areas where we would like information for our next report. We will address this more fully in Chapter 5.

Payment Plus

4.64 This year as part of our rolling review of allowances we considered Payment Plus. We asked all the parties to provide us with details on the following: the purpose of the allowance; information on any recruitment and retention difficulties, such as number of volunteers; and external comparator information from other organisations paying a similar allowance. We also asked for data broken down by grade and any outliers not working any Payment Plus to be identified.

4.65 The POA proposed that the Payment Plus rate should be increased from £22 an hour to £30 an hour. It told us that the purpose of Payment Plus was for very specific tasks and should not be a catch all payment for staff shortages. However, in oral and written evidence the POA stated that Payment Plus had now become a de facto overtime rate used to cover tasks beyond its original intentions when introduced in 2008. HMPPS proposed no increase to Payment Plus and in oral evidence it stated that it would prefer no blanket increase, instead preferring to target Payment Plus using its Operational Stability Payments for those prisons that required them. Although HMPPS did accept that Payment Plus was now being used beyond its original intentions, it said that Governors still had Payment Plus and wider budgets to adhere to.

4.66 Payment Plus was increased temporarily in August 2016 by £5 an hour when it was increased from £17 to £22 an hour. We made this permanent from 1 April 2019 and this represented just under a 30% increase. This year, we seriously considered whether Payment Plus should move to an overtime rate of pay such as that currently available to OSGs – time and ‘x’ an hour. This is something the POA said it was open to, but HMPPS requested that no changes were made because it would want to engage with the POA on this issue.

4.67 This year we decided that we wanted to focus the funds available to a targeted pay uplift for *Fair and Sustainable* grades which, in addition to providing increases in base pay to assist in recruiting and retaining staff, slightly improving market positioning and recognising the current economic conditions, would also close the pay gap for the vast majority of closed grades. Therefore, we make no recommendation on Payment Plus this year and would encourage the POA and HMPPS to consider the future and value of this payment, whether it would be better served by being changed to a specific overtime rate of ‘time and x’ (and/or

the purposes for which it is available to be modified to reflect the reality of how Payment Plus is being used). As part of these discussions, we ask HMPPS to tell us whether it has now abandoned plans for a contracted hours scheme – something we first noted in our 2016 report. We look forward to hearing the outcome of these discussions for our 2024 report.

OSG overtime

4.68 This was the second allowance on our rolling review of allowances for this report. We also asked the parties to provide information on any difficulties in obtaining OSG agreement to work overtime and/or continue to do so and external comparator information from other organisations paying a similar allowance. We also asked for data on the allowance by prison.

4.69 The POA asked that OSG overtime rates, for both *Fair and Sustainable* and closed grade OSGs should be increased to time and two thirds for green hours and double time for red hours, with both made pensionable.⁸² It noted the distinction between the two shift patterns because it considered OSGs worked more of their core hours as red hours than other staff. HMPPS asked that OSG overtime was not increased but provided no rationale for not changing the rate, despite us asking for this.

4.70 As for Payment Plus, we make no recommendation on OSG overtime this year as we have targeted our recommendations towards the headline pay rate for *Fair and Sustainable* Band 2 OSGs. We also note that the significant increase to Band 2 base pay will mean the value per hour of OSG overtime will also increase because overtime payments are calculated by reference to base pay.

Unsocial Working Hours allowance

4.71 Last year as part of our rolling review of allowances, and following a proposal from HMPPS, we increased the UWH allowance for Bands 2 to 5 and the Required Hours Addition for Bands 7 to 11 in *Fair and Sustainable* from 17% to 20% of base pay. At the time we noted our concerns that unsocial hours payments were based on the historic 2006 Bailey equal pay case, despite the fact that job roles were likely to have changed significantly in that time. We also noted that OSG staff on our visits tell us that they routinely work a significant amount of their core working time unsocially, with some reporting up to 60%.

4.72 In our 2022 report we therefore asked HMPPS to provide us information for this report on how many hours operational staff were working unsocially on a routine basis. We also asked it to consider whether there was a case for differentiated rates at different grades. Unfortunately, HMPPS provided little rationale in its written evidence other than to state that increases to unsocial hours payments should not be seen as operational allowances in “disguise”. It also said it could inhibit those operational Band 2s who wanted to move to another role in HMPPS or the wider MoJ, due to the loss of the unsocial hours payment not available to non-operational staff. In oral evidence HMPPS said that it would want to consider the average number of unsocial hours being worked by Band 2 OSGs across the Prison Service, rather than a select few sites that could be considered outliers. It also said that it would want to consider fully the legal implications of such a recommendation.

⁸² Green hours are those conducted between 07.00 and 19.00 on weekdays. Red hours are those conducted between 19.00 and 07.00 weekdays, and all day on weekends and public/privilege holidays.

4.73 The POA proposed that the rate for OSG unsocial hours should be increased from 20% to 30%, which would bring it into line with comparator organisations. It also provided us information from the Detail Offices at HMPs Bedford, Lincoln, North Sea Camp and Stoke Heath which appeared to indicate that OSGs at those prisons were working between 45% and 65% of their working hours unsocially on a regular basis.

4.74 When considering this issue, we felt that we did not have the necessary information upon which to make an evidence-based recommendation. We ask HMPPS to provide data on the average number of hours being worked unsocially, including by prison. In addition, we would also want to consider any legal and equal pay implications HMPPS has been made aware of before making any recommendation. We return to this in Chapter 5.

Care and Maintenance of Dogs allowance

4.75 As part of last year's rolling review of allowances, we increased the Care and Maintenance of Dogs allowance to restore the value of the allowance. We stated that we do not intend to let this allowance deteriorate in real value. We signalled that going forward it would be our intention to increase this allowance by the headline pay award each year.

4.76 This year we have made a differentiated award for *Fair and Sustainable* Bands 3 to 5 and 7 to 12. We therefore consider that the Care and Maintenance of Dogs allowance should be increased by the Bands 3 to 5 headline award, given staff in receipt of this allowance are generally in those grades. We therefore recommend that the Care and Maintenance of Dogs allowance single dog rate should increase by 7%, with the multiple dog rate remaining set at 25% above the single dog rate.

Recommendation 13: We recommended that from 1 April 2023, the Care and Maintenance of Dogs allowance be increased by 7% to £2,604 per annum to those with responsibility for a single dog. We further recommend that the rate for multiple dogs is set at 25% above the single dog allowance rate.

Voluntary specialisms

4.77 This year we again received proposals from the POA and PCS on remuneration for those staff that volunteered for additional specialist tasks over and above those in their basic job description. This year the POA asked for a £1,500 one-off payment for each specialist task that staff volunteered for and undertook. The PCS asked for a £500 yearly payment for each specialist task undertaken but changed this in oral evidence to that proposed by the POA.

4.78 As we noted last year, we were not persuaded by the evidence that there was a compelling case to introduce a payment for these tasks. We do not believe a blanket payment for every single task is the way in which these should be rewarded. Many carry differing levels of weighting in respect of skills and accreditation required, plus some may attract more or fewer volunteers. As we noted last year, many staff also carry out these roles for personal and skills development reasons, with the skills acquired also being applicable to everyday life in some circumstances. This is not to say that in future pay rounds we would not consider a payment for a particular specialist task. However, in order for us to consider this issue fully we would want HMPPS and the trade unions to discuss and, provide us with

data in relation to numbers of volunteers, complexity and demands of the role(s) and any comparator information that is available.

Duty Governor and Band 8 Deputy Governor

4.79 For several years, the PGA has raised concerns surrounding the lack of recognition for operational managers undertaking the Duty Governor role and for those who have passed their Band 8 Deputy Governor assessments. As we noted in our last report, we have concerns about introducing a Duty Governor allowance and have instead asked HMPPS and the PGA to discuss this issue. We noted in our 2022 report that HMPPS sought to increase the overall numbers of operational managers to tackle the work life balance challenge, rather than compensating for a heavy workload with an allowance. The PGA has noted that its members routinely work beyond their contracted hours and it is not possible for operational managers to complete their “day job” and what is expected for the Duty Governor role in a 37 hour week. In oral evidence the PGA stated that it envisaged a Duty Governor allowance being set at 25% of base pay.

4.80 In respect of the Band 8 Deputy Governor allowance, the PGA stated that this was to reward those Band 8 Deputy Governors for carrying higher risks in that role, a more demanding job and having to pass accreditation above that needed for a Band 8 Head of Function role. It provided the example of HMP Exeter where the Deputy Governor had been made a temporary Band 9 Deputy Governor position because, the PGA said, the Service could not find Band 8 Deputy Governor candidates, with most operational managers choosing Band 9 Deputy Governor roles for the enhanced pay for that band. The PGA proposed in oral evidence that an allowance for a Band 8 Deputy Governor should be set at 5% of base pay.

4.81 We considered both of these issues this year and concluded that there had been no change in respect of a Duty Governor allowance, with no new evidence provided. In relation to a Band 8 Deputy Governor allowance, we also make no recommendation noting that the evidence supplied was anecdotal and we would want to consider Service-wide vacancy data. As mentioned, our overriding aim this year has been to target the funds available to a headline pay award rather than at allowances. We would encourage HMPPS and the PGA to continue to discuss how operational managers can be supported and encouraged to take on these roles.

Other allowances and payments

4.82 We make no recommendations on other allowances and payments. The POA asked us to increase Tornado payments to £40 an hour for officers and £35 an hour for OSGs. It also asked us to increase Dirty Protest rates to £15 for up to four hours and £30 for over four hours. The POA highlighted that there was a shortage of volunteers for Tornado training, but HMPPS stated that, whilst the number of trained staff had decreased, this was not something that caused it “operational anxiety” at the current time. As part of our rolling review of allowances, we have committed to considering Tornado payments and Dirty Protest payments for our next report. We return to this matter in Chapter 5, identifying the information we require to consider these two allowances.

Cost of our recommendations

4.83 We estimate that our recommendations will result in an increase of approximately 5.6% (£79 million) to the total paybill for our remit group, excluding pay progression.⁸³ This equates to around 1% of HMPPS's £5.8 billion annual budget for operating expenditure as of 2021-22.⁸⁴ Additionally, we estimate that the £1,500 non-consolidated payment for closed grade staff ineligible to opt in will cost around £0.4 million.⁸⁵ In line with HMPPS's proposals this year, we have not estimated the cost of closed grade staff opting in to *Fair and Sustainable*. There may also be additional staff on other pay/allowance arrangements who would not financially benefit from opting in. As we have set out in previous reports, we do not include the cost of pay progression or contractual performance awards when calculating the cost of the annual pay award.

4.84 We acknowledge that this is more than HMPPS allocated for pay this year but believe that a higher overall award is necessary to address severe recruitment and retention problems and this will, in turn, generate savings in relation to the costs of a high rate of attrition. We anticipate there will also be other associated benefits such as greater operational stability and an improvement in staff morale.

⁸³ Our estimate takes account of both our recommended increase to pay scales, restructuring and those elements of the paybill that are not subject to any increase. Our estimate does not include the cost of staff opting in to *Fair and Sustainable*, as we cannot be sure how many staff will be eligible for, and decide to opt in. We note that HMPPS's evidence did not estimate this cost under its proposals.

⁸⁴ HMPPS, (2022). *HMPPS Annual Reports and Accounts 2021-22*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2021-22> [accessed on 22 May 2023].

⁸⁵ This covers the 234 full-time equivalent staff who would not, due to their LPA allowances, financially benefit from opting in under HMPPS's proposals. Staff numbers may change given our recommendations differ to HMPPS's proposals.

Chapter 5: Looking ahead

Introduction

5.1 In this final chapter we highlight several areas, including requests for further data, that we want the parties to consider and provide evidence on for our 2024 report. We also provide our thoughts and comments on a range of issues.

Our timetable

5.2 Once again, we cannot submit our report before the 1 April implementation date because the written evidence from the Government was submitted late. This has become a frustratingly normal part of our pay rounds over the last six years and is to the detriment of our remit group. This year our activation letter advised us that the Government's written evidence would arrive by the end of December. In fact, it arrived some eight weeks later. We, again, repeat the request that we receive evidence from all the parties in a timeframe that allows us to report in time for a 1 April pay implementation date. This means receiving the written evidence by the beginning of October. It is important for our remit group that they can expect their pay award as close to the pay implementation date as possible. As we noted last year, we are conscious that bringing the process back on schedule may take several years.

Our remit and its scope

5.3 On several occasions we have raised the impact of our pay recommendations on those non-operational staff in His Majesty's Prison and Probation Service (HMPPS) who are outside our remit. We understand that this involves a cost to HMPPS and in our 2022 report we asked how it could be resolved. Unfortunately, this was not addressed in HMPPS's evidence. We anticipate difficulties particularly in relation to market supplements and our intended direction of travel as these will eventually be consolidated into pay. Under this approach, such consolidation would then also be applied to non-operational staff even though they never received a market supplement.

5.4 We again ask HMPPS to consider how this issue could be resolved and whether the link between these two groups needs to be revisited. We understand that HMPPS would need to take advice on this but the challenges it faces around operational prison staff recruitment and retention suggest to us that it needs to take steps towards a resolution.

Market supplements

5.5 Last year we took the decision to consolidate fully the amber market supplement for all Band 3 Prison Officers, which resulted in a £3,000 increase in pay when including the Unsocial Working Hours allowance. We signalled then that it was our intention to continue the process of consolidating the red and red plus market supplements but did not specify a timeframe. As we note in Chapter 4, we have chosen this year to pause further consolidation of the market supplements in order to concentrate on the headline pay award.

5.6 We were pleased to hear in oral evidence that HMPPS was still committed to consolidating the market supplements, at the latest by the end of the decade. Therefore, in order that we can consider this for our next report, we would like evidence from HMPPS on the Band 3 recruitment and retention trends for the whole Service and at the market supplement sites. We would also like to hear from HMPPS on its proposed strategy for removing the market supplements. We would also welcome comment from the other parties.

Bands 8 to 11 pay range restructuring

5.7 This year HMPPS presented proposals to us on restructuring the pay ranges for Bands 7 to 11 by making Band 7 a spot rate and shortening Bands 8 to 11 from 20% to 15% in length. As we note in Chapter 4, we have reluctantly endorsed the spot rate for Band 7 but not the restructuring of Bands 8 to 11. We do not agree that the case has been made that these should be restructured in the way proposed, nor are we convinced that it takes as little as two or three years for senior operational managers to become fully competent in what can be very complex roles.

5.8 Should HMPPS wish us to reconsider restructuring these grades at a future date we would like to receive detailed information on its intended structure for Bands 8 to 11, along with a full rationale, including strengths and weaknesses, and possible unintended consequences. We would also expect this to include how pay progression is intended to function in these bands. We would also like to hear any details of discussions with the Prison Governors' Association (PGA) and comments from the PGA on any proposals.

Band 12 staff

5.9 Band 12 has been in our remit since 1 April 2021 and HMPPS has said that its Regional Probation Directors (RPDs) will be offered the chance to opt in to this grade from 1 April 2023. Therefore, in order for us to consider fully the pay for this most senior group of staff, we would like HMPPS to provide evidence on: whether the RPDs are in our remit; further information on the role of Band 12 staff; HMPPS's vision for this role as part of its One HMPPS programme; and evidence from HMPPS on what the pay differential between Band 11 Governors and Band 12 Prison Group Directors should be. We would also like to hear the views of the PGA on this issue.

Allowances

Rolling review of allowances 2024

5.10 Under our rolling review of allowances, we will be considering Tornado payments and the Dirty Protest payments in our 2024 report. We need to receive the following information on allowances and payments for review: the current purposes of the two payments; information on any recruitment and retention difficulties, including any plans for improvement if appropriate; and finally, any external comparator information that may be available. We realise that these payments may be unique to prisons, so comparator data from the Northern Ireland and Scottish prison services and the private prison sector would be useful.

5.11 Should the parties propose that these allowances be increased then we require the rationale and supporting evidence. Importantly, if no increase is being proposed then we also want the evidence and rationale to support that. It is not sufficient to freeze an allowance without an explanation. To help with our considerations we would also like to receive data on the number of trained staff and staffing complements for Tornado duties, broken down by prison and protected characteristics. We have previously been told that Dirty Protests are more difficult to provide data on, therefore we would like, if possible, to receive information by prison on the cost and numbers of staff claiming this payment. We would also encourage both HMPPS and the POA to work together and discuss these payments prior to our next report and share areas of agreement with us.

Payment Plus and OSG overtime

5.12 This year we have made no recommendation on the rate of Payment Plus or Operational Support Grade (OSG) overtime. This is partly because there was a lack of sufficient evidence provided but, more importantly, because this year we want to concentrate in particular on the headline pay award. However, we remain concerned that Payment Plus has effectively become an overtime payment and is being paid beyond the very specific tasks it was designed to cover, something HMPPS accepted in oral evidence. We considered whether we should recommend that Payment Plus be set as an overtime rate, as for OSGs, rather than an hourly payment. HMPPS said it would want, as a first step, to negotiate this with the POA. We therefore ask the POA and HMPPS to discuss this and bring forward proposals and evidence to us. We would also like both parties to consider and provide us with evidence on the OSG overtime rate.

Unsocial working hours payments

5.13 We received evidence this year from the POA on the unsocial hours worked by OSGs. The union provided examples from a number of individual prison detail offices which indicated that as a grade they were working over 30% of their working week unsocially and significantly more in some instances. This is something we have also heard from OSGs in recent years on our visits. HMPPS said it was not convinced that this was an accurate picture of the hours worked across the OSG group as a whole. HMPPS said that it would need to consider: the average hours worked unsocially by OSGs as this could be impacted by overtime; the legal implications; and the read-across to the non-remit group. We therefore ask that HMPPS provides the data from each individual prison on the percentage of unsocial hours worked by OSGs. Again, we would like HMPPS and the POA to work together to discuss this issue and present proposals to us for our next report.

Specialisms

5.14 This year the POA asked us to introduce a one-off payment of £1,500 for an expansive list of specialist tasks that staff volunteer to undertake for which they currently receive no remuneration. In Chapter 4 we explain that we do not believe a blanket allowance or payment for all tasks is appropriate. However, we remain open to considering this issue further in respect of individual specialisms or where HMPPS and the POA have discussed and identified issues that may warrant consideration of a special payment or allowance due to their complexity, sensitivity or risk. To do so we would need the issues clearly laid out, including: the ease or otherwise of attracting and retaining volunteers; the time involved in

training and/or obtaining and retaining appropriate qualifications; and what level of allowance is being proposed.

Request for evidence

5.15 We also wish to receive the following information from the parties for our 2024 report:

- From HMPPS on the performance management system:
 - Clarity on HMPPS’s future intent for pay progression and its link to performance;
 - An evaluation of the new system given it will have been in operation for nearly two years, including its strengths and weaknesses, and staff reaction;
 - Information on performance marking distributions, if any, including those on official poor performance procedures, broken down by grade and protected characteristics; and
 - Data on reward and recognition payments (in-year awards) over the 2022-23 performance year by grade, including by protected characteristics.

We would also welcome comments and evidence from the unions on the new performance management system.

- Evidence on the impact of the Band 7 pay range moving to a spot rate, particularly around recruitment to that grade and any impact on retention. We expect data on the number of applications before and after Band 7 becomes a spot rate, along with the previous number of Band 7 vacancies and current levels. We would also welcome evidence and views from the PGA on whether promotion has been unblocked at this grade.
- Data on the number of staff opting in to *Fair and Sustainable* during the 2023-24 opt in exercise, broken down by grade. Together with the numbers of closed grade staff unable to benefit financially from opting in broken down by establishment, grade and whether the reason lies with LPAs, specialist pay or some other matter.
- Evidence from all the parties on motivation and morale in the Prison Service and how this can be improved.

Equality and diversity

5.16 An important part of our standing terms of reference requires us to consider the legal obligations on the Prison Service in relation to equality and diversity. Whilst the amount of data covering equality and diversity has increased and improved, it still remains variable, especially around allowances data broken down by protected characteristics. These data have even more importance when we are being asked to make differentiated awards between the *Fair and Sustainable* and closed grades, or between grades within each of those two broad grade groupings. We therefore repeat our general request that we receive, as a matter of

routine, data broken down by protected characteristics. We also request information on the gender pay gap for HMPPS, similar to that published for the Ministry of Justice as a whole.

Conclusion

5.17 We are fully aware that we are making our recommendations at a time of high inflation and significant increases to the cost of living. We see our recommendations as achieving three important objectives this year:

- to maintain the improvement in the competitiveness of Prison Service pay resulting from last year's award, recognising the continuing serious issue of retention and the need to recruit significantly more prison officers, not only to replace the still high numbers of leavers but also to service the enlarging prison estate;
- to give all staff a pay award, or the opportunity of accessing a pay award, which broadly reflects developments in the rest of the economy; and
- to end the two-tier pay system between *Fair and Sustainable* and the closed grades after 10 years and move decisively to a single pay structure for the vast majority of staff, achieving one of HMPPS's objectives.

5.18 These recommendations also take account of the difficult cost of living pressures that our remit group and the economy are facing. We believe our recommendations are affordable and are conscious of the savings that could be made through reducing attrition, reducing violence and those costs that flow from having uncompetitive pay rates. We look forward to working with HMPPS and the trade unions to continue our journey towards achieving these aspirations further in future years.

Appendix A: Transcript of the Minister's activation letter

Dear Tim,

THE PRISON SERVICE PAY REVIEW BODY (PSPRB) REMIT 2023/24

I would like to thank the Prison Service Pay Review Body (PSPRB) for their continued hard work and dedication to Prison Service pay, and I look forward to working with you. I am now writing formally to commence the 2023/24 pay round and set out how the Government intends to work with the PSPRB throughout this year.

While we will adopt a usual pay round for 2023/24, the next pay award must strike a careful balance – recognising the vital importance of public sector workers, whilst delivering value for the taxpayer, considering private sector pay levels, not increasing the country's debt further, and being careful not to drive prices even higher in the future.

I am pleased that the Government was able to accept recommendations from the PSPRB for the 2022/23 pay round which delivered substantial increases to front line prison staff, and an important reset of the prison service pay structure.

In this context – and similarly noting the wider economic context – affordability must be absolutely central when forming this year's recommendations for prison pay, particularly given the substantial increases made in 22/23 which went significantly beyond the budgeted funding for proposals we had put forward to you. Pay is one mechanism among many to support our front-line workforce, increase recruitment and retention, and facilitate improving performance within the prison system – and it is important that MoJ and the PSPRB consider pay within a broader approach to modernising and reforming our offer to our staff. I would want to indicate that should affordability pressures arise, I would need to consider recommendations made by the PSPRB closely against our prisons workforce policy priorities and against the distinct needs of groups of staff within the Prison Service. This will be vital to ensure the necessity of each recommendation and that it offers value for money for the taxpayer. I also strongly urge you to pay due regard to the Government's inflation target – as per parts 5 and 6 of the PSPRB's terms of reference.

In implementing the 2022/23 recommendations, the use of market supplements in prisons has been significantly cut, from 35 prisons to now only 18. We will provide more detail on our proposed approach to use of market supplements in our evidence; however, I would like to take this opportunity to remind the review body of the terms of reference and responsibility to take into account regional and local variations in labour markets and their effects on the recruitment and retention of staff.

In response to your ask in the 2022/23 PSPRB report, we intend to condense the annual process to bring the pay award in line with the pay year over the course of the coming years. In accordance with a condensed timetable, I ask that the PSPRB submit their report earlier, by the end of April 2023, subject to further discussion with the secretariat in the Office for Manpower Economics (OME) on the detail of the timetable and my department being able

to submit written evidence on behalf of Government by the end of the year. As usual, we welcome the opportunity to discuss our proposals and evidence at an oral evidence session.

Thank you again for the PSPRB's valuable contribution and commitment to prison service pay. I look forward to receiving your recommendations in the pay round ahead.

Yours sincerely,

Damian Hinds
Minister for Prisons and Probation

Appendix B: Transcript of the PSPRB Chair's response to the Minister's activation letter

Dear Minister,

PRISON SERVICE PAY REVIEW BODY 2023 ENGLAND AND WALES REPORT

I am writing to thank you and your officials for taking the time to attend oral evidence with the Prison Service Pay Review Body on 28 and 30 March to discuss the 2023-24 pay round.

We have concluded oral evidence with all the parties, and I can confirm that we are working towards submitting our 2023 England and Wales report to the Government in June this year. We hope this should provide sufficient time for the Government to consider our recommendations and to publish our report prior to the Parliamentary Summer Recess period.

I am copying this letter to Phil Copple, Director General Operations at His Majesty's Prison and Probation Service and to the organisations that represent our remit group – the POA, Prison Governors' Association and the Public and Commercial Services Union.

Yours sincerely

Tim Flesher
Chair, Prison Service Pay Review Body

Appendix C: Visits and discussion groups held in 2022-23

The 2022-23 in-person visit programme covered the following establishments and sites along with a number of virtual discussion groups with Band 12 Prison Group Directors.⁸⁶

HMP Birmingham

HMP & YOI Brinsford

HMP Bullingdon

HMP Cardiff

HMP Channings Wood

HMP Five Wells⁸⁷

HMP Guys Marsh

HMP Long Lartin

HMP Onley

HMP & YOI Pentonville

HMP Risley

HMPPS Newbold Revel Training College

Prison Group Directors (Band 12) – three virtual discussion groups

⁸⁶ Band 12 discussion groups took place virtually due to the small number of staff at this grade and their geographic spread across England and Wales.

⁸⁷ Privately managed by G4S.

Appendix D: Current and recommended pay levels

Current and recommended pay (£ per annum) for *Fair and Sustainable* grades

***Fair and Sustainable* ranges – National**

Band 7 to 12 – National

Grade	Current pay ranges		From 1 April 2023	
	37 hour base pay	37 hour inc 20% RHA	37 hour base pay	37 hour inc 20% RHA
Prison Group Director (Band 12) spot rate	106,090	–	111,395	–
Governor (Band 11) Max	84,848	101,818	89,091	106,909
Governor (Band 11) Min	70,707	84,848	74,243	89,092
Governor (Band 10) Max	75,013	90,016	78,764	94,517
Governor (Band 10) Min	62,507	75,008	65,633	78,760
Deputy Governor (Band 9) Max	68,139	81,767	71,546	85,855
Deputy Governor (Band 9) Min	56,783	68,140	59,623	71,548
Deputy Governor/Head of Function (Band 8) Max	53,201	63,841	55,862	67,034
Deputy Governor/Head of Function (Band 8) Min	44,332	53,198	46,549	55,859
Head of Function (Band 7) Max/spot rate	45,625	54,750	47,907	57,488
Head of Function (Band 7) Min	39,674	47,609	Point removed	Point removed

Custodial Manager (Band 5) – National

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	32,424	34,694
	2	31,672	33,890
	1	30,938	33,104
37 hour inc 20% unsocial	3	38,909	41,633
	2	38,006	40,668
	1	37,126	39,725
39 hour inc 2xACHP & 20% unsocial	3	41,012	43,883
	2	40,061	42,866
	1	39,132	41,872

Supervising/Specialist Officers (Band 4) – National

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	28,477	30,471
37 hour inc 20% unsocial	Spot rate	34,172	36,565
39 hour inc 2xACHP & 20% unsocial	Spot rate	36,019	38,542

Prison Officer (Band 3) – National

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	25,342	27,116
	2	24,909	26,653
	1	24,067	25,752
37 hour inc 20% unsocial	3	30,410	32,539
	2	29,891	31,984
	1	28,880	30,902
38 hour inc 1xACH & 20% unsocial	3	31,369	33,565
	2	30,833	32,992
	1	29,791	31,877
39 hour inc 2xACH & 20% unsocial	3	32,328	34,591
	2	31,776	34,001
	1	30,702	32,851
39 hour inc 2xACHP & 20% unsocial	3	32,054	34,298
	2	31,506	33,712
	1	30,442	32,573
40 hour inc 3xACH & 20% unsocial	3	33,287	35,617
	2	32,719	35,009
	1	31,613	33,826
41 hour inc 4xACH & 20% unsocial	3	34,246	36,643
	2	33,660	36,018
	1	32,523	34,800

Operational Support Grade (Band 2) – National

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	19,355	21,355
37 hour inc 20% unsocial	Spot rate	23,226	25,626
39 hour inc 2xACHP & 20% unsocial	Spot rate	24,481	27,011

Fair and Sustainable ranges – Outer London

Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

Band 7 to 12 – Outer London

Grade	Current pay ranges		From 1 April 2023	
	37 hour base pay	37 hour inc 20% RHA	37 hour base pay	37 hour inc 20% RHA
Prison Group Director (Band 12) spot rate	106,090	–	114,430	–
Governor (Band 11) Max	87,684	105,221	92,126	110,551
Governor (Band 11) Min	73,081	87,697	76,773	92,128
Governor (Band 10) Max	77,849	93,419	81,799	98,159
Governor (Band 10) Min	64,871	77,845	68,163	81,796
Deputy Governor (Band 9) Max	70,975	85,170	74,581	89,497
Deputy Governor (Band 9) Min	59,147	70,976	62,153	74,584
Deputy Governor/Head of Function (Band 8) Max	56,037	67,244	58,897	70,676
Deputy Governor/Head of Function (Band 8) Min	46,696	56,035	49,079	58,895
Head of Function (Band 7) Max/spot rate	48,461	58,153	50,942	61,130
Head of Function (Band 7) Min	42,141	50,569	Point removed	Point removed

Custodial Manager (Band 5) – Outer London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	35,260	37,729
	2	34,443	36,855
	1	33,645	36,001
37 hour inc 20% unsocial	3	42,312	45,275
	2	41,332	44,226
	1	40,374	43,201
39 hour inc 2xACHP & 20% unsocial	3	44,599	47,722
	2	43,566	46,617
	1	42,557	45,536

Supervising/Specialist Officers (Band 4) – Outer London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	31,313	33,506
37 hour inc 20% unsocial	Spot rate	37,576	40,207
39 hour inc 2xACHP & 20% unsocial	Spot rate	39,607	42,381

Prison Officer (Band 3) – Outer London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	28,178	30,151
	2	27,697	29,637
	1	26,762	28,636
37 hour inc 20% unsocial	3	33,814	36,181
	2	33,236	35,564
	1	32,114	34,363
38 hour inc 1xACH & 20% unsocial	3	34,880	37,322
	2	34,284	36,686
	1	33,127	35,447
39 hour inc 2xACH & 20% unsocial	3	35,946	38,463
	2	35,333	37,807
	1	34,140	36,530
39 hour inc 2xACHP & 20% unsocial	3	35,641	38,137
	2	35,033	37,487
	1	33,851	36,221
40 hour inc 3xACH & 20% unsocial	3	37,013	39,604
	2	36,381	38,929
	1	35,152	37,614
41 hour inc 4xACH & 20% unsocial	3	38,079	40,745
	2	37,428	40,050
	1	36,165	38,697

Operational Support Grade (Band 2) – Outer London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	22,191	24,390
37 hour inc 20% unsocial	Spot rate	26,629	29,268
39 hour inc 2xACHP & 20% unsocial	Spot rate	28,069	30,850

Fair and Sustainable ranges – Inner London

Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

Band 7 to 12 – Inner London

Grade	Current pay ranges		From 1 April 2023	
	37 hour base pay	37 hour inc 20% RHA	37 hour base pay	37 hour inc 20% RHA
Prison Group Director (Band 12) spot rate	106,090	–	116,011	–
Governor (Band 11) Max	89,162	106,994	93,707	112,448
Governor (Band 11) Min	74,303	89,164	78,090	93,708
Governor (Band 10) Max	79,327	95,192	83,380	100,056
Governor (Band 10) Min	66,102	79,322	69,480	83,376
Deputy Governor (Band 9) Max	72,453	86,944	76,162	91,394
Deputy Governor (Band 9) Min	60,379	72,455	63,470	76,164
Deputy Governor/Head of Function (Band 8) Max	57,515	69,018	60,478	72,574
Deputy Governor/Head of Function (Band 8) Min	47,927	57,512	50,396	60,475
Head of Function (Band 7) Max/spot rate	49,939	59,927	52,523	63,028
Head of Function (Band 7) Min	43,426	52,111	Point removed	Point removed

Custodial Manager (Band 5) – Inner London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	36,738	39,310
	2	35,886	38,400
	1	35,055	37,510
37 hour inc 20% unsocial	3	44,086	47,172
	2	43,063	46,080
	1	42,066	45,012
39 hour inc 2xACHP & 20% unsocial	3	46,469	49,722
	2	45,391	48,571
	1	44,340	47,445

Supervising/Specialist officers (Band 4) – Inner London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	32,791	35,087
37 hour inc 20% unsocial	Spot rate	39,349	42,104
39 hour inc 2xACHP & 20% unsocial	Spot rate	41,476	44,380

Prison Officer (Band 3) – Inner London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	3	29,656	31,732
	2	29,150	31,191
	1	28,166	30,137
37 hour inc 20% unsocial	3	35,587	38,078
	2	34,980	37,429
	1	33,799	36,164
38 hour inc 1xACH & 20% unsocial	3	36,710	39,279
	2	36,083	38,609
	1	34,864	37,305
39 hour inc 2xACH & 20% unsocial	3	37,832	40,480
	2	37,186	39,790
	1	35,931	38,445
39 hour inc 2xACHP & 20% unsocial	3	37,511	40,137
	2	36,871	39,452
	1	35,626	38,119
40 hour inc 3xACH & 20% unsocial	3	38,953	41,680
	2	38,289	40,970
	1	36,996	39,585
41 hour inc 4xACH & 20% unsocial	3	40,075	42,881
	2	39,392	42,150
	1	38,062	40,726

Operational Support Grade (Band 2) – Inner London

Pay scale	Pay point	Current	From 1 April 2023
37 hour base pay	Spot rate	23,669	25,971
37 hour inc 20% unsocial	Spot rate	28,403	31,165
39 hour inc 2xACHP & 20% unsocial	Spot rate	29,938	32,850

Notes page for *Fair and Sustainable* pay scales

Bands 2 to 12

1. The 37 hour base pay salaries are the basis from which other rates are calculated.
2. Base pay rates are calculated by rounding up to the nearest £.

Bands 2 to 5

3. These staff may also qualify for an additional Unsocial Working Hours (UWH) allowance of 20% which is pensionable.
4. The UWH allowance, Additional Committed Hours (ACH) and Additional Committed Hours Pensionable (ACHP) are calculated by rounding to the nearest £.
5. ACH and ACHP also attract unsocial hours payments of 20%, which are pensionable.
6. Outer and Inner London scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £3,035 from 1 April 2023 (previously £2,836 from 1 April 2022) – or plus the Inner London differential – £4,616 from 1 April 2023 (previously £4,314 from 1 April 2022). Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.

Bands 7 to 12

7. The Bands 8 to 11 ranges do not have fixed incremental pay points. Bands 7 and 12 are spot rates.
8. Pay with Required Hours Addition (RHA) is presented as rounded to the nearest £, is pensionable and calculated as 20% of base pay.
9. Outer and Inner London ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential £3,035 from 1 April 2023 (previously £2,836 from 1 April 2022) – or plus the Inner London differential – £4,616 from 1 April 2023 (previously £4,314 from 1 April 2022). Minima are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.

Current pay (£ per annum) for non-Fair and Sustainable grades⁸⁸

Non-Fair and Sustainable operational manager grades⁸⁹

Grade	Current pay (from 1 April 2023)
Senior Manager A	94,896
Senior Manager B	92,110
Senior Manager D (post-2009 scale)	70,003
Manager E	52,691
Manager F	44,697
Required Hours Addition (pensionable) ⁹⁰	6,206

Non-Fair and Sustainable support and officer grades⁹¹

Grade	Current pay (from 1 April 2023)
Principal Officer	38,087
Senior Officer	35,429
Prison Officer	32,915
G4S Prison Custody Officer ⁹²	27,425
Operational Support Grade	21,757
Night Patrol ⁹³	23,933
Prison Auxiliary ⁹⁴	21,214
G4S Security Officer ⁹⁵	21,443

⁸⁸ Senior Manager C, Senior Manager D (pre-2009 scale) and Prison Officer 2 have been removed as there are no longer any remit group staff on these scales.

⁸⁹ We understand that former G4S operational manager grades are on individual salaries.

⁹⁰ This applies to the following grades: Senior Manager D (post-2009), Manager E and Manager F.

⁹¹ The pay shown in this table is based on a 39 hour week, except for the Night Patrol grades.

⁹² This grade was formerly part of HMP Wolds run by G4S.

⁹³ 44 hour base pay shown. Pay has been uplifted to the National Living Wage (NLW).

⁹⁴ Pay has been uplifted to the NLW.

⁹⁵ This grade was formerly part of HMP Wolds run by G4S.

Non-Fair and Sustainable HMP Birmingham grades

Following the transfer of HMP Birmingham back to HMPPS, staff TUPE transferred on G4S pay and grading arrangements. Staff are therefore on several different pay scales and individually negotiated rates of pay, therefore no pay rates will be covered in this appendix. Staff are treated as closed non-*Fair and Sustainable* grades and are entitled to the pay award applied to the non-*Fair and Sustainable* closed grade equivalent as recommended in this report. Those staff that have opted in to *Fair and Sustainable* will be covered under the *Fair and Sustainable* rates of pay.

Appendix E: Locality Pay Allowance rates

We recommend no change to legacy Locality Pay Allowance (LPA) rates for the closed, non-Fair and Sustainable grades so the rates remain as below. These rates are pensionable and are only payable to those staff in post at 31 March 2012.

Rating structure	£ a year	Establishments/sites covered:
Rate 1	4,250	Brixton, Pentonville, Wandsworth and Wormwood Scrubs
Rate 2	4,000	Feltham, Huntercombe, The Mount and Westminster headquarters
Rate 3	3,100	Belmarsh, Bronzefield, ⁹⁶ Coldingley, Downview, High Down, Isis and Send
Rate 4	2,600	Aylesbury, Bedford, Bullingdon, Chelmsford, Grendon/Springhill and Woodhill
Rate 5	1,100	Lewes and Winchester
Rate 6	250	Birmingham, ⁹⁷ Bristol, Littlehey, Long Lartin and Onley

⁹⁶ Payable to eligible staff in the controller's office at this establishment.

⁹⁷ There may be a number of former HMPPS staff that were TUPE transferred to G4S at this establishment who have now TUPE transferred back to HMPPS, that may also be in receipt of this LPA rate.

Appendix F: Allowances and payments⁹⁸

We recommend one change to allowances, to both rates of the Care and Maintenance of Dogs allowance. Below are the continuing rates from 1 April 2023.

Allowances and payments	Closed grades From 1 April 2023	<i>Fair and Sustainable</i> grades From 1 April 2023
Care and Maintenance of Dogs Rate 1 – single dog	£2,604 a year	£2,604 a year
Care and Maintenance of Dogs Rate 2 – multiple dogs ⁹⁹	£3,255 a year	£3,255 a year
Specialist allowance (pensionable): Caterers, Patrol and Search Dog Handlers, Librarians, Physical Education Instructors, Trade Instructors and Works Officers	£1,200 a year	Not applicable
National Tactical Response Group allowance	£6,670 a year	£6,670 a year
National Dog and Technical Support Group allowance	£6,670 a year	£6,670 a year
Operation Tornado payment (officers)	£24.86 per hour	£24.86 per hour
Operation Tornado payment (OSG)	£19.00 per hour	£19.00 per hour
Payment Plus	£22.00 per hour	£22.00 per hour
Dirty Protest allowance: four hours or less per day	£10.00 per day	£10.00 per day
Dirty Protest allowance: over four hours per day	£20.00 per day	£20.00 per day
On-call (radio pager): Weekdays	£5.67 per period of more than 12 hours	Not applicable
On-call (radio pager): weekends and privilege holidays	£16.13 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable

⁹⁸ There are no longer any closed grade officers in receipt of the Healthcare Officer specialist allowance. This has therefore been removed from this report and will not appear in future reports.

⁹⁹ The Care and Maintenance of Dogs allowance multiple dog rate is calculated at 25% of the single dog rate.

Allowances and payments	Closed grades From 1 April 2023	<i>Fair and Sustainable</i> grades From 1 April 2023
On-call (radio pager): public and bank holidays	£20.41 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
On-call (home): weekdays	£7.09 per period of more than 12 hours	Not applicable
On-call (home): weekends and privilege holidays	£20.17 per 24 hour period or proportionately or periods of less than 24 hours	Not applicable
On-call (home): public and bank holidays	£25.47 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable
On-call (home): ¹⁰⁰ weekdays and privilege holidays	Not applicable	£9.00 per period of 12 hours or more
On-call (home) weekends and public holidays	Not applicable	£25.00 per period of 24 hours or more or proportionately for periods of less than 24 hours
On-call (home) (hourly rate)	Not applicable	(£1.04 per hour whilst on call outside of normal office hours)
Stand by (office): weekdays	£13.43 per period of more than 12 hours	Not applicable
Stand by (office): weekends and privilege holidays	£38.46 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable

¹⁰⁰ For staff on *Fair and Sustainable* grades the on-call payments are payable as two rates only: (a) work days and (b) rest days or weekends and bank or public holidays.

Allowances and payments	Closed grades From 1 April 2023	<i>Fair and Sustainable</i> grades From 1 April 2023
Stand by (office): public and bank holidays	£48.26 per 24 hour period or proportionately for periods of less than 24 hours	Not applicable

Appendix G: Rolling review programme for Prison Service staff allowances and payments

The table below outlines our rolling review programme and which allowances and payments will be considered in detail in which report and year.

PSPRB Report	Allowances to be considered
Twenty Third (2024)	Operation Tornado payments Dirty Protest payments
Twenty Fourth (2025)	National Tactical Response Group National Dog and Technical Support Group
Twenty Fifth (2026)	Closed grade specialist allowances On-call allowances (both pay structures)
Twenty Sixth (2027)	Unsocial hours payments in <i>Fair and Sustainable</i> Care and Maintenance of Dogs
Twenty Seventh (2028)	Payment Plus OSG overtime

Appendix H: Summary of recommendations from the 2022 England and Wales report

- All scales, spot rates and ranges in *Fair and Sustainable* Bands 3 to 5 and 7 to 11, including all closed grade staff, consolidated and pensionable increase of 4% from 1 April 2022.
- The Prison Auxiliary and Night Patrol rates increased to the National Living Wage or 4%, whichever was the greater, from 1 April 2022.
- The Band 2 spot rate is increased by £1,500 from 1 April 2022, full eroding the market supplements for those Band 2 staff that received them.
- The Band 12 spot rate to be increased by 5% from 1 April 2022. Note, this was reduced to 3% by the Government.
- From 1 September 2022 the Band 3 National pay point is increase by £2,500, giving a total £3,000 award when the 20% unsocial hours payment is included. This eroded the amber market supplement and £3,000 of the red and red plus market supplements.
- From 1 April 2022 Bands 3 and 5 pay scales to be reduced from three to five pay points.
- From 1 April 2022 Band 4 became a spot rate set at the maximum.
- One pay point progression for those staff in Bands 3 and 5 that did not receive an uplift via pay band restructuring.
- Pay progression in Bands 7 to 11 of 4% for all staff except those on formal poor performance procedures, capped at the 2022 band maximum.
- The *Fair and Sustainable* Inner and Outer London pay differentials increased by 4% and ensure progression steps are the same percentage as on the National pay bands.
- UWH allowance for Bands 2 to 5 increased to 20% and applied to all contracted hours worked.
- The RHA for Bands 7 to 11 increased to 20%.
- The Care and Maintenance of Dogs allowance to be increase to £2,434 a year for those responsible for one dog, with the rate for multiple dogs set at 25% of the single dog rate.

Appendix I: Summary of PSPRB headline pay award recommendations from 2014 to 2021

- **2021** – Government pay freeze for those earning over £24,000 full-time equivalent a year with a £250 consolidated pay increase for those earning under this figure.
- **2020** – a consolidated 2.5% increase for all *Fair and Sustainable* and closed grades from 1 April 2020. 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% unsocial hours payment is included.
- **2019** – a consolidated 2.2% increase for all *Fair and Sustainable* and closed grades, except *Fair and Sustainable* Band 3, which was recommended a 3.0% consolidated pay increase.
- **2018** – a consolidated 2.75% increase for all *Fair and Sustainable* and closed grades, except *Fair and Sustainable* Band 3 and 4, which were recommended increases of 5.25% and 3.5% respectively. Rejected by the Government and reduced to a 2.0% consolidated and 0.75% non-consolidated award for all *Fair and Sustainable* and closed grades.
- **2017** – a consolidated flat cash award of £400 to all uniformed grades (both those on *Fair and Sustainable* and closed grades) and an increase of 1% to the maxima of the *Fair and Sustainable* National Bands 7 to 11.
- **2016** – an increase of 1% to the maxima of the *Fair and Sustainable* National bands and non-consolidated awards of £300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers.
- **2015** – an increase of 1.8% to the maxima of the *Fair and Sustainable* National bands but no recommended pay awards for those on closed grades. The Government then provided non-consolidated retention bonus payments (£300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers) shortly after the publication of our 2015 report.
- **2014** – a 1% consolidated pay increase for all officers and support staff on all pay structures and changes to some *Fair and Sustainable* National Band 7 to 11 pay structures to provide 2% to staff who opted in.

