



Home Office

HOME OFFICE EVIDENCE TO THE NATIONAL CRIME AGENCY REMUNERATION REVIEW BODY

2023/24 PAY ROUND

October 2023

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1. Introduction

1.1 The purpose of this document is to supplement and provide additional context from a Home Office perspective to the evidence provided separately to the NCA Remuneration Review Body (NCARRB) by the National Crime Agency (NCA) with regard to the 2023/24 pay award for NCA officers designated with operational powers.

1.2 The Crime and Courts Act 2013 and associated NCA Framework Document set out the mechanisms through which the DG NCA is accountable to the Home Secretary for the Agency's performance. As Principal Accounting Officer, the DG NCA is also accountable to HM Treasury in ensuring departmental spend is neither novel nor contentious and remains within delegated funding limits.

1.3 The NCA is a Non-Ministerial Department and is operationally independent of the Home Office. It has therefore, separately, submitted detailed evidence to the Review Body for consideration. DG NCA is, however, accountable to the Home Secretary under the Crime and Courts Act, whilst maintaining operational independence.

2. Strategic Context

2.1 The NCA is a UK wide, intelligence-led crime-fighting agency, with a visible national profile and international reach. It is the lead law enforcement agency in the UK for serious and organised crime, which is a major threat to our national security and prosperity. It is accountable to the Home Secretary and through the Home Secretary to Parliament. The NCA is also subject to the scrutiny of the Scottish Parliament, Northern Ireland Assembly and the Northern Ireland Policing Board.

2.2 Serious and Organised Crime ruins the lives of victims and destroys communities. It is a transnational threat to international security, development, and prosperity. It extends and exacerbates conflicts and undermines the economy and stability of partners and allies.

2.3 The global Covid-19 pandemic changed the nature of crime. It drove an increase in online crime as more financial transactions went online and the opportunities for the physical movement of people and commodities reduced. We have also seen the rise of gangs involved in organised immigration crime who have adopted small boat crossings to the UK as their primary business model during the pandemic, prompted in part by a reduction in the availability of other entry routes to the UK. We will

continue to see organised criminals adapt their methods and techniques as circumstances change.

2.4 The financial motive behind much serious and organised crime remains unchanged, however. Some trends, particularly economic and geo-political, have increased the opportunities for criminals to exploit and affect the supply of commodities as well as demand for their services such as to facilitate illegal migrants into the UK. Other trends, in particular the development of technology, are allowing criminals to operate differently and are posing new problems for the law enforcement response. Taken together, all these developments contribute directly to the crime people experience on a daily basis across the UK.

2.5 Our response will continue to develop to tackle the evolving threat from organised criminality. In January, we launched a public consultation on new ways to strengthen law enforcement agencies' ability to frustrate the operations of organised criminals. The Government plans to publish an updated Serious and Organised Crime Strategy later this year.

2.6 The NCA leads and coordinates the UK law enforcement response to serious and organised crime, A strengthened NCA therefore needs to be able to set clear strategic and operational direction and develop shared capabilities to drive efficiencies. A strong framework, covering the factors that support operational effectiveness, including pay, is vital to the NCA being able to deliver its role and achieve its mission.

2.7 The Home Secretary has set six strategic priorities for the NCA for 2023/24. These are:

- Reduce serious and organised crime in our communities by leading the law enforcement system and improving coordination with policing and other partners to tackle organised crime groups in the UK.
- Reduce serious and organised crime in the UK by dismantling the highest harm organised crime groups, networks and individuals.
- Reduce organised immigration crime with a particular focus on the organised crime groups facilitating small boat crossings as part of the wider Government strategy to stop small boats under the Prime Minister's 10 point plan on Illegal Migration.
- Reduce fraud and combat corrupt elites, state threats, cybercrime, money laundering and other economic crime.
- Enhance the security of our borders and ports by working with operational partners to dismantle the organised crime groups and networks that seek to undermine their integrity.

- Play a full role in delivering the Government's objectives to reduce and prevent crime and respond to national security threats.

2.8 We have made significant progress in delivering the commitment to strengthen the NCA so that it can tackle the threats from serious and organised crime. Over the course of this parliament, since 2019, we have increased the NCA's budget by 44% to £872 million in 2023/24. This increase in budget and capacity supports the NCA to perform its operational role more effectively helping it to degrade the most technologically sophisticated and harmful criminals, those who enable their activities and those who launder the money they make. The budget uplift is complimented by an increased percentage of funding within the NCA's Core Vote. This provides greater authority and flexibility for the Agency to allocate and prioritise funding against the Strategic Priorities, following its Funding Reform project.

2.9 Despite the increase in budget, the NCA is still managing several significant pressures such as its forthcoming exit from Spring Gardens and its Digital Transformation Portfolio. When considering the affordability of any recommendations, this should be done in the context of the pressures there are on the NCA budget.

3. The NCA's Proposals

3.1 In its 2022/23 report, the NCARRB recommended that the NCA implement a pay award amounting to 5% IRC, consisting of a consolidated increase of £1,900 to all officers in delegated grades, alongside an average 5% uplift to London Weighting and Southeast Allowances. These recommendations were accepted in full and implemented across the entire NCA workforce in delegated grades. It was accepted that the NCA requires a fully developed workforce strategy to address the shortages in its specialist, niche, professional and technological roles which would enhance the Agency's capability to tackle the threat.

3.2 In 2023/24 the NCA's budget will be £872m. This represents a 44% increase in the funding provided to the Agency since 2019. This increase reflects the Government's commitment to tackling serious and organised crime and its desire to see the NCA grow as an organisation.

3.3 Staffing and recruitment is a key component of the Agency's future growth. The requirement to increase pay compensation for existing officers needs to be carefully balanced with the impact on the Agency's budget and its staffing aims.

3.4 For 2023/24 the NCA is proposing a one-year pay award package amounting to an equivalent 7% IRC. This year will focus on a pragmatic approach which builds on the progress the Agency has already made with pay reform activity.

3.5 The NCA intends to undertake a feasibility review of a competence-based pay framework. The expectation is that it would help to develop a single remuneration model which is fair, facilitates movement within the Agency and is attractive to high quality new recruits. The NCA have expressed their interest to include their findings from this review to NCARRB in 2024/25.

3.6 Pay reform is a crucial part of the delivery of the NCA's strategy. The ambition remains to build on the previous years of progress, to be able to compete with its comparator markets, so that it can attract and retain the skills needed to lead the fight against serious and organised crime. The evidence presented demonstrates that the use of Spot Rates is beneficial in retaining the specialist skills that the NCA needs and highlights why it is keen to extend competency-based pay to relevant roles to help improve its competitiveness.

3.7 Due to the delay in the NCA pay process for 2023/24, in which all other Government departments have now reported, the NCA is in the unusual position of having full knowledge of the wider pay landscape. In proposing a 7% IRC uplift, the Agency has aligned itself with the highest pay award received by other parts of the public sector and has received full Ministerial support for these proposals.

3.8 Critical to workforce relations, it is imperative that the NCA resolves the existing delay to its pay process. Commencing the 2024/25 pay round without delay is a necessary first step. Further work will also be needed to refine the NCA pay process and resolve the existing issues of its two-tier pay structure. The Home Office stands ready to support the NCA in achieving these aims.

4. Conclusion

4.1 The threat to the UK from serious and organised crime is complex and growing, according to the NCA's latest assessment. The Agency is at the forefront of efforts to tackle that threat, with the public expecting the NCA to help keep them safe. The NCA's pay reform and proposals for this year will help meet that objective. The Agency has confirmed the proposals are affordable and the Home Office is supportive of them.