

**Fifth Submission to the  
Police Remuneration Review Body**



**February 2019**

## 1. FOREWORD

- 1.1. This submission is the fifth to be presented to the Police Remuneration Review Body (“PRRB”) by the National Police Chief Constables Council (“NPCC”).
- 1.2. The Policing Vision 2025 set out a clear requirement to review the pay model and ensure that it provides appropriate flexibility, rewards competence and skills and is affordable. Whilst there are still some key gaps in the detailed proposals, the work over the last year has established a clear design and framework.
- 1.3. In 2018 the NPCC National Reward Team (“NRT”) in conjunction with forces have concentrated on developing that new reward framework for the future. We have established an implementation programme, including employing a Programme Manager, to develop a full timetable linked to the workforce reform owned by the College of Policing (“CoP”), as there are certain key elements of workforce reform that must be in place to inform pay reform, or, to enable it.
- 1.4. Forces have been keen to work with us, and have been involved in many different forms, including workshops, surveys, conferences with our CIPD HR leads and the CoP.
- 1.5. In terms of consultation with stakeholders we have been involving the staff associations in a far more detailed way than previously. This is evidenced in our submission. We have engaged with staff associations on a regular basis, discussing and developing thinking and inviting them to workshops with forces so that they have sight of all our work. We have also formally engaged with them by sharing papers and receiving feedback. However, we have avoided the term consultation as this implies we have a fully informed plan. This is a developing picture that we want staff associations to help us to develop.
- 1.6. This report also contains proposals for the current pay award for police officers. Whilst the budget settlement for policing in December 2018 was better than expected, it has certainly not removed the pressures on forces either financially or operationally. The challenge of affordability is still a very real one. However, NPCC also recognises the financial pressures on individuals and the option of a three year pay award, whilst not supported by all forces, would provide up-front cash injection for officers. It would also enable stakeholders to focus on pay reform over the next three years. However, options for a one year deal are also presented for consideration.
- 1.7. After over seven years as the national lead for Pay and Conditions I now hand this important portfolio on to Chief Constable Matt Jukes.

**Francis Habgood**  
**Chief Constable Thames Valley Police**  
**National Lead for Pay and Conditions**  
**February 2018**

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## GLOSSARY

Term	Definition
AAT	Annual Allowance Taxation
AP	Advanced Practitioner
APCC	Association of Police and Crime Commissioners
CCC	Chief Constable Council "CCs" Chief Constables/ Chiefs/ Police Chiefs "DCC" Deputy Chief Constable "ACC" Assistant Chief Constable
CJS	Criminal Justice System
CoP	CoP/ "College"
CPD	Continuous Professional Development
CPI	Consumer Price Index
CPIH	Consumer Price Index Housing
CPOSA	Chief Police Officer Staff Association
CSR	Comprehensive Spending Review "Spending review"
CT	Counter Terrorism
DHEP	Degree Holder Entry Programme
ECR	Established Constable Review
EIA	Equality Impact Analysis
FOI	Freedom of Information
GDPR	General Data Protection
IPLDP	Initial Policing Learning and Development Programme
Korn Ferry	Reward consultancy advising NPCC
MPS	Metropolitan Police/ "MET"
NCA	National Crime Agency
NPCC	National Police Chief's Council
NRT	National/ NPCC Reward Team
OME	Office of Manpower and Economics
ONS	Office National Statistics
PACTTs	Police & Crime Commissioners' Treasury Accountants
PCC	Police and Crime Commissioner
PCDA	Police Constable Degree Apprentice
PCF	Police Consultative Forum
PDR	Performance & Development Review
PEQF	Police Education Qualification Framework
PFT	Police Transformation Fund
POLFED	Police Federation England and Wales
PPF	Policing Professional Framework
PRA	Police Resources Assessment
PRRB	Police Remuneration Review Body
PSA	Police Superintendents Association
PT	Police Transformation
PTF	Police Transformation Fund
SOC	Serious Organised Crime
SRO	Senior Responsible Owner (CC Francis Habgood)
Steering Group	Senior officers advising SRO on reward framework
WT	Workforce Transformation
WTG	Workforce Transformation Group

## 2. EXECUTIVE SUMMARY AND RECOMMENDATIONS FOR 2019/20

2.1. We have considered the Home Office remit letter we received from the PRRB in late December 2018. It asks for a number of items to be considered. We have summarised below where these matters are discussed in this submission and in relation to specific recommendations these are set out below in Section 2.3 onwards:

- How to apply the pay award for 2019/20 police officer for of all ranks, including chief officers, in the context of how it will support overarching NPCC proposals and timetable for a new pay structure.

*The pay uplift for all ranks is set out as Recommendation 1 below. We have explained our work in relation to pay reform, progress to date and next steps, which we then detail.*

- To review the NPCC design principles, framework and assumptions for pay reform, and to provide views on the extent to which these the views of staff associations have been considered in the development of the design:

*We have detailed our work during 2018 in Sections 6 and 7, including how we are working with staff associations. We would like the PRRB to review our progress to date and confirm that they are content with our direction of travel, and, where not, to indicate the approach we should consider. We have specifically asked for the PRRB to agree recommendations concerning taking forward our work on the P Factor and variable pay, Recommendations 6 and 7 respectively below.*

- To review the NPCC detailed project plan and risk register and provide observations on the timescales for implementation taking into account the requirement for formal consultation with the staff associations and the need to make legislative changes.

*We have set out plans in Section 7 and provided a full description of our programme management to the PRRB<sup>1</sup>. As above, we would like the PRRB to review our progress to date and confirm that they are content with work to date, and, where not, to indicate what approach we should take.*

- To review the NPCC proposals for progression pay for police apprentices.

*This is set out as Recommendation 2 below.*

- To review proposals from the NPCC in relation to making payments to the superintendent ranks for undertaking each 24-hour on-call period.

*No NPCC recommendations are made in respect of this request. Section 3 explains the decision of NPCC January 2019.*

2.2. We note that you are asked by the Home Office to consider affordability in reaching your recommendations. This is obviously a significant part of our considerations as employers. To help you with your considerations we have sought to explain the implications of the new 2019/20 funding agreement.

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<sup>1</sup> Presentation to PRRB by National Reward Team on 23rd January 2019.

We have provided details of both the maximum funding that forces might achieve and their current expectations of what they will receive, as the maximum funding is dependent upon the local decision made by the force Police and Crime Commissioner (“PCC”). This is outlined in Section 4.

## RECOMMENDATIONS BY NPCC TO PRRB

### Base Pay - Recommendations 1 and 2:

#### Recommendation 1- Annual Pay Award 2019

2.3. We are recommending a pay increase for all officer ranks (including the chief officer rank) of:

- a) at least 2%<sup>2</sup> to be applied to current pay points from 1st September 2019, provided that
- b) the PRRB firstly consider making the annual pay award in the form of a three year deal:
  - i. with 4%<sup>3</sup> being awarded upfront for year 1, with no increase in year 2, and then an increase in year 3 of 2% (with effect from 1st September 2021), subject to the caveat that
  - ii. if CPI for December 2021 is higher than 2.5%, the pay increase for this final third year will be reconsidered (and provided that a minimum 2% increase will be guaranteed) and, provided that,
  - iii. if a three year deal is agreed, PRRB explore different options to ensure that individuals are not financially disadvantaged due to the Annual Allowance charge<sup>4</sup>.

Whilst there is not universal support amongst Chief Constables for a three year pay award there is sufficient support for this to be actively considered. In the event that the PRRB do not wish to recommend a three year deal as described then we would recommend 2.3.a) applies.

2.4. In summary this has been arrived at on the following basis:

- Police chief recommendations have to balance the desire to see officers recognised for their hard work with the need to maintain services to the public within budget. Officer views, operational pressures, inflation, recruitment and retention, and trends in the employment market are all taken into account when reaching a decision.
- Police chiefs agreed in principle to recommending a three year, rather than the usual one year, pay deal for officers with as much as possible of the pay increase to be paid in the first year. They agreed further work was needed to confirm a three year deal was affordable for all forces, the maximum level of increase possible and how the increases should be spread in a three year deal.
- Funding will increase for most forces for the year 2019/20. However, the effect of the increase, if available, varies across forces from a projected 5.8% increase in the local force budget, to a maximum of 8.5%, the average for forces being 7.2%.
- In the event that it is concluded that a three year deal is not agreeable then we recommend that a pay increase of between 2 and 2.5% is applied (with the majority of forces favouring the lower end). This compares to other pay awards in the public sector and is equivalent to December 2018 CPIH.

2.5. Further details of our thinking can be found within Section 5.

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<sup>2</sup> Section 5.19

<sup>3</sup> Section 5.19

<sup>4</sup> Section 5.27

## **Recommendation 2 - New Entry Constables Pay Scale**

- 2.6. We recommend the progression rates for new entry constables for those joining with effect from 1st September 2019. The new rates will allow for progression through the training phase, described as Stage 1, but will allow for local flexibility so that, if needed, forces will be able to pay more.
- 2.7. The recommended rates are set out in 6.39 and will be uplifted in accordance with the annual pay award in accordance with Recommendation 1.

## **Allowances - Recommendations 3, 4 and 5:**

### **Recommendation 3 - On Call Allowance**

- 2.8. We propose that the current on call allowance payment for federated ranks is raised from £15 to £20. We propose that in future this allowance is indexed in line with the increase in base pay. There is not majority support at chief officer level for the payment of an on call allowance to superintending ranks. As with most sectors on call should form part of base pay for senior managers.

### **Recommendation 4 - London Weighting**

- 2.9. The Metropolitan Police (“MPS”) have provided a separate submission around the London Weighting. We recommended that London Weighting be uplifted in accordance with the annual pay increase. London Weighting would therefore be increased in line with the recommended pay award as set out in 2.3 above.

### **Recommendation 5 - Dog Handlers' Allowance**

- 2.10. As in previous years we recommend an uplift in the annual dog handlers' allowance in line with the increase in base pay. The dog handlers' allowance would therefore be increased by in line with the recommended pay award as set out in 2.3 above

## **Reward Framework - Recommendations 6 and 7**

### **Recommendation 6 - P Factor**

- 2.11. We propose that the Office of Manpower Economics (“OME”) are commissioned to complete independent work on valuing the P factor for all ranks and to advise the PRRB accordingly. Further details on this can be found in Section 6.41 onwards.

### **Recommendation 7 - Variable Pay**

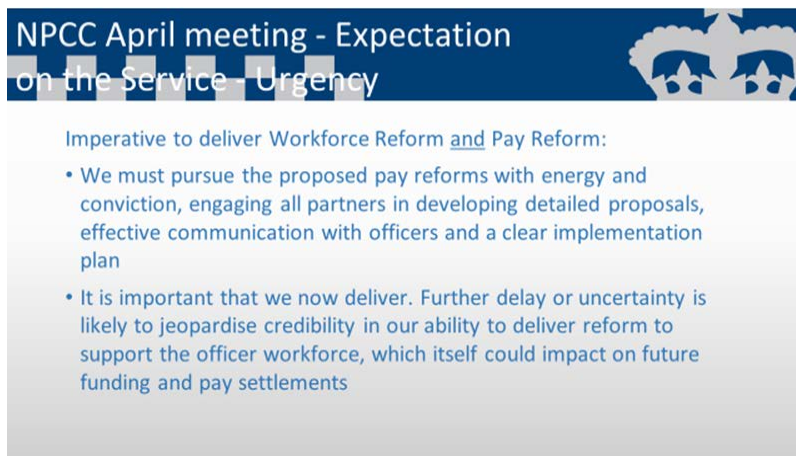
- 2.12. We propose that PRRB support us in our work on variable pay and support us to develop detailed proposals as outlined in Section 6.75 onwards.

### 3. BACKGROUND & NATIONAL CONTEXT

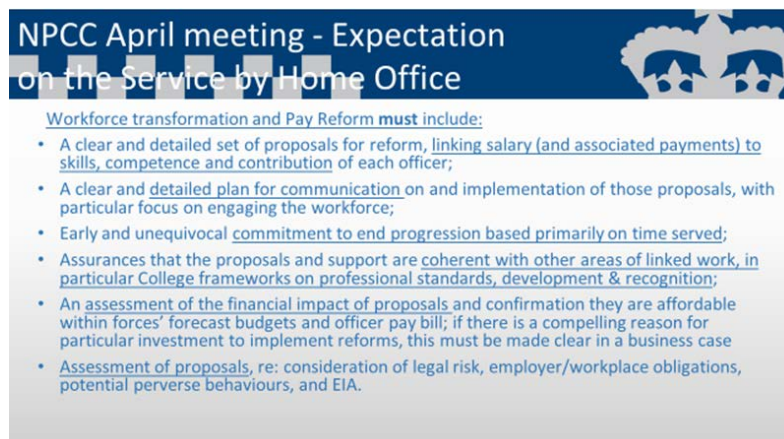
3.1. This section considers the background and national context to this submission. First we outline progress made since our last submission in February 2018 and the cover additional items, namely developing the reward framework, updates on targeted payments and on call allowances.



3.2. When Chief Constables met in April 2018 they confirmed the new impetus on pay reform set out by the Home Secretary and the Minister for Policing and the Fire Service, signalling that forces needed to engage with workforce reform and participate in the pay reform.



3.3. The expectation was confirmed as follows:



## Increasing resources and new activities to develop the framework

3.4. Significant work has been undertaken by all forces, the NPCC and stakeholders since April 2018. We have summarised below the key aspects of the work which we have sought to develop the framework namely:

- Creating a new programme structure to manage, control and measure outcomes. A Programme Manager joined the NPCC reward team in May enabling a more structured approach to be followed. This has included documenting key decisions made by Chief Constables throughout the last 12 months to start to create the reward framework.
- A new, separate Steering Group of senior officers and staff has been formed to consider and monitor the design and developments on a monthly basis. This group considered the appropriate items to be presented to Chief Constables Council (“CCC”) at its four meetings during 2018/19.
- Developing four workstreams in 2018 with forces to facilitate the development of the reward framework. These discussed the future constable base pay scale given the introduction of the Policing Education Qualifications Framework (“PEQF”) and the future career pathway, the P factor (formerly known as the “X” factor), how we should set the pay of all the ranks in future and consideration of other payments to officers, this workstream being referred to as variable pay. All forces were invited to send appropriate delegates to attend workshops on each topic, together with all stakeholders: Police Federation of England and Wales (“PolFed”), Police Superintendents Association (“PSA”), Association of Police & Crime Commissioners (“APCC”) and the Home Office. Those who were unable to attend were also offered additional workshops or webinars, to ensure they were kept abreast of the discussions taking place. All forces participated in these activities in 2018<sup>5</sup>.
- Adding personnel and expertise to the NPCC reward team to further develop the reward framework throughout the year, including consultancy advice from Korn Ferry to help facilitate our thinking on pay.

3.5. A new network of contacts has been built by the reward team across forces to facilitate process and gain traction through:

- Cross-force liaison, working with local reward personnel, HR personnel, finance and payroll and learning & development personnel working on PEQF developments. A new network of nearly 300 force personnel has been created to gain access to key force contacts and provide a route in to facilitate the development of the framework and answer surveys across HR and operational issues.
- Extending our contacts with the CoP, for example, joining with them to help develop their programme management and monitor their own products, e.g. new job profiles.
- Increasing and reinforcing relationships with key stakeholders to ensure that dialogue continues and increases, particularly PolFed and PSA, outside the programme of workshops and police forums like the Police Consultative Forum (“PCF”).

3.6. Sections 6 and 7 detail the work we have carried out on the design of the framework and the programme management put in place.

## Update on targeted payments

3.7. In 2017, we were asked by PRRB to implement the use of targeted payments:

*“We recommend the introduction of appropriate targeted arrangements in 2017/18 to allow for local flexibility for chief officers to make additional payments to officers in hard to fill roles and in superintending rank. This interim measure should have a time limit through to September 2020 and no payment can be made after this date”*

<sup>5</sup> The NRT involved all forces in these initiatives. Some forces were slower to participate. These forces were identified by the team after the first workstream began and individually contacted by the team to establish a point of contact. All forces now have multiple contact points.

- 3.8. PCF members agreed the wording of the new payments by August 2018 which we understand have now been signed off by the Policing Minister. The payments are in two forms:
- payments for hard to fill roles for federated ranks
  - demanding payments for superintending roles
- 3.9. We surveyed forces in December 2018 (Appendix G) to gain an up to date understanding of how forces might apply this new determination. At this stage it appears to have received a mixed response but it should be noted that forces were considering options. 36 forces responded to the survey.
- 3.10. Payments for federated ranks are likely to be used by 14 forces, with the rank/roles which might attract a hard to fill payment including detectives, firearm officers, PSI Level 2 Public Order, Inspector/Chief Inspector, family liaison officer and Tutor Constable. The size of these payments are yet to be determined:
- The time period over which payments will be made is likely to vary between: monthly, quarterly and annually
  - The total anticipated annual payments for the majority of forces are unknown at this stage
  - 10 forces said payments would effectively be a continuation of existing payments currently made under Regulation 34 of Police Regulations 2003
- 3.11. Prior to the decision to introduce targeted payments for hard to fill roles, CC Matt Jukes (National Lead for detectives) wrote to all Chief Constables highlighting that many detective candidates moving from front-line uniform roles lose an average annual allowance of £1,200 for unsocial hours. 6/14 forces in the survey stated they would make specific targeted payments to detectives. This new allowance now has the potential for Chief Constables to make additional and targeted payments to officers in circumstances where the prescribed 'hard to fill' criteria are met.
- 3.12. At this stage the new superintending, demanding payment, appears to have less take up. Three forces currently indicate they intend to use this, and of these, two, will also be making hard to fill payments:
- Forces have not yet specified to which specific rank or role
  - Two forces would consider a monthly payment and one force has yet to decide over what period of time the payment would be made
  - Forces have not determined the total anticipated annual payment
- 3.13. The survey responses illustrate concerns about its application. Reasons for not making use of the new targeted payment arrangements include:
- There is no requirement
  - Options are still under consideration (many forces had not yet determined a considered response)
  - Payments would be unaffordable if not funded
  - Some forces are reporting local concerns about payments being potentially divisive
  - In the current pay climate additional payments are not appropriate
- 3.14. Of these, three intend to start payments this year 2018/19 and most, 12 forces, intend to make payments with effect from the new financial year 2019/20. We are aware that PSA are disappointed with the low use and they have encouraged all members to apply for a bonus payment. This has occurred in some forces but the guidance clearly states that they are for 'Superintendent roles which are deemed additionally demanding and which through scale and complexity of the role, exceed that which would normally apply to the majority of the rank'. A blanket approach would therefore not be appropriate.
- 3.15. Once the determination is finally issued we would expect that forces will be able to plan, budget and operate these new payments more confidently. At this point we don't know whether the new force budget uplifts will change views and whether, as some forces start to make payments, others will follow their lead. Therefore we will continue to monitor the payments being considered and made.

## On call allowances

3.16. The PRRBs remit letter contains a requirement to specifically look at on call arrangements for superintending ranks. Forces had not raised the matter of on call as being an issue and so this needed further investigation. Therefore in order to review this, the National Reward Team (“NRT”) wanted to first gather information to seek out what, if any issues exist. This section of the report outlines three key research methods undertaken, these include, the use of a national survey, conducting focus group followed by market practice analysis. We will then consider what recommendations should be made.

3.17. The existing parameters on which call payments are currently made are as follows:

*“(1) A member of the rank of Constable, Sergeant, Inspector or Chief Inspector shall receive an allowance of £15 in respect of each day on which he spends any time on call.*

*(2) In paragraph (1) “day” means a period of 24 hours commencing at such time or times as the chief officer shall fix after consultation with the joint branch board, and the chief officer may fix different times in relation to different groups of members”*

3.18. Regulation 34 of Police Regulations 2003 (Annex U) provides for federated officers being paid an allowance of £15 for each day that they are on call. This figure has not changed since it was introduced in 2013. Constables and sergeants are remunerated additionally when they are required to perform duty whilst on call (and there have been several employment tribunals that have challenged the definition of this). Inspectors and chief inspectors receive no additional remuneration and are expected to manage their hours accordingly. Police staff members are paid £29.17 per day (Police Staff Council rates and adopted by most forces).

3.19. We wanted to understand whether the current arrangements adequately compensate officers for being on call, and, address the concerns that have been raised by the PSA. This is, that senior officers are being unfairly treated on the basis that superintendents and chief superintendents do not receive the allowance and yet have been required to undertake increasing amounts of ‘on call’ work.

## Focus groups and on call

3.20. The focus group data was conducted in November 2018 and included three forces: Avon & Somerset, Derbyshire and Northamptonshire. A total of 40 officers participated. The full set of analysis can be found in Appendix B.

3.21. Federated officers were questioned about on call duties as part of our general focus groups. The federated officers discussions showed that the allowance, where relevant, was appreciated and works effectively<sup>6</sup>:

- Although nearly all officers report that they are routinely called or disrupted at home, only a minority of officers are officially ‘on call’, i.e. put on the rota as on call. There was consensus that taking a phone call is not being ‘on call’. Being on call is about having to leave home to attend an incident, or go back into work and be available for a period of time.
- A majority of officers think the allowance should increase. Discussion indicated that the £15 allowance is widely considered as ‘symbolic’ and not a true reflection of the levels of disruption and risk undertaken. They raised strategic organisational issues of officers who take on extensive levels of interruptions and responsibilities and only receive £15 and officers who wear several ‘hats’ yet only receive one allowance

<sup>6</sup> Appendix B Reward Framework Focus Groups November 2018

- No officer thought on call duties and the impact on individuals was being monitored by their force. One force said they had made attempts to do this but it had proved complex as different senior managers owned and were responsible for different rotas

3.22. A separate focus group was held in conjunction with the PSA with about 20 superintendents and representatives from the NRT. This group were clearly concerned about the number of rotas their members needed to cover and the issues are consistent with those raised by the PSA about the increasing workload being placed upon superintending officers. This experienced cohort felt confident that their views reflected the majority of their colleagues and identified the following as the main reasons for the challenge to the existing on-call arrangements:

- The reduction of numbers at the superintending rank since 2006 (chief superintendents down 44.7% and superintendents by 17.4%<sup>7</sup>) and a corresponding increase in demand
- The regularity of on-call duties. For most it was more than once a month and many were permanently 'on call' by virtue of their role (i.e. not on an organised rota)
- On many occasions officers were on call for more than one discipline, thereby increasing the chances of a call/disruption. This often occurred when they were scheduled for a rest day
- Although participation in on call rota is regarded as voluntary, many felt either indirect pressure to perform on-call duties and/or do so in support of their peers
- The level of disruption whilst on call has increased exponentially at this rank, with many authorisations now required at superintending level. This can be for fairly routine occurrences and often result in a number of calls during night time hours - 70% of the group reported this as an issue
- A reduction in chief officer numbers has seen many on-call duties previously undertaken at this level delegated to the superintending rank
- Taking time off in lieu of on-call demand is rarely done because of commitments during normal working hours

3.23. A significant majority of those participating in the focus group felt that the rank should be compensated for on call by way of an allowance, with a £25 - 34 range being the favoured amount for a 24-hour period.

## On call survey

3.24. A NPCC survey was issued to all forces about the current application of on call rotas across all officers covering all ranks (federated and superintending ranks) their usage and appropriateness, including whether the payment, if any, is set at the correct level. 40 forces completed the survey. This survey can be found as Appendix C. A summary of the findings related to the allowance is as follows:

3.25. The results for federated ranks found:

- the majority of forces pay in line with Regulations (£15)
- there was strong support for on call to be recognised by an allowance for federated rank
- forces do not know if the value for on call is sufficient.
- there was an appetite to review the value of on call and for it to be uplifted in line with annual pay awards

3.26. The results for superintending ranks found:

- most forces do have superintending ranks covering more than once discipline whilst being on call
- few forces monitor the amount of disruption to superintending ranks whilst being on call
- few forces have made any significant changes to reduce the impact on individuals caused by call outs

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<sup>7</sup> Korn Ferry data

- there was limited appetite for recognising on call arrangements for superintending ranks through an allowance (the preference being to recognise in base pay)
- senior police staff managers do not receive an on call allowance (research suggests that this position is typical in other sectors)

3.27. In terms of the management of on call the results showed:

- forces have a considerable range of the number of rotas in operation (from 10 to over 30)
- specialist roles tended not to have a rota that supported the on call arrangement (e.g. authorising officer, special branch DI, CHIS controller)
- the majority of forces share some on call arrangements across forces
- significant numbers of individuals who are on call are part of more than one rota
- few forces review the impact on the individual of being on call and the number of times that they are called out
- few forces monitor the amount of disruption to superintending ranks whilst being on call

3.28. The findings suggested that improvements are needed in the way that on call arrangements are managed and monitored in forces. It is likely that individuals and forces have a different understanding of the formal on call arrangements (the survey suggests that 47% of superintendents are on call, PSA have stated that this is likely to be higher and we agree with them). Not having an on call payment for superintending ranks probably avoids the necessity for forces to actually monitor on call arrangements for this group.

## Market practice

3.29. The table below looks at comparators within other public organisations and the level of the allowance, if any, that is offered in compensation:

Sector	On call rate	Details of on call allowance
NHS Doctors	On call allowances depend on the grade of doctor.	In general an allocation of their job plan is made for predictable and unpredictable emergency work done on call. The allowance is to recognise the inconvenience of being on-call and any work done is paid at contractual rates
NHS Consultants	A percentage of salary based on a combination of frequency of on-call and the intensity of the work	
NHS Junior Doctors	Paid an annual on call allowance. At this time at the entry point that figure is £2,172 which would equate to around £5 per day	The amount of on call which junior doctors are expected to perform is considerable. They are also entitled to weekend allowances and a 'sleeping in allowance' when performing extended hours of work. All these factors make the pay system incredibly complex
Police Staff	Are paid varying amounts of on call allowances around the country dependent on the force and the role they undertake.	For instance, in TVP they are paid £29.17 per period on call. This is more than paid to officers and reflects the lower pay rates.
Local Government	On call payments are negotiated locally. One standard which is often used as a benchmark is the allowance paid to social workers. From April 2019 they will receive £29.03 per period of on call	They can also receive a 'sleeping in' alone of £36.08
Police Scotland	Have just negotiated via their PNB a new on call allowance of £25.49.	This is payable to all officers not just those of Federated rank. It is due to be introduced in 2019.

Private sector	On call payments are rare	Where they do exist, they are most often found in 24/7 IT support but are still often 'contracted' hours rather than an on call payment.
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3.30. In conclusion there is a large variation in other bodies as to the amount paid and how it is delivered but the payments are higher than the current £15 for police officers in England and Wales.

3.31. Police Scotland are increasing their payments to all officers for performing the same duties as their counterparts in England and Wales.

### Recommendations concerning on call allowance

3.32. Chief Constables considered the results of the force survey, focus groups and market data in January 2019 and recommended that:

- An increase would be appropriate for federated ranks at this time, and new higher rate of £20 per call out was agreed. The annual cost of on call across England and Wales is £6.2m. Therefore if the value were increased by £5 per duty then this would represent an increase of £2m. It was also agreed that the allowance would in future be linked to the annual pay lift.
- On call arrangements and impact should become an item on local Health and Wellbeing boards
- It was recommended and agreed that superintending pay should reflect the fact that on call is a core part of their role, rather than introducing a separate on call allowance

3.33. However, after CCC the PSA made further representations on behalf of their members about the recommendation regarding superintending ranks and the likely delay to formal recognition in base pay as part of the benchmarking element of pay reform. As a result, the relevant extract from the PSA survey and the views of the PSA on 'On Call' were shared with all Chief Constables to ask whether, in light of this, they supported the decision or wanted to introduce an interim allowance in recognition of the burden on superintending ranks.

3.34. 27 chief constables responded to the second request and the majority (17) said that the position set out at CCC was the correct one (that senior managers should not receive a separate allowance for on call and that it should be included in base pay). However, of those 3 were sympathetic to the position of PSA and would accept an extension of the allowance for federated ranks on an interim basis. A further 8 chief constables accepted the need to make a time limited payment to superintending ranks for on call, with the majority of those preferring the federated scheme as it more accurately rewards those people who are actually completing on call.

3.35. On the basis that the on call allowance is increased to £20 and, if a superintendent is on call one week in every 4, this would equate to an annual payment of £1,820 per person. Some chief constables did raise the point that this increase was unfunded and would introduce temporary bureaucracy (given that it would only be interim).

3.36. Whilst there was some support, and sympathy, for an interim allowance for superintending ranks who perform on call, the majority maintained the stance that such allowances were inappropriate for senior levels.

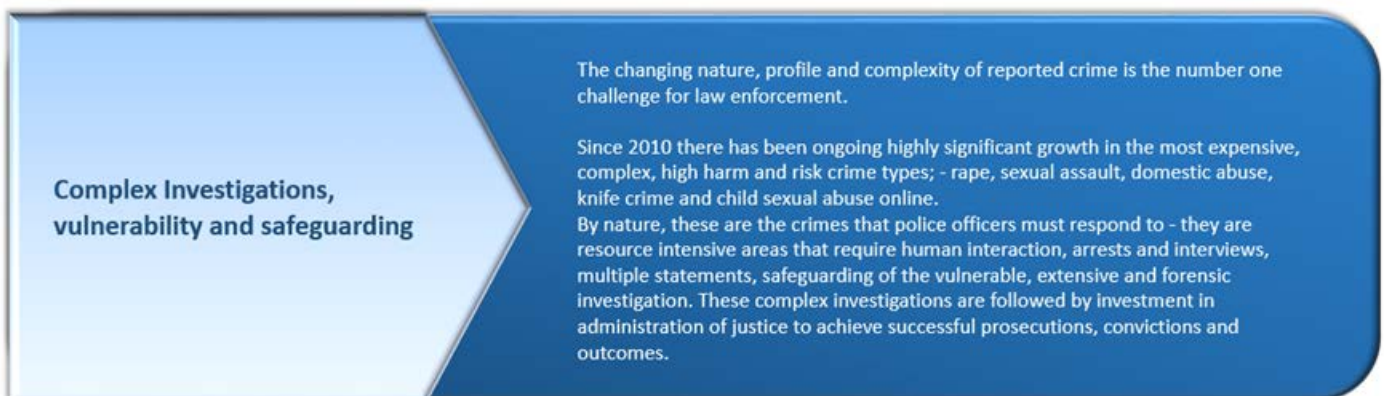
## National context

3.37. In this section we outline the current NPCC viewpoint on policing in England and Wales.

3.38. During the current financial year the NPCC, along with other Law Enforcement bodies, is providing evidence to the government in preparation for the Comprehensive Spending Review (“CSR”) in 2019. This section draws on the information collected as part of this exercise and so provides the backdrop to changes being experienced within policing and an overview of crime today. A number of trends have been identified that have an impact on police and crime demand:

- The UK population has continued to increase and will have grown by almost 10% by 2025 when compared to 2010 figures (62.7m to projected 68.9m<sup>8</sup>). This is not just a numerical increase. We now have a society that is much more culturally diverse and with this can come a number of additional policing demands. Over this same period, police officer numbers have declined by circa. 19,500.
- Recorded crime has risen rapidly (32% since 2015) and the public experience of crime (measured by the Crime Survey of England and Wales) has stopped falling.
- Homicide rates have gone up 14%, knife crime up 12%, and reports of child sexual exploitation and abuse have risen by 700%<sup>9</sup>
- Serious and Organised Crime (“SOC”) has grown and evolved in scale and across the dark web (online crime is up by 24%)
- The terrorist threat has elevated in scale and complexity and presents a sustained demand on the whole policing system
- Compliance with new and existing legislative and regulatory requirements has grown into a significant burden for policing (e.g. GDPR, FOI, Introduction of domestic violence prevention notices and orders, regulations requiring disclosure of unused material in cases<sup>10</sup> and the management of suspects under investigation<sup>11</sup>)

3.39. An initial assessment of demand trends suggests the following three key threats are of greatest concern:



<sup>8</sup> ONS Overview of the UK population: November 2018.

<sup>9</sup> Home Office. Serious and Organised Crime Strategy 2018

<sup>10</sup> The Criminal Procedures and Investigations Act 1996

<sup>11</sup> Changes to the Bail Act introducing ‘released under investigation’ and greatly reducing the use of pre-charge bail has increased both administrative burden and the activity required to manage suspects.



3.40. In 2018 England and Wales police services identified to Government the significant crime demand and threat challenges. These are national challenges, albeit that the relevance for individual forces will vary depending upon the local environment. These were classified as four key areas and are set out below.

### The impact of increased “high harm” crime and vulnerability

- 3.41. Territorial policing has prioritised dealing with high-threat, high-harm and high-risk crime and vulnerability first, reflecting societal values and focus:
- Serious violent crime has risen markedly since around 2014. Homicide offences increased by 39 per cent, up from 533 in the 12 months to March 2014, to 739 in the 12 months to September 2018. Recorded knife offences increased by 66 per cent across the same period (excluding figures for GMP). Although some of the increase in knife offences is due to recording improvements, other data sources (e.g. NHS) part of the increase is genuine.
  - Recorded sexual offences have seen a near 3-fold increase since 2012/13, up from 53,599 to 158,162 in the 12 months to September 2018. This is thought to be partly in response to greater willingness of victims to report and some improvement in recording.
  - In the year ending March 2018, there was a 23% increase in the total number of domestic abuse-related offences recorded by the police. ONS believed that some of this increase is likely to be, in part, driven by an increase in domestic abuse-related incidents coming to the attention of the police, as well as general police improvements in crime recording practices. The increase could also indicate an increased willingness of victims to come forward to report domestic abuse.
- 3.42. As a result of the change in focus, police resources that were traditionally available to respond to volume and acquisitive crime such as burglary and vehicle crime are being redirected to:
- a) The investigation of high harm, serious and complex crime (e.g. homicide, rape and sexual offences, serious violence, exploitation) where demand and complexity of response required has risen steeply and shows no sign of diminishing; and
  - b) Responding to and safeguarding vulnerable people as the “service of default<sup>12</sup>” around non-crime (e.g. mental health crisis response/suicide/drug use/exploitation), regularly compensating for reductions in local mental health services, child and adult social care services, and managing increased homelessness.

<sup>12</sup> HMICFRS State of Policing Report 2017

3.43. The change in demand type has seen investigations become larger, longer, and more frequently involve internet and digital media analysis, with multiple offenders, multiple victims and a complex digital footprint. Evidence management and disclosure is more complex and resource intensive. Resources cannot stretch to meet current investigative demand and sheer volume of digital evidence that now pertains to many cases.

## Serious and Organised Crime (SOC) threat

3.44. SOC affects more UK citizens, more often, than any other national security threat. The social and economic costs of organised crime in this country have been estimated as at least £24 billion a year<sup>13</sup>.

- In 2018, the National Crime Agency (“NCA”) is aware of over 4,600 organised crime groups operating in the UK
- There was a 25% increase in firearms offences between 2015/16 and 2017/18
- The number of referrals to the NCA relating to online child sexual exploitation and abuse has increased by 700% in the last four years
- 5,145 potential victims of modern slavery and human trafficking were referred to the National Referral Mechanism in 2017, a 35% increase on 2016
- Demand for common drug types remains high in the UK, with around 1.1 million adults having taken a Class A drug in 2017/18. There were 2,503 drug misuse deaths registered in England and in Wales in 2017; heroin and/or morphine remained the most lethal drugs, responsible for 47% of these deaths
- Illicit finance is prevalent in almost all SOC investigations, and investigating high-end, high-risk criminal finances requires skilled, dedicated teams, and considerable time and money (including to defend legal challenges)

3.45. As the threat from SOC increases in complexity, reliance on specialist capabilities and skills, as well as territorial policing capacity and capability (at force and Regional Organised Crime Unit levels (ROCU), to support investigation continues to increase. In the NCA over two-thirds of investigations involve multiple countries, the agency also works closely with intelligence partners to enhance the response working with ROCUs and forces. In many instances the NCA will develop capabilities to tailor a response to a threat group or offender. The capabilities of the whole system must interlock better and assessment through the National Security Capability Review (“NSCR”) has identified specific areas for investment at a national level to better support regional and local delivery.

## Terrorism

3.46. The UK faces a period of elevated terrorist threat of a scale and technical complexity that has not previously been seen.

- The Joint Terrorism Analysis Centre assess that this represents a sustained increase in the threat, not a spike or short-term peak
- the current UK National Threat Level is SEVERE, meaning an attack is highly likely<sup>14</sup> Islamist terrorism is the foremost terrorist<sup>15</sup> threat to the UK
- an increased threat from the extreme right wing (XRW) threat has emerged and is growing, particularly lone actors but more recently through National Action

<sup>13</sup>Home Office (2013) Understanding Organised Crime: Estimating the scale and the social and economic costs

<sup>14</sup> Threat levels continue to be set independently by the Joint Terrorism Analysis Centre (JTAC).

<sup>15</sup> The CONTEST Strategy defines Islamist terrorism as acts of terrorism perpetrated or inspired by politico-religiously motivated groups or individuals who support and use violence as means to establish their interpretation of an Islamic society. In the UK context, the Islamist terrorist threat comes overwhelmingly from Salafi-Jihadi movements, which are inherently violent. We recognise that Islamism describes a spectrum of movements that hold a variety of views on the use of violence; some are conditional in their view on the use of violence and others are explicit in their rejection of it.

- 3.47. Counter Terrorism (“CT”) Policing delivers against a number of key government priorities, including the National Security Strategy, Strategic Policing Requirement and Policing Vision 2025. Crucially, CT Policing is one of the only organisations that delivers across all four pillars of the Government’s CONTEST strategy for countering terrorism.
- 3.48. The ability of law enforcement to conduct the full spectrum of counter terrorism activity is critically dependent on maintaining the trust and confidence of the public. But that consent is the product of a whole system approach across all of policing that delivers a permissive environment in which it is possible to identify, investigate and disrupt terrorist threats. Achieving this requires patrol visibility and contact at a community level.

### Impact of digital technology

- 3.49. Digital innovation, the internet and communication media are the basis for growth and development in society, business and education. However, these developments also represent a fundamental change to the operating theatre for policing forces (locally and regionally), the NCA and CT Policing network. Fraud is increasingly conducted online, of the frauds reported to Action Fraud in 2012, 40% were committed online, with criminals taking advantage of the vulnerabilities of online services and the people who use them. Indecent imagery online crime is up 24% and malicious communications have increased rapidly<sup>16</sup> since this crime type was introduced as a notifiable offence in 2015.
- 3.50. An increasingly high proportion of SOC also has a digital component. Use of the dark web, as well as mainstream digital trends such as anonymisation and encryption, are making law enforcement investigations more complex. These platforms enable criminal activity to access the global market place, too-often with relative impunity. The MPS submission to PRRB also makes specific reference to the demand created by the growth in smart phone ownership and how this impacts on officer time.
- 3.51. In these complex cases a huge amount of data needs to be processed, for which there is a clear capability gap in skilled practitioners, tools, local regional and national capacity to undertake the work<sup>17</sup>.

### Crime demand levels

- 3.52. The latest crime statistics, show further rises in violent, low volume and high harm crimes in England and Wales<sup>18</sup>. These crimes have the highest impact on demand for police resources and represent hugely disproportionate cost to investigate. Homicide and cases involving serious violence, rape and sexual offences are also some the most complex and difficult to progress to successful prosecution and criminal justice outcome.
- 3.53. Although there are some issues arising from the improvements in crime recording, the best way to assess recent increases in crime and demand on the police, is to review police recorded crime data.
- 3.54. Several observations are relevant:
- no one single factor appears to be driving the recent upward trend in recorded crime
  - different factors appear to be driving up different crime types
  - there has been a general shift in the crime mix towards high harm / high cost offences
  - the change in demand type has seen investigations become larger, longer, and frequently involve internet and digital media analysis, with multiple offenders, multiple victims and a complex digital footprint. Evidence management and disclosure is more complex and resource intensive

<sup>16</sup> There were just over 173,000 offences in the year June 2018.

<sup>17</sup> See Met 2019 submission to PRRB.

<sup>18</sup> For the purposes of this narrative, we do not distinguish between SOC and other offences, we just acknowledge that crime demand is a mixture of the two.

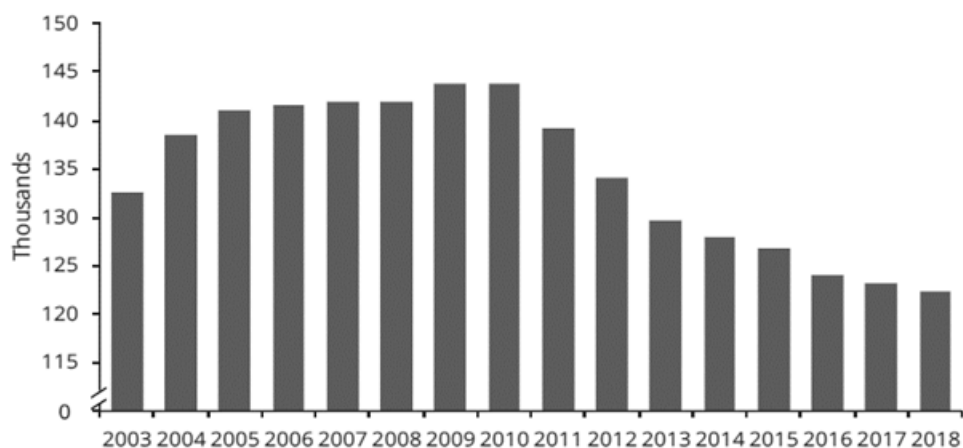
3.55. Resources cannot stretch to meet current investigative demand and sheer volume of digital evidence that now pertains to many cases. In the face of this shift in demand, increased 999 call volumes, and rises in crime reporting the choices that forces are making in order to manage the increased response requirement are marked. Risk assessment processes are being used to fiercely prioritise resources, this presents significant risks to public safety and compromises the Policing Mission ‘to make communities safer by upholding the law fairly and firmly; preventing crime and antisocial behaviour; keeping the peace; protecting and reassuring communities; investigating crime and bringing offenders to justice’.

## Resourcing and capacity

3.56. In March 2018, there were just under 200,000 personnel across the entire policing workforce, a reduction of 18% compared to 2010. The total police officer strength was 125,651 officers (that is 122,404 FTE officers).

- This is a drop of 18% from 2010, the lowest figure since 1981 (Home Office 2018).
- There was also a national lack of accredited investigators with 17% vacancies across England and Wales, this equated to around 5,000 full time detectives based on current establishment figures<sup>19</sup>. Whilst this gap has closed this is still an issue and national work is on-going to address it.

**POLICE OFFICER STRENGTH, FTE AT 31 MARCH**  
including long-term absentees, England and Wales



3.57. **Neighbourhood policing and engagement:** Neighbourhood officers are more frequently expected to operate simultaneously as both a response resource (for emergency 999 calls) and a neighbourhood officer.

3.58. As officer caseloads increase, the time that officers might have used for investigation of low-harm volume crimes, and community problem solving (e.g. around issues such as anti-social behaviour) is often compromised and this will have a detrimental effect on justice outcomes.

3.59. Feedback from forces indicates that the addition of local neighbourhood policing team resources would support an increase in active engagement in the prevention of volume crime and anti-social behaviour in communities via local intervention, proactive community cohesion and crime problem solving activity.

3.60. Evidence tells us that increased public confidence can be achieved by solving local problems, identified through good quality engagement (Tuffin et al. 2006). Neighbourhood policing is the primary means by which law enforcement is able to engage with local communities to create positive relationships,

<sup>19</sup> HMICFRS (2017) State of Policing. The Annual Assessment of Policing in England and Wales.

build trust, confidence and the displacement of resources to other areas presents a significant risk to policing in the longer-term.

- 3.61. **Investigation of more serious and high-harm crime:** Recruitment and retention of detectives has become a real challenge across the law enforcement sector, factors that affect attrition rates include the extremely high workload, overtime requirement and impact on personal wellbeing.
- 3.62. Force budget pressures have led to the current recruitment model restrictions that prevent the use of financial incentives to recruit and retain dedicated detectives as well as other officers and staff with specialist skills, for example financial investigators and digital forensic expertise. The high turnover of skilled staff and trained investigators is detrimental to force productivity but it also creates inefficiencies as training courses are being repeated regularly and cannot be filled to capacity.

**Officer financial health**

- 3.63. Finally in this section we have included below research on officer financial wellbeing. This was produced for the NPCC by the Police Mutual Assurance Society<sup>20</sup>.
- 3.64. The Police Mutual Assurance Society, (PMAS) has been working with the service to help improve the well-being of police officers and the staff and, as part of this work, they have very recently published financial health data. This is to assist in gauging what financial pressure our staff might be under and what the service can do to by way of support.
- 3.65. PMAS used their anonymised database information from circa. 200,000 police officers and staff, (75% of are officers) and, working with Experian<sup>21</sup>. This was assessed and put into one of Experian's 15 Financial Strategy Segments, which are then further divided into 55 sub-groups. Those categories of particular note for this submission relate to high financial stress<sup>22</sup> and below average financial sophistication.
- 3.66. Their initial research has, so far concluded:

Percentage under high financial stress	
Officers – all forces	4.7% (amber risk rating)
Below average financial sophistication	
Officers – all forces	35.2% (amber risk rating)

- 3.67. Figures for police staff were higher at 7.3% and 47.7% respectively (both figures considered red risks) and the percentage in each category is greater in the under 29 age range. It not until the 40 years plus range that the percentage under high-financial stress falls below the 4.7% for all forces. The percentages in metropolitan forces are higher and also at the Constable rank. The latter is to be expected, as most of the data used related to this rank.
- 3.68. This work is in its relative infancy and, as it is the first time it has been produced, there is no reference point to determine where police officers sit comparative to the general working population. This

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<sup>20</sup> PMAS offer a range of financial services exclusively for serving or retired police officers, staff and their Families  
<sup>21</sup> Experian plc is a global consumer credit reporting agency. Experian collects and aggregates information on people and businesses  
<sup>22</sup> Financial Stress (sometimes referred to as Level of Indebtedness) identifies an individual’s potential to become over-stretched and struggle with further payments. People with high levels of financial stress are in or approaching crisis and will need help and support to take back control of their finances

data has been requested, although, for now, it is reasonable to assume that the results for police staff are probably closer to the societal norm.

- 3.69. This is an interesting piece of work and we will continue to engage with PMAS throughout 2019 to better understand the implications of the research and how we can best use it to support our staff.
- 3.70. We do not expect police officers will be completely immune from the financial pressure that many now face but, given the nature of police work, high levels off financial stress within the police officer population is clearly undesirable.

## 4. FUNDING 2019/20 -

### Economic background, environment and funding costs

- 4.1. Since the Chancellor announced the results of the Coalition Government's Spending Review in 2010 Government support for local policing budgets has been reduced, in real-terms, by 34%. Even with annual increases in council tax precept, total funding for local police forces has been reduced by 21%.
- 4.2. The 2015 Spending Review saw overall police spending protected in real terms between 2015/16 to 2019/20. The actual funding to police forces has only protected to a flat cash level, which is not insulated from inflation or changes in the national pay settlement. Even at this level, PCCs are expected to increase their precept by the maximum permissible level.
- 4.3. In October 2017, the APCC and NPCC made a joint submission to Government, including a Police Resources Assessment. In order to meet the additional demands on policing, alongside cost pressures, the service sought additional funding of £440m in 2018/19 and £845m in 2019/20.
- 4.4. In December 2017, the Minister for Policing and the Fire Service (Nick Hurd) announced that total investment in the police system would increase by up to £450m year on year in 2018/19 but most of this additional funding (around £270m) would come from PCCs raising their Band D council tax precept by £12 per year. Provided that the Police service delivered clear and substantial progress against the milestones on productivity and efficiency in 2018, then the Government intended to maintain the protection of a broadly flat police grant in 2019/20 and repeat the same flexibility of the precept, i.e. by allowing PCCs to increase their band D precept by a further up to £12 in 2019/20.
- 4.5. On 3rd October 2018, the APCC and NPCC wrote to the Minister setting out their joint requirements for the police settlement in 2019/20. The letter explained the progress being made on efficiency and productivity, referred to the significant impact on policing of the new Public Sector Pensions Valuation Directions (see below) and challenged the Home Office to reduce the level 'reallocations' from police grant. They concluded by asking the Minister to consider lifting or removing the referendum cap on council tax precept to allow forces scope to deal better with the financial and operational pressures currently experienced
- 4.6. The Police Grant settlement for 2019/20 provides an additional £970m funding for the police service, provided all PCCs increase their band D council tax by £24. This comprises:
  - £161m additional core grant
  - £153m of pension grant
  - £59m additional funding for CT
  - £90m of additional funding to tackle SOC
  - £509m as a result of additional council tax flexibilities
- 4.7. Of the £970 approximately £813m is for local policing:
  - £509m precept
  - £143m (£153m - £10m for NCA and CT) pension grant
  - £161m additional funding
- 4.8. Although this settlement appears generous and is better than expected, employer contributions to the police officer pension scheme will increase by £302m in 2019/20. The MPS also face additional costs of £28m for their police staff who are member of the Civil Service pension scheme. The total increase in pension costs is therefore £330m. This increase more than consumes the total increase in funding from core

grant and the pensions grant, leaving a shortfall of approximately £16m to be funded from local increases in the council tax precept.

- 4.9. Should all PCCs increase their band D council tax by the maximum permissible level of £24 for a Band D property then £509m will be raised. However, this has to fund pay and price rises and residual pension costs before local investment is considered. Indications are that the most PCCs will utilise the additional precept flexibilities and increase council tax by the maximum level even though they would prefer the Government to provide extra cash, rather than having to ask local council taxpayers to pay extra for their policing.
- 4.10. However, the increase is not uniform across all forces. As the following table shows the increase in Direct Resource Funding ranges from 5.8% in Cleveland and Merseyside to 8.5% in Hertfordshire with an average increase of 7.2%.
- 4.11. Whilst this appears to be a significant increase, over 40% is required to fund the increase in police officer pension costs, as well as police staff in the MPS.
- 4.12. Since the public sector pay cap was abolished in 2017 all forces are now required to incorporate a realistic and affordable provision for future pay awards within their annual budgets and medium term financial plans.
- 4.13. PACCTS have undertaken a budget survey in January 2019 to seek information on the level of pay assumptions currently incorporated in medium term financial plans. The vast majority of survey results received at the date of submission have assumed 2%, for 2019/20, which is the also the minimum. A very small minority of forces have budgeted for a higher level, of either 2.5% or 3%.
- 4.14. Whilst the budget settlement is an improved position from 2018, it must be set in the context of an increasing demand on services. Any pay uplift that is greater than the assumptions set out in the Medium Term Financial Plans will, without further funding, mean that already stretched services will be affected. It should also be noted that the changes to police pensions caused by the latest valuation exercise have been paused as a result of the judgement in the Court of Appeal in relation to the firefighters' and judges' pension challenge. It is possible that this could have a significant effect on the police pension scheme both for employers and employees and is a further risk to police budgets and funding.
- 4.15. The PRRB has in the past made comment about affordability and opportunities for forces to make further savings. Forces continue to look for efficiency savings, examples include the introduction of new technology and reducing non staff costs. However, given the significant increases in demand explained above any budget has been reinvested into service delivery.
- 4.16. HMICFRS continue to inspect forces on an annual basis, looking at assessments of effectiveness, efficiency and legitimacy. The 2017 reports were summarised in the State of Policing Report and in terms of efficiency, HMICFRS reported: "We found a broadly positive picture. Most forces can show they are getting more efficient. Although forces face considerable difficulties, our positive findings show they have made a substantial effort."<sup>23</sup> 2 forces were graded outstanding, 30 as good and 10 required improvement.

<sup>23</sup> <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/state-of-policing-the-annual-assessment-of-policing-in-england-and-wales-2017/>

PCC	2018-19 Direct Resource Funding (including NICC and Council Tax...)	2018-19 Core Funding (Police Grant, Ex-CLG Grant, Welsh Grant and Rule 1)	2019-20 Direct Resource Funding (including NICC and Council Tax...)	2019-20 Core Funding (Police Grant, Ex-CLG Grant, Welsh Grants and Rule 1)	Difference Direct Resource Funding	Difference Government Core Funding
Avon & Somerset	281,724,969	159,254,132	302,948,488	162,598,469	7.5%	2.1%
Bedfordshire	104,618,135	62,771,904	112,662,398	64,090,114	7.7%	2.1%
Cambridgeshire	134,029,397	71,886,598	144,532,589	73,396,217	7.8%	2.1%
Cheshire	177,850,398	104,762,579	192,015,394	106,962,593	8.0%	2.1%
City of London	56,809,819	51,301,130	60,834,121	52,378,454	7.1%	2.1%
Cleveland	125,423,304	83,499,754	132,664,136	85,253,249	5.8%	2.1%
Cumbria	102,923,451	58,710,055	110,002,078	59,942,966	6.9%	2.1%
Derbyshire	167,229,616	98,436,746	179,593,317	100,503,918	7.4%	2.1%
Devon & Cornwall	291,314,863	163,528,888	314,114,629	166,962,995	7.8%	2.1%
Dorset	124,674,081	57,749,130	135,049,809	58,961,862	8.3%	2.1%
Durham	115,622,978	78,558,004	123,126,280	80,207,722	6.5%	2.1%
Dyfed-Powys	99,099,393	49,312,645	107,198,958	50,348,211	8.2%	2.1%
Essex	275,866,480	156,495,139	298,841,326	159,781,537	8.3%	2.1%
Gloucestershire	110,266,270	53,167,997	118,782,460	54,284,525	7.7%	2.1%
Greater Manchester	556,059,459	402,305,636	590,795,742	410,754,054	6.2%	2.1%
Gwent	123,522,143	71,486,789	132,035,576	72,988,012	6.9%	2.1%
Hampshire	314,178,658	180,590,341	339,205,989	184,382,738	8.0%	2.1%
Hertfordshire	188,890,118	106,256,551	204,912,144	108,487,939	8.5%	2.1%
Humberside	175,342,938	112,222,838	186,832,709	114,579,518	6.6%	2.1%
Kent	288,842,061	170,464,271	312,394,930	174,044,021	8.2%	2.1%
Lancashire	266,750,217	177,197,008	285,180,569	180,918,145	6.9%	2.1%
Leicestershire	175,549,860	103,525,776	188,223,396	105,699,817	7.2%	2.1%
Lincolnshire	113,853,355	57,906,638	122,433,924	59,122,677	7.5%	2.1%
Merseyside	312,623,584	232,019,550	330,865,750	236,891,961	5.8%	2.1%
MOPAC	2,523,440,247	1,588,743,515	2,694,729,744	1,622,107,129	6.8%	2.1%
Norfolk	153,565,254	77,888,291	164,751,039	79,523,945	7.3%	2.1%
North Wales	146,466,942	71,727,522	157,158,033	73,233,800	7.3%	2.1%
North Yorkshire	144,828,119	67,761,858	155,905,938	69,184,857	7.6%	2.1%
Northamptonshire	126,009,753	66,408,428	135,254,187	67,803,005	7.3%	2.1%
Northumbria	265,346,287	214,456,585	283,299,730	218,960,173	6.8%	2.1%
Nottinghamshire	195,112,689	124,291,344	208,222,413	126,901,462	6.7%	2.1%
South Wales	270,983,683	157,406,561	290,069,955	160,712,099	7.0%	2.1%
South Yorkshire	245,768,382	175,571,668	261,372,724	179,258,673	6.3%	2.1%
Staffordshire	182,656,551	104,935,554	195,923,392	107,139,201	7.3%	2.1%
Suffolk	116,189,862	62,701,339	125,347,520	64,018,067	7.9%	2.1%
Surrey	217,020,935	90,105,073	234,644,589	91,997,280	8.1%	2.1%
Sussex	264,904,423	149,598,320	287,160,155	152,739,885	8.4%	2.1%
Thames Valley	389,702,511	212,103,350	422,430,362	216,557,520	8.4%	2.1%
Warwickshire	94,116,566	47,782,856	101,483,488	48,786,296	7.8%	2.1%
West Mercia	205,769,474	108,201,666	221,930,644	110,473,901	7.9%	2.1%
West Midlands	534,333,453	425,070,634	568,581,337	433,997,117	6.4%	2.1%
West Yorkshire	418,138,591	296,630,298	446,607,198	302,859,534	6.8%	2.1%
Wiltshire	109,177,968	57,354,188	118,262,200	58,558,626	8.3%	2.1%
<b>PACCTS TOTAL</b>	<b>11,286,597,238</b>	<b>6,962,149,149</b>	<b>12,098,381,360</b>	<b>7,108,354,282</b>	<b>7.2%</b>	<b>2.1%</b>

## 5. 2019 PAY REVIEW & REWARD ISSUES

### 2019 Pay uplift

#### Force budget overview

- 5.1. The budget situation for 2019/20 is still being finalised and so the question of affordability will remain unanswered until post submission in mid-February, and even then will only be answered for one year. The police grant settlement announced in December 2018 was better than expected but it should be considered in the context of additional cost pressures and additional demand.
- 5.2. As previously stated, the police grant settlement for 2019/20 provides an additional £970m funding for the police service, provided all PCCs increase the band D council tax by £24 p.a., of this £813m is for local policing (the remainder being for CT and SOC). However, this is offset by an increase in employer contributions to the police officer pension scheme of £302m in 2019/20 and a cost of £28m for the MPS for police staff who are members of the civil service pension scheme.
- 5.3. Early indications are that most PCCs will utilise the additional precept flexibility but this will not be known until late February. Given the differential impact of precept rises, the increase is not uniform across all forces. The increase in direct resource funding ranges from 5.8% in Cleveland and Merseyside to 8.5% in Hertfordshire, with an average increase of 7.2%. The live PACCTs survey to test whether these assumptions have changed appears to show that this is the case.

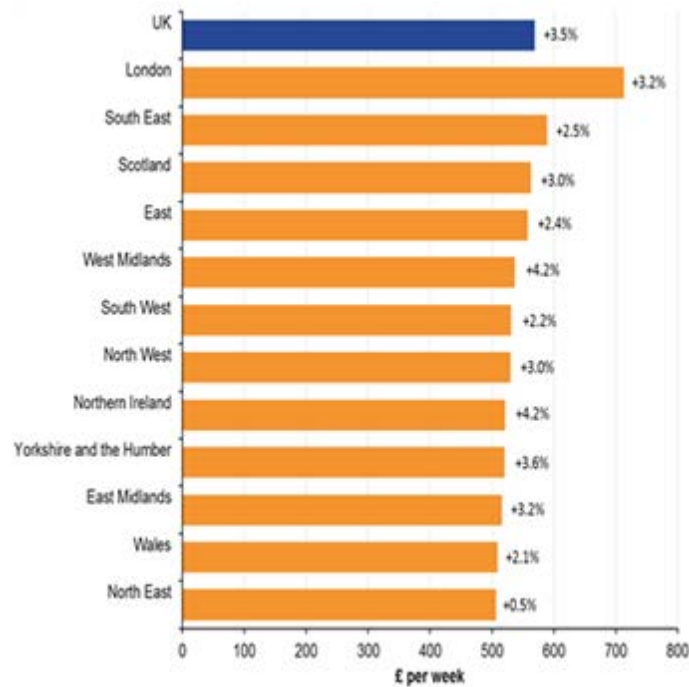
#### Economic and market practice overview

- 5.4. The background to this year's annual uplift recommendation includes the following considerations:
  - a) Consumer Price Index ("CPI") has fallen over the last twelve months, the last figure released for December was 2.1% down from 2.3% in November 2018.
  - b) The CPI including owner occupiers' housing costs ("CPIH") 12-month inflation rate was 2.0% in December 2018, down from 2.2% in November 2018.
  - c) Pay rises agreed across the public sector in 2018 showed the police were disadvantaged compared to other services, part of this difference being because the non-consolidated monies given in 2017/18 fell away wef 1st September 2018.
  - d) Police Scotland has agreed a recent rise of 6.5%, albeit over a 31 month time period, until 31st March 2021. We understand this was partly achieved by funding offered by the Scottish Government.
  - e) Affordability and individual force funding will continue to be key to any decision. Each 1% increase in the national pay bill will cost circa £37,650m in net terms (before National Insurance and pension costs), or £61.756m gross (current Home Office total remuneration costings)
  - f) Targeting of pay could be considered. However, changing relative base rates at this time may not be appropriate at this time.
  - g) Officers continue to be dissatisfied with their level of base pay. Currently 71.7% of federated ranks say they are dissatisfied (PFEW Pay & Morale survey 2018).
  - h) Indicators from Police Mutual<sup>24</sup> highlight the levels of financial stress in forces. A request has been made for this to be gathered over time to see how this changes and also to compare this with the wider population.
  - i) Changes to pensions, as a result of the cost cap, were likely to provide greater benefits to officers who are members of the 2015 scheme in the form of greater accrual rates). However this has been paused in light of legal challenges).

<sup>24</sup> Police Mutual data on officer and staff financial resilience January 2019.

- 5.5. The effectiveness of pay can be measured by a number of indicators – recruitment, retention, motivation, satisfaction with pay and attendance. There are of course many other factors that influence each of these. Data on some of these is also difficult to gather.
- 5.6. In terms of recruitment there is a mixed picture across the country. After several years of minimal recruitment, forces have recruited in significant numbers (see Annual Survey, Appendix A) and this is likely to continue given the most recent budget settlement. The attraction picture across the country is mixed. In some forces recruitment teams worry about how they will cope with large numbers of applicants from even a short window of time. In other parts of the country recruitment is open the whole time and entry requirements are being relaxed (for example the London residency requirement). Whilst there is no shortage of applicants there do appear to be some challenges in converting these to successful recruits (see section 5.46 of the Annual Survey). The introduction of apprenticeships could open up policing to a new group of applicants, and, in most of the country, there appears to be no reduction in the quality of people wanting to join the service. In summary, whilst there are areas of concern (primarily in the South East and London) recruitment is not an influencing factor for pay.
- 5.7. Current Office of National Statistics (“ONS”) data shows the following changes in earnings:
- in April 2018, median gross weekly earnings for full-time employees were £569, up 3.5% from £550 in 2017. The growth seen this year is the highest growth in earnings since 2008
  - overall, earnings adjusted for inflation in 2018 were at a similar level to 2011, meaning that wages have increased at approximately the same rate as inflation over that period. However, the level in 2018 was 3.7% lower than 2008, prior to the financial crisis
  - 2018 was the first time since 2012 that full-time wages rose by a larger percentage than part-time wages
  - the median gross weekly earnings for continuously employed full-time jobs in 2018 were 5.2% higher than the median in 2017 (figure 5) this is higher than the growth for all full-time employees, a pattern that is consistent with previous years. Of all full-time employees, 81% are classed as continuously employed
  - private sector earnings increased faster than the public sector earnings for the third year running between 2010 and 2015 but have now risen to nearly 90%. Private sector earnings increased by 3.5% from 2017 compared with a 2.3% increase for public sector earnings
  - private sector mean earnings were 101% of the public sector earnings in 2018, the first time the mean has been higher for the private sector since 2008. The difference between mean and median comparisons reflects pay distributions, with more very high earners in the private sector
  - increased polarisation of pay between the highest earning regions and the lowest
- 5.8. Overall this data illustrates a pressure for forces in terms of future recruitment. Although our rates for the constable rank are competitive nationally we need to retain flexibility, so that forces can react quickly to their specific local employment market.

Median full-time gross weekly earnings and percentage change from previous year, by region, UK, April 2018		
Region	Median Full-time gross weekly earnings (£)	Change from 2017 (%)



5.9. In the same way that recruitment sees pockets of difficulty, retention has similar challenges. As forces open up recruitment, movement around the country increases. Some forces, again primarily those in the South East, have seen significant numbers of transfers to other forces. This is more likely to be an indication around cost of living adjustment and life choices rather than base pay. Whilst resignations (pre ordinary retirement) are rising, the overall turnover rate for all forces is below that seen in most other organisations (the highest turnover rate is between 7-8%, up by 1% over the last few years). In summary, retention figures are causing some concerns in some parts of the country, but this is partly due to transfers within the service rather than unexpected exits from the service.

5.10. In terms of the other measures, national data is less reliable. There is no national workforce pay and morale survey though many forces take part in the Durham Climate survey. Unfortunately few forces choose to ask questions about pay satisfaction. The PFEW morale survey shows a worsening picture on pay satisfaction, however this is not surprising given recent pay restraint and the rejection of the PRRB recommendations over the last 2 years. In terms of attendance, anecdotal evidence suggests that sickness levels are increasing.

5.11. The annual survey (attached at Appendix A and discussed in more detail in Section 5.3) provides feedback from forces on pay:

- more officers were recruited nationally in the last year than in the previous year. Forces were not able to fill all of the vacancies. It is not clear whether remuneration was a factor in this.
- there still appear to be large numbers of applicants
- the predictions for recruitment in 2019/20 are likely to be lower than actual numbers, given the more favourable budget settlement and the fact that many forces are increasing establishment as a result
- the new entry routes (PCDA and DHEP) will see greater numbers in the future
- more applicants did not accept their offer of employment than in previous years but there are several reasons for this (where collected) and pay levels play only a small part

- a relatively small percentage of officers are reported to leave the service within the first two years, however a later question indicates that large numbers leave a force within the first 5 years (this would include transfers between forces)
- forces already exercise considerable discretion in the starting salary of new officers (both on the existing pay scale and for PCDA officers)
- there are some challenges in promoting sufficient numbers, particularly at sergeant rank
- there are more hard to fill roles across forces, commonly in detective, firearms, public protection and custody officers. There is some evidence of an impact on service delivery
- the most common reasons for a role being hard to fill is the nature of work. Targeted bonus payments provide a financial solution, but there are other factors for which a payment will not address the issue.
- officers appeared to leave a force in greatest numbers within the first 5 years of service and between 26 and 30 years (again this includes all leavers so transferees will be included in the first group).

5.12. It is also worth reiterating the point often made by the staff associations about spending power. Whilst officers see incremental pay whilst progressing up the pay scale (and for some increments these are significant), those officers at the top pay point have seen little increase in pay over the period of austerity as they cope with general inflation. This is best illustrated by the following table<sup>25</sup> that shows the effect of a top of the range constable and comparable earnings pre and post austerity.

	Constable 2010 (pay point 7)	2018 (pay point 7)	Average yearly inflation rate	2017 - if adjusted for inflation
Top of Scale	£36,519	£39,149	-	-
C RTP	£1,212	Removed	-	-
Total	£37,731	£39,149	2.9% <sup>26</sup>	£47,721.03
Shortfall	-	-	-	<b>£8,572</b>

5.13. The above should also be put in the context about pay comparability with both all organisations and the public sector and not for profit which indicates that, whilst there are differences at some ranks (particularly when comparing with all organisation data), there is not a uniform practice of pay disparity when benchmarking against the market median.

### Proposed 2019 Pay Uplift

5.14. Whilst the remit letter asks for views about the annual uplift of 2019/20, the budget settlement in December 2018 also prompted consideration of a multi-year deal. The advantage of this would be to provide greater financial certainty and stability over an extended period at a time when pay reform will be ongoing. However, there is also a genuine concern that it is difficult to provide pay certainty until there is greater budgetary certainty post Comprehensive Spending Review ("CSR").

5.15. In terms of a multi-year deal the obvious comparator is Police Scotland, officers there were offered 6.5% over a 31 month period all paid upfront. Additional budget was provided by the Scottish Government to enable this and this is unlikely to be the case in England and Wales. The NHS secured a different form of 3 year deal and the headlines (between 4.5% and 29% over the next three years) are confusing, as this incorporates both annual uplifts and annual increments. The basic increase for the majority of staff will be 6.5% (3% in 2018/19, 1.7% in 2019/20 and 1.7% in 2020/21). They will also get an additional one off lump sum of 1.1% in 2019/20.

<sup>25</sup> See MPS PRRB 2019 submission

<sup>26</sup> Bank of England Inflation Calculator - <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

5.16. It is recognised that options for a 3 year deal have been considered quite late in the process, both for chief constables and staff associations. Chief Constables were consulted at their Council meeting in January and again electronically in late January. Discussions were held with staff associations at a working group in late January. A number of risks were highlighted by all parties but also benefits for both officers and forces. It has not been possible to reach consensus on this issue therefore PRRB are presented with the views from forces and staff associations, both for a three year deal and a single year uplift.

5.17. The following points were raised as part of the feedback:

- Almost all forces have assumed that pay inflation will be 2% per annum for the next 3 years. Any increase above that level would require reductions in other budgets. Whilst some multi-year deals might offer similar compound percentage increases they can mean greater cash requirements over the period
- There is considerable uncertainty about police funding beyond April 2020. It is not clear whether the CSR will be for a single year or multiple years. Some forces expressed a view that a 3 year pay deal could only be agreed on the basis that a 3 year budget was agreed. It was suggested that 2020 might be a better year to secure a 3 year deal (although there is no guarantee that the position will be any clearer at that time given political and economic uncertainty).
- Recognition that a front-loaded multi-year pay deal would be better for officers after several years of austerity. There was support for maximising the first year uplift even if that meant having a zero uplift in year 2. The prospect of no uplift in a year was not necessarily seen as unworkable if the initial uplift compensated for this (as per Police Scotland).
- PCCs and Chief Constables had presented options to increase council tax precept (by up to £24 on a Band D property) on the basis of increases to service delivery, particularly increases in officers and staff. To agree a front-loaded pay deal, which would require increased pay budget in 2019/20, would undermine the commitment given to communities and tax payers. Some CCs and PCCs expressed real concern about this.
- Higher percentage increases in a single year can result in significant Annual Allowance (“AA”) Taxation charges for individuals. This is an individual calculation but scenario modelling has been done to illustrate the impact. This has also been highlighted by both PSA and the Chief Police Officer Staff Association (“CPOSA”)<sup>27</sup>
- Predicting what could happen to inflation and other cost of living indicators over three years is difficult. Fixing pay over that period might disadvantage individuals if inflation rises considerably. Including an option to revisit the third year if conditions move beyond certain parameters would protect officers from this.

5.18. Taking all of the above factors into account, in terms of a one year pay uplift proposal most forces have budgeted for 2% in 2019/20 and this is closely aligned with the latest inflation figures. Just over half of forces supported an uplift of this figure. However, there was a significant minority of forces (and interestingly quite a number of larger forces) that supported a larger increase (2.5%) to recognise pay restraint in previous years, whilst balancing questions about affordability.

5.19. **Therefore if a one year deal is proposed then NPCC recommends a pay uplift in the range from 2 to 2.5%, whilst the majority favour an increase of 2%, there is also support for an uplift up to 2.5%.**

5.20. However, the majority of chief constables favour a three year pay deal (but some would want to see budget certainty before guaranteeing pay certainty). Five options were considered and these are set out below, showing the compound interest rate over the three year period and the cash cost to a force (the illustration shows the impact to a force with an annual pay bill of £100m). All options are shown as again there was no consensus amongst Chief Constables as each has different impacts and risks.

<sup>27</sup> In Appendix I, the Chief Officer Attitude Survey, sets out the concerns that Chiefs already have about the effect of the Annual Allowance

5.21. The spreadsheet shows the uplift to pay and the cash cost to forces over both the three year period and each year. These differences do have real impacts on the Medium Term Financial Plans (“MTFP”) for forces, hence the different responses. All of the three year deals have a greater cash outlay to forces (and therefore cash benefit to officers) but the salary growth does vary between 6.08% and 6.84%.

Multi-year Options											
<b>Option 1 (2%/2%/2%)</b>											
Base Pay Budget @ 31/08/2018	2018/19 7mths @ 2% (01/09/2018)	Year 1 (2019/20) @ 2%			Year 2 (2020/21) @ 2%			Year 3 (2021/22) @ 2%			3 Year Uplift
		5mths	7mths wef (01/09/2019)	Total	5mth	7mth wef (01/09/2020)	Total	5mth	7mth wef (01/09/2021)	Total	
£100,000,000	£1,166,667	£833,333	£1,190,000	£2,023,333	£850,000	£1,213,800	£2,063,800	£867,000	£1,238,076	£2,105,076	6.12%
Cumulative cost		£102,023,333			£104,087,133			£106,192,209			£312,302,675
<b>Option 2 (4%/0%/2%)</b>											
Base Pay Budget @ 31/08/2018	2018/19 7mths @ 2% (01/09/2018)	Year 1 (2019/20) @ 4%			Year 2 (2020/21) @ 2%			Year 3 (2021/22) @ 2%			3 Year Uplift
		5mths	7mths wef (01/09/2019)	Total	5mth	7mth wef (01/09/2020)	Total	5mth	7mth wef (01/09/2021)	Total	
£100,000,000	£1,166,667	£833,333	£2,380,000	£3,213,333	£1,700,000		£1,700,000	0	£1,237,600	£1,237,600	6.08%
Cumulative cost		£103,213,333			£104,913,333			£106,150,933			£314,277,599
<b>Option 3 (3.5%/1.5%/1.5%)</b>											
Base Pay Budget @ 31/08/2018	2018/19 7mths @ 2% (01/09/2018)	Year 1 (2019/20) @ 3.5%			Year 2 (2020/21) @ 1.5%			Year 3 (2021/22) @ 1.5%			3 Year Uplift
		5mths	7mths wef (01/09/2019)	Total	5mth	7mth wef (01/09/2020)	Total	5mth	7mth wef (01/09/2021)	Total	
£100,000,000	£1,166,667	£833,333	£2,082,500	£2,915,833	£1,487,500	£923,738	£2,411,238	£695,813	£937,594	£1,633,407	6.84%
Cumulative cost		£102,915,833			£105,327,071			£106,960,478			£315,203,382
<b>Option 4 (4.5%/0%/2%)</b>											
Base Pay Budget @ 31/08/2018	2018/19 7mths @ 2% (01/09/2018)	Year 1 (2019/20) @ 4.5%			Year 2 (2020/21) @ 0%			Year 3 (2021/22) @ 2%			3 Year Uplift
		5mths	7mths wef (01/09/2019)	Total	5mth	7mth wef (01/09/2020)	Total	5mth	7mth wef (01/09/2021)	Total	
£100,000,000	£1,166,667	£833,333	£2,677,500	£3,510,833	£1,912,500	0	£1,912,500	0	£1,243,550	£1,243,550	6.59%
Cumulative cost		£103,510,833			£105,423,333			£106,666,883			£315,601,049
<b>Option 5 (4.25%/0%/2%)</b>											
Base Pay Budget @ 31/08/2018	2018/19 7mths @ 2% (01/09/2018)	Year 1 (2019/20) @ 4.25%			Year 2 (2020/21) @ 0%			Year 3 (2021/22) @ 2%			3 Year Uplift
		5mths	7mths wef (01/09/2019)	Total	5mth	7mth wef (01/09/2020)	Total	5mth	7mth wef (01/09/2021)	Total	
£100,000,000	£1,166,667	£833,333	£2,528,750	£3,362,083	£1,806,250	0	£1,806,250	0	£1,240,575	£1,240,575	6.34%
Cumulative cost		£103,362,083			£105,168,333			£106,408,908			£314,939,324

5.22. There was some support for each of the options. Option 1 mirrors the assumptions made by forces in their MTFP and is attractive to forces in terms of budget clarity. However, it is unlikely to be attractive to staff associations or officers and so is not recommended. Option 3 does offer some front loading but had limited support from chief constables due to the higher overall costs, it is therefore not recommended. Options 2, 4 and 5 are very similar and collectively are favoured by the majority of Chief Constables (who agree with a three year option). The only difference is the scale of the first year award. Whilst there was some support for each of the options the majority favoured option 2 (and it is fair to assume that those who favoured the principle of front-loading in options 4 and 5 would also support option 2). It is recognised that option 2 offers a greater cash uplift for officers but a very slightly lower compound interest over the three years, therefore it would be possible to adjust the annual awards slightly to match the compound rate of option 1.

5.23. **Therefore, it is recommended that, if a 3 year option is agreed, a pay award of 4% in 2019/20, 0% in 2020/21 and 2% in 2021/22 is agreed.**

5.24. Given the considerable economic uncertainty at the moment it is recognised that some protection is offered should inflation increase significantly.

5.25. **It is recommended that PRRB revisit the 3rd year of a multi-year deal if inflation measures (CPI) increase beyond 2.5% in the preceding 12 months.**

5.26. The modelling completed by CPOSA and PSA on AA tax charges does show that a frontloaded pay award will have a detrimental impact for individuals across the years (for members of both the 1987 and 2015 Police Pension Schemes). The issue of AA is still live and, without a different solution, Chief Constables agree that officers should not be financially disadvantaged. The modelling can be shared with PRRB. One option to limit this impact would be to have different awards for federated ranks and superintending and chief officer ranks. For example, on the basis of a three year award of 4%/0%/2% for federated ranks to amend this to Year 1 – 2% consolidated and 2% non-consolidated, Year 2 – the non-consolidated award is consolidated, Year 3 – 2%.

5.27. It is recommended that, if a 3 year award is agreed, PRRB explore different options to ensure that individuals are not financially disadvantaged due to Annual Allowance charges.

5.28. The table below highlights the impact upon the individual pay points depending upon the percentage uplift<sup>28</sup>.

Illustration of Impact of Annual Uplift on Current Pay Points

Federated and superintending ranks	Pay point	From 1 September 2018	Uplift at 2%	Uplift at 2.5%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
PCDA	0	£ 18,000	£ 360	£ 450	£ 18,090	£ 18,180	£ 18,270	£ 18,360	£ 18,450	£ 18,540	£ 18,630	£ 18,720	£ 18,810	£ 18,900
Constable (appointed on or after 1 April 2013)	0	£ 20,370	£ 407	£ 509	£ 20,472	£ 20,574	£ 20,676	£ 20,777	£ 20,879	£ 20,981	£ 21,083	£ 21,185	£ 21,287	£ 21,389
	1	£ 23,586	£ 472	£ 590	£ 23,704	£ 23,822	£ 23,940	£ 24,058	£ 24,176	£ 24,294	£ 24,412	£ 24,529	£ 24,647	£ 24,765
	2	£ 24,654	£ 493	£ 616	£ 24,777	£ 24,901	£ 25,024	£ 25,147	£ 25,270	£ 25,394	£ 25,517	£ 25,640	£ 25,763	£ 25,887
	3	£ 25,728	£ 515	£ 643	£ 25,857	£ 25,985	£ 26,114	£ 26,243	£ 26,371	£ 26,500	£ 26,628	£ 26,757	£ 26,886	£ 27,014
	4	£ 26,802	£ 536	£ 670	£ 26,936	£ 27,070	£ 27,204	£ 27,338	£ 27,472	£ 27,606	£ 27,740	£ 27,874	£ 28,008	£ 28,142
	5	£ 28,947	£ 579	£ 724	£ 29,092	£ 29,236	£ 29,381	£ 29,526	£ 29,671	£ 29,815	£ 29,960	£ 30,105	£ 30,250	£ 30,394
	6	£ 33,267	£ 666	£ 832	£ 33,433	£ 33,600	£ 33,766	£ 33,932	£ 34,099	£ 34,265	£ 34,431	£ 34,598	£ 34,764	£ 34,930
	7	£ 39,150	£ 783	£ 979	£ 39,346	£ 39,542	£ 39,737	£ 39,933	£ 40,129	£ 40,325	£ 40,520	£ 40,716	£ 40,912	£ 41,108
Serjeant	1	£ 40,488	£ 810	£ 1,012	£ 40,690	£ 40,893	£ 41,095	£ 41,298	£ 41,500	£ 41,703	£ 41,905	£ 42,108	£ 42,310	£ 42,512
	2	£ 41,847	£ 837	£ 1,046	£ 42,056	£ 42,265	£ 42,475	£ 42,684	£ 42,893	£ 43,102	£ 43,312	£ 43,521	£ 43,730	£ 43,939
	3	£ 42,738	£ 855	£ 1,068	£ 42,952	£ 43,165	£ 43,379	£ 43,593	£ 43,808	£ 44,020	£ 44,234	£ 44,448	£ 44,661	£ 44,875
	4	£ 43,988	£ 880	£ 1,100	£ 44,218	£ 44,438	£ 44,658	£ 44,878	£ 45,098	£ 45,318	£ 45,538	£ 45,758	£ 45,978	£ 46,198
Inspector	0	£ 50,160	£ 1,003	£ 1,254	£ 50,411	£ 50,662	£ 50,912	£ 51,163	£ 51,414	£ 51,665	£ 51,916	£ 52,166	£ 52,417	£ 52,668
	1	£ 51,573	£ 1,031	£ 1,289	£ 51,831	£ 52,089	£ 52,347	£ 52,604	£ 52,862	£ 53,120	£ 53,378	£ 53,636	£ 53,894	£ 54,152
	2	£ 52,986	£ 1,060	£ 1,325	£ 53,251	£ 53,516	£ 53,781	£ 54,046	£ 54,311	£ 54,576	£ 54,841	£ 55,105	£ 55,370	£ 55,635
	3	£ 54,408	£ 1,088	£ 1,360	£ 54,680	£ 54,952	£ 55,224	£ 55,496	£ 55,768	£ 56,040	£ 56,312	£ 56,584	£ 56,856	£ 57,128
Inspector (London)	0	£ 52,366	£ 1,047	£ 1,309	£ 52,618	£ 52,880	£ 53,141	£ 53,403	£ 53,665	£ 53,927	£ 54,188	£ 54,450	£ 54,712	£ 54,974
	1	£ 53,775	£ 1,076	£ 1,344	£ 54,044	£ 54,313	£ 54,582	£ 54,851	£ 55,119	£ 55,388	£ 55,657	£ 55,926	£ 56,195	£ 56,464
	2	£ 55,200	£ 1,104	£ 1,380	£ 55,476	£ 55,752	£ 56,028	£ 56,304	£ 56,580	£ 56,856	£ 57,132	£ 57,408	£ 57,684	£ 57,960
	3	£ 56,622	£ 1,132	£ 1,416	£ 56,905	£ 57,188	£ 57,471	£ 57,754	£ 58,038	£ 58,321	£ 58,604	£ 58,887	£ 59,170	£ 59,453
Chief Inspector	1	£ 55,521	£ 1,110	£ 1,388	£ 56,799	£ 56,076	£ 56,354	£ 56,631	£ 56,909	£ 57,187	£ 57,464	£ 57,742	£ 58,019	£ 58,297
	2	£ 56,634	£ 1,133	£ 1,416	£ 56,917	£ 57,200	£ 57,484	£ 57,767	£ 58,050	£ 58,333	£ 58,616	£ 58,899	£ 59,183	£ 59,466
	3	£ 57,804	£ 1,156	£ 1,445	£ 58,093	£ 58,382	£ 58,671	£ 58,960	£ 59,249	£ 59,538	£ 59,827	£ 60,116	£ 60,405	£ 60,694
In post 31 August 1994		£ 58,749	£ 1,175	£ 1,469	£ 59,043	£ 59,336	£ 59,630	£ 59,924	£ 60,218	£ 60,511	£ 60,805	£ 61,099	£ 61,393	£ 61,688
Chief Inspector (London)	1	£ 57,732	£ 1,155	£ 1,443	£ 58,021	£ 58,309	£ 58,598	£ 58,887	£ 59,175	£ 59,464	£ 59,753	£ 60,041	£ 60,330	£ 60,619
	2	£ 58,845	£ 1,177	£ 1,471	£ 59,139	£ 59,433	£ 59,728	£ 60,022	£ 60,316	£ 60,610	£ 60,905	£ 61,199	£ 61,493	£ 61,787
	3	£ 60,009	£ 1,200	£ 1,500	£ 60,309	£ 60,609	£ 60,909	£ 61,209	£ 61,509	£ 61,809	£ 62,109	£ 62,409	£ 62,709	£ 63,009
In post 31 August 1994		£ 60,945	£ 1,219	£ 1,524	£ 61,250	£ 61,554	£ 61,859	£ 62,164	£ 62,469	£ 62,773	£ 63,078	£ 63,383	£ 63,688	£ 63,992
Superintendent (promoted to rank on or after 1 April 2014)	1	£ 66,789	£ 1,336	£ 1,670	£ 67,123	£ 67,457	£ 67,791	£ 68,125	£ 68,459	£ 68,793	£ 69,127	£ 69,461	£ 69,795	£ 70,128
	2	£ 70,275	£ 1,406	£ 1,757	£ 70,626	£ 70,978	£ 71,329	£ 71,681	£ 72,032	£ 72,383	£ 72,735	£ 73,086	£ 73,437	£ 73,789
	3	£ 73,947	£ 1,479	£ 1,849	£ 74,317	£ 74,688	£ 75,056	£ 75,426	£ 75,796	£ 76,165	£ 76,535	£ 76,905	£ 77,275	£ 77,644
	4	£ 78,888	£ 1,578	£ 1,972	£ 79,282	£ 79,677	£ 80,071	£ 80,466	£ 80,860	£ 81,255	£ 81,649	£ 82,044	£ 82,438	£ 82,832
Superintendent (promoted to rank before 1 April 2014)	1	£ 66,789	£ 1,336	£ 1,670	£ 67,123	£ 67,457	£ 67,791	£ 68,125	£ 68,459	£ 68,793	£ 69,127	£ 69,461	£ 69,795	£ 70,128
	2	£ 69,543	£ 1,391	£ 1,739	£ 69,891	£ 70,238	£ 70,586	£ 70,934	£ 71,282	£ 71,629	£ 71,977	£ 72,325	£ 72,672	£ 73,020
	3	£ 72,297	£ 1,446	£ 1,807	£ 72,658	£ 73,020	£ 73,381	£ 73,743	£ 74,104	£ 74,466	£ 74,827	£ 75,189	£ 75,550	£ 75,912
	4	£ 75,057	£ 1,501	£ 1,876	£ 75,432	£ 75,808	£ 76,183	£ 76,558	£ 76,933	£ 77,309	£ 77,684	£ 78,059	£ 78,435	£ 78,810
	5	£ 77,814	£ 1,556	£ 1,945	£ 78,203	£ 78,592	£ 78,981	£ 79,370	£ 79,759	£ 80,148	£ 80,537	£ 80,927	£ 81,316	£ 81,705
Chief Superintendent	1	£ 82,779	£ 1,656	£ 2,069	£ 83,193	£ 83,607	£ 84,021	£ 84,435	£ 84,848	£ 85,262	£ 85,676	£ 86,090	£ 86,504	£ 86,918
	2	£ 85,578	£ 1,712	£ 2,139	£ 86,006	£ 86,434	£ 86,862	£ 87,290	£ 87,717	£ 88,145	£ 88,573	£ 89,001	£ 89,429	£ 89,857
	3	£ 87,327	£ 1,747	£ 2,183	£ 87,764	£ 88,200	£ 88,637	£ 89,074	£ 89,510	£ 89,947	£ 90,383	£ 90,820	£ 91,257	£ 91,693

<sup>28</sup> These percentage increases are calculated and rounded to the nearest £1. The final agreed figures will be calculated and rounded to £3 in accordance with custom and practice.

## Targeting pay rises

- 5.29. Finally we also considered targeting pay rises this year. We believe this should be carried out next year (if a one year award is preferred) when we have a full picture of the issues to be addressed for each rank, rather than singling out a specific rank for attention.
- 5.30. Korn Ferry have been commissioned to complete a full analysis of the rank of constable, sergeant and inspector, assistant chief constables and deputy chief constables to ensure that our future is soundly based. The report will be designed to replicate the analysis in a similar manner to that carried out for the Superintendent rank by the PSA. This is discussed in more detail in Section 6.
- 5.31. We have asked for this to be completed by early summer 2019 and be able to take to CCC in July 2019. This will allow us to then consult fully with PCF members and inform our final recommendations for the design of the reward framework.
- 5.32. The APCC are commissioning a separate Korn Ferry report on Chief Constable pay rates. This will be designed to complement our work to ensure there is a coherent thread throughout our reward policy.

## London weighting & geographic allowances

- 5.33. In terms of geographic allowances, previous papers have suggested that there are really only three groupings across other sectors – Inner London, Outer London (including adjacent areas in the South East) and the rest of the UK. This broadly matches the geographic allowances currently available in policing. However, there has been little analysis of these payments since the Winsor review and that report made recommendations to review geographic allowances in the context of regional pay decisions being explored in other sectors (now not pursued).
- 5.34. The MPS submission to PRRB will offer additional evidence around the London weightings and allowances however, given the relationship between them and the South East forces it is important that they are also considered jointly. The current value of the London allowances are made up of the London weighting (£2,444 p.a., pensionable and uplifted based on the pay award), London allowance 1 (£1,011 p.a., non-pensionable and fixed) and London allowance 2 (£3,327 p.a., non-pensionable and fixed). The total value equates to £6,782 and is paid to all officers working in London (there is a separate allowance paid to pre 1994 officers). The cost of the allowances is £192m p.a.
- 5.35. The South East (“SE”) allowance was increased by £1,000 in value in 2016 and is now up to £3,000 (Essex, Hertfordshire, Kent, Surrey and Thames Valley) and up £2,000 (Bedfordshire, Hampshire and Sussex). No additional funds are given to forces to pay for SE allowances and only 3 forces increased the payment when given the flexibility to do so (Surrey and Sussex by £500 and Bedfordshire by £1,000). The allowances offer a way of compensating officers who live in areas generally viewed as having the most expensive living costs.
- 5.36. Korn Ferry analysis (see Appendix H) suggests a clear difference between London salaries and those outside London, the gap between the two is on average around 10% of salary. The national data also suggests that there is little difference between outer London pay and that for the most expensive parts of the SE. The market picture is at odds with a traditional public sector approach to London/SE weighting. Many organisations have now moved away from a specific weighting payment to have separate pay structures for different locations.
- 5.37. This approach would however go against one of our design principles to have a basic national pay structure for all officers. An alternative would be to look at the NHS approach which comprises a

percentage supplement which is then capped with a minimum and maximum cash sum (see below). This has the advantage of protecting the market competitiveness of middle to senior management whilst trying to ensure that the lowest paid are not disadvantaged.

Table: NHS London Weighting 2018

AREA	AMOUNT
<b>Inner London</b>	20% of salary subject to a minimum of £4,326 and a maximum of £6,663
<b>Outer London</b>	15% of salary subject to a minimum of £3,659 and a maximum of £4,664
<b>Fringe</b>	5% of salary subject to a minimum of £1,000 and a maximum of £1,733

5.38. It can be seen that the values shown above do not differ significantly from the current allowances (although the definition of outer London might include areas of the South East currently capped at £3,000). It should also be noted that studies often show that costs experienced by employees are considerably higher than either the typical salary market differentials or the most common London weighting payments<sup>29</sup>. Given the NHS recruitment and retention issues further work would be required to assess the effectiveness or otherwise of this methodology.

5.39. The current arrangements for London allowances have grown organically and are now confusing. Therefore it makes sense to refresh the allowance structure so that it is easier to administer and understand. A scheme similar in structure to that offered by the NHS might make sense (but there is unlikely to be any appetite to differentiate the core allowance within London between inner and outer areas). There is also interest to offer greater flexibility for Chief Constables/Commissioners so that they are able to respond more proactively to particular recruitment and retention challenges. This needs further development during 2019. However, it is clear that the current recruitment and retention issues are location based and there might be a need to enable greater flexibility where none currently exists, in this year (in particular MPS). This is the basis of the request in the MPS submission for the introduction of a variable element to the London allowance and for greater flexibility to target specific problems. There will, of course, be some reservations by neighbouring forces but the arguments put forward by the MPS, particularly in terms of operational risk, are sound. The type of flexibilities requested could also prove beneficial to SE forces (in relation to the variable element of their allowances) and might also allow the MPS to re-instate its London residency criteria for new joiners. This would likely be welcomed by surrounding forces.

<sup>29</sup> <https://dspace.lboro.ac.uk/dspace-jspui/bitstream/2134/22221/1/London-Weighting-Report.pdf>

## Annual force survey on recruitment and retention

- 5.40. The national police officer workforce comprises of 122,395 officers<sup>30</sup>. This is circa 19,500 less officers than in 2010.
- 5.41. To help inform this submission, and identify the key workforce challenges, we have again conducted an annual survey of all forces. The survey opened on the 4th December, 2018 and closed on 18th January, 2019. It was distributed via the NPCC portal page plus a follow up email to notify key contacts from our NRT network. There was an 86% response rate at the time of the submission<sup>31</sup>. The figures used in this report have come directly from forces. Not every force has answered every question, therefore the totals in the full data sets may not always correlate.
- 5.42. As this is the second year of this online survey, we are able to look at year-on-year comparison where possible, to show how views might be changing. The information sought covered the following areas.
- Recruitment
  - Apprenticeships
  - Promotion
  - Hard to fill ranks
  - Hard to fill roles
  - Leavers (not retirees)
  - Retirement
  - Motivation and morale
- 5.43. The data gathering exercise is still in its relative infancy and, as yet, is really only at the problem identification stage. The process is not sophisticated enough to make clear causal links but this should improve as the methodology becomes established and the questions are more appropriately framed. The report containing this data is appended in Appendix A and below is a summary of points of particular relevance to this submission. It is also worth noting that a group was established in 2018, comprising all relevant stakeholders, to look at workforce data. It was agreed that a single workforce census will be used by all forces that will gather comprehensive and timely data in the future. The NRT are actively involved in this group<sup>32</sup>.

### Recruitment targets

- 5.44. For 2018/19 forces surveyed recruited 8,383 officers against a combined target figure of 9,554. This is up on the 2017/18 figures of 6,811 against a 7,605 target. The median age for new recruits based on the median age per force is currently 27 years (down from 28 years in 17/18). The actual median age across all officers will be lower because of the higher number of recruits by larger forces, whose recruits tend to be younger. Of these recruits, 35% were female – virtually in-line with last year.
- 5.45. Despite the achievement of the national recruitment target the recruitment picture is mixed. Some forces have clearly over-recruited, but 24 forces fell short of their target numbers; of these, 16 forces missed their target by a margin of more than 25%. Details are shown in the table below.

<sup>30</sup> Gov.uk Police Workforce England and Wales September 2018 (excludes central secondments and British Transport Police)

<sup>31</sup> Three of the late submitting forces will be added to the final survey summary.

<sup>32</sup> There is additional grouping of stakeholders considering data availability, which includes the OME, which the NRT was chairing.



5.46. There is no apparent geographic pattern, with an even spread of forces across the UK failing to recruit the numbers required. The reasons for this require further research. Most have no trouble attracting initial applicants but, in some cases, the conversion rate is low. This suggests that the calibre of applicants may not be of the quality required or there are potential issues with the recruitment process that lead to high attrition. The main reasons given for recruitment failures were personal reasons, change of mind and found alternative employment. Discussions with newer recruits in focus groups suggest that the length of taken for the recruitment process to be completed may have a significant effect, so reflected in the reasons given.

5.47. All the forces shown below, bar Northumbria and North Yorkshire, pay new recruits at pay point 1, so are, therefore, offering the best possible salary. Of the SE forces able to pay an allowance, none are paying the maximum discretionary amount. This is likely to be for cost reasons, as the allowance is not funded, and the fact that it would need to be paid to all serving officers makes it something of an expensive, and rather blunt, instrument to combat what might just be an attraction issue.

5.48. Although the exact reasons for the recruitment shortfalls need further investigation and recording, it does show that many forces are still struggling to recruit the required numbers.

**Officer retention and transfers**

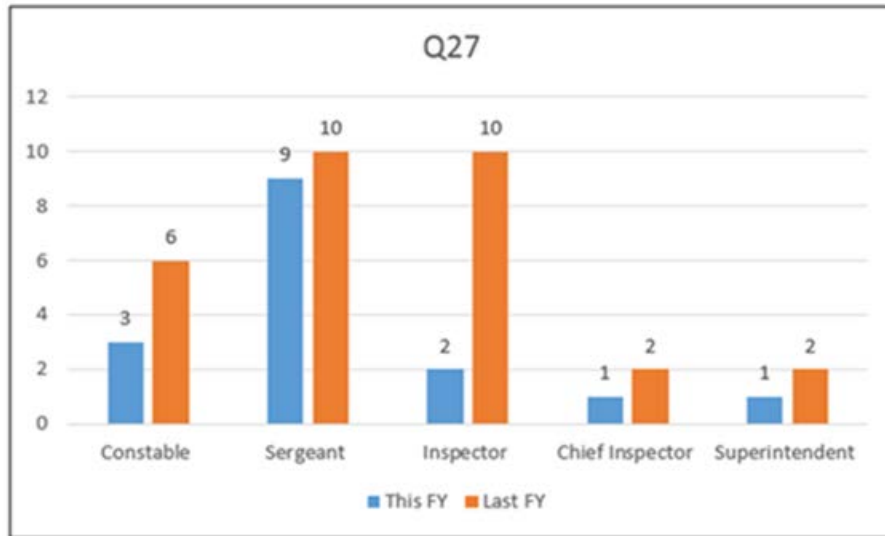
5.49. A total of 914 officers have transferred to another force this year (18/19), this is down (by 49) compared to 963 officers who transferred to another force last year (17/18). Most forces do not record detailed reasons for transfers and the majority cited ‘personal reasons.’ This is an unhelpful catch-all but, of those that commented, the following were the main reasons. No particular transfer hotspots have been identified from the data.

- Childcare
- Unhappy at work
- Cost of living
- Shift pattern
- Workload
- Better job

**Hard to fill ranks**

5.50. Of those surveyed, 14 forces stated there were ranks that were difficult to recruit into this year (18/19). This is down (by 3) on last year.

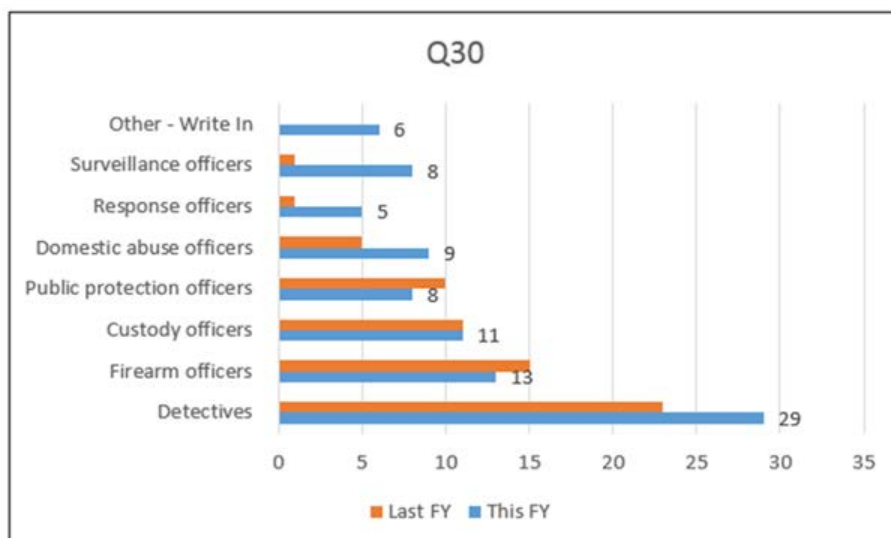
5.51. For 9 forces, sergeant was the most difficult rank to recruit into this year (18/19), followed by constable (3), then inspector (2), chief inspector (1) and superintendent (1). Last year 10 forces found that both the sergeant and inspector ranks were equally difficult to recruit into. The table below shows the position compared to last year's return. Overall there has been a general improvement in this area.



5.52. The majority of forces offered no specific reason for the difficulty in fulfilling vacancies and, of those of the forces who did, 5 identified that there were insufficient applications and 5 forces identified that the required standards were not being met (last year this was the main reason identified by 9 forces).

**Hard to fill roles**

5.53. Hard to fill roles data remains consistent with previous years. The temporary targeted payments arrangements, agreed in 2018, have yet to become established but we anticipate that over time that this pay lever should start to have a positive impact. At the moment, 33 forces state there were roles that were difficult to recruit into this year (18/19). This is up (by 5) on last year. The table below shows where the pinch points exist across 7 roles and the data is overlaid on the 17/18 return.



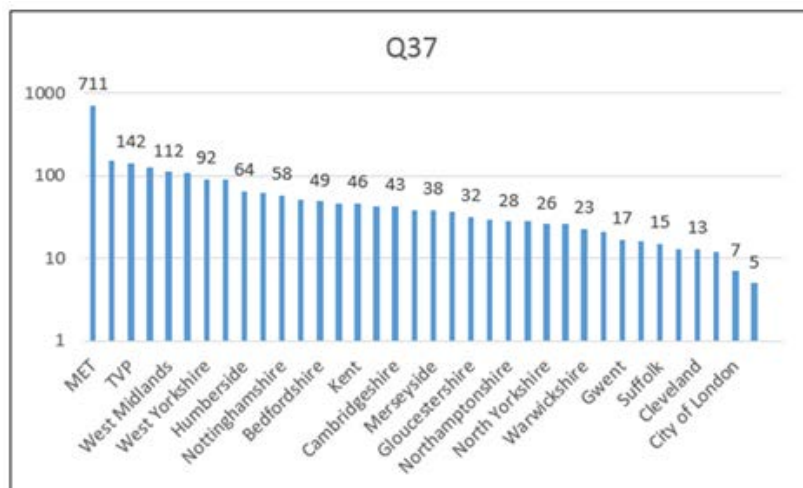
5.54. The variable pay proposals (to replace the temporary targeted pay arrangements in 2020) are intended to tackle this problem by giving chief officers the option to make discretionary payments to recognise those with mission critical skills and/or those working in area or role that is deemed particularly demanding. This third arm of the new police officer reward framework is seen as vitally important, with the added pay flexibility helping to ensure the service remains operationally effective. The introduction of accreditation, licensing and the growing need for specialist skills, all mean that extra incentivisation options must now be available, and this should include remuneration.

5.55. It is worth noting, as we have stated previously, that remuneration is not the sole answer and only part of a range of interventions that might be appropriate. With this in mind, forces have set out an array of organisational measures that could also be taken to tackle this particular issue.

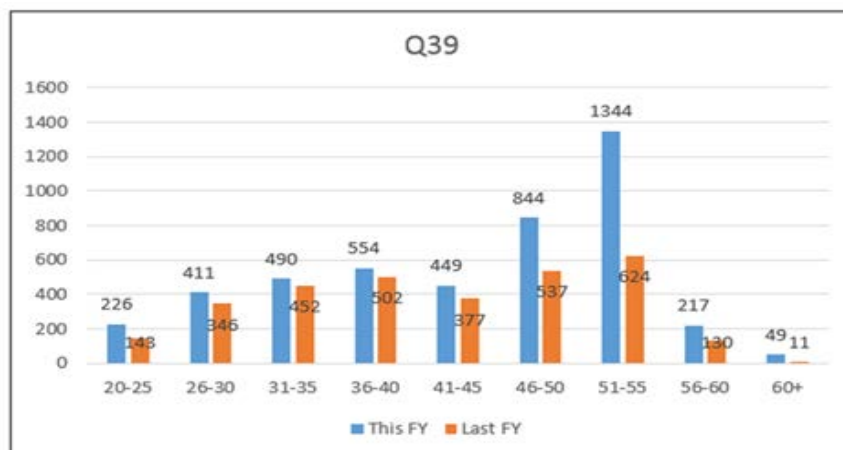
**Leavers (not retirees)**

5.56. 2,424 officers voluntarily left the service (not including retirees) prior to completing their full potential pensionable service this year (18/19). This is up (by 380) as 2,044 officers voluntarily left the service last year (17/18)

5.57. Not surprisingly given its size, The MPS had the most officer leavers (not including retirees) (711 vs. 696 last year) and City of London had the least (5), this can be seen on the graph below, please note a logarithmic scale of 10 has been used.



5.58. In numerical terms, this represents only 1.9% of the workforce. The only area of particular note is there appears to be a spike in the numbers leaving in the 51-55 age group, 1,344 this year (18/19). The figure last year was 624. We will need to investigate this to understand the date in more detail (it may be due to local force categorisation), as it appears odd given the pension implications.



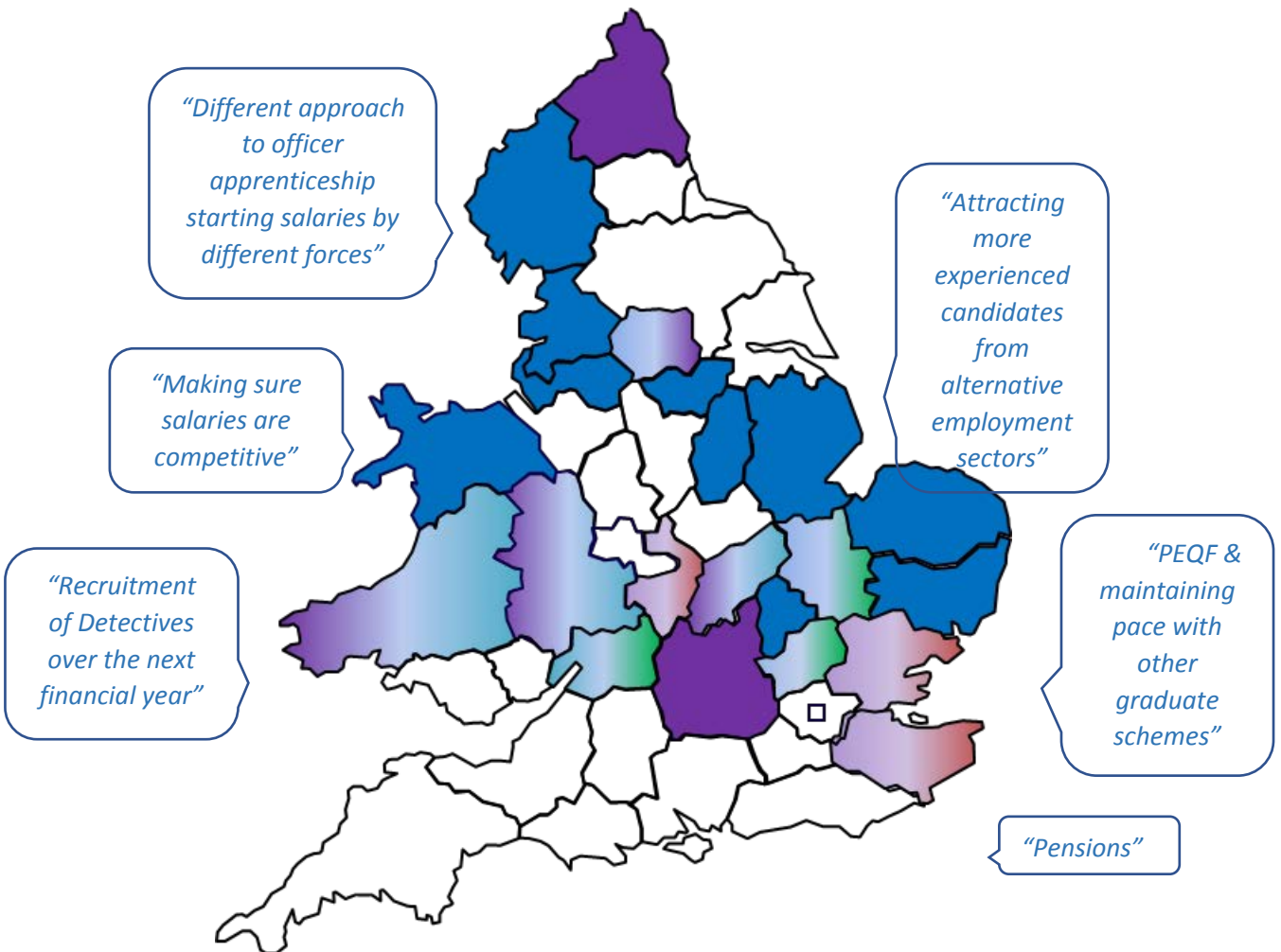
Top 5 pay and reward concerns

5.59. Finally, we asked forces to list their top five concerns in relation to pay and reward. There were 37 responses to this question. The answers have been categorised 1 – 5 with the first being the most important to forces. We have shown these visually on the map below and included specific quotes just to give a flavour of the key concerns.

5.60. We will be considering these issues as part of our work in 2019 to ensure that concerns are, where appropriate, accounted for within the design of the reward framework and transition planning.

**Legend**

- Blue** Most important & second most important = Salary
- Purple** Third most important = Recruitment
- Green** Fourth most important = Pensions
- Orange** Fifth most important = PEQF



## 6. WORKFORCE TRANSFORMATION AND DESIGNING A NEW REWARD FRAMEWORK

- 6.1. This section updates the PRRB on Workforce Transformation (“WT”) activity under the CoP’s WT programme, which is seeking to help drive and deliver the ‘workforce’ element of the Policing Vision 2025. We then outline the format of the reward framework agreed by CCC to date, how we have arrived at our decisions and next steps. Further details of the CoP sponsored items can be found by referring to Appendix A of last year’s NPCC submission.

### Introduction to workforce transformation

- 6.2. Four WT priority areas / initiatives (listed below), deemed to be both interdependent with, and critical to, the pay reform work were identified and agreed at CCC in April 2018. These areas have therefore formed the main focus of work since April.
- 6.3. CoP are in the process of re-branding this programme of work to ‘People in Policing’. A series of marketing and communication releases are due to be published shortly, reflecting the need to create simple, emotional messaging to which the service can relate.
- 6.4. The CoP has also secured a range of PTF funding to support or enable workforce reforms. Both the programme and associated funding are focused, in particular, on securing confident and competent first line supervisors. Providing appropriate support to supervisors is critical as they not only underpin the delivery of a profession with learning and improving culture at its core, but are also essential in the consistent and effective implementation of the assessment mechanisms required for pay reform, particularly the Professional Development Review (“PDR”).

### NPCC workforce transformation priorities

#### 1. Initial recruitment (Day One):

- A key component of the WT programme is the development and delivery of a new recruit assessment process for police constables; Day One. Day One is a new assessment centre to select the best recruits from all communities who are able to meet the demands of the role, and demonstrate the values of policing today. The pilot started in April 2018 with the MPS and an interim evaluation report is due in February 2019.
- The CoP is currently working to develop a less technology-dependent assessment centre which will remove some of the obstacles to other pilot forces taking part. A lower-tech version should be ready by May 2019 with a view to other pilot forces taking part over the summer. If the pilot is successful, Day One will replace Police SEARCH from April 2020 onwards.

#### 2. Initial Entry Routes (PEQF):

- Four forces are live with the Police Constable Degree Apprenticeship (“PCDA”), with further forces due to go-live soon. The first Degree Holder Entry Programme (“DHEP”) starts in March 2019. The vast majority of forces are on schedule to implement the new routes by 2020.
- The CoP CEO wrote to Chief Officers on 30th November 2018 to confirm that forces experiencing minor delays in implementing the new programmes can continue to use the current training programme, known as IPLDP, for a period of up to 6 months, to 30 June 2020.
- A force experiencing exceptional implementation difficulties can apply to the CoP to use IPLDP (with additional curriculum content) for a managed longer period (up to 18 months, to 30 June 2021). The CoP will publish further guidance in due course.

- The CoP has secured additional funding from the PTF underspend in 18/19 to support forces in providing professional development and accreditation for Learning and Development Staff, together with a guidance document which explains how the funds can be used and next steps. This is to assist with upskilling those who will be delivering and assessing on the new initial education programmes.

### 3. Professional Development Programme (“PDP”):

- This Programme oversees many of the key building blocks for workforce reform. The PDP aims to build and provide the infrastructure, processes and tools to ensure policing is delivered by a professional workforce and by enabling a culture in which continuing improvement and professional development is recognised and valued.
- Specifically relevant for the reward framework is the CoP work including PDRs, CPD, Role Profiles and defining the different levels of competence at constable rank. The first level is for those officers in training programmes (PCDA and DHEP), the second level is qualified constables (Foundation), the third level is for those who are competently and consistently demonstrating the competence and skills set out in the Constable role profile (currently being referred to as ‘established’ constable [“EC”]) and the fourth level is for advanced constables (this will include Advanced Practitioners [“AP”] and ‘Leading Constables’).
- Testing the draft ‘*Established Constable Review*’ (previously referred to as Higher Skills) criteria and process should start in late February, allowing time for sufficient forces to engage. The timescales, and differences in pay levels as Constables move through the stages is causing concern to the workforce reform team but a recent meeting between the NRT and CoP has explored options for minimising those risks.
- The work streams within the PDP therefore include: designing the ‘**Established Constable Review**’ (“ECR”); Piloting and finalising the **Special Constabulary Professional Development Model**; Publishing all the **professional profiles** and supporting forces to transition to the new Professional Policing Profiles; Updating guidance and providing support for forces to implement and more effectively embed the **CPD and PDR** process and further development and maintenance of the **Recognition of Prior Learning (“RPL”)** mechanism and opportunities.
- Using PTF funding, the CoP has developed professional policing profiles (“PPPs”) for generic roles across the policing profession. All profiles should be live by the end of March 2019, so the Policing Professional Framework (“PPF”) can be ‘switched off’. Conference call sessions with professional development leads have been held to provide advice and support with the transition, and transition guidance and video clips have been developed. A new monitoring board, known as the Professional Development Profiles Board has been established.

### 4. Advanced Practitioner (“AP”):

- The AP scheme emerged from the Leadership Review recommendations in 2015 and will provide lateral career progression for constables, to recognise and reward enhanced skills, competence and contribution. AP will undertake their primary policing role at an enhanced level in a specified field of practice. They will be able to work autonomously and will be recognised as an expert and ‘go-to’ person in their force, committed to supporting and developing others, and furthering police practice both within and beyond their force.
- The evaluation of the AP pilot is complete, and the report is due to be published on the What Works<sup>33</sup> website in the coming weeks.

<sup>33</sup> [www.whatworks.college.police.uk](http://www.whatworks.college.police.uk)

- The Workforce Transformation Group (“WTG”) meeting in November 2018 agreed that the AP scheme would be pursued as one of a package of voluntary lateral progression opportunities. This is currently described below as within Stage 4 of the new reward framework.
- Following feedback from the WTG, plans for a service-wide consultation on the final shape of the scheme have been agreed. The revised consultation will be published by end March, with communications on the concept to precede this, in late February 2019.

6.5. In addition to these four key areas there are a number of other initiatives which the CoP is leading, in conjunction with the NPCC which are outlined below:

### Senior Leaders Hub

- The Senior Leaders Hub was launched in November 2018. It has 3 complimentary functions: to support progression to the most senior levels of the service, with a particular focus on under-represented groups; to provide and coordinate CPD opportunities for chief officers and to provide a range of services to support Chief Officer appointments with the goal of achieving the widest possible pool of candidates and delivering fair and transparent selection processes.
- The Hub went live in November 2018. Communications are planned to promote the appointments service to PCCs/CCs ahead of the Strategic Command Course recruitment event in March 2019<sup>34</sup>. It is hoped that this will address some of the issues highlighted previously around chief officer recruitment.

### National Wellbeing Service (“NWS”)

- The National Police Wellbeing Service (“NPWS”) is a £7.5m PTF programme which has a live service launch during April 2019. This is an evidence based service utilising the best available research, in force development and testing of wellbeing interventions which will be available to all in policing. The service is based on a holistic model of Promote, Prevent, Detect and Support, and Treat and Recover. The live service will be accessed via the Oscar Kilo (OK) web site which is a well known brand within policing and across other public sectors such as Fire Services, and will provide tools, resources and signposting to the policing workforce.
- A key factor of the NPWS is building capability and this will be done through a series of products and services aimed at line managers, leaders and individuals and wellbeing practitioners to help build resilience, improve knowledge and understanding and bring about cultural change and good leadership practice and behaviour.
- A very practical element of the NPWS is the mobilisation of a number of Wellbeing Outreach services delivered through well equipped vans available to all forces on rotational basis. Some of the early findings from the use of these vans is very encouraging in respect of the model described above with early identification of potential health issues. Forces have also worked with other agencies such as Police Mutual Assurance Society (“PMAS”) to provide wealth and financial management advice.
- The NPWS is underpinned by a Centre of Excellence and Governance model which is currently hosted by the CoP and a full business case was presented to and approved by the Policing Portfolio Board on 14 January 2019 which gives a clear plan of the work to be delivered over the next few years, including understanding and providing further evidence of the benefits of workforce wellbeing, developing a sustainable funding model and the running of a number of wellbeing projects alongside the Live Service.

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<sup>34</sup> The National Reward Team will consider how this hub could be used to provide data to the PRRB/SRRB in future. However for this year we will be sourcing data from forces to the PRRB to provide information on senior leaders for the purposes of PRRB considering recruitment and retention.

- The NWS is on track to launch in April 2019.

### **Leadership and management development**

- Work is now underway to identify suppliers to design and develop a range of tools to support leadership and management development at all levels from Sergeant to Superintendent.

### **Workforce transformational enablers**

- Following a review of force self-assessments of their workforce management capability, it was decided to concentrate on CPD and PDR with a focus on first line supervisors. Force visits to strategic 'People' leads have been undertaken and a behavioural design team has been commissioned to observe first line supervisors and develop tools to assist.
- The force visits have provided valuable evidence to inform programme development. Promising practice examples will be shared at a roundtable event planned for February.
- The programme has £1.8m PTF funding for 2019/20. Options for spend in phase two will be presented to an extraordinary meeting of the Workforce Transformation Group in March, including a peer support proposal. The focus will be on mainstreaming activity to ensure sustainability and providing assistance to forces requiring it or signposting promising practice.

## Overview of outline reward framework design

- 6.6. In our last submission we started to outline how we intended to approach the design. In 2018 we have begun to define the initial structures on which we can build the framework<sup>35</sup>. Our key requirements from the PRRB in relation to the reward framework this year are (in addition to the pay recommendation):
- support for the outline structure of the constable framework, and in particular for the career stages. This will allow progress to the detailed design phase to develop the requirements associated with the career stage gateways and the criteria for the lateral career pathway payments
  - support for the P factor proposal, to allow this work to progress as described, and for the OME to assist with the valuation of the new descriptors
  - support for further developing the current temporary targeted payments to deal with internal recruitment challenges, by allowing variable payments to those with mission-critical skills, or, performing exceptionally demanding roles, by virtue of the work Involved and/or location. This will act as a more permanent solution to the "hard to fill" issue discussed in Section 3
- 6.7. The new reward framework will be designed as a simple mechanism which a new recruit or officer can easily understand. It will be designed so that a new recruit has a clear career pathway linked to competence, skills and contribution. Chief constables have received regular updates throughout 2018 and agreed key items that need to be defined for the framework.
- 6.8. This section considers:
- the latest agreed design principles and assumptions
  - an introduction to the workstreams
  - the constable workstream
  - the P factor workstream
  - the benchmarking workstream
  - the variable pay workstream

### Design principles and assumptions

- 6.9. The NPCC have now agreed the design principles. These were initially developed in conjunction with the Steering Group and then discussed and agreed at the July 2018 CCC and also shared with the Policing Minister. They were reviewed again at the CCCs meeting in January 2019.
- 6.10. The latest version of the design principles and assumptions are listed below. These principles will be used to inform the design of the framework. They will continue to be reviewed in 2019 with all stakeholders in light of additional information or changing circumstances as the programme of work progresses, and specifically to allow for effective communications. At this stage they are designed to be simple but comprehensive. However as we develop the communications programme and the transition plan in Phase 2 of the design we would expect to rationalise and condense.

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<sup>35</sup> Due to the changes being introduced as a result of PEQF it was necessary to progress with pay reform, but a reward framework needs to be holistic. It is difficult to introduce a new Reward Framework that only applies to certain groups and would mean that we were only looking at individual allowances. The NPCC need to implement a sustainable framework which provides an easy mechanism for forces to address their recruitment & retention issues at all levels.

The Principles	The Assumptions
1. It will deliver a basic national pay structure for all officers (at all ranks)	1. The framework will seek to be cost-neutral and affordable within forces' forecast budgets and the officer pay bill. It will also inform the forthcoming Comprehensive Spending Review
2. There will be a link between pay and contribution	2. The Home Office model will be used to determine the future impact on the officer pay bill
3. There will be a link between pay and competence	3. Actual base pay for an individual will not reduce when an officer transitions onto the new framework
4. There will be a link between pay and specialist skills	4. Existing officers will transition to the new framework over time – it will be phased in line with the capacity of the service to accommodate the changes and operational priorities
5. It will support the closure of the gender pay gap	5. New recruits will be move onto the new framework once launched
6. Base pay, total cash and total remuneration will be benchmarked	6. A detailed programme plan will be produced, identifying interdependencies with other national programmes of work
7. It will support the professionalisation of policing	7. A communications and engagement strategy will be produced
8. It will ensure increments can be reviewed	8. Key risks and issues will be recorded with an appropriate management plan in place
9. It will ensure allowances are consolidated, where appropriate	9. An equality impact assessment (EIA) will be completed and the framework will be legally compliant
10. It will provide flexibility so forces can provide local supplements	10. The core reward team will be funded by the Police Transformation Fund (funding agreed for 2018/19 and provisionally agreed for 2019/20). Any wider implementation costs will be identified and costed – no assumptions have been made about funding.
11. It will seek to ensure consistency between staff and officers, where appropriate	11. The new framework will be business as usual by the end of 2025
12. Chief Officers to maintain flexibility to be able to post officers to different roles	
13. The framework will be sustainable into the long-term	
14. It will seek to limit bureaucracy but be robust enough to support evidence-based decision making	

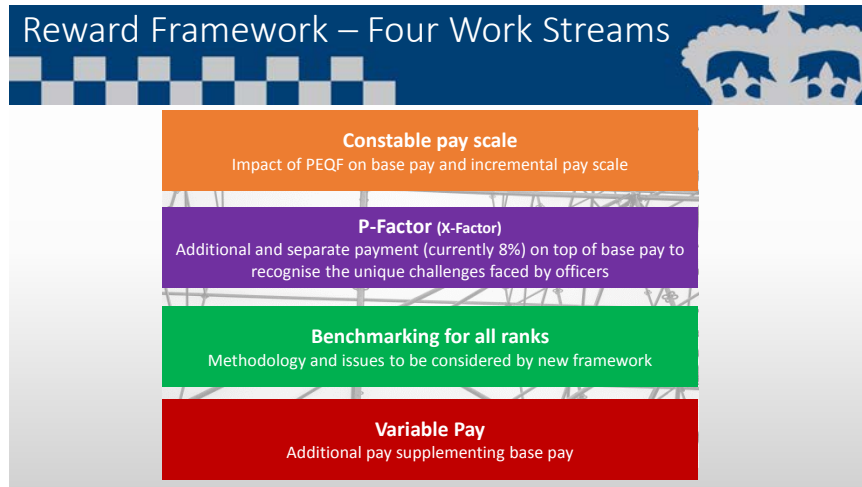
6.11. The staff associations have provided useful feedback that has now helped to inform the risk log and programme plan. A full written response has also been provided to PFEW and PSA. Whilst there is not complete consensus on the design principles we intend to work with stakeholders to ensure that all concerns can be mitigated.

6.12. The areas of concern are mainly around:

- how the principles will be used,
- the fact that increments will no longer be linked to time served (this has been a long standing principle),
- the concern about forces' preparedness for pay reform (dealt with in workforce reform programme),
- the idea of local flexibility for chief constables (although this already exists to a certain extent with local allowances and bonus payments) and
- the issue of affordability (concerns that individual pay will be suppressed to deal with affordability).

## Introduction to workstreams

6.13. To start work on the design of the framework the NRT ran a series of themed workshops with all forces and stakeholders. The agreed areas of focus were in order:



6.14. Inevitably there was overlap between the various workshops. But by separating out themes and focus we were able to socialise and investigate force views and ideas on how we should progress each aspect of the package to start building the framework.

6.15. Force attendees tended to have a HR or reward specialism. All stakeholders were invited and all attended each session or, if they were unavailable, then attended a separate session or meeting. The current national payroll lead also attended. Finally we also invited officers to the P factor, benchmarking and variable pay sessions to ensure that we had a current operational viewpoint.

6.16. At each session the team presented:

- the background to our work and processes we are seeking to follow (as outlined below)
- the background to each aspect of the current package and our findings from focus groups in 2017,
- the history to the current reward approach, including how Winsor has changed the package,
- discussion about forces views on past changes and future needs
- information on current market practice



6.17. Following the workshops we then contacted forces with a relevant survey to gain official force views on their current thinking on how each aspect of the current framework should be designed. These were

then used to inform policy proposals which were then formally presented at CCC during 2018 and finally in January 2019.

6.18. Throughout 2018 we have worked with Korn Ferry on benchmarking. They have a history of working with police forces and NPCC so are familiar with policing but also have a wealth of experience in other sectors. More recently Korn Ferry has been working with CoP to develop the new officer profiles and the PSA commissioned them to do a Pay Comparability Study that was published in October 2018. Korn Ferry continue to advise on how to approach benchmarking and this is included in this report. However further work has already been commissioned for 2019 which will replicate the PSA study and is described in more detail below.

### The constable workstream

6.19. Constables have the longest pay scale of all ranks, 0 to 7 pay points, and officers' progression is generally based on annual increments through the pay points, albeit officers should receive a satisfactory PDR to receive an annual increment. There is one key milestone, Assessment and Recognition of Competence ("ARC"), which applies when the constable moves from pay point 3 to 4. All other moves are based on time served.

6.20. With the arrival of PEQF the constable pay scale needed significant review. The rates of base pay needed to be reconsidered alongside the new qualifications, training, market practice and benchmarking.

6.21. The final terminology to describe the new structure is still to be agreed but in effect in future there will be three stages to a constable's career pathway. This has been agreed by Chief Constables.

- **Stage 1** - Training & working phase for a 3 year PCDA (resulting in a degree in Professional Policing Practice at Level 6), or 2 year Police Degree entry or Pre-join degree entrant who then will need to complete a policing diploma<sup>36</sup>.
- **Stage 2** - Achieved degree Level 6 in professional policing and passed ARC, building and evidencing full competence to achieve the majority of role profile, currently referred as a foundation constable
- **Stage 3** - The fully competent constable fulfilling more than 70% of the constable role profile on an ongoing basis. May also require attainment of additional operational skills and secondary specialisation

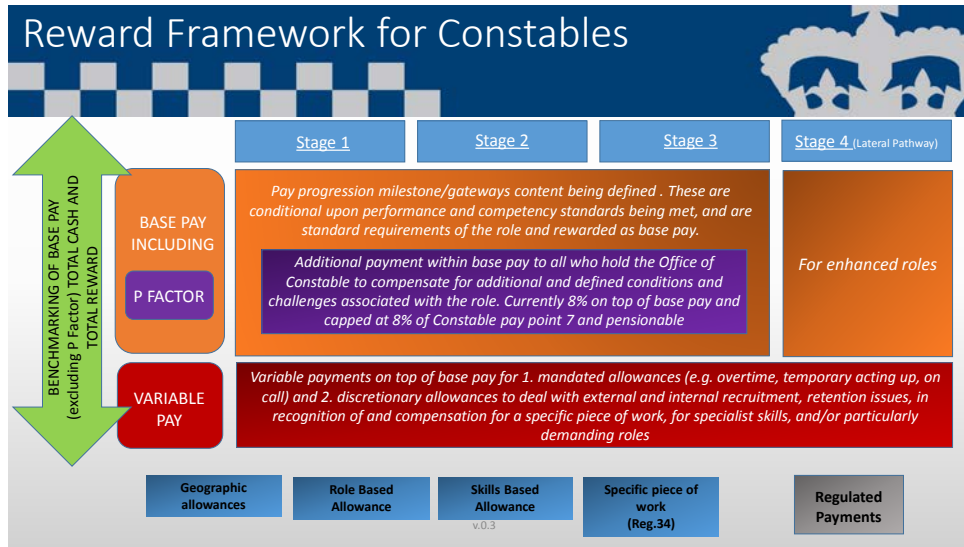
6.22. In addition a constable may move to **Stage 4**, and receive extra remuneration. This is referred to as a lateral career pathway. Current pilots include AP and Leading Constable.

6.23. Pay progression through each of the career stages will also be linked much more to capability, rather than purely time served.

6.24. We therefore need to reconsider reward for a constable against an overall framework as illustrated below. The diagram includes the majority of items of reward to which a constable may receive.

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<sup>36</sup> The probationary period for a DHEP and Pre-join recruit is 2 years, the same as IPLDP. The actual length of the in-force education programme for the Pre-join recruits is not yet confirmed – this has still to be formally agreed at the national level, and is still under consideration.



6.25. As the PRRB are aware the future constable pay scale needs to be more flexible to accommodate the new routes into policing. We have already recommended to the PRRB that we start our new PCDA officers from £18,000 and these officers have started to join forces and appropriate Determinations have now been signed off by the Home Office. The first DHEP constables are expected to start later this year.

6.26. As we did not recommend rates of progression for PCDA's in the 2018 report the PRRB decided that these early candidates should re-join the current pay scale at pay point 1 and then continue to progress up the existing scale. Therefore, at present, these constables will not be part of the new framework until transition.

6.27. Taking what has been agreed to date, and the ongoing work by the CoP, progression by new constable candidates, moving through new salary points, is currently as shown below:

Stage & Period	PCDA	Stage & Period	Degree holder	Pre-join degree
Stage 1 Period 1	PCDA			
Stage 1 Period 2	PCDA	Stage 1 Period 1	Degree holder	Prejoin degree
Stage 1 Period 3	PCDA	Stage 1 Period 2	Degree holder	Prejoin degree
Stage 2 Period 1	Foundation Constable	Stage 2 Period 1	Foundation Constable	Foundation Constable
Stage 2 Period 2	Foundation Constable	Stage 2 Period 2	Foundation Constable	Foundation Constable
Stage 3	Established Constable	Stage 3	Established Constable	Established Constable

6.28. According to the route of entry the rates of base pay will differ to reflect the qualifications and experience of the individual on joining their force. We would like some discretion within each force in terms of rates of pay to be offered to officers in Stage One, the training phase, but upon achievement of the relevant Level 6 qualification, all officers will move onto Stage Two and the same national pay scale. As can be seen from the table and potential number of pay points we therefore anticipate that constables entering through the new routes have the potential to reach the highest level more quickly than the currently IPLDP ("Initial Policing Learning and Development Programme") officers who rise essentially linked to time served. Clearly this will be based on levels of competence, but does fairly reward those who are already showing the experience and expertise expected of an 'established' constable. Equally those who are progressing more slowly might take longer to reach that point.

- 6.29. The periods of time an officer spends at each stage and point will reflect their development and competency. During the training stage this will normally be aligned with the course criteria and annual PDR.
- 6.30. When officers reach Stage Two, they may, depending upon performance, be able to move through the final salary level more quickly, depending upon their ability to be able to achieve the milestone to move to Stage 3. This '*Established Constable Review*' being carried out by the College (previously referred to as Higher Skills) criteria and process should start in late February as confirmed above.
- 6.31. As no candidates entering after September 2019 will reach Stage 2 until after September 2021 we have the time to pilot, agree and implement the format of the Stage 2 progression criteria. It should also be noted that once at Stage 2 an officer could, as now, after completing their IPLDP course, take the sergeant's examination and apply for promotion.
- 6.32. The new Stage Four will be for enhanced roles. AP will be the first role we anticipate within this category and will be available within forces to constables. At this stage there is no intention to extend the AP role to other ranks, but this could be developed if appropriate in the future. The intention is that AP will earn a pensionable allowance. The allowance will be set at a rate equivalent to a percentage figure above the top pay point for constables<sup>37</sup>. Initial work by Korn Ferry suggests that this might be 10% but this will form part of more detailed benchmarking work. Leading Constables are also being piloted in two forces (MPS and West Yorkshire) and this could offer another option for the advanced level.

### Pay progression for PCDA and DHEP constables

- 6.33. In the future there will be three entry routes for police officers – PCDA, DHEP and relevant police degree entry. The intention is that at the point of graduation (both academic and operational) all officers will reach the same point in terms of pay, albeit the length of time to get there will be different. This will be the foundation constable pay point. Early indications are that this will be around £26,000 (currently midway between pay point 2 and pay point 3). This figure might change in light of the more detailed benchmarking in early 2019.
- 6.34. Clearly pay progression for a PCDA officer will depend on their starting salary and, given that this will be determined by the chief officer, it makes sense for progression to also be linked to starting salary and for it to be set by the chief officer, subject to certain parameters.
- 6.35. Chief constables' agreed that it is helpful to offer a standard progression rate, which could be varied locally subject to appropriate justification. The reasons for this included:
- Flexibility on recruitment rates is vital to ensure forces can easily balance attraction with affordability
  - adopters of the PCDA have attracted sufficient and appropriate candidates at £18,000
  - Local employment market conditions inevitably do vary, so allowing some flexibility aids the ability of a force to successfully recruit
- 6.36. In practice forces will inevitably look to their neighbouring forces to see where they are setting the starting salary. However there will be some differences and Chief Constables support the option to be able to take this decision locally subject to parameters.
- 6.37. As an example, if an apprentice starts on £18,000 p.a. and should reach £26,000 by the end of year 3, progression after year 1 might be set at £20,000 and after year 2 set at £22,000. Clearly if an apprentice

<sup>37</sup> Report on the Advanced Practitioner role for MPS by Korn Ferry

started on £23,000 then progression would be more limited over the three years to ensure that all officers met at the same point upon graduation.

- 6.38. The same type of approach could be used for DHEP candidates on two year courses, but starting from say £22,000 for their first year and then moving to a rate at or above £24,000 for year 2, in both cases up to a limit set linked to the graduation rate.
- 6.39. The pay rates rate for all degree holders at Stage 2 will need to be set according to benchmarking against the graduate market and will be reviewed following receipt of the Kerry Ferry work in 2019 and upon considering the work by the CoP on developing the transition from Stage 2 to Stage 3.
- 6.40. Therefore our recommended approach (the top of the range points are based on current 2019/20 pay points and will be adjusted in light of more accurate benchmarking in 2019) is as follows:

Constable pay scale	Year	From September 2020 onwards - minimum pay point level	Upper pay point limit
PCDA	1	£ 18,000	£ 23,586
PCDA	2	£ 20,000	£ 24,654
PCDA	3	£ 22,000	£ 25,728
Degree holder	1	£ 22,000	£ 24,654
Degree holder	2	£ 24,000	£ 25,728

- 6.41. These rates will be adjusted upwards by reference to the annual adjustment in salaries recommended by the PRRB for 2019.
- 6.42. The national base pay level for future constables at Stages 2 and 3 will be determined and agreed by Chief Constables during 2019 and is dependent upon completion of the benchmarking by Korn Ferry and agreement of the value of the P factor. We would anticipate that we will be able to consult with stakeholders on this prior to the next submission.

### The P factor workstream

- 6.43. In 2017 we started to consider the police's "X factor" and how this might form part of our future reward framework. In our 2018 submission we outlined the history of the current police X factor and argued that the existing descriptors used to describe it were now outdated. We also signalled our desire to change the way the X factor was applied to police pay and move more towards the approach used by the armed forces. This sees a monetary value attributed to all of the X Factor components. This is done by the Armed Forces Pay Review Body, who also conduct a five-yearly review of the descriptors to identify any changes since the previous review. Our intent is unchanged and since our last submission a good deal of work has been undertaken to consult with both staff associations and our officers and to agree a national position.
- 6.44. In this section of the report we detail the work that has taken place and are now able to set our firm proposals, with supporting commentary, relating to policy and how we would see the X Factor being applied to pay within our new reward framework.

## Our approach

6.45. The P Factor is used to describe and value the unique nature of policing and the restrictions and expectations placed on police officers. Whilst it is not argued that others do not experience similar restrictions, risks and requirements, it is the combination of all of these factors that makes policing unique. The work has built on and updated the original methodology prepared by Sir Tom Winsor in his work on the X factor. The title has been changed as the X factor was intended as something to be taken away from police officers not able to fulfil their operational requirements. The P factor is intended as a way of recognising additionality when benchmarking pay.



6.46. There has been considerable engagement on the P factor. Forces have been consulted (all 43 responded). Focus groups have been held with 5 forces (Cheshire, Hampshire, Northumbria, South Wales and MPS) and staff associations have provided feedback. Comparable work with the armed forces has also been reviewed to determine how they assess the value of their X factor. This work was commissioned by the OME who support the Armed Forces Pay Review Body.

## Descriptors

6.47. The final descriptors have now been agreed and are shown in the table below. We have continued to group them under four headings:

- Physical
- Psychological
- Legal
- Social/economic

6.48. There are now 12 descriptors (rather than the 15 described in the Winsor Review) and they have been influenced heavily by the input from frontline officers. We feel that, as a whole, they accurately encapsulate the contemporary elements of a police officer's role that are unique and reflect what Winsor described as "... those elements of police officers' responsibilities and obligations, and terms and conditions, that are peculiar to service as a police officer, and are shared by very few workers in the public sector and even fewer in the private sector".

6.49. It will be noted that we have moved away from describing the components of the P Factor as either positive or negative. We do not see the value in this, as the interpretation is often questionable; good examples from the Winsor Review being early responsibility and special status and esteem in the

community. The former was viewed to be in both camps and, arguably, this cancelled it out, and the latter can, at best, be seen as a neutral, rather than a positive. High levels of community support are not generally manifest in times of scrutiny. More relevant is the victimisation that some officers and their families face from certain elements of the community, based solely on their police status. Of this, the Winsor descriptors made no mention. Therefore, we have instead focused purely on those factors that we consider are, collectively, unique to policing and deserving of additional remuneration.

NPCC submission 2019

Physical	Psychological
<p><b><u>Uniquely confrontational</u></b></p> <p>The majority of police officers do not carry firearms but, in fulfilling their duties and safeguarding society, risk constant danger and might also be required to administer lethal force. There has also been a shift from dealing with crime in the public arena to more private spaces (e.g. mental health, domestic abuse). Policing in this private space is more invasive of privacy. This can create greater tension and tends to increase exposure to risk.</p>	<p><b><u>Trauma of exposure to distressing incidents and materials.</u></b></p> <p>Exposure to death and disturbing events is a regular occurrence for officers and this can take an emotional toll and post-traumatic stress and vicarious trauma is not uncommon. The wide spectrum of police work can also see officers deployed from an extremely distressing incident to a more routine matter without time to adjust. The changing nature of crime also requires both regular and specialist officers to continually develop, maintain and apply new skills to face new challenges deal with increasingly complex and distressing cases. E.g. indecency with children; rape; sexual exploitation and, more recently, acid attacks. This often means that some officers face continual exposure to distress and often have to deal with serious cases in rapid succession.</p>
<p><b><u>High risk of physical harm and expectation of assault</u></b></p> <p>Every year thousands of police officers are assaulted.<sup>38</sup> In addition to this ongoing risk of physical harm, officers now face a greater threat of a targeted attack on or off duty by criminals and extremists. Officers are also exposed to injury dealing with; vehicle pursuits; public disorder and searching in hazardous conditions with exposure to biohazards such as blood and saliva.</p>	<p><b><u>Level of scrutiny</u></b></p> <p>The advent of social media, a shift in public attitudes towards the actions of authority figures and the nature of media reporting has all served to intensify the need for immediate answers to any incident or event that attracts publicity and is perceived to have had an adverse outcome. This is often before the facts are known and can involve the instant ‘naming and shaming’ of officers, particularly at senior rank. Anxiety levels when responding to calls are now heightened with the knowledge that every action is likely to be filmed and potentially uploaded to social media and/or attract misconduct proceedings.</p>
Legal	Social/Economic
<p><b><u>Nonfeasance - the failure to perform an act that is required by law</u></b></p> <p>As a matter of criminal law, officers are obliged to act to prevent crime and intervene in situations whether on or off duty. It can be argued that an officer is never really ‘off duty’. This inevitably poses a risk to an officer’s safety and affects their ability to enjoy and behave in their private life as a normal member of the public would. When off duty an officer will likely need to act when not in uniform, without protective equipment or radio communication and in unfamiliar surroundings. Intervention could also expose family or friends to danger.</p>	<p><b><u>Use of social media</u></b></p> <p>The use of social media is restricted by virtue of an officer’s profession and this also extends to use of certain applications. For personal security and safety reasons it is necessary for most officers to guard against sharing personal details, including their profession and/or disguise their true identity. In a time when social media plays such a prevalent part in modern life, this inability to behave and to interact freely online can result in an appreciable level of social separation.</p>
<p><b><u>Exposure to risk</u></b></p> <p>Increasingly officers are responders across a range of incidents hitherto not seen as core police business. These include, ‘out of hours’ social services cases, medical emergencies and patient transport. Apart from putting additional pressure on officers and deflecting them from their core role, moving into this space has exposed them to greater risk. They might be unfamiliar with case histories and may also lack the necessary levels of training and expertise to provide the best service. This is particularly relevant when dealing with medical emergencies, helping the mentally ill and other vulnerable adults and children. They carry ultimate responsibility for their decision making in these increasingly testing situations.</p>	<p><b><u>Victimisation based on profession</u></b></p> <p>Where no respect for the authority of law exists and normal standards of acceptable social behaviour do not apply, officers and their families can be targeted and harassed, solely because of their police status. Personal property can be damaged, children bullied or threats made by those they arrest to an officer’s personal safety whilst ‘off duty’. This may involve active attempts to trace an officer’s home address and, in some cases, families may need to be re-housed to avoid victimisation or retaliation.</p>
<p><b><u>Accountability and scrutiny</u></b></p> <p>Disciplinary hearings are now in public and thus, regardless whether or not a case is ultimately proven, an officer can expect a greater intrusion on their private life when disciplinary proceedings are brought. Cases involving death or serious injury require referral to the Independent Office for Police Conduct where there has been any form of police contact. Investigations can become protracted and reports are made public. Personal liability for historic action extends well into retirement and this risk escalates with rank. Under the Police and Crime Act 2017 officers dismissed for gross misconduct will also have this information placed on a publicly-searchable database. This prevents forces and policing bodies from employing officers who have been dismissed for conduct or performance matters.</p>	<p><b><u>Disruption to family life</u></b></p> <p>Being a police officer has an inevitable impact upon working arrangements, such as; flexibility of working patterns; requirements to work extended hours; being on-call during leave; taking of rest day(s). What distinguishes police officers further is they can be recalled to duty and/or have leave day(s) cancelled whenever operational need dictates. This level of disruption may have a negative effect on family life. It can infringe on child care arrangements, have an adverse economic impact by inhibiting a partner’s ability to hold down a job and/or limit the ability to develop aspects of a private life such as friendships and hobbies. Officers are intrusively vetted and must, as a matter of regulation, disclose and manage their associations in such a way that may not apply to an ordinary member of the public. This could also have an effect on an officer’s private, family and social life.</p>
<p><b><u>Membership of trade unions and limited political activity</u></b></p> <p>Officers are prohibited from; joining a trade union; taking part in any industrial action and do not have the right to strike. The ability of staff associations to conduct meaningful negotiation on behalf of officers is also limited. These restrictions remove many of the usual options available to regular employees for resolving disputes in relation to terms and conditions such as pay. Officers are also restricted from participation in political activity and are expected to be apolitical. As a result, they must be cautious about airing certain opinions and this limits freedom of expression; particularly a modern on-line era.</p>	<p><b><u>Associates and business activity</u></b></p> <p>All business interests, such as secondary employment or renting a property must be disclosed and approved by the Force in order to ensure there is no conflict of interest. Disclosure of business-related associates will involve the release of their personal information and, if such an associate is deemed unacceptable, this may inhibit an officer’s ability to earn money in such a way that would not apply to an ordinary member of the public.</p>

<sup>38</sup> In 2016/17, there were 8,973 assaults on officers involving injury reported to health and safety teams.

6.50. In drafting the updated P factor descriptors full consideration was given to those used by the military. There are similarities, primarily around danger and trauma and certainly some cross-over in the area of disruption. Equally, there are many differences, which was a point brought out throughout the consultation process. Arguably, the military X Factor is heavily linked to times of deployment, when levels of risk and disruption are escalated. In contrast, the 24/7 obligations and restrictions that go with being a police officer are more constant in nature and the proposed P factor descriptors reflect this. They are intended to provide a concise summary of the elements that, as a collective, are considered unique to policing and merit recognition. If necessary, there is a wealth of information provided by the focus groups to evidence the day-to-day challenges faced in relation to each of the headings.

### The policy intent of P factor

6.51. The policy intent of the 'P' factor is therefore as follows:

- To readily identify and highlight the P factor component within base pay and to separate this out for the purposes of pay benchmarking. Only the balance should be used for pay market comparison; this being seen as the percentage of pay that compensates for the skills and abilities officers require that might be found in other jobs
- To re-brand as the 'P' factor and re-define with more detailed and accurate descriptors.
- To attribute a monetary value to the entire set of components that constitute the P factor, not merely those associated with danger and deployability. This sum would remain pensionable and index-linked
- To build in a regular review process that refreshes the descriptors, as appropriate, and attributes a monetary value to the 'P' factor
- To pay the P factor adjustment to all who hold the Office of Constable

6.52. The P factor will help to evidence to officers that the benchmarking exercise does take account of the uniqueness of policing and will be applied to all who hold the office of constable. However, as with current arrangements, it is likely that the amount paid will be capped/tapered according to rank. This is in recognition of the changing impact of the descriptors and practice in other sectors.

6.53. The Winsor report suggested that the X factor was equivalent to 8% of base pay, capped at 8% of the top of the constable pay scale. However, this was only calculated on the basis of the danger and deployability component of the new descriptors. The Military have used a collective value for the X factor rather than attempt to value individual elements and this would seem appropriate for policing as well. The value of the armed forces X factor is currently 14.5% of base pay with reducing value for more senior ranks.

6.54. As we will explain below we are taking further advice from Korn Ferry on benchmarking the ranks but we also need to take advice on what percentage the P factor should be and how it should be applied across the ranks. This is even more important in that it is currently capped at a percentage of the top constable pay point. As the PRRB know this is the most critical pay point, as it is the pay point at which the majority of all officers are paid. We therefore propose that the OME are commissioned by the Home Office to value the P factor, in a similar way to that used for the Armed Forces X factor.

6.55. In summary, the descriptors for the P factor have now been drafted, debated and shared with staff associations. They are in a format that is broadly agreed by all. The issue of monetary value remains unresolved and will require more detailed analysis, but is likely to be in the range between 8% and 14.5% for constables. The Korn Ferry report on benchmarking discussed below (Appendix H) offers caution about using the P factor at more senior ranks, where the general weight of the role and specific legal accountabilities are more likely to be included already. Whilst the final value of the P factor is always likely to have a degree of subjectivity it is recommended that OME are commissioned to complete independent work on valuing the P factor, similar to that completed for the Armed Forces' Pay Review Body.

## The benchmarking workstream

- 6.56. In the summer of 2018 we started working with Korn Ferry on benchmarking to inform our decisions on the new reward framework. This continued the considerations we had shared with the PRRB last year looking at how the ranks compared to current benchmarking data. The brief included:
- what types of comparators should we be considering
  - their views on how each rank was comparing to benchmark data
  - what structural issues should be addressed in the new framework (e.g. fewer levels)
- 6.57. In October 2018 Chief Constables considered initial findings on benchmarking and on the methodology being used. Since then progress has been made to refine the model. The decisions made are set out later in this section. In addition the PSA have shared a copy of their more detailed pay comparability study completed by Korn Ferry on superintendents and chief superintendents.
- 6.58. Korn Ferry have continued to support the benchmarking strand of work as they have experience of these exercises across different sectors and have a significant database of current pay scales. They have also worked extensively with policing and police forces and have previously been commissioned by staff associations to complete pay comparability studies (CPOSA and PSA).
- 6.59. In October 2018, they provided their latest report for the PSA into pay comparability. It uses broadly the same methodology that has been used for the NPCC work so provides a useful health check of our work (it is a far more detailed comparison of roles in policing at superintending ranks and the wider market). This will be referred to later in this section.
- 6.60. The latest report for NPCC is attached at Appendix H, but some of the key points are as follows:
- benchmarking is not an exact science but is used to try to determine what is fair pay and reward
  - Korn Ferry are able to provide data for all organisations (useful if considering whether people decide not to become police officers or to leave policing because of remuneration on offer in private sector companies), public and not for profit organisations and other public service professional routes (which might compete with policing for recruits and will also give an indication of how pay and career roles work in a graduate profession)
  - data is also available for base salary, total cash and total remuneration – this is important given the value of the pensions in the public sector. However it also highlights the use of other benefits and bonuses (as an alternative to pensions) available to senior managers in the private sector
- 6.61. Korn Ferry comparators use job size as a means for benchmarking. For superintending ranks these were reviewed as part of the PSA report in 2018. For chief officers they were updated in 2015 and are still considered as representative. The fieldwork for ranks from constable to chief inspector was conducted several years ago and, while they were informed by the study of work levels in policing in 2016 and more recent analysis for the CoP, they are probably in need of more detailed review.
- 6.62. There are various options when comparing pay – police officer median against market median, top of pay scale against median, comparison of pay ranges with other groups (for example nurses, school teachers or social workers) or comparison of each pay point in the pay range for a rank against the external market position. There is no single data source or market position that will provide the answer – interpretation and judgement are needed. It is important that the overall system is effective and any changes will typically be made over time (rather than seeing big rises or falls). Policing is traditionally a long term career and so the progression between ranks is also important. For example if we want a large number of people to stay at the constable rank then the rewards have to be good enough to make that a viable career option. Equally promotion must be attractive enough, including in financial terms, for people to want to take that path.

6.63. At this point we have agreed to do a further, more detailed, piece of work with Korn Ferry to ensure that all ranks are properly considered with a view to coming back to the PRRB in early 2020 with a final view on a future approach.

6.64. The summary findings of the Korn Ferry benchmarking exercise (below chief constable) are as follows:

- salaries are more competitive against the public sector than compared to all organisations
- there is no consistent pattern: the ranks all have different market positions and there is currently no clear logical flow of market competitiveness
- DCCs are the least competitive, followed by chief superintendents
- compared to all organisations, total remuneration is more competitive than salary for constables and sergeants (primarily because of the pension), whereas it is less competitive than salary at chief inspector and above (because of the impact of bonuses and non-pension benefits in the private sector)
- compared to the public sector and non-profit organisations, total remuneration is more competitive than salary throughout (because of the difference in pensions, some of which in this market will be relatively low cost defined contribution schemes). However, the gap diminishes at more senior ranks, because of the introduction of other package elements

**Table 1: Competitiveness at the top of the range**

Rank	All organisations		Public & not for profit	
	Base	Total rem	Base	Total rem
Constable	114%	121%	122%	134%
Sergeant (a)	95%	100%	102%	112%
Inspector	100%	101%	112%	123%
Chief Inspector	92%	90%	105%	114%
Superintendent (a) (b)	85%	76%	105%	110%
Chief Superintendent	81%	66%	100%	102%
ACC	88%	70%	119%	122%
DCC (c)	63-76%	39-51%	91-107%	95-104%+

**Notes:**

Based on the larger jobs in the rank. A comparison based on the smaller jobs would show a higher %

Based on those promoted to rank before April 2014

There are four sizes of role at DCC. We do not have a reliable total remuneration comparison for the biggest Deputies against the public sector.

6.65. The Korn Ferry report (Appendix H) also compares pay with other professions to see how the early stages of professional competence are reflected in grade and pay. This tends to support the proposed model for policing, in particular the opportunity to access higher bands for individuals who acquire and demonstrate greater expertise and/or responsibility (the 'advanced' level). The range positioning for constables also suggests that they are already paid alongside, if not slightly above, other groups and that progression to the top of the range is uninterrupted at the moment (apart from the foundation threshold assessment at pay point 4), whereas others have to meet additional tests to get to that level. However, it should be noted that the benchmarking comparisons in the table at 7.9 do not include any P Factor enhancement (therefore if one was aiming for the market median against all organisations one would expect pay comparison to be 110%, if the P factor is set at 10%).

6.66. Korn Ferry suggest that the starting point is to get the salary for constables at the correct level and then to look at the relationship between pay at each rank which reflects the way job weight and responsibility increase. The current relationship between the ranks and with the external market does identify some inconsistencies (at sergeant, chief inspector and chief superintendent levels).

6.67. Our current thinking is as follows:

- base pay is more likely to be relevant at lower levels of the organisation (demonstrated by, for example, the number of people who opt out of the pension scheme)
- total remuneration becomes more important at more senior levels in the organisation (as service length is greater and people are generally closer to retirement)
- taxation charges (Life Time and Annual Allowance) have altered the pension packages for many in the private sector (to other benefits) and this flexibility is not generally available in the public sector
- both the 'all organisation' and 'public and not for profit' market need to be referred to when making comparisons
- strong support for getting salary level correct for constables and that this is where the relationship with 'all organisations' comparators needs to be strongest

## The Superintending Ranks

6.68. Turning to the findings from the Korn Ferry PSA report they found the following for superintending ranks:

- job holders have experienced a continuation of trends visible in 2011, including delegation from chief officers and an increased workload, they also have a heightened sense of personal liability, scrutiny and exposure
- there has been a substantial drop in the number of superintending ranks in the period since 2011, with a particularly sharp drop in the number of chief superintendents
- the study concluded that there has been some change in the weight of these roles. Smaller chief superintendent roles have fallen away and some of the posts at this rank are bigger than seen everywhere in 2011
- national increases in police pay rates have been low compared to the private sector and even to the rest of the public sector
- the 2015 pension scheme is lower in overall value than its predecessor and so total remuneration comparisons against both the general market and the public sector in 2011 are less competitive
- in general terms remuneration at superintending ranks is low in the general market, but close to or above the median in the public and not for profit sectors. It becomes less competitive the bigger the role

6.69. Chief constables acknowledge that the superintending rank has experienced some of the biggest changes since 2011. They intend to address this but would like to do this in conjunction when other changes are agreed, this is particularly important given the apparent inconsistencies across ranks.

## Chief Officer Ranks

6.70. Chief constable pay is being overseen by APCC however, given the relationship to DCCs in particular and also to ACC pay, the NPCC are working closely with them. Appendix H suggests that the number of bands of chief constable pay should be reduced from the existing 12 (excluding commissioner and deputy commissioner positions) to about 4. However this is not yet decided. Given that the rationale for the existing weightings is no longer available it would seem inevitable that some changes will be required.

6.71. A chief officer pay and morale survey was conducted on behalf of NPCC and CPOSA in November (Appendix I). 81 people responded (30% response rate) and at least one response was received from every force, (last year 129 people responded). All ranks were represented with the highest return rate coming from chief constables. The full response has been shared with CPOSA but for the purposes of pay consideration the following are relevant:

- 66% of respondents are satisfied or very satisfied with their base salary (only 17% are dissatisfied)

- several people commented on comparisons with other sectors and the lack of pay movement in recent years
- dissatisfaction with pension arrangements has increased year on year (39% in 2017 to 45% in 2018) with most people making comment about Life Time and Annual Allowance charges
- a similar percentage of people are satisfied with the overall package compared to last year (54%) and negative comments focussed on inconsistencies and pension taxation
- there is still a reluctance to move between forces at chief officer level (unless they are able to commute) however, most of the reasons are around disruption to family life and the financial incentive not being great enough to compensate for this
- motivation levels amongst chief officers remain very high

6.72. There is no reason to take a different approach to setting chief officer pay and the relationships between this level and superintending ranks is important. Last year CPOSA raised the issue of DCCs working in collaborated posts and the problems associated with pay being linked to that of their chief constable. This can cause some anomalies in areas where forces are very different in size, however this applies to a very small number of officers. No further evidence is offered this year on this point and the intention is to address this as part of the broader benchmarking with Korn Ferry. Work continues to address those factors that have been highlighted as barriers to chief officer recruitment and a separate group, with representatives from all stakeholders, is taking this forward. Many of the issues are not pay related.

### NPCC decisions on aspects of reward framework

6.73. During 2018 Chief Constables made some key decisions to help further this aspect of the reward framework. These include:

- base pay will be set within a benchmarked banding or at a point which will be reviewed on a regular basis
- benchmarking will take place every year by reference to an agreed methodology linked to published data and salary surveys. This would be on the basis of considering base pay, total cash and total remuneration to ensure that the value of the package is understood and constituent elements are not considered in isolation
- rates will be set on a national basis. The rates will be defined, as under the current structure, except for the new constable recruits. For these officers bandings will be set. Where appropriate, local flexible policies may be applied to aid with recruitment. After the main training phase (referred to as stage 1) all constables will move onto the same base pay structure, receiving nationally set rates
- rates of base pay would then be reviewed and increased according to inflation, salary inflation and a combination of national and force budgets and linked to the rank role profile expectations, and finally depending upon whether they are progressing up a pay scale or have reached the top pay point for their rank
- pay scales will be simplified wherever possible, with the aim being that officers will reach the appropriate rate for the rank according to capability linked to a shorter pay scale than at present. We believe that most officers will be able to achieve their top pay point more quickly than under the current pay structure.

### Numbers of pay points within each rank

6.74. The numbers of pay points we wish to define in the new reward framework are set out in the table below. We then consider each rank separately and describe how we will determine the appropriate rates. These were confirmed by surveying forces and agreeing with Chief Constables.

Headlines from survey	
Principles	Forces agree with the outline reward framework for constables Forces would like to have some flex within the constable scale under a national pay framework according to local requirements and a local agreed policy
Stage 1	Forces support having progression during stage 1 for PCDA and DHEP Forces agree that DHEP should have their salaries set by reference to market rates for graduates
Stage 2	Forces agree to set constable salaries in stage 2 according to market rates Forces support having progression during stage 2 but to a lesser extent
Stage 3	Forces agree to set salaries at stage 3 according to market rates Forces think that as constables reach stage 3 progression is not as appropriate
Stage 4	Forces think that as constables reach stage 4 progression is not as appropriate Forces would wish to consider paying a fixed allowance in stage 4 Forces agree stage 4 should be pensionable

6.75. The overall result of the new structure we need to benchmark and set pay points is therefore as follows (with the proviso that the Stage 2 structure is being piloted and, therefore depending upon the outcome, may be revised) It is likely that the first pay point for all ranks above constable will recognise a period when new to role and, where appropriate, completing any work based training and assessment. Early thoughts are that this might be fixed as a percentage of rate for a qualified level (top pay point).

Rank	Stage 1	Stage 2	Stage 3
Constable	3 pay bands	2 pay points	Top pay point
Sergeant	1st pay point	Top pay point	
Inspector	1st pay point	Top pay point	
Chief Inspector	1st pay point	Top pay point	
Superintendent	1st pay point	Top pay point	
Chief Superintendent	1st pay point	Top pay point	

6.76. In summary, benchmarking can be used to assess pay for different ranks and job sizes. There is sufficient information to propose an outline methodology and to start to model what a future pay framework will look like, but further work is needed in four key areas before finalising the process.

- a) Conduct a more detailed review of job sizes below superintendent level in the early part of 2019.
- b) Agree with APCC the sizing and banding of chief constable roles and the relationship that they have with deputy chief constables.
- c) In the light of a) above finalise the relativities between the ranks and how they compare to patterns in other organisations.
- d) Update the data on Korn Ferry market comparisons with 2019 values.

### Variable pay

6.77. Throughout 2018 our thinking in relation to variable payments has evolved but the intent behind our proposals remains unchanged. As with the entire framework, the aim is to build in sufficient flexibility to deal with our workforce challenges now and in the coming years. Our working definition of variable pay also remains unchanged i.e.

*“Variable payments on top of base pay for”*

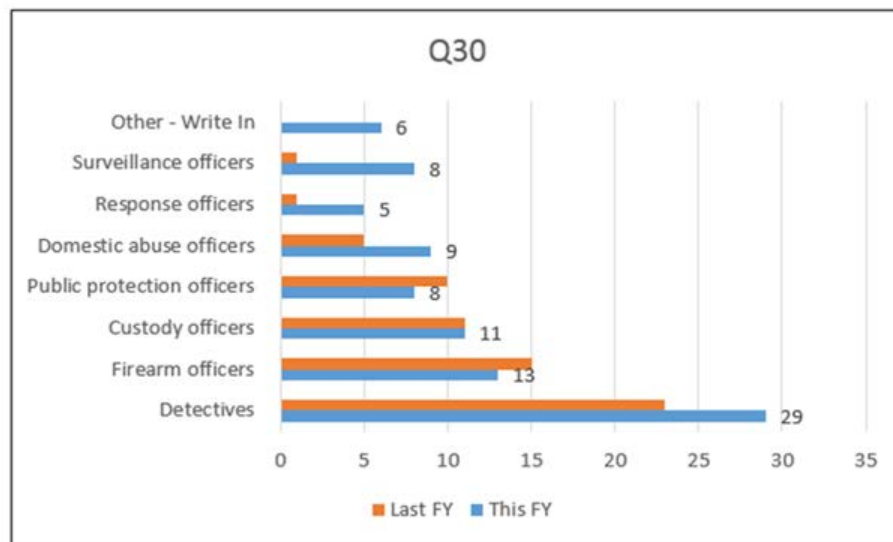
1. Mandated allowances (e.g. overtime, temporary acting up, on-call, dog handlers’ allowance)
2. Discretionary allowances to deal with external and internal recruitment and retention issues, in recognition of, and compensation for, a specific piece of work, for specialist skills and/or particularly demanding roles”.

**Evidence Base for Payments**

6.78. Forces have been struggling with what we have referred to as ‘hard-to-fill’ posts for some time. The most obvious example being the national shortage of detectives. The strategic risk that this represents has seen the establishment of a national working party led by Chief Constable Matt Jukes and the introduction of the External Detective Constable Pathway in the MPS. Other examples of internal recruitment difficulties consistently involve specialist roles, such as firearms and many of the safeguarding roles - where the type of the work can be viewed as particularly demanding and/or unpleasant. Certain geographic areas within forces also present posting problems because of the challenging nature of the community and/or the working environment.

6.79. A survey of forces in 2017 confirmed this, and the case put to the PRRB in our 2017/18 submission was compelling enough to see of the introduction of temporary targeted payments for ‘hard-to-fill’ and demanding superintending roles. This is a time-limited arrangement until September 2020, to allow for more evidence gathering to help justify the introduction of variable payments on a more permanent footing.

6.80. The position in 2018/19, regarding hard-to-fill roles, remains consistent with previous years and was also covered at paragraph 5.51. For ease of reference, the table below is reproduced to show where the pinch points exist across 7 roles and the data is overlaid on the 17/18 return.



6.81. The temporary targeted payments arrangements, agreed in 2018, have yet to become established but we anticipate that over time that this pay lever will start to have a positive impact. At the moment, 33 forces state there were roles that were difficult to recruit into this year (18/19). This is up (by 5) on last year.

6.82. To reinforce the point, a variable pay survey conducted in September 2018 showed that forces were using Regulation 34 of the Police Regulations<sup>39</sup>, to make a myriad of payments linked to roles that have proved hard-to-fill. The full survey is shown at Appendix F.

<sup>39</sup> Determination Annex U, made under Regulation 34 of Police Regulations 2003 that for bonus payments to be made for a piece of work of an outstandingly demanding, unpleasant or important nature.

6.83. The growth of role-based accreditation and licensing remains an aggravating factor and, over time, will further limit the ability to mandate moves. This makes the need for more permanent pay levers all the more pressing.

**Engagement on the Proposal**

6.84. In developing our proposal to PRRB we held a dedicated workshop in June 2018, with force representation and key stakeholders, and have engaged throughout with staff associations to keep them sighted on developments.

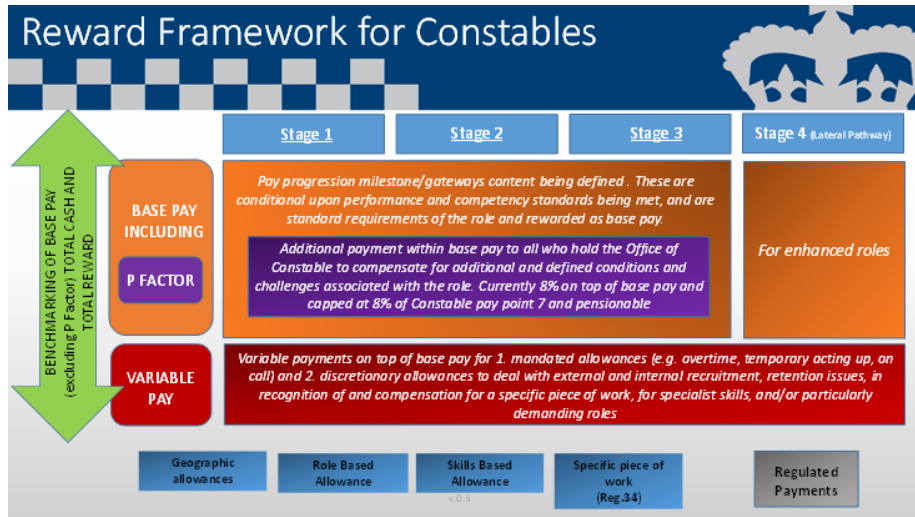
6.85. The workshop discussions included the methods of payment, pensionability and, if new payments were introduced, what would be attractive. It was evident that officers may not have a clear understanding of the allowances currently available and reasoning for these. What was clear, is that HR specialists do not have the ability to match payments they wish to make (to solve reward issues). Payments are prescriptive and the process to secure change is totally impractical i.e. the process needed to request, consult on, obtain new Home Office/PRRB agreement can take upwards of 18 months to 2 years.

6.86. From the workshop discussion the categories of payments shown below (including the new proposals were identified. For clarity these have been grouped into five main headings<sup>40</sup>:

Type of Payment	Description	Purpose	Status
Geographic Payments	South-East and London weighting/ allowances etc.	External attraction and internal retention	Existing (mandated and part variable)
Payments mandated under Police Regulations	Overtime, dog-handlers' allowance, on-call allowance etc	Regulated under terms and conditions	Existing (all mandated)
Payment under Regulation 34 of Police Regulations	For a specific piece of work	Internal recognition within Reg 34 criteria	Existing (discretionary)
Role Based Allowances	For particularly demanding roles by nature or location	To recognise and compensate for internal roles that are more demanding	New Proposal (discretionary)
Skills based Allowances	To recognise and compensate for skills	To incentivise the internal movement of officers into hard to fill areas	New Proposal (discretionary)

6.87. For illustration purposes, the diagram below also shows how variable pay fits into the overall framework for the constable rank as part of the new reward framework.

<sup>40</sup> Table has been expanded versus table in Appendix F (pg90) which shows mandated payments spread between the other four categories



### Prioritisation

6.88. For the purpose of this year's submission our focus is building on the current temporary arrangements for hard-to-fill and demanding roles and to make this pay lever a permanent fixture but within the context of the new framework. As stated at paragraph 6.6, we are looking to secure PRRB support for our outline proposal (as with the temporary targeted payments) so that we can move into detailed design and consultation during 2019. By working with the Home Office and stakeholders, we can then aim to have permanent measures in place before the expiry of the temporary measures in 2020.

### The Variable Pay Proposal

6.89. Variable payments, in the context of the new Reward Framework and initial findings from our survey (Appendix F), were discussed at the CCC meeting in October 2018. It was also included in the January 2019 CCC meeting, providing an update on targeted payments. The outline proposals for taking this work forward were explained, along with a shift in emphasis on the rationale for future payments. The categories for the types of payments were discussed (role based, outstanding/demanding/unpleasant, skills and geographic) and it was agreed that creating a framework around these criteria would provide the type of reward structure that we need for the future.

6.90. The term 'hard-to-fill' has been used as the criterion to identify internal recruitment and retention problems. This will remain the case when looking to justify why a payment is made but the fact that a post is hard-to-fill is merely the symptom of an underlying problem. Payments should really be directed at the causation factors - the things that might make roles unattractive. In this case an unwillingness to take on a particular role because of its nature and/or location or to acquire the requisite skill set. This would see the rationale for future payments revolving instead around:

- a. What we are terming as, 'mission critical skills'
- b. Exceptionally demanding roles

The use of the term 'hard-to-fill', as the reason for payments, will, therefore, be discontinued.

6.91. This general stance was supported by Chief Constables and there was also support for payments applying to roles by virtue of the work involved and/or the location. The categories under which payments fall, or will fall, were also discussed and, again, there was agreement to build on the principles behind the determinations drafted in 2018 and put in place the discretionary pay mechanism described during 2019. Since that date, the outline proposals have been discussed at the PCF and we have further reiterated our intentions to staff associations and particularly the desire to extend the demanding role payments to federated ranks and take forward the work in line with the design principles shown below:

- a) The use of the arrangements would be at the discretion of the local Chief Officer (with the exception of the baseline London and SE Allowances).
- b) The amount paid would be set locally and, again, would be at the discretion of the Chief Officer and are non-pensionable.
- c) Parameters for maximum payments would be set
- d) Payments would be individual role and/or location specific<sup>41</sup>

6.92. Clearly there is a good deal of detailed work and consultation to be undertaken but we were successful in securing full support for the detailed payment criteria associated with the temporary targeted payments arrangements. Within the framework described and using the design principles shown, we are therefore confident that we can do the same in 2019 and seek PRRB support to take this work forward and develop detailed proposals for consultation.

6.93. In closing this section on variable pay, it is worth, again, acknowledging that monetary reward is only seen as part of the solution and is no substitute for good organisational design and leadership. This is not lost on the service and forces will continue to work hard to continuously improve in these areas.

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<sup>41</sup> By virtue of Home Office Circular 007/2013 – amending the determinations, chief officers can pay recruitment and attention allowance ‘with regard to location and retention needs’. Payments cannot be aligned to roles and ‘location’ means the station the officer works from, rather than a geographic area.

## 7. THE NATIONAL REWARD FRAMEWORK PROJECT

7.1. The delivery of the new national reward framework is a large and complex project and all the usual project disciplines are in place. This section is intended to reassure the PRRB that the project is being properly governed and managed.

### Project charter

7.2. A project charter has been produced, which captures and records basic information needed to define and plan the project. It sets out what the purpose of the project is and what it will deliver. It defines the scope, project approach, benefits (to ensure the operational impact is captured and quantified), costs, risks and resources required to deliver it. It also defines how the project will be controlled and managed. This document has been shared with key stakeholders and staff associations. This document will now be used as the baseline for the project and referred to throughout the course of the project.

### Project governance

7.3. The project is being delivered by the NRT, a non-permanent team set up specifically to deliver the new national reward framework on behalf of the NPCC. The team was expanded in 2018 and currently comprises of eight core members who undertake specific roles. It includes a wide spread of specialists, who have extensive knowledge of the policing sector, HR, Reward and Change Management. The team also relies on specialist professionals being brought in to deliver specific deliverables. This team is also responsible for other activities within the pay and conditions portfolio and relies on the submission and approval of annual PT funding.

7.4. NRT structure:



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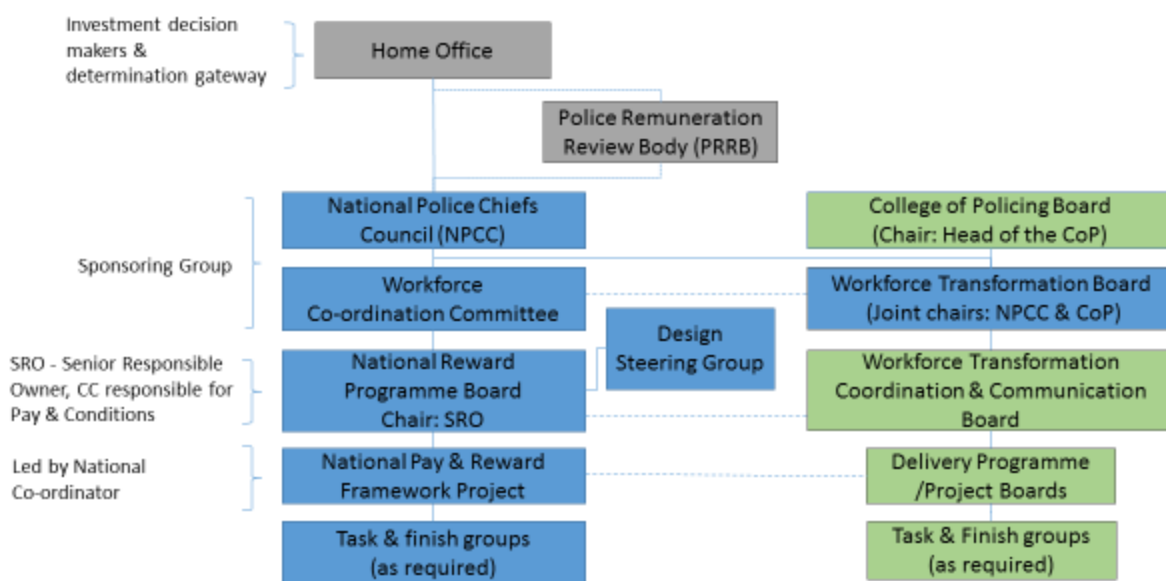
7.5. This team reports into the National Reward Programme Board, a board which not only oversees the delivery of this project, but other work relating to the NPCC National Pay and Conditions portfolio. The Programme Board is chaired by the National Pay and Conditions lead who also acts as the Senior Responsible Owner (“SRO”) for this project and is ultimately accountable for its delivery.

7.6. In 2018 a design Steering Group<sup>42</sup> was also established and is made up of chief officer representatives. This group feeds into the Programme Board and the CCC. The group was set up to provide strategic operational

<sup>42</sup> Steering Group members; CC Francis Habgood (TVP), Robin Wilkinson (MPS), Claire Davies (MPS), ACC Angela Williams (West Yorkshire), Andrew White (Lincolnshire) and DCC Jo Shiner (Sussex)

and HR advice and guidance to the SRO and to make decisions outside of CCC and to test and challenge proposals. The Steering Group meet on a monthly basis.

- 7.7. The SRO is also accountable to the NPCC and Workforce Co-ordination Committee (also referred to as the sponsoring group for the project). They provided the mandate for change and are the key decision makers. Any recommendations for investment and required policy changes will then be made to the Home Office.
- 7.8. In addition, this project also reports into the Workforce Transformation Board, a meeting chaired by the NPCC and jointly owned with the CoP. This board is responsible for overseeing the delivery of the integrated change necessary to achieve the work-related goals as set out in the Policing Vision 2025. This includes oversight of the CoP led workforce reforms, the enabling activities and the associated pay reform.
- 7.9. The Programme Governance structure is shown below, including how it links to the CoP's governance for Workforce Transformation.



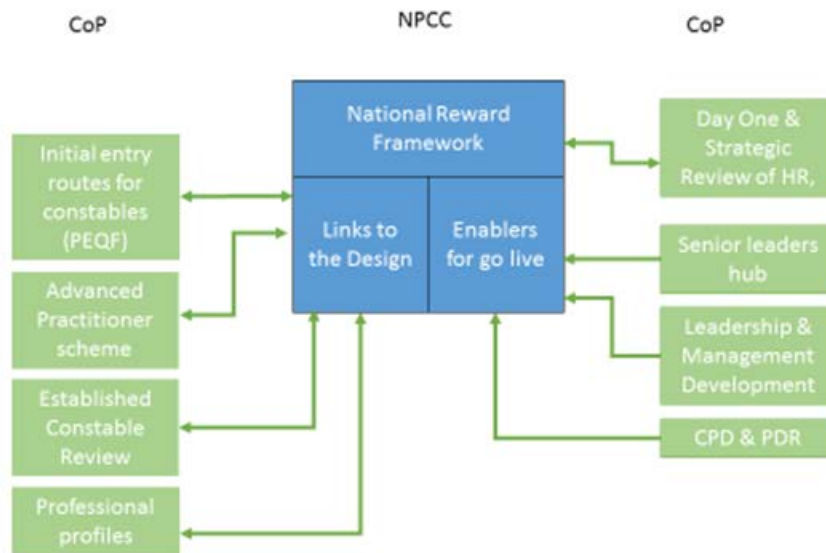
### Links to other programme and projects

- 7.10. As indicated, the implementation of pay reform links to a number of other strands of work, particularly the changes being delivered by the CoP. Pay reform relies on the CoP to work with forces to deliver the enabling capabilities, to facilitate a successful implementation of the national reward framework. A number of workforce reforms also have reward related requirements, for example, the AP initiative and also the work to define constable higher skills<sup>43</sup>.
- 7.11. During the past few months the CoP have begun to map the interdependencies between its strands of work. This work is now taking shape and has led to a better understanding of how the work needs to be prioritised and sequenced. The high-level links between Pay Reform and the CoP strands are also now understood, with further more detailed interdependency mapping to progress in 2019, including how they will be managed and tracked.

<sup>43</sup> See section 6

7.12. The detailed interdependency work will provide an integrated and consolidated view on how the CoP and NPCC are working together to deliver Workforce Transformation and achieve the work related goals as set out in the Policing Vision 2025. This will be developed into a joint plan in 2019.

7.13. The high-level linkage between pay reform and the CoP’s change agenda is outlined below.



### Workplan structure

7.14. The project has been split into four phases (also referred to as stages). This also provides the NPCC with a structure for monitoring and governing the work.

7.15. The four phases are:

- Phase 1 - To develop and seek sign off of the outline design of the National Reward Framework
- Phase 2 - To develop and seek sign off of the final detailed design of the National Reward Framework, including implementation approach (informed by a business case outlining the costs, risks and benefits and a service impact assessment)
- Phase 3 - Prepare for implementation (at a national and force level)
- Phase 4 - Implementation of the national reward framework (also referred to as the transition period) and review period

7.16. Objectives and high-level deliverables (as set out in the Project Charter) have been used to define the high-level activities for each of the above phases.

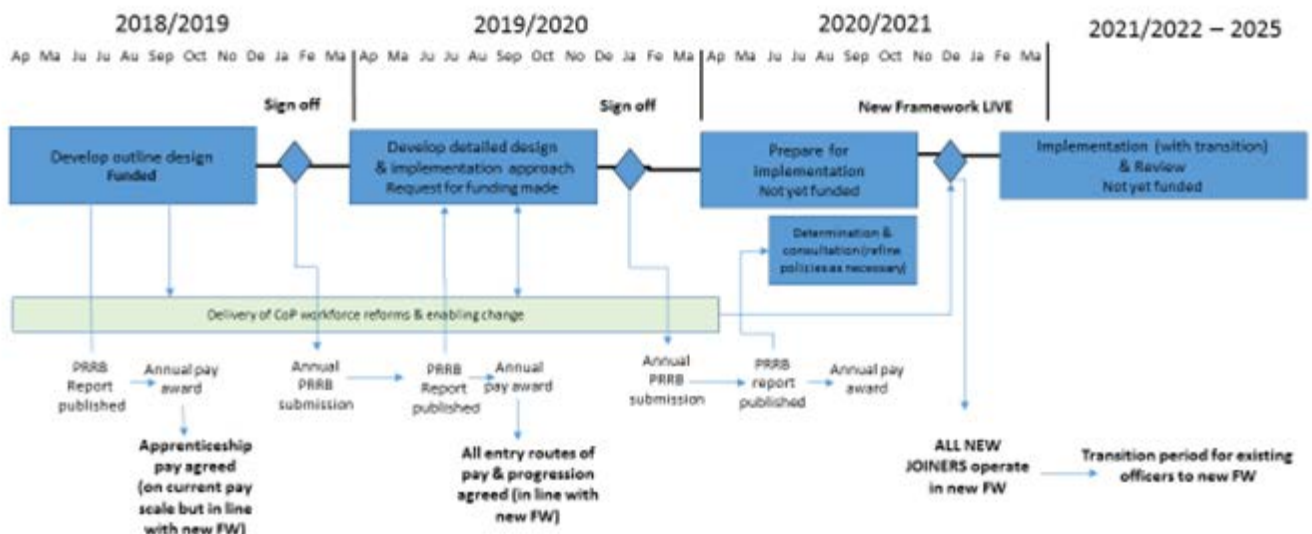
7.17. At the end of each phase there are key decision points (also referred to as stage gates). At the completion of each phase a review will be carried out to ensure all the identified deliverables have been achieved. Any lessons learnt will also be identified and incorporated into the next phase. A post implementation review will also be conducted, once a sufficient period of time has passed to be able to properly assess the new reward framework (including project delivery). The time period for the review and any interim reviews will be agreed at a later date in the project.

7.18. The delivery of each phase is in line with the allocation of annual funding.

7.19. At the time of writing this submission we are currently in the process of reviewing the delivery of phase 1 and conducting the detailed planning for phase 2. Funding has been requested to deliver phase 2 of the project.

## Delivery timeline

7.20. A high-level project plan with timeline has been produced, setting out when the different project phases will be delivered, where the key decision points are and what goes live when. The timeline is shown below.



7.21. The plan is predicated on the following assumptions:

- funding is provided to deliver all of the phases
- CCC make the key decisions as and when required
- there are minimal delays in the PRRB reporting process and annual pay award
- the CoP's change enablers will be delivered by the end of 2019/20
- the Government's determination and consultation process on policy changes will be completed by the end of 2020
- the service will be ready to go live at the end of 2020 (having sufficiently prepared for implementation) and is able to afford the change and with minimal operational impact.
- all officers will have transitioned over to the new reward framework by the end of 2025

7.22. Whilst the go live date is scheduled for late 2020, there are elements of the framework that will go live prior to this date, subject to formal consultation and the appropriate determinations being in place.

7.23. The current timescales are tight and, in some cases, could be considered unrealistic, as there are a number of variables outside of the direct control of the NRT; including the length of time it takes to complete the determination process and the delivery of the CoP's reform agenda. There is also a risk the consultation period extends beyond the expected time period, particularly if there are a number of objections or refinements that need to be made to the policies. The CCC will also only approve to go live with the new framework once it deems that the service is ready. Any delay in the project deliverables and

those outside of its control could impact on the expected go live date and the 2025 completion date for full transition.

7.24. In support of the high-level plan a detailed working plan for each of the phases will be produced. As already referred, the NRT are currently in the process of producing the detailed working plan for phase 2. The independencies with the CoP strands will be tracked by a separate, but linked plan. Progress and delivery is tightly monitored at the Programme Board and any identified slippage will be escalated as appropriate with a full impact assessment carried out. Progress is currently on target.

## Implementation approach

7.25. The following signals the approach the NRT intend to use as it works with forces to roll out the changes.

7.26. The intention is that delivery will follow a similar format to that of other nationally led programmes. The central team will be responsible for defining the national implementation plan, along with the national procedures, guidance and protocols, which forces will then be required to implement. Local forces will need to conduct any local training based on nationally produced training material and make the necessary changes to their payroll system and appraisal process. Forces will also need to initiate and deliver the change in accordance with their local change management processes. For forces who already have an embedded appraisal process for police officers the impact of implementation will be less significant.

7.27. To further define the implementation requirements and develop the national implementation plan, we will look to enlist the support of national functional leads and national forums that already exist. Volunteers will be requested to build a group of subject matter experts. This group will also assist in producing the national procedures, guidance and protocols. This work will begin in 2019.

7.28. A service impact assessment will also be carried out to assess the readiness of forces for Pay Reform. This will build upon the approach used by the CoP, where forces were asked to complete a maturity matrix to gauge their level of readiness for the workforce reforms. To provide an integrated picture, the service impact assessment will need to incorporate the delivery of the linked enablers being delivered by the CoP.

7.29. It must be noted that when the project refers to implementation, it refers only to the changes that are directly attributable to pay reform. It is the responsibility of the CoP to work with forces to implement the linked workforce reforms and enabling activities (under WT).

7.30. The implementation date (also referred to as go live in the project plan) is the point at which all new joiners will begin operating under the new framework. This date will be dependent on the services assessment of readiness, which includes the delivery of the enabling change, the completion of the Government's determination and consultation process and the affordability assessment.

## Transition

7.31. When referring to transition the NPCC define this as the point at which an individual moves from their current pay point to a new pay point under the new framework. Once transitioned an officer's pay will then increase in line with the new framework (based on their PDR assessment). During 2019 different options for transition will be developed and put forward for consideration, this will be informed by the services affordability assessment and associated risks. A consistent approach will be used for all ranks. This will be subject to continuous engagement through the PCF. Once the transition approach has been agreed a national transition plan will be developed and timescales defined. The NRT will develop national advice and guidance to support forces.

## Project funding and force costs

### The expected cost of implementing and transitioning to the new Reward framework

- 7.32. The total cost to forces to implement a new national reward framework will vary depending on their level of readiness for the change (i.e. whether they have an existing appraisal process in place). The implementation costs will need to be met by individual forces. Based on the current timeline forces will need to budget for implementation from 2020/21. To help forces estimate the likely costs (directly attributable to pay reform) a high-level 'cost of change' exercise is being scoped. This will look at six forces, all at varying levels of preparedness and size. This work has recently been initiated and will be progressed in early 2019.
- 7.33. The true cost of transition for forces will depend directly on the nationally agreed transition approach. These costs cannot be determined until this approach has been agreed at CCC. These costs will need to be funded within existing budgets. In making their decision the affordability assessment will be considered.
- 7.34. The SRO and NRT have been working with the Home Office during 2018 on developing a new pay model which will indicate the total future reward costs. The model is being developed and owned by the Home Office and is the main basis to assess on-going costings for Government but is also key for Chief Constables understanding of future costs. Early indications are the total reward bill for a reward framework could be similar to current costs. However this will only be verified later in 2019 when we are able to finalise the model and input agreed pay numbers, incorporating transition planning. Further details on this aspect of our work will be provided in next year's submission.

### Additional funding

- 7.35. The Home Office will consider investment into pay reform as part of the 2019 CSR and are working with the NRT to obtain the required information. Any pay reform without investment will be challenging to deliver and could impact on other policing, as, at present, there is no confirmed additional funding. Without additional funding, forces will be left to finance transition costs from within their existing pay bills and any associated implementation costs from existing budgets, which could take funding away from other priorities. A service impact assessment will assist in assessing the severity of this risk, as it will identify those forces where implementation and transition will cost them more.

### National reward team funding

- 7.36. The cost of the NRT, to develop and deliver the framework, has been estimated and costed for the life of the project. Funding is allocated on an annual basis from the PT fund and has been steadily increasing. A further funding bid for 2019/20 has been requested. As the project is still in the design phase, it has been difficult to predict the annual resourcing budget with precise certainty as specialist resources need to be brought in when required. This was the case in 2018, when an additional in year funding bid was requested and approved. The budget is continually reviewed at the Programme Board meeting to ensure sufficient funding is in place to deliver each phase. Once the new framework goes live, there will also be the ongoing maintenance and review of the framework to consider. Funding for a permanent team will be requested as part of the outline business case to inform the service on the total cost, risks and benefits of the new National Reward Framework. This outline business case will be developed in 2019 and presented to CCC at the end of phase 2.

## Risk and issue management

- 7.37. As PRRB members would anticipate, the Risk log for this Programme contains a range of potential risks and issues covering areas such as cost, organisational and cultural preparedness, communication and legal compliance issues.
- 7.38. These risks and issues are managed through the use of an internal project document, reviewed regularly by the Programme Manager with escalated risks discussed at Programme Board meetings. If deemed necessary, risks are escalated to the sponsoring group (NPCC and/or the Workforce Coordination Committee). In the interests of openness, the initially identified risks were also shared with staff associations. The intention was to seek their views on the initially identified risks and to help seek further understanding, in terms of risk impact and likelihood. The NRT saw this as a useful exercise and going forward will seek the continued support of police representative bodies in identifying further risks, their mitigating strategies and prioritisation. The risks are not reproduced in this submission but a full copy of the Risk log, and the mitigating actions being taken, will be made available to the PRRB on request.
- 7.39. There is an awareness that there is a certain amount of scepticism amongst officers on pay reform<sup>44</sup>, which is influenced by historic Government led reviews. Communicating effectively with officers will be crucial in trying to address this and highlighting where lessons have been learnt from previous government led reviews.
- 7.40. There is a recognition that some forces might be less prepared than others to support the changes being introduced. Some forces might not have the right culture in place to support an appraisal process and existing appraisal arrangements might not be adequate. Forces may also not have the required skills and capacity to implement and maintain the new framework. Post austerity some forces have reduced their back office support, outsourced or collaborated with other forces and organisations. All of this may make it more difficult for forces to implement the changes and could subsequently cost them more. The delivery of the College of Policing enabling change will help to mitigate against some of these risks and the NPCC will also continue to work collectively to ensure the 43 Chief Constables are facilitating these changes and nurturing a culture that supports pay reform and the appraisal process. The NRT will seek to identify the forces that require more support.
- 7.41. The NPCC are also acutely aware that pay reform is being delivered against a backdrop of austerity with no confirmed additional funding. Forces will have to fund implementation and transition costs from within existing budgets, which could take funding away from other priorities. The NPCC continue to raise this discussion with the Home Office and Treasury and as previously referred to, are working jointly with Home Office representatives to contribute to the CSR. Affordability will also be a key consideration when the CCC agree on the transition approach.

## Other key project activity

- 7.42. This section provides an update on key project activity that has taken place in 2018 and is planned for in the coming year, in respect of engagement, communication, the equality impact assessment and benefits management.

## Engagement

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<sup>44</sup> See Appendix B. Focus groups held in 2018 showed similar scepticism about future changes to those conducted by the NRT in 2017.

- 7.43. Significant steps have been taken in 2018 to improve stakeholder engagement and the NPCC remains committed to ensuring that as much consensus is reached as possible on the new national reward framework and the respective policy changes.
- 7.44. We have sought to achieve this through a process of 'continuous engagement'<sup>45</sup>, which is the ongoing involvement of staff associations and other key stakeholders in the development of the changes. This type of engagement is intended to ensure concerns and views are raised as the design and implementation approach is developed, providing an opportunity for police representative bodies to influence decisions or changes in direction prior to employer approval and formal consultation. This approach is reliant on a willingness of police representatives to participate in the process and, if embraced, will prove beneficial once formal consultation begins. We recognise that the statutory requirement to consult on policy changes will only take place once the employer has approved the final design of any new proposals and intends to proceed. We are, however, committed to doing all we can to have reached a consensus on the policy changes prior to this formal stage.
- 7.45. The staff associations have been slightly uncomfortable with our attempts to engage outside of the formal PCF and have a preference for the more traditional methods of consultation. Nonetheless, we will persevere with our continuous engagement approach throughout 2019 and, as we get better at predicting timescales, we hope to build in sufficient time to allow for our proposals to be properly considered. We recognise that this has sometimes been difficult to achieve, as the design process has been dynamic and fast paced and is dependent upon CCC decisions and information and products delivered by the CoP.
- 7.46. To date, in addition to formal PCF meetings, engagement with staff associations through 2018 has comprised of monthly meetings and their inclusion in various national working group meetings. Typically, discussion papers, proposals and current thinking is shared at these meetings and views sought. It is completely accepted that these views are sometimes individual opinions and not necessarily those of the staff association's members.
- 7.47. A similar approach has been adopted with key stakeholders (who are not members of the PCF) and has included contact with over 300 police officer representatives at all ranks and those in functional management roles i.e. Payroll Managers and Reward Managers<sup>46</sup>. This has taken place at various working group meetings and focus groups and to date has predominately focused on the developing design. As the project progresses into phase 2, the input of functional managers will become more focused on helping to shape and define the implementation approach.
- 7.48. Our commitment to continuous engagement will continue in 2019 and, to strengthen the process, we have also put a robust audit trail in place to properly record items discussed and the feedback obtained and any action taken. This has been developed with the staff associations and is already proving of value.
- 7.49. It is worth noting that the terms of reference of the PCF is currently under review, following concerns raised by some of its members. The review is being conducted by the Home Office and is due to report its findings and recommendations in April 2019. It is likely that the review will also consider the wider landscape for pay, conditions and associated matters, however will primarily focus on the PCF.

## Communication

- 7.50. Due to the scale and complexity of this project there is a significantly high number of project stakeholders at both a national level and across the 43 police forces in England and Wales. These stakeholders have now been identified and mapped, according to whether they have an interest in the

<sup>45</sup> Term referred to and used by the NHS

<sup>46</sup> See section 6

execution of the project and/or its outcome. This is living document that is continually reviewed and used as a tool to help to communicate in the most effective way.

- 7.51. In line with the overarching delivery approach, communication will take place throughout every phase of the project. This is now an embedded activity within the project with a dedicated resource. An outline communications strategy and plan has now been produced, which will be further developed in 2019 (during phase 2 of the project) and a communications schedule produced.
- 7.52. Although related, it should be noted that communication referred to in this section, is aimed at the wider workforce and is distinct from continuous engagement.
- 7.53. The focus for communications during 2018 has been on updating those who have a specific interest in the development of the new national reward framework including; chief constables, chief officer representatives, the Home Office, the CoP, police officer representative bodies, the APCC, OME and police staff representatives. Communication to these stakeholder groups will continue as the project progresses into 2019.
- 7.54. In 2019 (phase 2 of the project) we will begin to establish regular communication with functional manager representatives (i.e. Reward, Finance, Payroll Managers). Up until now, communication with these stakeholders has predominately been through national working group meetings and focus groups. The coming year will also see the establishment of regular communication with officers to begin to raise awareness that pay reform is happening. In keeping with our policy of continuous engagement, the draft message has already been circulated to staff associations to seek their views, and also to allow them to prepare for any questions that may be directed at them as a consequence. Once the internal message has been circulated to all forces an external press release will also be issued. Activity in the coming year is supported by a communication strategy that sets out our short, medium and long-term strategic goals.

### Equality Impact Assessment (“EIA”)

- 7.55. In accordance with the statutory requirement to have due regard to the requirements of the Equalities Act 2010, we will be completing an EIA. This will consider the changes being introduced as a result of the new National Reward Framework and whether it impacts on the needs of any person with a protected characteristic.
- 7.56. This work will include an assessment on the proposed changes being introduced by the framework as a whole, along with a more in-depth assessment of the new constable base pay scale, such as, the new arrangements for variable pay and the P Factor.
- 7.57. To ensure consistency with Workforce Transformation the NPCC will adopt a similar format to that already used by the CoP.
- 7.58. Due to the number of interdependencies between the new National Reward Framework and the CoP led Workforce Transformation activities the NPCC may need to cross reference to the CoP EIA’s, particularly in terms of defined impact, supporting evidence and mitigating actions.
- 7.59. Once the initial EIA has been produced, it will be subject to PCF engagement before sign off by the NPCC. This is expected to happen in early 2019. It will then continue to be a living document, with an agreed review schedule.

### Benefits management

- 7.60. In the project charter the high-level (or early stage) strategic benefits have been defined, along with the benefits management strategy. It sets out that a benefits management plan will be produced and how they will be managed, tracked and reviewed.
- 7.61. In 2019 the NRT will progress this work and will develop the detailed benefits. This work will focus on the direct benefits of pay reform, whilst also recognising the links to the broader benefits being delivered under Workforce Transformation. As part of this, baseline measurements will need to be captured and a high-level timeline for realising the benefits produced.
- 7.62. The NPCC recognise this as an important piece of work to ensure the service is able to provide maximum value from the total investment made in the change.

## 8. APPENDICES

A	<b>Annual Survey</b>	This survey captured information from forces on: recruitment, apprenticeships, promotion, heard to fill, leavers, retention and motivation.
B	<b>Reward Framework Focus Group Report</b>	The aim of these focus groups was to gauge levels of knowledge about the implementation of a new reward framework, the new routes into policing and to gather views and opinions on a new proposed 4 stage constable career structure, on call allowance and communication about pay.
C	<b>On Call Survey</b>	This survey sought to find out about the use of on call within forces and consider whether forces thought the superintending ranks should also get an on call payment. This information helped provide evidence to Chief Constables to make a policy decision.
D	<b>The Constable Pay Scale Survey</b>	This survey asked forces about their views on pay rates. This information helped direct the Steering Group and Chief Constables as to what pay progression should be in the future within each stage.
E	<b>P Factor Survey</b>	This survey asked forces for their views to help develop the P factor in terms of whether it should be paid, its descriptors and whether the current amount is reasonable. This provided evidence to Chief Constables to agree future policy..
F	<b>Variable Pay Survey</b>	This survey captured the types of variable payments forces are currently making. The information was then used to create a new framework proposal for all variable payments.
G	<b>Targeted Payments Survey</b>	The information in this survey discloses the types of payments forces intend to make for hard to fill and superintending roles under the new temporary targeted payment arrangement.
H	<b>Korn Ferry Benchmarking Report</b>	This report advises the NPCC on the appropriate approach to benchmarking policing ranks.
I	<b>Chief Officer Attitude Survey</b>	In this survey Senior Chief Officers detail their current thinking on their reward packages including: rank, length of service, reward, attraction, progression and retention.