Benchmarking Questions	NPCC Response
1. What is benchmarking?	Within the field of pay and conditions benchmarking is a generic term used to describe the measuring and sizing remuneration metrics and practices within organisations, and comparing them, to judge whether remuneration is fair. Pay benchmarking allows policing to compare the ranks to other roles, other sectors, measure the differentials, and make judgements about whether its pay points, pay scales, total cash and total reward are positioned appropriately on a comparative basis, either against other roles and also between ranks, i.e., one rank is comparatively paid better then another rank. If there are recruitment, motivation or retention issues within the ranks, then this will provide a guide as to how and what to change in terms of pay. Its main use to date has been for the purposes of a) independent benchmarking by Korn Ferry b) ongoing monitoring by NRT and c) when considering base pay adjustments outside the annual pay uplift to pay points in relation to recruitment and motivation issues.
2. How is police officer pay benchmarked? i) At each rank ii) At pay points within each rank, as appropriate	 i) Each rank and is compared against market data for roles with similar responsibilities and applied skills. This is from one or more sources. The sources agreed with the staff associations are currently Korn Ferry salary database, IDR surveys and ONS data. Data may also be sourced directly from public sector bodies if this data needs to be supplemented to provide a more rounded picture of current practice. The type of data sourced will vary according to the issue being considered. ii) All the pay points within can be compared to data from Korn Ferry on an annualised basis. They are compared to Korn Ferry in-house salary database (all organisations and public sector) which is downloaded directly from their system. The key pay points for ongoing benchmarking are the first pay and last pay points of each rank. IDS data has been used for specific skills comparison e.g. degree apprenticeships, which is a relevant comparator for the constable rank.

iii) What factors are taken into account? (e.g. hours, shifts, unsocial hours)	iii) The factors taken into account will vary according to the issue being addressed. For base pay comparisons the comparison data is compared the rank pay points, on the assumption of a full time role without further adjustments for hours or supplements being added on an annual basis. However where an external single role comparator, is being compared to an officer rank, adjustments can take place to ensure appropriate comparability. The agreed sources of data will allow us to do this and focus on specific aspects of the package as required.
iv) Who/what are the main comparators groups/jobs?	iv) The comparators fall into three categories, a) role data matching officer ranks according to the size of the role (includes private, not for profit and public sector roles and uses job evaluation to measure the size of the role), b) immediate skills/role comparators, including public sector roles, which is a subsection of the Korn Ferry data, and c) ONS trend data and ASHE data.
v) Why are they the main comparator groups/jobs?	v) Comparators from Korn Ferry based on job size provide longitudinal monitoring of remuneration, allowing an understanding of ongoing and emerging trends in the UK (covers 1 million+ employees) and is available on an annual basis. ONS produces ASHE data (sample size approximately 300,000) which can be selected in different ways, including on a regional basis. Comparators with similar skills data analysis allow for more specific comparison, particularly for recruitment of constables. Matching against other public sector roles ensures ongoing comparability with front line colleagues.
vi) What is the methodology?	vi) Data from Korn Ferry and IDR surveys is normally provided in quartile format. Rank pay points are then compared to the data quartiles in £, lower quartile, median and upper quartile and may also be expressed as a percentage.
vii) How will Korn Ferry data be supplemented with IDR and ASHE data?	vii) More than one data source may be needed depending upon the issue to be addressed, or its relevance. Each data set is a separate data sample from different organisations. As such data can not be aggregated.
viii) Why does the Korn Ferry data need to be supplemented with IDR and ASHE data?	viii) Each data set contributes to the understanding of the positioning of pay rates and are of varying sizes and sources. Korn Ferry data is dependent upon data supplied by clients. In recent years when NPCC commissioned pay benchmarking reports public sector clients did not

	participate in their annual survey. Therefore they have used ASHE data to supplement recommendations to us. It is also good practice to use more than one data source to ensure that decisions are not skewed, although a decision may be evidenced by a single data source.
ix) Why are these the chosen data sets?	xi) Each Korn Ferry and ONS data set provides large scale and continuous data sets, using accepted HR and statistical methodologies. By using more than one data source and set this provides reliability and acceptability. Korn Ferry data can also a) be analysed by sector and allow for the inclusion or exclusion of different organisations' data, b) be reviewed on a total cash basis and c) be viewed on a total remuneration basis. Korn Ferry has provided recommendations and advice on police officer remuneration to the NPCC over a long period, since 2010, and is therefore able to provide an ongoing opinion on changes to the ranks using a consistent methodology. They have also advised the PSA. IDR is also a long term provider in the market, previously known as IDS. In addition the breadth of data held gives the NRT access to look at specific queries on allowances and specific benefits-in-kind offered by other employers.
x) What are the key differences in the data sets?	xii) These include a) sourcing of data b) methodology to construct database, as set out in 2022 submission, c) participant organisations and roles in databases d) timing of reports. Korn Ferry reports twice a year, data as at December and July each year. IDR reports monthly on annual pay settlements and individual reports are according to ONS ASHE data reports after April each year.
3. How does benchmarking inform proposals on pay?	Benchmarking informs proposals by showing how a rank is currently positioned relative to an external dataset and whether they are positioned differently to their colleagues. Ideally all ranks would be positioned at a similar range. Where they are not this may be evidenced in concerns about recruitment, motivation and retention. Where the NPCC make a recommendation they will use relevant data to justify a specific change.
4. Will police pay proposals aim for the lower, median or upper quartiles? Why?	The NPCC have not adopted a policy to aim for a specific quartile for all ranks due to the current pay point structure and positioning against market data as there is no consistent story. Korn Ferry data shows that the pay levels /remuneration of officers ranges between above the median to below the lower quartile. However NPCC have endorsed that paying below the lower quartile in

	terms of base pay is inequitable, as the majority of officers are remunerated above this level. Further discussions will take place on this topic when a high level reward policy is discussed in 2022.
P-Factor 1. What is the P-Factor?	The Police Factor, or P Factor, describes and values the unique nature of policing and the restrictions and expectations placed on police officers. It is the combination of all of these factors that makes policing unique. Twelve factors have been agreed, placed into four categories covering the following aspects of the role: 1. The physical 2. The psychological 3. The legal 4. The socio-economic
2. What is the methodology for determining the value of the p-factor?	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 original X factor was intended to be an amount of base pay deducted from officers not able to fulfil their operational requirements. This was not agreed. The factors were developed through discussions with stakeholders, focus groups with officers, force surveys and considered by Korn Ferry between 2018 to 2021, including: i) APCC, PFEW, PSA and CPOSA, and agreement through PCF in the period 2018 2021. ii) Survey of forces in 2019. iii) Focus groups with officers 2018-2019. iv) Review by Korn Ferry (which included considering whether there is any overlap between the factors and benchmarking data they provide. Korn Ferry confirmed, in their opinion, that there is no overlap, and therefore when considering its pay data we can discount for the P Factor).

	Once the factors were agreed we then set out to agree the value.
3. Why is the value currently 13%?	The percentage is capped at the top pay point for constables at 13%. This is the same approach as adopted by Winsor. The P Factor represents those underlying aspects of the role which apply to all officers, irrespective of rank. The final agreement of the percentage value was achieved through discussion and agreement with all stakeholders. This is a subjective value. The original percentage recommended by NPCC was 12%. PRRB recommended that stakeholders came to a consensus. Following further discussions with staff associations, this was raised to 13%.
4. How was 13% arrived at?	To determine the value we reviewed the original percentage range suggested by the Winsor Review. The original value was a subjective judgement of 8-10% of pay. Following discussions with Prof. Richard Disney we determined that the percentage should be set above the upper end of the range, given the new additional factors. We did consider alternatives means to set the percentage. We originally asked the PRRB to advise on the value. This was refused. Therefore we agreed a percentage as described above.
5. Is weighting applied to any of the p-factor descriptors?	No weighting is applied to any of the factors. The reason for this approach is similar to that of the X Factor, which also does not apply weighting. The Armed Forces considered applying specific weightings in 2006 but determined that such a fixed approach could, over time, result in the X Factor becoming a burden and unaffordable. We also consulted with Korn Ferry. .
6. How often will the p-factor be valued? Why every five years?	The intention would be to review this on a five year cycle. This is the same period of time as adopted by the Armed Forces for the X factor. This allows for the factor descriptions to be kept up to date. However we would not expect that the percentage would necessarily change. This

	would be most likely to happen if a significant new factor was added, as in the case of the Armed Forces
7. Interaction of the benchmarking and the p-factor? • What formula is used to calculate the p-factor premium? • Why is this the preferred formula?	The P Factor % up to the value applied to the constable top pay point is deducted from the base pay rate when making benchmarking comparisons. At constable pay point 7 we would expect their net salary value to exceed median comparators. Pay point payable to officer = 100 % base pay, made up of 87% of benchmarked pay plus P Factor of 13%, (capped at the top pay point for constables) a) mirrors Winsor approach and b) this is not an item that we have yet specified when describing the reward framework. We do not want it to appear that we have deducted it from base pay, rather, it is incorporated in it c) if it is presented as the Armed Forces as addition to pay, it would need to be funded and paid.
• Calculation for each rank (capped at constable pay point 7)	(see table below)

Rank	Pay point	Base Pay Rates Year 2021	P Factor	Base Pay Rates minus P Factor
Constable	0	£21,652	£2,815	£18,837
	1	£24,780	£3,221	£21,559
	2	£25,902	£3,367	£22,535
	3	£27,030	£3,514	£23,516
	4	£28,158	£3,661	£24,497
	5	£30,411	£3,953	£26,458
	6	£34,950	£4,544	£30,407
	7	£41,130	£5,347	£35,783