Association of Police and Crime Commissioners

CPOSA
Chief Police Officers' Staff Association

NPCC
National Police Chiefs' Council

Report on the recommendations made by the Steering Group in respect of the review of the terms and conditions of chief officers in England Wales

January 2021

Foreword

I am pleased to present this report, which summarises the agreement reached between stakeholders following a review of the pay and conditions of chief police officers in England and Wales.

The review was undertaken in response to a request from the Home Office and provides the information needed to meet a recommendation by the Senior Salaries Review Board (SSRB) that any review of chief officer pay and conditions should also be considered by the PRRB, to ensure consistency is applied to all ranks. It was overseen by a Steering Group comprising the APPC, NPCC and CPOSA with the PSA involved to reflect the interests of the next generation of chief officers. This ad hoc arrangement was necessary as there is no remuneration structure for chief officers. I was invited to Chair the Group to mitigate any real or perceived conflict of interest by providing independent oversight.

The Group was well supported by two working parties and discussed the material provided with a clear focus on achieving consensus. The constructive approach of all involved means that the review has been completed. The recommendations set out in this report are now to be taken to NPCC and APCC for formal agreement and will then be presented to the Police Remuneration Review Body. Not all the items set out for consideration in the Terms of Reference were agreed by all parties, but the level of agreement achieved has allowed us to set out a satisfactory way forward.

Towards the end of our work the Government published the Spending Review 2020. As part of the response to the economic impacts of the Covid-19 pandemic the Chancellor announced that public sector pay awards would be "paused" for 2021/22. This pause is in relation to the annual pay uplift rather than pay reform. Nevertheless, the Steering Group agrees that it would be inappropriate for chief police officers to benefit from changes in base pay rates at this time. The Steering Group has therefore agreed that the proposals will be put forward to the PRRB for consideration but will make clear that reform of the base pay structure should not be implemented until the public sector pay pause comes to an end.

Elizabeth France CBE
Chair

1. PURPOSE OF REPORT

To summarise the methodology and outcomes of the Chief Officer Remuneration Review. Including recommendations and items being taken forward and consulted on at the APCC General Meeting and Chief Constables Council (CCC), ahead of 2021 Police Remuneration Review Body (PRRB) submissions.

It is noted, that;

- Recommendations on changes to Chief Constables are the responsibility of the APCC
- Recommendation on changes to Deputy Chief Constables are the responsibility of the NPCC
- Recommendations on changes to Assistant Chief Constables are the responsibility of the NPCC

All stakeholders however may comment on the final recommendations made to the Pay Review Body as it is recognised that changes to the pay and conditions for one group may impact upon the recruitment and retention of another.

Following agreement, this report will be shared with the College of Policing and HMICFRS.

2. CONTEXT FOR REFORM

Given the recent announcement from the Treasury on the pay pause for public sector workers, it is agreed there is no appetite to seek endorsement for the immediate implementation of changes relating to chief officer base pay. However, where applicable, the case for change will be presented to the PRRB and approval in principle sought. When the Treasury's position on its public sector pay policy changes, the APCC, NPCC and CPOSA will review implementation, alongside the delivery of pay reform in the other ranks.

3. DRIVERS FOR CHANGE

This review forms part of the wider pay reform programme initiated by the Home Office. The Senior Salaries Review Board (SSRB) recommended that any review of chief officer pay and conditions should also be considered by the PRRB, to ensure consistency is applied to all ranks.

In previous PRRB submissions, the NPCC, APCC and CPOSA have highlighted a need to review chief officer pay and conditions, primarily to improve the talent pipeline into and through the chief officer ranks. Concerns were also reflected in the HMICFRS Leading Lights report.

In 2019 Korn Ferry were commissioned to report on the benchmarking of pay and roles of chief officers. Their report published in February 2020[1] highlighted a number of concerns. This report was supported by the NPCC, APCC and CPOSA in their 2020 PRRB submissions. The key issues raised were;

- Complex pay structure for Deputies and Chief Constables
- Potential career progression problems and succession due to uneven relativities between ranks and the move from permanent to fixed term contracts between ACC and DCC
- Variety of local arrangements for pay and package has an impact on both relativities within policing and comparisons with other sectors
- Powers of pay variation given to PCCs departs from the normal rules of corporate and remuneration governance.

4. SCOPE

[1] Korn Ferry report on Benchmarking of pay and roles for Chief Officers, February 2020

This review considered the following;

- Current base pay policy - for CCs, DCCs and ACCs
- Police and Crime Commissioner (PCC) discretion on base pay policy for CCs
- Other allowances and payments policy – for CCs, DCCs and ACCs

The Terms of Reference were agreed and are appended to this report[2].

It is noted that Chief Officers in general experience personal tax issues in respect of pension benefits associated with HMRC legislation. This situation is ongoing and was not in scope of this review. However, all parties to the review have concluded that these taxation issues have a far greater significance in discouraging chief officer recruitment and retention than any other single factor.

The Metropolitan Police Service (MPS) and the City of London (CoL) have a different base pay structure to the other 41 forces. Neither force requested a review of base pay, except in relation to the Deputy Commissioner of the City of London. The continuation of the City of London remaining on a different base pay policy was however reviewed and subsequently agreed on by the Steering Group[3] and confirmed by the Corporation of London.

5. APPROACH TAKEN

A Steering Group was established, responsible for overseeing the review. The bodies represented were as follows:

- ACC - Workforce and Leadership Lead, Standards and Leadership Lead and Secretariat
- NPCC – Lead for Police Officer Pay and Conditions and the National Reward Team
- CPOSA – Chair and Secretariat
- PSA – National Secretary and Assistant National Secretary
- National Reward Team - acting as the secretariat for the review and producing the data and material for analysis and discussion.

An independent chair, Elizabeth France[4] was recruited to chair the Steering Group. It was agreed by all parties and the Home Office this was necessary to avoid conflicts of interest. All parties were involved in the discussions to ensure the recommendations represented a consensus. However, it is recognised it would be inappropriate for the NPCC to make recommendations pertaining to Chief Constables pay and conditions.

Two working parties were established to develop the proposals on behalf of the Steering Group. The remit of working party 1 was to consider CCs and DCCs and working party 2 to consider ACCs. All Steering Group members were represented at both working parties, apart from PSA, who were just involved in working party 2. A working party plan was produced and agreed by the Steering Group. The working group also considered the 2020 Chief Officer Pay & Moral survey. The outcomes of each working party meeting were recorded and agreed.

---

[2] Appendix 1 – Terms of Reference for the review
[3] Appendix 2 – City of London discussion paper
[4] Also the independent chair of the Police Consultative Forum and Police Advisory Board

6. BASE PAY POLICY

6.1 Review of Chief Constable and Deputy Chief Constable Pay Groups

This section is not applicable to the MPS & CoL.

There are currently 12 CC & DCC pay groups, but the current methodology determining the basis of distribution for this is no longer available, albeit that the placement of forces in the scale can be seen to be linked to force size.

In 2020, Korn Ferry advised reducing the pay groups from 12 to 4. Their report benchmarked Chief Officer pay based on these 4 groups, with each group having a distinct job size. The use of the 4 groupings and the dividing lines between the forces was an approach Korn Ferry first applied in its benchmarking of Chief Officers in 2011, commissioned by CPOSA. They used the same technique and groupings in their benchmarking updates in 2014 and 2015 and repeated this methodology in their 2020 report. Korn Ferry also confirmed that to finalise and substantiate its proposals a more detailed analysis of each force was needed to take place to confirm whether their recommendations on the 4 groups and the forces within each group was appropriate.

It is noted that the current methodology for chief constables and deputy chief constables is a different approach to that for other ranks, as base pay reflects the force size, which in turn denotes a level of base pay. Although these chief officers have the same role profile and broadly the same underlying responsibilities, the size of the role is substantially different between forces. The work by the Steering group acknowledged these differences.

The Steering Group agreed to review and substantiate the Korn Ferry proposal. In doing this, the National Reward Team considered the following datasets[5]. It was agreed these provide an indication of job size. For each data set the comparative positions of the 41 forces was observed.

1. Total force funding[6]
2. Total force headcount
3. Population estimates for a force area
4. Estimated average population density for a force area
5. Complexity – discounted, it was agreed this was reflected in total force funding (annual grant)
6. Collaboration – discounted, agreed this is part of a Chief Officer role.

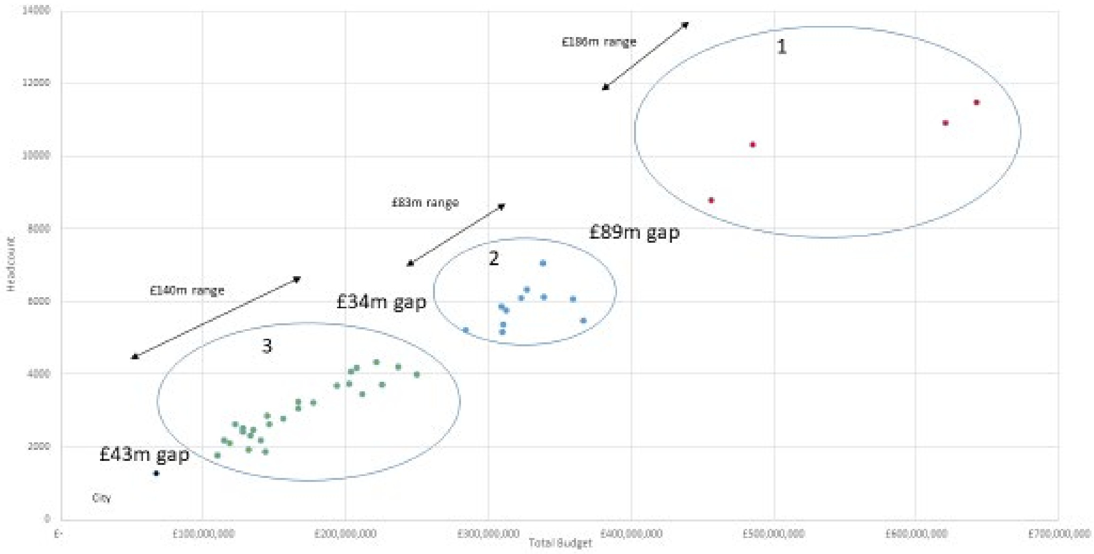
Some of these datasets are interrelated, i.e. force funding is largely dependent on population, so you would expect the data to present the same outcomes.

When the different datasets were overlaid, 3 natural clusters emerged, as shown in chart 1. The largest gaps are between each cluster (bar the gap between West Midlands and West Yorkshire). The Steering Group agreed this was a logical conclusion given the distinct gaps between the force sizes.

Chart 1: Total headcount verses total funding, with population & area size overlaid (the red, blue & green colour coding represents the order of forces)

[5] Datasets used: (1) APCC change in funding table (2) Home Office 2019 ADR (3) Population estimates all ages– ONS summary for the UK mid-2019. (4) ONS population density mid-2019

[6] Concern total funding could skew the data disproportionally as precept introduces a political element, but it was agreed it does reflect the relative size of a force - reducing potential impact from grant changes (increasing stability for this exercise) and it has historic links to the original grant allocations.



6.1.1. The breadth of group 3 - should it be broken down, to create a 4th grouping?

When reviewing chart 1, concern was expressed about the number of forces in group 3, with it being the largest with 26 forces, i.e. does Warwickshire (at the bottom of group 3) have a similar level of challenge to Surrey or Nottingham (forces at the top of group 3).
The Steering Group did consider having 4 groups as there is a small gap within the 3rd cluster where a fourth grouping could be drawn. However, on balance, the Steering Group supported 3 groups in principle and believes a justifiable approach has been used based on the data. Korn Ferry[7] also have no objection in principle to using 3 rather than 4 groups. They note that some broad banded pay systems in other sectors and organisations do this. It was agreed these groups should only be applied to job sizing for base pay policy and not to other areas of policing.
Subsequently the NPCC recommended reviewing the agreed principle of moving to 3 pay groups once the base pay rate options had been developed, to verify alignment.

6.1.2. Outliers

When looking at chart 1 and the individual data sets, two forces presented themselves as outliers. One of which was considered in further detail. Following discussion, the Steering Group made a decision on its recommended placement.

Recommendation 1 – move in principle to 3 pay groups for both CCs & DCCs. Seek a recommendation from PRRB, including their observations on the methodology. Immediate implementation is not recommended, this will be reviewed when the Treasury's public sector pay policy changes and alongside the delivery of pay reform in the other ranks.
The principle of 3 pay groups will also be reviewed to verify alignment with base pay rate proposals.

6.2 Base pay rates for Chief Constables and Deputy Chief Constables

This section is not applicable to the MPS & CoL.

Korn Ferry recommend 1 rate of pay for each group. Using this approach, two options were put forward:

- Option 1 - migrating each group to the top national-set rate in that group. This option would mitigate against issues like overlapping[8], providing a clear monetary incentive to move from DCC to CC and from ACC to DCC. No overlapping occurs using this approach. For CCs the majority of rates are within the current parameters already permitted by virtue of the additional 10% discretion exercised by PCCs[9].
- Option 2 - migrating each group to the average rate of pay in that group. Structurally this would mean some continued possible overlapping for ACCs.

Both options discussed were based on using the current national rate of pay and not benchmarked data, on the basis that the rates are not being questioned by Steering Group members, rather it is the structure which needs to be addressed.
During the review, the Treasury announced its public sector pay pause. With this in mind, the Steering Group agreed that it would not make a decision on its preferred option or seek views from the NPCC or APCC. Although the respective bodies will still update PRRB on the developed methodology to demonstrate progress and seek their observations.
Once the Treasury change its position on the public sector pay policy, these options will be revisited based on updated data. The Steering Group will also need to agree the common principles in terms of moving to the new structure, including timing e.g. does this take effect on a set date or is a change linked to new contracts. This will help determine a recommended option.
Korn Ferry believe the options being considered are a simplification of the kind they recommended and is an improvement in terms of clarity and rewards for promotion. It is also justifiable in that neither option considers a general increase in all Chief Officer pay.
The two options were costed and high level observations noted. It is expected that any future changes to Chief Officer pay would be funded from within force budgets.

Recommendation 2 – review base pay rate options for each group with updated pay data when public sector pay policy changes and pay reform progresses in other ranks. Seek observations from PRRB on the methodology used to demonstrate progress.

To note; the CoL requested a review of the base pay rate of the City of London Deputy Commissioner. This will be considered at the same time as recommendation 2, when public sector pay policy changes.

6.3. DCC base pay as a % of CC base pay

Historically DCC salaries are set at 80-82.5% of the Chief Constable's salary. However on examination of actual pay rates this is not the case, with 5 DCCs paid a higher % and 3 paid a lower %. The Steering Group agreed this should be consistent across the service, with DCC pay being 82.5% of CC base pay.

Recommendation 3 – DCC base pay is 82.5% of CC base pay. Seek a recommendation from PRRB. Immediate implementation is not recommended, this will be reviewed when the Treasury's public sector pay policy changes.

6.4. Base pay rates for ACCs

[8] Under the current system because of the pay rates it is not always worthwhile for DCCs to move
[9] There will be one exception

No concerns have been expressed with the current ACC pay scale from either the NPCC or CPOSA. The CPOSA 2020 Pay & Morale survey shows 74% of ACCs are satisfied or very satisfied with base pay. Therefore it appears there is no need to reduce the number of pay points or pay different rates for the job[10]. The working party did acknowledge it is unusual to have increments for such a senior role.

It was agreed that Targeted Variable Payments can be issued to attract candidates with additional responsibilities at this rank, acknowledging the differences in job size.

When viewing ACC base pay alongside ranks either side of it, the pay gap between an ACC and the smallest DCC role is approx. £3,000. This could potentially dis-incentivise officers moving to the DCC rank. The working group were therefore supportive of the proposals to reduce DCC rates of pay to 3, to support the talent pipeline. The pay gap of approx. £13,000, between Chief Superintendent and ACC rank is deemed sufficient to incentivise movement, but due to concerns raised by the PSA with Chief Superintendent pay and an increase its job size, the Steering Group supported a review of the top pay point for Chief Superintendents, to improve the talent pipeline. This is subject to a separate review being carried out by the NPCC.
The Steering Group agreed to retain the 3 point pay scale for ACCs with no changes to pay rates.

6.5. DCC Contracts

DCCs are currently employed on a fixed term arrangement (FTA) in line with CCs. The original intention was to encourage movement within the Chief Officer ranks and so encourage chief officers working and moving between forces[11].

CPOSA continue to be concerned about the job security of its members and would like DCCs to be employed on a permanent basis. According to the 2020 CPOSA Pay & Morale Survey 71% of ACCs/ Commanders said they are more likely to apply for a DCC role if it was a permanent post.

The APCC want to maintain the FTA, they are concerned that the potential impact of the removal of FTAs for DCCs would be a reduction in applications for chief constable vacancies. The APCC would need some reassurance that the removal of FTAs for DCCs would not have a detrimental impact on applications for Chief Constable roles before considering such a change. This position was ratified at the APCC General Meeting and will be presented in the APCC PRRB submission.

At CCC, the fixed term arrangement for DCCs has been discussed on a number of occasions. A range of views have been aired and no consensus reached. The principle concerns for some are the question of unreasonable jeopardy before pensionable age/service, and the impact on mobility. However, for others, the potential blockage to succession and team management have precedent, and sometimes the link to concerns around diversity. Options such as aligning FTAs to dates for pensionable service/age have been offered in feedback. As no consensus position has been reached, the NPCC will seek observations from the PRRB.
The Steering Group agreed there is no recommendation. All parties will present their respective positions in their PRRB submissions.

[10] It was noted that Winsor recommended one rate of pay for this role.
[11] It was noted that Winsor recommended the continuation of fixed term contracts

6.6. Base Pay for temporary CCs & DCCs

Currently an ACC acting up to a DCC receives 90% of the DCC base salary, and similarly, a DCC acting up to a CC receives 90% of the CC base salary. The original rationale for this is unknown, but it is most likely to reflect the reduced level of experience. For other ranks temporarily acting up, post holders are put on the bottom pay point to reflect this, but for DCCs and CCs there is only one rate of pay, so a reduced percentage may have been seen as the equivalent. It is very unusual to adopt such an approach for such senior roles.

CPOSA are concerned this is unfair, as all other ranks receive the substantive base salary. These two post holders also carry the greatest level of responsibility in force. There are temporary CCs and DCCs who also lose money, depending on the force, which could dis-incentivise officers from applying. The Steering Group agreed, temporary DCCs and CCs should receive the substantive base pay.

Recommendation 4 - temporary DCC & CCs to receive the substantive base pay salary. To seek a recommendation from PRRB. To be implemented in 2021/22, subject to the Home Office determination process.

7. PCC DISCRETION ON CC BASE PAY POLICY

PCCs currently have the discretion to vary the pay of a chief constable by up to 10% more, or less, thanthe relevant base pay amount in determinations. This discretion can only be used on appointment
As at the 31st March 2020 one current PCC has chosen to exercise their discretion to pay slightly less than the base pay rate set out in the determinations. To date since this regulation was adopted we understand this has now only been applied twice. There is consensus this should be removed and a CC paid at least the national base pay rate for the relevant force in accordance with the determination.

As at 31st March 2020, 10 PCCs have chosen to exercise their discretion to pay up to 10% more than base pay. This discretion is valued by PCCs and there is consensus it should remain in place.
CPOSA believe the exercise of discretion needs to become more transparent, a lack of transparency raising concerns for its members. They support defining the rationale at the point of recruitment, not once the role has been offered. APCC believe a PCC should be able to offer extra pay based on the strength of the candidate and to maintain an element of privacy that shows respect for senior leaders. In acknowledgement of CPOSAs concerns, it was agreed that the rationale for discretionary pay should be noted in the proposed model contract (refer to section 8 on contracts), along with the rationale and the ability to vary starting salary. This would make the discretionary policy clearer.

The APCC would also like the opportunity to review increasing the percentage value, which could address the issue that allowances are being issued outside of regulations. It was agreed this would be reviewed in the future at an appropriately agreed time, post making changes to CC pay rates.
It was also agreed PCCs should have the ability to exercise their discretion to pay up to 10% at other points during the contract term, not solely on appointment, so applying flexibility to CC base pay in line with a CC developing into their role or reflecting exceptional performance. The recommendation is that PCCs have the ability to apply this to CC’s within their current contract term. Any upward increase would be for the remaining period of the contract. It was also agreed that the rationale for this would need to be included in the contract (refer to section 8).

Recommendation 5 - Remove PCC discretion to pay up to 10% less than the national base pay rate. Seek a recommendation from PRRB. To be implemented in 2021/22, subject to the Home Office determination process.

Recommendation 6 – PCCs to have the discretion to pay up to 10% more than the national base pay rate at any point within a contract term. Seek a recommendation from PRRB. To be implemented in 2021/22, subject to Home Office determination process.

Recommendation 7 – To include in a standardised CC contract, a statement on the application of PCC discretion & rationale (linked to recommendation 8). To be implemented in 2021/22.

8. OTHER ALLOWANCES AND PAYMENTS POLICY

The Steering Group agreed the findings from the working groups on pay and conditions. This work was supported by the NRT survey on chief officer pay and allowances which allowed for a better understanding of the current level of allowances being paid across forces[12]. The findings showed the range of differences and supported concerns raised by CPOSA. It was agreed that the range of allowances made available to all chief officers should be more consistent, albeit that there will be local discretion in the value and how this is applied by the local PCC or CC.

The Home Office asked the Steering Group to consider adopting a standardised contract for all chief officers, with local discretions. It was agreed this would be appropriate and alleviate several of the concerns raised by CPOSA. A working group will be established in 2021 to take this forward.

CPOSA also requested that all Chief Officers receive an offer of a car or car allowance (depending on the method provisioned locally).

It was agreed that the standardised contract should clarify that medical insurance is a negotiable condition and should include a supportive statement on CPD to allow officers to grow within the role.

CPOSA proposed that the current relocation allowance be extended from 6 months for up to a 2 year period. The NPCC are supportive of a change for DCCs noting that circumstances have changed and an extension could encourage movement between forces. This proposal was not accepted by the APCC, suggesting instead the current relocation and reimbursement of relocation expenses should be consistently promoted and offered within a standardised contract. As consensus was not reached, Steering Group members agreed there was no recommendation, all parties would present their respective positions in their PRRB submissions and seek a view from PRRB.

Recommendation 8 - Introduce a standardised contract for CCs, DCCs & ACCs with clarity on areas for discretion. To be implemented in 2021/22.

Recommendation 9 - Promote the availability of the relocation and reimbursement of relocation expenses in the standardised contract. To be implemented in 2021/22.
Recommendation 10 - Include a reference to CPD in the standardised contract. To be implemented in 2021/22.

[12] 2020 NPCC National Reward Team Survey of Chief Officer Pay and Conditions

Recommendation 11 - Provide clarity in the standardised contact that medical expenses and insurances are a matter for local negotiation. To be implemented in 2021/22.

Recommendation 12 - Car provision to be offered to all in standard contract offering. Although there will be local discretion in value & how it is applied by PCCs/CCs. To be implemented in 2021/22, subject to Home Office determination process.

9. EXPECTED OUTCOMES

Overall the recommendations are expected to encourage more candidates to apply to become chief officers, while motivating and retaining good officers. In summary the proposals:

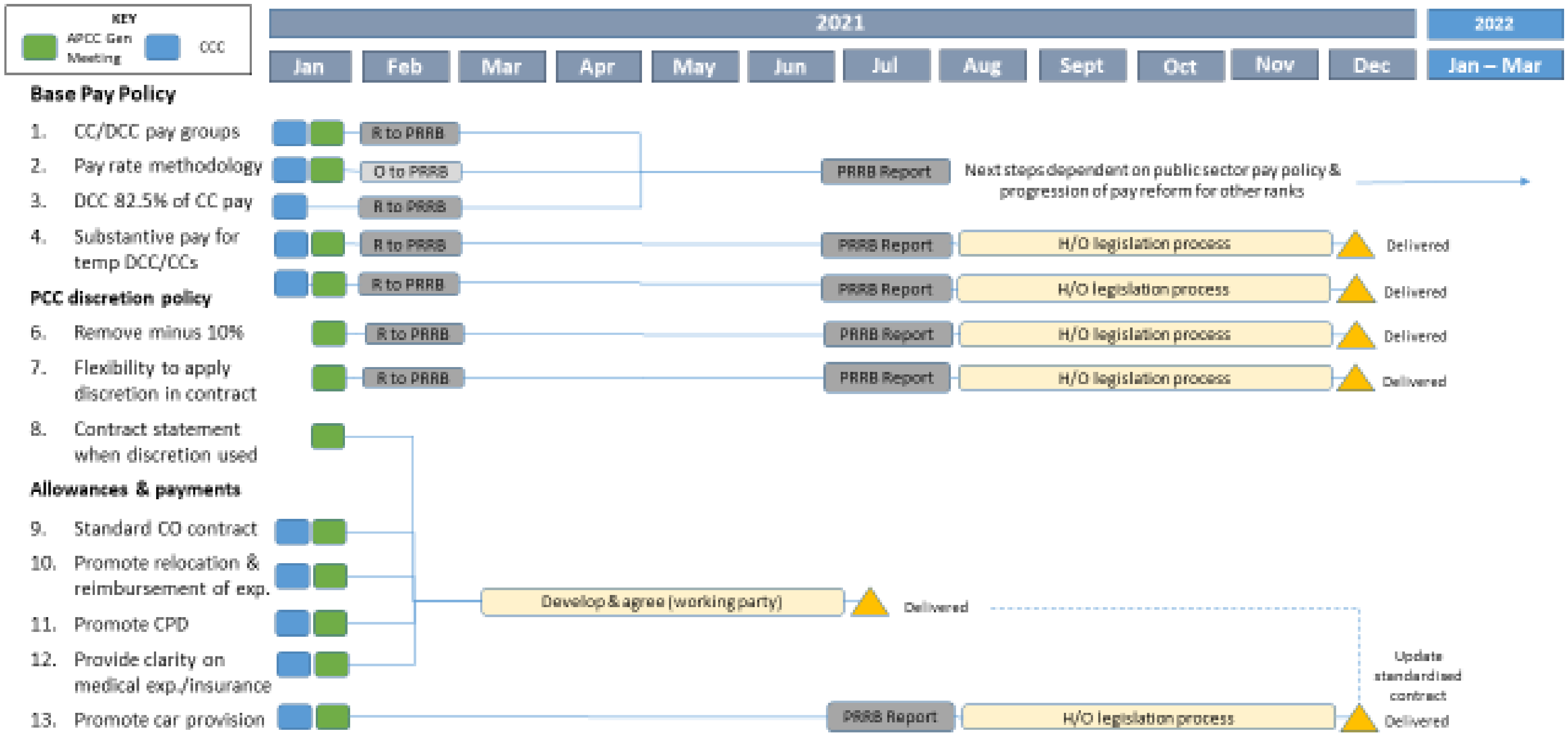
- Meet the majority of concerns raised by CPOSA
- Provide clarity for candidates and PCCs in respect of contract terms and benefits available
- Concerns on appointment of CCs re level of salary paid being below determination rate are removed
- Moving to a simplified base pay rate structure for CCs and DCCs
- Minimising overlapping within the pay structure, facilitating officers to move from smaller to larger forces and up the ranks
- Extension of discretion for PCCs during the contract period will allow for ongoing recognition of good performance
- Acknowledgement of that availability of benefits will facilitate performance

Association of Police and Crime Commissioners

CPOSA
Chief Police Officers' Staff Association

NPCC National Police Chiefs' Council

10 DELIVERY TIMELINE – for the agreed recommendations



* CoL Dep. Commissioner base pay will be reviewed when public sector pay policy changes.

11. SUMMARY OF RECOMMENDATIONS

This table summarises the agreed recommendations for change from the Chief Officer Review Steering Group. Column 5 identifies who the relevant employer is, but it is acknowledged that all parties have a view on the recommendations.

No	Steering Group recommendation	Consensus	Rationale	Employer	Consultation forum	2021 PRRB submission	Implementation
Base Pay Policy							
1	Move in principle to 3 pay groups for CCs & DCCs	Agreed *(CPOSA, NPCC & APCC)*	• Simplified structure • Rewards promotion & improves talent pipeline	APCC & NPCC	• APCC General Meeting for CC changes • CCC for DCC changes (Jan 21)	• APCC & NPCC to seek observations on methodology used and recommendation in principle. • CPOSA commentary supportive of change	Immediate implementation not recommended. APCC & NPCC to review; • When public sector pay policy changes • When pay reform progresses in other ranks The principle of moving to 3 groups will also be reviewed once base pay rate options have been developed, to verify alignment.
2	Review pay rate options for each group with updated pay data when public sector pay policy changes and pay reform progresses in other ranks	Agreed *(CPOSA, NPCC & APCC*	• No appetite to make pay changes in context of announcement for public sector pay freeze • Need to consider CO change alongside the delivery of pay reform for other ranks	APCC & NPCC	• APCC General Meeting for CC changes • CCC for DCC changes (Jan 21)	• APCC & NPCC to seek observations on the methodology & developed principles • CPOSA commentary supportive of change	
3	DCC base pay is 82.5% of CC base pay	Agreed *(CPOSA, NPCC & APCC)*	• Consistency across the service	NPCC	• CCC (Jan 21)	• NPCC to seek a recommendation • CPOSA commentary supportive of change •	
4	Temporary DCCs & CCs to receive substantive base pay	Agreed *(CPOSA, NPCC & APCC)*	• Pay in accordance with risk • Service consistency • Perceived fairness	NPCC & APCC	• APCC General Meeting for CC changes • CCC for DCC changes (Jan 21)	• APCC & NPCC to seek a recommendation • CPOSA commentary supportive of change	Dec 2021, subject to Home Office determination change

PCC discretion on CC base pay policy							
5	Remove PCC discretion to pay up to 10% less than the national base pay rate.	Agreed *(CPOSA, NPCC & APCC)*	• Minimal usage (est. twice) • Should be paid at least the national base pay rate	APCC	• APCC General Meeting (Jan 21)	• APCC to seek a recommendation	Dec 2021, subject to Home Office determination change
6	PCCs to have the discretion to pay up to 10% more than the national base pay rate at any point within a contract term	Agreed *(CPOSA, NPCC & APCC)*	• Reflects development in role • Reflects exceptional performance	APCC	• APCC General Meeting (Jan 21)	• APCC to seek a recommendation	Dec 2021, subject to Home Office determination change
7	To include in a standardised CC contract, a statement on the application of PCC discretion and rationale (linked to rec 8)	Agreed *(CPOSA, NPCC & APCC)*	• Improved transparency at the point of recruitment	APCC	• APCC General Meeting (Jan 21 - for a decision)	Not applicable	July 2021
Other Allowances and payments policy							
8	Introduce a standardised contract for CCs, DCCs & ACCs with clarity on areas for discretion	Agreed *(CPOSA, NPCC & APCC)*	• Raised by the Home Office • Service consistency • Improved transparency on the employment offering at point of recruitment	NPCC & APCC	• APCC General Meeting for CC changes • CCC for DCC & ACC changes (Jan 21 - to seek a decision	Not applicable	July 2021
9	Promote the availability of the reimbursement of relocation expenses in the standardised contract	Agreed *(CPOSA, NPCC & APCC)*	• Service consistency • Improved transparency on the employment	APCC & NPCC			

10	Include a reference to CPD in the standardised contract	Agreed *(CPOSA, NPCC & APCC)*	offering at point of recruitment				
11	Provide clarity in the standardised contact that medical expenses/ insurance are a matter for local negotiation.	Agreed *(CPOSA, NPCC & APCC)*					
12	Car provision to be offered to all in standard contract offering. Note; there will be local discretion in value & how it is applied by PCCs/CCs.	Agreed *(CPOSA, NPCC & APCC)*	• Service consistency • Improved transparency on the employment offering at point of recruitment	APCC & NPCC	• APCC General Meeting for CC changes • CCC for DCC & ACC changes (Jan 21)	• APCC & NPCC to seek a recommendation • CPOSA commentary supportive of change	Dec 2021, subject to Home Office determination change

To note

i. The base pay rate of the City of London Deputy Commissioner will be reviewed following a change in public sector pay policy
ii. The Steering Group recommended no change to ACC base pay policy, accepting Targeted Variable Payments can be issued to attract candidates with additional responsibilities

The Steering Group were unable to reach consensus on the following items - the rationale for change was not agreed:

1. To remove the Fixed Term Appointment (FTA) for DCCs - Steering Group members to present their respective positions in their PRRB submissions
2. To have the flexibility to extend the current relocation allowance from 6 months to up to a 2 year period. Steering Group members to present their respective positions in their PRRB submissions.

Appendix 1

Chief Officer Remuneration Review
Terms of Reference – September 2020

1. Broad purpose

This review forms part of wider pay reform project initiated by the Home Office. The output will be a proposal of revised pay scales and other allowances to be considered by the consulting bodies set out below. The review will:

- make proposals to redesign the current pay levels of Chief Officers in line with the principles applied to the pay reform of other police officer ranks
- review and make recommendations concerning allowances and benefits where appropriate
- review the current processes attaching to the way pay and conditions are determined to ensure all parties have confidence in the process and that it is transparent

2. Stakeholders

The key stakeholders who will prepare the proposals for consultation are as follows:

- NPCC (Lead for Police Officer Pay and Conditions and the National Reward Team)
- APCC (Workforce and Leadership Lead, Standards and Leadership Lead and Secretariat)
- CPOSA (Chair and Secretariat)
- PSA (National Secretary and Assistant National Secretary)

It is noted that stakeholders have some conflict of interests (e.g. the NPCC should not make recommendations on Chief Constable pay levels), however all parties will be involved in discussions to ensure the recommendations represent a consensus.

The following bodies will be consulted with:

- Police Consultative Forum
- PRRB - to agree the new base pay rates and any other changes requiring changes to determinations
- Home Office - for final sign off
- College of Policing – for information
- HMICFRS – for information
- Papers will be prepared by the National Reward Team (NRT). Peter Smith of Korn Ferry will also participate and be consulted as an independent adviser as required.

3. Background & Scope

Chief Officer pay had previously been considered as part of the annual review of all senior public sector colleagues by the Senior Salaries Review Body. Given the wider effects of pay reform affecting other ranks, it was recommended that, while pay reform was being carried out within the service, that the annual review of all Chief Officers pay and allowances be considered by the Police Remuneration Review Body.

In addition there have been a number of reports issued on chief officer recruitment and retention (including HMICFRS Leading Lights) and any recommendations need to be considered against their findings.

Currently Chief Officer base pay is set out as follows:

- Chief Constables receive a spot rate of base pay set out in regulations according to a method of classification which relates to the size/budget/population of the force. The exact methodology behind the classification has been lost. There are currently 12 rates of pay for all English & Welsh forces plus separate rates for the Met. Police and Crime Commissioners have the discretion, upon appointment, to set the rate at 10% above or below the rate set out in regulations.

"*A Police and Crime Commissioner may, on appointing a Chief Constable, set the Chief Constable's salary rate up to ten per cent above or below the rate for the post as set out in Annex F of the determinations*." (details attached at Appendix B)

- Deputy Chief Constables receive a spot rate of base pay that is set at 80% of the force Chief Constable rate.
- Assistant Chief Constables have a three point pay scale. Pay progression is related to service and work based assessment.

There are a number of allowances that can be applied on top of base pay for Chief Officers, including:

- Replacement allowance
- London weighting
- London allowance
- London transitional supplement
- South East allowance
- South East transitional supplement
- Motor vehicle allowance

Expenses may include the following:

- Reimbursement of medical expenses
- Removal expenses
- Relocation expenses
- Accommodation expenses
- Travel expenses
- Uniform expenses /Food expenses

A NRT remuneration survey will be issued to all forces for payroll manager to complete in order to check the current usage of allowances and expenses and used to inform and evidence recommendations.

It is noted that Chief Officers in general experience personal tax issues in respect of pension benefits associated with HMRC legislation. This situation is ongoing and will not form part of this review.

4. Work Plan

a) To consider the recommendations made by Peter Smith in his Korn Ferry Benchmarking report (produced in February 2020) to determine whether the base pay structure for Chief Constables and Deputies from the current twelve levels (plus London) should be simplified and reduced to four (plus London), with consequential changes to DCCs. A costed report will be drafted for the working party to consider.

b) To consider the current pay scale of ACCs and its relationship with the DCC and superintending rank.

c) To consider other allowances and expenses such as, the relocation and replacement allowance, to agree if these are appropriate (taking into account existing initiatives already being discussed at PCF by CPOSA and other recommendations, including those in HMICFRS Leading Lights report).

d) To review the process for the variation of the pay of a Chief Constable on appointment in the light of any proposed changes and to ensure transparency around decision making and make recommendations if required.

5. Timeline

- Initial working party meeting to define scope and terms of reference, June/ July 2020
- Chief Officer Remuneration Survey June – July 2020. Report drafted September 2020
- Working Party meetings, October – December 2020
- Recommendations from NPCC, APCC and CPOSA to be included in 2021 submissions to PRRB.

Appendix 2

Chief Officers' Pay Review – The City of London Police

1. Purpose

1.1. This short report considers the inclusion of The City of London Police (CoLP) within the current review of the chief officers' pay review. It concludes that the CoLP's unique status (as with the Metropolitan Police but for different reasons) should see it removed from the comparative tables for the purposes of the review.

2. Introduction

2.1. From the outset, CoLP has been an obvious outlier when compared to all other metropolitan and provincial police forces and current salary levels are at stark variance with the force groupings defined by the chosen data sets.

2.2. There are, however, a number of reasons to support the assertion that CoLP is unique in nature, which makes it hard, or almost impossible, to measure against other forces using the standard metrics applied in the review, namely:

- Force funding
- Headcount
- Population
- Area size
- Complexity
- Collaboration

3. How the City of London Differs

3.1. The main factors that distinguish CoLP from regular police forces are summarised below:

i. The City has only a relatively small residential population. However, in normal circumstances (i.e. pre COVID-19) the square mile has in excess of 500,000 people commute in to work. Added to this, an increasingly diverse nightlife swells numbers.

ii. All other forces in the review have a Police and Crime Commissioner (MOPAC for The Met). However, the oversight and governance for CoLP is via The Corporation of London. The two organisations are entwined in a much closer relationship for historical reasons, which leads to layers of governance and a style of oversight that is unique in UK policing. This requires the CoLP's chief officer team to devote more time to this area than most of their colleagues, over and above their day roles running the force.

iii. Unlike holding national portfolios, CoLP, like the Met, is a National Lead Force. The Met leads for Counter Terrorism (CT) nationally and CoLP leads for Fraud and Economic Crime. Its unique position and links with the financial community mean that CoLP is not just a centre of excellence but a lead both nationally, training forces across the country, and internationally, working with other governments and international bodies in areas of money laundering and fraud.

iv. Recently, and in addition to the force's national lead role responsibilities, The NPCC has given The CoLP Commissioner the national portfolio for Cyber Crime. The main rationale for this is that a significant percentage of economic crime is now cyber enabled.

v. CoLP is unique in receiving significant funding from the private sector (e.g. Lloyds insurance market) in order to lead and tackle distinct areas of economic crime on behalf of the industry as a whole. This involves a considerable amount of work locally in relationship building, expectation management and collaborative working.

vi. The geographical area of CoLP, at the heart of London, carries a disproportionate risk of terrorist attack. Within its immediate limits and just beyond is a very high number of London's key high-risk targets. This was most recently demonstrated by the two terrorist attacks, on London Bridge/Borough Market and at Fishmongers Hall. These were in, or adjacent to, CoLP and in both cases it was CoLP firearms officers who were on scene to deal with the threat. This overall risk level means that CoLP's chief officer team is embedded at the heart of CT protective security, alongside The Met.

vii. CoLP is surrounded on all sides by the Met and, due to the unique relationship, work hand in hand in many areas on a daily basis. This is not considered mutual aid but rather an integral part of daily operations. Some of these areas include firearms response and public order in central London (not just CoLP). There are a number of units where officers of each force are embedded in each other's units as part of permanent establishment.

4. Conclusion

4.1. This paper does not seek to comment on the appropriateness, or otherwise, of existing CoLP chief officer salaries. Instead, the intention is to determine whether or not there are reasons why, for the purposes of the national chief officers' pay review, the CoLP can be readily compared to other forces. Having done this, it is considered that the differentiating factors are sufficient to justify treating the CoLP as a special case.

5. Recommendations

1. The CoLP is removed, for comparison purposes, from the national review of chief officers' pay.
2. Chief Officer pay in CoLP is progressed as a separate work stream by the NPCC lead for pay and conditions to confirm the rationale for the force's position within the future chief officer pay structure.