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20 December 2010

**To: Mr Tom Winsor**

**Re: CPOSA Supplementary Submission to the Independent Review of Police Officers' and Staff Remuneration and Conditions**

Dear Mr Winsor,

Please find attached the Chief Police Officers' Staff Association (CPOSA) supplementary submission to your Review's consultation process.

Following on from our initial meeting with you on 27 October 2010 and the follow-up meeting with Sir Edward Crew on 16 November 2010 we agreed to provide you with some additional information and evidence. In particular, you were interested in information concerning relocation packages and case studies highlighting the financial impact of the proposed pension tax charges on individuals, in order to more accurately assess potential future disincentives for senior career development within the police service.

Should there be any further points of information or clarity required please do not hesitate to contact us again.

Thank you for this opportunity to provide a further submission on behalf of CPOSA.

Yours sincerely,

**Paul West QPM MA (Oxon) MSc MA**

**Chief Constable**

**CPOSA Chair**

# **CPOSA Supplementary Submission to the Independent Review of Police Officers' and Staff Remuneration and Conditions**

**20 December 2010**

This document is the Chief Police Officers' Staff Association (CPOSA) supplementary submission to the consultation process being undertaken as part of the Independent Review of Police Officers' and Staff Remuneration and Conditions of Service.

Following on from CPOSA's initial meeting with Tom Winsor on 27 October 2010, the Executive Committee's further stage of consultation with members at the Association's AGM on 10 November and a follow-up meeting with Sir Edward Crew on 16 November, this submission aims to provide the supplementary information and evidence that has been requested by the Review team.

CPOSA is a membership association comprising the Chief Police Officers (Assistant Chief Constables, Assistant Chief Officers, Commanders and above) from all of the police forces of England, Wales and Northern Ireland. It shares a common membership with the Association of Chief Police Officers, with approximately 350 members.

As chief police officers we believe that it is vitally important for us to separate out those issues upon which we are able to speak as the professional voice of the police service (ACPO) from those matters of a staff association nature that affect us on an individual and collective basis (CPOSA).

This submission is written from that staff association perspective. It builds upon our initial representations and is focused upon providing supporting evidence and information in those areas highlighted by the review team, within the framework of the five key issues that continue to be of particular concern to our members.

We have received a good number of individual and team/regional responses from our membership as a result of the CPOSA Chair's letter of 24 November (**Appendix A**) and this additional information has assisted greatly in preparing this document and its attachments.

We do not wish to repeat unnecessarily the concerns raised in our original submission other than to stress that our overall desire is for nothing more than a fair and equitable reward package for chief police officers relative to other public sector senior leaders, and one that acknowledges the unique high risk and high profile nature of our role.

## **Key Issue 1**

**Pay structures should be nationally agreed and adhered to by Police Authorities (and in the future by Police and Crime Commissioners). Remuneration for chief officers should reflect the complexity of command and the very substantial demands placed on our members.**

**Performance related bonus payments for chief officers should be withdrawn, in favour of a modest uplift in basic salary.**

**The pay structure should be transparent, consistent, equitable and covered by an appropriate Code of Practice.**

CPOSA members believe that there is a strong argument in favour of reducing the current ACC range to three increments. If the ACC pay scale is intended to be linked to becoming fully competent in the role, then that should take no more than 2-3 years and pay increments should reflect that.

If properly structured, such an approach would also help to increase the visible gap between ACC and Chief Superintendent, with the pay differential underlining the importance of the chief officer position.

(A counter view, which is more cautious in relation to compressing the ACC pay scale and increasing the size of the increments between pay points, recognises that the proposed changes to pensions taxation arrangements could lead to some officers suffering even greater Annual Allowance taxation charges as a result of such a change, depending upon their individual circumstances.)

Upon promotion to ACC, current guidance states that everyone should start on point one of the pay scale unless they are a Chief Superintendent at the top pay increment of that rank, in which case a starting point of point two may be agreed. CPOSA believes that there should be a nationally agreed position on this issue, which is not open to change or discretion on the part of a Police Authority (or a Police and Crime Commissioner in the future).

Generally, there is support for the remuneration of an Assistant Chief Officer to be linked to that of an ACC on a percentage basis (suggested between 90% and 95%), with a pay differential being retained due to the difference in the operational requirements of the role. That said, an additional complication arises in that police staff pay increases are currently negotiated in the Police Staff Council (PSC) whereas officers' pay increases are agreed in the Police Negotiating Board (PNB). Pay uplifts of both groups are not always the same and so over time a discrepancy develops between ACO and ACC remuneration, which is not easily remedied in the current arrangements. This situation could be resolved if all chief officer pay settlements were to be determined by a revised approach to senior salaries in the future.

Information concerning the number of chief officers currently in receipt of bonus payments (or double increments in the case of ACCs), together with an estimate of the total annual expenditure on the Chief Officer Performance-Related Bonus Scheme throughout England and Wales, is attached at **Appendix B**. This up to date summary of the current position is the product of a questionnaire survey undertaken earlier this year by the LGE (Local Government Employers) on behalf of the Chief Officers' Committee of PNB .

In recent years the agreed CPOSA position has consistently been that a private sector style pay structure including performance related bonuses does nothing to motivate chief police officers and is incompatible with the public service ethos of policing. This has been our shared view since long before bonus payments fell into general disrepute in other employment sectors.

Our proposal for some time within PNB has been that the performance-related bonus scheme should be abolished in favour of a modest single figure percentage uplift to basic chief officer pay. This remains the view of our membership even though, as can be seen from the information presented in Appendix B, the majority of our members currently benefit in purely financial terms from the existing arrangements.

Using the figures in Appendix B as a baseline, CPOSA contends that it would be relatively easy to calculate a percentage uplift to the basic salary of chief officers that would achieve an overall saving to the public purse at the same time as removing an unpopular and bureaucratic scheme.

Additionally, in recent years a number of Police Authorities have incentivised individual officers to take up positions with them or to remain in their current roles by offering additional non-pensionable payments. Some of these payments have been (and remain) very substantial indeed and bear very little relationship either to the scale or the particular challenges of the chief officer posts concerned. Concerns are also expressed amongst the wider CPOSA membership that these additional payments are largely non-transparent. Increasingly, the developing situation resembles a system of free collective bargaining rather than a structured, fair and nationally agreed pay structure.

## **Key issue 2**

**A minimum appointment package should be established for all chief officers to ensure that successful candidates are not financially disadvantaged in taking up a new post.**

**A wide variety of relocation packages exist at present, many of which fail to provide adequate financial security. This can lead to significant welfare concerns for CPOSA members and is a situation that requires Police Authorities (and Police and Crime Commissioners of the future) to be cognisant of their duty of care responsibilities.**

**CPOSA advocates a consistent basic relocation package containing elements such as:**

- **compensating for all tax liabilities incurred in house sale and purchase**
- **options to purchase the chief officer's 'old' home if required**
- **facilities to support family commitments such as professional fees, assistance in finding partner employment, etc.**

Recent feedback from CPOSA members has overwhelmingly confirmed the position outlined in our original submission. Those forces that responded to the Chair's letter provided further information that underlines the lack of consistency throughout England and Wales in relation to appointment and relocation packages.

The general consensus of opinion supports a national appointments and relocation framework agreement containing a consistent basic core content, open to a degree of local negotiation for additional marginal elements. The basic underlying principle should be that an officer should never be financially worse off following relocation.

In addition to salary and rent/housing allowance, the suggested basic content for such a framework could be:

- full compensation for all reasonable expenses incurred in house sale and purchase
- gross additional payment calculated to fully compensate any tax liabilities incurred resulting from relocation
- options available for the Police Authority to purchase the chief officer's 'old' home if required
- provision of a suitable Police Authority owned or leased official vehicle, available for private use whilst off duty, with all private mileage and tax liability arising from the benefit in kind to be payable by the officer
- payment of CPOSA annual legal expenses insurance premium
- private medical health insurance cover for the officer

Above all else, the very substantial costs encountered in house moves represent a significant disincentive for freedom of movement. Three recent actual case studies are attached (**Appendix C**) to illustrate the personal and financial impact of career progression on CPOSA members.

### **Key Issue 3**

**The appointment and removal/exit processes for all chief officer posts need to be reviewed, with appropriate checks and balances being put in place prior to the introduction of Police and Crime Commissioners in May 2012.**

**CPOSA advocates the end of FTAs for Deputy Chief Constables.**

The Police Reform and Social Responsibility Bill has been published since we made our original submission. We are currently going through the process of examining the Bill in detail to assess the extent to which it proposes fair and transparent processes - and adequate overview and appeals mechanisms - in relation to the appointment and removal of chief officers.

Chief Constable Craig Mackey, CPOSA Vice Chair and the Association's lead on issues relating to chief officer misconduct, unsatisfactory performance and discipline, is currently actively involved in a Police Advisory Board working group examining these and related issues.

At senior executive level, there is a balance to be struck between security of employment and rate of pay. In simple terms, the less the job security the greater the pay should be. Conversely where there is greater job security, pay should also reflect that situation.

There are very real concerns amongst current chief officers that the job security of Chief Constables will be compromised in the future as a result of the introduction of Police and Crime Commissioners (PCCs). For example, given that a PCC's electoral term of office will be for 4 years, there is every likelihood that, over time, the lengths of FTAs offered to Chief Constables will reduce from the current (up to a maximum of) 5 years to no more than 3 years in the first instance.

Furthermore, based upon information provided by our members, it is clear that there are a considerable number of CCs and DCCs who are currently on FTA's that will expire before the officers concerned have reached their full (30 years) pensionable service. These numbers run to double figures in relation to both ranks at present and can only be expected to rise in the future.

With regard to exit schemes, our original submission highlighted that the only severance arrangements that currently exist arose out of a 2004 PNB agreement, to address the situation that will prevail if a FTA is not renewed and the chief officer concerned has not yet reached full pensionable service. Whilst the gross compensation figures included in the scheme appear, on face value, to be reasonable, they are subject to high rates of tax, which can result in a hugely disproportionate net penalty for officers who find themselves having to leave the service just short of 30 years service.

**Since our earlier representations, CPOSA has therefore concluded that FTAs should be ended in their entirety, both for DCCs and for CCs.**

In the absence of such a change of policy, the existing 2004 severance arrangements require a substantial overhaul in order to create a framework within which a dignified and suitably

remunerated exit plan exists for chief officers who, for whatever reason, find themselves having to leave the service prematurely.

#### **Key Issue 4**

**CPOSA's current desire is to remain within the existing PNB structure, subject to its methods of operating being reviewed and modernised. An alternative arrangement might be to have PNB replaced by with an effective police-sector specific Pay Review Body.**

**Either way, the concept of binding arbitration for both sides (without any scope for Ministerial over-rule) is essential to the concept of fairness in any future arrangements, especially given the unique status of police officers and our inability to withdraw our labour.**

The recent follow-up consultation with our members has tended to emphasize how difficult it is to achieve a consensus of views in relation to the preferred future pay review arrangements for chief officers. On balance, members of the Association believe that we should retain our pay links with the other police officer staff associations, although very little support remains for a continuation of the existing PNB arrangements. As a result, a police-specific Pay Review Body is seen as the preferred way forward by the majority.

And whilst a Senior Public Sector Salaries Review Body would be the preferred option for some of our members, this would only be the case if the Body were able to display a thorough understanding of the differences between the roles of chief police officers and other senior public sector staff.

#### **Key Issue 5**

**We are concerned about the potential cumulative adverse effect upon our members of:**

- **Lord Hutton's Independent Public Service Pensions Commission**
- **HM Treasury decision on restriction of pensions tax relief (to which CPOSA made a detailed submission)**
- **Proposed two year police pay freeze**
- **Proposed increased pension contributions**

**We believe that the overall impact of these proposals will present a significant leadership challenge to the service in the following areas:**

- **Potential future recruitment to ACC from the superintending ranks**
- **The number of current chief officers who may seek further promotion**
- **The ability and/or preparedness of suitable candidates to apply for vacancies that will require them to move house**

**CPOSA supports the notion of a fair and transparent pay and rewards structure as a key means of maintaining high standards of police leadership.**

At **Appendix D** we provide four case studies that show the impact of the pensions taxation changes on CPOSA members. The first is a (hypothetical) demonstration of how the changes

will affect an ambitious Chief Superintendent as their career progresses through the chief officer ranks in the future. The other three are live examples of how the changes are affecting officers' career plans now.

Finally, at **Appendix E** we include some examples of chief officer letters of appointment, as requested by the Review team.

## **Conclusion**

The current arrangements governing the terms and conditions of service of chief police officers have evolved on an ad hoc basis in recent years. At the same time, the existing PNB structure has failed to deliver a consistent and coherent system that fairly and effectively rewards chief officers and ensures that all Forces and Police Authorities have full access to a sufficiently large pool of suitably qualified talent.

If this situation is exacerbated by the introduction of PCCs in 2012, as many believe it will, it could lead to even more limited reward packages being available in those force areas that offer little for officers who have to move home. And plans to change pensions taxation rules add further disincentives to the difficulties that currently exist.

Members of the Chief Police Officers Staff Association are concerned that unless a fair and equitable solution can be found to the combined issues of pay structure, terms and conditions of employment and tax liabilities then the future of police leadership will increasingly be adversely affected by what are perceived to be unfair and outdated arrangements.

Security Classification:		<b>NOT PROTECTIVELY MARKED</b>	
Not disclosable under FOIA 2000:		<b>NO - (Staff Association)</b>	
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Date created:	<b>23 November 2010</b>	Telephone:	<b>01905 332233</b>

There is an attachment to paragraph:	<a href="#">One</a>
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<a href="#">This letter is only being posted on the ACPO Intranet</a>
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## Chief Police Officers' Staff Association

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**To: All CPOSA Members**

24 November 2010

Dear Colleague

**The Winsor Review of Remuneration and Conditions of Service**

Following a meeting that ACC Nick Ingram and I had with Sir Edward Crew, Tom Winsor's Policing Advisor, on Tuesday 16 November, CPOSA has been invited to provide further detailed information to the Review in support of our original submission ([attached](#) for information).

The additional information being sought falls within the following areas:

- (a) The number of Chief Officers currently in receipt of bonus payments (or double increments in the case of ACCs), together with an estimate of the total annual expenditure on the Chief Officer Performance-Related Bonus Scheme throughout England and Wales. (This information will be available from the questionnaire survey undertaken earlier this year by the LGE (Local Government Employers) on behalf of the Chief Officers' Committee of PNB).
- (b) Details of the non-pay elements and allowances that CPOSA members believe should be contained within a basic national remuneration and relocation package.
- (c) When Fixed Term Appointments for CCs and DCCs were first introduced, they were accompanied by an increase in basic salary. If they were to be removed, what should the impact on pay be?
- (d) How many CCs and DCCs are currently on FTAs that will expire before the officers concerned have reached full (30 years) pensionable service?

- (e) More detailed information is required in relation to the anticipated impact on existing and aspiring Chief Officers of the restriction of tax relief on pensions due to be introduced by the Coalition Government from April 2011 onwards. (This information is to be collated and provided by Shabir Hussain).
- (f) What procedural protection would CPOSA members wish to see in the future in relation to the potential removal of Chief Constables/Commissioners by Police and Crime Commissioners? Similarly, what procedural protection should be in place in relation to the potential removal of DCCs/ACCs by CCs?
- (g) How many pay increments should be included in an ACC's pay range?
- (h) Given the variability of Assistant Chief Officer roles, is it appropriate to introduce a consistent national pay scale to regularise current local variability?
- (i) Where would CPOSA members want their pay to be set in the future? Options include within existing PNB arrangements, within a new sector-specific Police Pay Review Body, or detached from all other police pay and within a wider public sector Senior Salaries Review Body.
- (j) If Chief Constables effectively become the employers of DCCs and ACCs with effect from April 2012, how, if at all, will this affect the dynamics in relation to issue (i) above?

We have been asked to supply all of the required additional information to Tom Winsor by mid-December and so, as always, timescales are tight.

As before, our Negotiating Secretary, ACC Dave Jones, PSNI, will undertake the main task of drawing together our supplementary submission, supported by ACC Nick Ingram, Dyfed Powys Police, and myself.

We would therefore welcome members' general thoughts in relation to points (b) to (j) above, together with some specific suggestions and actual detail in relation to points (b), (d), (f) and (g) in particular. Any personal information that individual members are prepared to release to us as part of this process will, of course, be completely anonymised if it is referred to in the submission (e.g. details of those colleagues currently subject to FTAs that will expire before they reach full pensionable service).

Example copies of FTA documentation illustrating generous (or, at least, fair) remuneration and relocation packages, together with others illustrating a 'penny pinching' approach by PAs would be particularly welcome and helpful. Again, these would, of course, be anonymised.

Finally, some real examples of Chief Officers who have suffered (and perhaps are still suffering) significant financial losses as a result of house moves between forces, would provide extremely powerful additional evidence.

Could any responses please be forwarded, ideally by e-mail, direct to ACC Dave Jones on [Dave.Jones@psni.pnn.police.uk](mailto:Dave.Jones@psni.pnn.police.uk) to be received by Monday 6 December at the latest. This will enable the CPOSA Executive Committee to consider all of the information provided by members in some detail at our Committee Meeting on Tuesday 7 December prior to finalising CPOSA's supplementary submission a week or so later.

Thank you in anticipation of your support.

Yours sincerely

**Paul West**

**Chief Constable  
CPOSA Chair**

## **Chief Officers Bonus Payments – 2010 PNB Survey**

### *Background*

1. In April 2010 LGE, on behalf of the PNB Chief Officers' Committee, sent all UK forces a questionnaire aimed at eliciting information relating to Chief Officers' performance payments. The questionnaire sought information on the following:
  - Numbers of Chief, Deputy Chief and Assistant Chief Constable officers (and equivalents);
  - Numbers of officers in receipt of bonus payments;
  - The value of payments made;
  - Numbers of Assistant Chief Constables eligible for, and in receipt of, additional increments due to exceptional performance.

### *Response*

2. Further to the questionnaire being dispatched and a follow-up reminder letter to forces from the Deputy Chair of the APA, a total of 37 forces completed (all or part of) the survey. [Completed questionnaires were received from PSNI plus 3 Welsh, 1 Scottish and 32 English forces.] Of the remaining 15 forces:
  - 3 forces reported that they made no such payments and hence did not complete a questionnaire;
  - 1 force did not respond to the full survey but provided some partial headline information relating to previous payments;
  - 11 forces did not respond.

### *Summary analysis*

3. The following paragraphs provide a summary of the information provided in the completed questionnaires. It should be noted that the quality of the data received was variable and in some cases, minor assumptions have been made in interpreting the information provided. [For example, where a force has indicated in one part of the questionnaire that no officer received a payment in a given year but later provides a detailed value for that payment, it has been assumed that a payment was in fact made.] All summary figures provided below are estimates based on 37 responding forces. In the case of a small number of variables, the summary statistics are based on fewer than 37 forces, as some forces were unable to respond to the entirety of the questionnaire (this included the values of bonus payments made).

### *Numbers of officers in receipts of bonuses*

4. In 2008/9 the following numbers of officers were reported as being in receipt of a bonus payment:

Chief Constables:	57%
Deputy Chief Constables (DCCs):	67%
Assistant Chief Constables (ACCs):	35%

Across all three ranks, the numbers of officers in receipt of bonus payments in 2008/9 was higher than that reported for the preceding three years.

*Value of performance bonus payments*

5. The following table provides summary statistics relating to the value of payments made in 2008/9. [A number of responding forces did not provide detailed values of payments. Some forces only reported the ‘% of basis pay’ figures.]

	Median payment 2008/9	Range of payments 2008/9	Median payment 2008/9 (% of basic pay)	Range of payments 2008/9 (% of basic pay)
Chief Constables	£15,200	£6,200-£25,200	10%	5%-15%
DCCs	£10,200	£3,000-£18,800	9%	5%-15%
ACCs	£8,500	£6,500-£10,300	10%	7%-10%

*Bonus payments reported for the three years preceding 2008/9 were broadly similar in relation to basic pay for all three ranks.*

*Number of officers awarded payments but refusing to accept*

6. In 2008/09, 3 Chief Constables {Or equivalent.} (from the 37 responding forces) were awarded but refused to accept bonuses. The corresponding numbers for DCCs and ACCs were two and zero respectively. These numbers were similar in the preceding three years.

*Numbers of officers refusing to be considered for a bonus (including where the authority declined to operate the scheme)*

7. In 2008/9, 15 Chief Constables [Or equivalent.} (from the 37 reporting forces) were not considered for bonuses. The corresponding numbers of DCCs and ACCs were six and 12 respectively.

The numbers of officers in responding forces not considered for bonuses in 2008/9 was lower than in 2005/6 (when 19 Chief Constables, 13 DCCs and 20 ACCs were not considered.)

*Assistant Chief Constables (ACCs) – additional increments*

8. Forces were asked to report the numbers of ACCs in receipt of additional increments for exceptional performance. Key points were:

- In 2008/9, just fewer than 50% of ACCs across responding forces were eligible for additional increments (this range from 0% to 100% of ACCs in individual forces).
- Of eligible officers, an estimated 58% received at least one additional increment due to an exceptional PDR marking in 2008/9. The corresponding percentages reported for 2007/8, 2006/7 and 2005/6 were 58%, 41% and 41% respectively.

- Where ACCs received additional increments in 2008/9, and where responding forces reported the relevant information, these were split fairly evenly between those awarded one and those awarded two additional increments.

#### *Monitoring arrangements*

9. Forces were asked whether their authorities monitored the bonus agreements, for example on grounds of gender, disability and ethnicity.
  - Of the 37 responding forces, 7 left this question blank or said it was not applicable as they had reported no payments.
  - Of the remaining 30 forces, 22 reported that their authority monitored the payments in some way, but not always accounting for officers' demographic characteristics.
  - 8 forces did not report systematically monitoring the payments.

Office of Manpower Economics  
July 2010

**Relocation**

**Case Study A**

On seeking my first ACC position during the Spring of 2009, I submitted written applications to 3 forces. The relocation aspects of the terms and conditions varied considerably. Whilst there was a financial differential between them, they also varied significantly in terms of transparency and detail. From the outset, Police Authority A included full details of the relocation package in their Application Information. All reasonable additional costs were to be met at a fair rate and there was a simple and clearly articulated process for accessing that package. Once successful and offered the post of ACC in Force A, I was given a named individual within the Police Authority Executive who efficiently answered queries and promptly arranged payment against invoice.

In context, it is important to demonstrate the value added that such an approach brings for an applicant who, in my case, was moving to a new role in a new organisation with my family and house (still to sell) 200 miles away and negotiating remuneration for the first time in my career.

Given my success in this first selection process, I did not pursue the other 2 applications so cannot comment upon how they might have been implemented in practice. However, in both cases there had been no proactive information available at the outset and, when I queried certain aspects I was given imprecise responses. The impression I gained in both cases was that negotiating my way through with the two Police Authorities concerned would have been challenging.

**Case Study B**

I was appointed DCC in Force B. I went from a small/medium sized Force (3,500 officers and staff) to a medium/large Force (6,500 officers and staff). However, despite the increase in salary I felt disadvantaged in a number of ways:

- Reduction of almost £3,000 in rent allowance
- My house move cost £75,000 in total and I was fortunate that the Police Authority agreed to pay the full bill but I still had to pay the resultant £24,000 tax charge.
- Loss of bonus. I was a top range ACC and had been in receipt of a 5% bonus. During my first two years as a DCC I had to prove my worth to earn a bonus again.
- I had a small reduction in my car benefits.
- I moved from a house in a grammar school catchment area and as a result have decided to invest in private education for my children. (I fully appreciate that this is my choice, but as far as my wife was concerned it was the only way to maintain standards of education comparable to those in the area where we previously lived).
- My wife experienced a gap in her career which meant a loss of income and was extremely stressful. There was no assistance in relocation for my wife and children.

We are now very settled in the Force B but the above experience means we will not move again unless it works substantially in our favour.

Thus there have been some Chief Constable jobs advertised in the past 18 months in the £133,000 - £140,000 pay band that have simply not been attractive.

I have been canvassed for two recent jobs in smaller forces which would attract a salary of £133,000. This would provide, after tax, a £4,500 pay rise per year. This is not sufficient to compensate the disruption of a move or the inconvenience of living away from home, quite apart from the additional compensation that one should receive for the extra responsibility of being a Chief Constable.

Nationally, the removal packages have increasingly become standardised at a rate where I would be out of pocket moving home. I have a house worth about XXXX and virtually all advertised packages limit the expenses that can be reclaimed and most do not make an additional payment to cover the tax liability. For some recently advertised jobs I have calculated the amount extra I would have to pay to move above and beyond the package offered as being about £50,000.

The fact I have a high value home is solely due to having lived in the south east and having made careful purchases whilst on the housing ladder. I am not unique in this situation and there should not be an expectation that any Chief Officer should be out of pocket as the result of a recognised professional move. The limit on the value of the property that you are allowed to claim for is restrictive. As a result, I have ruled myself out of becoming a Chief Constable in one of the smaller forces.

### **Case Study C**

Officer 'C' was appointed in Force 'D' and as a result of this appointment moved a considerable distance from his original force. He placed his house on the open market and took up rented accommodation in his new force. Police Authority 'D' supported provision of the rented property from within the funds allocated for relocation.

The original property failed to sell due to the property slump, despite the officer reducing the price three times. Due to this uncertainty, the officer's family remained in their original home while attempts were made to sell it.

This continued for a period of two years, during which the officer was separated from his family. A number of requests were submitted to Police Authority 'D', including a request for them to purchase the original home at market value. Unfortunately, Police Authority 'D' felt unable to do this. Eventually a loan (with interest) was negotiated with Police Authority 'D' to allow the officer to buy a property in his new force.

The overall process took over 27 months and has now resulted in the officer having two mortgages and a loan. In financial terms, the move has actually reduced their disposable income and the value of their original property has fallen. Not surprisingly, this has provided considerable personal stress (in relation to the long term separation of partners and family) and financial worries.

**Cumulative Impact of Pension Changes  
on Individuals and the Service**

**Case Study D – An aspirant Chief Constable**

Double taxation now exists for high earners - first upon the excess above the annual allowance (AA) at the marginal rate and second when the pension is in payment. Further unfairness arises where an officer only receives 40% tax relief on pension contributions but pays the tax charge for the excess at 50%.

In order to illustrate these changes and the impact of the reduction of the Life Time Allowance (LTA) from £1.8 million to £1.5 million, this (hypothetical, but realistic) case study details the average career progression of an aspirant chief constable.

A top rate chief superintendent moves to the second pay point of assistant chief constable's (ACC) pay upon promotion; gaining £16k in salary but incurring an AA tax bill of £39k (inc £12k taxed at 50%).

Over the next two years the ACC moves through two more pay points gaining £3k, but incurring a further AA tax charge of £2k.

The ACC subsequently gains promotion to deputy chief constable (DCC) in a mid range force. Salary increases by £28k, AA tax is £105k.

After some time, the DCC is promoted to become the chief constable of the same force. Salary increases by £26k, AA tax will be £115k and a LTA tax charge of £118k will be payable (assuming no further promotion), totalling £233k.

Should this chief constable some years later transfer to a high weight force, they would experience a salary increase of £30k, AA tax £142k and a LTA charge of £218k, totalling £360k.

In this last example, the officer receives an overall pay increase from chief superintendent to the point of retirement of £102k. Under the 2006 'A' day regime, no AA tax would be liable and the LTA liability would be £148k.

The new tax regime results over the chief officers' career of AA tax totalling £402k, LTA rising to £218, totalling £620k. CPOSA has submitted to the Treasury consultation that the only practical method of payment is to extend the current LTA payment method of 1/20<sup>th</sup> reduction in the pension for life to both taxes.

In summary, under current taxation, the chief superintendent would have received a pension of £52k and the chief constable (paying the old LTA tax rate at 1/20<sup>th</sup>) £112k. In contrast, under the proposed new regime the chief constable's pension falls to £88k.

Alternatively, assuming 25 years life expectancy, the officer's pension would effectively have suffered a 37% reduction to pay the increased pension tax.

### **Case Study E - (actual and current)**

An existing Deputy Chief Constable of a medium size force whose current salary is £125k is about to take up a Chief Constable's position with a salary of £161k. Under normal circumstances this promotion would have resulted in a tax liability for that officer amounting to £170k. As it happens, the officer has spent some months as a Temporary Chief Constable and consequently their actual tax liability has been reduced to £100k.

### **Case Study F – (actual and current)**

The vacancy for the Chief Constable's post in Force E was first advertised in September 2010. Only two applications were received, one being from the DCC, who is eligible to apply having previously served as an ACC in another force. Prior to the selection process, the second applicant secured a post in another force. Whilst Force E's DCC is a highly capable and credible candidate, Police Authority E understandably wish to hold a competitive process and so the vacancy was re-advertised with a closing date of 4 December 2010.

Despite both the CC and the Chief Executive of Police Authority E making direct personal contact with every eligible DCC in England and Wales, no additional applications have been received.

The Chief Constable of Force E comments as follows:

“It cannot be healthy for the police service to have an absence of competition for its most senior posts. Indeed, had it not been for the fact that there was an 'in-house' candidate, we might be in the embarrassing situation of having no applicants at all. There are undoubtedly local factors relating to this particular post which will have constrained the pool of potential applicants from the outset. Additionally, the package on offer is a basic 'no frills' package in band three of the Chief Officer pay scale.”

“The current system of reward and recognition that has developed is discouraging people from putting themselves forward. In the process of seeking to generate interest in the vacancy, I have spoken to a dozen or so prospective candidates, all of whom expressed very similar views. In essence, the differential between a decent package for a Deputy in a medium sized force and a basic package for a Chief in a small force is just not sufficient to encourage people to move their home and their family half way across the country simply for the privilege of being a Chief Constable.”

“A number of those I spoke to had worked out the figures and concluded that by the time they had factored in things like performance bonuses and allowances, it would actually cost them money to make the move. Add to that the fact that anyone who does receive even a modest pay increase will face a significant tax bill as a result of the revised tax rules relating to pension contributions and it's not difficult to see why a number of capable Deputies are saying that they intend to finish their career at that rank.”

### **Case Study G – (actual and current)**

ACC J, who became a permanent ACC just last month (November 2010), has said that the current information available to potential Chief Officers indicates that the tax liability on pensions for those aspiring to ACC roles is substantial and is already impacting on the decisions of people to put themselves forward.

In general terms, their view is that the new tax regime is considered a significant and genuine threat to capable Chief Superintendents putting themselves forward for ACPO positions.

Examples of Appointment Letters

Dear

**RE: APPOINTMENT OF DEPUTY CHIEF CONSTABLE OF THE 'F' CONSTABULARY**

Following the decision of the Appointments Panel on XXXX to offer you the post of Deputy Chief Constable of the 'F' Constabulary, I now set out the terms of your appointment.

1. The appointment is subject to the Police Act 1996, regulations thereto and any other relevant legislation.
2. The term of appointment is 5 years and you will take up your appointment on XXXX.
3. The notice period in the event of your resignation/retirement will be in accordance with the relevant legislation, i.e. 3 months.
4. The salary will be £99,168 p.a.
5. The appointment will be subject to your participation in the Chief Officer Bonus Scheme, in accordance with the relevant provisions of the Scheme, and for which the appropriate non-pensionable performance related Bonus will be paid dependent upon both performance against performance and development reviews and Constabulary performance.
6. The Police Authority and Chief Constable have previously agreed that residing at your current address meets the requirement "to reside within a reasonable travelling distance for operational purposes". The appointment is made on the assumption that you will continue to reside at this address in XXXX and accordingly you will continue to receive a replacement [housing] allowance in accordance with the nationally agreed provisions, currently £5022.72 per annum.
7. You are required to provide and maintain a suitable vehicle for use in connection with duties within the County, for which a fixed mileage allowance will be payable, currently set at £6,293.44 per annum.
8. Reimbursement will be provided for reasonably incurred incidental expenditure.
9. Your CPOSA membership fees will be paid but you must pay the insurance element of any fees payable to CPOSA.

I also attach for your retention copies of the person specification and job description for the position.

Please sign the duplicate copy of this letter and return it to me.

Finally, may I take this opportunity to congratulate you on your success.

Yours sincerely

.....

Enc. Person Specification  
Job Description

I do/do not accept the offer.

Signed: ..... Dated: .....

Dear

**RE: APPOINTMENT OF CHIEF CONSTABLE OF THE 'G' CONSTABULARY**

Further to my letter of XXXX and the decision of the Appointments Panel which met on XXXX to offer you the post of Chief Constable of the 'G' Constabulary, I now set out the terms of your appointment.

1. The appointment is subject to the Police Act 1996, regulations thereto and any other relevant legislation.
2. The term of appointment is 5 years and you will take up your appointment on XXXX.
3. The notice period in the event of your resignation/retirement will be in accordance with the relevant legislation, i.e. 3 months.
4. The salary will be £120,201 p.a.
5. The appointment will be subject to your participation in the Chief Officer Bonus Scheme, in accordance with the relevant provisions of the Scheme, and for which the appropriate non-pensionable performance related Bonus will be paid dependent upon both performance against performance and development reviews and Constabulary performance.
6. You will be required to reside within a reasonable travelling distance for operational purposes and which is subject to agreement with the Police Authority.
7. You will receive a housing allowance of £6,585.96 p.a.
8. You will be required to provide and maintain a suitable vehicle for use in connection with duties within the County, for which a fixed mileage allowance will be payable, currently set at £6,136.32 p.a.
9. The appointment will be subject to a satisfactory medical examination.
10. Reasonable removal and relocation expenses will be paid in accordance with Police Regulations. This will include:
  - removal expenses, stamp duty, land registry fees, legal fees, estate agents fees, mortgage lender fees, survey charges and other necessary disbursements;
  - incidental necessary expenses incurred in connection with the purchase of a new property in XXXX for the replacement of curtains and carpets;
  - any expenses incurred in respect of temporary accommodation in XXXX for a period of 26 weeks whilst you are locating and completing the purchase of a new property in XXXX.
11. Reimbursement will be provided for reasonably incurred incidental expenditure.
12. The Authority will reimburse your tax liability upon your removal and relocation expenses (as at 10 above) where those removal and relocation expenses amount to a sum up to the value of one third of your salary (i.e. £40,067). In the exceptional

circumstances that your removal and relocation expenses exceed that amount, the Authority will not reimburse the tax liability on that element of those expenses above £40,067.

13. In the event that your appointment ceases then the amount of removal and relocation expenses paid will be repaid to the Authority by reference to the following time periods and percentages:

Appointment ceasing within 1 year	:	75% repayable
Appointment ceasing within 2 years	:	50% repayable
Appointment ceasing within 3 years	:	25% repayable.

14. Your CPOSA membership fees will be paid but you must pay the insurance element of any fees payable to CPOSA.

I should be grateful if you would signify your acceptance of these terms by signing the copy letter attached where indicated and then return the copy letter to me.

Finally may I congratulate you upon your appointment and look forward to your starting in 'G' in XXXX.

If there are any queries on the above please do not hesitate to contact me.

Yours sincerely

.....

Enc.

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I agree to the terms of appointment set out in the above letter.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

**'H' POLICE AUTHORITY  
CHIEF OFFICER RELOCATION PACKAGE POLICY**

**1 Background Information**

- i. To facilitate the recruitment of high quality Officers to the rank of Chief Constable, Deputy Chief Constable and Assistant Chief Constable, or civilian equivalents, a relocation package is available to successful candidates who relocate their home upon appointment.
- ii. Full details of the relocation package will be included in the application package and confirmed in writing in the letter of appointment.

**2 Allowable expenditure**

- i. Where the Chief Officer relocates their home (based on the assumption that the Chief Officer was the owner of the former home) the following is payable under Police Regulations:
  - The reasonably incurred cost of removal including removal fees and storage costs, against estimates agreed beforehand,
  - Solicitors fees, Estate Agents fees and disbursement costs reasonably incurred in disposing of former home, against estimates agreed beforehand,
  - Solicitors fees, Estate Agents fees, disbursement costs and Stamp Duty reasonably incurred in acquiring a new property, against estimates agreed beforehand,
  - Reimbursement of incidental expenses in respect of the move, e.g.: alteration and/or replacement of curtains, carpets, blinds and related fittings; relaying of floor covering; cleaning of carpets; plumbing in of washing machines; fitting of gas/electric cooker; fitting of gas fridge/freezer; fitting of television aerial; fitting of security system if determined appropriate through risk assessment. An estimate should be provided and agreed with the Chief Executive before any commitments are entered into.
  - Family visits to view prospective houses.
- ii. Where the Chief Officer is either the owner and/or the legal tenant of two properties simultaneously the following are also payable under the Police Regulations.
  - Mortgage interest or rent payable in respect of the former home for the first 26 weeks following the move which may be extended at the discretion of the Police Authority provided they are satisfied that all reasonable steps to dispose of the property are being made.
  - Where two properties are occupied at the same time by the Chief Officer and their spouse any difference in Council Tax liability compared with the liability that existed on the former property for the first 26 weeks following the move which may be extended at the discretion of the Police Authority provided they are satisfied that all reasonable steps to dispose of the property are being made.
- iii. It is important to note that:

- a. points 2(i) and 2(ii) above do not qualify for tax exemption and are subject to tax and NICs in full.
- b. Where the Police Authority is of the opinion that the Chief Officer could have acquired a suitable home for a consideration less than that actually paid, they may restrict the reimbursement of expenses to those which would have been reasonably incurred had the Chief Officer paid that lesser consideration.

a. **Discretionary Expenditure**

The Police Authority will rent a property of a reasonable standard for the Officer for up to 26 weeks to facilitate the officer finding a new home. To avoid the question of double funding, the officer will continue to remain liable for Council Tax, rent or mortgage payments on his/her home for that period and will also not be entitled to claim any housing/rent allowance during this period. The position will be reviewed, if necessary, at the end of 26 weeks.

b. **Tax Liability**

- i. Personal tax liability will be incurred on amounts received above current HMRC limits of £8,000 and payment of any tax due is the responsibility of the individual Chief Officer.

**5 Financial Records**

- i. Procurement procedures should be fully adhered to and three quotations must be obtained for removal fees, storage fees etc.
- ii. Invoices in relation to valid relocation expenses should be addressed to the Director of Finance, as they will need to be met from within the Force budget. Invoices, once checked, should be forwarded to the Chief Executive for authorisation. The invoices will then be returned for payment to the Director of Finance who will also monitor expenditure against the taxable allowance.
- iii. VAT will be recovered where appropriate by 'H' Police.

**6 Repayment of Expenses and Allowances**

In the event that a Chief Officer's appointment is terminated within two years of taking up the appointment, relocation expenses and allowances will be repayable on a proportionate basis.