



Police
Remuneration Review Body

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First Report on Northern Ireland 2015

Chair: David Lebrecht



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First Report for Northern Ireland 2015

Chair. David Lebrecht

Presented to the Northern Ireland Minister of Justice
June 2015

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Police Remuneration Review Body

Terms of reference¹

The Police Remuneration Review Body² (PRRB) provides independent recommendations to the Home Secretary and to the Northern Ireland Minister of Justice on the hours of duty, leave, pay, allowances and the issue, use and return of police clothing, personal equipment and accoutrements for police officers of or below the rank of chief superintendent and police cadets in England and Wales, and Northern Ireland respectively.

In reaching its recommendations the review body must have regard to the following considerations:

- the particular frontline role and nature of the office of constable;
- the prohibition on police officers being members of a trade union or withdrawing their labour;
- the need to recruit, retain and motivate suitably able and qualified officers;
- the funds available to the Home Office, as set out in the Government's departmental expenditure limits, and the representations of police and crime commissioners and the Northern Ireland Policing Board in respect of local funding issues;
- the Government's wider public sector pay policy;
- the Government's policies for improving public services;
- the work of the College of Policing;
- the work of police and crime commissioners;
- relevant legal obligations on the police service in England and Wales and Northern Ireland, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability;
- the operating environments of different forces, including consideration of the specific challenges of policing in rural or large metropolitan areas and in Northern Ireland, as well as any specific national roles which forces may have;
- any relevant legislative changes to employment law which do not automatically apply to police officers;
- that the remuneration of the remit group relates coherently to that of chief officer ranks.

The review body should also be required to consider other specific issues as directed by the Home Secretary and/or the Northern Ireland Minister of Justice, and should be required to take account of the economic and other evidence submitted by the Government, professional representatives and others.

¹ The terms of reference were set by the Home Office following a public consultation – *Implementing a Police Pay Review Body – The Government's Response*, April 2013.

² The Police Remuneration Review Body was established by the Anti-social Behaviour, Crime and Policing Act 2014, and became operational in September 2014.

It is also important for the review body to be mindful of developments in police officer pensions to ensure that there is a consistent, strategic and holistic approach to police pay and conditions.

Reports and recommendations of the review body should be submitted to the Home Secretary, the Prime Minister and the Northern Ireland Minister of Justice, and they should be published.

Members³ of the review body are:

David Lebrecht (Chair)
Heather Baily
Professor Brian Bell
Elizabeth Bell
Anita Bharucha
Paul Leighton
Christopher Pilgrim
Patrick Stayt

The secretariat is provided by the Office of Manpower Economics.

³ Members of the review body are appointed through open competition adhering to the Commissioner for Public Appointments' Code of Practice.
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-20121.pdf>

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POLICE REMUNERATION REVIEW BODY

First Report on Northern Ireland 2015

Executive Summary

Our 2015/16 recommendations (from 1 September 2015)

- **A consolidated increase of 1% to all pay points for federated and superintending ranks.**
- **Northern Ireland Transitional Allowance and Dog Handlers' Allowance to be updated by 1%.**

Remit

We were established as an independent pay review body in September 2014 and this is our first report on the remuneration of police officers in the Police Service of Northern Ireland (PSNI) up to and including the rank of chief superintendent. We considered evidence from all the parties, alongside the factors in our terms of reference, including affordability, recruitment, retention, and motivation. In his remit letter, the Minister of Justice asked us to take account of the overall policy that public sector pay awards would average up to 1% in 2015/16; and to note the importance of retaining uniformity with similar ranks in England and Wales. He sought our specific recommendations on the application of any pay award for September 2015 and whether the same increase should be applied to the Northern Ireland Transitional Allowance and the Competence Related Threshold Payment.

The policing and security context

We recognise the unique status of police officers as servants of the crown, the demands and restrictions this places on them, and the particular constraints on PSNI officers' working and personal lives, given the policing and security context in Northern Ireland. We were grateful to the parties for the perspectives they offered in evidence of the impact of changes in policing in recent years, and to individual officers we met on our first visit to Northern Ireland, who helped us build our understanding of the pressures on them in their daily work. This distinctive operational environment in Northern Ireland has led to some differences in elements

of the pay package compared to that for England and Wales, but we note the intention has been to maintain broad consistency and parity with England and Wales.

The evidence

On the overall context for our recommendations, we conclude from the evidence:

- Indicators point to an improving economy and labour market – albeit at a slower rate in Northern Ireland than the rest of the UK;
- The UK Government’s public sector pay policy must play an important part in our considerations. We note the financial pressures facing the PSNI, but acknowledge its evidence that the proposals are affordable within its budget;
- Police officer numbers have decreased and further reductions are anticipated. While the PSNI strength is below that identified in the Capability and Resilience Review, work is underway to map demand and resources and develop a new operating model which will enable a better assessment of desired strength in future;
- Recruitment is healthy and the quality of recruits is high. Retention is stable with wastage at a reasonable level. However, levels of sickness, which can be an indication of morale and motivation, are rising with possible implications for resilience;
- The security threat is still ‘severe’, reinforcing the need for community engagement to reduce paramilitary activity while also working closely with other public services and responding to increasing demand created by more sophisticated patterns of crime.

2015/16 recommendations on pay and allowances

We examined a range of options for a pay award. We were mindful of the consensus among the parties that broad parity with England and Wales was important to support the interchange of skills and experience; but also considered whether factors specific to Northern Ireland supported a different approach for the PSNI.

There is little evidence on recruitment or retention to support the staff associations’ proposals for an uplift above 1%. Given the affordability constraints and the Department of Finance and Personnel’s specific evidence that any award of up to 1% should include contractual progression, we considered the options of an across-the-board 1% uplift but freezing progression; or of relying on incremental progression to provide a pay increase for those below the maxima, with a modest cash award for

those at the maxima. We rejected the option including a progression freeze on the grounds that those officers affected were more likely to be female or from the Catholic community, and this approach would adversely impact these groups. In addition, we took account of the parties' view that progression in the PSNI is contractual, and acknowledged wider concerns about the potential impact of a progression freeze on retention, morale and motivation.

We weighed carefully the affordability case for the option of relying on incremental progression with an award only for those on the maxima, and the case made for parity with England and Wales, which suggested an increase to all pay points, consistent with our recommendation for that remit group. We note particularly the importance to the PSNI of interchange to develop skills and wider policing experience and also attach weight to its statement that a 1% uplift and incremental progression is affordable within its current budget. **We therefore conclude that a consolidated 1% increase to all pay points is appropriate for 2015/16**, in line with our recommendations for England and Wales. The increase is affordable, aims to support interoperability and sustain retention and morale, recognising the need to underpin resilience in light of the cumulative impact of recent pay restraint and pension changes.

We do not rule out a different approach to Northern Ireland in future years and acknowledge the Minister's oral evidence to us that he was not seeking absolute parity on pay but to avoid significant differences that would make interchange more difficult. However, we consider that there needs to be a fuller debate about the future policy on parity with England and Wales which could, over time, have significant implications for the PSNI.

On allowances, we note that while the Northern Ireland Transitional Allowance does not compensate for specific aspects of the role, it is an important recognition of the differences facing PSNI officers in their daily lives. Evidence from the parties showed that the security situation remains challenging and accordingly **we recommend that the Northern Ireland Transitional Allowance should increase in line with the pay award.**

On the Competence Related Threshold Payment, we note that the allowance is being phased out in England and Wales but acknowledge concerns that its removal could adversely impact on retention of PSNI officers and that it remains important, for now,

to support resilience. However, we note current turnover and retention rates are stable and would need stronger evidence than we received this year to support any uplift ahead of the planned wider review.

Our forward work programme

The remit letter from the Minister of Justice asks us to plan a review of the Competence Related Threshold Payment scheme with changes to take effect from September 2018. We look forward to receiving evidence from the parties to support this work in due course. In considering our future work programme, we note the work of the College of Policing in England and Wales and the intention of the National Police Chiefs' Council to undertake pay development work flowing from it, with potential implications for future remits. This work is expected to include the pay implications of a review of rank structure and an examination of the scope for greater flexibility within the national pay framework, including to enable recognition of skills or heavily weighted posts. With this in mind, we draw the Northern Ireland parties' attention to our proposed work programme for England and Wales as it has the potential to impact on the PSNI, particularly if parity remains an important consideration.

Looking ahead, we would welcome views from the parties on aspects of the strategic direction for the PSNI and of our planned England and Wales work programme which have a distinctive Northern Ireland dimension. We will need to take these into account, either in the context of an England and Wales remit or in a subsequent Northern Ireland remit. We look forward to working with the parties to provide a pay and conditions package which supports police officer recruitment, retention and morale and therefore enables an effective and efficient police service.

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|---------------------------------|---------------|
| DAVID LEBRECHT (<i>Chair</i>) | HEATHER BAILY |
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12 June 2015

Chapter 1 – Introduction

Introduction

1.1 This first Northern Ireland report of the Police Remuneration Review Body (PRRB) covers pay and allowances recommendations from 1 September 2015 for police officers in the Police Service of Northern Ireland (PSNI) up to and including the rank of chief superintendent. We have received a wealth of evidence concerning the unique and challenging nature of policing in Northern Ireland. Our recommendations are framed by this context and by evidence on the desire to maintain broad coherence with police forces in England and Wales. Throughout our deliberations we have been guided by our terms of reference set out at the beginning of this report.

Establishment of the review body

1.2 In March 2012, the Winsor Review⁴ of policing in England and Wales recommended the abolition of the UK-wide Police Negotiating Board (PNB) to be replaced by an independent Police Pay Review Body by late 2014. The detail of its implementation and operation was the subject of a Home Office consultation from October 2012 to January 2013.

1.3 The Northern Ireland Minister of Justice carried out an additional local consultation on the appropriate forum for determining police pay and conditions in late 2013. The key considerations raised were:

- Maintaining links with other police forces in the UK to encourage sharing of personnel, best practice and strategies in tackling policing issues;
- An independent, evidence-based overview taking into account both NI and wider UK developments and issues; and
- Efficient use of resources: reducing the significant amount of time and personnel involved in preparing for and attending meetings.

1.4 Following this consultation the Minister determined that the Police Remuneration Review Body should consider and make recommendations on pay and terms and conditions for police officers in Northern Ireland in addition to those in England and Wales. In April 2013, the Government confirmed the

⁴ *Independent Review of Police Officer and Staff Remuneration and Conditions (Winsor Review) – Part 1* (March 2011) and *Part 2* (March 2012). Available at: www.gov.uk/police-pay-winsor-review

legislative basis for the review body and its terms of reference. It also confirmed that police pensions⁵ would be a matter for the Police Advisory Boards, and responsibility for chief officer ranks' pay would move to the Senior Salaries Review Body.

- 1.5 The legislative basis for the Police Remuneration Review Body is the *Anti-social Behaviour, Crime and Policing Act 2014*⁶ (Clauses 132 to 134 and Schedule 7) along with the *Anti-social Behaviour, Crime and Policing Act 2014 (Commencement No. 5) Order 2014*⁷ which formally established the review body on 1 September 2014.

Our terms of reference

- 1.6 Our remit group is all officers in the Police Service of Northern Ireland (PSNI) up to and including the rank of chief superintendent, police trainees and police cadets. It does not include the Part-Time Reserve or police staff. Our terms of reference, which are set out in full at the start of this report (page iii), include pay and allowances, hours of duty, leave, and the issue and return of equipment.

Our remit for 2015/16

- 1.7 The Chief Secretary to the Treasury (CST) wrote to us on 29 July 2014 (Appendix A) outlining the important role that public sector pay restraint had played in fiscal consolidation. The CST commented that the fiscal challenge remained and the UK Government believed the case for continued pay restraint across the public sector remained strong. Its policy was that public sector pay awards would be an average of up to 1% in 2015/16. The CST considered that there were unlikely to be recruitment and retention issues for the majority of public sector workforces, and that pay restraint remained a crucial part of the consolidation plans putting the UK on the path of fiscal sustainability and helping to protect jobs and support the quality of public sector services.

- 1.8 The Northern Ireland Minister of Justice wrote to us on 6 October 2014 to provide the specific remit for 2015/16 (Appendix B). He said the Northern

⁵ A United Kingdom Police Pensions Consultative Forum has been set up to consider pension matters.

⁶ <http://www.legislation.gov.uk/ukpga/2014/12/contents>

⁷ <http://www.legislation.gov.uk/uksi/2014/2125/note/made>

Ireland Executive had endorsed the principle of adherence to the UK Government's public sector pay policies but noted that the Department of Finance and Personnel in Northern Ireland had not yet set out their detailed pay policy for 2015/16.

1.9 The remit letter asked us to consider specifically:

- The application of any pay award for police officers from September 2015;
- Whether the same increase should be applied to the Northern Ireland Transitional Allowance and Competence Related Threshold Payment.

It also asked us to note the importance of retaining uniformity with similar ranks in England and Wales while considering the full package of remuneration and any specific challenges facing police officers in Northern Ireland not already addressed.

Parties giving evidence

1.10 The following parties provided written and oral evidence for this report. Copies of their written evidence can be found on their websites (addresses in Appendix E):

- Northern Ireland Department of Justice and Department of Finance and Personnel;
- Police Service of Northern Ireland;
- Northern Ireland Policing Board;
- Police Federation for Northern Ireland;
- Superintendents' Association of Northern Ireland.

1.11 In preparation for this, our first remit for police officers in the PSNI, we met with the parties in Northern Ireland to better understand the context for our work and to explain the review body process. We are grateful to the parties for participating in these initial discussions, for taking the time to provide written and oral evidence and responding to our questions and requests for information. Our secretariat also provided us with up to date information on the economy, labour market, inflation, earnings and settlements, and wider developments in pay arrangements across the UK economy.

Visit to the PSNI

- 1.12 In December 2014, we visited the PSNI. We met the senior management team, groups of officers across all ranks in our remit, the Northern Ireland Policing Board and representatives of the staff associations. We also conducted visits to a number of police forces across England and Wales which helped us appreciate the broader policing context and understand those aspects which are distinctive to Northern Ireland policing.
- 1.13 A specific aim of these visits was to meet a selection of officers and gain an understanding of the operational environment. We found these visits informative and particularly helpful in understanding the distinctive pressures facing the PSNI and how its role compares with that of forces in England and Wales more generally, as well as gaining a greater insight into the role of police officers and the demands they face.
- 1.14 We would like to extend our thanks to all those who participated in our visits. Regular visits to the PSNI will be a key feature of our programme of work and we look forward to meeting a wide range of officers to ensure we gain an appreciation of the challenges they face, their changing roles and the specific concerns of the operational environment in Northern Ireland.

Our overall approach

- 1.15 The starting point for our approach is our independence. We scrutinise the evidence that we receive from the parties and supplement this with research and information from our secretariat. This enables us to assess the range of factors set out in our terms of reference, in particular the need to support recruitment, retention and motivation of police officers, and to arrive at a coherent set of evidence-based conclusions and recommendations.
- 1.16 We value the provision of robust evidence and the opportunity to test this out in oral evidence sessions. We recognise that the move from the Police Negotiating Board to a pay review body is a significant change for all parties involved in the process and may take some time for the new arrangements fully to mature. To aid this development, we have suggested in the relevant sections of this report where evidence might be improved in future.

- 1.17 In framing our conclusions, we must consider the specific remit set by the Minister of Justice and the context for this year's remit which includes the Government's public sector pay policy and the particular budgetary challenges faced by the PSNI. During this period of constraint, we will continue to assess all elements under our terms of reference and make observations on longer term pay and workforce developments in addition to our recommendations on the matters set out in the remit letter.
- 1.18 In Chapter 2 we summarise the main evidence received from the parties and draw together our assessment of the overall context in which we have undertaken this remit. Chapter 3 sets out specific evidence on pay proposals for 2015/16 and our conclusions. Looking ahead to future remits, we also note some wider developments on which we would welcome evidence.

Chapter 2 – The Evidence

Introduction

2.1 In this chapter we summarise the evidence presented this pay round as it relates to our terms of reference. The main points cover: (i) the environment and security situation; (ii) the economy and earnings; (iii) Government pay policy and affordability; and (iv) the PSNI police officer workforce. The full written evidence can be found on the parties' websites, listed at Appendix E.

General

2.2 Both the **Department of Justice** and the **PSNI** highlighted that policing had undergone significant change over the past 14 years resulting from the recommendations of the Independent Commission on Policing in Northern Ireland, commonly known as the Patten Review⁸. However, the PSNI is still facing significant challenges and experiencing change. The **staff associations** noted that the immense and current policing challenges facing the PSNI were unlikely to improve in the short to medium term and would probably remain unchanged for the next ten years.

2.3 In his remit letter, the Minister of Justice noted the importance of retaining “uniformity with similar ranks in England and Wales”. In oral evidence, the Minister clarified that Northern Ireland was not seeking absolute parity with England and Wales but rather to avoid significant differences which would make interchange more difficult. In its evidence, the Department said that policing in Northern Ireland was not able, nor did it wish, to operate separately from the rest of the UK as this enabled the PSNI to fill posts, seek expertise and exchange support when needed.

2.4 Both the Department and the PSNI highlighted that, in order to maintain consistency and parity with England and Wales following the Winsor Review, a package of reforms had been implemented in the PSNI. These were similar, but not identical, to the Winsor reforms. Projected PSNI savings from the

⁸ The Independent Commission on Policing in Northern Ireland produced its report *A New Beginning: Policing in Northern Ireland* in September 1999.

reforms for the five year period from the 1st April 2014 amounted to £16.4 million.

The environment and security situation

- 2.5 In their evidence, all parties recognised the unique nature of policing in Northern Ireland. The **Department of Justice** said that the security threat in Northern Ireland, as assessed by the Chief Constable, was ‘severe’ and that officers in the PSNI were routinely armed. The **Northern Ireland Policing Board** (NIPB) echoed this assessment, reporting that, despite the progress made to date, the PSNI still faced a ‘severe’ threat (i.e. an attack was highly likely) from terrorist groups, with 18 national security attacks in 2014.
- 2.6 As an illustration, the NIPB mentioned the Special Purchase of Evacuated Dwellings scheme which operated in Northern Ireland to help people who had been threatened or intimidated and could no longer live in their own home. Since 2001, 324 police officers had moved properties under the scheme.
- 2.7 The NIPB acknowledged that the PSNI had received £231 million additional security funding for the period 2011–2015 from the UK Government to support them in tackling the threat. However, this needed to be seen in the context of the reduction in overall funding provided by the Northern Ireland Executive to the PSNI. In the October 2014 statement to Parliament on the threat level in Northern Ireland, the Secretary of State for Northern Ireland had raised concerns that this additional funding would have less of an impact and that there would be a negative effect on the PSNI’s operational capability in some areas.
- 2.8 The **staff associations** agreed that policing in Northern Ireland was “unique and different” from other parts of the UK, with officers being routinely armed and carrying personal protection weapons while off duty. They argued that the “incessant volatile and hostile working environment” was a fundamental distinction which set PSNI officers apart from colleagues in the rest of the UK. By way of illustration, they advised us that officers in the PSNI were routinely targeted for injury and murder, simply for the reason that they were police officers. Scores of officers and their families had been forced from their homes due to death threats. Officers were considered to be legitimate targets by

terrorists in Northern Ireland, and were constantly on the alert for possible attack, both on and off duty.

- 2.9 Whilst the security situation had improved over the last decade in that there had been fewer security related deaths, the staff associations told us that a significant death threat still remained as evidenced by the increased number of bombing incidents in 2013/14 compared with 2004/05 and the continued use of paramilitary style shootings and assaults. The threat level remained at “the upper end” of ‘severe’. The risks to officers were an everyday factor in their lives, both on and off duty.
- 2.10 Their evidence considered that the full remuneration package in Northern Ireland should reflect the specific “special and different” challenges and circumstances facing police officers.

Economy and earnings

- 2.11 Evidence from the **Department of Justice** included the Department of Finance and Personnel’s (DFP) assessment of the economic situation. It reported that Northern Ireland had experienced the longest and most severe downturn of any UK country or region. Whilst the economy was “moving in the right direction”, pending public sector spending cuts may mean a “more challenging economic environment going forward”.
- 2.12 Private sector business activity in Northern Ireland had shown continued signs of recovery with an increase in overall activity recorded for the sixteenth consecutive month to October 2014. Business conditions remained challenging, particularly in the construction industry, which had experienced a prolonged downturn, more severe than that seen in Great Britain. Service sector output levels in Northern Ireland increased by 2.2% over the year to Q2 in 2014 and the manufacturing sector had also shown increasing signs of recovery.
- 2.13 There was however, a long way to go until Northern Ireland returned to its pre-downturn position. The DFP reported that the legacy of the economic downturn had been higher unemployment, higher youth unemployment and higher rates of long-term unemployment. However, the recent trend of increasing economic activity had led to improving labour market performance.

Unemployment was falling and employment was increasing. In addition, the number of young people not in employment, education or training was also falling. The unemployment rate for the period July-September 2014 (6%) was the sixth lowest of the UK regions and the same as the UK average rate.

- 2.14 Its evidence noted that the public sector in Northern Ireland had a higher share of overall employment (29.7% in Q2 2014) than for the UK as a whole (17.6%) which meant that public expenditure tightening had a particular impact in Northern Ireland. While gross full-time public sector earnings⁹ (£612.60 per week in Northern Ireland) were below the UK average of £643.90, they outstripped private sector earnings due to their relatively low level in Northern Ireland. Overall, private sector earnings in Northern Ireland had consistently been the lowest of the UK regions and at £484.60 were 26.6% below the UK average of £613.40.

Government pay policy and affordability

Government pay policy

- 2.15 Enforcement of pay growth limits is devolved to the Northern Ireland Executive within the overarching parameters set by HM Treasury. The **Department of Justice** evidence noted that the Executive had endorsed the principle of adherence to the UK Government's public sector pay policies. It advised that its underlying principles were that public sector pay should allow it to recruit, retain and motivate suitable staff and should reflect the circumstances specific to the local labour market.
- 2.16 Its written submission included guidance issued by HM Treasury which encouraged Departments "to include contractual progression increments to which there is a legal entitlement as part of the 1% award" and drew attention to the overall pay restraint policy set out in the Chancellor of the Exchequer's Budget 2013 which announced that pay awards would be limited to 1% until 2015/16. The Chief Secretary to the Treasury's letter of 29 July 2014 to pay review body chairs reiterated this policy.
- 2.17 In oral evidence, the Minister confirmed that the Department was seeking an award in line with the Northern Ireland Executive's pay policy of a maximum of

⁹ Annual Survey of Hours and Earnings 2014.

up to 1% to include contractual progression.

Affordability

- 2.18 The **Department of Justice** said that the PSNI had been asked to deliver additional savings of some £38 million (5.2%) in 2014/15. This was an additional in-year saving for 2014/15 over and above the £135 million efficiency savings required in the current spending review period (the four years to 2014/15).
- 2.19 The **NIPB** said that the PSNI had faced a number of financial pressures in recent years. In 2013/14, these included £22.8 million for policing parades, £25.1 million for dealing with the past and £25.1 million for Injury on Duty awards. The latter were more significant for Northern Ireland than for other forces. The NIPB reported that the Board received 10-15 applications per week for the Injury on Duty award, compared with 20 per year in the Metropolitan Police Service.
- 2.20 It highlighted the additional savings the PSNI had to make in 2014/15. A number of measures had been taken but the Chief Constable was unable to provide full assurance that the PSNI could deliver the required budget reductions.
- 2.21 The Department, the NIPB and the **PSNI** drew attention to the draft allocation of £644.4 million for 2015/16; an expected 8.6% reduction against the opening 2014/15 baseline although this was still under consideration. The PSNI said that this would leave a potential funding gap of £65 million.
- 2.22 The NIPB reported that the PSNI had advised that it was still considering how best to address the funding gaps presented in the current and next financial years' budgets and were reviewing every area of business to reduce costs, whilst ensuring the necessary numbers required to keep people safe, as identified in the Capability and Resilience Review of 2013, were maintained and achieved.
- 2.23 The NIPB said that over 70% of the PSNI budget related to salaries. In relation to the remit group, the PSNI said that the basic pay and employer costs were approximately 60% of the PSNI main funding and the projected cost of pay for 2014/15 for the remit group was £374.1 million. 64% of officers were at the

maximum of their pay scale although the proportion varied considerably according to rank.

The PSNI police officer workforce

- 2.24 All parties agreed that officer numbers were below desired levels. The **staff associations** reported that the “ever-decreasing number of officers” was far short of the number referred to in the 1999 Patten Report which recommended that “providing the peace process does not collapse and the security pertaining at present, the approximate size of the police service over the next ten years should be 7,500 full-time officers”.
- 2.25 The **NIPB** highlighted the Capability and Resilience Review carried out in August 2013 and the **PSNI** told us the medium term target arising from this was to have 6,963 officers in post by March 2018.
- 2.26 The **Department of Justice** reported that the current officer strength was 6,833 (as at 30 November 2014). This was below the “optimum” agreed level of 6,963 and might be reduced further in light of current financial pressures. Whilst some recruitment was taking place, wastage meant that it was likely to take some years to reach desired strength.
- 2.27 The staff associations commented that the considerable deficiency in officer numbers had had much broader implications for resilience. They also said that the majority of officers were suffering fatigue and burnout, and were unable to take rest days and in some cases annual leave.
- 2.28 The staff associations said that pay was a crucial factor in the recruitment, retention, motivation and performance of employees. It was important that the level of pay was seen as fair and reasonable recompense for the degree of responsibility and skill required to meet the needs of the role.
- 2.29 The PSNI said that changes to recruitment, combined with wastage and the severance programme, had led to the service being more representative. Recent recruitment campaigns (which were contracted out) had targeted young people, women, areas of social deprivation and western areas of Northern Ireland, as well as members of the Catholic community.

- 2.30 The PSNI said that two recent recruitment campaigns (in 2013 and 2014) had had around 7,500 and 5,800 applicants respectively. The first campaign had had just under 750 successful candidates of which 229 had been appointed as student officers. A total of 378 appointments were expected in the 2014/15 financial year, subject to affordability.
- 2.31 The PSNI said while a further 378 appointments had been planned for 2015/16 from the second campaign, budget cuts were expected to reduce this significantly to approximately 100 officers.
- 2.32 The PSNI told us that they had carried out promotion processes across a number of ranks. The number of successful applicants was more than sufficient to fill the number of vacancies. Among those constables who had applied for promotion to sergeant, approximately one third had withdrawn, citing a range of work pressures.
- 2.33 In oral evidence, the PSNI told us they will be undertaking a transformation programme in 2015/16, moving to risk-based resourcing. Work was underway on a new operating model, looking at demands and mapping resources, helped by work already undertaken in some England and Wales forces. This will provide an evidence-based assessment of workforce numbers and mix. However, the need to deploy up to 3,500 officers on public order duties during the summer peak will underpin final officer numbers.

Our overall assessment of the evidence

- 2.34 In this section we draw together our assessment of the broad themes raised in the evidence we have received.

General

- 2.35 We note the major effect on Northern Ireland of the 1999 Patten Report and in particular changes to policing arising from its 10-year plan. We also recognise the significant reforms over the past 15 years and that there is now scope for the PSNI to consider whether some processes are still required or could be undertaken more cost-effectively.
- 2.36 We recognise the desire for uniformity with England and Wales, to ensure interoperability and a flow of skills and experience into the PSNI. We note that

some differences already exist as a result of recent changes and in our forward look in Chapter 3 we suggest a fuller debate is needed about the future policy on parity with England and Wales.

The environment and security situation

2.37 We acknowledge the different operating environment in Northern Ireland and the demands and restrictions this places on PSNI officers, both in their working and their personal lives. Our visit to the PSNI was helpful in understanding the range of challenges facing officers in delivering the Patten principles of community policing under a 'severe' security threat. Alongside this, the PSNI is facing many of the same challenges as forces in England and Wales, with increased demand created by more sophisticated and resource intensive patterns of crime and the need to work closely with other public services. We recognise the underlying tensions and sensitivities in Northern Ireland which impact on this work and the need to ensure community engagement to reduce paramilitary activity.

The economy and earnings

- 2.38 The economic context must inform our considerations. The impact of the recession was more pronounced in Northern Ireland than in the UK as a whole. In line with the rest of the UK, Northern Ireland is now experiencing economic growth, albeit at a slower rate, with increasing employment and declining unemployment forecast to continue.
- 2.39 In line with other public sector employees, earnings of police officers are higher than average private sector earnings in Northern Ireland. Compared with that of officers in England and Wales, excluding London, average basic pay is broadly similar for officers of all ranks. However, the average additional earnings in Northern Ireland are higher, particularly at constable and sergeant ranks¹⁰. We note that the recent changes to pay will have an impact on these comparisons and there is a need for timely earnings data to enable a full assessment.
- 2.40 Although Northern Ireland was not in scope of the Winsor Review, a number of changes¹¹ were made subsequently to the PSNI pay structure to support

¹⁰ OME analysis of 2012/13 PNB Earnings Census.

¹¹ See Appendix D for a list of changes.

consistency following reforms in England and Wales. We note evidence from the staff associations that, in common with officers in England and Wales, these pay changes, successive years of pay restraint, below cost of living increases and pension changes have led to a real terms reduction in the value of police pay. However, we acknowledge that there have also been significant differences in the implementation of changes, in particular Northern Ireland did not apply a two-year progression freeze and retained the CRTP scheme.

Government pay policy and affordability

- 2.41 The UK Government's pay policy has informed the specific Northern Ireland pay guidance from the DFP. However, we note that the DFP proposed that any award should include "contractual progression" within the 1% envelope. In contrast, the Home Office evidence for police officers in England and Wales proposed a 1% uplift to pay scales but did not seek to constrain progression.
- 2.42 We were concerned that the remit letter did not set out the specific pay policy for Northern Ireland due to timing. This lack of clarity about the detail and implications of the DFP guidance was unhelpful to the parties when preparing their evidence and hampered our deliberations.
- 2.43 We are fully aware of the financial pressures facing the PSNI and that workforce costs are a major component of their budget. We recognise the work on the transformation programme, in particular on resource mapping, will inform the PSNI's assessment of its required recruitment level. However, we acknowledge the evidence from the PSNI that their proposals are affordable.

The PSNI police officer workforce

- 2.44 The evidence shows that officer numbers have decreased in recent years to stand at around 6,800. While the figure of 7,500 officers recommended by the 1999 Patten Report had been updated to 6,963 following a 2013 resilience review, all parties noted that the PSNI is operating below this "optimum" level. We welcome the transformation programme underway in the PSNI, in particular the work to map demand and resources which will lead to a better assessment of desired strength.
- 2.45 Applications to join the PSNI are high with a large pool of successful candidates from which to draw recruits. However, budgetary pressures have

led to recruitment being significantly reduced in 2014/15 and the target of 378 recruits for 2015/16 being reduced to 100. Changes in the composition of the PSNI workforce following the Patten Report have led to the Service becoming more representative, with more women and Catholics among recently recruited police officers. The evidence suggests that retention and wastage are stable, with no specific concerns highlighted. The extent to which this is influenced by the decision to retain the Competence Related Threshold Payment scheme is not clear.

- 2.46 The staff associations highlighted that the decline in officer numbers has implications for resilience with greater “burnout” of officers and high levels of banked rest days and unused annual leave. This was confirmed during our visit – information highlighted that sickness levels are rising and that long term sickness is a particular issue. The reduction in police staff is also impacting on officer roles and workload.

Concluding comment

- 2.47 The evidence we have received helps us understand the context in Northern Ireland and forms the backdrop to our deliberations on pay for 2015/16. In Chapter 3 we set out our conclusions on the evidence and our recommendations.

Chapter 3 – Pay Proposals and Recommendations for 2015/16

Introduction

3.1 In this chapter we review the parties' proposals on the 2015/16 basic pay uplift for police officers in our remit and assess the evidence for the Northern Ireland Transitional Allowance and the Competence Related Threshold Payment, making recommendations as required in the Minister of Justice's remit letter.

Basic pay increase

3.2 The remit letter from the Minister of Justice asked us to make recommendations on the application of any pay award for police officers from September 2015 taking into account that the Northern Ireland Executive had endorsed the principle of adherence to the UK Government's public sector pay policy for 2015/16 and that enforcement of pay growth limits was devolved to the Executive. In subsequent written evidence, the Department of Justice drew attention to HM Treasury's guidance that contractual progression increments should be included as part of the 1% award and noted this was reflected in the Department of Finance and Personnel's (DFP) guidance. The remit letter also asked us to note the importance of retaining uniformity with similar ranks in England and Wales.

3.3 The evidence submissions from the parties set out a number of options:

- The **Department of Justice** proposed that "a maximum award of up to 1% should be applied to the pay bill, to include contractual increments, subject to affordability";
- The **NIPB** supported an award of up to 1%, in line with the Government's public sector pay policy, if the PSNI indicated it was affordable;
- The **PSNI** emphasised the importance of parity with England and Wales to aid interoperability and stated that a 1% uplift to pay scales in addition to "contractual" progression was affordable for 2015/16; and
- The **staff associations** highlighted the real terms decrease in the value of take home pay and proposed an uplift in basic salary in line with RPI¹².

¹² 2.3% at time of submission of evidence in December 2014.

Our comment and recommendation

- 3.4 This is our first report on pay for police officers in Northern Ireland. In our deliberations, we have taken account of the factors in our terms of reference and points raised in the remit letter from the Minister of Justice. We have drawn on the available evidence and carefully considered a range of options, balancing the need for any award to be affordable with the view of all parties that uniformity with England and Wales remains important. Although the remit letter, which triggered the parties' provision of evidence, signalled the Northern Ireland Executive's adherence to the UK Government's public sector pay policy and the importance of uniformity with England and Wales, it did not include specific details of the Northern Ireland Executive's pay policy. As we noted in Chapter 2, this hindered the parties in preparing their evidence and our own consideration of the remit. In future we would expect greater clarity on the Northern Ireland Executive's detailed pay policy from the outset, including its application to other public sector groups.
- 3.5 On the broader context, we note that officers in the PSNI hold the same "office of constable" as those in England and Wales and that policing in Northern Ireland does not wish to operate independently from that in the rest of the UK. Indeed, the continuing budgetary constraints facing all forces increase the need for formal and informal collaboration and the use of mutual aid for large-scale operations. There was consensus among the parties that broad parity was necessary to enable the interchange of skills and experience. We are aware that differences between the PSNI and An Garda Síochána terms and conditions hinder the permanent transfer of officers between these forces and note the desirability of avoiding similar barriers with England and Wales.
- 3.6 In examining options for any pay award, we considered whether the contextual factors and specific financial constraints in Northern Ireland supported a different approach for PSNI officers. While the PSNI and the NIPB sought a 1% uplift and progression, and the staff associations proposed progression plus an uplift in line with inflation, evidence from Department of Justice stressed the DFP's pay guidance that any award should be up to 1% including incremental progression. We therefore examined the case for an uplift to pay scales and that for pay progression.

- 3.7 We considered first whether an overall pay uplift either above or below 1% was justified by the evidence. The staff associations proposed an award in line with inflation (which at the time of submitting evidence was higher than 1%). However, we have seen no substantial evidence on recruitment and retention, or from our assessment of the labour market, to support an award above 1%. Conversely, the DFP guidance that an award of up to 1% should include progression, implied an uplift of considerably less than 1% but provided no specific evidence on the economic or labour market factors relating to our remit group, or the position of other Northern Ireland public sector groups, to support this.
- 3.8 Against the background of the affordability constraints emphasised by the Department of Justice, we also considered the option for an across-the-board 1% uplift but freezing incremental progression. However, we heard concerns from all the parties that, with those affected more likely to be female or from the Catholic community, this approach would adversely impact these groups. In addition, we took account of the parties' view that currently incremental progression in the PSNI is considered to be "contractual", and acknowledged wider concerns about the potential impact on retention, morale and motivation of freezing progression. Accordingly we rejected this option.
- 3.9 We therefore focused on what option would best balance the considerations underpinning our remit whilst maintaining incremental progression. We examined both the case for an award which represented parity with England and Wales, and an alternative which would recognise the specific conditions in Northern Ireland, including affordability and the Executive's public sector pay policy. One such alternative would be to rely on incremental progression to provide a pay increase for those below the scale maxima and a modest award for those on the maxima. However, we were mindful of the consensus among the parties that broad parity with England and Wales is necessary to support mutual aid and interoperability. While the numbers transferring between the PSNI and England and Wales are small, they are important in enabling the PSNI to attract officers with specific skills and those with wider policing experience.

- 3.10 We also attach weight to the PSNI statement that a 1% uplift and incremental progression is affordable within its current budget. In this context, we note its oral evidence that the Service was undergoing transformational change and developing a new operating model to secure efficiency and determine the numbers and mix of people needed. We consider that the PSNI management, in conjunction with the NIPB, are best placed to determine their financial priorities, and we would welcome more detail on its medium term financial and resource plans in future remits.
- 3.11 Having weighed the arguments in the context of Northern Ireland policing and the evidence from all the parties, we conclude that a 1% increase for all federated and superintending ranks is appropriate for 2015/16 in addition to any incremental progression due. This is in line with our recommendations for England and Wales, is affordable by the PSNI and, on that basis, is endorsed by the NIPB. The increase is affordable, aims to support interoperability and sustain retention and morale, recognising the need to underpin resilience in light of the cumulative impact of recent pay restraint and pension changes.
- 3.12 We do not rule out a different approach to Northern Ireland in future years and acknowledge the Minister's oral evidence to us that he was not seeking absolute parity on pay but wishing to avoid significant differences that would make interchange more difficult. However, we consider that there needs to be a fuller debate about the future policy on parity with England and Wales, as a piecemeal approach may have little immediate impact but could, over time, have significant implications for the PSNI. We note in paragraphs 3.41 onward the prospects of further developments in England and Wales, linked to the work of the College of Policing, with pay implications. This adds force to the need for proper consideration of the extent to which interoperability and pay parity remain objectives in the longer term. We would welcome evidence on this in future remits.

Recommendation 1. We recommend a consolidated increase of 1% to all pay points for federated and superintending ranks from 1 September 2015.

Competence Related Threshold Payment

3.13 The Competence Related Threshold Payment (CRTP) scheme was introduced with effect from April 2003. The scheme was designed to recognise and reward officers who were able to demonstrate high professional competence under each of the following four national standards:

- Professional competence and results;
- Commitment to the job;
- Relations with the public and colleagues; and
- Willingness to learn and adjust to new circumstances.

3.14 The payment was available to officers in the federated ranks who had served for a year at the maximum of their pay scale and who satisfied the requirements of the scheme. It was anticipated that around 75% of eligible officers would be successful in accessing the CRTP payment. A review of the scheme, carried out in 2009, found that over 98% of applications for CRTP were successful leading to a much higher number of payments than expected.

CRTP in England and Wales

3.15 As part of the review on police pay and conditions in England and Wales, Winsor recommended the abolition of the CRTP scheme from August 2011 arguing that it had not worked as it was intended to. Nearly all officers who applied for CRTP received it “often with little management scrutiny or anything approaching rigorous application of the national standards”. Following a referral to the Police Arbitration Tribunal (PAT), the CRTP scheme was retained for those officers in England and Wales already in receipt, but there was a two-year freeze on new applications.

3.16 The Winsor Review returned to the issue of CRTP in its second report recognising the concerns about abolishing CRTP without some form of recognition of skills within basic pay. The Review went on to recommend skills thresholds within the new constable scale and again recommended the abolition of CRTP. Following further arbitration, the PAT recommended phasing out CRTP in England and Wales, worth £1,212 at the time, over three years from April 2013 to April 2016.

CRTP in Northern Ireland

- 3.17 Although Northern Ireland was not included in the Winsor Review, a specific Northern Ireland Working Party was established by the Police Negotiating Board to allow the consideration of the changes introduced in England and Wales with a view to introducing reforms for the PSNI.
- 3.18 In relation to CRTP, the PSNI was concerned that its removal in line with the England and Wales timetable could lead to a large number of retirements among officers with 30 or more years of service. With security tensions expected to heighten around key anniversaries in 2016, such a loss of manpower and expertise could lead to operational difficulties. As a result, the current scheme has been retained and a comprehensive review of CRTP will be undertaken for 2018.
- 3.19 All PSNI officers who meet the eligibility criteria can still apply for the CRTP payment, currently worth £1,224 in Northern Ireland. Whilst the payment was uprated by 1% in September 2013 following the end of the two year pay freeze, it was not uprated in September 2014.

Evidence from the parties

- 3.20 The **Department of Justice** confirmed that the decision to retain CRTP at its current level was to mitigate the risk of early exit of the PSNI's more long serving officers and so underpin resilience. The decision not to apply an increase to CRTP was acknowledgement that its retention marked a significant concession to officers of the PSNI given its withdrawal in England and Wales. It also signalled the fundamental review of CRTP which was agreed should be carried out in the year 2018/19. For these reasons the Department asked us to at most consider the retention of CRTP without any uplift.
- 3.21 The **NIPB** said that as part of the review of CRTP, the NIPB would be seeking removal of the CRTP scheme and, on this basis, the Board would not support an increase in the CRTP payment in 2015/16.
- 3.22 The **PSNI** noted it was agreed that a review should be carried out in 2018/19 and the Minister of Justice had requested that the review be completed in time for the September 2018 pay settlement. The written submission did not set out

any specific proposals in relation to CRTP but in oral sessions, the PSNI confirmed it did not seek an uplift to the payment.

- 3.23 The **staff associations** acknowledged the proposed comprehensive review of the CRTP scheme, but considered that CRTP should be uplifted in line with any increase to basic salary.

Our comment and recommendation

- 3.24 The remit letter from the Minister for Justice asked us to consider whether an increase should be applied to the Competence Related Threshold Payment. We note that CRTP is being phased out in England and Wales and will cease to be paid there in April 2016. We also recognise the circumstances in Northern Ireland that have led to its retention subject to a comprehensive review of the scheme.
- 3.25 We acknowledge the concerns that removing the payment could adversely impact on retention of PSNI officers and that, for now, CRTP supports resilience of the Service. However, we note that the current turnover and retention rates are stable and would need stronger evidence to support any uplift ahead of the planned wider review. We conclude there should be no increase to the level of CRTP.

Recommendation 2. We recommend no increase to the current level of Competence Related Threshold Payment.

Allowances

- 3.26 We have a wide remit across police officer remuneration which includes specific allowances. While it was the long-established practice of the Police Negotiating Board to link uprating of certain allowances to the basic pay uplift, we do not consider we should be constrained by precedent in the longer term. Our approach will be to understand the specific rationale for each allowance and consider it as part of the overall package to support recruitment, retention and morale. The remit letter from the Minister of Justice asked us to consider whether the pay uplift should be applied to the Northern Ireland Transitional

Allowance, which we do in the next section. For other allowances, to support parity with England and Wales for this year, we recommend uprating the Dog Handlers' Allowance, noting that it recognises a specific police officer role. As we note in paragraph 3.44 below, this and other allowances will be considered as part of a programme of periodic reviews in our forward work programme.

Northern Ireland Transitional Allowance

- 3.27 The Northern Ireland Transitional Allowance (NITA) does not cover specific costs, but rather is intended to compensate officers for the difficult security situation in Northern Ireland and the demands and restrictions facing officers and their families. It replaced the Special Duty Allowance which was introduced in 1978 in recognition of the "special difficulties" faced by Royal Ulster Constabulary officers at that time and the rate was linked to an allowance paid to soldiers serving in Northern Ireland.
- 3.28 The allowance was reviewed in 2005/06 by Mark Baker, a former Deputy Independent Chair of the Police Negotiating Board. He considered the extent to which the security and associated policing climate had changed since the 1970s, how working conditions and the lives of PSNI officers then (2006) were different from those of police officers in Great Britain forces, and whether or not those conditions still constituted the "special difficulties" identified in 1978.
- 3.29 In light of the changing political landscape in Northern Ireland, the implementation of recommendations from the Patten Report, security normalisation and 2006 pension reforms it was recommended that:
- An allowance was still justified, but should be reduced by 25% in two stages, starting in September 2006, and reviewed again in 2009;
 - The allowance should be revalorised each year, paid to all new recruits as well as serving officers; and
 - The name of the allowance should be changed to the Northern Ireland Transitional Allowance.
- 3.30 The review also recommended that any further reduction of the level of the NITA should be conditional on the successful completion of security normalisation and significant reduction in attacks on the police. Conversely,

the reductions in the level of the allowance should be reversed if “systematic terrorist attacks” resumed.

- 3.31 Due to security tensions, the second staged reduction was not implemented in 2009. In spite of its England and Wales only remit, the Winsor Review recommended an increase of 12.5% from September 2010, effectively reversing the earlier first staged reduction.

Evidence from the parties

- 3.32 The **Department of Justice** told us that police officers in Northern Ireland operated under the same restrictions, and with similar powers to, their colleagues in England, Wales and Scotland. However, it identified key differences in that all officers in Northern Ireland routinely carried personal protection weapons. There were also more severe restrictions impacting on the personal lives of officers and their families such as where they lived and the ongoing security threat. The additional allowance paid to PSNI officers was designed to acknowledge and reflect these differences. Subject to affordability, and HM Treasury guidance, they would be supportive of an increase to NITA.
- 3.33 The **NIPB** highlighted that, in light of the unique context of policing in Northern Ireland, NITA had been introduced in 1974 for officers “in recognition of the exceptionally long hours worked without respite in arduous and unpleasant conditions”. Despite the progress made to date the PSNI still faced a ‘severe’ threat (i.e. an attack was highly likely) from terrorist groups. It supported an increase in the allowance of up to 1%, in line with the Government’s public sector pay policy, subject to affordability.
- 3.34 The **PSNI** said that NITA had been increased each year in line with the general salary increase. In oral evidence it stressed that the allowance was important in recognising the different operating environment in Northern Ireland.
- 3.35 The **staff associations** said that NITA should be uplifted in line with any increase to basic salary and the Police Federation for Northern Ireland proposed that the allowance should also be made pensionable. This would allow retired officers to benefit in a small way (as an addition to their

retirement pension) as these officers, and their families, continued to be under severe threat from paramilitary organisations.

Our comment and recommendation

- 3.36 We recognise the unique nature of policing in Northern Ireland; all parties drew our attention to the 'severe' security threat and the challenges facing PSNI officers. Additionally, the staff associations provided detailed information on security threats and, on our visit, we experienced the distinct operating environment of Northern Ireland and context within which officers work.
- 3.37 While the allowance does not compensate for specific aspects of the role, it is an important recognition of the differences facing PSNI officers in their daily lives. Evidence from the parties shows that the security situation remains challenging; indeed with several anniversaries in the near future there is potential for an escalation in tensions and the risks facing officers.
- 3.38 In view of the continuing security threat we recommend that the Northern Ireland Transitional Allowance should increase in line with the pay award. An important aspect of our role will be to review the need for, and appropriate level of, NITA in future.
- 3.39 We note the Police Federation for Northern Ireland's proposal to make NITA pensionable. We acknowledge that retired officers continue to face a security threat. However, other parties highlighted their hope that the security situation would improve in future and did not attach priority to making the allowance pensionable. On balance, and taking account of affordability pressures, we are unable to support the case for making NITA pensionable.

Recommendation 3. We recommend a 1% increase to the current level of the Northern Ireland Transitional Allowance and the Dog Handlers' Allowance from 1 September 2015.

Forward look

- 3.40 The remit letter from the Minister of Justice asks us to plan a review of the Competence Related Threshold Payment scheme with changes to take effect

from September 2018. To support this work we look forward to receiving evidence from the parties in due course taking into account discussions on the policy on parity and the work of the College of Policing on threshold testing in England and Wales.

- 3.41 In considering our wider future work programme, we note that other strands of the College of Policing's work in England and Wales may have implications for the PSNI, including pay development work flowing from the College's Leadership Review. We are unclear about the PSNI's input into, and influence over, such developments and would welcome information to help develop our understanding. Given that the PSNI is part of the National Police Chiefs' Council (NPCC) and we anticipate receiving an update from the Council on the strategic implications of this work, we hope to hear a perspective on it from the PSNI in future evidence.
- 3.42 We note that there are already differences in the pay and terms and conditions of the two remit groups and in paragraph 3.12 above we suggest a fuller debate is needed about the future policy on parity with England and Wales given the potentially significant implications of further change. We would welcome evidence from the parties in future remits on the extent to which interoperability and pay parity remain objectives in the longer term.
- 3.43 For our England and Wales remit, the Home Secretary invited initial comments on priorities for a five-year work programme. Much of this work will impact on the PSNI either directly, if the Service seeks parity, or by informing future priorities for Northern Ireland remits. Accordingly, developing thinking on the programme will be of significant interest to the parties in Northern Ireland.
- 3.44 The key areas identified in our five-year programme for England and Wales are as follows:
- Pay implications of a review of rank structure – we expect the NPCC to assess the implications of the College of Policing work on the rank and grading structure, and make proposals on the pay development needed;
 - Review of implementation of reforms from the Winsor Review – once these changes have had time to take effect, we note there will be a need to review the main elements;

- Flexibility within the national pay framework – while there is support for a national pay framework we note the case for greater flexibility to address areas such as: recruiting and retaining officers for specific posts, roles or geographical areas; recognising skills or heavily-weighted posts; and linking pay to performance and contribution; and
- Periodic review of individual components of the package – some elements of the package will need systematic review to ensure they are still meeting operational and staffing needs and are set at an appropriate level within the overall package.

3.45 We would welcome views from the parties on aspects of the strategic direction for the PSNI which will have implications for our work in the future; and on any aspects of our planned work programme which have a distinctive Northern Ireland dimension which we will need to take into account, either in the context of an England and Wales remit or in a subsequent Northern Ireland remit. It will of course be for the Home Secretary and the Minister of Justice respectively to determine our future remits.

Appendix A – Chief Secretary to the Treasury’s letter

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HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mr David Lebrecht, Chair
National Crime Agency Remuneration Review Body
Office of Manpower Economics
Victoria House, Southampton Row
London WC1B 4AD

29 July 2014

Dear David

PUBLIC SECTOR PAY 2015-16

I would like to thank you for your work on the 2014-15 pay round. I am strongly convinced of the role of the pay review bodies in determining national pay awards in the public sector and appreciate the important part the pay review bodies have played over the last four years. For a number of review bodies this has included providing expert advice and oversight of wider reforms to pay policy and systems of allowances, in addition to the annual award. I am confident the changes brought about by the pay review body recommendations in these areas are making a significant contribution to the improvement and delivery of public services.

2. You will have seen that for the 2014-15 pay round there were some review body recommendations which, after careful consideration, the Government decided were unaffordable at this time. I hope you will appreciate this was a difficult decision and that the Government continues to greatly value the contribution of the pay review bodies in delivering robust, evidence-based pay outcomes for public sector workers.

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3. The Autumn Statement of 2013 highlighted the important role in consolidation that public sector pay restraint has played. The fiscal forecast shows the public finances returning to a more sustainable position. However, the fiscal challenge remains and the Government believes that the case for continued pay restraint across the public sector remains strong. Detailed evidence will be provided during pay review process, but at the highest level, reasons for this include:

a. Recruitment and retention: While recognising some variation between remit groups, the evidence so far is that, given the current labour market position, there are unlikely to be significant recruitment and retention issues for the majority of public sector workforces over the next year.

b. Affordability: Pay restraint remains a crucial part of the consolidation plans that are continuing to help put the UK back on to the path of fiscal sustainability – and continued restraint in relation to public sector pay will help to protect jobs in the public sector and support the quality of public services.

4. In the 2013 Budget the Government announced its policy that public sector pay awards would be an average of up to 1 per cent in 2015-16.

5. The pay review bodies will want to consider the evidence carefully in producing their reports. In particular, what award is justified within the bounds of pay restraint and whether there is a case for a higher award to particular groups of staff, relative to the rest of the workforce, due to particular recruitment and retention difficulties.

6. Pay awards should be applied to the basic salary based on the normal interpretation of basic salary in each workforce. This definition does not include overtime or any regular payments such as London weighting, recruitment or retention premia or other allowances.

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7. Following the Government's announcement in the 2013 Spending Review, substantial reforms to progression pay have been taken forward or are already underway across the public sector. As in the 2014-15 pay round, the Government also asks the pay review bodies to again consider the impact of their remit group's progression structure and its distribution among staff in recommending annual pay awards.

8. I look forward to your recommendations, and reiterate my thanks for the invaluable contribution made by the National Crime Agency Remuneration Review Body during the course of this Parliament.

Bert wishes

DANNY ALEXANDER

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Appendix B – Justice Minister’s remit letter

FROM THE OFFICE OF THE JUSTICE MINISTER



Department of

Justice

www.dojni.gov.uk

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Our ref: SUB/1189/2014

Mr David Lebrecht
Chairman PNCARRB
C/O Office of Manpower Economics
8th Floor
Fleetbank House
2-6 Salisbury Square
LONDON
EC4Y 8JX

6 October 2014

POLICE AND NATIONAL CRIME AGENCY REMUNERATION REVIEW BODY – REMIT LETTER

I am pleased to provide the Police and National Crime Agency Remuneration Body with this, my first annual remit letter for review of the remuneration for police officers serving in the Police Service of Northern Ireland (PSNI) up to and including the rank of chief superintendent.

2015/16

In this first year, the parties are cognisant of the many reforms to police officer terms and conditions recently agreed through the PNB arrangements. On this basis, I would ask for recommendations from the Body on the application of any pay award for these police officers from 1 September 2015. I also ask that consideration be given to whether the same increase be applied to the Northern Ireland Transitional Allowance and Competence Related Threshold Payment (CRTP) and I would welcome your views. Supporting evidence will be submitted in due course.

Whilst I note that you have received a letter from HM Treasury setting out the pay award limitations for 2015/16, I currently await a letter from the Department of Finance and Personnel in Northern Ireland setting out the pay policy for 2015/16. The Northern Ireland Executive has endorsed the principle of adherence to the UK Government's public sector pay policies and enforcement of pay growth limits is devolved to the Executive within the overarching parameters set by HM Treasury (up to 1% for 2015/16 as announced by the UK Government in the Budget 2013). Further detail on Executive pay policy will be provided in our submission of evidence.

In making your recommendation, I think it is important for you to note that it remains important to retain uniformity with similar ranks in England and Wales, and that the remuneration of the Review Body's remit group relates coherently to that of chief officer ranks.

However, in maintaining uniformity with England and Wales you will want to consider the full package of remuneration paid in Northern Ireland and consider any specific challenges facing police officers in Northern Ireland not already addressed.

Future agenda

It was also agreed during our recent negotiations that a comprehensive review of the current Competence Related Threshold Payments scheme should take place in time for the September 2018 pay settlement. I would ask you also to plan this into your forward work plan accordingly.

I trust that this narrow remit is helpful to the Body in its first year and that early indication of matters the parties wish to have reviewed in forthcoming years will assist your planning processes. Finally, I can confirm that input has been sought from the Police Federation of Northern Ireland, the Superintendents' Association of Northern Ireland, the Northern Ireland Policing Board and the PSNI on matters they would wish to see referred to you, all of which have been incorporated in this remit letter.

FROM THE OFFICE OF THE JUSTICE MINISTER



I look forward to receiving your recommendations in line with the agreed timetable.

A handwritten signature in black ink, appearing to read "David Ford".

DAVID FORD MLA
Minister of Justice

Appendix C – Recommended changes to PSNI police officer pay scales and allowances from September 2015

Salary scales

The salary scales in effect from 1 September 2014 are set out below along with our recommendations for effect from 1 September 2015.

Rank	Pay point	2014	2015	
Constable (appointed before 1 September 2014)	On commencing service as PSNI trainee	£23,727	£23,964	
	On commencing service as probationary PSNI constable	£26,484	£26,748	
	2	£28,023	£28,302	a
	3	£29,733	£30,030	
	4	£30,669	£30,975	
	5	£31,653	£31,971	
	(pay point removed April 2015)	(£32,556)	-	
	6	£33,360	£33,693	
	7	£34,434	£34,779	
	8	£36,516	£36,882	
Constable (appointed on or after 1 September 2014)	9	£37,254	£37,626	b
	On commencing service as PSNI trainee	£19,000	£19,191	c
	On commencing service as probationary PSNI constable	£22,221	£22,443	d
	2	£23,229	£23,460	
	3	£24,240	£24,483	
	4	£25,251	£25,503	
	5	£27,270	£27,543	
	6	£31,341	£31,653	
Sergeant	7	£36,885	£37,254	
	(pay point removed April 2015)	(£37,254)	-	
	1	£38,526	£38,910	e
	2	£39,819	£40,218	
	3	£40,668	£41,076	
Inspector	4	£41,865	£42,285	b
	0	£47,730	£48,207	
	1	£49,074	£49,566	
	2	£50,421	£50,925	
Chief Inspector	3	£51,771	£52,290	b
	1	£52,830	£53,358	f
	2	£53,892	£54,432	
	3	£55,005	£55,554	b

Rank	Pay point	2014	2015
Superintendent	1	£63,552	£64,188
	2	£66,873	£67,542
	3	£70,365	£71,070
	4	£75,066	£75,816
Chief Superintendent	1	£78,768	£79,557
	2	£81,435	£82,248
	3	£83,094	£83,925

Notes:

- All officers move to this salary point on completion of two years' service as a constable.
- Officers in the PSNI who have been on this point for a year will have access to the competence related threshold payment
- All trainees enter at point 0 until attestation/graduation.
- At attestation/graduation trainees become constables and move onto point 1.
- Entry point for officers promoted from constable from 1 April 2015.
- Entry point for an officer appointed to the rank, unless the chief officer of police assigns the officer to a higher point.

Allowances

The recommended values of allowances from September 2015 are set out below.

	2014	2015
Northern Ireland Transitional Allowance	£3,132	£3,162
Dog Handlers' Allowance	£2,175	£2,196

The values of all other allowances and payments, including the Competence Related Threshold Payment (CRTP), remain unchanged.

Appendix D – Pay changes arising from the Winsor Review in England and Wales and subsequent review in Northern Ireland

	Changes in England and Wales	Changes in Northern Ireland
Shortened 7 point constable scale for existing constables and new scale for new starters	Pay points removed on a phased basis from 2014 to 2016 for existing officers and a new scale introduced for new joiners in 2013	Introduced in 2014 for existing officers and a new scale with lower starting salary introduced for new joiners in 2014
Foundation Skills Threshold (pay point 4 of constables scale)	To be introduced in 2016	Not applicable
Abolition of pay point 0 on sergeants' pay scale	Applied from 2014	To be applied in 2015
Shortened 4 point superintendents' pay scale	Applied from 2014	Applied from 2014
Shortened 3 point ACC pay scale	Applied from 2014 to 2016	Pay points to be removed on a phased basis from June 2014
Competence Related Threshold Payment	Phased abolition by April 2016	Retained, to be reviewed in 2018
Advanced Skills Threshold (to reach max of relevant pay scales)	To be introduced from 2016	Not applicable
Special Priority Payments (£500 - £3,000)	Abolished in 2012	Abolished in 2014
On-call allowance	£15 rate introduced in 2013	£15 rate for weekdays and weekends and £23 rate for Bank Holidays
Abolition of bonus schemes and Post-related allowances	Suspended from 2012 and abolished in 2014	Applied from 2014
Overtime rates	Rate of time and one third for 'casual overtime' retained, with payment of travelling time for recalls between tours of duty 4-hour minimum payment when recalled to duty - abolished Cancellation of rest day with fewer than 5 days' notice – rate changed to	Casual overtime rate unchanged 4-hour minimum payment when recalled to duty - retained Payment of double time for cancellation of rest day changed from 5 days' notice to 3 days' notice

	time and a half from double time Pay at time and a half for working on a rostered rest day with fewer than 15 days' notice.	
Away from home allowance and unsocial hours allowance	Introduced from 2012	Not introduced
Motor vehicle rates	Linked to Local Government rates from 2012	Aligned with NI Civil Service rates
Occupational maternity pay	Increased from 13 to 18 weeks from 2012 (18 weeks replicated for adoption and parental leave from 2013)	Increased from 13 to 18 weeks
Voluntary exit scheme and compulsory severance scheme	Voluntary exit provisions introduced in 2013	Not introduced
Replacement allowance	Retained, but abolish increases for change in personal circumstances from 2011	Not introduced
Team recognition awards	Discretion to make bonus payments of £50-100 for unpleasant or demanding tasks extended to whole teams from 2012	Not introduced
Regional allowances	Chief Constable discretion to vary levels of regional allowance payment up to the maximum based on local retention needs (not performance) from 2013	Not applicable

Appendix E – The parties’ website addresses

The parties’ written evidence should be available through these websites.

Department of Justice Northern Ireland	http://www.dojni.gov.uk/
Police Service of Northern Ireland	http://www.psni.police.uk/police_officer_salary_-_submission_-_dec_2014.pdf
Northern Ireland Policing Board	http://bit.ly/1Cb9sSj
Police Federation for Northern Ireland	https://www.policefed-ni.org.uk/Media-Centre/Submissions/2014/National-Crime-Agency-Remuneration-Review-Body-Sub.aspx
Superintendents’ Association of Northern Ireland	http://policessuperintendentsni.org/