



Police
Remuneration Review Body

Police Remuneration Review Body

**Second Report on Northern Ireland
2016**

Chair: David Lebrecht



Police Remuneration Review Body

Second Report for Northern Ireland 2016

Chair. David Lebrecht

Presented to the Minister of Justice for Northern Ireland
June 2016

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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 Minister of Justice for Northern Ireland 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 Minister of Justice for Northern Ireland, and they should be published.

Members³ of the Review Body

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-2012.pdf>

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POLICE REMUNERATION REVIEW BODY

Second Report on Northern Ireland 2016

Executive Summary

Our 2016/17 recommendations (from 1 September 2016)

- **A consolidated increase of 1% to all pay points for federated and superintending ranks.**
- **No increase to the current level of Competence Related Threshold Payment.**
- **Northern Ireland Transitional Allowance and Dog Handlers' Allowance to be updated by 1%.**
- **No increase to the current level of the On-call Allowance.**

Remit

1. This is our second report on the remuneration of police officers in the Police Service of Northern Ireland (PSNI) up to and including the rank of chief superintendent. For 2016/17, the Minister of Justice asked for recommendations on: (i) the application of any pay award for these police officers; (ii) whether any increase should be applied to the Northern Ireland Transitional Allowance and whether to change its current non-pensionable status; (iii) whether any increase should be applied to the Competence Related Threshold Payment and/or Dog Handlers' Allowance; and (iv) the operation of current on-call arrangements for the federated and superintending ranks, including compensation levels and accessibility by those ranks. In his remit letter, the Minister restated the principle of adherence to the UK public sector pay policy and noted the importance of retaining uniformity with similar ranks in England and Wales. We note that our report will be received by a new Minister following the elections to the Northern Ireland Assembly in May 2016. (Paragraphs 1.3 to 1.5)

The evidence

2. We conclude the following from our overall assessment of the evidence:
 - The PSNI police officer workforce – while total police officer numbers continue to be below the target number, recruitment is healthy and the quality of recruits is high. High levels of sickness days continue to be a cause of concern and the staff associations have highlighted the low

morale of police officers and the increasing workload pressures;
(Paragraphs 2.38 to 2.51)

- Economy and earnings – the economic situation of Northern Ireland has improved but it remains behind the rest of the UK economy; (Paragraphs 2.15 to 2.28)
- Policing environment – we recognise the unique and special nature pertaining to policing in Northern Ireland and the severe security threat level; (Paragraphs 2.6 to 2.10)
- Links to England and Wales – we note the intention to maintain broad consistency and parity with England and Wales. The policing reforms in England and Wales could have an impact on consistency with Northern Ireland and on movement between forces. To support this debate, we suggest information is provided to us for the next pay round (see paragraph 2.58 for more details); (Paragraphs 2.12 to 2.14)
- Government pay policy and affordability – the most recent Pay Remit Approval Process and Guidance related to 2015/16 and included a 1% pay award limit, where public bodies were encouraged to include contractual progression increments. (Paragraphs 2.29 to 2.37)

2016/17 recommendations on pay and allowances

3. Drawing on the evidence and the parties' proposals, we considered a range of options for the basic pay uplift, balancing the need for any award to be affordable with the view of all parties that uniformity with England and Wales remains important. We have not seen substantive evidence of recruitment and retention difficulties to support an award above the 1% funding envelope. We ruled out the proposal for a 1% pay bill uplift including incremental progression with the remainder leftover to uplift the pay points, as this would imply a pay uplift considerably lower than 1%. There is no specific evidence to support treating police officers in Northern Ireland differently from their counterparts in England and Wales, nor with other public sector groups in Northern Ireland that have had their awards. (Paragraphs 3.3 to 3.7)
4. We attach weight to PSNI's statement that a 1% uplift and incremental progression is affordable within its current budget. **We therefore recommend a consolidated 1% increase to all pay points for federated and**

superintending ranks, in line with our recommendations for England and Wales. The increase is affordable, aims to support interoperability and sustain recruitment, retention and morale, recognising the need to underpin resilience in light of the cumulative impact of recent pay restraint and pension changes. (Paragraphs 3.8 to 3.15)

5. We note that the Competence Related Threshold Payment (CRTP) will undergo a comprehensive review led by PSNI and we look forward to receiving evidence from all the parties with considerations of their proposals and justifications for any change in the payment for the 2018 pay round. For 2016/17 we did not receive any evidence that could justify an increase in the payment. **We recommend no increase to the current level of CRTP.** (Paragraphs 3.23 to 3.25)
6. We note that the Northern Ireland Transitional Allowance (NITA) 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 **we recommend that the NITA should be uprated by 1%.** (Paragraphs 3.34 to 3.36)
7. **On-call Allowance – we recommend no increase to the current levels of the allowance** as we have not received sufficient evidence to justify an increase and we did not see evidence that it would be appropriate to extend this allowance to superintending ranks. (Paragraphs 3.42 and 3.43)
8. **Dog Handlers’ Allowance – we recommend a 1% increase** as it recognises the specific role (rather than any appropriate costs) and thereby maintains its value in relation to other police officers. (Paragraph 3.46)

Forward look

9. In considering our future work programme, we note that other strands of the reform agenda in England and Wales may have significant implications for the PSNI. We consider that the PSNI should engage more proactively with the College of Policing as reforms develop. For the next pay round, we ask the parties to have a fuller debate about what parity with England and Wales means given the significant implications of further change. We would welcome

evidence from the parties on the extent to which interoperability and pay parity remain desirable in the longer term. (Paragraph 3.48)

10. We look forward to receiving evidence from the parties to support the comprehensive review of CRTP starting with a route map for our next round. (Paragraph 3.50)
11. We look forward to continuing to work with the parties to provide a pay and conditions package which supports police officer recruitment, retention and morale.

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

8 June 2016

Chapter 1 – Introduction

Introduction

1.1 This is our Second Report since we were established in 2014 and it contains our 2016/17 recommendations for police officers in Northern Ireland up to and including the rank of chief superintendent. We received a range 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 officers in England and Wales. Throughout our deliberations we have been guided by our terms of reference set out at the beginning of this report.

Our 2015 Report

1.2 Our First Report was submitted to the Northern Ireland Executive on 12 June 2015 setting out our recommendations on police officer pay and allowances (See Appendix A). The Northern Ireland Executive, through the Minister of Justice, accepted our recommendations in full on 16 September 2015.

Our remit for 2016/17

1.3 On 19 August 2015 we received the Chief Secretary to the Treasury's (CST) letter to all the chairs of the public sector Pay Review Bodies (Appendix B). This letter outlined the public sector pay policy in that the UK Government would fund public sector workforces for a pay award of 1% a year for four years from 2016/17.

1.4 The Northern Ireland Minister of Justice's remit letter on 20 October 2015 (Appendix C) confirmed that the approach taken last year in making recommendations consistent with other forces in England and Wales was helpful. The Minister referred the following matters for recommendation in 2016/17: (i) the application of any pay award for these police officers, effective from 1 September 2016; (ii) whether any increase should be applied to the Northern Ireland Transitional Allowance (NITA) and whether to change its current non-pensionable status; (iii) whether any increase should be applied to the Competence Related Threshold Payment (CRTP) and/or Dog Handlers' Allowance; and (iv) the operation of current on-call arrangements for the

federated and superintending ranks – including compensation levels and accessibility by those ranks.

- 1.5 The Minister also asked us to reflect on the full package of remuneration paid to police officers in Northern Ireland and consider any specific challenges facing them which are not already addressed. Moreover, he restated the importance of retaining uniformity with similar ranks in England and Wales so that no barriers to movement are created between forces.

Parties giving evidence

- 1.6 In January 2016, we received written evidence from the parties listed below and we heard oral evidence in Northern Ireland in April 2016 (written evidence is available through the links in Appendix D):

- Northern Ireland Department of Justice (DoJNI) and Department of Finance and Personnel (DFP);
- Police Service of Northern Ireland (PSNI);
- Northern Ireland Policing Board (NIPB);
- Police Federation for Northern Ireland (PFNI); and
- Superintendents' Association of Northern Ireland (SANI)⁴.

- 1.7 We are grateful to the parties for participating in these discussions, for taking the time to provide both written and oral evidence and responding to our questions and requests for information. Our secretariat also provided us with information on the economy, labour market, inflation, earnings and settlements, and wider developments in pay arrangements across the UK economy.

Visit to the PSNI

- 1.8 Our visits are an important part of our independent process as they give us first hand views from police officers and senior management on pay and related matters. They also allow us an insight into the challenges faced by police services and individual officers, the distinctive pressures facing the PSNI and how its role compares with that of forces in England and Wales more generally.

⁴ SANI made a joint written evidence submission with the Police Superintendents' Association of England and Wales. SANI's position on the 2016 pay award and the Northern Ireland Transitional Allowance was identical to that of the PFNI.

1.9 In December 2015 we visited the PSNI. We met the chief constable and the senior management team, and groups of probationers, constables, sergeants, inspectors, chief inspectors, superintendents and chief superintendents. We would like to extend our thanks to all those who participated in our visit.

Our overall approach

1.10 The cornerstone of our approach is our independence. We consider 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 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.

1.11 In framing our recommendations, we must consider the specific remit set by the Minister of Justice and the context for this year's pay round which includes the UK Government's public sector pay policy and the particular budgetary challenges faced by the PSNI. With this in mind, it is important for us to reflect on the unique role of police officers, the restrictions placed upon them and the exceptional operating environment of Northern Ireland.

1.12 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 and allowances and our recommendations for 2016/17, and also looks at the issues the parties may wish to address in future rounds.

Chapter 2 – The Evidence

Introduction

2.1 In this chapter we summarise the evidence presented during this pay round as it relates to our terms of reference. The main themes cover: (i) the environment and security situation; (ii) the links with England and Wales; (iii) the economy and earnings; (iv) UK Government pay policy and affordability; and (v) the PSNI police officer workforce. We also present our own analysis of earnings and workforce data. We conclude the chapter with our assessment of how the evidence sets the context for our pay recommendations in Chapter 3.

General

2.2 Both the **DoJNI** and the **PSNI** highlighted that police structures had undergone significant change over the past 15 years through the implementation of the 175 recommendations of the Patten Review. Moreover, in Northern Ireland there were further reforms to pay and conditions to be considered as a result of the Winsor Review carried out in England and Wales.

2.3 The **PSNI** noted that the current policing environment and reducing budgets presented daily challenges for officers facing a changing social environment with emerging crime patterns. It also added that this year the PSNI would have to police a series of events including the 100th anniversary of the Easter Rising, the 100th anniversary of the Battle of the Somme and other significant World War One commemorations, which would extend the number of days when the PSNI would potentially have to deploy large numbers of officers for Public Order related duty.

2.4 In his remit letter, the **Minister of Justice** noted that our recommendations last year ensured uniformity with similar ranks in England and Wales. He reiterated the importance of retaining parity in key areas as well as commitment to the comprehensive review of the CRTP scheme for implementation in September 2018. In oral evidence, the Minister highlighted that parity was important in order to demonstrate equal treatment of police officers and to avoid significant differences in pay that would make movement between forces more difficult.

2.5 In its evidence, the **DoJNI** emphasised that policing in Northern Ireland was not able to operate separately from policing in other parts of the UK and nor did it wish it to. This consistency would also be in line with the Patten recommendation according to which short and long term exchanges between Northern Ireland and the rest of the UK should be developed.

The environment and security situation

2.6 All parties highlighted the unique and special nature pertaining to policing in Northern Ireland.

2.7 The **DoJNI** noted that in Northern Ireland the security threat assessed by the chief constable remained severe. Police and prison officers remained the primary target. Also, unlike the rest of the UK, PSNI officers were routinely armed. The DoJNI added that Northern Ireland was unique in having the Special Purchase of Evacuated Dwellings scheme (SPED) which operated to support householders in Northern Ireland, including police officers, who received threats and could no longer live in their home.

2.8 The **NIPB** echoed this assessment, reporting that the severe threat had significant resource and financial consequences, not least in terms of protective infrastructure, investigative and intelligence capability, but also in terms of the enhanced operational profile necessary to deliver normal policing.

2.9 The **PSNI** agreed with other parties on the overall threat from Northern Ireland Related Terrorism, and it indicated that since 1998 the Dissident Republicans had mounted between 15 and 40 attacks each year, killing 9 people. The PSNI also added that officers had been targeted both on and off duty.

2.10 The **staff associations** acknowledged that the security situation in Northern Ireland had improved over the last decade with fewer security related deaths, shooting and bombing incidents, and paramilitary attacks recorded in 2014/15 than in 2005/06. However, some incident types had recorded increases in the last two years. For instance, the recent rolling 12 month period to 30 November 2015 saw 48 bombing incidents, 7 more than the previous 12 month period. The number of casualties as a result of paramilitary style assaults had also risen in the period ending 30 November 2015 compared with the previous year.

2.11 The **DoJNI** mentioned the agreement between the parties of the Northern Ireland Executive led by the UK Government and the Dublin Government entitled 'A Fresh Start – The Stormont Agreement and Implementation Plan'⁵ and referred to £160 million additional funding for the next five years intended to support the PSNI in addressing the national security threat as well as providing greater capability to tackle continued paramilitary activity and criminality. The PSNI confirmed that the UK Government had recently approved this additional funding.

Links to England and Wales

2.12 The **DoJNI** noted that College of Policing⁶ reviews should be considered by the PSNI for possible implementation in Northern Ireland. For instance, the Leadership Review and the possible rank restructure in England and Wales could have a considerable impact on consistency with Northern Ireland. The DoJNI highlighted that this consistency applied also to terms and conditions for the PSNI, and such continuity would facilitate the Policing Board and PSNI to look at the rest of the UK when seeking: to fill permanent vacancies throughout the rank structure; specific expertise to fill skills gaps; or support on a temporary or seconded arrangement. The DoJNI cited mutual aid arrangements as a way to allow the chief constable to call upon support from other UK police forces and likewise to provide such assistance to chief officers in the UK. The DoJNI noted that the National Crime Agency (NCA) was fully operational in Northern Ireland since 20 May 2015 following the consent of the Northern Ireland Assembly to the making of the Crime and Courts Act 2013 Order 2015 which extended the role of the NCA in Northern Ireland.

2.13 The **PSNI** clearly stated its unwillingness to operate independently from the rest of the UK. The PSNI added that a differing pay structure could result in the loss of officers to police services with higher salaries. It said in oral evidence that pay levels needed to be similar to avoid financial impediment to movement both ways. The PSNI also thought a differing pay structure could affect the willingness of officers to take part in mutual aid although added in oral evidence that this was a relatively small factor.

⁵ Available at: <http://www.northernireland.gov.uk/a-fresh-start-stormont-agreement.pdf>

⁶ The College of Policing is the professional body for the police service in England and Wales.

2.14 The **staff associations** recommended that parity on main core pay was maintained with other UK forces.

Economy and earnings

Economy

2.15 The **DoJNI** provided an overview of the economic situation in Northern Ireland. The Department noted increasing economic activity had led to improving labour market performance – unemployment was falling, employment was increasing, and the number of young people not in employment, education or training was also falling. However, the DoJNI said that there was a long way to go until Northern Ireland returned to its pre-downturn position.

2.16 In terms of private sector business activity, the DoJNI reported that Northern Ireland broadly stabilised after a slow start in 2015, but it remained behind the rest of UK economy as both the service sector output and the manufacturing sector output increased more slowly compared with the rest of the UK.

2.17 The DoJNI's evidence noted that the NI economic inactivity rate (28%) was significantly higher than the UK average (22%) and remained the highest of the 12 UK regions. The **staff associations** also noted the persistent level of economic inactivity and high claimant count rates (the number of people of working age claiming Job Seekers Allowance); saying that as of November 2015, the claimant count in Northern Ireland was 4.4% of the total workforce, the highest of any region in the UK, and double the average UK figure.

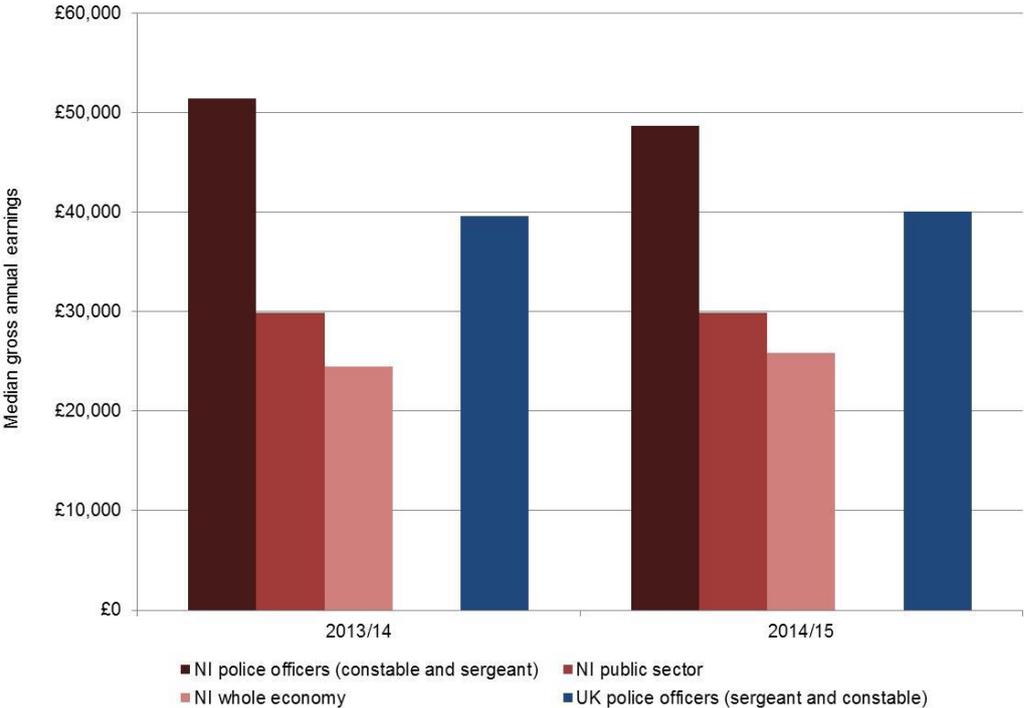
Earnings

2.18 We examined the earnings of police officers using the Office of National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) and the Police Earnings Census. ASHE is a sample survey, published around November each year, which provides headline earnings estimates for all occupations across the economy; for police officers it produces figures jointly for constables and sergeants and, separately, for the grouping of more senior ranks. The Police Earnings Census, conducted in its present form since 2010/11, covers all police officers and permits detailed analysis of the components of earnings by rank.

- 2.19 Chart 2.1 uses ASHE data to compare the median full-time⁷ earnings of police officers (constable and sergeant) in Northern Ireland, with the wider Northern Ireland economy, the public sector in Northern Ireland, and police officers (constable and sergeant) in the UK as a whole. It shows that police officers in Northern Ireland have higher median annual earnings compared with the UK, approximately £49,000 compared with £40,000 respectively in 2014/15; this is primarily driven by higher amounts of overtime and the Northern Ireland Transitional Allowance (NITA). Moreover, police officers in Northern Ireland have higher median gross annual earnings compared to workers in Northern Ireland both in the public sector and the wider economy. This is similar to the pattern for police officers in England and Wales.
- 2.20 Median annual earnings of public sector workers stayed broadly the same while median earnings for the whole economy in Northern Ireland picked up from 2014 to 2015. This increase for the whole economy could be indicative of a general economic recovery.
- 2.21 In contrast, gross median earnings of police officers in Northern Ireland dropped by almost £3,000 from 2014 to 2015. This is most likely to have been driven by a reduction in overtime. However, it will also have been affected by the implementation of several pay changes in Northern Ireland following the Winsor Review in England and Wales, including: the introduction of new constables' pay scale with lower starting salary; the abolition of Special Priority Payments; and a reduction to the qualification period for double time overtime.

⁷ Comparisons have been restricted to median earnings for full-time workers. The median is the value below which 50% of workers fall. It gives a better indication of typical pay than the mean as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. Using full-time earnings controls for any differences caused by different mixes of full- and part-time workers.

Chart 2.1: Median gross full-time annual earnings, Northern Ireland and UK, 2013/14–2014/15

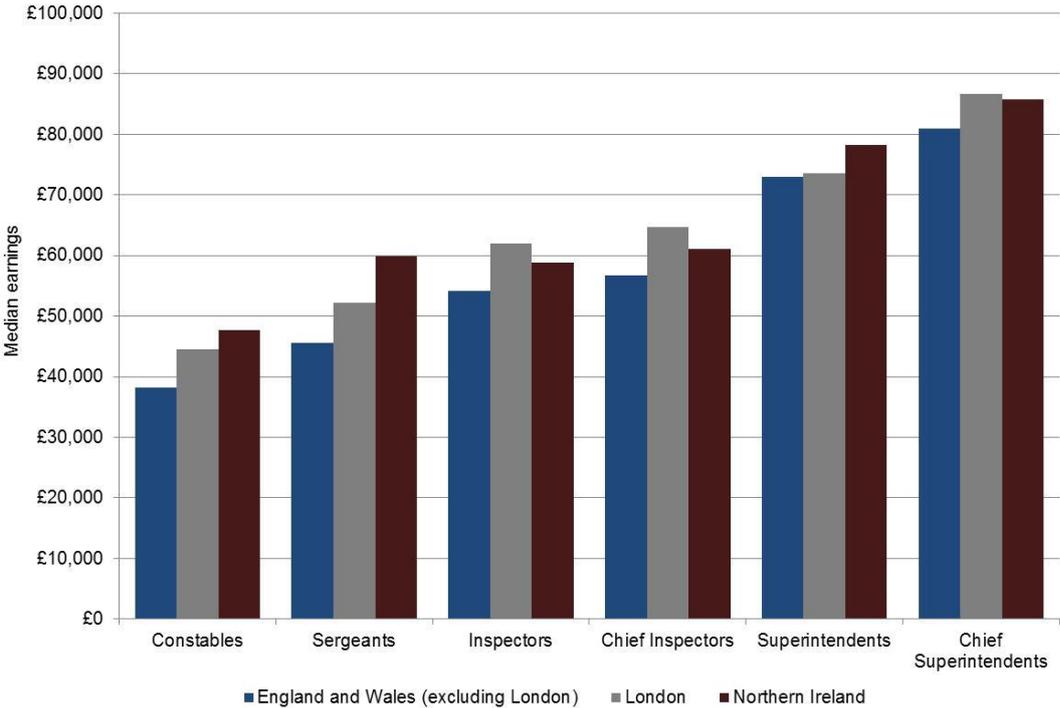


Source: Annual Survey of Hours and Earnings (ASHE), ONS and DETINI.

2.22 The following figures are based on the latest available Police Earnings Census data (covering the financial year 2013/14). Although a year old, the data provide a useful insight into earnings by rank and the take-up and value of individual pay components. Chart 2.2 shows median total earnings of full-time police officers by rank. Northern Ireland police officers of all ranks have higher earnings compared with those in England and Wales excluding London and most ranks have higher earnings than officers in London. Reasons for this difference are the retention of the CRTP for federated ranks, which was £1,224 (in September 2013) on top of basic pay for officers at the top of the pay scale who met the eligibility criteria, and the NITA, which amounted to £3,102 (in September 2013) on top of basic pay.

2.23 Inspectors and chief inspectors in London have higher earnings than their counterparts in Northern Ireland due to the higher pay scales for the inspecting ranks in London.

Chart 2.2: Median total earnings, by rank, full-time officers, Northern Ireland and England and Wales, 2013/14



Source: OME analysis of Police Earnings Census data, Home Office

2.24 Tables 2.1 and 2.2 show the percentage of full-time officers in receipt of specific allowances and overtime (Table 2.1) and the median values of those payments for those officers (Table 2.2). Key points include:

- All police officers receive NITA;
- The percentage in receipt of CRTP ranges from 41% for constables to 80% for sergeants;
- The vast majority of constables and sergeants receive overtime. Median overtime earnings in Northern Ireland are substantially higher than in England and Wales (which are not shown in the table: £1,760 and £1,998 for constables and sergeants respectively in England and Wales); and
- The majority of police officers in all ranks receive replacement allowance (available to officers who joined before September 1994), with the exception of constables where only 28% receive this allowance.

Table 2.1: Percentage of full-time officers in receipt of additional pay components, Northern Ireland, 2013/14

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
NITA	100%	100%	100%	100%	100%	100%
Replacement Allowance	28%	63%	80%	76%	93%	85%
CRTP	41%	80%	76%	43%	–	–
On-call Allowance	20%	31%	43%	61%	–	–
Overtime	98%	98%	–	–	–	–
Other payments (e.g. Dog handlers, secondment allowances)	1%	–	–	–	–	–

Source: OME analysis of Police Earnings Census, Home Office.

Note: figures relating to fewer than 10 officers have been suppressed

Table 2.2: Median value of additional pay components, full-time officers, Northern Ireland, 2013/14

	Constable	Sergeant	Inspector	Chief Inspector	Supt.	Chief Supt.
NITA	£3,089	£3,089	£3,089	£3,089	£3,089	£3,089
Replacement Allowance	£3,500	£3,500	£3,500	£3,500	£4,036	£4,060
CRTP	£1,219	£1,219	£1,219	£1,219	–	–
On-call Allowance	£179	£298	£415	£395	–	–
Overtime	£8,840	£12,633	–	–	–	–
Other payments (e.g. Dog handlers, secondment allowances)	£2,265	–	–	–	–	–

Source: OME analysis of Police Earnings Census, Home Office.

Note: figures relating to fewer than 10 officers have been suppressed

Parties' evidence

2.25 The **DoJNI** presented figures from the 2015 ASHE. These showed that while gross weekly full-time public sector earnings in Northern Ireland (£615.90) were below the UK average (£654.60), they outstripped private sector earnings which were relatively low in Northern Ireland. Private sector earnings in Northern Ireland had consistently been the lowest of the UK regions and at £507.00 per week were 20% below the UK average of £619.20 in 2015.

2.26 The **PSNI** stated that in 2015 the median gross annual earnings for full-time employees in Northern Ireland were £25,800, an increase of 5.5% over the year. This was lower than the UK average of £27,600 (which had increased by 1.6% since 2014).

- 2.27 The PSNI also mentioned that forecasts from the Office for Budget Responsibility showed wage growth rising from 1.5% in 2014 to 4.9% in 2019. However, the Ulster University Economic Policy Centre for Northern Ireland considered that more modest wage growth would be seen due to the additional supply of labour from public sector job losses and the potential from inward migration and the desire of firms to rebuild their margins.
- 2.28 The **staff associations** stated that strong employment creation was not expected to continue at the same pace. This had been a main feature of the current recovery in the UK.

Government pay policy and affordability

Northern Ireland Executive pay policy

- 2.29 The **DoJNI** noted that the Northern Ireland Executive endorsed the principle of adherence to the UK Government's public sector pay policy. Under this principle, the enforcement of pay growth limits was devolved to the Northern Ireland Executive within the parameters set by HM Treasury. The Northern Ireland Executive's control of public sector pay would be based on the principle that the public sector should offer a pay and reward package that allowed it to recruit, retain and motivate suitable staff and at the same time reflect the circumstances specific to the local labour market.
- 2.30 The Chief Secretary to the Treasury's letter of 19 August 2015 to Pay Review Body chairs stated the 1% pay award limit and said it would apply for four years from 2016/17. The DoJNI stated that, at the time of its evidence submission, the most recent Pay Remit Approval Process and Guidance related to 2014/15 and included a 1% pay award limit. Public bodies were encouraged to include contractual progression increments to which there was a contractual entitlement as part of the 1% award.
- 2.31 In terms of pay uplift, the Minister noted in oral evidence that where progression was contractual this was unavoidable. While noting staff expectations, he cautioned not to deviate from the HMT guidance.
- 2.32 In oral evidence, DFP officials reiterated the policy and that progression was a contractual entitlement for police officers, a point confirmed in legal advice they had received last year. They clarified their view that the affordability of

pay proposals was a matter for the service and relevant department to agree upon, in this case PSNI and DoJNI.

- 2.33 The **PSNI** said that the Northern Ireland Executive had not yet agreed the public sector pay policy applicable to Northern Ireland for 2016/17.

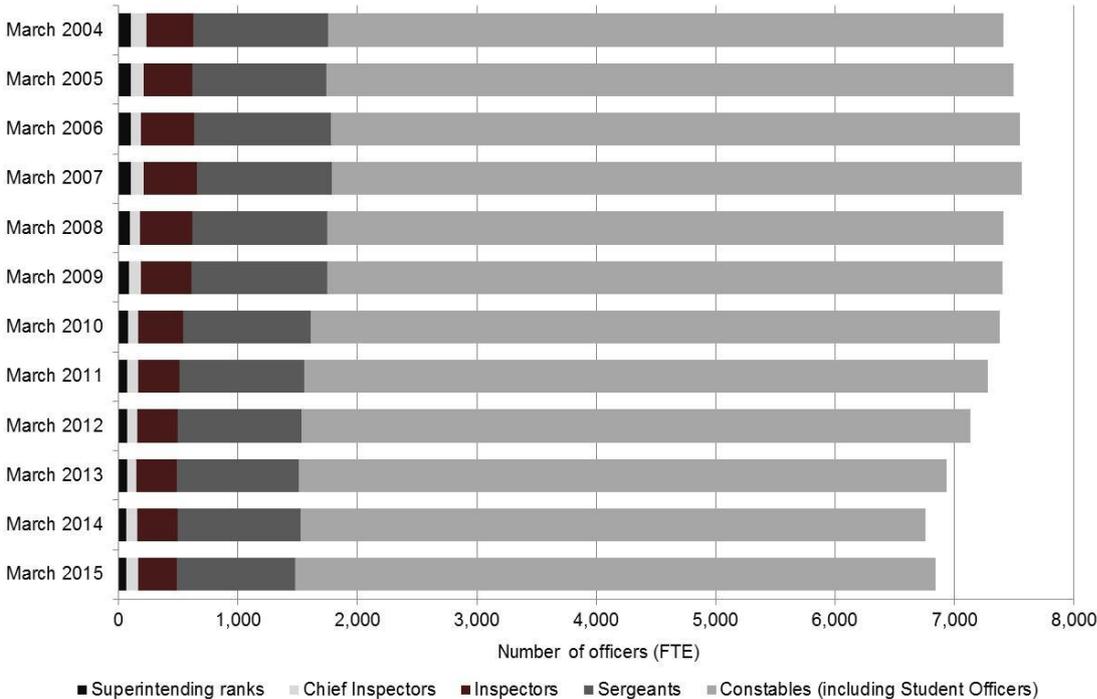
Affordability

- 2.34 The **DoJNI** noted that the PSNI received a £40.4 million reduction to its 2015/16 budget, although this was less than both the overall DoJNI and core Department cuts of almost 9% and 22% respectively. During 2015/16, the PSNI delivered further savings surrendering £22.6 million in the November Monitoring Round.
- 2.35 The **NIPB** mentioned that the PSNI had faced financial pressures in recent years and these were likely to increase. It reported that in 2014/15 the PSNI was asked to deliver significant budget cuts, which resulted in a net in year cut of nearly £42 million (or 5.7%). The NIPB highlighted that due to the cuts since 2014/15 the PSNI had to review the delivery of policing but was still able to deliver a balanced budget in 2015/16. However, this had only been possible due to an additional £20 million non-baseline funding from the Northern Ireland Executive to reduce the overall cut in funding for policing, and based on below target recruitment of 156 officers. The NIPB added that if recruitment levels had progressed towards a target establishment of 6,963 police officers and 2,601 police staff, consistent with the recommendations from the Resilience and Capability Review, the funding gap would be significantly greater (in excess of £70 million per annum).
- 2.36 The **PSNI** said that its budget had been reduced by £217.3 million from 2011 to 2015 and it had delivered savings of £175 million in the last five years. The PSNI stated that every effort had been made to drive costs out of non-pay budgets to protect the frontline and ensure the police continue to deliver on their purpose of Keeping People Safe.
- 2.37 In oral evidence, the PSNI confirmed that their proposal for a 1% pay uplift and incremental progression was affordable. Moreover, the PSNI and other parties highlighted that pay progression is expected by police officers and it is a contractual requirement.

The PSNI police officer workforce

2.38 Chart 2.3 shows the number of police officers recorded in Northern Ireland at 31 March each year from 2004 to 2015. The overall number of full-time equivalent (FTE) officers decreased by 7% between March 2010 and March 2015, although there was a small increase between 2014 and 2015.

Chart 2.3: Number of police officers, by rank, Northern Ireland, 2004–2015

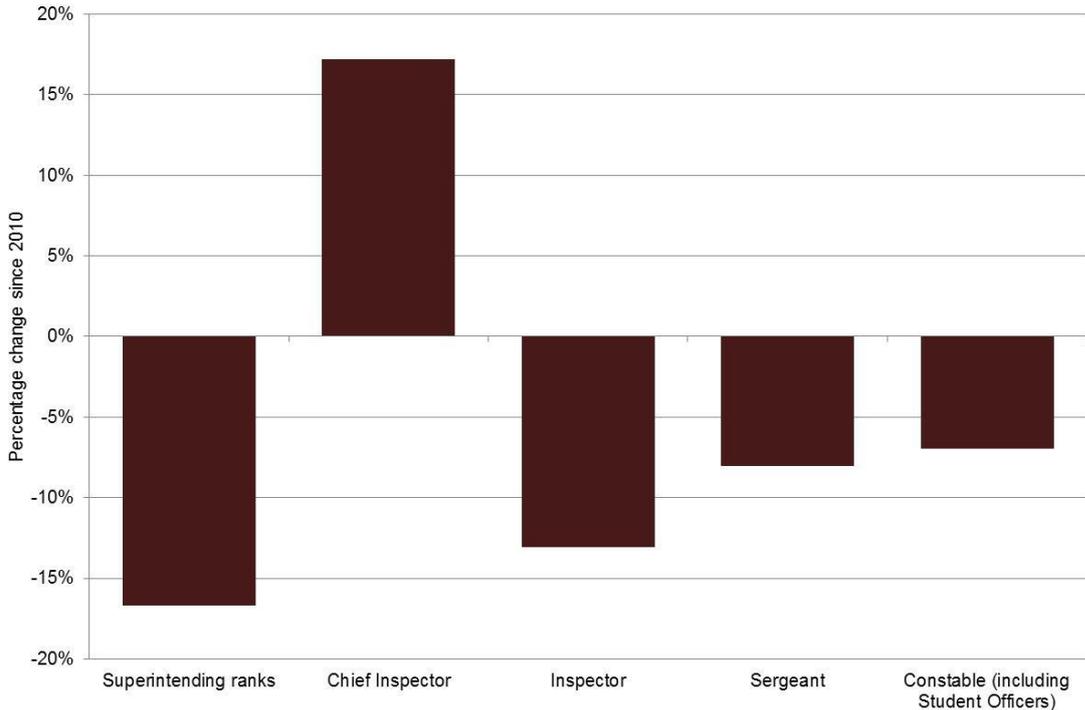


Source: PSNI data.

2.39 As shown in Chart 2.4, the largest proportional decreases since 2010 in Northern Ireland have been for the superintending ranks. In absolute terms the greatest decreases have been for constables (a decrease of approximately 400 officers) and sergeants (a decrease of almost 90 officers). The rank of chief inspector was the only one to see an increase since 2010, with 14 additional officers.

2.40 In comparison, in England and Wales the largest proportional decreases have been for the superintending ranks and inspectors (23% and 21% respectively). In absolute terms, England and Wales have experienced the greatest decreases for the same ranks as Northern Ireland, constables and sergeants, with a decrease of 10,700 and 4,000 officers respectively.

Chart 2.4: Percentage change in police officer numbers between March 2010 and March 2015, by rank, Northern Ireland



Source: OME analysis of PSNI data.

Parties' evidence

2.41 All parties agreed that officer numbers were below the desired levels. The **DoJNI** reported that the police service in Northern Ireland consisted of 6,827 police officers. This figure was below the target number of 6,963 and may reduce further in light of current financial pressures.

2.42 The DoJNI said that the PSNI had run three police officer recruitment campaigns since September 2013. In the 2013 recruitment campaign there were approximately 7,500 applicants, in 2014 there were 5,900 applicants and in the 2015 recruitment campaign, which closed on 23 October 2015, there were almost 5,500 applications. The **PSNI** stated that 65% of the applicants in the 2015 campaign were from the Protestant community, 32% from the Catholic community, and 3% other. Just over a third (35%) were female.

2.43 The DoJNI added that PSNI had commenced a two-year Voluntary Exit Scheme which sought to reduce police support staff by approximately 400 posts by 30 September 2016, delivering annual pay bill savings of around £7.5 million. In oral evidence, the DoJNI said that recruitment was not a cause of

concern and noted that even a decrease in the starting salary had not affected the number of applicants and their quality.

- 2.44 The **PSNI**'s written evidence discussed in detail the recruitment of police officers in Northern Ireland. A recent targeted recruitment campaign had set percentages for each performance criteria to be achieved⁸. These criteria included recruitment of members of the Roman Catholic community, women, young people, and people from rural districts. The PSNI commented that the targets for young people and female recruitment had been achieved; and for the Catholic community and rural districts, between 66% and 80% of the targets set have been achieved.
- 2.45 The PSNI had implemented a promotion process for all officer ranks to substantively fill resourcing gaps which had previously been filled by temporary promotion arrangements. The PSNI also added that, as a result of the budget cut, the chief constable had to make some difficult decisions directly linked to headcount which resulted in a reduction in recruitment plans and an end to the Agency staff contract.
- 2.46 The PSNI acknowledged that the College of Policing had implemented the new fast track schemes through a phased approach and the roll out of the Direct Entry (DE) programme was included in the first phase. The PSNI highlighted that it had not previously implemented the DE Fast Track Inspector Scheme but had opened applications to serving constables in April 2016. The PSNI had also agreed to implement the DE Superintendents Scheme and aimed to achieve the required actions by 2017, subject to the necessary changes in Regulations.
- 2.47 The **staff associations** expressed concern regarding the number of officers who continued to exit the service on an annual basis with cessation outstripping recruitment between 2013 and 2015 by 157. They added that officer numbers continued to decrease and those remaining were burdened with the increased workload set against crime levels and a persistent security threat. They said that to attract and retain the right calibre of officers the service needed to provide pay and conditions that were fair and reflected the

⁸ The PSNI is required by legislation to outsource the function for recruitment of regular police officers.

nature and responsibilities of the role, and enabled officers to maintain a reasonable standard of living.

Morale and motivation

- 2.48 The **PSNI** had worked with Durham University Business School to undertake a survey of officers covering morale and motivation, but the results were not available in time for our report. The **PFNI** ran an independent workforce survey which received 2,527 responses from officers across all the federated ranks, representing a response rate of approximately 37%. In the survey, 73% of the respondents said their personal morale was low and 96% stated morale in the service as a whole was low.
- 2.49 The PSNI described the work being undertaken as a result of the target in the Policing Plan to reduce officer sickness by 25%. The PSNI stated that the October 2015 figures showed a 17% reduction of average working days lost, but noted that to achieve the overall target of 10.64 average working days lost would require a further sustained and significant reduction in the remaining five months of the 2015/16 financial year. The **staff associations** also noted that sickness was an issue, with SANI reporting that 67% of members were taking leave instead of sickness absence.
- 2.50 The PSNI highlighted that the accumulation of Modified Rest Days/monthly leave days had reached an unacceptable level in August 2014 (in excess of 50,000). These days were often accumulated by officers for tasks which were not associated with their normal duties. Efforts were being made to clear the number of days held, but it had been necessary to extend the deadline for doing so. By November 2015, there were 37,266 days remaining on the system. During oral evidence, **DoJNI** officials recognised that this situation was a cause of concern and it was disappointing to see that these numbers were not decreasing.
- 2.51 In oral evidence, **DoJNI** officials noted that pension contributions had increased and that the changes to pensions had a substantial impact on morale.

Our assessment of the evidence

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

General

2.53 We note the ongoing reforms being taken forward by the National Police Chiefs' Council and the College of Policing in England and Wales, and the impact these might have on policing in Northern Ireland. We agree with the Minister of Justice that consideration will have to be given to these reforms. As the DoJNI recognised, a new rank structure in England and Wales could have implications for the free movement of police officers if Northern Ireland did not implement these changes.

The environment and security situation

2.54 We acknowledge the unique policing environment in Northern Ireland and the severe security threat level, and the recent attacks are proof of this heightened situation. We are aware that PSNI police officers are routinely armed and restrictions on PSNI police officers have an ongoing impact on their private lives and families. The Northern Ireland Transitional Allowance is clearly still necessary to reflect the operating environment for PSNI officers.

Links with England and Wales

2.55 We note the desire to retain uniformity with England and Wales, to ensure interoperability and a flow of skills and experience into the PSNI. All parties emphasised the importance of coherence with England and Wales; in particular, the DoJNI reiterated that policing in Northern Ireland was neither able to, nor wished to, operate separately from policing in other parts of the UK.

2.56 We acknowledge the resource pressure in Northern Ireland constrains the ability of the PSNI and the DoJNI to maintain effective engagement with England and Wales structures, however, we caution against allowing this engagement to diminish. In our view, it is essential that the PSNI takes the lead to engage with the College of Policing on the proposed reforms to ensure a full understanding of the implications for Northern Ireland. We see substantial risks to interoperability if the PSNI is not playing a part in the design and implementation of the reforms.

- 2.57 Parity with England and Wales has been a key principle of proposals and has influenced considerations for our first two reports. However, the arguments supporting parity require further elaboration particularly to identify the role of pay parity specifically and more generally to understand what parity means in terms of the reforms. For instance, we do not see mutual aid as being affected by differing pay arrangements and we ask the PSNI to clarify its position on this point.
- 2.58 We therefore suggest a fuller debate about parity among the Northern Ireland parties led by the DoJNI and the PSNI so that a more comprehensive view on this can be presented in evidence to us. To support this debate, we suggest information is provided to us for the next pay round on the following:
- The number and rank of police officer transferees both in and out of the PSNI;
 - The number and rank of police officers on secondment from England and Wales forces in the PSNI and on secondment from the PSNI to England and Wales;
 - Any data on the numbers participating in mutual aid; and
 - Any update on the PSNI's understanding of the implications of reforms for Northern Ireland.

The economy and earnings

- 2.59 The current economic climate is an important element in our pay considerations. The parties provided an overview of the economic situation in Northern Ireland and our secretariat prepared some analysis of earnings of police officers in Northern Ireland compared with the rest of the UK.
- 2.60 We note that Northern Ireland labour market indicators are showing positive signs with falling unemployment and increasing employment; however, these still lag behind the rest of the UK. The economic inactivity rate also remains considerably higher than the UK average.
- 2.61 In line with other public sector employees, earnings of police officers are higher than average private sector earnings in Northern Ireland. We note that private sector earnings are the lowest of the UK regions. Police officers in Northern Ireland have higher earnings than those in England and Wales and this is primarily driven by NITA, overtime for constables and sergeants, and

access to CRTP for federated ranks. We acknowledge that median earnings for police officers (constable and sergeant) in Northern Ireland dropped by almost £3,000 from 2014 to 2015.

Government pay policy and affordability

- 2.62 The Minister of Justice's remit letter referenced UK Government pay policy in the absence of a specific pay policy for Northern Ireland for 2016/17. This is the second report we have been asked to produce without a specific public sector pay policy for Northern Ireland. Our considerations and the parties' evidence are hampered by the absence of a pay policy and a specific interpretation for the pay of police officers. We therefore stress the importance of clarity on the policy framework for police pay in time for our annual remit letter.
- 2.63 The evidence from the DoJNI included the DFP's existing pay guidance that any award should be up to 1% including progression. The public sector pay policy of a limit of 1% was acknowledged by the parties.
- 2.64 We are aware of the financial pressures facing the PSNI and that workforce costs are a major component of their budget. However, the PSNI told us that their proposals are affordable and DoJNI officials confirmed that they were content with PSNI's judgement on affordability. We also note the DFP's clarification that progression is a contractual entitlement.

The PSNI police officer workforce

- 2.65 All parties noted that the number of police officers was below the target level assessed in the 2013 Resilience and Capability Review. This had an effect on workload and a high level of Modified Rest Days and unused annual leave. Moreover, sickness levels were not decreasing. It appears to us that the evidence is pointing to a staffing model under pressure, which the PSNI has acknowledged, due to a range of factors that are not pay related.
- 2.66 We note that the PSNI recognised the considerable pressure in the organisation and how not being able to take rest days had an impact on officers' private lives. For the next pay round, we encourage the PSNI to provide updated information on sickness levels, including progress towards targets and the baseline from which those targets are measured.

- 2.67 The PFNI survey results highlighted signs of low morale. During oral evidence, all parties expressed concerns about low levels of morale due to various reasons, including pension reforms, workload and potential financial pressure faced by the police officers who are under the SPED scheme. Generally, we would welcome further evidence on the factors influencing morale and motivation of police officers including the results of the PSNI's staff survey.
- 2.68 There appear to be no significant recruitment difficulties, both in terms of number and quality of applicants. We welcome the recruitment process undertaken by the PSNI in order to build a service that is more representative of all communities in Northern Ireland.
- 2.69 The PSNI and the staff associations have raised concerns about retention, although none have come forward with specific evidence of an upturn in departures. The parties may wish to gather specific evidence on this issue for the next pay round.
- 2.70 The SANI highlighted that PSNI had lost people with no immediate replacement. We understand that this can have an impact on roles, workload and loss of experience.

Chapter 3 – Pay Proposals and Recommendations for 2016/17

Introduction

- 3.1 In this chapter we make our recommendations on police officer pay and allowances for 2016/17. In reaching our conclusions we have reviewed the evidence submitted by the parties and their proposals.
- 3.2 This year, the Minister asked us to make recommendations on the basic pay award, the Competence Related Threshold Payment and the following allowances: Northern Ireland Transitional Allowance, Dog Handlers' Allowance and On-call Allowance.

Basic pay increase

- 3.3 The remit letter from the Minister of Justice requested recommendations on the application of any pay award for police officers serving in Northern Ireland up to and including the rank of chief superintendent for 2016/17. The Minister noted that the Northern Ireland Executive had not agreed its public sector pay policy for 2016/17 but had endorsed the principle of adherence to the UK Government's public sector pay policies and public sector pay growth limits. The Minister advised that in the absence of a clear policy for Northern Ireland we should operate within the parameters set out in the CST's letter, noting that these may be subject to further restraint. The CST's letter included a request for consideration of the parties' evidence on the targeting of particular groups. The Minister restated the importance of retaining uniformity with similar ranks in England and Wales to avoid barriers to movement between forces.
- 3.4 In February 2016, DFP published a letter entitled Pay Remit Approval Process and Guidance⁹ on the application of public sector pay policy in Northern Ireland for 2015/16. This specified that the 1% pay limit should be applied to all staff groups within public bodies and all components of any pay award, including revalorisation, progression and increases in the non-consolidated pot. DFP added that increases arising from contractual progression pay increments would only continue to be paid where such salary rise remained a contractual entitlement.

⁹Available at: https://www.dfpni.gov.uk/sites/default/files/publications/dfp/fddfp0516_0.pdf

- 3.5 The **NIPB** proposed an uplift to pay for PSNI police officers of up to 1% of the pay bill from 1 September 2016 to cover contractual increments and revalorisation and, in principle, the targeting of other posts deemed necessary for additional one-off remuneration.
- 3.6 The **PSNI** examined different costs of various uplift scenarios for federated and superintending ranks. The PSNI's preferred scenario of a 1% uplift to all pay points plus incremental progression would, according to its calculations, create an increase of just over 1% to the overall pay bill, considering the current attrition rate, recruitment patterns and recyclables. In oral evidence, the PSNI confirmed that this preferred proposal was affordable.
- 3.7 The **staff associations** proposed an uplift of 2.4% which reflected the three-year average median between CPI and RPI. They also recommended that incremental payments remain and were honoured in line with legitimate expectations of those officers on rank scales. In oral evidence, the **SANI** said that this proposal was proportionate given the increase in pension contributions and in the cost of living.

Our comment and recommendation

- 3.8 We are making our recommendations without a 2016/17 pay policy. In reaching our independent conclusion, 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 we have carefully considered the parties' evidence and the specific proposals from the PSNI, NIPB, SANI and PFNI as well as clarifications given by the DFP.
- 3.9 We have 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.
- 3.10 In examining options for any pay award, we reflect on whether the contextual factors and specific constraints in Northern Ireland support a different approach for PSNI officers. We consider first whether a pay uplift above the 1% is justified by evidence. The staff associations proposed a 2.4% uplift to basic pay. We note that motivation and morale continue to be low, according to staff associations and our meetings with officers on our visits, and this is

therefore of particular concern to us although it is not clear whether pay is the predominant factor. Earnings data show that police officers in Northern Ireland are better paid than their counterparts in England and Wales, and in comparison with the wider public sector and private sector in Northern Ireland. The evidence and our visits signalled a number of different factors affecting morale and motivation, namely workload pressure, the risks associated with the job and pension changes. We are grateful to the staff associations for drawing attention to the issue of low morale as highlighted in their survey results. For the next pay round, we request further evidence on the factors that negatively affect morale.

- 3.11 When we factor in the Northern Ireland Executive's public sector pay policy, we do not see substantive evidence of recruitment and retention difficulties to support an award above the 1% funding envelope. For England and Wales we have recommended a 1% pay uplift and we consider that a higher pay uplift for Northern Ireland could introduce significant differences undermining the desire for broad parity to encourage interoperability and transfers of officers.
- 3.12 We now turn to the NIPB proposal for a 1% pay bill uplift *including* incremental progression with the remainder leftover to uplift the pay points. The NIPB did not mention the use of recyclables in their calculations and we therefore conclude that its pay proposal did not take them into account. This proposal would imply a pay uplift considerably lower than 1% and no specific evidence supports treating police officers in Northern Ireland differently to their counterparts in England and Wales, nor with other public sector groups in Northern Ireland that have had their award.
- 3.13 We therefore focus on what option would balance the considerations underpinning our remit and maintain broad parity with England and Wales. We also attach weight to the PSNI statement that a 1% uplift *and* incremental progression is affordable within its current budget and that the DoJNI indicated that it was content with the PSNI's affordability assessment of the proposal. This is an important factor in our considerations, particularly in the absence of a 2016/17 Northern Ireland public sector pay policy and how it should apply to police officers.

- 3.14 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 2016/17 *in addition to* any incremental progression due. This is in line with our recommendation for England and Wales. This increase aims to support interoperability and sustain recruitment, retention and morale, and recognises the need to underpin resilience in light of the cumulative impact of recent pay restraint and pension changes. The recommended pay scales are given in Appendix E.
- 3.15 We do not rule out a different approach to Northern Ireland in future years and we reiterate our desire set out in our First Report to see a fuller debate about the future policy on parity with England and Wales especially given the current reforms.

Recommendation 1. We recommend a consolidated increase of 1% to all pay points for federated and superintending ranks from 1 September 2016.

Competence Related Threshold Payment

- 3.16 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.
- 3.17 The payment is 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. All PSNI officers who meet the eligibility criteria can apply for the CRTP, currently worth £1,224. This payment was not uprated in 2015/16, as per our recommendation. Table 2.1 in Chapter 2 shows the percentage of full-time officers in different ranks in receipt of CRTP.

3.18 The payment has been phased out in England and Wales following the Winsor Review recommendation to abolish the CRTP scheme from August 2011 on the basis that it had not worked as it was intended to. In Northern Ireland, the Minister of Justice requested in his remit letter that we consider the comprehensive review of the CRTP scheme with any changes for implementation in 2018. He also added that we would require detailed evidence submissions from the parties to support this work.

Evidence from the parties

3.19 The **DoJNI** requested that we consider at most the retention of the CRTP without increase and asked us to make initial recommendations of our requirement in initiating the review.

3.20 The **NIPB** reiterated its view presented last year and would not support any increase in the CRTP for 2016/17. It also added that it would seek the removal of the CRTP scheme in common with England and Wales.

3.21 In its evidence, the **PSNI** said that it was committed to reviewing the allowance with a view to commencing this in 2016. It also recommended no uplift to the value of the CRTP.

3.22 The **staff associations** recommended that CRTP remained as it was and be uplifted in line with the pay award, working towards a review to commence in 2018 and any change implemented in 2019.

Our comment and recommendation

3.23 In our 2015 Report, we acknowledged the PSNI's concerns that removing the CRTP at that stage could lead to the loss of manpower and expertise and therefore create operational difficulties at a time of heightened tension through 2016. The Minister of Justice's remit letter makes clear that the CRTP review should take place in time to implement any changes by the September 2018 pay settlement date. We expect the PSNI to lead this review and to put in place appropriate mechanisms to collate information, to engage with the parties and to produce proposals for the future of CRTP (jointly with other parties, if possible). To meet the Minister's timescale, this review should inform proposals in evidence submissions to us for our 2018 Report. The PSNI could

helpfully engage with the parties as soon as possible and set out the key milestones for the review in its 2017 evidence.

3.24 To inform the PSNI's comprehensive review and to aid our 2018 deliberations, we suggest below the evidence base and requirements for the review:

- The current rationale for CRTP, including any aspects specifically relevant to Northern Ireland (given that CRTP has been phased out in England and Wales);
- An analysis of the data on those currently in receipt and any trends since its introduction;
- An assessment of its effectiveness against the above rationale including any issues around its interpretation and application;
- Any links between CRTP and higher skills and levels of performance;
- A clear, evidence-based justification and rationale for any proposed changes in the CRTP. Any proposals should include an assessment of the potential impact on retention and morale of police officers; and
- Consideration of how any proposed change fits with wider police workforce and pay reforms either those emerging in England and Wales or driven within Northern Ireland.

3.25 Turning to this pay round, we continue to acknowledge the risks associated to the retention of experienced officers. We have considered the staff associations' proposal to increase CRTP in line with basic salary; however, we have not found any evidence that could justify an increase in the payment in the current circumstances given that recruitment and retention is holding up. We would need stronger evidence to support any uplift ahead of the planned review. We therefore endorse the proposals by the DoJNI, PSNI and NIPB to retain the payment at its current value.

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

Allowances

- 3.26 For this pay round, the Minister of Justice specifically sought our views on any adjustment to the Northern Ireland Transitional Allowance (NITA); Dog Handlers' Allowance and On-call Allowance for the federated and superintending ranks. Moreover, he asked us to consider whether to change NITA's current non-pensionable status and to review the accessibility of the On-call Allowance by federated and superintending ranks.
- 3.27 We have made our recommendations based on parties' evidence and on our consideration of how these allowances support recruitment, retention and morale. Moreover, when making our recommendations we have considered the parity argument with England and Wales.

Northern Ireland Transitional Allowance

- 3.28 The NITA is intended to acknowledge the challenging policing environment in Northern Ireland and the restrictions faced by officers and their families. The allowance is meant to recognise the more difficult working conditions of police officers in Northern Ireland compared with their counterparts in the rest of the UK. Fuller details were given in our First Report¹⁰.
- 3.29 The allowance is transitional as its reduction or removal is conditional on the successful completion of security normalisation and significant reduction in attacks on the police.

Evidence from the parties

- 3.30 As we note in Chapter 2, all parties reported that the security threat level was severe and the recent attacks were proof of this heightened situation. All parties recognised that NITA was intended to reflect the special nature of policing in Northern Ireland. In oral evidence, the parties highlighted that this climate also had an impact on police officers' families.
- 3.31 The **NIPB** supported a 1% increase in NITA but retaining its non-pensionable status. The **PSNI** recommended the retention of NITA with an increase of 1% and its non-pensionable status to remain unchanged, noting that this proposal

¹⁰ Available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461270/PRRB_first_report_for_Northern_Ireland.pdf

was affordable within the public pay limits determined by the Northern Ireland Executive.

- 3.32 The **staff associations** said that NITA should become a pensionable payment, and uplifted in line with the annual officer salary increase. In oral evidence, they noted that threats were not disappearing during retirement.
- 3.33 In oral evidence, the **DoJNI** told us that NITA was a temporary allowance but the policing environment had not yet normalised. It added that if our recommendation was to uplift NITA on the basis that this was appropriate and affordable, then the DoJNI would be supportive of this decision. With respect to the pensionability argument, the DoJNI highlighted that NITA was an allowance and that making it pensionable would send the wrong signal about the pace of change in Northern Ireland. In oral evidence, officials added that they would like to have NITA reviewed in the future.

Our comment and recommendation

- 3.34 In the evidence presented to us, all parties supported an increase to NITA. This was based on the current severe security threat and evidence that the unique and different context within which PSNI officers work had not significantly changed. 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.
- 3.35 Historically, NITA has been uplifted in line with the annual pay uplift figures, therefore we conclude that any increase below this level might have a detrimental impact on police officers' morale and motivation in Northern Ireland unless it can be clearly demonstrated that the security situation has improved recently. The PSNI has confirmed that a 1% uplift to NITA is affordable. In view of the continuing security threat we recommend that the NITA should increase in line with the pay award.
- 3.36 We note the PFNI's proposal to make NITA pensionable. We understand that retired officers continue to face a security threat, however, taking the Northern Ireland pay and allowances package together in the round we do not see this change as a priority at present given the current financial constraints. We would encourage the PFNI to provide more evidence supported by costings

and an indication of their preferences for how the funding should be utilised. Should the parties consider there is a case for the pensionability of NITA, we expect further discussions before proposals are submitted. These might include how pensionability might apply and how allowances should be treated for pension purposes under a career average scheme.

Recommendation 3. We recommend a 1% increase to the current level of the Northern Ireland Transitional Allowance from 1 September 2016.

On-call Allowance

3.37 This allowance is paid to police officers who have been authorised to remain available to report for duty if required. Only officers below the rank of superintendent are eligible to receive this allowance. Table 2.1 in Chapter 2 shows the percentage of officers in receipt of On-call Allowance.

Evidence from the parties

3.38 The **PSNI** said that on-call rotas existed for a number of functions and noted that only superintending ranks could perform required duties related to two custody functions, namely the Police and Criminal Evidence and Serious Crime Suite duties. The PSNI suggested reviewing and reducing the total numbers of on-call requirements for superintendents.

3.39 The **NIPB** supported the continuation of the On-call Allowance at the same rates as are currently being applied for the federated ranks and it did not support the extension to the superintending ranks.

3.40 The **PFNI** recommended an increase to £23.00 for the On-call Allowance for each evening or weekend day period and to £30.00 for time on-call during a day considered a public holiday within the terms of the PSNI Regulations 2005.

3.41 The **SANI** noted that the issue of on-call was of particular concern for their members, who were not eligible to receive this allowance. It proposed that consideration was given to the payment of this allowance to superintending ranks to recognise the significant impact placed upon superintendents and

their private lives. In view of the on-call demands and the unique operational challenges in Northern Ireland, the SANI recommended a payment of an On-call Allowance of £40.00 per 24 hour period (or fraction thereof). It did not propose that such an allowance should be pensionable and should the security situation normalise the allowance may be discontinued as part of the review arrangements of allowances.

Our comment and recommendation

- 3.42 We have not received sufficient evidence to justify an increase to this allowance. As a minimum we need fuller details of how often officers are asked to be on-call, what the impact is and costings to support any revisions. We therefore do not recommend any increase to the On-call Allowance for this pay round. However, we note PSNI's intention to reduce the total number of on-call requirements and would welcome an update on this in the next round.
- 3.43 We recognise the increasing impact of workload on superintendents, whose numbers have been reduced in recent years while the demands of policing have become more complex. However, we did not see evidence that it would be appropriate to extend the On-call Allowance to this rank. The request does indicate to us that there may be an issue with the remuneration of the superintending ranks, with a similar request from the staff association in England and Wales to recompense superintending ranks through a specific allowance. Rather than a short term approach, resolution may be better served through the reforms underway. We would therefore encourage the parties to engage in the reforms in England and Wales.

Recommendation 4. We recommend no increase to the current levels of the On-call Allowance.

Dog Handlers' Allowance

- 3.44 This allowance is payable to police officers who keep and care for a dog owned by the Policing Board at their home. The allowance is a compensation for looking after the dog during the officer's rest days, non-working days and public holidays.

Evidence from the parties

3.45 The **PSNI** and **NIPB** supported the retention of this allowance with an increase of 1%. The **PFNI** recommended an uplift in line with the pay award.

Our comment and recommendation

3.46 We recommend a 1% uplift for this allowance. We continue to consider that the Dog Handlers' Allowance should be updated by the overall pay award as it recognises the specific role (rather than any appropriate costs) and thereby maintains its value in relation to other police officers. This is consistent with our recommendation in England and Wales.

Recommendation 5. We recommend a 1% increase to the current level of the Dog Handlers' Allowance from 1 September 2016.

Forward look

3.47 We note that our report will be received by a new Minister following the May 2016 elections to the Northern Ireland Assembly. This year we have made recommendations without a Northern Ireland public sector pay policy for 2016/17. Future remit letters should include a clear approach to public sector pay in Northern Ireland and how it should be interpreted for police officers to aid our deliberations and to help the parties preparing their evidence.

3.48 In considering our future work programme, we note that other strands of the reform agenda in England and Wales may have significant implications for the PSNI, including the review of the rank structure and the possible consequences that this may have on the movement of police officers between countries. We recognise the resource pressures faced by the PSNI, but we encourage it to engage more proactively with the College of Policing as reforms develop. We hope to hear more evidence on the involvement of the PSNI in the reform agenda in future evidence.

3.49 We know that there are already differences in pay and conditions for Northern Ireland officers and we would ask the parties to have a fuller debate about the future policy on parity with England and Wales given the significant implications of further change. In the next pay round, we would welcome

evidence from the parties on the extent to which interoperability and pay parity remain desirable in the longer term.

3.50 We welcome the comprehensive review of the Competence Related Threshold Payment (CRTP) scheme with any changes to take effect from September 2018. To support our deliberations for the 2018 pay round we expect the parties to provide us with evidence taking into consideration the parity argument with England and Wales and the broader context of the policing reform agenda. As we mentioned in paragraph 3.23 and 3.24, we are keen to receive proposals from the parties as well as evidence-based rationale for any changes to the CRTP. In our next round for 2017, we expect the PSNI to present a route map for their review of CTRP including milestones and evidence gathering to provide us with assurance that the required work will have been done to enable all parties to engage with the review in the 2018 round.

3.51 In terms of data to inform our considerations across our terms of reference, we would encourage the parties to provide evidence on the following:

- Data on movements between forces and in particular:
 - The number and rank of police officer transferees both in and out of PSNI
 - The number and rank of police officers on secondment in the PSNI
 - The numbers participating in mutual aid;
- Updated information on sickness levels, including progress towards targets and the baseline from which those targets are measured;
- Pension scheme membership data given that it is part of the broader remuneration package and pension changes are frequently cited as a major influence on morale and motivation and, potentially, retention;
- Further evidence on the factors influencing morale and motivation of police officers including the results of the PSNI's staff survey; and
- Equality impact assessments of any pay proposals particularly those relating to reforms of the pay package.

Appendix A – Previous PRRB Northern Ireland Reports

We submitted our 2015 Report on 12 June 2015. The recommendations were accepted in full by the Northern Ireland Executive, through the Minister of Justice, on 16 September 2015¹¹ as follows:

Our 2015/16 recommendations (from 1 September 2015)

- **A consolidated increase of 1% to all pay points for federated and superintending ranks.**
- **No increase to the current level of Competence Related Threshold Payment.**
- **Northern Ireland Transitional Allowance to be updated by 1%.**
- **Dog Handlers' Allowance to be updated by 1%.**

¹¹ Available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461273/Minister_of_Justice_to_Chair_06.08.2015.pdf

Appendix B – Chief Secretary to the Treasury’s Letter



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

Jerry Cope (NHSPRB); Paul Curran (DDR); Peter Knight (Prison Services RB); David Lebrecht (Police/NCA PRB); Martin Read (SSRB); Patricia Rice (STRB); John Steele (AFPRB)

c/o Office of Manpower Economics
Fleetbank House
2-6 Salisbury Square
London EC4Y 8JX

Dear Jerry, Paul, Peter, David,
Martin, Patricia and
John,

19th
August 2015

PUBLIC SECTOR PAY 2016-17

Thank you for your work on the 2015-16 pay round. It is clear to me that the pay review bodies play an invaluable role in making independent, evidence-based recommendations on public sector pay, as well as providing expert advice and oversight in relation to wider reforms to pay policy and allowances. I am grateful to you and your colleagues for the careful thought you give to this work, and look forward to receiving your advice and recommendations during the 2016-17 pay round and beyond.

2. Savings from public sector pay and workforce reform made a significant contribution to reducing the deficit over the course of the last Parliament, saving around £8bn. The new government’s Summer Budget last month set out that a further £20 billion of consolidation in public sector spending will be required to deliver a surplus by 2019-20. Whilst the deficit and debt are being reduced, the government will need to continue to ensure restraint in public sector pay. Without



such restraint, reductions would need to come from other areas of spend, resulting in negative impacts on public services and jobs. At a time of difficult decisions, the government's pay policy will help to protect the jobs of thousands of front line public sector workers.

3. As you will have seen, the government announced at Budget it will fund public sector workforces for a pay award of 1% a year for four years from 2016-17. The government expects pay awards to be applied in a targeted manner to support the delivery of public services, and to address recruitment and retention pressures. This may mean that some workers could receive more than 1% while others could receive less; there should not be an expectation that every worker will receive a 1% award. The relevant departments will submit in their evidence to you proposals covering the needs of their different workforces.

4. The Budget also set out that the government will continue to examine pay reforms and modernise the terms and conditions of public sector workers. This will include a renewed focus on progression pay, and considering legislation where necessary to achieve the government's objectives. Over the course of the Parliament, I look forward to the pay review bodies playing an important role in advising the government on how best to achieve pay reforms.

5. The relevant Secretaries of State will write to you shortly with a detailed remit covering these points and I look forward to receiving your recommendations.

with best wishes,

A handwritten signature in blue ink, appearing to read 'Greg Hands'.

GREG HANDS

Appendix C – Minister of Justice’s Remit Letter

FROM THE OFFICE OF THE JUSTICE MINISTER



Department of

Justice

www.dojni.gov.uk

Minister’s Office Block B,
Castle Buildings
Stormont Estate
Ballymiscaw
Belfast
BT4 3SG
Tel: 028 9052 8121
private.office@dojni.x.gsi.gov.uk
Our ref: SUB/1184/2015

Mr David Lebrecht
Chairman PRRB
c/o Office of Manpower Economics
8th Floor
Fleetbank House
2-6 Salisbury Square
LONDON EC4Y 8JX

20 October 2015

Dec M. Lebrecht

POLICE REMUNERATION REVIEW BODY – REMIT LETTER

I am pleased to provide the Police Remuneration Review Body with this remit letter for the 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.

During your first year of review, parties in Northern Ireland were conscious of the reforms applied to police officers’ terms and conditions following agreements reached at the Police Negotiating Board. Some of these are still in the process of implementation, while the effect of the loss of some allowances and pension reforms is still being assessed. I can confirm that the approach taken last year in making recommendations consistent with other forces in England and Wales was helpful and that your recommendations have been applied in full.

Public Sector Pay Policy

The Northern Ireland Executive has not yet agreed the public sector pay policy applicable to Northern Ireland for 2016/17. In general terms, it has however endorsed the principle of adherence to the UK Government’s public sector pay policies and public sector pay growth limits.

Building a fair, just and safer community

I am aware of the letter that the Chief Secretary to the Treasury sent to the chairs of pay review bodies on 19 August. In the absence of a clear policy for Northern Ireland, I would suggest that the body operates within the parameters set out therein, noting that these may be subject to further restraint. The Executive's position will be provided in evidential submissions as the position becomes clearer.

2016/17

I would ask for recommendations from the Review Body on:

- the application of any pay award for these police officers, effective from 1 September 2016;
- whether any increase should be applied to the Northern Ireland Transitional Allowance and whether to change its current non-pensionable status;
- whether any increase should be applied to the Competence Related Threshold Payment and/or Dog Handler's Allowance; and
- the operation of current on call arrangements for the Federated and Superintending ranks – including compensation levels and accessibility by those ranks.

The Review Body will want to consider the full package of remuneration paid to police officers in Northern Ireland and consider any specific challenges facing them which are not already addressed.

In making your recommendations for this year, you were able to retain uniformity with similar ranks in England and Wales, and the recommendations for the Senior Salaries Review Body's remit group. It remains important that no barriers to movement are created between forces and so parity in key areas remains desirable.

Future Agenda

Last year I requested that the Review Body plan to undertake a comprehensive review of the CRTP scheme for implementation in September 2018. I remain committed to this review and understand that you require detailed evidence submissions from the parties to support this work.

Building a fair, just and safer community

FROM THE OFFICE OF THE JUSTICE MINISTER



Finally, I would note that consideration will have to be given to the ongoing reforms being taken forward by the College of Policing and what, if any, impact these might have on policing in Northern Ireland.

I trust that this letter is helpful as you undertake this year's assessments. 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. They are in the process of gathering evidence for your consideration.

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

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

DAVID FORD MLA
Minister of Justice

Appendix D – The Parties’ Website Addresses

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

Department of Justice Northern Ireland	https://www.dojni.gov.uk/
Police Service of Northern Ireland	https://www.psni.police.uk/globalassets/advice--information/our-publications/documents/psni-submission-to-prrb---federated-and-superintending-ranks-2016-17.pdf
Northern Ireland Policing Board	http://www.nipolicingboard.org.uk/index/freedom-of-information/publication-scheme/part 3 classes of information /how we make decisions/records of important decisions/police pay.htm
Police Federation for Northern Ireland	https://www.policefed-ni.org.uk/Submissions/PFNI-Submission.aspx
Superintendents’ Association of Northern Ireland	http://www.policesupers.com/wp-content/uploads/2016/01/PRRB-FINAL-joint-submission-PSAEW-and-SANI-Jan-2016.pdf

Appendix E – Recommended Changes to PSNI Police Officer Pay Scales and Allowances from 1 September 2016

Salary scales

The salary scales in effect from 1 September 2015 are set out below along with our recommendations for effect from 1 September 2016.

Rank	Pay point	With effect from	Recommended	Notes
		1 September 2015	for effect from 1 September 2016	
Constable (appointed before 1 September 2014)	On commencing service as PSNI trainee	£23,964	£24,204	
	On commencing service as probationary PSNI constable	£26,749	£27,015	
	2	£28,302	£28,584	a
	3	£30,030	£30,330	
	4	£30,975	£31,284	
	5	£31,971	£32,292	
	(pay point removed April 2016)	(£33,693)	(£34,029)	
	6	£34,779	£35,127	
	7	£36,882	£37,251	
	8	£37,626	£38,001	b
Constable (appointed on or after 1 September 2014)	On commencing service as PSNI trainee	£19,383	£19,578	c
	On commencing service as probationary PSNI constable	£22,668	£22,896	d
	2	£23,694	£23,931	
	3	£24,729	£24,975	
	4	£25,758	£26,016	
	5	£27,819	£28,098	
	6	£31,971	£32,292	
	7	£37,626	£38,001	
Sergeant	1	£38,910	£39,300	
	2	£40,218	£40,620	
	3	£41,076	£41,487	
	4	£42,285	£42,708	b
Inspector	0	£48,207	£48,690	
	1	£49,566	£50,061	
	2	£50,925	£51,435	
	3	£52,290	£52,812	b

Rank	Pay point	Recommended		Notes
		With effect from 1 September 2015	for effect from 1 September 2016	
Chief Inspector	1	£53,358	£53,892	e
	2	£54,432	£54,975	
	3	£55,554	£56,109	b
Superintendent	1	£64,188	£64,830	
	2	£67,542	£68,217	
	3	£71,070	£71,781	
	4	£75,817	£76,575	
Chief Superintendent	1	£79,557	£80,352	
	2	£82,248	£83,070	
	3	£83,925	£84,765	

Notes:

- a. All officers move to this salary point on completion of two years' service as a constable.
- b. Officers in the PSNI who have been on this point for a year will have access to the competence related threshold payment
- c. All trainees enter at point 0 until attestation/graduation.
- d. At attestation/graduation trainees become constables and move onto point 1.
- e. 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 1 September 2016 are set out below.

Northern Ireland Transitional Allowance	£3,195
Dog Handlers' Allowance	£2,217

The values of all other allowances and payments, including Competence Related Threshold Payments, remain unchanged.

