

# **Determining Pay in the Police Service**

**The Second Part of a Review of Police Service Pay Arrangements**

**Sir Clive Booth**

**29 October 2007**



## Glossary

<b>ACAS</b>	Advisory, Conciliation and Arbitration Service
<b>ACPO</b>	Association of Chief Police Officers England Wales and Northern Ireland
<b>ACPOS</b>	Association of Chief Police Officers Scotland
<b>AFPRB</b>	Armed Forces' Pay Review Body
<b>APA</b>	Association of Police Authorities
<b>COSLA</b>	Convention of the Scottish Local Authorities
<b>CPI</b>	Consumer Prices Index
<b>CPOSA</b>	Chief Police Officers' Staff Association
<b>CSO</b>	Community Support Officer
<b>DCSF</b>	Department for Children, Schools and Families
<b>DDRB</b>	Review Body on Doctors' and Dentists' Remuneration
<b>LGE</b>	Local Government Employers
<b>MPA</b>	Metropolitan Police Authority
<b>MPS</b>	Metropolitan Police Service
<b>NIPB</b>	Northern Ireland Policing Board
<b>NIPSA</b>	Northern Ireland Public Service Alliance
<b>NPIA</b>	National Policing Improvement Agency
<b>OME</b>	Office of Manpower Economics
<b>PAB</b>	Police Advisory Board
<b>PABEW</b>	Police Advisory Board for England and Wales
<b>PABS</b>	Police Advisory Board Scotland
<b>PAT</b>	Police Arbitration Tribunal
<b>PNB</b>	Police Negotiating Board
<b>PRB</b>	Pay Review Body
<b>PSC</b>	Police Staff Councils
<b>PSNI</b>	Police Services Northern Ireland
<b>PSPRB</b>	Prison Service Pay Review Body
<b>SSRB</b>	Senior Salaries Review Body
<b>STRB</b>	School Teachers' Review Body



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## **Terms of Reference for the Review of Police Officer Pay Determination and of Police Negotiating Machinery**

Part 1. To consider the options for replacing the current arrangements for determining changes to police officer pay for 2007 and make recommendations on this. The conclusions and recommendations in part 1 to be framed so as to inform part 2 of the review.

Part 2. To review the effectiveness of the negotiating machinery for the police, including the Police Negotiating Board and the Police Staff Council, and make recommendations for how police pay and other conditions of service should be determined. The review must consider the option of a pay review body for police pay and consider the impact of any proposal for determining police officer pay, on the negotiating machinery for police officers.

Both parts of the review must take account of the need for arrangements to reflect and support the following:

- the future requirements of the service for the effective and efficient delivery of policing services, motivation and morale and recruitment and retention rates, and overall affordability;
- Government policy on public sector pay and the broader economic and employment context, and consistency with the achievement of the inflation target of 2%;
- the need to enable wider police workforce developments including proper reward and recognition arrangements;
- arrangements for pay determination in other parts of the public sector.

Part 1 should report no later than February 2007, and Part 2 in the autumn of 2007.

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## Summary of conclusions and recommendations

1. This report assesses the effectiveness of the system by which pay for police officers and police staff is currently determined and it makes recommendations for the future. Police officers and police staff have a great deal to gain from a pay determination system that is effective, modern and fair.

2. The pay system should be seen in the context of the changes taking place in the police service, and in particular workforce reform. The pay machinery can take a relatively active or a relatively passive role in facilitating reform. This is a very important choice. If real progress is to be made in reform within a reasonable time scale, pay machinery which is able to take an active role in facilitating modernisation should be the strongly preferred choice.

3. There will always be a requirement for large numbers of sworn police officers at the "sharp end" of policing. Indeed, one of the main purposes of future reform should be to make sure that the amount of time they can spend on the front line is increased. Police officers will be supported by police staff undertaking increasingly sophisticated roles.

4. Evidence has been gathered from a wide range of sources, including a consultation among those most closely involved. Drawing on this work, and particularly the replies to the consultation, nine criteria for assessing the effectiveness of the pay machinery are proposed. It should:

1. Incorporate safeguards against exploitation because police officers are unable to strike.
2. Achieve good levels of recruitment, retention, motivation and morale in a high calibre workforce.
3. Maintain good industrial relations.
4. Enable developments which support modernisation and the effective use of the whole work force.
5. Deliver a medium to long term strategy appropriate to a modern, dynamic, effective and efficient police service.
6. Adopt an inclusive approach which allows all interested parties to be able to contribute effectively to the pay determination process.
7. Achieve timely, affordable and, as far as possible, mutually acceptable outcomes within the context of the Government's public sector pay policy.
8. Provide the right balance between a national framework and local flexibility.
9. Accommodate the devolved UK system of government.

5. My First Report described and discussed the systems for pay determination in the public sector. Two main approaches are in use: collective bargaining covering two and a half million employees and pay review bodies covering about two million employees. Based on the analysis in my First Report, I believe that these two systems – collective bargaining and pay review bodies – represent the choice to be made for the police service.

6. No major public sector body other than the police service uses indexation to determine pay increases. **My First Report explained why the continuation of a form of indexation for police officers beyond 2007 (or possibly 2008) was not recommended.**

7. In future, safeguarding to take account of police officers' inability to strike can best be assured in three ways:

- demonstrating transparently, with evidence, that police officers are being treated fairly in terms of total reward against the background of the wider labour market;
- using the benchmarks of recruitment, retention, motivation and morale to show that fair pay is being achieved;
- involving independent people in the system, to ensure fair treatment.

8. Pay is determined separately for police officers and police staff in the machinery summarised in Figure 1 on page 3. Having considered the evidence, **I recommend that the pay of police officers and police staff should continue to be determined by separate mechanisms.** Unified machinery may become more attractive as workforce reform gathers pace.

9. For police officer pay, two options are considered: an improved system of collective bargaining based on the existing system, and a pay review body for police officers. These are assessed against the nine criteria. The assessment results are shown in Summary Table 1 on page 21. It is clear from the assessment that the pay review body option would be the more effective option. **I therefore recommend that a pay review body for police officers should be created.** Appendix 5 contains more information on the pay review body approach.

10. The need for new pay machinery for police officers is underlined by the fact that the Police Negotiating Board (PNB) has made no progress in pursuing two important recommendations made by my first report. These concerned (a) paying attention to recruitment and retention, motivation and morale and other relevant factors and (b) agreeing a timetable with key milestones for discussions on new approaches to wider reward and recognition.

11. For the pay of police staff, two options are also considered: the existing system of collective bargaining, and a pay review body for police staff. These are assessed against the nine criteria. The assessment results are shown in Summary Table 2 on page 28. Although the judgement is finely balanced, the existing collective bargaining system is relatively effective and has scope for further development. **I therefore recommend that the existing Police Staff Council machinery should be retained for the time being.**

12. For the pay of chief officers, three options are considered: an improved system of collective bargaining based on the existing machinery, the pay review body for police

officers proposed above, and transfer of responsibility to the Senior Salaries Review Body. **I recommend that chief officers be covered by the proposed pay review body for police officers, but if that is not created, chief officers should become one of the groups covered by the Senior Salaries Review Body.**

13. A number of factors have influenced the recommendation for a pay review body for police officers, all of which are important for an effective and efficient police service in the future.

14. First, the review body mechanism provides an “arm’s length” way of dealing with politically sensitive public sector groups. Pay review bodies are able to accommodate the “special” status of groups with no legal right to strike, such as the Armed Forces, or of groups such as the Judiciary and Senior Civil Servants which have traditionally accepted self-imposed restraints on industrial action.

15. Second, the history of the pay review body system as a whole shows that it is associated with improved industrial relations in areas where previously they were poor. In the thirty six years that pay review bodies have existed, none of the employees covered by the pay review body system has yet resorted to significant industrial action over pay as a direct response to pay review body recommendations. Government decisions to stage review body recommendations have however caused disquiet, but staging could equally be imposed on PNB and Police Arbitration Tribunal recommendations.

16. Third, a review body injects an independent contribution which can be seen as similar to arbitration, but this independent view is being offered continuously, not just when there is a breakdown, as is the case with arbitration. The review bodies' independence is reinforced by their objective, strongly evidence based approach and use of independent research and visits to the operational front line. An important feature of the independent contribution is the ability to deliver strong, and sometimes unwelcome, messages to any of the parties, not least the Government.

17. Fourth, the existing pay negotiations tend to be strongly focused on the current annual pay round. This can make it difficult for those involved to look ahead to the strategy for pay and conditions over a three to five year period. A review body can facilitate the collaboration of the parties in developing a strategy and can set its own recommendations within a longer term framework. The ability of the pay machinery to take the long view and set in train work that will follow a multi-year strategy, monitoring progress year by year, is very important for the police service.

18. Lastly, a review body can contribute to the social partnership between employers and employees. While not in the “driving seat” for reform, a review body can be helpful in generating change at a strategic level, keeping matters on the agenda and offering fresh perspectives.



# 1. Introduction

## Preface

1.1 This report sets out my recommendations on future pay machinery for police officers and police staff. It affects almost 280,000 people across the UK, of whom about 165,000 (60%) are police officers. Police officers take an oath which commits them faithfully to perform the duties of the office of constable. They are in the front line of policing. The 115,000 police employees who are not officers are known as "police staff". They undertake many vital duties without which the service could not function.

1.2 Pay related expenditure accounts for 80% of the total revenue expenditure on UK policing of £14.5 billion. The determination of police pay is therefore a very important matter, not only for people in the police service themselves, but also for those responsible for the service and for the taxpayer.

1.3 The main bodies concerned in police pay and related matters are as follows. The Police Negotiating Board (PNB) and Police Advisory Boards (PABs) cover police officers. The Home Secretary is empowered to give directions to the PNB and is also represented on the Official Side. Recommendations of the PNB (and the Police Arbitration Tribunal) are subject to the approval of the Home Secretary. The Police Staff Council (PSC) system covers the majority of police staff.

1.4 In 1978, the Edmund Davies Report recommended that the pay of police officers should be kept in line with pay in the wider economy by means of an index. The Sheehy Report of 1993 modified the basis of indexation. Indexation for police officers in one form or another has continued to the present day.

1.5 According to HM Inspector of Constabulary's Performance Assessments for 2006-7, the police service achieves an "excellent" rating on 14% of the indicators and "good" on 46%, with 35% "fair" and 5% "poor". The trend is one of slow but steady improvement in most forces. As one Chief Constable said, "The police service is good and getting better". It deserves the best possible arrangements for determining pay.

## The Review

1.6 On 16 November 2006, the Minister of State at the Home Office, Mr Tony McNulty MP, announced that I had been asked to undertake a review of pay arrangements for the police. In doing so, he noted that effective pay arrangements were essential for a modern police service which delivered high standards of community safety and security to the public. He added that police pay must be put on a sustainable basis because current arrangements produced pay rises beyond those affordable by police authorities without detriment to service delivery.

1.7 My review was conducted in two parts. The first considered the options for determining changes to police officer pay for 2007. The second part, which is the subject of this report, reviews the effectiveness of the negotiating machinery for the police and makes recommendations for how police pay and other conditions of service should be

determined in future. The detailed approach adopted for this second part of the Review is described in Appendix 1.

### **International mechanisms for police pay determination**

1.8 To inform this review, I commissioned the Secretariat to undertake a short survey on the approaches taken in other countries to determine police pay and conditions. A copy of the questionnaire and a summary of the nine responses received are available at the review web site, [www.policepayreview.org](http://www.policepayreview.org).

1.9 The main findings to emerge from the responding countries are that:

- Most countries class police officers as civil servants and, in most cases, they have no right to strike;
- Most countries have different pay and conditions arrangements for police officers and police staff;
- The majority of police terms and conditions are set nationally; and
- The responsibility for setting police pay and conditions varies widely across countries with each having a mix of parties involved.

1.10 The survey highlighted the complexities of police force organisation in different countries. Responsibilities for setting police officer pay and conditions also vary. The results indicate that there is no “one size fits all” international solution for determining police pay and conditions.

### **Current machinery**

1.11 The structure of the current machinery for determining the pay and conditions of police officers and police staff is summarised in Figures 1, 2 and 3 and described in more detail in Appendix 2 which also summarises the work covered by the main bodies in the last five years. A brief history of police officer pay determination is at Appendix 6. (Abbreviations are listed in the glossary on page i.) The current machinery operates against a background of the exceptional external demands being made on the police service at a time when it is also facing the challenges of internal reform and workforce development.

**Figure 1**

**CURRENT PAY MACHINERY**

<u><b>POLICE OFFICERS</b></u>			<u><b>POLICE STAFF</b></u>			
<p><b>Home Secretary</b>  <i>Decides with the Secretary of State for Northern Ireland and Scottish Government on behalf of the Government on recommendations from the Police Negotiating Board and (as necessary) Police Arbitration Tribunal. May issue directions to the PNB.</i></p>						
<p><b>Police Negotiating Board (PNB)</b>  <i>Makes recommendations to Ministers on pay, pensions and negotiable conditions.</i></p>			<p><b>Police Staff Council for England and Wales (PSC)</b></p>	<p><b>Police Staff Council for Scotland</b></p>	<p><b>Northern Ireland PSC equivalent</b></p>	<p><b>Metropolitan Police Staff</b></p>
<p><b>Police Arbitration Tribunal (PAT)</b>  <i>Consists of three members appointed by the Prime Minister. Considers and decides upon issues referred by the PNB after a failure to agree has been registered by either side of the PNB. The Secretariat is provided by ACAS. Conclusions are subject to Ministers' approval.</i></p>			<p><i>Negotiate pay and conditions for police staff covering most police forces. Conclusions are only binding if police forces incorporate them in employees' contracts of employment.</i></p>		<p><i>Northern Ireland police staff are covered by Civil Service machinery.</i></p>	<p><i>Metropolitan police staff are covered by their own machinery, which uses a Whitley Council approach.</i></p>
<p><b>Police Advisory Board for England and Wales (PABEW)</b></p>	<p><b>Police Advisory Board for Scotland</b></p>	<p><b>Police Advisory Board for Northern Ireland</b></p>				
<p><i>Advise on general questions affecting the police other than those reserved to PNB. PABEW and PABS consider draft regulations covering topics other than those reserved to PNB.</i></p>						

**Figure 2**

<b>PNB MEMBERSHIP</b> Independent Chair and Deputy Chair (also serve in same capacity on PABEW)	
<b>Official Side</b> (22 representatives)	<b>Staff Side</b> (22 representatives)
Representatives of the Secretaries of State (Home Secretary, Secretary of State Northern Ireland and Scottish Government): 3	Police staff associations including: the Police Federation of England & Wales; the Scottish Police Federation; the Police Federation for Northern Ireland; the Police Superintendents' Association of England & Wales; the Association of Scottish Police Superintendents; the Superintendents' Association of Northern Ireland; the Chief Police Officers' Staff Association; and the Association of Chief Police Officers in Scotland.
Police authorities including: the Association of Police Authorities(England and Wales) (11); the Convention of the Scottish Local Authorities (3); and the Northern Ireland Police Board (1)	
Chief Police Officers including: the Association of Chief Police Officers England, Wales and Northern Ireland (3), and Association of Chief Police Officers Scotland (1)	

<b>PAB ENGLAND AND WALES MEMBERSHIP</b>
A chair and deputy chair appointed by the Secretary of State Members nominated by the Secretary of State (2-3) Association of Police Authorities (4) Association of Chief Police Officers (2 including 1 Met Police rep) Chief Police Officers' Staff Association (1) Home Office (2 possibly 3 depending on issues) Police Superintendents Association of England and Wales (2) Police Federation of England and Wales (5)



**Figure 3**

<b>POLICE STAFF COUNCILS</b>
Membership includes the Employers Side and Trade Union Side - there is no independent element. The trade union side in England and Wales comprises UNISON (5), GMB (1) and TGWU (1). The employer side secretariat is provided by Local Government Employers (LGE). The employer side in England and Wales comprises the Association of Police Authorities (4), the Association of Chief Police Officers (2) and the Home Office (1) (In Scotland the employer side is represented by the Convention of Scottish Local Authorities and the Association of Chief Police Officers in Scotland). The Chair rotates annually between the 2 sides.

## First Report

1.12 I submitted my First Report "*Fair Pay for Police Officers*<sup>1</sup>" on 12 February 2007. Unlike this Second Report, the First Report dealt only with police officers. I concluded that the police officers deserved fair pay in recognition of their vital role in society. Police officers are not in the position of most employees. They do not have the right to strike. They are public servants holding the office of constable.

1.13 In my First Report, I suggested that the system to determine pay must be fair to the police and the taxpayer. It must provide mechanisms to ensure that pay levels are appropriately set and reviewed. It should be flexible enough to enable pay and conditions to be adapted to provide modern, high quality, efficient and effective policing.

1.14 I made a series of recommendations relating chiefly to the arrangements for the negotiations in 2007. They were, in summary:

- Government policy should be formally communicated to, and understood by, the Police Negotiating Board from the start;
- Indexation should be retained only for 2007 and possibly 2008, using a new temporary index based on the most recent basic pay settlements for ten public sector groups. The index should be calculated by an independent expert organisation;
- Negotiations should not be limited to an index which produces a uniform increase for all ranks. The index should be regarded as generating a "pot" of money that could be applied differentially according to the needs of the service, including modernisation;
- The three-year agreement for ranks covered by the Association of Chief Police Officers (ACPO) expiring in 2006 should be rolled forward;
- The Official Side and the Staff Side should together make a start in 2007 at collecting and examining information on recruitment, retention, morale, motivation and other factors, and setting benchmarks against which each of these can be monitored over time. Armed with this information, both Sides can discuss what corrective action may be needed to maintain the benchmark positions;
- The two Sides should discuss new approaches to reward and recognition in the context of wider police workforce developments; and
- The Official Side must have a fast response time and a clear negotiating brief.

1.15 The recommendations of my First Report were intended to provide a basis for the parties to the PNB to arrive at a temporary solution in the 2007 pay negotiations, pending longer term consideration of appropriate pay determination machinery. I observed that some aspects of the present system appeared too inflexible and disjointed. Specifically on indexation, I considered that, while the index had been relied on and produced stability, it had not encouraged the systematic review of pay and conditions against the background of fast changing requirements. The index had also been applied uniformly without the differentiation that may be required to deliver effective policing. Finally, I noted that the progress made in the 2007 negotiations would influence the conclusions of my Second Report.

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<sup>1</sup> The full report is available on [www.policypayreview.org](http://www.policypayreview.org).

1.16 The Minister of State announced publication of the First Report on 21 February 2007, stating that the method for determining police officer pay for 2007 would be progressed through the PNB. He commented that the report recognised that effective pay arrangements were an essential part of enabling the police to deliver safe and secure communities, adding that my recommendations were an important step to achieving this goal.

### **The 2007 PNB negotiations**

1.17 On 10 April 2007, following consultation with the Independent Chair of the PNB, the Home Secretary issued a direction to PNB suggesting that the recommendations in the First Report constituted a matter of serious national importance to the police service.

1.18 The direction required "that the Police Negotiating Board and its standing committees consider and reach agreement on Recommendations 2 to 10 inclusive of the Report 'Fair Pay for Police Officers' by Sir Clive Booth, dated February 2007, and on the basis of those recommendations reach agreement also on revised rates of pay for police officers to take effect on 1st September 2007; and that such consideration be completed by 19th July 2007 at the latest".

1.19 The Home Secretary continued by communicating government pay policy formally to the PNB and directed "the Police Negotiating Board and its standing committees to consider and reach agreement on deliverable options for the award. Agreed options will need to secure an outcome consistent with the achievement of the CPI inflation target, the government's wider objectives ..... and the further modernisation of police pay arrangements. Options for discussion should include, but need not be limited to, staging or otherwise modifying the award, as has happened with most pay review body recommendations this year."

1.20 The Home Secretary stated that the PNB should have regard to the recommendation in my First Report on developing evidence and benchmarks to inform police pay. Finally, he said that he expected that by the end of 2007 the PNB should have set its own timetable for concluding the discussion on new approaches to wider reward and recognition.

1.21 In response to the direction, the Independent Chair of the PNB said that PNB would take this forward, noting that both Sides could put forward proposals. He expected the Official Side to present proposals to implement my First Report's recommendations.

1.22 The Staff Side of the PNB also wrote to the Secretary of State on 12 April 2007. I understand that the Staff Side said they were not convinced that the direction could be justified under the PNB constitution and made plain their view that it was very unwelcome. The Staff Side told me subsequently that both Sides were keen to undertake negotiations and that the direction both pre-empted those negotiations and misjudged the mood of the Staff Side. They also expressed concern at the undue level of influence exercised by the Home Office over the PNB Official Side. They feared that the PNB was being set up to fail.

1.23 The Staff Side of the PNB also wrote to the Independent Chair of the PNB on 17 April 2007, questioning the issuing of the Home Secretary's direction and its implications. The Independent Chair replied on 18 April 2007 that, although required to observe the direction, the Sides were not limited to considering and reaching agreement on the recommendations from my First Report.

1.24 In advance of the PNB meeting on 18 April 2007, the Official Side issued its response to my First Report. They proposed a pay increase produced by applying the new index suggested in my First Report, together with proposals for its flexible application. The Official Side also proposed agreeing both benchmarks for relevant data and a timetable for progressing longer term work on reward and recognition. The PNB agreed to hold a series of Joint Working Party meetings through May, June and July to take forward the 2007 settlement negotiations.

1.25 Although discussion between the two Sides proceeded, no agreement was reached at the PNB meeting on 19 July. It was agreed to hold a further extraordinary meeting of PNB on 27 July, after the Home Secretary had granted an extension to the deadline for complying with his direction. At that meeting the Sides still could not reach agreement and a formal failure to agree was recorded. The Independent Chair of the PNB offered the Sides a conciliation meeting on 15 August 2007 which again could not reach agreement. In August, the Sides agreed the following terms of reference for referral of the 2007 pay settlement to the Police Arbitration Tribunal, which will sit on 2 November 2007:

*"To consider a failure to reach agreement between the two Sides of the Police Negotiating Board on the uprating of the pay of police officers for 2007 and to make an award."*

1.26 At the time of writing, the PNB had made no progress at all in pursuing two important recommendations made by my First Report. These were recommendations 11 and 12. Recommendation 11 proposed that a start should be made on arrangements for gathering information on recruitment and retention, motivation and morale and other relevant factors, with a view to establishing benchmarks for monitoring and discussion. Recommendation 12 proposed that the parties should agree a timetable with key milestones for discussions on new approaches to wider reward and recognition.

### **Police reform and workforce development**

1.27 Evidence to this review suggests that the more effective and efficient use of the whole workforce will come from new ways of using police officers and police staff. There will always be an essential requirement for large numbers of sworn officers at the "sharp end" of policing. Indeed, one of the main purposes of reform is to make sure that the amount of time they can spend on the front line is increased. However, policing has now become so sophisticated that there are many demanding technical and operational roles where the traditional division between "officers" and "staff" is much less clear. Developments in the pay and conditions of the two main groups - officers and staff - need to be adequately coordinated. Police staff deserve to be respected and valued just as police officers are.

1.28 One of the most important considerations in judging what kind of pay machinery will best meet future needs is therefore the state of police reform and workforce development. During my review, I heard comments that the police service is regarded by some as the last unreformed bastion in the public sector. Yet there are many people in the police service at all levels who are ready for change and attempting to embrace it. One of the obstacles to reform is the difficulty of achieving a united leadership at national level, partly because of the past problems of the tripartite structure described elsewhere in this review and partly because of the loose, federal nature and limited resources of the national bodies.

1.29 There have been many wide-ranging reform-oriented policy initiatives, as outlined in Appendix 3. Not all have yet been carried through or completed. Moreover, the impact of these initiatives on the structure, rewards, utilisation and deployment of the workforce appears

so far quite limited. On the positive side, developments have included (in some forces, at least):

- practical examples of more effective use of officers and staff, especially in the "demonstration sites" described in Appendix 3;
- better strategic understanding;
- more appreciation of the "customer";
- more effective leadership of change and particularly leading by example;
- introduction of tactical performance management; and
- a greater professionalizing of functions and more effective integration of on the job learning and off the job training.

1.30 For the purpose of this review, a key question is: what kind of pay machinery will best facilitate continued modernisation? One of the key choices to be made is whether pay determination machinery should have an active or passive role in relation to reform.

## **2. Effectiveness criteria and the views of those consulted**

2.1 Central to my terms of reference is the requirement to assess the effectiveness of the negotiating machinery for the police and make recommendations for how police pay and other conditions of service should be determined in future. At a broad level, it is important to stress that any pay machinery exists to help the parties, including the Government, to reach acceptable solutions. The effectiveness of any machinery must be considered in the context of achieving a balance between meeting the aspirations of the workforce, the views of employers and Government policy representing the public interest. The status of police officers as holders of the office of constable must also be considered.

2.2 There was agreement among those consulted that the criteria for effectiveness should be the same for the existing machinery and any alternative options. In general, respondents' evidence ranged from full support for the existing arrangements to proposals for significant change. Progress with the 2007 pay settlement indicated to the Staff Side of the PNB (referred to as the Staff Side) that the process was robust but to others that it was flawed.

2.3 The Staff Side overwhelmingly supported the effectiveness and continuation of collective bargaining in its present form. They advocated "not fixing what was not broken". The Home Office criticised the inability of the current arrangements to deliver on a wider police service agenda and favoured a pay review body approach. The employers and chief officers were not wholly satisfied with the current machinery but did not advocate alternative possibilities, although a minority wished to discuss the possibility of a pay review body. Appendix 4 has more details of the responses to the consultation.

2.4 Drawing on the consultation responses and the other evidence considered in this review, there are, in my view, nine criteria (C1 to C9) against which to assess the effectiveness of the machinery.

## ***C1 – Incorporating safeguards against exploitation because police officers are unable to strike***

2.5 Any machinery must be capable of satisfying this criterion. It is important to distinguish between the negotiating machinery itself and particular solutions to the way in which pay should be settled. For example, indexation (a "solution") is not the only way of building in safeguards. Nor is the PNB (the "machinery") the only machinery capable of producing safeguards. Indeed it is interesting to note that indexation came about as a result of the recommendation of an independent body (not the negotiating machinery) at a time of exceptionally high inflation. Recourse to arbitration is equally only one means of bringing independent judgement to bear on the cases put forward by the parties. The outcome of arbitration is still subject to ministerial approval and can be amended by the Government.

2.6 All respondents recognised the importance of the pay machinery in offering safeguards to compensate for police officers' inability to take strike action. The Staff Side strongly emphasised the role of collective bargaining in protecting pay. Most of the respondents agreed that in the past indexation had been seen as the main way of providing this protection. The current machinery had provided a framework for negotiation and the right of recourse to arbitration was seen as an additional safeguard.

## ***C2 – Achieving good levels of recruitment, retention, motivation and morale in a high calibre workforce***

2.7 Every good employer aims to achieve these outcomes. For example, it is important to know that in 2005-6 the police wastage rate (all those leaving including retirement) was 4.8% for England and Wales, compared to a turnover rate of 15% for the whole economy. Information of this kind, but at a much more detailed level, provides the essential foundation for an informed negotiation on pay structures, levels and uprating as well as related work force developments. Pay is not the only factor, but the machinery must take account of the role of pay within the wider employment package. As my First Report said:

"This is not about the crude bandying of statistics between one side and the other, nor about a stop-go approach to pay. It is about developing sensible benchmarks underpinning the requirements of a high quality police service, just as any good employer would do, and then seeking, year in, year out, to monitor whether they are being achieved and determine the role of pay structures in seeking to achieve them alongside other policies. Employers should also be looking at the medium and long term trends in, for example retirement patterns or demographic changes in the age ranges that the police mainly recruit from. It will take time to develop this approach, although the best forces are already alive to what is needed in their local work force planning. Doing this is as much in the interests of police officers and staff as it is in the interests of employers."

2.8 The evidence indicated that because of pay indexation, there had been little significant discussion of these aspects. While both sides, and particularly the Employer Side, referred during the review to the importance of recruitment, retention, motivation and morale, the emphasis of the Staff Side was more on motivation and morale.

## ***C3 – Maintaining good industrial relations***

2.9 Here key considerations are maintaining the confidence of the whole police workforce, maintaining "ownership" of machinery across all the stakeholders and providing a framework in which all representative parties can participate. Experience shows that good industrial relations are not dependent on the nature of the pay determination machinery. Good industrial relations can be achieved in conditions both where free collective bargaining exists

and where it does not. Equally, poor industrial relations can arise whatever the machinery. Among the ingredients of good industrial relations are partnerships working in an atmosphere of trust and mutual respect and recognition by all parties of the realities of the situation, based on sound detailed evidence. Industrial relations can be damaged if the normal process is overturned by the imposition of decisions by one of the parties.

2.10 All those consulted agreed that the existing machinery had a proven track record in supporting good industrial relations until 2005. However, serious strains had occurred in PNB in 2006 and 2007. The majority of respondents expressed appreciation for the Police Advisory Boards. The existing pay machinery of PNB, PAB and PSC enjoyed the trust and confidence of police officers and staff, and it gave ownership to the stakeholders in a partnership approach.

2.11 Specifically on pay determination for police staff, the unions involved commented on the Police Staff Council's ability to foster good industrial relations and to achieve negotiated outcomes on pay and conditions without recourse to arbitration. However, it was observed that the PSC tended to follow PNB settlements. Some police forces operated outside the PSC (or in the case of the Metropolitan Police had their own arrangements). Those who commented on the PSC system advocated retaining it to reflect current differences between police officers and police staff in pay, conditions, regulations and requirements. All the respondents recognised the need to keep close links between the machinery for police officers and that for police staff, not least so that pay and conditions could support workforce reform. The recent creation of seats for unions representing police staff on the PABEW was welcomed. Some respondents wished to see the PSC covering all police forces without exception.

***C4 – Enabling developments in the pay and conditions (including reward and recognition) of both police officers and police staff to support modernisation and the effective use of the whole work force***

2.12 Appendix 3 offers a synopsis of the recent history of reform and modernisation and the difficulties encountered. The ways in which the police service needs to modernise have been the subject of much discussion and some action. The pay machinery can take a relatively active or a relatively passive role in facilitating modernisation. This is a very important choice. If real progress is to be made in workforce modernisation within a reasonable time scale, pay machinery which is able to take an active role in facilitating modernisation should be the strongly preferred choice.

2.13 According to the evidence which I have received, there is a pressing need for a shared vision for policing, supported by a business strategy, which will then pull forward the workforce strategy, including policies for pay. This may sound, and indeed is, very challenging, but many believe it is essential, and progress is being made. The Home Secretary's vision for policing was set out in a statement in February 2007. The National Policing Board, set up in July 2006, and chaired by the Home Secretary, is working on the strategic follow-through. The Board brings together the Home Office, ACPO, APA, the National Policing Improvement Agency (NPIA) and the Chief Inspector of Constabulary.

2.14 Meanwhile, the workforce modernisation demonstration sites described in Appendix 3 are applying new principles to the analysis of requirements and the consequent decisions by chief officers on the use of staff. The demonstration sites are key to developing, testing and evaluating more integrated methods of working.

2.15 There were mixed views on whether the pay machinery supported wider police workforce developments (including proper reward and recognition arrangements). The Staff Side considered PNB to be capable of development to “meet the future needs of the service”, as did the Independent Chair of the PNB in his 2006 Report (the "Randall Report" – see Appendix 3) which made a range of recommendations for improving the machinery. ACPO considered that the current police regulations were too inflexible. All respondents considered that developing a cohesive package for police officer terms and conditions was essential. The Staff Side argued that together the PNB and PAB provided a close link between pay, allowances and conditions. However some other respondents expressed concerns about the limitations of current arrangements to recognise performance, skills and contribution. The PAB was thought to be in a position to have a positive impact on developing workforce modernisation. PAB arrangements were thought inclusive and collaborative, involving shared ownership and effective implementation. The PAB working parties helped to build the expertise of their members.

2.16 Respondents generally acknowledged that the pay determination machinery and workforce modernisation needed to be closely linked so that pay and reform could proceed in step. Some respondents suggested that the arrangements for determining the pay and conditions of police officers and police staff should be more closely coordinated. This would have the benefit of ensuring that the hitherto separate pieces of machinery did not stand in the way of modernisation and the flexible use of the whole workforce. On the other hand, it would be quite difficult to combine two groups of employees with very different terms and conditions in a single system.

***C5 – Delivering a medium to long term strategy for pay and conditions appropriate for a modern, dynamic, effective and efficient police service***

2.17 There is a natural tendency for pay negotiations to be strongly focused on the current annual pay round. This can make it difficult for those involved to look ahead to the strategy for pay and conditions over a three to five year period. The ability of the pay machinery to take the long view and set in train work that will follow a multi-year strategy, monitoring progress year by year, is very important for the police service. This will include flexibility to allow fair rewards for performance, skills and contribution. It will also aim to ensure that pay and conditions are equitable and do not invite "equal pay" claims.

2.18 A number of respondents were critical that PNB did not consider cross workforce issues or focus on longer term strategic issues. ACPO argued that a Reward and Recognition Strategy for the whole police service is required to develop a cohesive approach to the working relations between police officers and staff as their inter-dependency increases. (This should flow from the work of the National Policing Board mentioned above.)

***C6 – Adopting an inclusive approach which allows all interested parties to be able to contribute effectively to the pay determination process***

2.19 In many areas of employment, there are two main parties to pay determination, representing the employers and the employees. Within each of those two parties there will often be different groups, for example several trades unions on the staff side. Each side needs arrangements for bringing views together to formulate their policies in relation to pay and conditions.

2.20 In the case of the police service, on the "employer" side there are three parties at national level who work together in what is called the tri-partite structure. First, the Association of Police Authorities represent the immediate employers (although police officers



are not employees in the usual sense). Second, the Home Office (working with their Scotland and Northern Ireland counterparts) represents the Government interest and is responsible for directly funding three quarters of the pay bill. Third, the Association of Chief Police Officers represents the most senior ranks, including chief constables, and as such embodies the "top management" of the police service.

2.21 In other areas of employment outside the police service, it is often on the employee side that there are difficulties in bringing the views of the different employee representatives together. In the police service, however, it is the "official side" that appears to have experienced more difficulty. This seems to be because of the entirely legitimate differences in perspective of the three parties to the tri-partite relationship. The Association of Chief Police Officers is strongly focused on delivering professional policing on the ground, its individual members facing widely differing local challenges. The members of the Association of Police Authorities see themselves as accountable to their local communities for the delivery of good policing, as well as wanting to be good employers. The Home Office represents the wider public interest and, as part of the Government, is responsible for ensuring that Government pay policy is observed. It also pays most of the bill for the police service.

2.22 As an example of the problems that can arise, during the 2007 negotiations there were differing views among the official side on affordability. Not only is there a difficulty in achieving consensus on the official side but there is also lack of clarity as to where the main impetus for leadership should come in a tri-partite relationship of this kind. Unease with the state of the tri-partite relationship was voiced by both the APA and ACPO, among others. The APA said that the role of the tripartite relationship should be clarified particularly with the emergence of the NPIA (see Appendix 3). The relatively recent creation of the National Policing Board may overcome some of these difficulties.

2.23 From the point of view of effective pay determination machinery, an approach which enables each of the employee and employer bodies to make a full and appropriate contribution is very important.

***C7 – Achieving timely, affordable and, as far as possible, mutually acceptable outcomes for pay and conditions within the context of the Government's public sector pay policy***

2.24 This criterion needs to be carefully balanced against all the other criteria. Recent difficulties in the pay negotiations for police officers have stemmed partly from the problem of finding a consensus on what is both affordable and acceptable to the three major parties - officers, employers and the Government. This problem will become more acute because the police service is now entering a period when the public expenditure settlement provides for no growth, in contrast to the significant growth of the last seven or eight years.

2.25 Several respondents believed that the PNB machinery did not produce timely conclusions. It was slow and cumbersome.

2.26 It was not clear from the evidence how effective the parties were in taking affordability into account during negotiations. There were differing interpretations of how affordability should be dealt with. It was suggested that more explicit clarity was needed about the link between the level of police pay and the level of police grant and that this important connection was not sufficiently discussed by the interested parties. However, costs and affordability were usually considered when proposals were being made for specific changes which were separate from the annual pay increase. But the annual pay increase itself had been

generated by the index, and the Home Office and others indicated that pay indexation discouraged wider consideration of the pay package.

2.27 The Staff Side in particular have objected to what they see as unjustified Government intervention. The Government for its part has set out its expectations and has the power to influence the existing machinery at several stages from beginning to end: through the power of direction, through having representation on the PNB and through being able to accept or modify any PNB recommendation or arbitration tribunal award. Most of those giving evidence did not deal specifically with Government public sector pay policy. The Home Office suggested that the current machinery had not drawn on information relevant to the Government's pay policy. Since Government interest in public sector pay in general and police pay in particular is unlikely to diminish, any future pay machinery needs, in my view, to be able to accommodate the Government's interest together with the interests of the other parties.

### ***C8 – Providing the right balance between a national framework for pay and conditions and local flexibility***

2.28 Many of those giving evidence suggested that pay machinery must create a national framework for pay and conditions while allowing for local flexibility. A national framework is needed not least because the arrangements for mutual assistance to deal with major critical incidents require that police officers can be temporarily but quickly moved from one geographical area to another. In addition, a national framework should reduce the risk of local "poaching", although it cannot remove it entirely. At the same time, policing requirements vary so much from one force to another that some measure of local flexibility is essential.

2.29 With the exception of the Home Office, respondents expressed general support for national collective bargaining although most sought greater flexibility for local pay determination particularly to support workforce modernisation. The Staff Side believed that PNB had the capacity to provide "core" national pay and conditions and offer local flexibility.

### ***C9 – Accommodating the devolved UK system of government***

2.30 In the UK, police matters are devolved to Scotland but not to Northern Ireland or Wales. At present, the pay of police officers is negotiated at UK level, but there are three Police Advisory Boards for, respectively, England and Wales, Scotland and Northern Ireland.

2.31 The position for police staff is rather different (and is summarised in Figure 1, above). There are Police Staff Councils for England and Wales and for Scotland. In Northern Ireland, police staff are part of the negotiations involving the civil service of Northern Ireland. The Metropolitan Police Service has, for historical reasons, had responsibility for direct negotiation with its own police staff in a Whitley Council system. Also, a few forces in England do not incorporate the PSC's conclusions into employees' contracts of employment.

2.32 There was no consensus among respondents about whether this existing, rather fragmented, system for police staff should be replaced by a properly UK-wide system with devolved components perhaps reflecting the system for police officers. In my view, this would become a more pressing issue if there were moves towards a unified pay system covering both police staff and police officers, a question to which I return shortly.

2.33 The Scottish Government and Northern Ireland authorities did not offer evidence to this part of the Review. Most of those who did give evidence were content with the present

arrangements for articulating the interests of the constituent parts of the UK. They agreed that any moves towards greater devolution of police pay machinery would have to assess the consequential risks to effective cross border operations.

### **3. Identification and assessment of options for the future**

3.1 My First Report described and discussed the systems for pay determination in the public sector. Two main approaches are in use: collective bargaining covering two and a half million employees and pay review bodies covering about two million employees. No major public sector body other than the police service uses indexation to determine pay increases.

#### **My First Report explained why the continuation of a form of indexation for police officers beyond 2007 (or possibly 2008) was not recommended:**

"The report on which the present indexation method is based, the Sheehy Report, was written during the recession of the early 90s – with mortgage rates around 15%, high levels of home repossessions, unemployment around 1.5 million and inflation around 10%. Very different economic conditions prevail today. Indexing the pay of one group of workers rigidly to another hampers flexibility and competitiveness in a modern economy facing intense international economic pressures." (First Report, paragraph 4.14).

3.2 Collective bargaining has a very long history. The current machinery for police officers and police staff are forms of collective bargaining, albeit with some unusual features in the case of police officers, as already described.

3.3 The first pay review bodies were set up thirty six years ago (see Appendix 5). Some of the areas of employment which they cover are at the forefront of public service delivery. They also cover some areas, such as the judiciary, armed forces and medical professions, which are regarded for various reasons as sensitive with vital specialist roles being delivered. In some of the areas of employment covered by pay review bodies, there is only one employer and no market against which fair pay rates can be determined.

3.4 Based on the analysis in my First Report, I believe that these two systems – collective bargaining and pay review bodies – represent the choice to be made for the police service. Each of them allow various degrees of flexibility, for example, for local discretion within national frameworks.

#### **A single pay system for police officers and police staff?**

3.5 As illustrated in Figure 1, there are at present two main parts to the pay system for the police service, covering separately police officers (the PNB system) and police staff (the PSCs). The first option to consider is whether a single, unified system should be adopted for both police officers and police staff. None of the respondents suggested doing this. The main argument in support of separate systems is that the two groups are quite distinct, with marked differences in legal status, terms and conditions. Police officers are legally debarred from taking strike action, whereas police staff have that freedom. It is arguable that police staff occupy so many key positions in support of operations that the justification for denying police officers the right to strike ought to apply equally to police staff, but that is beyond the terms of reference of this review.

3.6 Although no respondents argued for a unified structure, or thought that harmonisation was a practical short term goal, it was suggested that differences in pay and conditions for police staff and officers should be transparent and justifiable. The employers took very seriously their obligations to ensure that equal pay requirements are met. Some respondents favoured consideration of a common pay spine with some allowances in common.

3.7 Rather than a unified structure, better coordination of the PNB system and the PSC was advocated by respondents: for example, using joint working groups of PNB and PSC members under the auspices of PABEW to tackle common issues affecting police officers and police staff. Better cross representation was also suggested: a beginning has already been made with the seats created on the PAB for unions representing police staff. The APA mentioned an overarching body without offering any detail as to how it might work. Others suggested that the main responsibility for ensuring that the two systems were articulated lay with the employers; it was they who should have a strategy for promoting sensible developments in the pay regime of both police officers and police staff in support of modernisation.

3.8 In the event that a pay review body was established, it was suggested that it too should ensure that cross cutting pay issues were properly addressed and allow parties representing both police officers and staff to offer evidence.

3.9 I agree that the time is not right for a unified pay determination structure, although this option may become more attractive as workforce reform gathers pace. **I therefore recommend that separate machinery for police officers and police staff should continue.** The next steps are to consider separately the future machinery for police officers and the future machinery for police staff.

### **Options for determining police officer pay**

3.10 Just over half of people working in the public sector are covered by collective bargaining arrangements and just under half by pay review bodies. At present police officers have a form of collective bargaining in the PNB system. The first option builds on this.

#### *Option A - an improved PNB (for short, "PNB+")*

3.11 The majority of respondents suggested that the PNB system should be retained, but recognised that it needed to be improved. The PNB's piecemeal approach to problems and the lack of a clear and agreed negotiating agenda were mentioned as examples. Some respondents emphasised that the problems of the PNB were not entirely structural but had to do with the approach or mindset of the parties involved, a point emphasised by John Randall, the Independent Chair of the PNB, in his 2006 report (see Appendix 3). Respondents suggested that the manner of conducting business in PNB was extremely laborious and inefficient, and that all involved in the PNB had much to learn from the best practice of negotiating bodies elsewhere.

3.12 Suggestions for improvement centred on the PNB itself. The other components of the current system were regarded as satisfactory, with the PAB being able to prepare issues for consideration in the PNB. Proposals from respondents for improving the PNB (which echo the Randall Report) included:

- streamlined representation

- better defined roles and responsibilities, particularly among the constituent parties of the Official Side
- a more proactive role for chief officers
- drawing appropriately on the expertise of the NPIA
- speeding up negotiations
- better communications between the PNB system and the wider police service
- holding the Chair and Vice-Chair more strongly to account for the efficiency of the PNB and PAB processes
- formally giving the Chair and Vice-Chair a clearer conciliation/mediation role.

#### *Option B - a Pay Review Body for Police Officers*

3.13 All respondents acknowledged that the terms of reference for the review required due consideration of a pay review body. Appendix 5 describes the main features of the PRB system, how PRBs work in partnership and how they can facilitate work force modernisation. For the Home Office, among the benefits of a PRB were the sustained contribution of independent people, the in-depth use of evidence and analysis, and the flexibility for parties to submit evidence individually or collectively. The Staff Side opposed the introduction of a PRB, considering that it would give the Government greater control and influence. Recourse to arbitration would be lost. They had no confidence that the PRB process could offer safeguards to take account of police officers' inability to strike. They did not think that a PRB would be able to facilitate workforce modernisation. Concerns on the employers' side centred on the lessening of direct employer involvement and diminished financial control. Radically new machinery might also impact on police morale.

#### **Assessment of the options for police officer pay**

3.14 My task was to assess these two main options for police officers against each of the nine criteria of effectiveness discussed earlier. The assessment is set out below, with a "headline conclusion" in italics and some accompanying comments.

#### ***C1 – Incorporating safeguards against exploitation because police officers are unable to strike***

*Both the PNB+ and PRB options are equally capable of building in robust safeguards.*

#### Comment

3.15 In the present system, the main safeguard against exploitation is seen by those representing police officers as the combination of the right to negotiate and unilateral access to arbitration in the Police Arbitration Tribunal. However, negotiation of itself does not represent an effective safeguard. It is the recourse to independent people that represents the key safeguard. This is available in both the PNB+ and PRB options. As I emphasise in Appendix 5, the important feature of the independent contribution is the ability to deliver strong, and sometimes unwelcome, messages to any of the parties, not least the Government.

3.16 The Armed Forces provide an example of safeguarding working successfully in practice over a long period. Armed Forces' personnel have no recognised union representation. For many years Armed Forces' pay has been set by a system which incorporates pay comparability and special consideration of the unusual, difficult and dangerous conditions of military service and it has worked well (see Appendix 5). Such a system could be used in either the PNB+ or PRB options.

3.17 In future, safeguarding can best be assured by demonstrating that police officers are being treated fairly in terms of total reward against the background of the wider labour market. The benchmarks of recruitment, retention, motivation and morale mentioned earlier (and below) will help indicate whether fair pay is being achieved.

### ***C2 – Achieving good levels of recruitment, retention, motivation and morale in a high calibre workforce***

*Both of the options are capable of enabling evidence on these factors to be gathered, analysed and translated into appropriate pay strategies, given adequate resourcing.*

#### Comment

3.18 From 2008 at the latest, the NPIA will be routinely collecting from forces information on recruitment and retention. As the Federation recognised in evidence, gathering reliable information on motivation and morale is not straightforward. However, it is done in other areas of employment, and should form part of the process of pay determination for the police service (see paragraph 2.7). A PRB would ensure that comprehensive evidence is gathered on these factors. Whether the PNB+ or PRB option is adopted, it has to be accepted that gathering and analysing high quality data requires adequate resources.

### ***C3 – Maintaining good industrial relations***

*Neither option can guarantee good industrial relations: a question mark hangs over each option. However, in my view the PRB option offers a better prospect of good industrial relations in future once the parties have adjusted to the new set of relationships.*

#### Comment

3.19 Until 2005-6, the PNB machinery provided a long period of good industrial relations, but the situation deteriorated in PNB in 2006 and 2007 for the reasons explained earlier. At the heart of the deterioration lay the difficulty of reconciling the historical approach of inflexible indexation with the need for modernisation, affordable settlements and consistency with Government pay policy. For the Federation, this coincided with an undesirable increase in Government intervention.

3.20 Looking to the future, a return to better industrial relations could, in my view, be achieved in either option through a mutual recognition among all the parties that compromises will be essential. However, the unwieldy structure and operation of the PNB is likely to continue to be a problem at a time when hard negotiations will have replaced the old system of automatic indexation.

3.21 The creation of a PRB would initially be unpopular with many of the parties, because of the loss both of direct negotiating rights and of influence to a body perceived as unfamiliar with the operational challenges of policing. However, the history of the PRB system as a whole shows that it is associated with improved industrial relations in areas such as school teaching where previously they were poor. In the thirty six years that pay review bodies have existed, none of the employees covered by the PRB system has yet resorted to significant industrial action over pay as a direct response to PRB recommendations. Disquiet has resulted from decisions to stage PRB recommendations, but these are not PRB decisions. The Government could also stage PNB recommendations if it wished to do so.

***C4 – Enabling developments in the pay and conditions (including reward and recognition) of both police officers and police staff to support modernisation and the effective use of the whole workforce***

*There is no reason to think that modernisation under the PNB+ option would proceed any more quickly than under the existing PNB. Experience of the School Teachers Review Body and the Senior Salaries Review Body suggests that the PRB option for police officers could be a powerful, sustained facilitator of modernisation.*

Comment

3.22 As Appendix 3 describes, there has been much discussion of workforce modernisation over the last few years and a number of initiatives have been launched. The pace of change on the ground has, however, been quite slow in spite of the desire of many in the police service for progress. HMIC in oral evidence spoke of the frustrations within the service felt by officers and staff because of the slow progress of modernisation in creating a better, more efficient police service and increased job satisfaction. (This problem is discussed in Appendix 3.) There are a number of difficulties - for example, national organisations lacking the capacity or the will to offer the necessary leadership. Appendix 5 on pay review bodies describes how PRBs can be a very effective partner in, and facilitator of, work on modernisation, stimulating progress on reform.

***C5 – Delivering a medium to long term strategy for pay and conditions appropriate for a modern, dynamic, effective and efficient police service***

*The PRB option has a clear advantage over the PNB+ option in being able to help the parties take the long view.*

Comment

3.23 Within the context of the existing PNB machinery, the parties have taken a piecemeal approach and have not been able to construct a medium to long term strategy. Even with the improvements proposed in the PNB+ option, there is little prospect of its being able to do so, mainly for reasons to do with lack of a shared vision, weak collective leadership and too short term a focus. It may be that the National Policing Board can make progress in proposing a strategy which will enable business processes to be developed and linked to pay and reward. The workforce modernisation demonstration sites may also assist in the development of a medium to long term strategy but their conclusions could come to nothing unless effectively taken up by the pay machinery.

3.24 Within the partnership framework of a PRB system (see the end of Appendix 5), the PRB can facilitate the collaboration of the parties in developing a strategy and can set its own recommendations within a longer term framework.

***C6 – Adopting an inclusive approach which allows all interested parties to be able to contribute effectively to the pay determination process***

*The PRB option has a clear advantage over the PNB+ option in having an inclusive approach.*

Comment

3.25 The PNB machinery allows the parties to contribute through both the PABs and PNB. The PABs are appreciated by many giving evidence for their flexibility and comparatively efficient ways of working. In contrast there was much criticism of the PNB in its present form as creaking and laborious. The official and staff sides each have a single spokesperson (the secretary). The two secretaries are normally the only people to speak other than the chair or vice chair among the 44 otherwise silent people potentially present. The two sides of the PNB

meet separately the day before the PNB meets to decide on their position. This arrangement was criticised by the Official Side for leaving discussions to the last minute and not allowing all the parties to ensure that their point of view was covered. The “single voice” also creates problems for an Official Side consisting of three parties with very different perspectives (see paragraph 2.19 to 2.22). Even with the improvements in “PNB+”, many of these difficulties will remain.

3.26 Pay review bodies can invite evidence from all parties. Several parties can make joint submissions where they are in agreement or present evidence separately. This inclusive approach permits all relevant views to be heard and the system is transparent because evidence is published. In addition, PRBs have the resources to commission and publish independent research and undertake visits.

***C7 – Achieving timely, affordable and, as far as possible, mutually acceptable outcomes for pay and conditions within the context of the Government’s public sector pay policy***

*It is far from certain that the PNB+ option would be able to deliver on these requirements. The PRB option would work to a well established timetable and bring independent judgement to bear to resolve issues which the parties find very difficult to conclude among themselves.*

Comment

3.27 In both 2006 and 2007 a failure to agree was registered and references were made to the independent arbitrators of the Police Arbitration Tribunal. As already mentioned, the conflicting views about indexation, affordability and government pay policy were at the root of the failure to agree. Many respondents were also critical of the slow speed and inefficiencies of the PNB system. By contrast the PRB system normally works to an annual cycle with recommendations delivered on time. The approach is thorough and observes due process. It brings in an independent contribution which can be seen as similar to arbitration, but this independent view is being offered continuously, not just when there is a crisis.

3.28 It should be emphasised that the level of Government involvement is equally significant in both options. As mentioned in paragraph 2.27, the Government has the power to influence the existing machinery at several stages from beginning to end, and the same is true of the PRB option.

***C8 – Providing the right balance between a national framework for pay and conditions and local flexibility***

*The PNB+ option should be able to find this balance. It is less certain that the PRB option could do so immediately.*

Comment

3.29 In the view of respondents, the present PNB machinery can allow for local flexibility, for example with Special Priority Payments (SPPs), although forces’ experience of SPPs in operation has been mixed. The recommendations in the Randall Report, if finally adopted, would also lead to more local flexibilities being exercised. PRBs can accommodate some types of local flexibility such as local discretionary elements but their track record in this respect is rather limited. The terms of reference for a PRB for police officers could be written so as to encourage local flexibility.



## C9 – Accommodating the devolved UK system of government

Both options can accommodate the needs of the devolved UK system.

### Comment

3.30 The existing machinery for both police officers and police staff has a devolved structure which is capable of producing outcomes at a UK or devolved level. The PRB system is able to do the same.

### Conclusions on the options for police officer pay

3.31 The results of this analysis are summarised in the Summary Table 1 from which it is clear that the PRB option is superior to the PNB+ option in several keys areas. In only one area is it inferior. **I therefore recommend that a PRB for police officers should be created.** This would in principle create a structure as shown in Figure 4.

**Summary Table 1: Assessment of the options for police officer pay**

Criteria	Option A PNB+	Option B PRB
1 Safeguards	✓✓	✓✓
2 Recruitment, retention, etc	✓	✓✓
3 Industrial relations	?	?
4 Modernisation	?	✓✓
5 Strategy	X	✓✓
6 Inclusiveness	X	✓✓
7 Affordability/Government Policy	?	✓✓
8 National framework, local flexibility	✓	?
9 UK Devolved system	✓✓	✓✓

### Key

✓✓ = Satisfies the criterion

✓ = Substantially satisfies the criterion

X = Does not adequately satisfy the criterion

? = Some considerable uncertainty about ability to satisfy or substantially satisfy the criterion

### **Key features of a Police Officer Pay Review Body**

3.32 The terms of reference for, and coverage of, an independent Police Officer PRB should be the subject of Government consultation with the relevant parties.

3.33 Some key features of a PRB for Police Officers are as follows. It should operate independently. It should be established as a statutory body so that its role and purpose are enshrined in law. This will underline its duty to provide safeguards and take account of the particular circumstances of police officers including their inability to strike. It should cover all Federated Ranks, Superintending Ranks and (subject to the recommendation below) Chief Officer Ranks. The Review Body should allow representations from all interested parties to be made jointly, collectively and individually as appropriate. It should be able to take a broad view of progress with police workforce developments and resulting pay reform. It should be able to commission independent research and to undertake visits to the remit group as described in Appendix 5. The Review Body should have UK wide coverage with the flexibility to recommend different approaches in constituent areas of the UK should the nature of policing or the requirements of devolution demand it.

### **Requirements for other machinery alongside a PRB**

3.34 In recommending the move to a Police Officer PRB I have considered carefully what other machinery might be required. Consultation on the PRB's terms of reference will help to establish its scope. This in turn will influence the requirement for and nature of other machinery. Should a PRB be introduced, there would still be a need for a negotiating and advisory forum to capture those areas of the employment package not covered by the PRB. In my view, this should be a single body operating under a wide ranging remit, as with the current PABEW. Separate continuing arrangements for Scotland and Northern Ireland would be required. No specific evidence was presented on requirements for other machinery alongside a PRB, except positive comments on the effectiveness of current PAB arrangements. As with a PRB, arrangements for any other machinery should be the subject of Government consultation with relevant parties.

**Figure 4**

**FUTURE PAY MACHINERY**

<u><b>POLICE OFFICERS</b></u>			<u><b>POLICE STAFF</b></u>			
<b>Home Secretary</b>			<b>Police Staff Council for England and Wales</b>	<b>Police Staff Council for Scotland</b>	<b>Northern Ireland PSC equivalent</b>	<b>Metropolitan Police Staff</b>
<p><i>Decides with the Secretary of State for Northern Ireland and Scottish Government on behalf of the Government on recommendations from the Police Officer Pay Review Body.</i></p>						
<b>Police Officer Pay Review Body (proposed)</b>						
<p><i>Takes account of the special circumstances of police officers, including the inability to strike. Makes recommendations on pay and related matters in the light of the needs of the police service, recruitment, retention, motivation and morale, Government policies and the requirements of workforce development.</i></p>			<p><i>Negotiate pay and conditions for police staff covering most police forces. Conclusions are only binding if police forces incorporate them in employees' contracts of employment.</i></p>		<p><i>Northern Ireland police staff are covered by Civil Service machinery.</i></p>	<p><i>Metropolitan police staff are covered by their own machinery, which uses a Whitley Council approach.</i></p>
<b>Police Advisory Board for England and Wales</b>	<b>Police Advisory Board for Scotland</b>	<b>Police Advisory Board for Northern Ireland</b>				
<p><i>Advise on general questions affecting the police other than those reserved to a PRB. PAB (E&amp;W) and PABS consider draft regulations covering topics other than those reserved to PRB.</i></p>						

### **Options for determining police staff pay**

3.35 In paragraph 3.9, I concurred with the general view that that the time is not right for a unified pay structure covering both police officers and police staff, although this option may become more attractive as workforce reform gathers pace.

3.36 Therefore the choice is between the existing PSC system (Option X) or a PRB for police staff (Option Y). My task is to assess these two main options for police staff against each of the criteria of effectiveness. The assessment is shown below.

#### *Option X - Continue with the PSC system*

3.37 There was a generally high level of satisfaction with the present PSC system among relevant respondents, although some called for a fully national system including all police forces to replace the present arrangements.

#### *Option Y - PRB for Police Staff*

3.38 All respondents acknowledged that the terms of reference for the review required due consideration of a pay review body option although most respondents commented only on a review body covering officers. The unions in membership of the PSC were opposed to a PRB. Appendix 5 describes the main features of the PRB system, how PRBs work in partnership and how they can facilitate work force modernisation.

### **Assessment of the options for police staff pay**

3.39 My task is to assess these two main options for police staff against each of the nine criteria of effectiveness discussed earlier. The assessment is set out below, with some accompanying comments.

#### ***C1 – Incorporating safeguards against exploitation because police officers are unable to strike***

*This does not apply to police staff.*

#### ***C2 – Achieving good levels of recruitment, retention, motivation and morale in a high calibre workforce***

*The PSC substantially satisfies this criterion. The PRB does so fully.*

#### **Comment**

3.40 Factors in the PSC remit include private and public sector pay movements, inflation, funding, and recruitment and retention, although only limited data are at present available on the last two, and PSC is not adequately resourced to collect more. A PRB would ensure that comprehensive evidence is gathered on these factors.

### **C3 – Maintaining good industrial relations**

*The PSC substantially satisfies this criterion. A question mark hangs over the PRB option but it offers the prospect of good industrial relations in future, once the parties have adjusted to the new set of relationships.*

#### Comment

3.41 Industrial relations are good. The Home Office is seen as a welcome partner, having been invited to join at the initiative of the employee and employer bodies in 2002. Police staff terms and conditions have been harmonised in the PSC Handbook (which becomes “legally binding” where incorporated into staff contracts at the discretion of each force).

3.42 The creation of a PRB would initially be unpopular with many of the parties, because of the loss both of direct negotiating rights and of influence to a body perceived as unfamiliar with the operational challenges of policing. However, the history of the PRB system as a whole shows that it is associated with improved industrial relations in areas such as school teaching where previously they were poor. In the thirty six years that pay review bodies have existed, none of the employees covered by the PRB system has yet resorted to significant industrial action over pay as a direct response to PRB recommendations. Disquiet has resulted from decisions to stage PRB recommendations, but these are not PRB decisions.

### **C4 – Enabling developments in the pay and conditions (including reward and recognition) of both police officers and police staff to support modernisation and the effective use of the whole work force**

*The PSC satisfies this criterion. Experience of the STRB and SSRB suggests that the PRB option could be a powerful, sustained facilitator of modernisation.*

#### Comment

3.43 Respondents noted that police staff are increasingly carrying out distinct and prominent roles within forces, such as running front line enquiry desks, taking key positions in control rooms, and assisting with crime reports. The Handbook was expanded in 2004 to account for PSC’s role on wider workforce modernisation, including workforce training and development and standards of professional behaviour. In addition the PSC is potentially capable of coping with the rapid development of specialist skills.

3.44 Appendix 5 describes how PRBs can be very effective partners in, and facilitators of, work on workforce modernisation, stimulating progress on reform.

**C5 – Delivering a medium to long term strategy for pay and conditions appropriate for a modern, dynamic, effective and efficient police service**

*The PSC could satisfy this criterion. The PRB option would certainly help the parties take the long view.*

Comment

3.45 A start was made in PSC on a strategic approach based on a pay and reward review but this has stalled because of various uncertainties.

3.46 Within the partnership framework of a PRB system, the PRB facilitates the collaboration of the parties in developing a strategy and set its own recommendations within a longer term framework.

**C6 – Adopting an inclusive approach which allows all interested parties to be able to contribute effectively to the pay determination process**

*The PSC substantially satisfies this criterion. The PRB option has an advantage over the PSC option in having a more inclusive approach.*

Comment

3.47 PSC's coverage does not extend to all police forces. Some forces, mainly in the South East of England, have not incorporated the PSC Handbook into employees' contracts of employment but may adopt parts of the Handbook. In the case of the Metropolitan Police Service, there are entirely separate negotiating arrangements. The union representing police staff in the MPS is opposed to change.

3.48 Pay review bodies can invite evidence from all parties. Several parties can make joint submissions where they are in agreement or present evidence separately. This inclusive approach permits all relevant views to be heard and the system is transparent because evidence is published.

**C7 – Achieving timely, affordable and, as far as possible, mutually acceptable outcomes for pay and conditions within the context of the Government's public sector pay policy**

*The PSC substantially satisfies this criterion. The PRB option would work to a well established timetable and bring independent judgement to bear to resolve issues.*

Comment

3.49 The PSC is regarded as working well as a predominantly national body determining national pay recommendations by collective bargaining, with some local flexibility. The ability to agree national terms and conditions in PSC for posts common throughout the service and greater local flexibility to address local market conditions is attractive to the employers. The PSC has been relatively successful in negotiating pay awards without recourse to arbitration, in reviewing terms and conditions, and in introducing job evaluation. However, the degree of genuine negotiation on pay has been limited because PSC has tended to wait for the PNB settlement and make a similar offer.

3.50 The PRB system normally works to an annual timetable with recommendations delivered on time. It brings in an independent contribution which can be seen as similar to arbitration, but this independent view is being offered continuously, not just when there is a crisis.

### ***C8 – Providing the right balance between a national framework for pay and conditions and local flexibility***

*The PSC satisfies this criterion. It is less certain that the PRB option could do so.*

#### Comment

3.51 The PSC is able to agree terms and conditions for posts common throughout the forces which have incorporated the Handbook into staff contracts, with considerable local flexibility to address local labour market conditions. The local flexibility available under the current arrangements is demonstrated by the West Midlands Police who adopted performance related pay for 4,500 police staff in 2005, with annual pay progression based on performance and attendance, and increments no longer automatically awarded for time served.

3.52 PRBs can accommodate some types of local flexibility such as local discretionary elements but their track record in this respect is rather limited. The terms of reference for a PRB for police staff could be written so as to encourage local flexibility.

### ***C9 – Accommodating the devolved UK system of government***

*Both options satisfy this criterion.*

#### Comment

3.53 As indicated in Figure 1 on page 3, the PSC system covers England and Wales and Scotland. Negotiations for police staff in the Police Service for Northern Ireland take place in the context of the Northern Ireland Civil Service, a 3 year pay deal having been agreed to cover the period up to July 2009. A PRB can also cover the UK, allowing for differences in the constituent parts.

### **Conclusions on the options for determining police staff pay**

3.54 The results of the analysis are summarised in Summary Table 2. The PSC option satisfies or substantially satisfies all the criteria. The PRB option is superior in some respects but not in others. The judgement is therefore finely balanced. In my view the PSC system has scope for further development to meet the effectiveness criteria. **I therefore recommend that the PSC system should be retained for the time being.**

**Summary Table 2: Options for determining police staff pay**

Criteria	PSC Option X	PRB Option Y
1 Safeguards	-	-
2 Recruitment, retention, etc	✓✓	✓✓
3 Industrial relations	✓	?
4 Modernisation	✓✓	✓✓
5 Strategy	✓	✓✓
6 Inclusiveness	✓	✓✓
7 Affordability/Government Policy	✓	✓✓
8 National framework, local flexibility	✓✓	?
9 UK Devolved system	✓✓	✓✓

**Key**

✓✓ = Satisfies the criterion

✓ = Substantially satisfies the criterion

X = Does not adequately satisfy the criterion

? = Some considerable uncertainty about ability to satisfy or substantially satisfy the criterion

**Options for determining chief officer pay**

3.55 In his statement of 16 November 2006 announcing my review, the Police Minister, Tony McNulty, said:

"In particular, I am minded to place responsibility for determining chief officer pay within the remit of the Senior Salaries Review Body and the review I have announced will look at this as part of its consideration of the options for replacing the current police officer pay determination arrangements."

3.56 Chief officers are paid between £81,954 and £243,939. This puts them in a similar league to the groups covered by SSRB. The present PNB system has the virtue that all police officers of all ranks from probationer constable to chief constable and



commissioner are considered within the same machinery. Some respondents attached importance to the "oneness" of all ranks being covered consistently by the same arrangements. The APA and Metropolitan Police Service argued that moving chief police officers' pay to the SSRB could be divisive and affect affordability and workforce modernisation. COSLA were also concerned about the effect on morale and the equal pay implications.

3.57 ACPO and ACPOS highlighted the "serious shortage" of candidates for chief officer posts which arises partly as a result of insufficiently attractive pay differentials between chief superintendents and chief officers. Some respondents also noted that the pay structure for the chief officer group was itself unsatisfactory for a number of reasons. It is significant that the PNB has not been able to resolve these problems.

3.58 A potential awkwardness in the PNB system to which a number of respondents drew attention is the fact that chief officers appear on both sides of the PNB negotiating table. They scrupulously avoid a direct conflict of interest through having a separate body, CPOSA, to represent their interests on the PNB Staff Side, while ACPO representatives are part of the Official Side. Detailed discussions on chief officer pay take place in the chief officers sub committee of PNB. ACPO plays no part in the sub-committee's work. Discussion in the Official Side of general pay uplifts affecting all ranks do potentially involve chief officers. Having chief officer pay outside the PNB would clarify the situation beyond any doubt.

3.59 Also at very senior level there are police staff holding posts covering areas such as finance and HR. Those of appropriate seniority are eligible to be members of ACPO. Their pay is determined by individual forces. Respondents offered no specific views on pay determination for this group.

3.60 The options appear to be as follows:

*Option 1 Chief officer pay is covered by the improved PNB machinery (PNB+).*

*Option 2 A Police PRB covering all ranks including chief officers.*

*Option 3 Chief officers becoming the responsibility of the Senior Salaries Review Body (SSRB).*

*Under Options 2 and 3 it is for consideration whether the senior police staff who are ACPO members should be included in the respective options.*

### **Assessment of the options for chief officer pay**

3.61 The assessment as between the PNB+ and the PRB options is essentially the same for chief officers as for police officers (see Summary Table 1). The PRB options meet the criteria better than the PNB+ option.

### **Conclusions on the options for determining chief officer pay**

3.62 I do not recommend the status quo (Option 1). The PNB has not dealt adequately with the problems of recruiting into the chief officer cadre or with the issues of internal relativities in the chief officer cadre, The PNB also has the awkwardness that chief officers appear on both sides of the table, as explained above. One of the two

Review Body options is therefore to be preferred, depending on whether or not a PRB for police officers below chief officer level is created, as I recommend earlier.

3.63 **I recommend that if there is a Police Officer PRB for police officers below chief officer level, the same Review Body should also cover chief officers (Option 2).** This is the preferred option because it will be able to bring new ideas to bear not only on senior level recruitment but on ways of remunerating this important leadership group. It also facilitates a "top to bottom" approach to police officer pay. It will remove the awkwardness of chief officers appearing on both sides of the table. It will still be able to draw on the expertise of the SSRB, for example by cross representation between the Police Officer Pay Review Body and the SSRB.

3.64 If there is to be no Police Officer PRB for police officers below chief officer level, responsibility for chief officers should transfer to the SSRB (Option 3). This will have similar benefits to Option 2, except that chief officers and other officers will have separate systems. It will help focus attention on tackling recruitment into the chief officer cadre and bring in new thinking about pay for the top leadership roles in other sectors.

#### **4. Conclusions and recommendations**

4.1 My conclusions and recommendations are set out at the beginning of the report, on pages vii to ix.

**CLIVE BOOTH  
29 OCTOBER 2007**

## Conduct of the Second Report

1. The methodology for conducting the Second Report was established in a project plan in April 2007. It comprised four phases: establishing the review and its scope; evidence and information gathering; analysis and testing of the evidence and options; and final reporting. The Office of Manpower Economics provided administrative support throughout.

2. I initially wrote to all interested parties in March 2007 to outline plans for the Second Report and to set the initial timetable. I then reviewed the evidence provided to the First Report that could be relevant to the Second Report. On 27 April 2007, I issued the evidence commissioning letter<sup>2</sup> to all parties. This set out the terms of reference, a list of questions, a background paper summarising the current negotiating machinery, a summary of the context for the review and the options (taken from the First Report) and a commentary on the pay review body system. The letter and background papers provided information to enable the respondents to submit constructive evidence. It specifically asked the respondents to identify the criteria for, and an assessment of, the effectiveness of the current machinery plus the options for future machinery including preferred options, consideration of a pay review body and whether different arrangements could apply to different groups, conditions or locations. I subsequently offered and held initial meetings with the respondents to discuss the evidence requirements and the timetable. The timetable to submit evidence overlapped with key stages in PNB negotiations and throughout this Second Report I accommodated extensions to submission deadlines so as not to interfere with PNB progress.

3. The information gathering phase comprised a range of activities:
- Compilation of background information on police officer roles and responsibilities, other pay determination mechanisms, social partnerships, the current pay environment and pay review bodies;
  - Assessing outcomes from PNB, PAB and PSC in recent years, including pay and other agreements;
  - Assessing information on police reform and workforce modernisation;
  - Information meetings with interested parties including NPIA, HMIC and specific police forces;
  - Information meetings with the PNB Independent Chair, pay review body Chairs, “external experts” and the Low Pay Commission; and
  - A short survey of other nation’s approaches to police pay determination.

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<sup>2</sup> The letter and attachments are available on [www.policypayreview.org](http://www.policypayreview.org).

4. Alongside the information gathering phase, I held meetings with all respondents wishing to contribute to the review to test out their and others' evidence. The review was completed by an analysis of the evidence and background information using the key criteria for effectiveness identified by the respondents. This analysis covered the effectiveness of the current machinery and how such criteria might apply to options for future machinery.

### **List of respondents consulted and background documents**

#### Respondents who gave written/oral evidence

Association of Chief Police Officers England Wales and Northern Ireland – ACPO  
Association of Police Authorities – APA  
Association of Chief Police Officers Scotland – ACPOS  
Association of Scottish Police Superintendents  
Convention of the Scottish Local Authorities – COSLA  
Chief Police Officers' Staff Association – CPOSA  
First Division Association – FDA  
GMB  
Local Government Employers – LGE  
Metropolitan Police Authorities and Metropolitan Police Service – MPA/MPS  
Northern Ireland Policing Board – NIPB  
Police Federation for Northern Ireland  
Police Federation of England and Wales  
Police Negotiating Board – Official Side  
Police Negotiating Board – Official Side Secretariat  
Police Negotiating Board – Staff Side  
Police Superintendents' Association of England and Wales  
Public and Commercial Services Union – PCS  
Scottish Chief Police Officers' Staff Association  
Scottish Police Federation  
Superintendents' Association of Northern Ireland  
TGWU  
UNISON  
West Midlands Police

***Written evidence can be viewed in full on the police pay review website***  
[www.policepayreview.org](http://www.policepayreview.org)

#### Information gathering meetings/discussions

Alastair Hatchett (IDS), Professor Frank Burchill (DDRB) and Professor Geoff White  
Police Negotiating Board Independent Chair  
ACPO Workforce Modernisation  
Pay Review Body Chairs – SSRB, STRB, PSPRB and AFPRB  
Richard Childs (PSPRB & former Chief Constable of Lincolnshire Police)  
Home Office  
PNB Staff Side  
PNB Official Side  
Low Pay Commission  
Professor Willy Brown (Former LPC Commissioner)  
Cabinet Office  
Her Majesty's Inspector of Constabulary

Metropolitan Police Service  
Merseyside Police  
National Police Improvement Agency  
West Midlands Police

### Other references

First Report "Fair Pay for Police Officers" Sir Clive Booth [www.policepayreview.org](http://www.policepayreview.org)

Sixth Annual Report of the PNB Independent Chair – 2005-2006 –Supplementary Report on Pay Negotiations – January 2007 [www.ome.uk.com](http://www.ome.uk.com)

Seventh Annual Report of the PNB Independent Chair – 2006-2007 – June 2007

PABEW Sixth Annual Report of the Independent Chair – 2006-2007 — June 2007

Collective Bargaining for a Modernised Workforce – Report to the Home Secretary – John Randall, January 2006

PNB/PAB Office of Manpower Economics website [www.ome.uk.com](http://www.ome.uk.com)

PNB Official Side paper – Rewarding Skills and Performance – October 2005

Constitution of the Police Advisory Board for England and Wales  
PNB & PSC Settlements – July 2007

Building Communities, Beating Crime – A Better Police Service for the 21<sup>st</sup> Century – Home Office November 2004 [www.archive2.official-documents.co.uk](http://www.archive2.official-documents.co.uk)

The National Policing Plan 2004 – 2007 [police.homeoffice.gov.uk](http://police.homeoffice.gov.uk)

Review of Policing by Sir Ronnie Flanagan and associated correspondence, April 2007  
[police.homeoffice.gov.uk](http://police.homeoffice.gov.uk)

National Policing Improvement Agency – Information Pack ,1 April 2007

Common Values for the Police Service of England and Wales – Home Secretary, February 2007

Building on Progress: Security, Crime and Justice – March 2007  
"Modernising the Police Service" – Her Majesty's Inspector of Constabulary, 2004

Launch of the Workforce Modernisation Pilots – Wembley, July 2007  
"Moving Policing Forward" – Police Superintendents Association for England and Wales, 2004

24/7 Response Policing – M Chatterton (B.A. Ph.d) and E Bingham (B.A. M.Sc.), January 2006 [www.polfed.org](http://www.polfed.org)

Police Staff Council – Pay and Conditions of Service Handbook [www.unison.org.uk](http://www.unison.org.uk)

The Bain Report – The Future of the Fire Service: Reducing Risk, Saving Lives – December 2002 [www.communities.gov.uk](http://www.communities.gov.uk)

#### Social Partnership Agreements

- STRB – Raising Standards and Tackling Workload: A National Agreement
- STRB – WAMG Report [www.remodelling.org](http://www.remodelling.org)
- DTI – Partnership Agreements – information and case studies [www.dti.gov.uk](http://www.dti.gov.uk)

Support Staff Working Group Report on the feasibility of a new national negotiating structure to determine school support staff pay and conditions [www.teachernet.gov.uk](http://www.teachernet.gov.uk)

Continuity and Change: Public Sector Pay Review Bodies, 1992-2003 – Mike Horsman – Public Money and Management, October 2003

The Pay Review Bodies in Britain under the Labour Government – Geoff White and Alistair Hatchett – Public Money and Management, October 2003

The Pay Review Body System: Its Development and Impact – Geoff White – Historical Studies in Industrial Relations No.9, Spring 2000

The Pay Review Body System: A Comment and a Consequence – Frank Burchill Historical Studies in Industrial Relations No.10, Autumn 2000

The National Minimum Wage First Report of the Low Pay Commission – June 1998 [www.dti.gov.uk](http://www.dti.gov.uk)

National Minimum Wage Low Pay Commission Report 2007 [www.lowpay.gov.uk](http://www.lowpay.gov.uk)

#### Background information

Second Report, Annexes to the Evidence Commissioning letter - 27 April 2007

- Annex 1 – Terms of Reference for the Review of Police Officer Pay Determination and of Police Negotiating Machinery
- Annex 2 – Questions to Cover in Part 2 Evidence
- Annex 3 – Roles and Responsibilities within the Current Negotiating Machinery;
- Annex 4 – The Context for the Review
- Annex 5 – Options for Future Machinery
- Annex 6 – A Commentary on Pay Review Bodies

Summary of Part 1 Evidence Relevant to Future Machinery Under Part 2

School Teachers' Review Body

SSRB and Chief Police Officers' Pay

Civilian Uniformed Occupations

Pay Review Bodies' Terms of Reference

Extension of the Remit of the Nursing and Other Health Professions Pay Review Body

Social Partnerships – Summaries of Background Documents

School Support Staff – WAMG Report on a National Pay and Conditions Framework

The Role of Police Officers

Pay Review Bodies – Summaries of Background Documents

Pay Review Body Reports

- AFPRB Thirty-Sixth Report – 2007
- PSPRB 6<sup>th</sup> Report on England and Wales and 5<sup>th</sup> Report on Northern Ireland
- SSRB 29<sup>th</sup> Report on Senior Salaries – 2007

- STRB 16<sup>th</sup> Report – 2007
- OME Research and Analysis Group papers [www.ome.uk.com](http://www.ome.uk.com)  
Low Pay Commission  
International Mechanisms for Police Pay Determination [www.policepayreview.org](http://www.policepayreview.org)  
Independent Review of the Fire Service 2002

## Current machinery

### The Police Negotiating Board (PNB)

1. The **PNB** was established by the Police Negotiating Board Act 1980 to negotiate the hours of duty; leave; pay and allowances; the issue, use and return of police clothing, personal equipment and accoutrements; and pensions of United Kingdom police officers. It makes recommendations on these matters to the Home Secretary, Secretary of State for Northern Ireland, and Scottish Ministers. It is governed by a constitution and negotiations take place between the Official Side and Staff Side.
2. The **Official Side** represents the "employers" of UK police officers. It has a tripartite arrangement comprising the Home Department Secretaries of State (Home Secretary, Secretary of State Northern Ireland and Scottish Government), police authorities (APA (England and Wales), COSLA and NIPB) and chief police officers (ACPO England, Wales and Northern Ireland, and ACPOS). Traditionally the Chair of the Federated Ranks Committee of PNB is the Chair of the PNB Official Side. Official Side business is organised through quarterly meetings facilitated by the Secretariat (provided by Local Government Employers). Workshops, working groups and ad hoc meetings also take place. Individual constituents can initiate proposals which are considered, developed and costed by the Official Side. The APA holds the majority of seats as they hold the budgets and have statutory responsibility for maintaining efficient and effective police forces. Each of the 22 PNB Official Side members carries equal weight and can reserve their position. Agreed proposals are then taken forward with the Staff Side in PNB.
3. The **Staff Side** comprises representatives of the police staff associations including: the Police Federation of England & Wales; the Scottish Police Federation; the Police Federation for Northern Ireland; the Police Superintendents' Association of England & Wales; the Association of Scottish Police Superintendents; the Superintendents' Association of Northern Ireland; the Chief Police Officers' Staff Association; and the Association of Chief Police Officers in Scotland. The Staff Side appoints a Chair and Secretary to act jointly on their behalf on matters affecting all ranks.
4. The **PNB** has an Independent Chair and Deputy Chair appointed by the Prime Minister, whose role is to supply a neutral, independent voice in the negotiations. The Chair assists in bringing the parties to agreement, through support, informal mediation and conciliation. PNB agreements are subject to approval by the Home Secretary. The Office of Manpower Economics provides the Secretariat. Since 2001 the Chair has produced an Annual Report on the work of the PNB to the Prime Minister. In January 2006 the Chair also proposed reform of the negotiating and consultative machinery in the police service<sup>3</sup>. PNB meetings are normally held on a quarterly basis. Police officers in the United Kingdom are prohibited by statute from striking. Under the PNB constitution, matters on which no agreement can be reached, and which cannot be resolved by conciliation, may be referred by either Side to arbitration.

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<sup>3</sup> "Collective Bargaining for a Modernised Workforce" A Report by John Randall, Independent PNB Chair, 2006.



5. The **Police Arbitration Tribunal** consists of three arbitrators appointed by the Prime Minister. The Secretariat is provided by the Advisory, Conciliation and Arbitration Service. Before referral to the PAT, the Sides agree the terms of reference of any dispute. Any decision of the arbitrators is treated as though it were a PNB agreement and subject to Ministers' approval.

#### **Home Secretary's powers of direction**

6. The Home Secretary, the Secretary of State for Northern Ireland and the Scottish Ministers have the powers to direct PNB and PABs to consider and seek agreement by a set deadline on such matters of national importance to the police service as he or she may specify.

#### **The Police Advisory Boards**

7. There are three **Police Advisory Boards**, for England and Wales (**PABEW**), for Scotland (**PABS**) and for Northern Ireland (**PAB(NI)**). The PABEW advises the Home Secretary on general questions affecting the police in England and Wales. It considers draft regulations which the Home Secretary proposes (except for matters such as pay and negotiable conditions of service which fall within the remit of the PNB) and makes such representations as it thinks fit. It has the same Independent Chair, Deputy Chair and Secretariat as the PNB. Quarterly meetings are normally held on the same day as the PNB. Consultations on workforce reform, among other matters, take place in the PABEW. Scotland and Northern Ireland can be involved as required.

#### **Police Staff Council (PSC)**

8. **Police Staff** pay and conditions are negotiated by the Police Staff Council for England and Wales, Police Staff Council Scotland, under Whitley Council style negotiations in Northern Ireland and the Metropolitan Police Staff Whitley Council. The Police Staff Council for England and Wales was established in 1996 as a voluntary negotiating body covering around 60,000 police staff. PSC national agreements are only binding if police authorities and chief constables agree to incorporate them within employees' contracts of employment. A small number of forces choose to operate their own pay and conditions structures. PSC increasingly considers wider modernisation issues that influence negotiations on pay and conditions.

9. The PSC operates on a traditional Whitley Council basis, with each side having its own Chair and Secretary. There is no independent element. The Trade Union Side Secretariat is provided by the largest union, UNISON. The employer side secretariat is provided by Local Government Employers. The employer side comprises APA, ACPO and the Home Office (COSLA, ACPOS in Scotland). Within the Police Service of Northern Ireland, the employment framework for police staff mirrors that agreed for the Northern Ireland Civil Service. Metropolitan Police Staff pay and conditions have their origins in the civil service and therefore use a Whitley Council approach. They have a single employer and the major union is PCS.

## WORK OF THE POLICE BOARDS AND THE POLICE STAFF COUNCIL, 2002 TO 2007

Year	PNB <sup>4</sup>	PABEW
2002	<ul style="list-style-type: none"> <li>• Uprating the new pay scales for Federated Ranks.</li> <li>• Managing Overtime: Guidance.</li> <li>• Competence-Related Threshold Payment Scheme.</li> <li>• Pay of chief officer ranks.</li> <li>• Pay of superintending ranks.</li> <li>• London weighting, PSNI allowance, dog handlers allowance and temporary non-pensionable supplement for inspectors and chief inspectors in the PSNI.</li> <li>• Pay of federated ranks.</li> <li>• Cadets' pay.</li> <li>• Guide to negotiable conditions of service.</li> <li>• Police pay and conditions package.</li> <li>• Motor vehicle allowances.</li> <li>• Incidental expenses allowance for those attending residential training courses.</li> <li>• Removal allowance - incidental expenditure.</li> <li>• Refreshment, subsistence and lodging allowances.</li> <li>• Extension of part-time working to all ranks and pro rata payment of the South East Allowance.</li> <li>• Chief officers' pensions.</li> <li>• Amendment to PNB constitution.</li> </ul>	<ul style="list-style-type: none"> <li>• New recruits to provide DNA samples as a condition of appointment.</li> <li>• Relaxed rules of Accelerated Promotion Scheme.</li> <li>• Revised guidance to police authorities on financial assistance to police officers in legal proceedings.</li> <li>• Resolved uncertainty about legality of secondments to ACPO.</li> <li>• Amended regulation in respect of business interests of police officers and their families.</li> <li>• Registered majority support for introduction of testing for alcohol and substance misuse.</li> <li>• Registered majority support to relax nationality requirements for recruits and revised declaration of attestation.</li> <li>• Agreed new national recruitment application and assessment process.</li> <li>• Clarified roles and responsibilities in PNB and PABEW.</li> </ul>
2003	<ul style="list-style-type: none"> <li>• Managing Ill Health Retirement: Guidance.</li> <li>• Superintendents' pay and conditions.</li> <li>• Constables' pay scales.</li> <li>• Special Priority Payments (SPP) scheme amendments.</li> <li>• Compensation for officers recalled from annual leave – further guidance.</li> <li>• Managing Overtime: Guidance (amendment).</li> <li>• Pay of chief officer ranks.</li> <li>• Pay of superintending ranks.</li> <li>• London weighting.</li> <li>• Pay of federated ranks, dog handlers' allowance, PSNI allowance and temporary non-pensionable supplement for inspectors and chief inspectors in the PSNI.</li> <li>• Cadets' pay.</li> <li>• Incidental expenses allowance for those attending residential training courses.</li> <li>• Amendment to PNB Constitution.</li> </ul>	<ul style="list-style-type: none"> <li>• Changes to appeals procedures and produced advice/guidance on process.</li> <li>• Approved principles for attendance management procedures.</li> <li>• Approved amendments to the Senior Officers' Fixed Term Appointments Regulations.</li> <li>• Agreed that service in the British Transport Police could qualify for appointment to Chief Constable.</li> <li>• Approved qualification requirements for new applicants.</li> <li>• Agreed mandatory eyesight tests on recruitment and that common standards applied consistently.</li> <li>• Approved a procedure for consultation and commenting on policy matters relating to the new Independent Police Complaints Commission.</li> <li>• Reviewed fitness testing and health requirements for police officers.</li> <li>• Agreed that Chief Constables should</li> </ul>

<sup>4</sup> Full details available in PNB circulars at [www.ome.uk.com](http://www.ome.uk.com).

Year	PNB <sup>4</sup>	PABEW
	<ul style="list-style-type: none"> <li>• Amendment to the current provisions for parental leave.</li> <li>• Motor vehicle allowances.</li> <li>• Guidance to chief officers on the use of discretion to resume/maintain paid sick leave.</li> <li>• New provisions for maternity leave, adoption leave, maternity support leave and adoption support leave.</li> </ul>	<ul style="list-style-type: none"> <li>• consider sympathetically extending reasonable duty time to representatives of police staff associations assisting members with grievances.</li> </ul>
2004	<ul style="list-style-type: none"> <li>• Prevention of less favourable treatment.</li> <li>• Cadets' pay.</li> <li>• Federated Ranks' pay.</li> <li>• Entry points on promotion to Sergeant.</li> <li>• Chief officers' pay.</li> <li>• Superintendents' pay.</li> <li>• London Weighting.</li> <li>• Merger of Royal Parks Police with MPS.</li> <li>• Amendment to the assimilation procedure for Federated Ranks.</li> <li>• Salary levels and bonus ceilings for chief officers in the MPS, PSNI and NCS.</li> <li>• Federated Ranks' annual leave.</li> <li>• Joint Guidance for the operation of the performance bonus procedure for superintendents.</li> <li>• Motor vehicle allowances.</li> <li>• Chief officers' pay and conditions package.</li> <li>• Amendment to the Chief Inspectors' pay scale.</li> <li>• Incidental expenses allowance.</li> <li>• Public Holidays falling on a Saturday or Sunday.</li> <li>• New Chair of the Police Negotiating Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of sickness data collection, recording and monitoring systems.</li> <li>• Agreed to develop a substance misuse screening policy.</li> <li>• Amended the PABEW constitution to consider matters for the National Crime squad and the National Criminal Intelligence Service.</li> <li>• Approved changes to handling unsatisfactory performance, complaints and misconduct.</li> <li>• Ratified outstanding issues on Regulations relating to the new Independent Police Complaints Commission.</li> <li>• Recommended statutory cover equivalent to that enjoyed by employees under the provisions of the Employment Act 2002 (Dispute Resolution) Regulations.</li> <li>• Guidance on attendance management procedures.</li> <li>• Recommendations on fitness testing.</li> </ul>
2005	<ul style="list-style-type: none"> <li>• Flexible benefits.</li> <li>• Northern Ireland temporary supplement for Inspectors.</li> <li>• Cadets' pay.</li> <li>• Chief officers' pay.</li> <li>• Superintendents' pay.</li> <li>• Federated Ranks' pay.</li> <li>• London Weighting.</li> <li>• Incidental expenses.</li> <li>• <i>City of London Commissioners' Pay.</i></li> <li>• Motor vehicle allowances.</li> <li>• Promotion to sergeant.</li> <li>• Chief officers' bonus national guidance.</li> <li>• Changes to constables' pay scales April 05.</li> <li>• Chief officers' discretion – amended.</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations on substance misuse testing and approved protocols.</li> <li>• Revised Job Related Fitness Test for recruits.</li> <li>• Working group established to consider terms and conditions of seconded officers.</li> <li>• Approved protocols for collection, storage and use of fingerprints.</li> </ul>

Year	PNB <sup>4</sup>	PABEW
2006	<ul style="list-style-type: none"> <li>• Compulsory retirement age.</li> <li>• Cadets' pay.</li> <li>• Chief officers' pay.</li> <li>• London Weighting.</li> <li>• Superintendents' pay.</li> <li>• Federated Ranks' pay.</li> <li>• Adoption leave.</li> <li>• Motor vehicle allowances.</li> <li>• Relocation expenses.</li> <li>• Superintendents' guidance.</li> <li>• Flexible benefits – amended.</li> </ul>	<ul style="list-style-type: none"> <li>• Established working party to take forward Taylor Review of Police Disciplinary arrangements.</li> <li>• Established working group on national recruitment standards.</li> <li>• Approved policy and protocols for substance misuse testing.</li> <li>• Approved amendments concerning business interests.</li> </ul>
2007	<ul style="list-style-type: none"> <li>• Clarification of allowances payable to Superintendents and Chief Superintendents rated as exceptional when on penultimate pay point.</li> <li>• Motor vehicle allowances.</li> <li>• Compulsory Retirement Age.</li> </ul>	

#### WORK OF POLICE STAFF COUNCILS, 1996 TO 2007

Year	PSC <sup>5</sup>
1996 - 2002	<ul style="list-style-type: none"> <li>• PSC (England and Wales) created in 1996.</li> <li>• Creation of a single status pay and conditions agreement in 1996. Collective agreements on annual pay revalorisation every year since 1996 except for 2000.</li> </ul>
2002-03	<ul style="list-style-type: none"> <li>• Employers Side expanded in 2002 to encompass Home Office, at the expressed invitation of both Employers Side and Trade Union Side.</li> <li>• PSSC Joint Working party established to look at: recruitment and retention; Annual Leave; Performance; the extent of low pay in the PSSC pay structure; the nature and extent of the gender pay gap in the workforce; training and development; and work life balance.</li> <li>• A Handbook Review Working Group created to oversee revisions to the Police Support Staff Council (PSSC) Handbook of Terms and Conditions of Employment.</li> </ul>
2003-04	<ul style="list-style-type: none"> <li>• Ongoing consultation on revisions to the PSSC Handbook.</li> </ul>
2004-05	<ul style="list-style-type: none"> <li>• Police Support Staff Council (PSSC) renamed Police Staff Council (PSC) as a result of the change in the role of TUS members in the context of police reform and to reflect the enhanced status of their members in the title of the machinery.</li> <li>• Revised Police Staff Handbook agreed by the Council issued on 1 April 2004. From that date all references in police staff contracts of employment to national terms and conditions arrangements referred to the revised PSC Handbook.</li> </ul>
2005-06	<ul style="list-style-type: none"> <li>• The Joint Pay and Reward Working Party initiated to inform future pay negotiations – partnership approach to collective bargaining reiterated in 2005 Joint Working Agreement.</li> <li>• The TUS submission “Closing the Gap: A PSC Pay and Workforce Strategy to Improve Police Performance” circulated to all police authorities and forces in England and Wales covered by PSC.</li> <li>• PSC recommended adopting ACPO’s “membership of unacceptable organisations”</li> </ul>

<sup>5</sup> PSC circulars available at [www.lge.gov.uk](http://www.lge.gov.uk).

Year	PSC <sup>5</sup>
	<p>policy i.e. it is unacceptable for any police staff to be an active member of any organisation that promotes, as part of its constitution, discrimination against any person by virtue of their race, creed, colour or religion.</p> <ul style="list-style-type: none"> <li>• PSC undertook to explore the possibility of developing a national Substance Misuse policy model.</li> </ul>
2006-07	<ul style="list-style-type: none"> <li>• Commissioned external specialist consultants to undertake work on PSC guidance to support forces and authorities in carrying out equal pay reviews in the police service.</li> <li>• Agreed a HR framework covering key areas arising from the possible reorganisation/amalgamation of police forces including consultation/negotiation procedures and transfer arrangements for police staff.</li> <li>• Commissioned external specialist consultants to review PSC 13 factor Job Evaluation (JE) scheme.</li> </ul>
2007 to date	<ul style="list-style-type: none"> <li>• PSC Equal Pay Review audit toolkit designed using Home Office modernisation funding.</li> <li>• PSC 13 factor Job Evaluation scheme updated and re-launched including good practice guidance to JE generally using modernisation funding from the Home Office.</li> <li>• PSC Trade Union represented on the PAB attendance management working group party.</li> <li>• Review police staff statutory maternity provisions in accordance with the Work and Families Act 2006 wef 1 April 2007.</li> <li>• PSC staff side preparing paper on Standards of Professional Behaviour reflecting the arrangements agreed for police officers by the PABEW.</li> <li>• PSC commissioned consultation on plans/proposals for the establishment of shared services and collaboration.</li> </ul>

## POLICE OFFICERS AND POLICE STAFF PAY SETTLEMENTS, 1996 – 2006

Year	Police Negotiating Board	Police Staff Council
1996	3.5	3.6 <sup>2</sup>
1997	3.5	3.3
1998	4	3.75
1999	3.6	3.4
2000	3	3.2 <sup>3</sup>
2001	3.5	3.5
2002	3	3.4
2003	3	3.25
2004	3	3
2005	3	3
2006	3 <sup>1</sup>	3

<sup>1</sup> Police Arbitration award

<sup>2</sup> The first PSSC settlement covered a 17 month pay period from 1 April 1996 to 1 September 1997 and covered three elements:

- 3% from 1 April 1996
- A further 1% (on original base) from 1 Sept 1996
- Assimilation to new PSSC spine on 1 April 1997 (at a cost no greater than) 0.5%

<sup>3</sup> ACAS arbitration award

## Police reform and workforce modernisation

### Reform since 2002

1. The recent roots of police reform lie in the *Police Reform Act 2002* which sought to “drive up” police standards by giving the Secretary of State new powers to produce a three-year National Policing Plan, to issue Codes of Practice for Chief Officers and to give direction to police Authorities. The Act made key changes to police powers to co-ordinate community partnerships and to facilitate the more effective use of police staff, including suitably trained civilians acting as Community Support Officers (CSOs) with defined powers.
2. The 2004 White Paper “*Building Communities, Beating Crime*” described the core police role as the “prevention, detection and reduction of crime, and protecting the public”. It sought to re-establish community policing, introduce workforce changes and promote the involvement of communities and citizens. The White Paper highlighted workforce changes already achieved, including record numbers of police personnel, the new role of CSOs, some reforms to reward arrangements and improved attendance management. A “dynamic, modern workforce” was seen as the foundation for change, creating a culture of learning and self-improvement with recognition for those contributing to front line services.
3. The 2004 White Paper set out the specific implications for skills at each police rank and included a series of workforce reform measures, including the Performance and Development Review system, removing recruitment and career barriers, and equality provisions.
4. In continuing pursuit of pay reform, the PNB Official Side issued in October 2005 a paper, “*Rewarding Skills and Performance*” which built on the 2004 White Paper. It called for pay to reflect the professional nature of the job, additional pay for skills, and working arrangements to best meet service delivery and work/life balance. These measures would need to take account of affordability and the Government’s public sector pay policy. Although discussion of some of these proposals began during the 2006 pay round, they were inconclusive for the reasons described in my first report.
5. In January 2006, the Independent Chair of the PNB John Randall sent the Home Secretary a report entitled “*Collective Bargaining for a Modernised Workforce*”. This recognised that reform required new approaches to collective bargaining and industrial relations, building on the existing arrangements. Machinery had to be fit for the purpose of taking forward any reform. The subsequent consultation on the report indicated a lack of consensus on several of the main recommendations.
6. Contributions to the reform debate also came from those representing police officers. In 2004, the Police Superintendents’ Association of England and Wales produced a paper entitled “*Moving Police Forward*” which highlighted the “conundrum” of meeting national targets while policing to meet local communities’ aspirations in a context set at force level. The paper focused on an ideal model of Basic Command Units and advocated a National Policing Board to advise Ministers, with Regional Boards to deploy resources.
7. In early 2006, the Police Federation published a study by Chatterton and Bingham on the subject of “*24/7 Response Policing in the Modern Police Organisation: A View from the Beat*”. Drawing on work with focus groups in seven police forces, the study concluded that the Police Federation’s concerns about inadequate resourcing, attendant risks to officer safety, and quality of service to the public were well-founded. Specifically, there was less time for reassurance policing. Incidents were not responded to quickly or appropriately enough. Tight regulation denied the exercise of discretion. On reform, the study found that there was little or no evidence that recommended reforms had been implemented. Bureaucracy had not reduced. Tasks were not being transferred from officers to other staff. Some elements of reform increased workloads. “Mixed economy” policing and workforce re-engineering were

not very far advanced. A range of pressures on officers and their consequences were reported.

8. As part of the continuing public debate about the role of the police, the Home Secretary published a statement entitled “*Common Values for the Police Service of England and Wales*” in February 2007. In highlighting the mission, values, goals and aspirations of the police service, the Home Secretary noted that the best use of limited resources would require new approaches and new working methods. He promised fewer national priorities, and less change in investment priorities and programmes. The Government would adopt a more strategic role with less interference in “tactical issues”, less bureaucracy, and an emphasis on continuous improvement and stronger accountability.

9. The themes in the Home Secretary's statement were pursued with the appointment in April 2007 of Sir Ronnie Flanagan HMIC to conduct a “*Review of Policing*”. The Review had four aims: to reduce bureaucracy and promote better business processes; to sustain and maintain neighbourhood policing; for the public to drive local policing priorities; and to manage resources effectively (including views on pay and reward).

10. An interim report was presented to the Home Secretary by Sir Ronnie Flanagan on 12 September 2007. While recognising that the four strands of the review were linked, the interim report made 26 recommendations focused on reducing unnecessary bureaucracy and supporting neighbourhood policing. The majority related to the strategic management of the police including funding, performance targets and organisation. The report recognised the cultural and workforce change required to deliver effective neighbourhood policing. In this regard, several recommendations aimed to support the role of police officers and to foster the growing role of Community Support Officers in neighbourhood policing. Looking forward to the final report, the workforce modernisation programme was cited as part of a range of work already underway which seeks to maximise police productivity and efficiency. Finally, the report identified seven themes related to local accountability which would be put out to broad and public consultation ahead of the final report.

### **National Policing Improvement Agency**

11. A major potential development for police modernisation has been the establishment of the National Policing Improvement Agency (NPIA) in April 2007. Its wide ranging remit encompasses:

- identifying/planning for future challenges;
- defining capacity, prioritising and leading change programmes;
- developing evidence-based good practice;
- coordinating the development and deployment of infrastructure;
- developing learning programmes;
- helping to recruit and retain, and develop leadership;
- ensuring effective and efficient workforces, processes, procurement and systems;
- using research, analysis and specialist systems and advice to improve policing services to the public; and
- ensuring the involvement of police forces and authorities.

The NPIA thus has very significant potential to support and influence the modernisation process.

### **National Workforce Modernisation Programme**

12. Working together, ACPO, individual forces and the Home Office have encouraged practical pilots and demonstrations of workforce modernisation on the ground. Pilot sites running between 2004 and 2006 illustrated some of the benefits to forces in developing a



more effective workforce mix. An independent evaluation identified a number of improvements in force performance and cost benefits. It also noted a positive impact on stakeholders, with enthusiasm created within forces and improved diversity of staff and skills.

13. The NPIA and ACPO are leading the current *National Workforce Modernisation Programme*. The programme seeks, through eleven “demonstration sites” launched from June 2007, to apply model business processes to policing including analysis of tasks, the skills required, the efficiency costs of alternative methods and the associated risks. The aim is to work towards a more efficient and effective workforce, optimising the use of officers and staff and to produce the greatest impact.

14. To support the National Workforce Modernisation Programme, the Home Office has allowed the relevant forces some flexibilities around reward, powers and practices. Together the demonstration sites cover a wide range of policing activity: major crime and serious crime departments, neighbourhood policing units, offender management, a crime and disorder reduction partnership, response and investigative teams, basic command units, criminal investigation departments, child and public protection units, and strategic roads policing. The sites are to run for at least 12 months with independent evaluation.

15. The 2007 demonstration sites anticipate a range of expected benefits. These include increasing capability, capacity, quality of services and efficiency. Public confidence and community engagement should be enhanced. Police officers should be freed for more appropriate duties and their career prospects improved. The programme is expected to produce emerging evidence of the benefits in 2008-09 and more fully in 2009-10.

## Summaries of evidence on current and future pay determination machinery

### CURRENT MACHINERY

#### 1. GENERAL COMMENTS ON THE EFFECTIVENESS OF THE CURRENT MACHINERY

1.1 The respondents made a series of general comments on the current machinery. These covered a range from full support for the existing arrangements to proposals for significant change.

1.2 The PNB Staff Side overwhelmingly supported continuation of the existing arrangements. They commented on their dissatisfaction with the outcome of my first report, suggesting that the public sector index will not deliver a fair outcome, that it was contrary to the Government's "economic policy" and that it had circularity with other public sector pay increases.

1.3 The PNB Official Side was divided between the Home Office, who reserved their position, and the rest, who believed that PNB can deliver national collective bargaining to meet the future needs and challenges of the police service – although the Home Office reserved its position. The APA commented that, although its membership was not unanimous, the strong majority view favoured maintaining collective bargaining arrangements to determine national terms and conditions (with appropriate local flexibilities). It added that any machinery should support developing a modern/integrated workforce, avoid divisive pay deals and ensure affordability. The APA also sought consistency and coherence across each part of the machinery and they favoured streamlining processes to make negotiations less cumbersome and more flexible.

1.4 The Northern Ireland Policing Board (NIPB), as a member of the Official Side of PNB, supported retaining the present negotiating machinery. They believed that the 2006 pay negotiations should not be seen as a failure of PNB but rather a reflection of the difficult negotiating environment of significant pay restraint.

1.5 COSLA also supported the maintenance of the current negotiating machinery, although they expected this to be within the context of a newly agreed public sector-facing index allowing both employers and employees to retain direct involvement in negotiations. COSLA considered the current machinery has served employers and employees well, through being accessible to both.

1.6 In contrast, the Home Office considered that the current machinery was not able to develop and deliver the reward and workforce arrangements necessary to support and enable a modern and effective police service. It added that police pay had not been decided on information which supported Government policy on pay awards – namely striking the right balance between recruiting, retaining and motivating a workforce which has the necessary skills to deliver public services' priorities and be non-inflationary and fiscally sustainable.

1.7 ACPO reported more mixed views on the current machinery but noted that some members held the strong view that it was completely satisfactory, requiring no change. ACPOS saw advantages and disadvantages, commenting that the machinery was established at a time of distinctly different economic and workplace environments. However, ACPOS said that staff were comfortable with the existing machinery. ACPOS believed it has delivered a fair settlement over a number of years, and saw active participation by those parties involved as offering a transparent approach to pay settlements.

1.8 The MPA/MPS commented that the current machinery and the structures that support it were no longer fit for purpose. They considered it ineffective as it attempted a “one size fits all” approach with add-ons such as London and regional allowances to reflect specific requirements. They noted that the Staff Side argued that the machinery was the most suitable given the special circumstances applicable to the police, but suggested that this did not take account of the wider context. They thought that the Staff Side’s frequent criticism of the Official Side ran counter to their professed support for the current machinery. They also believed there was a pervading lack of satisfaction with the current machinery on the Official Side.

## 2. PAY PROTECTION

2.1 The term “pay protection” is used here to describe the safeguards against exploitation for police officers because of their inability to take industrial action.

2.2 No right to strike. The PNB Staff Side drew on the successive reviews of police negotiating machinery over time which identified the criminalisation of industrial action by police officers as needing to be counterbalanced by robust arrangements to protect pay. Police officers were also restricted by the Human Rights Act 1998. In discussion, they added that national collective bargaining was an essential part of protecting police officers’ pay. COSLA recognised the unique position of the police within the public sector.

2.3 Ability to negotiate. The PNB Official Side Secretariat argued that collective bargaining arrangements were a feature of democratic society alongside lawful withdrawal of labour. They considered that public servants have the right to collective bargaining and, for the police, argued that there was a “longstanding settlement” that Officers could join a staff association, could have access to collective bargaining and arbitration, and that “police pay movements will keep pace with those outside”. They noted that the police were generally “unarmed citizens in uniform” and therefore should have the same rights as other workers. In discussion, it was noted that these rights remained for large public sector groups covered by pay review bodies. COSLA argued for the retention of direct negotiation between employers and employees.

2.4 Right of recourse to arbitration. The PNB Official Side Secretariat, in discussion, commented that unilateral access to arbitration was important but not unique to the police – other areas also had unilateral access (Fire Service and Local Government) but it was seldom required. COSLA supported access to the Police Arbitration Tribunal.

2.5 Ensuring fairness. The Independent PNB Chair, John Randall, commented among others on the importance of ensuring that recompense was fair for the demands of the job, to recruit in competition with other employers and that the cost to the public of policing was fair for the service provided.

2.6 Recruit and retain police personnel and maintain morale and motivation. The PNB Staff Side, in discussion, observed that during the period of pay indexation little attention had been paid in PNB to information on recruitment and retention. Motivation of police officers, as for other workers, was difficult to assess.

2.7 The Home Office argued that PNB did not consider differential awards despite different recruitment, retention and development needs. ACPO, supported by the MPA/MPS, observed that PNB did not have a firm approach to taking recruitment and retention into account when negotiating pay.

2.8 ACPOS felt it critical that the police pay settlement did not lag behind other sectors, especially as policing was competing in the recruitment market with other organisations offering greater pay/reward. The APA wanted machinery that maintained recruitment, retention and morale. The NIPB commented that, as police officers were unable to take industrial action, effective negotiating machinery was essential to maintain levels of

recruitment and morale. It was important to have a process involving all key players that was both open and transparent.

2.9 COSLA felt that the current system provided for effective and efficient delivery of police services, while retaining a motivated workforce. No particular recruitment, retention and morale problems were experienced in Scotland but, in the absence of hard data, it was difficult to gauge what might happen should the employers feel they have successfully introduced a low settlement and employees feel they have been disadvantaged.

### 3. INDUSTRIAL RELATIONS

3.1 Promote good and lasting industrial relations. The PNB Staff Side referred to the history of industrial relations in the police, pointing to the last 30 years of “unparalleled harmony and cooperation” and the current machinery dealing “comprehensively and purposefully” with the challenges, although 2006 was acknowledged as a notable exception.

3.2 The Home Office recognised the strengths of the current machinery in producing stable, timely and simplified awards and a forum for consulting police parties. The PNB Official Side also pointed to PNB’s “proven track record” over 30 years in delivering industrial peace and that indexing arrangements had achieved stability and led to an “effective, efficient and content” police service.

3.3 ACPO and the APA commented on PNB’s proven track record offering stability and good industrial relations over a long period. The NIPB considered it essential to maintain stable and healthy industrial relations to ensure that police officers have the confidence and support to meet the many present and future challenges to policing and public safety.

3.4 Maintain the confidence of police officers and police staff. ACPO said that the current machinery was trusted by police officers recognising their unique role. Its independence was valued. The statutory basis of the machinery and right of recourse to arbitration gave added confidence. It also fostered a good level of negotiating expertise. The APA highlighted the effective representation of all parties. Both Staff Side of PNB and the Trade Union side of PSC were strongly committed to the machinery. There was also a strong commitment to the principle of collective bargaining (including the safeguard against no right to strike) and the reaching of agreements wherever possible. PNB had a good track record of conducting business and resolving complex issues.

3.5 Maintain ownership and a “partnership” approach. The PNB Official Side commented on the benefit of involving all stakeholders in reaching legally binding agreements. In particular, the “employers” could shape the PNB agenda including wider strategic objectives. PNB could cope with complex and technical issues including pay reform (as in 2002) and flexibilities for terms and conditions. The machinery was viewed as flexible and responsive, as well as taking ownership of decisions, and being “strongly respected” by all sides. The PNB Official Side Secretariat commented that PNB allowed for necessary involvement of the police authorities which strengthened the local dimension as they were responsible for local budgets and also involved Chief Constables who were responsible for local management. In discussion, the PNB Staff Side noted that negotiations were often “fluid” and joint decisions helped enforce compliance. The NIPB added that the machinery engaged on a wide range of topics such as the introduction of the New Police Pension Scheme 2006. A number of complex issues were agreed as the result of “excellent work” by the PNB Working Group which added value and aided acceptance by Officers. PNB enables NIPB officials to exchange views with colleagues in other forces in England, Scotland and Wales, and ensured that Northern Ireland’s policing needs were considered in all PNB discussions.

### 4. GOVERNMENT POLICY

4.1 Support Government policy on public sector pay, the inflation target and overall affordability. As noted above, the Home Office stated that police pay has not been decided on information which supports Government policy on pay awards – namely striking the right

balance between recruiting, retaining and motivating a workforce which has the necessary skills to deliver public services' priorities and be non-inflationary and fiscally sustainable.

## 5. PUBLIC/EMPLOYER INTEREST

5.1 Meet employer affordability. The PNB Staff Side in discussion commented that they considered affordability as part of any proposals they would make to PNB and noted that it was important not to raise police officers' pay expectations.

5.2 The PNB Official Side considered full account could be taken of the actual and potential costs before signing up to PNB agreements. However, the APA commented on difficulties in ensuring affordability (both recent settlements and in the long term). ACPO also added, in discussion, that the current September settlement date conflicted with April-March budgets and therefore clouded affordability considerations. ACPOS suggested that PNB offered little or no opportunity for long term planning and advocated pay settlements over two to three years to allow greater financial planning.

5.3 Support wider police workforce developments including proper reward and recognition arrangements. The Home Office commented that the current machinery did not have independent experts to advise on a range of information (mainly to support Government pay policy). Nor did the machinery adequately consider cross workforce issues. Pay was not considered in the round, and the machinery did not focus on longer term strategic issues. ACPO considered the current Police Regulations to be too inflexible for a modern police service and suggested a comprehensive review. Any future negotiating mechanisms would need to be sufficiently flexible to meet the changing modernisation requirements. Local flexibilities needed to be developed further with local staff associations. COSLA felt it was unclear as to how differences in workforce modernisation between Scotland and the rest of the UK might be handled.

5.4 Meet future requirements for the effective and efficient delivery of policing services. The PNB Staff Side said that the PNB was fit for purpose and capable of development to "meet the future needs of the service". It had been endorsed by the PNB Independent Chair in his January 2006 Report to the Home Secretary. COSLA suggested that the current machinery should be assessed on whether it allows for regular review of pay and allowances, etc. which meets the needs of employers and employees, encourages the recruitment and retention of high quality candidates and the establishment of a highly motivated workforce. ACPOS felt the machinery was not flexible enough to adapt to changing economic circumstances (including public pay policy), workplace practices and workforce modernisation – it was introduced at a time of high interest rates and relatively low police pay. The NIPB commented on the unique challenges faced by the Police Service of Northern Ireland and the significant change over recent years. Without the PNB framework, the NIPB's involvement in discussions and decisions with all the major police stakeholders would have been significantly restricted. Under PNB, NIPB could draw on up to date information and a significant amount of knowledge and experience on police pay and pay settlements more widely. It provided an effective means for the Official/Staff Sides to discuss and agree issues of mutual interest for the future of effective policing.

5.6 Address equal value. COSLA raised concerns about the potential "equal pay" implications of separate pay determination across the workforce and suggested further discussion on any proposals for differential pay awards, with equality impact assessments conducted before any agreements were reached. An independent equality impact assessment was required for any future negotiating machinery.

## 6. PAY AND CONDITIONS

6.1 Apply a long term strategy to pay and conditions. The PNB Staff Side in discussion argued that PNB/PAB made a close link between pay, allowances and conditions in arriving at an appropriate package. The Home Office reiterated points made in their Part 1 evidence, that the police were the only public sector group who used pay indexation. In the Home

Office's view, this was no longer viable in the long term as it did not meet the key criteria for future pay determination machinery. The PNB Official Side Secretariat commented in discussion that PNB had achieved some success in the 2002 pay reform which was intended to be the first stage of reforms but was overtaken by the modernisation agenda.

6.2 Flexibility to allow rewards for performance, skills and contribution. ACPOS considered that PNB lacked flexibility in rewarding performance – its inability to adapt to modernisation coupled with its delivery of a single pay settlement for all, irrespective of performance or role, was felt to be a serious flaw. The West Midlands Police firmly believed that reward and recognition were inextricably linked to performance, and that pay was too closely tied to specific posts. They observed that Special Priority Payments and competence related payments were paid irrespective of individual performance and distorted pay regimes.

## 7. PROCESS

7.1 Accommodate tri-partite approach on the employers' side. ACPO commented that the inclusion of the Home Office in the Official Side of the PNB threatened political interference and resulted in an unequal partnership. However, in discussion ACPO acknowledged that, while the tri-partite approach created tensions the position was “not irretrievable”. The APA sought clarity on the role of the National Policing Improvement Agency, and observed tensions created by the role of the Home Office, Scottish Executive and Northern Ireland Office. The APA observed that the Home Secretary had a voting role on a body that advised her and over which she exercised the power to set the general agenda through direction. The APA considers that it may be more appropriate for the Government Departments to be present in an advisory capacity in the pay machinery. The MPA/MPS suggested there were too many parties with differing needs in the current framework and, in discussion, considered that Official Side roles needed clarifying.

7.2 Achieve “mutually acceptable” and timely agreements. While ACPO’s “majority view” supported the current machinery some felt it was unwieldy, lacked urgency and transparency, and was not well understood in the police service. In addition, ACPO’s influence and potential contribution was not being fully recognised. The APA considered that the machinery lacked coherence and integration both geographically and in terms of the police workforce as a whole. They also took a long time to resolve issues. They described PNB arrangements as highly formal, clumsy and unwieldy. COSLA recognised criticisms surrounding the length of time it takes to resolve claims, adding that it could be more effective and would benefit from time limits on negotiations and similar streamlining in other areas. The MPA/MPS, in discussion, commented on the overlong process and potential for delays. The West Midlands Police regarded the current machinery as slow and bureaucratic and suggested timing of PNB meetings should be reviewed with pay decisions linked to other public sector pay decisions. The current machinery ensured a “level playing field” at a national level but national negotiations could have a negative impact on police officer motivation and morale locally which was better influenced by local/Force decision-making.

7.3 Provide “core” national pay and conditions and defined local flexibility. The PNB Official Side considered PNB had the capacity to account for local views through the police authorities and boards, and provide framework agreements for local variation.

## 8. PAY DETERMINATION FOR POLICE STAFF

8.1 Recognise the changing role of police staff and engage all police forces. Unison (supported by GMB) commented that the Police Staff Council helped to foster good industrial relations – experiencing just one industrial dispute in 11 years. The expansion of the Employers Side in 2002 to include the Home Office was welcomed. Factors taken into account in PSC included private and public sector pay movements, inflation, recruitment and retention and funding. Recent pay awards for police staff were affordable within assigned budgets. Recruitment and retention data was limited.

8.2 Police staff terms and conditions were harmonised in the PSC Handbook (which are legally binding where incorporated in staff contracts). The Handbook was expanded in 2004 to account for PSC's role on wider workforce modernisation including workforce training and development and standards of professional behaviour. A Pay and Reward Review initiated by PSC had been suspended due to "political and affordability uncertainty". The GMB added that PSC had been very successful in negotiating pay awards without recourse to arbitration, reviewing terms and conditions, and introducing job evaluation.

8.3 While PSC represents the majority of police forces, a small minority remain outside, selecting elements from the PSC Handbook that best suit their requirements. Unison considered that, compared to PNB and PABEW, the PSC is under-resourced despite claims for resources to the Home Office and Employer Side. Results from a Unison survey found the PSC to be an effective negotiating body for national terms and conditions though member satisfaction ratings fell for South England Forces where elements of the Handbook were disregarded.

8.4 The TGWU observed that PSC tended to wait for the PNB settlement and, traditionally, offered the same percentage which undermined independent pay bargaining. The various representative bodies combined to make uniform staff a priority in all cases. The West Midlands Police commented that it had adopted performance related pay for 4,500 police staff since 2005 with annual pay progression based on performance and attendance, and increments no longer automatically awarded for time served. Pay determination was undertaken by Local Remuneration Committees at Basic Command Unit level. NIPSA commented that pay for civilian staff with the Police Service for Northern Ireland was negotiated directly with NIPSA through central discussions within the context of the Northern Ireland Civil Service, a 3 year pay deal having been agreed to cover the period up to July 2009.

8.5 The Public and Commercial Services Union (PCS) commented that it was content with current collective bargaining arrangements for police staff in the Metropolitan Police and had no wish to come under PSC. However, PSC highlighted a wide range of on-going issues to resolve, including the climate of the Government's policy on public sector pay, concerns over terms and conditions, contracts for new entrants, civilianisation, pay structure and the use of large numbers of temporary/agency staff.

## **FUTURE MACHINERY**

### **9. GENERAL**

9.1 The majority of the respondents favoured continuing with the current arrangements for police officers under PNB and PAB. Much of their analysis took as the starting point the view that the current arrangements remained sufficiently effective. The general line taken appeared to be "not to fix what was not broken" with little extensive analysis of other options. By contrast, the Home Office considered a pay review body the most appropriate solution. Some of the constituent members of other respondents (but a minority) also saw some merit in this approach. The respondents' knowledge on how a pay review body might operate effectively for the police was limited.

### **10. REQUIREMENTS OF FUTURE MACHINERY**

10.1 The PNB Staff Side's evidence argued that the police had an expectation of collective bargaining, unlike other groups covered by PRB groups. The PNB approach was seen as a problem-solving and cooperative partnership which enabled flexible formal and informal mechanisms to reach an agreement rather than solutions being imposed. Negotiations could be open and "creative" covering general and specific proposals. The PNB Staff Side blamed problems with the 2006 PNB negotiations on Government interference with the existing

machinery and the consequential resort to arbitration. The Staff Side point to, and include in the evidence, the PNB Independent Chair's Annual Report for 2006 which they consider accurately describes the position. They emphasise that resorting to arbitration shows the strength of the machinery in providing an "essential safeguard" for police officers who are prevented from taking industrial action.

10.2 The Home Office suggested several criteria for judging the effectiveness of the machinery. These were: supporting business requirements (operational and workforce development); affordability (including pay bill growth and overall budgets); recruitment, retention and recognition of attaining skills; improving efficiency/productivity; pay awards being consistent with the Government's 2 per cent CPI inflation target and macroeconomic conditions; the impact of awards on particular groups and addressing discriminatory pay elements; and constraints on pay arising from public sector pay policy.

10.3 The PNB Official Side Secretariat concluded that "fundamentally enduring principles" argued for the continuation of collective bargaining. For this reason they did not support the creation of a PRB.

10.4 The APA declined to specify their preferred machinery but reiterated four principles that should shape the machinery. These were: first, commanding the confidence of all parties (in the context of no right to strike, a period of pay restraint and potentially divisive workforce modernisation); second, having national collective bargaining to prevent competition between forces (with provision for flexibilities to tailor agreements to local conditions); third, supporting a modern, integrated workforce (possibly by merging PNB, PSC and PABEW to enable consideration of all workforce issues); and fourth, limiting to an advisory role the involvement of the Home Office, Scottish Executive and Northern Ireland representatives on PNB.

10.5 The APA concluded that, ultimately, the decisive factor in ensuring successful outcomes from negotiations and discussions in the various bodies is not the shape of the machinery, but the ability of the sides to develop and express their positions on key issues.

10.6 ACPO suggested several key requirements for effective future machinery. These were to: enjoy the confidence of police officers (including operational leaders); recognise the unique role and restrictions, including no "right to strike"; have the flexibility to adapt and respond to ongoing change, including modernisation and the changing operational roles of police staff; account for equal value; offer affordable solutions; provide the opportunity for each side to negotiate; support recruitment, retention, and morale; be fair and transparent; provide "core" pay and conditions agreements at national level, with some defined local flexibility; have an independent element, external to the police and recourse to an Independent Arbitration body; and recognise clear tri-partite responsibilities. ACPO added, in discussion, that it was important to set the overall strategic direction before devising a reward strategy.

10.7 The PNB Independent Chair commented on the need to judge any machinery against the ability to solve difficult police problems because of limitations on the right to take industrial action, the disciplined nature of the service and restrictions on police officers' private life.

10.8 COSLA saw a negotiating body which gave employers the ability to negotiate directly with their employees as the only option and would not favour handing negotiating rights to a third party. COSLA supported central bargaining as providing a stable environment in which to agree pay and terms and conditions for police officers. However, they acknowledged that



in the early days of a new Scottish Government it is not yet clear in what ways, if any, the Scottish context may change in this regard.

10.9 The MPA/MPS suggested that the uniqueness of policing in London required a different approach to police pay. Failing that, greater flexibility in terms of pay, pay related budgets (other than basic pay) and terms and conditions were needed. They also argued for a different approach for ACPO ranks as some greater differentiation across the country should be recognised by size of command. The MPA/MPS sought greater local control over the workforce mix, within parameters set by Government, to enable managers and staff to deliver real and significant changes in efficiency and effectiveness. They commented that police pay negotiations should seek to agree affordable multi-year deals aligned with the Comprehensive Spending Review periods, taking account of public sector pay policy. This should include the total reward package, not just pay – an approach that they considered was becoming more common in the public sector. The machinery should articulate the benefits to improved recruitment, retention and performance without substantially increasing costs.

## 11. PNB AND SUGGESTED MODIFICATIONS

11.1 The PNB Staff Side's evidence concluded that the current negotiating machinery and uprating mechanism provide confidence in, ownership of, and comprehensive coverage of police pay and conditions. The machinery forged a sense of partnership between "employer and worker", and enjoyed the confidence of all parts of the police service.

11.2 The Staff Side drew attention to their June 2006 response to the PNB Independent Chair's 2006 Report to the Home Secretary on the current machinery. The Staff Side supported the overall conclusion of maintaining existing PNB/PAB arrangements although it pointed to concerns over the relative equity between the two sides and the enforceability of PNB agreements. On the PNB Chair's recommended modifications, the Staff Side commented that some recommendations assumed future agreement on issues not yet subject to detailed discussion, while other recommendations sought to influence matters under negotiation. Yet other recommendations referred to matters internal to the Police Federation. Those recommendations which assumed a negotiating role for PAB were also not supported by the Staff Side.

11.3 However, in oral evidence the Staff Side accepted that PNB required modifications including a better "equilibrium" among the Official Side representatives, improving speed of negotiations (which was in hand), striking the right balance between negotiations on principles and detail, and balancing local negotiation within a nationally agreed framework.

11.4 The APA commented that maintaining national collective bargaining was supported with some streamlining of PNB, while "preserving its representative nature".

11.5 ACPO's suggested improvements to PNB included greater ACPO representation and wider consultation on major issues, the need for greater clarity and improved communications, and streamlining of numbers of representatives to enable more meaningful discussions.

11.6 The PNB Official Side Secretariat acknowledged the need to reform PNB suggesting the following considerations:

- (i) maintain UK coverage (unless Scottish staff associations wished otherwise) but allow greater scope for local determination (e.g. in the Metropolitan Police or south east forces), although this would require changes to Police Regulations;
- (ii) Home Office involvement in the Official Side could be reduced because the Secretary of State could always set aside PNB agreements;

(iii) Chief Officers should take a more active PNB role, particularly in relation to modernisation. An ACPO HR expert should provide continuity or alternatively be supported by the NPIA. ACPO might solely act as advisers to the Official Side;

(iv) the PNB Independent Chair should continue to be appointed by the Secretary of State, perhaps with a clearer conciliation role. The role of the PNB Independent Secretariat should also be clearer;

(v) arbitration should only be sought with the agreement of the PNB Chair; and

(vi) delivering change management through PNB required a clear management vision, selling to the workforce and backed up by resources in support of PNB. Additional ad hoc machinery might be required.

11.7 The PNB Independent Chair commented on the need to maintain the “Request for Guidance” procedure to help interpret national PNB agreements to those at local level. This service helped avoid local disputes becoming national issues.

11.8 The MPA/MPS felt that, if fully local negotiations could not be introduced, there should be a significant shift towards smaller, regional negotiating machinery with a simpler remit for both PNB and PABEW. This should be accompanied by simplification of the regulations governing policing. They favoured national negotiations to provide joint ideas on making progress locally, for example with new flexible local reward systems. They noted that all police authorities and forces would need to manage their workforces affordably in the context of tightening budgets (including the 2008-11 CSR and efficiency targets). This would increase the pressure to maximise employees’ performance, to introduce new technology and new ways of working, to promote innovation, to change attitudes and behaviours, and to support staff working in different and more flexible ways.

11.9 The NIPB stated that PNB provided successful national collective bargaining machinery for the police. It should be judged not only on past success but also on what continued to be achieved during a difficult period of pay restraint, which required acceptance and goodwill to be demonstrated by all parties.

11.10 The West Midlands Police commented on the importance of police pay being competitive and reflecting the special circumstances of the police, in particular the restriction giving “no right to strike”. It considered indexation as an interim option but “unacceptable” longer term.

## 12. PAY REVIEW BODY

12.1 The PNB Staff Side recognised that a PRB had to be considered under the terms of reference of the review. They noted the generic terms of reference for existing PRBs and the variations for individual PRBs. Some PRBs could receive annual remits from Secretaries of State. They believed that HM Treasury provided “directions” which “prescribe the range of PRB outcomes”.

12.2 The Staff Side considered the achievements of STRB in pushing through workforce modernisation to have been “overblown” with achievements mainly effected by the employers and unions. The PRBs’ broader remits were recognised but described by the Staff Side as focused on achieving “particular Government policies”. They believed that the Government desired a PRB simply to control police pay. They would not have recourse to arbitration if dissatisfied with the outcome. They believed that the Police had confidence in their arrangements and that those groups covered by PRBs did not have the same level of confidence. Most of the PRB groups could lawfully take industrial action, except the Armed Forces and those groups who “choose” not to do so. They were not persuaded that a PRB could take forward workforce modernisation (although neither was PNB seen as the appropriate forum). They felt that the parties would be limited to making individual contributions. They also considered that PRBs precluded a partnership approach.

12.3 The Staff Side concluded that, given the recent history of stability in industrial relations, the imposition of a PRB would be retrograde and counter-productive. They urged the review to conclude that a PRB would not offer sufficient protection for police officer pay. In discussion, the Staff Side acknowledged certain merits of a PRB in promoting a joint employer position, being able to commission independent evidence and undertake in depth analysis, although these did not, in the Staff Side's view, outweigh the benefits of collective bargaining.

12.4 The Home Office evidence stated the Government's preference for an independent PRB. Submissions to a PRB could be made from all parties. PRBs had a strong research capability. PRB recommendations were based on evidence (including the Government's priorities). Each employee group was considered in the light of its own circumstances. PRB recommendations could assist workforce reform. The Home Office added that PRBs were "tried and tested" for workers in "key front line services" and could operate in different ways according to the needs of the workforce. The Home Office asked that the review consider the various approaches of different PRBs.

12.5 The PNB Official Side (with the Home Office reserving its position) referred to disadvantages of a PRB compared to current PNB arrangements. There was a greater distance between the decision-making process and those delivering the police service. There would be some loss of employer involvement. PRB recommendations could lead to problems of affordability and loss of financial control. There would be long lead-in times to implement changes.

12.6 The PNB Official Side Secretariat's assessment of the PRB option started with the Reports of Edmund Davies, Sheehy, and, latterly, the PNB Independent Chair. All had concluded a PRB was not appropriate for the police. They added that a PRB distanced the remit group from those who decided their pay and conditions whereas the private sector sought to keep decisions as close to the workplace as possible. The evidence acknowledged that PRBs could play a role in managing change, as could other machinery. In the case of the NHS, pay reform was delivered through direct negotiation between the parties. In the case of the School Teachers, reform had been promoted through the social partnership. Interim bodies or panels were seen as variants of a PRB and were not favoured. The Secretariat suggested that "radically new pay determination" could affect police morale. PRBs were not supported by the Police Federation and other associations. In discussion, the Secretariat acknowledged that awareness of PRBs was growing and that, if pursued, its remit would be important.

12.7 ACPO commented that its knowledge and understanding of PRBs had improved in preparing evidence. However, ACPO's consultation with members on this subject received mixed reactions. There was some limited support for an independent evidence based process. Other ACPO members were loathed to lose control to a body that might not fully appreciate the operational challenge of policing. ACPO indicated that they were willing to participate in further discussions if the PRB option was favoured by the review. After additional consultation with chief police officers, ACPO confirmed that there was no united view on the benefits or disbenefits of a pay review body but if introduced a continuing role for PNB and PAB was envisaged.

12.8 ACPOS admitted a limited level of understanding of PRBs and found it difficult to comment on the benefits for the police, but supported the general thrust of the ACPO evidence.

12.9 The APA did not favour a PRB and noted the strong resistance from the PNB Staff Side. They suggested a PRB would complicate arrangements for particularly the tripartite system. A PRB would dilute accountability and reduce the role of employers. It would have a centralising effect, but no responsibility for managing the outcomes. It would replace negotiated agreements potentially harming industrial relations and it would introduce a new body into workforce arrangements. COSLA also considered that the PRB option to be unacceptable.

12.10 The MPA/MPS, in discussion, commented that a PRB was a “second best” option after fully local negotiation. A PRB should be confined to recommending on increase in base pay, preferably over a three-year period to reflect the CSR. The MPA/MPS would “expect to be represented” on a PRB, if established. They referred to the PNB Independent Chair’s assertion, in his 2006 supplementary report, that if a PRB were introduced negotiating and consultative machinery would be required for police reform and modernisation. A revamped, smaller PNB – perhaps based on the three separate constituencies of England and Wales, Scotland and Northern Ireland – could assume responsibility for some national issues.

12.11 Unison, supported by GMB, opposed a PRB for police staff because industrial relations and collective bargaining arrangements were working well.

12.12 The West Midlands Police supported a PRB, together with specialist advisory support, because of the history of their success elsewhere, their evidence based approach, their independent status, and their ability to address equal pay.

### 13. NATIONAL FRAMEWORK WITH LOCAL FLEXIBILITY

13.1 The PNB Staff Side emphasised the benefits of national collective bargaining but highlighted the need for further allowances, nationally negotiated, to reflect local circumstances. They suggested the review should investigate existing local bargaining in police forces and its effects in other parts of the public sector.

13.2 The Staff Side were critical of what had happened in other parts of the public sector, such as local government and the NHS, where in their view the Government’s aim had been to keep national pay rates low to enable scope for local variation.

13.3 The PNB Independent Chair commented that conditions of service needed to account for the wide range of circumstances under which policing is carried out. Core national conditions have benefits for individuals wishing to make career moves from force to force. Core conditions also facilitate mutual aid between forces. The current Police Regulations were a necessity but permitted discretion for operational managers. His 2006 Report sought to develop local negotiating capacity.

13.4 ACPO noted that the Scottish Parliament had devolved responsibility for policing in Scotland but as yet the Northern Ireland Assembly did not have the same devolved responsibility for NI policing. ACPO raised the associated risks of having different police pay arrangements among the four parts of the UK.

13.5 ACPOS supported a more flexible pay settlement process which rewarded competent and high performing officers and removed automatic increments for poor performers. They considered that the existing Special Priority Payments scheme had been divisive and they supported flexibly rewarding the performance by Chief Constables. However, ACPOS wished to retain national pay determination balanced by the ability to reward at a local level. They

commented that local bargaining was not in as much demand in Scotland as in England. The pay mechanism must fully reflect the needs of groups from different areas such as Scotland, where the unique elements of policing could often be missed in the complexities of the current pay determination process. The newly reformed Police Advisory Board (Scotland) or a Scottish sub-group of PNB could be effective in this context.

13.6 COSLA commented that, in the early days of a new Scottish Government, it was vital that any future agreements should recognise the Scottish perspective and Scotland's unique constitutional arrangements. COSLA acknowledged that the past two years had been challenging for PNB, but that years of stability had preceded the current situation. Current instability had been caused by external factors beyond the control of the majority of stakeholders, rather than the machinery itself. COSLA argued that machinery should enable employers to negotiate nationally with employees. They therefore supported the current principles of PNB as a national negotiating body which had facilitated different allowances for different locations.

13.7 The MPA/MPS jointly favoured a move away from national negotiations to local determination, arguing that a homogeneous approach to pay negotiation failed to recognise the particular complexities of policing in London. They referred to the support for more local determination expressed by the Minister for Policing in his keynote speech at the national launch of workforce demonstration sites. The MPA/MPS suggested that future negotiating machinery should allow local negotiation on terms and conditions and starting salaries, and, the introduction of a spine from Constable to Commissioner, with each police authority/force deciding the start and finish points. All other allowances should be used as a modernisation "pot" subject to local negotiation. It was important to develop an enhanced and agreed flow of key information (such as the pay bill, basic and total salary changes, incremental drift, workforce number changes etc.) to help police authorities/forces to manage their own pay bill more effectively and aid local negotiations on how pay fits into wider total reward/budgetary discussions. The MPA/MPS acknowledged the different considerations for the Staff and Official Sides in respect of Scotland, Northern Ireland and the MPS.

13.8 The West Midlands Police advocated greater local flexibility to negotiate additional pay elements including CRTP and SPPs. They felt different solutions could be applied to different locations. However, the impact on neighbouring forces had to be considered. Workforce modernisation could take the form of a "discretionary pot" funded through the consolidation of current allowances for local management to distribute within set guidelines to recognise individual performance.

#### 14. CHIEF POLICE OFFICERS

14.1 The Home Office made no proposals for separate machinery for chief police officers.

14.2 In discussion, the PNB Staff Side, including CPOSA, favoured maintaining consistent arrangements across all police officers within PNB and therefore did not support moving chief police officers into the Senior Salaries Review Body (SSRB). The PNB Official Side Secretariat also wished to retain chief police officers in PNB. The APA argued not to move Chief police officers' pay to SSRB on the grounds that it could be divisive and affect affordability and workforce modernisation. They noted that, although CPOs sit on both sides of PNB, they only acted in an advisory role on their own pay and conditions. The MPA/MPS agreed.

14.3 ACPO and ACPOS highlighted the "serious shortage" of Chief Officer candidates partly as a result of insufficient pay differentials between Chief Superintendents, Assistant Chief Constable, Deputy Chief Constable and Chief Constable.

14.4 COSLA were concerned that different pay mechanisms for separate groups of police officers would be divisive, would affect morale and would have equal pay implications.

## 15. POLICE ADVISORY BOARDS

15.1 The PNB Staff Side argued that PNB had successfully negotiated pay modernisation in the past and could take this forward, once PAB had discussed workforce modernisation.

15.2 ACPO reported a widespread lack of understanding of the roles of PNB and PABEW as a result of the restricted numbers of ACPO representatives involved in the process. Comments from ACPO's consultation on PAB referred favourably to its inclusive and collaborative working. The PAB working parties had led to shared ownership and effective implementation and communication of the guidance. However, the lengthy time taken to reach agreements was frustrating. ACPO saw some benefit in bringing police staff into PABEW as the issues considered frequently affected both groups of staff (e.g. misconduct) and would have a positive impact in developing workforce modernisation given the closer working relations between police officers and police staff. ACPO reported strong support for having a Reward and Recognition Strategy in place for the next 2-3 years to clarify the priorities of the PABEW.

15.3 The PNB Independent Chair commented on the range of non-negotiable matters that required consultation and were not subject to arbitration. PABEW had proved itself in dealing with complex issues – recent examples included substance misuse, discipline, recruitment and secondment. Such machinery should be retained outside the remit of a PRB.

## 16. POLICE STAFF

16.1 The PNB Staff Side advocated in discussion retaining separate arrangements for police staff and police officers to reflect differences in pay, conditions, regulations and requirements, although longer term more integrated machinery might be required.

16.2 The PNB Official Side Secretariat considered PSC to have demonstrated success in delivering on pay and terms and conditions. The arrangements were seen to be effective and to bring local flexibility that might be constrained if brought within PNB.

16.3 Unison (supported by GMB) suggested that the PSC should cover all police forces, thereby improving the consistency and efficiency necessary to take forward workforce modernisation and equal pay (the latter through a single pay and grading approach for all police staff). Separate Police Staff Councils for Scotland and England and Wales should continue in recognition of devolved responsibilities. The Trade Union Side on PABEW should have an expanded role to deal with non-pay workforce matters, with a similar representative body created for Scotland. Differences in pay and conditions for police staff and officers should be transparent and justifiable. The provision for unilateral reference to ACAS should be continued. Unison did not advocate total harmonisation of pay arrangements between police staff and police officers, but options included a common pay spine, common allowances to be dealt with by existing bargaining arrangements, and a PNB/PSC Working Group under PABEW to tackle common police staff and officer issues.

16.4 The TGWU argued for better recognition of the police staff role. More and more police staff were carrying out distinct and prominent roles within forces e.g. front line enquiry desks, control rooms, or assisting with crime reports. The TGWU were concerned that the implementation of national agreements were at the discretion of Chief Constables. The TGWU felt there should be a link between police officers and staff if a PRB was established.

16.5 For Metropolitan Police Staff, PCS endorsed two recommendations from the Randall Review: allocation on of seats on PAB for trades unions; and observer status on PSC. They added that any future machinery should enable PCS and other Metropolitan Police unions to be consulted by stakeholders.

16.6 The NIPSA suggested that the review should not include consideration of civilian staff in the Police Service of Northern Ireland. NIPSA's expectation was that any future arrangements should include NIPSA's retaining negotiating rights for PSNI civilian staff.

16.7 ACPO fully supported the PSC approach of a national body to determine national pay by collective bargaining with some local flexibility. The ability to agree national terms and conditions for posts common throughout the service (i.e. CSOs) and greater local flexibility to address local market conditions were attractive. ACPO suggested that the timeliness of PSC decisions could be improved through an overall Reward and Recognition Strategy. This was required to develop a cohesive approach to the working relations between police officers and staff as their inter-dependency increased. Workforce modernisation demonstration sites were key to developing, testing and evaluating greater police staff integration. Equal pay issues between the two groups would require careful consideration. Work to identify the risks was already underway.

16.8 COSLA maintained that the separate negotiating machinery for police staff in Scotland was acceptable to both sides and that neither sought single arrangements.

16.9 The MPA/MPS did not see benefit in single machinery for all police personnel as conditions and the right to strike varied across groups.

16.10 The West Midlands Police suggested that future PSC arrangements needed to be more creative to reflect specialist skills. It valued an "umbrella" approach so long as it maintained competitive pay to support recruitment and retention.

### Pay Review Bodies – a commentary

#### Background

1. The pay review bodies (PRBs) are independent non-departmental public bodies set up to advise on the pay and remuneration of a significant proportion of the public sector workforce. The PRBs cover well over two million public servants with a paybill of £50bn per annum. Together, the PRBs and their secretariat cost about £3.4 million per annum, or less than 0.007% of the paybill. Typically, a PRB consists of eight independent members.
2. At present they are:
  - Senior Salaries' Review Body (SSRB), established in 1970-71
  - Armed Forces Pay Review Body (AFPRB), 1970-71
  - Doctors' and Dentists' Review Body (DDRB), 1970-71
  - NHS Pay Review Body (NHSPRB), 1983 and originally covering nurses and related groups
  - School Teachers' Review Body (STRB), 1991
  - Prison Service Pay Review Body (PSPRB), 2001.
3. Despite some differences in individual remits and terms of reference, their basic responsibility is to advise and make recommendations on pay and remuneration. They have a duty to collect evidence on the role of remuneration in respect, for example, of:
  - recruitment, retention and motivation, of
  - supporting the efficient delivery of the relevant service and
  - equity of treatment in the light of market and other conditions.

The Review Bodies are not arbitrators or decision makers in respect of pay or pay systems. Ultimately, decisions rest with Ministers, informed by the evidence based PRB recommendations. The scope of that evidence and the range of work undertaken by each Body are set out fully in their published Reports. Full terms of reference and PRB reports can be found at [www.ome.uk.com](http://www.ome.uk.com).

#### Independence and securing the confidence of all the parties

4. The effectiveness of the PRB system depends in large part on their independence – actual and perceived – in exercising their judgement. This is important for retaining public confidence and the support of the stakeholders. Each PRB stands apart from employee groups, employer groups and the Government. They are evidence-based and reach conclusions based on an impartial assessment of all the evidence, written and oral, submitted by the parties. This enables them to deliver strong and sometimes unwelcome messages to any of the parties - not least the Government.
5. This does not mean that the PRBs are completely unfettered. They operate within terms of reference set by Government after consultation. They may be subject to pressures to reflect specific Government policies. If such pressures were too tightly applied or if the Government did not heed the Review Bodies, the ability of the PRB system to do its job properly would potentially be compromised and members would be unwilling to serve. Equally, industrial relations would be put at risk if the parties perceived that PRBs' independence was unduly compromised by pressures from any of the parties. For most of the 36 years that PRBs have existed, however, they have been allowed the flexibility to deliver recommendations widely acknowledged to be fair and balanced. This is reflected in the fact that no PRB employment



group has yet resorted to significant industrial action over pay as a direct response to PRB recommendations.

### **Inclusiveness**

6. PRBs can deal with areas of employment which span public sector service delivery and where there are complex relationships among the stakeholders. The PRB system allows a wide range of views from employers and unions to be presented in written and oral evidence which might be much more constrained in single-voice collective bargaining. PRBs also commission independent and authoritative research covering a wide range of relevant issues that is published.

### **Promoting industrial relations**

7. PRBs can be seen as performing a role similar to, but different from, mediation. This can promote industrial relations and avoid recurrent pay disputes. In participating in the system the parties put their trust in the PRB to make recommendations which are fair, practical and affordable. PRBs reassure the public that key groups in essential services will be less likely to take industrial action than under collective bargaining arrangements.

8. On the other hand, the existence of a PRB affects the freedom of the parties to negotiate directly on certain matters. This requires a very clear demarcation between PRB business and what can be left to collective bargaining. The role of the PRB may be limited to recommending broad national pay levels and structures leaving other matters to negotiation, nationally or locally outside the PRB framework.

9. Establishing a PRB represents a trade-off in which the parties lose part of their negotiating rights to an independent body in return for the benefits of independent and objective review.

### **Limitations on industrial action**

10. PRBs provide the Government with an “arm’s length” mechanism to deal with politically sensitive public sector groups. PRBs are able to incorporate the “special” status of groups with no legal right to strike, including the Armed Forces, or of groups such as the Judiciary and Senior Civil Servants which have traditionally accepted self-imposed restraints on industrial action.

11. For Armed Forces personnel, industrial action is an offence under the Armed Forces Acts and a breach of Service regulations. Personnel have no contracts of employment and are not permitted to belong to Trade Unions. The Armed Forces’ Pay Review Body recognises these restrictions by compensation through the X-Factor. This pensionable addition to base pay recognises the balance of advantage and disadvantage of Service life compared with civilian life. The level of X-Factor is a matter of judgment for AFPRB. The AFPRB’s terms of reference also provide a safeguard by having “*regard for the need for the pay of the Armed Forces to be broadly comparable with pay levels in civilian life*”. The Armed Forces cover a wide range of occupational types and pay comparability is therefore based on similarly weighted jobs across a range of public and private sector comparators. It is underpinned by Armed Forces’ job evaluation which the employer uses to place occupations within the pay structure. AFPRB assess both pay levels and movements supported by independently commissioned research. Other data are considered on the packages available to uniformed public service occupations, young people and graduates.

### **Evidence base**

12. PRBs are evidence based and rely on an independent focus and evaluation of that evidence in arriving at recommendations. The emphasis on good evidence is a strength of

the system but also a challenge. It is a strength in that the quality of the arguments put forward by the parties can be clearly tested. It is a challenge in that all parties to the process need to invest effort into preparing high quality evidence. As well as gathering evidence and commissioning research, PRBs also make visits and meet people at all levels together with their representatives on both the employee and employer sides locally. These are invaluable in gaining a deeper understanding of operational issues "in the front line".

### **Transparency**

13. Unlike some other forms of pay determination, PRB systems are transparent. The evidence and reasoning underlying the recommendations of the PRBs are set out in published reports.

### **Supporting reform and modernisation**

14. PRBs can provide an impartial advisory role in important structural developments, including pay reform and modernisation, and can contribute to wider reform of public sector services. These may include structural issues such as conformity with employment legislation such as equal value. The PRBs' ability to contribute to reform and modernisation depends on how their terms of reference are drawn and on the degree of commitment to, and ability to deliver, change in the relevant area of employment.

15. Where reform may need to take place over a number of years, PRBs can facilitate a long-term approach to pay determination. All the relevant issues can be investigated over a reasonable period of time, enabling a more strategic approach to be adopted, with the introduction of incremental change as part of a long term strategy.

16. For instance, the School Teachers' Review Body has been proactive in generating change at a strategic level. It has adopted an advisory role challenging basic assumptions around the pay system and provided a fresh perspective on several key aspects of teachers' pay and conditions.

### **PRBs and Social Partnerships**

17. Education is one of the areas of employment that has developed partnership working between employer and most employee groups, involving employers, teachers' unions (excluding the National Union of Teachers) and the Department for Children, Schools and Families (DCSF). The partners have worked together on taking forward workforce reform, developing roles and responsibilities, new roles for support staff, and considering teachers' pay and conditions. Their representations to the STRB in recent years have covered pay design and conditions of service. The education model illustrates how such social partnerships can effectively link pay determination machinery and workforce modernisation.

18. Against this background, the School Teachers' Review Body (STRB), while not in the "driving seat" for reform, has been proactive in generating change at a strategic level, keeping matters on the agenda and stimulating progress. STRB has also undertaken reviews and adopted an advisory role, helping to question basic assumptions around the pay system and to provide a fresh perspective on several key aspects of teachers' pay and conditions. It also has advocated greater local flexibility and helped to build the commitment and capabilities of local school heads and governing bodies. It is looking at pay and conditions for the leadership group, career options for classroom teachers and how to address specialist shortages, among other things.

19. To be successful, a social partnership for the police service would need:

- the co-operation and trust of all interested parties;
- a shared vision of the required outcomes and benefits;
- defined roles and responsibilities for employers, unions and Government;

- a commitment from Government to provide adequate resources;
- a clear commitment to changes in terms and conditions of police officers and staff to support workforce reform; and
- opportunities for all parties to contribute to the machinery either separately or on a collective basis.

### History of police officer pay determination

#### Pre 1919

1. Prior to the Police Act 1919 each police authority was responsible for setting its own rates of pay and conditions.

#### 1919 – 1977 Collective Bargaining

2. The Desborough Committee Report (1919) recommended a unified approach to pay and conditions and the 1919 Police Act introduced a national pay scale. Placement on the scale was based on length of service. The Act also gave rise to two statutory Police Councils (one for England and Wales and the other for Scotland). The Councils adopted the Whitley Council approach with separate Official and Staff Sides. The Councils had no written constitution but had the task of advising Secretaries of State on police pay and conditions and draft Regulations under the Act. It was the responsibility of the relevant Secretaries of State to determine police pay and conditions.

3. The Oaksey review of police conditions of service (1953) recommended a non-statutory negotiating body for the police in England, Wales and Scotland, and proposed the creation of a Police Council for Great Britain. An independent Chair was appointed and joint secretariats established by each side (the Official Side secretary being based in the Local Authorities Conditions of Service Advisory Board, and the Staff Side secretary in the Joint Central Committee of the Police Federation). The Council was responsible for making recommendations on pay, allowances, expenses, hours and leave. The Police Council for Great Britain had three standing panels to consider issues specific to the different ranks: Panel A for officers above the rank of Chief Superintendent; Panel B for Superintending ranks; and Panel C for federated ranks.

4. The earlier statutory Police Councils continued to operate as there remained a wide range of matters for consultation rather than negotiation, and draft Regulations continued to be considered by the Councils.

5. Whilst the non-statutory basis of the Police Council of Great Britain constrained its use, the Council continued to operate on a Whitley basis with each side meeting separately to determine its stance followed by a joint full meeting of the panel or Council with the aim of reaching an agreement by negotiation. If agreement could not be reached the matter could be referred to independent arbitration. The Home Secretary retained the right to approve the agreements of the Councils or the arbitration decisions.

6. In 1959 Sir Henry Willink chaired the Royal Commission set up to review the broad principles that governed police pay. The Commission recommended a pay negotiation formula to recognise the fact that police had no right to strike. This was implemented under the Police Act 1964 and the Police Council for Great Britain was given statutory status to negotiate conditions of service relating to pay, allowances hours and pensions.

7. In 1965 the Police Council for Great Britain was renamed the Police Council for the United Kingdom to reflect the inclusion of Northern Ireland. The former statutory Police Councils were replaced by two Police Advisory Boards for England and Wales and for Scotland. These dealt with matters falling outside negotiation. Like their predecessor bodies, they advised the Secretaries of State on general police conditions of service and considered draft regulations on matters including rank structure, complaints procedure and the role of the Special Constabulary.

## 1978 – 1993 Indexation

8. Following a dispute over police pay in 1976 – 1977, which led to a break down of the traditional machinery, a Review Body on Police Negotiating Machinery, chaired by Lord Edmund Davies, was established to review the process for negotiating police pay. In 1977 the Review Body was renamed as the Committee of Inquiry on the Police, and the terms of reference were extended to include a study of the basis of police pay. The Edmund Davies Inquiry<sup>6</sup> (1978) concluded it was essential that police pay be kept in line with the wider economy. However, the Report acknowledged that the police service could not easily be compared with any other group of worker and indicated that police pay should reflect the special nature of the police officer's role including:

- the restriction on the right to strike;
- the risk of assault and injury;
- disruption to family life;
- manpower and recruitment issues; and
- increased responsibilities/workloads.

9. The Inquiry introduced the concept of indexation and recommended that pay for federated ranks be increased in line with the Average Earnings Index for the whole economy, and that the pay for chief police officers be up-rated by a combination of the index and "changes elsewhere in the community"<sup>7</sup>.

10. The Inquiry found no reason to change the collective bargaining structure in favour of a pay review body system. It recommended a new negotiating machinery that retained the Official/Staff Side division, but with a modified structure of Independent Chairman, Deputy Chairman and Independent Secretariat. As a result the Police Negotiating Board (PNB) was formed in 1980. Edmund Davies recommended that either side of the negotiating body should be able to propose variations to the updating process in the light of changes either in the police service or in pay movements in the economy as a whole<sup>8</sup>. In 1984 both sides agreed to modification of the index when it was replaced by the underlying index of average earnings.

## 1994 – 2006

11. In 1993 an Inquiry into Police Responsibilities and Rewards<sup>9</sup> was set up under Sir Patrick Sheehy to examine the rank structure, remuneration and conditions of police service. The Inquiry proposed linking police pay movements to a measure of settlements, rather than earnings. This recommendation ultimately led to agreement to index police pay to an existing survey conducted by the Office of Manpower Economics (OME) of movements in settlements for non-manual employees in a sample of private sector organisations<sup>10</sup>. The survey was widely used at the time to inform negotiations on the pay of civil servants. The difference between the median total and basic settlement figures collected by the survey was intended to be used to inform local decisions for additional pay flexibilities, but this particular recommendation was not implemented. Consequently, from 1994 the OME figure for the median of total pay settlements has been used to determine the annual police pay uplift.

12. In June 2005 the OME raised serious technical concerns around the continued use of the survey including: coverage of the survey; reliability of survey results; and the difficulty of distinguishing between manual and non-manual workers and base and total pay. By this

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<sup>6</sup> Committee of Inquiry on the Police, Lord Edmund Davies 1978 available on the Police Pay Review website [www.policepayreview.org](http://www.policepayreview.org) and via The Stationary Office (Cmnd. 7283)

<sup>7</sup> Committee of Inquiry on the Police Report (1978) recommendation 44 para 264

<sup>8</sup> Committee of Inquiry on the Police Report (1978) recommendation 45 para 265

<sup>9</sup> Inquiry into Police Responsibilities and Rewards Report Volume 1 available on the Police Pay Review website [www.policepayreview.org/](http://www.policepayreview.org/) and via The Stationary Office (Cmnd. 2280.I)

<sup>10</sup> Inquiry into Police Responsibilities and Rewards Report Volume 1 recommendations 69 paragraph 8.15

stage, the police were the only organisation still using the survey as the basis for setting pay. OME indicated that it could not recommend continued use of the survey. In 2006, the survey was commissioned on behalf of the PNB rather than OME.

13. In 2006, the Official Side offered an increase below the figure indicated by the PNB survey. This was rejected by the Staff Side and the matter was referred to the Police Arbitration Committee for resolution. In October 2006 the PAT found in favour of the Staff Side claim and recommended a 3 per cent award.