



# **APA Response to: The Review of Remuneration and Conditions of Service for Police Officers and Staff**

(November, 2010)

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The Association of Police Authorities (APA) represents all Police Authorities in England, Wales and Northern Ireland as well as non-geographic police authorities. The APA is the national platform from which we provide them with the leadership, support and guidance that enables them to add real value to their communities. Since 1995, police authorities have worked hard on behalf of the communities we serve to hold the police Service to account and to ensure that the Forces we govern continue to become more efficient and effective.

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# Introduction

1. The socio-political and economic environment of 2010 and beyond presents formidable challenges to the Police Service of the United Kingdom, as indeed it does to the wider public sector. Real-term cuts of 20 percent over four years, announced in the October Comprehensive Spending Review (CSR), will significantly impact on the scope and focus of policing.
2. The scale of the challenge is considerable, with Her Majesty's Inspectorate of Constabulary (HMIC) estimating potential savings of only 12% through further efficiency improvements alone. The Association of Chief Police Officers (ACPO) affirms this view and suggests that any cuts beyond this figure will inevitably reduce service levels. There is a clear funding gap.
3. Incremental change will not achieve the required savings. Only a transformative approach to business delivery in terms of organisational structure, business models, and processes will allow forces to meet the financial burden ahead and continue to deliver an effective service to the British public. No aspect of policing expenditure can be considered sacrosanct and free from scrutiny. This includes pay and conditions of service. At over 80% of total police force budgets, the pay bill for police officers and staff consumes by far the greatest proportion of expenditure. The required savings can only be achieved by reducing these costs.
4. While pay reform must contribute to savings, modernisation of the pay and reward regime is also essential for increasing the performance of the police service more generally. In this regard, a gulf has opened between the way the police service pays its people and policing requirements in the 21<sup>st</sup> century.
5. Specifically, the APA does not believe the current regime is adequately *fit for purpose* to satisfy the complexities, nor financial imperatives of modern policing. We therefore strongly welcome the opportunity to project the experience and expertise of our members in the Review process.
6. We understand, and are sympathetic to, obvious sensitivities concerning potential changes to pay and conditions of service. However, whilst acknowledging the interests and rights of police officers and staff, our primary obligation is to the public, and in ensuring that their police service maintains public safety while providing value for money.
7. Our Paper emphasises the interdependence of many components of pay and conditions and that long-term solutions to existing challenges lie in ensuring that pay structures, recruitment strategies, training and development, and potential career paths are considered and developed holistically. Central to the APA's position and proposals is that the police service must be properly accountable for its performance and that the pay framework must only reward activity and behaviour that delivers a better service.
8. The APA's proposals aim to profoundly change the way the police service pays and rewards police officers and staff. This does not automatically mean paying less. While acknowledging the need to reduce the total pay bill, we emphasise our desire for a pay regime better equipped to reward individual performance and drive behaviours appropriate for high-performing police organisations.

# **APA Policy Snapshot**

## **APA Policy Framework**

### **Policy Pillars**

- No right to strike (police officers)
- Retain 'Office of Constable'

### **Structural Principles**

- Minimise complexity (in the pay and reward regime)
- Optimise flexibility (officer and staff deployment)
- Incentivise individual performance
- Increase local flexibility; minimise national prescription
- Emphasise recruitment and retention as drivers of pay model design
- Minimise bureaucracy (including guidance)
- Promote diversity and equality
- Eliminate discrimination
- Promote and recognise equity between roles (where relevant and appropriate)
- Promote and support up-skilling and personal development
- Pay by role; not rank

### **Incentives**

- Encourage and support innovation
- Promote and empower decision-making
- Promote accountability and leadership
- Minimise barriers to dismissal
- Increase management flexibility with regards restricted duties

### **Issue-based position**

- Abolish bonuses and performance-related payments (including CRTP)
- Abolish Special Priority Payments (SPP)
- Enable police officer redundancy
- Abolish allowances (with exceptions) (includes proposed 'on call' allowance)
- Abolish overtime – except for mutual aid duty
- Reform mutual aid (officer pay)
- Eliminate automatic annual increments
- Eliminate requirement to 'agree' roster changes with police Unions
- Cease all premium payments for public holidays and weekend working
- Single point entry to Service / Direct entry by exception
- Reduce rank intervals (Chief Inspector; Chief Superintendent)

## APA Vision

Our overall vision is for an efficient and effective police service that is professional, high performing and value for money.

We recognise that the delivery of that vision is reliant on a workforce that is committed, adaptable and fit for purpose, requiring effective arrangements to be in place to ensure that officers and staff are well selected, well trained, well led and motivated.

The pay and reward structures for the police service must support the delivery of our vision, requiring those structures to be effective, coherent and fit for purpose.

9. The reviewer's description of the police service as needing to have 'a modern, efficient and flexible workforce, remunerated in a way that is fair to officers, staff and taxpayers' accords closely with our own aspirations for the future. We unpick these concepts in Annex A to provide a rationale for our Vision and the proposals within our submission.

10. Delivering this vision in an increasingly complex policing environment adds to the challenge and places ever greater demand upon the police workforce. Highlighting this view is HMIC, who state, "policing is now highly complex and spans a massive spectrum of activities requiring a similarly extensive range of skills and competencies in those taking up the challenge."<sup>1</sup>

11. The APA believes that increasing complexity requires a greater level and diversity of individual capability. While many, if not most, traditional roles and functions within policing will continue, the environment in which they are performed requires a higher level of performance in terms of problem solving, communication and professionalism. Part of the solution requires a fresh conception of omni-competence and its role in modern policing, particularly with the increasing prevalence of *mixed*-working models. These issues are explored further below.

12. We believe it useful to think of the police service, even if only in aspirational terms, as a professional organisation – where effectiveness is assessed in the language of *outcomes*, rather than outputs.

13. We further think that descriptors of professionalism typically attributed to other sectors and spheres of work are readily applicable to the needs of contemporary policing – whereby a professional workforce is:

- Educated
- Skilled
- Self-directed
- Adaptive.

14. The presence of these attributes in an individual increases their capacity for dealing with complexity, ambiguity and, importantly, problem solving. The literature recognises that the most appropriate organisational environment for exploiting these attributes is non-bureaucratic, non-hierarchical, innovative, and performance oriented.

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<sup>1</sup> Valuing the Police (HMIC), 2010

15. The Review needs to recognise the gap that currently exists between the requirements of contemporary policing and its workforce, and the ability of existing structures (force structures, including pay and reward) to close it.

16. Guided by our vision of an ideal police workforce, we believe the proposals contained within our submission go some way to addressing this gap.

## **The problem – bridging the ‘performance gap’**

17. The police service has demonstrated little, if any, productivity growth over at least the last decade. In fact, it “got better by getting bigger”<sup>2</sup>, a consequence of year-on-year funding increases.

18. In seeking to explain this performance, especially when drawing comparisons with productivity growth across other sectors generally, a yawning gap exists between the structures and processes within the police service and other contemporary organisations. Structural workforce inflexibilities are a significant contributor to this gap.

19. Constraints on flexibility impact an organisation’s ability to freely procure and deploy its resources, including people, to meet business imperatives; specifically to deploy and reward its workforce in a way that optimises organisational effectiveness. We don’t believe this is possible within policing currently, due to a range of factors.

20. Reform which addresses these inflexibilities will create the conditions for a workforce capable of meeting the demands of a modern, complex policing environment.

21. This requires;

- a focus on the economics of deployment, to achieve a balance between supply and wage levels, organisational resilience and appetite for risk
- improving policy design to eliminate artificial price (pay and conditions) distortions, such as allowances and *add ons*.
- placing greater emphasis on internal and external competition to establish appropriate levels of pay and reward for everything from recruitment to mutual aid.

22. The ideas and language we use may only seem radical in the context of past policing practice. They are less so when viewed in the context of contemporary management practice.

23. There are of course limits on the transferability of modern management and workforce practices from other sectors to policing, which we recognise and acknowledge. Policing has unique characteristics that impose limits upon workforce flexibility.

24. However, we caution against overplaying these attributes, particularly concerning sworn officers, and shying away from rigorous debate and analysis within the review.

25. Much of what follows in the APA’s submission is predicated on our view about two particular issues, the Office of Constable and omni-competence. The next few paragraphs expand further on these areas, with analysis and positions that support much of the remainder of our paper.

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<sup>2</sup> Valuing the Police (HMIC) 2010

# Foundations of the APA position

## Office of Constable

26. The APA believes that retaining the existing principles underpinning the Office of Constable is vital for the foreseeable future of policing and an important determinant of the design of pay and reward structures.

27. In particular, Office-holding responsibilities have implications for the future relationship and working practices between police officers and police staff, especially the future of mixed-working service delivery. Annex C analyses the Office of Constable in terms of pricing. Similarly, concepts of omni-competence are entirely relevant to the overall workforce design and the pay and reward structures that drive performance.

## Omni-competence

28. When we speak of omni-competence, we think of operational police officers performing a host of traditional operational, probably front-line policing functions, including patrolling, arresting offenders, interviewing witnesses, giving evidence in court and so on. This suite of essential functions will continue. However, the range of functions that wrap around this operational-policing role is pervasive and challenges 'old school' conceptions about policing and the role of police officers.

29. The APA continues to believe an important role exists for omni-competent police officers, but with a clear understanding that omni-competence has boundaries in terms of its contribution to wider, complex policing functionality. We no longer think of police forces as just police officers. Modern, complex policing activity demands a broad mix of skills and capability that far exceed those associated with, and capable of being provided by omni-competent police officers alone.

30. Accordingly, the complexity of modern policing renders the notion of police officers delivering all the necessary policing functions as dated and unachievable. This unrealistic concept is reinforced and compounded by the standardised approach of the service to recruiting, rewarding and developing police officers especially.

31. The expression, 'omni-competence' might be comfortably applied to any individual performing a range of functions. But omni-competence *does not mean* unlimited capability; just broad capability across a definable range of functions. Logically, as the range of functions expands, the capability of an individual to carry them all out effectively diminishes (as new functions require different abilities and knowledge).

# Policy Proposals

32. This section of the paper focuses on specific areas of pay and conditions of service and the changes that we believe are essential to achieve our vision for pay reform.

## Entry Routes

### Recruitment: Single Point and Direct Entry

33. The APA believes that single-point entry, in the far majority of instances, is necessary to provide the grounding in policing skills required of omni-competent Police officers.

34. We believe that single-point entry provides the necessary minimum and consistent level of capability among all police constables, to ensure an acceptable level of service resilience. A consistent, 'best practice' approach to recruitment and early stage development is necessary to achieve this aim.

35. Our position on single-point entry reflects a view that all prospective officers, irrespective of career aspirations, should gain experience of core operational policing duty. However, much greater flexibility is required at the point of entry to diversify the candidate pool and recognise individual capability. Recent initiatives in this area by the London Metropolitan Police (MPS) (e.g. prior experience with the Special Constabulary) are instructive.

36. All entry-level police officers should continue to take the oath of attestation as an initial rite of passage, on the assumption that they will be deployed to operational policing roles for a period of not less than 12 months following completion of the Initial Police Development Programme (IPLDP).

37. The APA makes three important proposals in support of this entry regime.

- Any powers conferred upon new joiners shall only remain valid for the duration of their role to which such powers are deemed relevant. Chief Constables (including the Commissioner of the London Metropolis) require greater flexibility to authorise and remove particular powers, functions and duties with respect to any sworn member of the police service, akin to a *use it or lose it* approach.
- A centrally devised and managed 'fast-track' scheme is implemented for high achievers upon achievement of a fully competent rating and completion of the required minimum 12 months duty.
- Introducing pay bands will provide forces with the ability to widen the recruitment 'pipe' and attract a diverse cohort of recruits (by offering higher pay to more capable candidates).

38. As already indicated, it does not seem essential for an equivalent single point of entry for all police workers, including Police Community Support Officers (PCSO) and non-operational police staff. These individuals should continue to be separately recruited, though there may be some merit in better coordination of training regimes for officers and PCSOs, for example, shortening qualifying periods and recognising prior learning and experience.

39. Recruitment will always be an important enabler for improving workforce capability and organisational effectiveness. It is therefore important that recruitment

structures be sufficiently flexible to attract desirable candidates. In this regard, we recognise the appeal of prior learning for new joiners to the service, and our approach to pay and progression facilitates greater flexibility for forces to recognise and attract higher skilled candidates. The APA does not, however, support any *national* prescription for prior learning.

40. While continuing to advocate single-point entry in the main, the APA believes forces still require the independence and flexibility to permit direct entry where desired. We anticipate direct entry for new joiners to the service at any position above recruit level will be predominantly by exception.

41. Our position does not preclude direct entry to higher ranks by experienced police officers, whether transferring from other forces or re-entering the service after a period of absence. The criteria and decisions about such entry should be left to local discretion.

42. We also believe our approach accommodates graduate entry. Rather than necessarily requiring a standalone pay range, graduates may simply be eligible for a higher starting salary than non-graduates, if necessary. We don't propose to provide indicative ranges for pay bands, including at the recruit level, but work will obviously be necessary to establish the required reward packages to incentivise appropriate calibre candidates.

43. Forces will be aware that narrowly prescribing recruitment qualifications also has negative implications for diversity and recruitment from minority groups in particular. Again, we strongly advocate the need for flexible recruitment processes and structures.

44. We are aware of previous consideration of lower starting salaries for police recruits. Pay bands should accommodate this option, but the focus must be on flexibility.

#### **APA policy position: Entry Routes**

- Maintain single-point entry for police officers (with direct entry of new joiners by exception at the discretion of forces)
- Increase scope and flexibility of police recruit entry channels to increase diversity and calibre of candidates.
- Remove/reduce barriers to direct entry by re-joiners (police officers)

#### **Chief Constable direct entry**

45. The APA recognises debate about the potential for direct entry to ACPO ranks. In fact, such provisions already exist in Police Regulations (Reg. 11). While conceding that Chief Officer duties tend heavily toward managerial functions, this in itself does not provide sufficient argument for widespread civilianisation of ACPO ranks.

46. The APA view is that valuable policing traditions which reinforce the fabric of policing, risk being diluted with direct civilian entry to uniformed ACPO roles. Where particular managerial expertise is required, it should be recruited into ACPO teams in a civilian capacity.

#### **APA policy position: Chief Constable Direct Entry**

- No direct civilian entry to sworn/uniformed ACPO roles

## Specials

47. Special Constables make an important contribution to local policing, not least because they are community-minded people who provide their services willingly and without financial reward. These attributes appear consistent with the current government's 'Big Society' ambitions.

48. Specials will come to play an increasingly important role in coming years as more innovative models of policing are rolled out across the police service. In this regard, the APA believes that considerable potential exists for greater leverage of the Special Constabulary as part of mainstream policing.

49. A mainstay of the Special Constabulary is the volunteering ethos. Any *drift* away from this ethos jeopardises the Constabulary's core strengths of officer motivation and the basis of individual commitment. We do not believe that remuneration is, or should become a motivating factor for Specials and any steps in this direction will change both the culture of the Constabulary and its unique contribution to the policing service mix.

50. Close scrutiny is therefore required of any proposals to change the Special Constable model. Equality and diversity implications would also need careful assessment. That said, recruitment and retention should continue to be closely monitored and understood in the event of any future changes in the policing environment that might support a review of existing arrangements.

51. Finally, the provisions of the European Working Time Directive represent a specific barrier to the effectiveness of Special Constabulary arrangements, cutting across the desire to appoint Specials from all stripes of society, including full-time workers. We urge that this issue is recognised and addressed.

### **APA policy position: Special Constabulary**

- Maintain existing Specials model predicated on a purely volunteer basis
- Explore opportunities for greater integration of the Special Constabulary into mainstream policing activity

## Deployment

52. Deployment, in this context, means the allocation of any individual to a particular role, whether operational, administrative or support duties. It also means having the right person in the right role to best meet the functional objectives of the organisation.

53. Lack of deployment flexibility for both police officers and staff will critically impact the sustainability of existing service levels across the service. Existing barriers to flexibility must be reduced or removed.

54. This is important. The needs of the service and its ability to continue meeting the public's needs are our primary concern. Although recognising the needs of police officers and staff, including employer obligations, deployment considerations and design must be driven by business imperatives.

## Effective deployment

55. We start from the premise that the human resources and workforce planning arrangements for the police Service must provide Chief Constables with a flexible workforce comprising officers and police staff that are well-selected, well trained, well motivated and well led – all of which are consistent with the APA's Vision Statement.

56. These objectives require that every force has in place an effective deployment policy and mechanisms for allocating resources that best match demand. This applies particularly to shift patterns. Forces must also invest in the tools necessary to leverage greater productivity from officers and police staff, especially information technology, such as Automatic Resource Allocation Systems (ARLS), for example.

57. There is a tendency to think of 'deployment' as frontline duty only. Within our submission we conceive of the term in its broadest sense; to represent the roles of *all* police officers and staff. A lot of recent political and media attention has focused on visible policing<sup>3</sup>. This narrow conception of policing unhelpfully conceals the complex interdependencies among many policing functions required to deliver an effective police service. Flexible deployment, although clearly an issue for public-facing roles, is necessary in all roles to increase overall force productivity and effectiveness.

58. An irony also exists in terms of workforce flexibility between police officers and police staff. Whereas police officers can be directed by their Chief Constables to undertake any lawful duty, police staff are employed on local contracts that reflect local economic circumstances. By virtue of this, we see greater role inflexibilities in police staff because they cannot be directed by Chief Constables and are constrained by their contractual role obligations.

59. The effect of the police staff arrangements is to make police staff structures relatively rigid and inflexible. This is compounded by related restrictions such as the requirement to compensate members of staff who are required to change their place of duty, for travel costs and travel time. The current arrangements stand in the way of effective management of change.

## Role based pay

60. A discussion about deployment cannot be divorced from issues surrounding role based pay. Various allowances, overtime and performance pay benefits aside, presently, the only way for police officers to increase their base pay, is to take promotion. Conversely, police staff must change roles altogether.

61. Dealing firstly with police officers, the system currently provides limited facility for rewarding officers according to role and function, other than via the largely discredited SPP scheme.

### *Pay Bands – police officers*

62. The APA proposes eliminating the existing pay spine for both police officers and police staff, to be replaced with incremental **pay bands**.

63. The advantages of pay bands include:

- Broad-brush increased organisational flexibility

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<sup>3</sup> For example, HMIC's report, 'Valuing the Police' (2010) which states that only 11% of police strength are visible and available to the public at any one time.

- Increased scope for job differentiation within each rank
- Better matching between reward and role
- Better matching of skills with roles
- Powerful incentives for officer up-skilling and personal performance
- Anticipated cost reduction
- Removal of automatic annual pay uplifts – with no performance-based pay incentives

64. We believe that pay bands provide an effective approach to ‘mopping up’ inflexibilities of the existing regime. In particular, role based pay will permit more transparent recognition of roles requiring overtime, shift work, particular complexity, specialist capabilities (such as dive squads or firearms units) and rank.

### **Case study**

A similar approach is used in the British Armed Forces. Known as the ‘X-Factor’, a percentage increase to basic pay is included that reflects the difference between the conditions of service unique to the Armed Forces and conditions in civilian life. The X-Factor, therefore, compensates for such things as, for example, being subject to military discipline, the inability to resign at will, change jobs or negotiate pay and danger. We might equate these elements with policing’s Office of Constable and risk of personal harm. Interestingly, the X-Factor also considers some of the advantages of being in the Services, such as travel, adventure, the chance to learn a trade, variety, leave and job security.

65. Paragraphs 1514 -1603 further explains our role based pay and flexible career progression model.

### *Pay Bands – police staff*

66. We believe our pay band proposals would apply with equal benefit to police staff and that implementing either a conjoint pay scale, or closely mirrored scales, is essential for future flexibility.

67. It is conceivable that the *same* banding structures could be used for both officers and staff to further increase remuneration transparency, reduce administrative costs and increase flexibility for structuring teams. It seems perfectly reasonable that pay bands will provide an additional advantage of improving parity between police officers and police staff where the required competencies and functions of roles are similar. This does not necessarily imply an automatic, upward pressure on pay levels but a recalibration of any existing inequity – an increasing concern of pay arrangements.

68. Linked to our proposals, we advocate further ‘loosening’ the distinction between police officers and police staff members in certain circumstances. For example, it may seem prudent for forces to have the ability to confer defined and limited policing powers on select members of police staff on an ‘as required, by role’ basis, where doing so best supports workforce mix and organisational effectiveness considerations (e.g. investigation teams)

### **APA policy position: Pay and Progression**

- Replace the existing police pay spine with progressive pay bands.
- Explore similar replacement for police staff and potential for a conjoint pay band scale.
- Introduce policing roles
- Disassociate pay progression exclusively by rank.

### **How we get to role-based pay?**

69. Consolidation of existing *add-ons* to the pay structure is a significant feature of APA reform proposals and a pre-requisite for the effective implementation of pay bands. The shift to a role-based regime ensures that officers get paid for the particular roles they perform. This is not possible in the current system.

70. Our approach would eliminate most existing *add-ons*, including overtime pay, allowances, bonuses and performance payments.

71. We qualify our proposals by the need for rigorous cost analysis prior to implementation. Although we might anticipate increased pay for some role 'families', other roles will consequently require reductions. Any analysis therefore needs to focus on total pay expenditure, rather than pockets in isolation. If modelling cannot produce the necessary reductions in total the pay bill, we accept our proposals will require revisiting. That said, the intent of consolidation is clear: increased flexibility, improved pay targeting for performance and recognition, transparency, reduced bureaucracy and cost reduction

72. Pay consolidation is not new to British policing and there is precedent in other jurisdictions, including New Zealand, for example. In fact the 1978/79 Edmund Davies pay review recommended and achieved consolidation. We stress, however, the importance of avoiding the risk of *pay escalation*. Our consolidation proposal is predicated on effective job evaluation that makes each element of pay *role specific*. Moreover, consolidation must use an approach equivalent to zero-based budgeting, whereby current entitlements do not simply constitute a baseline for future pay.

73. Any simple job evaluation exercise reveals the absurdity of the present system, whereby all officers are effectively rewarded equally, irrespective of qualifications, skills, job complexity, but most starkly the risks they face. Proposals have long been considered to address this anomaly via pay premiums for shift work and unsocial hours, for example. Our approach resolves this anomaly.

74. Consolidation will notably require some form of job evaluation or sizing to determine appropriate pay levels. Importantly, we advocate national prescription of pay bands, while affording forces local discretion on job sizing and pay. We might expect, over time, a degree of convergence in role design, configuration and pay levels across forces. However, it is critical that they retain local flexibility to allow wages to find natural price equilibriums – where officer demand matches role requirements and availability.

75. Consolidation not only offers increased deployment flexibility but significant efficiency improvements by removing administrative burdens and, and therefore cost. A further ambition to increase overall transparency is inevitable.

76. Turning our attention to police staff, police authorities report significant inflexibilities in the current regime. In contrast to police officers, employment law and national bargaining inhibits the free and flexible deployment of staff to suit business imperatives.

#### **APA policy position: Pay**

- Pay by role and consolidate all existing elements of pay. This does not involve an across the board increase in pay levels but allows wage levels to reflect role attributes.

### **Eliminating the *add-ons* to the pay structure**

77. Earlier, we proposed consolidation of existing *add-ons* to the pay structure as a significant feature of reform. Shift working is a significant element of this.

#### *Shift working*

78. As a starting point, we caution against an implicit assumption that shift working necessarily deserves a pay premium. We have emphasised throughout our submission the need for more rigorous testing of pay price points – based on sound analysis of relevant factors (job competition, skill & experience requirements). That said, we recognise the importance of retaining skilled officers and police staff in roles with a shift working element – particularly in operational roles. We know experience counts and that it is probable a premium for shift working may well be a valid element in any role – pending more detailed analysis.

79. Shift design is clearly a matter for forces to determine. However, it is clear from recent reports and studies<sup>4</sup> that many forces have struggled to demonstrate effective management of resources, particularly in terms of demand management and roster patterns.

80. The APA acknowledges the physical toll that shift-working can have upon officers and staff. Health and safety considerations are at the forefront of our concerns and we strongly encourage individual forces to pay particular care to officer and staff welfare in their resource planning.

81. The Accenture study, referred to above, indicated principles for the design of an optimum shift pattern, designed to balance the needs of individuals and force operational requirements. These include:

- Shift lengths and start/finish times should be determined by local operational demands.
- A shift should ideally be between 8 and 10 hours in length. 12 hour shifts, whilst popular with some, are not recommended on the grounds of operational efficiency, service provision and health and welfare.
- Where possible, rest days are rostered no less than two together.
- There should be no more than four consecutive nights.
- Where possible, overtime should be avoided at the end of a night shift.
- Rest days shall be planned to allow for recovery following night shifts.
- There should be no more than 6 consecutive shifts before a rest day.

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<sup>4</sup> Accenture Report: Study of Police Resource Management and Rostering Arrangements (2004)

- Regular shortfalls should be accommodated through the intelligent use of flexible working opportunities to fill areas of peak demand.

82. We concede that our proposals for the abandonment of overtime mechanisms makes better roster management all the more important, to prevent accusations of exploitation. Effective resource management, particularly roster design, is essential in this regard.

83. We firmly believe that the current requirement in Police Regulations and Determinations (2003) for the agreement of the Police Federation to *agree* changes to variable shift arrangements (VSA) is a particular barrier to workforce and organisational flexibility and should be repealed. The APA proposes that Regulations be changed to require consultation with Police Unions, but not agreement to changes.

84. The APA believes it completely inappropriate for operational responsiveness by police forces to be hamstrung by notification and approval requirements for roster changes. We strongly advocate that forces consult and advise officers and staff of such changes as early as possible, but mandation is wholly inappropriate.

85. We accept the importance for police officers and staff to be advised of roster changes as far as possible in advance, but we are not minded to recommend an appropriate period. We do not accept, however, the need for any formal (let alone regulatory) specification of minimum consultation or change periods ahead of actual roster changes but believe a test of reasonableness is required. In any event, there must be an expectation that individual forces will use their best endeavours to treat all staff fairly and equitably.

#### **APA policy position: Shift Working**

- Abolish Regulatory requirement for forces to obtain the agreement of police Unions (Police Federation) to change rosters.
- Retain requirement for consultation only

#### *Overtime – police officers*

86. The current police overtime Regulations represent a significant barrier to workforce productivity. At present, officers are compensated if they:

- remain on duty after a rostered tour of duty has ended.
- are recalled to duty between two rostered tours of duty;
- are required to begin duty earlier than the rostered time *without 8 hours notice*.
- work on a rest day *with less than 15 days notice*;
- work on a public holiday *without any notice*;
- For part time officers, working on a free day *with less than 15 days notice* within the status of "any officer".

87. These arrangements are expensive, inflexible and unsustainable. Reform is long overdue.

88. We earlier stressed our desire to shift the police service into a new era of professionalism, where officers and police staff deliver to *outcomes*, not outputs. Policing is a 24/7 job. It is entirely incongruous with this ambition and our conception

of police officers and most police staff, as professionals, that they work to *any* system of hourly payment, let alone one that rewards for overtime.

89. Police overtime currently constitutes a significant proportion of officer pay. Existing base rates of pay conceal the real earning potential of officers, especially when all allowances and various *add-ons*, including overtime, are included.

90. For example, the PNB Earnings Census 2009/10 indicates that the mean Basic Pay for a London Constable is £31,545. Total pay, however, is £44,033. Alternatively, Lincolnshire Police Authority reports that in 2010/11(YTD) average basic pay for police officers is £42,654 million, comprising an overtime element of £2,390 million which equates to 5.6 percent of total pay.

91. While forces have made great strides recently in driving down overtime costs, we believe Regulations, as they stand, create significant barriers to further efficiency and flexibility. Several factors stand out.

- Overtime pay rates are generous.
- Overtime is open to abuse through either lax supervision, where a culture of entitlement may exist in some forces, but also manipulation of the currently complex rules of application.
- As indicated above, the APA proposes consolidating police pay and determining pay levels on a role-specific basis. It is therefore our view that, with one exception (mutual aid), overtime provisions be abandoned entirely.

92. We do, however, make one further important concession. Where an officer or member of police staff is required or directed to work overtime on a rest day, they should be entitled to time off in lieu (TOIL). As a starter for consideration, we propose a minimum of a half day's TOIL for any period worked *up to* four hours overtime on a rest day (e.g. two hours O/T = four hours TOIL). Overtime exceeding four consecutive hours on a rest day entitles the officer to a full eight hours TOIL). This approach is consistent with existing entitlements under police Regulations, while removing the pay element.

#### *Overtime - police staff*

93. While we propose abolishing overtime for police officers, it would seem essential to pursue a similar course for police staff. With changing business models and the growth of mixed-team working, it seems perverse that team members could be subject to different overtime arrangements, particularly where individuals are performing similar functions, with equal levels of job dedication.

94. Avoidance of such disparities is essential and we propose that it is essential for effective organisational working that any shift to consolidated pay and pay bands apply equally to police officers and police staff.

#### *Status quo on overtime*

95. In the event overtime provisions are retained as an outcome of the Review, we strongly encourage significant simplification of payment rules and a reduction in pay levels. We would be loath to see the situation where one complex model replaces another. Specifically, overtime pay should consist of one rate irrespective of when overtime working occurs.

96. Annex F of the paper provides a summary of basic research undertaken by the APA to compare overtime pay regimes in other jurisdictions.

### **APA policy position: Overtime**

- Eliminate all overtime pay, with the exception of mutual aid duty
- All overtime worked on rest days to be compensated by TOIL only (unless changes overtime pay is retained – see below)

Alternative – *should* overtime pay be retained:

- Only one overtime rate, not exceeding double time.
- Simplify overtime arrangements, including variable entitlements according to notice period
- Abolish entitlement to both overtime *and* TOIL. Replace with 'either/or' entitlement at officer discretion

### **Performance/Incentive structures**

97. The APA is clear in its ambition to increase organisational performance. We have spoken at length about the link between the police workforce and overall organisational effectiveness and performance, particularly in terms of productivity and service quality. With this in mind, having the right performance / incentive structures underpins a modern and effective pay and reward structure.

98. We know incentives matter for individual performance but we do not believe existing pay structures are effective in fully exploiting the latent potential of the police workforce.

99. Our aim is to propose new structures and processes that release this potential in every police officer and member of staff. We must keep in mind the fact that it is the public paying for policing services and who rightly expect top performance and quality as a 'given'. We do not accept that there is any room within the police service for under-performers. We must remove unnecessary barriers to removing such individuals, but conversely provide the right support mechanisms for those with aspiration and motivation to enable them to fulfil their potential.

#### *Performance payments*

100. All existing performance-related payments for both police officers and police staff be abolished. This includes bonuses (including those for Chief Officers), Competency Related Threshold Payments (CRTP) and annual increments for Federated ranking Officers. Furthermore, the APA does not support any form of additional payment to officers and police staff based on performance (nor for any other purpose such as recruitment and retention – e.g. SPP).

101. We view all previous attempts to introduce effective performance-based pay structures and processes into the police service as largely unsuccessful. We don't, however, discount the potential for future performance-related schemes, should it become prudent, but at present we do not believe the service has the necessary capability, resources or an amenable organisational culture to make them effective.

102. In this regard, the APA is intent on introducing a reward system that encourages and supports the continuing development and up-skilling of police officers and staff. We do not advocate any additional payment for up-skilling. Rather, we expect officers and police staff members to be sufficiently motivated by new career progression

opportunities to up-skill. We do believe, however, there is scope to consider a more diversified training regime, with funding, to allow officers and police staff to pursue personal training and development opportunities.

**APA policy position: Performance Pay**

- Abolish all performance-related payments, specifically:
  - Competence-Related Threshold Payments (CRTP)
  - Bonus payments (including Chief Constables)

*New structures; new incentives*

103. We have already outlined our proposals for establishing new pay bands for both officers and police staff and the advantages they afford. In particular, their transparency and flexibility to enable officers and staff to earn more, irrespective of rank or necessarily seniority, provide credible and compelling incentive mechanisms.

104. We are especially eager to abolish annual uplifts for Federated ranking officers. The original intent of the scheme to incentivise performance based on individual competency has morphed into an unsophisticated, time based regime of pay progression that is disconnected from officer performance and has fostered a culture of entitlement.

105. Pay bands increase the overall flexibility of the police service by creating new and different incentives for individual performance. The existing Personal Development Review (PDR) process merely 'averages' out behaviour, killing aspiration and providing no advantage to higher performers.

106. Paying by role under our proposed system creates competition among existing police officers and staff for jobs, which we view as positive. The pay for different roles will adjust to suit demand and the candidate qualities and competencies required within them. This flexibility does not exist in the current system. Importantly, roles and pay will be sufficiently flexible to accommodate force-level characteristics and requirements, including local recruitment and retention issues.

107. We propose that the existing PDR scheme be re-oriented, rather than disestablished entirely. We appreciate the scheme is currently being re-designed, with a view to reducing complexity and increasing utility, but in our view, the focus should be on achieving a balance between prescription and the initiative and competence of supervisors. More importantly, although we recommend completely disassociating any financial gain from the PDR scheme, we believe it still has use to ensure officers and police staff continue to maintain a minimum required level of performance and to help determine development needs. In this respect, the PDR scheme would no longer reward for achieving competency, but rather provide a mechanism for identifying high potential candidates for proactive career development, in addition to those with inadequate performance to enable unsatisfactory performance proceedings and/or remedial action.

108. Widespread antipathy toward the bonus scheme for Chief Constables further supports our proposed pay band proposals and calls to abolish all forms of performance-related payments.

### **APA policy position: Pay and Incentives**

- Re-orientate the PDR scheme to identify high potential, inadequate performance and personal development requirements
- Cease all automatic annual uplifts irrespective of links to existing PDR scheme

## **Career and Pay progression**

109. The APA concedes that experience matters in policing, as indeed in most occupations. We refuse to accept, however, that time served is necessarily the best indicator of experience and that, in fact, experience itself is the sole or greatest source of value in any role.

110. Our argument is for balance and rigour. While experience might map closely with time served during the early phase of a new career, we expect to see divergence at some point, whereupon the economic principle of diminishing returns will apply. In essence, if an individual demonstrates little interest in developing their competence, whether in terms of deepening or diversifying their experience, we see little justification in pay growth.

111. Our desire is to implement structures that do incentivise career development, but realise that for a variety of reasons, many individuals will not ascribe to this ethos. Accordingly, as already mentioned, police officers and staff will effectively de-select themselves from pay progression in the event they choose not to increase their capability through personal and/or professional development.

112. We would expect that pay bands are adjusted at regular intervals to reflect 'cost of living' increases.

### *Pay progression for police officers*

113. The APA proposes a new regime of competence-based pay bands for both police officers and police staff. We have not yet developed our thinking beyond police officers but believe a single scale of bands for both officers and staff may be workable. We urge further work to establish the efficacy and practical considerations of a single scale of bands.

114. Whatever the final approach, pay progression regimes for officers and staff need to ensure congruity. This involves a split scale, with 'competence' being the main delineating factor. Three pay bands constitute the training and development phase. Uplifts in pay coincide with officers attaining 'competent' ratings as they progress on a simple linear route through the intervals. These are not performance payments in the sense of bonuses, but rather reflect an individual's increasing capability and career progression. Where an officer fails to achieve competence at each interval, they fail to receive uplifts. Sustained, underperformance throughout the phase may ultimately subject an officer to dismissal proceedings.

115. Upon an officer attaining 'competent' status, their career progression and pay uplifts are no longer pre-determined or linear in nature. In fact, rather than further pay increases predicated on assessments of competence, they result from role progression. Officers may choose to train and develop toward higher paying roles, including those with promotional opportunities, or to plateau in their current role – where they will be required to maintain an acceptable level of performance and competence.

116. Finally, on a related issue, we think is preposterous that an officer in a role of a physical nature, including response patrolling, might not be required to demonstrate a minimum standard of physical fitness. Fitness lends itself to national standards, and some work has been undertaken in this area by the Police Advisory Board (PAB) – albeit not of a radical nature. Given that an individual’s fitness varies over time, it is appropriate, in our view, that officers in roles with a required fitness level undergo mandatory, regular fitness testing – to ensure the maintenance of competence for the role.

#### **APA policy position: Fitness Testing**

- Introduce mandatory fitness testing for relevant policing roles

#### *Rank*

117. The APA believes that a rank-based structure embodying the traditional policing virtues of authority, discipline and accountability remains essential to protect the fabric of the service. However, our proposals reflect the desire for a significant change in the relationship between pay, progression and rank we think it timely to also review the role and relevance of the rank structure in the modern context.

118. The APA absolutely acknowledges the important role of rank within policing. Our proposals, however, deconstruct the value proposition of policing from one predicated on rank to that of role and individual capability.

119. We propose re-opening debate about rank along several dimensions, including spread. Is the number of ranks and size of intervals still relevant and appropriate in terms of organisational effectiveness and value for money? Further, do force rank ratios represent good practice and our desire for increasing professionalism and delivering value for money?

120. We earlier reflected on contemporary organisation theory and the relationship between workforce design and effectiveness and links with hierarchy, control and risk adversity. The existing hierarchical management structure within British policing, prima facie, represents everything the service can ill afford, and possibly purports to no longer want. Rigid, tall hierarchies slow decision making, reduce responsiveness and relegate individual initiative, problem-solving and innovation. The APA believes such an organisational model to be inappropriate for effective 21<sup>st</sup> century policing.

121. The same thinking applies to rank ratios. We struggle to understand the variance in ratios among forces and think the issue provides fertile ground for achieving an early, significant change in organisational culture, management practice and cost reduction.

122. We touch later in our paper on redundancy. Internal job redundancy also needs consideration. If a reduction in senior ranks is necessary in any re-structuring programme, Chief Officers need the power to re-appoint officers to new roles and enact internal rank redundancies. This doesn’t mean officers lose rank accreditation, just the role prescribing a particular rank. We expect that pay protection for affected officers will apply according to an overall change programme and standard employment law.

123. We believe our proposed role-based pay structures will go some way to correcting force-level structures that are top-heavy in management.

124. Research in other jurisdictions supports our call for a review of the rank structure, particularly in terms of organisation theory. Police Forces in Australia and New Zealand, for example, felt their rank structures led to a lack of distinction between ranks, confusion, ineffective decision-making and reluctance to accept responsibility. Moreover, the number of ranks was seen to limit mobility and exacerbate a lack of recognition of non-policing qualifications.

125. The APA proposes flattening organisational structures, probably by way of a reduction in the number of ranks above that of Sergeant. We propose that further analysis is necessary to establish an appropriate solution and route for implementation.

#### **APA policy position: Rank Structures**

- Reduce the number of rank levels above Sergeant (probably Chief Inspector and Chief Superintendent)
- Undertake research to identify effective management ratios – including drawing upon good practice comparators from the private sector.
- Enable internal job redundancy provisions

#### *Personal development*

126. While we have already discussed initiatives to improve the ability of forces to recruit or buy in capability, in the form of specialist competencies, it is worth briefly considering the matter of personal development of police officers and staff.

127. It is essential that the police service actively promote internal officer and staff development. We have already indicated the link between workforce capability in terms of skills, knowledge and ability and productivity. The police service must invest in its people with a view to continuous learning and development if it is to continue increasing productivity and overall effectiveness.

128. The pay band structures, already discussed at length, provide the necessary incentives for the workforce to up-skill. The logic to this is clear. Where remuneration is tied to role, and higher paid roles demand higher levels of competence, so the workforce is compelled to improve their individual competency.

129. Those individuals not incentivised by our proposed structures simply remain in their given role, so long as they maintain a minimum acceptable level of performance determined through the retained PDR system.

130. Individuals who fail or refuse to increase their capability simply self-select themselves out of new opportunities. It is conceivable that an officer or member of staff lock themselves into a particular pay grade for the entirety of the police careers. Our response to any detractors of this approach will always be assert our belief that time-based increments in pay do not incentivise individual performance improvement. Such an approach is bad for morale, bad for business, and provides poor value for money to the public.

## **APA policy position: Personal Development**

- Examine options for broad-base personal development support programme – e.g. full and part-funding opportunities for learning and skill development, irrespective of relevance to role.

### **Length of Service**

131. A lifelong career in any one organisation is incongruous with modern work practices and employee attitudes. The police service needs to recognise changing work patterns, where concepts of 'portfolio careers' and 'career breaks, for example, are becoming increasingly common. The APA views these developments positively.

132. Rather than focusing on service length, forces should be increasingly concerned about the quality of contribution. This changes the emphasis significantly and actually encourages us to think about actively encouraging any sort of career development model that builds human capital and capability within policing.

133. If we accept that exposure by individuals to diverse experiences, both personal and professional, increase overall capability and competence, then flexible entry and exit mechanisms are essential to enable the service to tap into new pockets of workforce potential.

134. We have already spoken about newly flexible entry channels, particularly at recruit level, particularly to attract a more diverse pool of candidates. We have also put a stake in the ground for maintaining single-point entry for all prospective police officers. The explosive growth of police staff in recent years is testament to forces appreciating the benefits that those from non-policing backgrounds can bring to their organisations. However, it would more encouraging to see police staff being drawn into the service, not to simply backfill traditional police roles with the sole aim of reducing costs, but to inject new capability into policing services and functions.

135. Forces require new flexibilities that provide a rotating door for officers, and to a lesser extent police staff (where development costs are generally lower and open market employment provides far larger pool of candidates). The police service would benefit from providing greater opportunity, and incentives, for police officers to step in and out of police work throughout their overall careers.

### **Allowances (non-performance related)**

136. The APA opposes all pay-enhancing allowances, including regional allowances.

137. We advocate abolishing all allowances contained within Regulations and Determinations, but also those applied by individual forces on a unilateral basis. This does not include allowances aimed at reimbursing officers and police staff for out-of-pocket expenses (e.g. dog handler's allowance, motor vehicle allowance), but does include:

- Special Priority Payments (SPP)
- Rent, housing and replacement allowances
- London Weighting and London allowance
- South East allowances

138. In our view, allowances, or *add-ons*, are an inefficient and crude mechanism for rewarding additional role responsibilities and/or correcting for recruitment and retention challenges. They constitute incremental wage 'creep', distort natural price (wage) equilibriums, increase bureaucracy (and therefore administrative costs), obfuscate total pay entitlements and reduce transparency.

139. The APA believes that police officers have largely come to view such supplements as entitlements, rather than 'perks', irrespective of their original (or ongoing) intent. Moreover, this psychological contract with police officers especially has meant that negotiations within PNB only ever produce one outcome - escalation.

### *Special Priority Payments*

140. The APA advocates abolishing Special Priority Payments (SPP)

141. The APA has held a position for some time to disestablish the SPP scheme, believing it largely ineffectual in achieving its stated objectives and unnecessarily reducing the flexibility of forces.

142. We believe that the original intent of the scheme has been seriously diminished by wide-ranging interpretation of the rules for application. It may, of course, be possible to re-calibrate the scheme toward its original integrity, but the pay bands proposed in our submission actually make SPPs redundant anyway.

### **APA policy position: Special Priority Payments**

- Abolish Special Priority Payments (SPP)

### *Regional Allowances*

143. Regional allowances are a good example of pay creep and market distortion. Specially, competition for talent between Southeast forces and the MPS has led to a self-interested, uni-dimensional solution. Ironically, the problem *is* the allowances.

144. It would appear that rolling back the allowances to fix the cause of recruitment and retention problems in the southeast especially has become insurmountable, due largely to the rigidities of Regulations and features of the negotiating process within PNB, as already indicated.

145. For these reasons we question the continuing relevance and validity of regional allowances, as we do of all allowances.

146. The situation giving rise to regional allowances requires reversal. In the first instance the APA would like to see the abolition of the travel allowance for all MPS officers. We believe such action would go a long way to removing the incentives for Southeast regional allowances, while appreciating that the payment of the allowance remains entirely at the discretion of the MPS. But we also think the market distortion created by the allowance deserves attention.

147. We further question whether recruitment and retention issues for either the MPS or Southeast forces (or indeed elsewhere) for the current and foreseeable future are such that market supplements continue to be necessary. The APA struggles to see justification for their continuation.

148. As it stands, current entitlements for MPS officers consist of:

- **London Weighting** is £2,277 and paid to all officers to take account of the costs associated with living and working in London.
- **London Allowance** is paid to aid recruitment and retention and is paid at a maximum rate of £3,327 + £1,011 giving post 1 September 1994 officers a total London allowance of £4,338.
- Post 1 September 1994 officers not in receipt of a housing allowance receive a higher rate London allowance than their pre 1 September 1994 colleagues. Pre 1<sup>st</sup> September 1994 officers receive a London allowance of £1,011.

149. Further analysis is required to confirm our expectations, but our preference is for the abolition of all regional allowances in the absence of a robust supporting business case. This includes the London allowance especially, but we suggest that the London weighting also be re-examined for continued relevance.

150. Finally, the APA feels recruitment and retention competition between forces will be addressed by substantially increased flexibility afforded by the proposed pay band structures.

#### **APA policy position: Regional Allowances**

- Disestablish all regional allowances, notably those applied by Southeast and London Forces
- Review continuing relevance of London weightings – linked to review of London transport allowance

## **A New Model for Career, Pay and Progression**

151. This section draws together previous observations concerning deployment, role based pay, performance / incentive structures and career / pay progression to arrive at a new model for pay and reward.

152. Our proposal is for the pay bands to *absorb* the existing rank structure, increasing its flexibility and relevance by embedding rank within specific roles. Our proposal presents as a radical change to the existing idea of linking pay progression solely with rank.

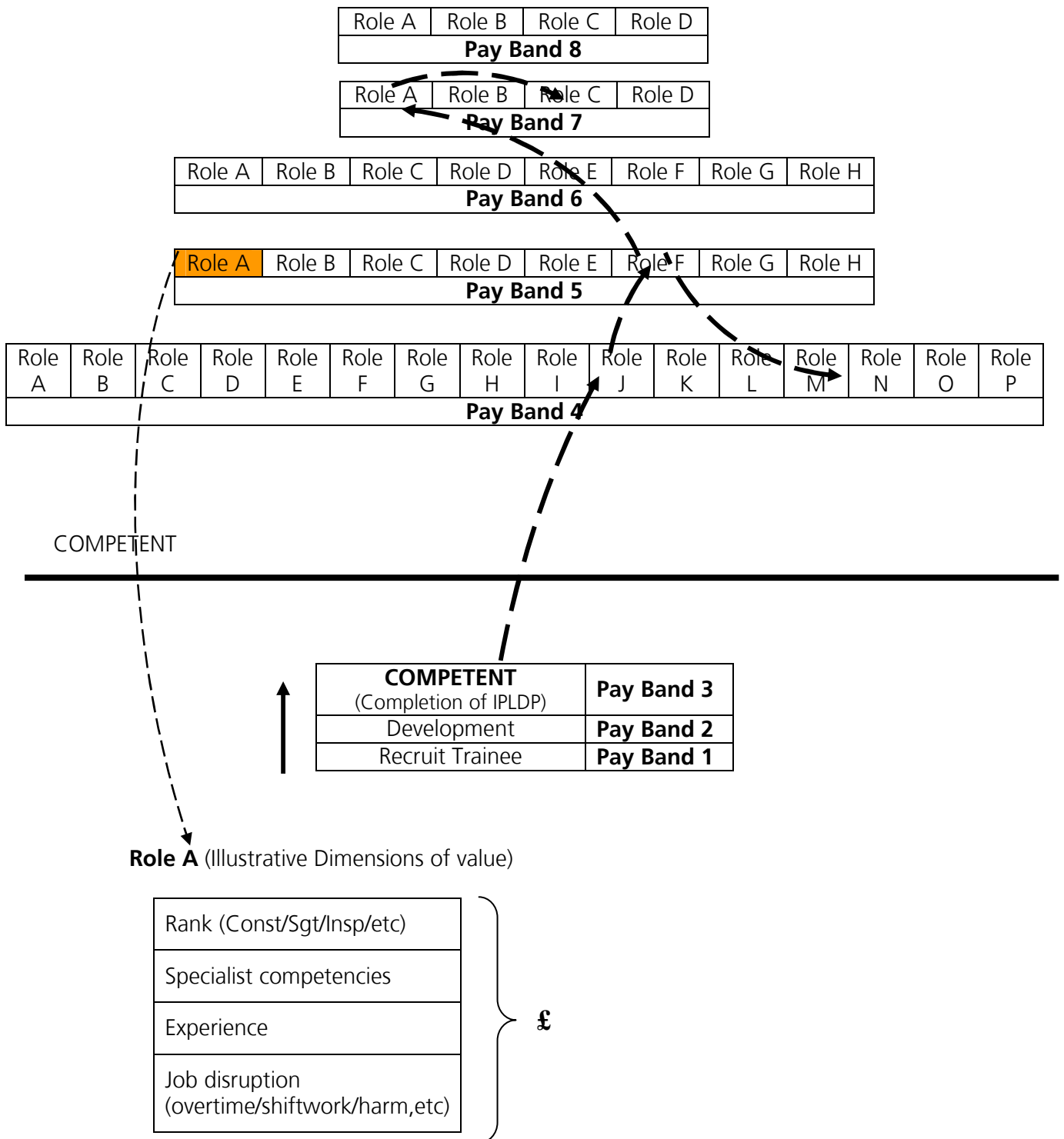
153. Under our proposal, officers would be able to move up AND down through pay bands while, at the same time move up and down the rank structure. This creates a possible scenario whereby an officer could drop to a lower rank while paid more in new role as a result of weighting associated with the other aspects of the position in the same or higher pay band.

154. The APA appreciates that the proposals represent a dramatic departure from existing pay structures and in particular, deeply held cultural norms linking the role of rank and seniority and their direct correlation with pay progression. An example of the approach is provided below.

155. Figure 1 below demonstrates potential career paths and flexibilities inherent to our proposals. This includes the ability for officers (and probably police staff) to experience a variety of roles within policing that may involve pay progression, but also

lateral and even downward movement between pay bands. One of the advantages of this approach is that pay progression is not necessarily dependent on rank progression.

Figure 1: Role based pay and flexible career progression model



156. For example, referring to the hypothetical career route in Figure 1, role 7A could be at the rank of Sergeant. However, for developmental reasons, an officer could choose to move laterally to role 7C, potentially at a lower rank but attracting higher pay. This situation might arise because of the specialist competencies or experience / qualifications required for that particular role. This places an emphasis on roles being broadly associated with experience, qualification and skills, rather than the sole criterion of rank.

157. Rank is just one dimension of a role's value. In the event, what matters is the attributes associated with any given rank, such as leadership, knowledge and accountability. The job requirements of any role will determine the rank most appropriate for the role. Logically, as the demands of a role escalate in terms of rank requirements we might expect to see higher levels of pay.

158. Similarly, other recognisable dimensions of value may include job risk (personal harm) and disruption associated with, for example, shift working (including working unsocial hours) and restrictions associated with Office holding responsibilities – including, for example, an assessment of the likelihood of recall to duty – the incidence of which logically varies by role.

159. Our proposed pay model is sufficiently flexible to accommodate the introduction of 'Advanced Constable' status, among other roles, as may be appropriate to incentivise and retain the right capability where it is needed.

160. Pay attached to roles that are hard to fill, or which place exceptional demands upon incumbents would presumably attract a premium under a role-based system of remuneration, supplanting the original intent and function of SPPs.

## **Mutual Aid**

161. Mutual aid is a term applied to forces sharing resources. Most commonly the resource is manpower; predominantly police officers. As cuts begin to bite, we expect to see forces acting more collaboratively and placing greater reliance on mutual aid to meet operational demands. In fact, we might also expect resource sharing arrangements to become normalised in terms of standing arrangements between forces, rather than the more ad hoc approach we commonly see at present.

162. Mutual aid is used for typically short term contingencies, whether planned or unplanned (emergencies) and is not to be confused with secondments and collaboration. Secondments are generally longer term, planned exchanges of personnel (both police officers and staff) and include formal recruitment and contracting.

163. Mutual aid has two cost components. First, inter-charging arrangements allow forces to recoup costs from borrowing forces. Formulae exist to ensure a consistent approach to charging. Second, pay and conditions of service for police officers undertaking mutual aid duty are stipulated by PNB agreement, colloquially referred to as the 'Hertfordshire Agreement'.

164. Under current pay arrangements, police officers receive a minimum of 16 hours pay in every 24 hour period of mutual aid duty. In addition, officers enjoy a high standard of overnight accommodation, as per Hertfordshire specifications. The generosity of these arrangements is an anachronism in the current financial climate.

165. The APA insists that officers are paid only for the hours worked, irrespective of when or where duty is performed. We accordingly view existing mutual aid pay as

excessive. The APA has been attempting to renegotiate mutual aid pay arrangements within the PNB for some time - and quite unsuccessfully.

166. Of particular concern to the APA are anticipated operational demands upon the police service during the Olympics in 2012. The event will require significant nationwide collaboration that will impose serious financial burden upon many forces. This burden is compounded significantly by existing pay arrangements that must be addressed.

167. In light of the Olympics problem a new approach to negotiations is underway in the PNB. Specifically, the Police Federation has indicated a willingness to consider a temporary suspension of the Hertfordshire Agreement for a defined period during the Olympics. (More recent discussions give the APA little confidence of reaching a deal on mutual aid for the Olympics)

168. Regardless of current negotiations, existing pay arrangements for mutual aid must change. In the first instance, the APA recommends that the Hertfordshire agreement be abolished.

169. On the basis of our view of policing as a profession, the APA sees no justification for payment of premium rates of pay to police officers and/or staff on the grounds of working location and/or sleeping away from their homes for short periods. Exclusions do seem reasonable, however, for longer periods of unplanned, involuntary mutual aid duty. In addition, the APA believes that insufficient credit is given to the developmental benefits available to officers undertaking mutual aid duty. This point is supported by anecdotal evidence, yet typically overlooked.

170. Further, we recognise that mutual aid duty, whether voluntary or otherwise, often involves longer than ordinary working hours. Accordingly, we propose a single exception to our position on overtime pay for officers, whereby those undertaking mutual aid duty receive premium rates for each hour worked beyond a standard eight hour shift, at a rate to be determined. Total hours should include all travel time to and from the place of mutual aid duty.

171. In addition, forces should endeavour to fill all pre-planned mutual aid events with volunteers in the first instance. Chief Officers shall, however, retain the right to direct appropriately skilled officers to undertake mutual aid duty.

172. The APA strongly encourages the Review to instigate these changes well in advance of the Olympics to assist planning and preparation.

#### **APA policy position: Mutual Aid**

- Abolish the Hertfordshire agreement governing mutual aid duty
- Police officers and staff should only ever be paid for the actual hours worked (including travel time to the place of mutual aid duty)
- No additional allowances for mutual aid duty, including requirement to sleep overnight away from normal place of residence
- Overtime to be paid for all hours over and above 8 hours duty – at a rate to be determined (sole exception to earlier policy position)
- Chief Officers retain the right to direct police officers to undertake mutual aid duty
- Prompt resolution required of mutual aid arrangements for Olympics planning.

## Exit Routes

### Redundancy

173. The inability of the police service to make officers redundant is a significant barrier to productivity and value for money.

174. More starkly, it is the APA's view that without redundancy provisions for police officers forces will be incapable of taking the necessary restructuring measures to accommodate the forthcoming budgetary cuts. This places overall service sustainability in significant peril.

175. Chief Officers must have the discretion to manage force resources. This means having control over the workforce size, mix, and functions.

176. The Home Secretary currently has powers afforded under Section 50 of the Police Act 1996 to introduce redundancy provisions for police officers. We strongly urge her serious consideration of our proposal.

177. The APA also supports the unfettered discretion of forces to apply Regulation A19 of police Regulations to enable the compulsory retirement of police officers with 30 years Service.

178. Legal advice recently obtained by a consortium of police authorities appeared to sanction the use of Regulation A19 on efficiency grounds. Specifically, the advice states:

*Nevertheless, my provisional view is that the Secretary of State would have a statutory power, under section 50 of the Police Act 1996, to issue regulations which would permit police authorities to carry out dismissals of police officers for redundancy.*

*In other words, the lawfulness, or otherwise, of a decision only to make redundant officers who are covered by A19 will not depend upon whether, theoretically, police authorities have the legal power to make other officers redundant.*

179. We caveat our position by cautioning forces against perceiving Regulation A19 as a simple 'stop gap' to control costs. It seems prudent that the provisions should be ideally considered as an option in a comprehensive cost reduction and workforce management programme.

180. We also emphasise that officers with 30 years service bring a significant amount of experience to any role. Again, we would be concerned if forces were to take a narrow, cost-focused approach to workforce planning that failed to analyse the optimum mix of skills and experience required to meet future challenges, and which may benefit from finding alternative solutions to Regulation A19.

#### **APA policy position: Redundancy**

- Introduce redundancy provisions for police officers

### Restricted Duties

181. Restricted duties are normally used to provide employment for officers recuperating from injury or illness until they are fit to return to normal (operational) duties. The provisions are aimed at reducing the incidence of inappropriate early retirement of experienced officers on medical grounds.

182. There is anecdotal evidence that some forces use restricted duties as a way to employ officers who are no longer fit for normal (operational duties). While existing provisions exist to protect injured or ill officers, and rightly so, there is a sense among some police authorities that the 'spirit' of the provisions is increasingly subject to manipulation by officers.

183. Adding to these concerns are indications that the incidence of officers on restricted duties is increasing, imposing ever greater costs on authorities and reducing overall productivity (and workforce flexibility).

184. The large number of officers on restricted duties could clearly have an impact on the provision of front-line services, particularly with the current drive to maintain or increase such services. Most forces have a robust and comprehensive procedure for the management of these officers, drawing on their specific capabilities and expertise in a way that maximises operational value. Being on restricted duties does not automatically mean that an officer has to take up a back office role and it may be that one option is to differentiate those restricted duties officers who can perform an operational role and those who cannot.

185. However, there can be problems with regard to placing restricted duties officers in police staff posts, as it may give rise to claims regarding equal pay. One option would be to place such officers on police staff pay, terms and conditions. This could be achieved through the provision of new flexibilities for Chief Constables to 'authorise' particular powers, functions or duties to any member of the police service, in this case a police officer to a police staff role. This would effectively mean disempowering sworn officers to reduce their pay grade to any new role.

186. Forces should have in place key policies that deal with officers whose restricted duties exceed specified time limits. This requires striking a balance between the obligations of both forces and officers to provide rigour to existing rules. This balance may require further examination to determine whether existing restricted duties provisions continue to be effective.

187. An example of a force Human Resource policy for the treatment of officers on restricted duties is contained at Annex G of this paper.

#### **APA policy position: Restricted Duties**

- Introduce more rigorous eligibility criteria for restricted duty benefits
- Police authorities and forces advised have robust policy for restricted duty provisions

## **Pensions**

188. The APA makes several observations and proposals with regards to pension arrangements.

189. Our initial observation is that existing police pension arrangements, whether for police officers or staff, appear to be based on an outdated career model. We noted previously a trend towards more flexible working arrangements and career progression. The days of a job for life no longer apply. Police pensions must recognise this evolution.

190. Unsurprisingly, the APA's greatest concern is sustainability. Pension costs are projected, on their current trajectory to comprise an ever larger portion of overall expenditure; up to 40 percent of total pay bill by 2020. This cannot continue. We

acknowledge current reform initiatives in the wider public sector and support any initiatives to reduce pension costs, whether through adjustments to contribution levels or retirement age.

191. Final salary-based pensions must be abolished. In fact, our proposals on pay progression are largely irreconcilable with final salary pensions, where we aim to increase flexibility for movement between roles and to disconnect progression with rank. Average earnings/salary pension arrangements must become the norm, which would also increase alignment between the police service and what appears to be the direction of travel in the wider public sector.

192. We believe existing pension arrangements create an arbitrary barrier to productivity by effectively locking police officers into their jobs. Pension reform needs to facilitate the release of officers from the service at any point in their careers, without financial detriment to their pensions. This flexibility would also make a significant contribution to recruitment, by appealing to a more diverse and capable cohort of candidates, knowing they won't be financially hamstrung 10 years into their policing careers.

193. The pension scheme for most serving officers was set up in 1987 and had a built-in penalty for early exit due to the fact that the pension accrued at two rates: at 1/60 of final salary for the first 20 years of service and at 2/60 for the remaining 10 years. Significant changes have now been made to this scheme for those joining the police Service after April 2006. The New Police Pension Scheme (NPPS) has a single rate of accrual (1/70 final salary per annum) and provides a pension income of half of final salary plus a lump-sum payment of four times the annual payment.

194. In the same breath, the APA is deeply unsettled by instances of police officers retiring on full benefits at 30 years service, often in their early 50's, and rejoining the service, often as members of police staff. Indeed there are examples of officers currently, who, subsequent to retirement (in a technical sense) have returned to force as sworn officers at very senior rank. A simple solution to challenges of 'fairness' in such instances is to abate officers' pensions while continuing to be employed by the police service. There is already a limited provision for abatement when a pensioner resumes service as a regular police officer.

195. A further important issue concerns pension transferability; between public sector jobs and across the public/private sector divide. Changes in this regard would help facilitate the APA's desire to see more flexibility for experienced officers to step in and out of the police Service, bringing new and more diverse skills and experience to their roles. Enabling officers to switch between sworn and unsworn roles, including transfers into police staff roles would also provide enormous new flexibility for forces.

196. We acknowledge the need for protection of retrospectively accrued rights and pension entitlements in any proposals the government chooses to take forward.

#### **APA policy position: Pensions**

- Pension review to focus on long-term sustainability through cost reduction
- Improve workforce flexibility through increased pension transferability – both into and out of the police service
- Introduce more flexible 'early exit' pension provisions (closely related to transferability)
- Protect accrued pension entitlements

## Pay Machinery

197. The current approach to deriving police officer pay and conditions of service, specifically regarding the PNB, is unsatisfactory. Notable deficiencies include:

- Resolution is slow. Even the most insignificant of claims can take years to resolve.
- Negotiations concerning base pay are disassociated from peripheral elements of pay and conditions (e.g. allowances, benefits and guidance). This inhibits a holistic approach to the understanding and sizing the full remuneration package for police officers.
- PNB encourages a piece-meal approach to dealing with pay structures. The complexity of even component parts of pay and conditions make multi-dimensional, comprehensive analysis of groups of claims and issues challenging
- Arbitration decision-making is slow and again, piecemeal.
- Negotiations are severely hindered by insufficient, low quality data.

198. We understand the need to tread with caution in whatever changes are made to pay machinery. We are, however, firm in our position that the current model is ineffective and would require significant re-shaping or replacement. Time constraints have prevented the APA from fully considering alternative options. But broadly, these will consist of either a reconfigured and tasked PNB or a completely different vehicle, such as a pay review body. The APA is unable to take a firm view on the best way forward until a proper, full assessment of the options has been undertaken.

199. The APA is eager to fully engage with the Reviewer, where possible, to assist with developing change options.

200. A further issue to note is the relationship between the PNB and the Police Staff Council (PSC). PSC constitutes a national forum for negotiation of pay and conditions of service for police staff. Not all police authorities and their forces are affiliated with PSC, including the MPS.

201. The APA questions the continued merit of separate negotiating fora for police officers and staff. The ever-increasing convergence of functions in the police workplace makes it timely to assess the continuing relevance of existing structures.

202. We propose that when evaluating the future of PNB, the future of PSC and police staff requirements are taken into consideration, with a view to streamlining and/or consolidating processes wherever possible.

203. While integrated police officer and police staff pay and conditions are potentially a longer term objective, a common, integrated negotiating process could be an important precursor to that longer term aspiration.

204. Furthermore, for the purposes of achieving an integrated approach, we do not have difficulty with consideration given to extending restrictions on strike action to police staff.

### **APA policy position: Pay Machinery**

- PNB to be either dramatically re-modelled or disestablished
- Minimise potential for local bargaining
- APA preference is to retain some element of control over pay and reward decision-making process
- Explore options for a joint pay mechanism for both Police Officers and police staff

## **Equality and Diversity**

205. The APA has a strong interest in promoting equality and diversity.

206. We acknowledge the sensitivity and complexity of equality and diversity issues and call for further research in this area. In particular, we support an increase in the availability of flexible working arrangements wherever possible and justifiable in terms of fulfilling the needs of forces, police officers and staff.

207. It is our view that rigid attitudes and workforce structures will, in future, experience diminishing returns to investment. It is crucial that, as the police service continues to professionalise and diversify, forces adopt evermore sophisticated approaches to working practices to fully exploit the potential of their people.

208. Current, though fragile, evidence suggests the existence of gender inequalities on pay within the police service. Most, if not all of these inequalities appear connected with the payment of allowances and bonuses, including SPPs. For example, fewer women take up many of the specialist roles that attract SPPs. Similarly, for reasons that are unclear, female Superintendents appear less likely than male counterparts to apply for CRTPs.

209. We would hope our proposals to eliminate all existing incentive payments correct structural anomalies, but caution that alternative structures will require close scrutiny in advance of implementation to ensure built-in protection against inequality.

### *Police Staff – Lines of accountability and control*

210. Although not entirely an equalities issue in the conventional sense, the APA is aware of confusion among police staff about control and direction issues, particularly in terms of employment status and lines of accountability, vis a vis the role and authority of Chief Constables versus police authority managers.

211. As we know, police work has become increasingly civilianised, including operational policing functions. This is most evident in the significant uptake of mixed team working and rollout of PCSOs.

212. This 'blurring' of roles has created uncertainty among many police staff members about lines of accountability. Although police staff are employed by the police authority, in many instances they are managed and/or directed by police officers, ultimately accountable to Chief Constables. Lines of accountability have become fuzzy. Illustrating the problem is the distinctly different roles of police staff working within police authorities and those working with forces. Both groups are employees of the police authority but are subject to different lines of direction and control, and accountability. These issues need clarity.

### **APA policy position: Equality and Diversity**

- Explore new opportunities (research/initiatives) to further diversify the police workforce, particularly in terms of participation by black and minority ethnic groups.
- Forces to vigorously pursue flexible working arrangements that reduce inequality and improve workforce performance
- Clarify the status of ALL police staff (both force and police authority), specifically in terms of direction and control – vis a vis the roles and responsibilities of police authorities and Chief Constables.

## **Chief Officers**

213. The Chief Officer bonus scheme was introduced to recognise and reward high performers. In practice, the scheme has proved both unnecessary and divisive, and actually produced a chaotic range of behaviours and outcomes. Whereas some Chief Officers opted out of the scheme at the outset, others have dutifully taken up their bonuses, while others have rejected them on various grounds.

214. The practice of paying bonuses to any police officer, in the APA's view, sits uncomfortably with the public generally, who expect commitment and high performance as a matter of course. Commensurate with previous proposals for the scrapping of all bonus payments to police officers, the APA advocates the complete disestablishment of the Chief Officer bonus scheme. We see no merit in the provision of any form of performance-based pay for Chief Officers.

215. It is the APA's view, however, that further work is required to better understand the remuneration requirements for Chief Officers to ensure the service attracts and retains high-performing, motivated and talented leaders.

216. Related to Chief Officer pay is our firm belief that police authorities, and their potential successor entities must retain decision-making responsibility over Chief Officer appointments, including the design of remuneration packages within a national framework that all governance bodies are signed up to. This includes a careful examination of the leadership development framework to ensure that the right numbers of potential leaders are being developed and promoted through the system.

217. Supporting these ambitions, we propose that any new promotion and pay framework is complemented by an agreed national charter of principles governing the actions and behaviours of police authorities (or subsequent governance entities) in their approach to the design and makeup of remuneration packages for Chief Constables.

218. This proposal offers stability and rigour to the development of Chief Officer pay and conditions where to-date competition and the ensuing creative approaches taken by police authorities to attract and retain top talent has driven up the cost of 'packages' for Chief Constables. The net result is diminished transparency with increasing costs to police authorities – or more specifically, unnecessary wage inflation.

219. As regards pay levels for Chief Officers, the regime must attract suitably qualified and able individuals. We understand the temptation for direct comparison of remuneration packages between Chief Officers and other potentially equivalent roles, most notably senior civil servants or Chief Executives from the private sector. This is not,

however, an easy task. Recent attempts within the PNB to conduct just this type of analysis highlighted difficulties and were inconclusive.

220. Direct comparisons of pay based on levels and scope of responsibility, for example, fail to consider other attributes unique to the policing sector more generally. For example, Chief Officer candidates do not effectively compete in an open, let alone global market place for positions – reducing competition for places. Historically, the internal market has further been subject to distortions in terms of the controlled supply of prospective Chief Officers. Although this situation appears to be turning, the APA believes vigilance is necessary. Our proposals above for greater police authority oversight and influence of governance arrangements were also articulated in our submission to the Government’s consultation on “21st Century Policing”.

221. The APA proposes the following broad approach to determining pay levels for Chief Officers. Firstly, pay differentials between Chief Officer grades (DCC, ACC, CC) must be material. Second, for coherence, pay must correlate with levels of remuneration across the service generally. For example, Chief Officer pay may be appropriately calculated as multiples of Constable pay, with a premium for local population size, and area features such as geographic size and makeup (e.g. rural vs urban). There may be other relevant criteria. Clearly much work is to be done in this area and the APA emphasises the importance of drawing upon the expertise and experience of police authorities in this regard.

#### **APA policy position: Chief Officers**

- Disestablish the Chief Officer bonus scheme
- Police authorities to retain statutory responsibility for the appointment, and dismissal, of Chief Officers
- Work closely with the current review of Leadership and Training to ensure the right supply and demand framework for police leadership is arrived at.
- Introduce a nationally prescribed framework for Chief Constable remuneration that all governance bodies are signed up to and adhere to.

### **Business Interests**

222. Existing police regulations appear, in the APA’s view, to provide adequate controls over extraneous business interests of police officers.

223. The main concerns about conflicts of interest and impositions on an officer’s ability to fulfil his duties and commitments remain current.

224. While we do not automatically accept a direct link between pay and conditions and an officer’s propensity to maintain private business interests, or indeed, undertake secondary employment, further research on the matter, including an examination of empirical data within forces may be useful for affirming our comfort in the adequacy of existing Regulations.

### **Phasing of Changes to Police Pay and Conditions**

225. The APA is very concerned about timing issues of any reform proposals. Put simply, time is not on our side. If forces are to meet the financial challenges ahead, change to pay and conditions of service must happen sooner, not later.

226. Our proposals vary across several dimensions, including issue type, impact potential and implementation timeframes. The immediate financial imperative, in our view, should determine the phasing of any change programme.
227. We know forces will confront immediate budget pressures and that anything that releases cash will be actively pursued. We must be cautious, however, to avoid cashing in short term 'wins' at the expense of longer term improvement opportunities. Moreover, given the many interdependencies within pay and reward structures, hasty analysis and decision-making risks the introduction of flawed policy and perverse outcomes.
228. For example, it may be an option to immediately scrap SPPs and reduce overtime rates. But we must first understand the technical complexities of shifting to consolidated pay, including full cost implications.
229. However, where short term measures to introduce efficiency savings are possible, and don't present risks, they should be implemented as soon as possible. Redundancy is one such measure. The APA urges immediate action in this regard.
230. With the short timeframe for preparing submissions, the APA has not undertaken phasing analysis, but is prepared to assist the Reviewer in any way possible should it be desired.
231. Implementation timing is also made complicated by police authority budget cycles. Budget preparation typically commences in September/October, with final budgets agreed within police authorities by end of February. This timing is important because police authorities are required to provide local authorities with sufficient notice to enable police precept requirements to be incorporated in council tax bills, so these can be publishing by the end of March.
232. While 'in year' realignment or reallocation of budgets by police authorities is possible, following an announcement of any proposed changes to police pay and conditions, budget increases are not possible.
233. The APA is not aware of any police authorities preparing their 2011/12 budgets on expectation of changes to the pay bill, but we are concerned about how quickly budgets might adjust to enable any potential savings from such changes to be realised.
234. Appropriate phasing of any implementation programme is critical. We expect changes to pay and conditions to generate medium and long term savings, but at minimum implementation should achieve cost neutrality in the short term. Forces will be extremely unreceptive to any net increase in workforce costs, including over the short term.
235. It will therefore be necessary for short term 'one-off' implementation costs (e.g. redundancy payments) to be netted against potential immediate cost reductions (e.g. SPP).
236. Where changes to business systems and processes, including re-configured IT is required as part of an implementation programme, the APA calls for Home Office approval for police authorities and forces to capitalise any such expenditure, and for the provision of invest-to-save capital injection on a collective and case by case basis.

**Urgent action items**

- Introduce redundancy provisions for Police Officers
- Reform mutual aid pay provisions (incl. abolish Hertfordshire agreement)
- Abolish SPPs
- Home Office to provide invest-to-save capital and approve capitalisation of expenditure where appropriate

## ANNEX A: Defining modern, efficient and flexible

1. The Reviewer's letter to the APA requesting our participation in the Review contains particular language to describe, presumably, the ideal police workforce, as follows:

*They [terms of reference] provide that developing a **modern, efficient and flexible** workforce, remunerated in a way that is **fair** to Officers, staff and taxpayers, is as important as responding to the immediate and pressing fiscal challenges facing the police Service. [APA author's highlights]*

2. We are particularly interested in the terms, modern, efficient, flexible and fair.

3. The APA welcomes the inclusion of this description, believing it accords closely with our own aspirations for the future design and performance of the police workforce, and indeed police service more generally.

4. We think it useful to unpick the meaning of these words, to lay the foundations for an agreed intent on the outcome of the Review and which, we believe, necessarily underpin the proposals within our submission.

5. From a purely logical perspective, it seems reasonable to assume that whatever type of police service we might create, or at least aspire to having, should be 'modern'. But to be of value in steering our thinking and shaping our proposals, it is helpful to develop a shared understanding of what 'modern' looks like. To retain focus, we restrict our analysis of the term to an organisational context.

6. A modern organisation possesses features, characteristics and functions bearing semblance or equivalence to its contemporaries. The expression implicitly assumes a process of continuous improvement over time so that contemporary organisations are better than those that went before. Or more accurately, are more effective than predecessors at achieving their objectives. By extension then, a modern police force will exhibit attributes that accord with other modern organisations<sup>5</sup>.

7. We might expect, therefore, that a 'modern' organisation employs structures and processes similar to its peers in the pursuit of optimum efficiency and flexibility, and hence effectiveness. There will be other dimensions such as service or product quality, but which sit outside the scope of the immediate argument.

8. The APA, then, is particularly focused on the size of any 'gap' between the employment practices and structures of the police service and other contemporary service organisations.

9. Our submission deals with the matter of efficiency below, preferring to re-shape the debate toward concepts of productivity. Enhancing productivity is a fundamental driver of our policy position and overall submission. As regards 'flexibility', we deconstructed the concept under the section on 'deployment' and examined structural constraints and opportunities vital to improving productivity and overall performance.

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<sup>5</sup> Accepting that any such comparison will be with organisations bearing similar characteristics, requirements and intent – most notably to deliver an effective service.

10. We can reasonably assume that a 'modern' workforce is requisite to a 'modern', and therefore effective, police organisation. There are two components to modern in this context. A modern organisation:

11. Recruits and retains a workforce capable of fulfilling its mission

12. Possesses the appropriate structures, processes and culture to fully exploit the latent potential of its workforce.

13. It is difficult to describe a modern regime of pay and conditions for the police service, from anyone's perspective, without first knowing the type of workforce required to fulfil the service's objectives.

14. We must assume that optimal policing outcomes require an optimal workforce, or one that is fit for purpose. However, 'fit for purpose' brushes up against (often conflicting) stakeholder objectives and our final definition will, by necessity, lie on a continuum that strikes an acceptable and realisable balance between the demands of the police Service (and by extension the public), police officers and staff and various legislative requirements, including employment law generally. Establishing an appropriate description of 'fit for purpose', in this case, requires our analysis to focus largely on the needs of the public; that is to ask what service best meets the public's demands at a price they're willing to pay?

15. **Effectiveness** can be assessed in terms of:

- *Responsiveness* (doing the right things)
  - i. Addressing the public's priorities
- *Performance* (doing things right)
  - ii. Detecting crime and criminals
  - iii. Preventing crime
  - iv. Securing convictions
  - v. Protecting the public
- *Professionalism* (doing things the right way)
  - vi. Behaving respectfully
  - vii. Acting impartially
  - viii. Upholding the Office of Constable

**Efficiency** is the cost incurred for any given output, or group of outputs. An efficient police service is one providing the lowest cost service for a given range of functions and outputs delivering to a particular level of effectiveness.

16. Performing these specific functions well, or being effective, and at the lowest possible cost, is the challenge of policing, as indeed probably all organisations. And the challenge continues to escalate. The environment in which these functions need to be delivered, where ambiguity, technological innovation, globalisation and rapidly changing demography requires an evermore sophisticated policing response. In short, *remaining* effective keeps getting harder.

## **Fairness**

17. All will be aware of significant commentary, particularly media scrutiny, of 'fairness' in recent months. We note with interest use of the term in the Reviewer's letter to the APA. In fact, the term appears 10 times in both the letter and accompanying terms of reference for the Review.

18. We accept the intuitive appeal of fairness as a means to describe both the intent and outcome of situations and decisions that inevitably involve compromise between (typically) conflicting demands and expectations.

19. However, we caution against the Reviewer's use of, and reliance upon, both the expression and the concept of fairness as an approach to determining appropriate recommendations for reforming pay and conditions within the police service. The same caution should apply to the language used to communicate any such recommendations. We advise especially against any temptation to substitute conceptions of fairness for rigorous analysis, measurement, comparison and reasoning in arriving at final recommendations on pay and conditions in the Review.

20. Our concerns arise from observations at the PNB, where rigorous analysis of issues concerning conditions of service especially is commonly diminished by emotive exhortations about fairness – by both Sides. Indefinable and un-measurable, fairness often conceals the relevant issues and inhibits effective decision-making. Judgements of fairness can also provide a poor substitute in the absence of good quality data.

## ANNEX B: Productivity

1. The APA has more recently sought to shift debate from an erroneous historical focus on police officer numbers to 'service delivery'. For too long, the attention of politicians, the public, media, police forces and police authorities themselves on force strength has undermined rational discussion about value for money and diminished impetus for reform – including especially to pay and conditions of service. A shift is slowing emerging, but precariously.
2. The debate must shift from inputs to outputs – or even better, outcomes. The APA understands the context in which this debate has, and will continue to take place, and that a continuing focus on officer numbers suits the interests of some stakeholders. However, this shift is critical in several ways, the first being a reality-check on current financial circumstances.
3. The police service cannot absorb the announced budget cuts for 2010 and out years without a significant reduction in either headcount and/or actual rates of pay. The latter option is, to all intents and purposes, untenable at least in the short term and discarded from our analysis<sup>6</sup>. This situation presents immense challenges for forces and authorities in and of itself, but more so because of structural inflexibility within the pay regime concerning police officer redundancy. Existing police regulations prevent forces from shedding police officers. This issue is addressed in our submission.
4. The financial debate thus far has largely focused on improving force efficiency – and the recycling of savings. The approach has had the effect of driving down costs within forces, and quite successfully. In particular, collaboration, procurement and business process engineering have provided lucrative opportunities for efficiency improvement. However, the potential for further savings from these areas of activity is limited. The single greatest barrier to further, significant cost reduction across the service is existing pay structures. And for real savings, forces must focus on productivity, or worker output and performance, rather than efficiency, or simply cost reduction.
5. Reducing inflexibilities within pay structures will release further potential for savings from non-pay costs. At present, the potential savings from initiatives such as collaboration and business process re-engineering especially, are constrained by these inflexibilities.
6. If forces must reduce headcount, as has already been argued, and maintain (if not improve) service effectiveness, they must generate greater output per worker from a reduced overall headcount. Increasing workforce capability is essential for this occur. Achieving this outcome therefore depends on forces having people with the right skills working within the right structures, to realise productive potential. This includes pay and conditions of service.
7. The literature states that output for any entity is a function of the combination of labour and capital and Total Factor Productivity (TFP). Worker capability (knowledge and skills), as a component of TFP, leverages factor inputs through innovation (doing new things and/or old things in new ways) to increase overall productivity, in multiples. Anything that constrains the exploitation of personal competency constrains productivity.

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<sup>6</sup> Neither option detracts from the need for a more targeted pay regime that better rewards performance and incentives desirable behaviours. This implies a regime with greater emphasis on differentiating pay levels by role, function and output. Because the option to reduce existing base pay to some workers in some instances is not an option desired by the APA, a differential-based pay regime will require a longer timeframe to produce anticipated savings and increased Service performance overall.

8. As has already been demonstrated the police service, despite significant progress, has significant potential to increase workforce capability. Very little of this potential can be realised, however, under existing structures governing pay and conditions of service.

9. The dilemma is best illustrated by way of example, and which also indicates the interdependency of various strands of pay structures (Example 1).

Example 1.

Illustration of constraints imposed by existing pay structures upon workforce capability, and therefore productivity:

- Single point of entry
  - Fixed, low starting salary disincentivises high calibre workers from joining – where the money just isn't sufficiently competitive to permit career swapping
  - Workers with skills suited to specialist policing functions, but uninterested in response/front-office policing, inhibited from joining due to linear route of progression
  - Fixed pay spine inhibits flexibility to attract individuals with particular skills and expertise demanding higher pay
- Performance-based pay
  - Everyone gets an annual uplift irrespective of performance – diminishing incentive for self-learning and up skilling
  - Rank-based pay and progression is an expensive model for rewarding capability – where rank, rather than skills is the only means of recognising value
- Command and control ethos
  - Risk averse culture inhibits individual problem solving and responsiveness – diminishing individual capability, either in terms of recruitment standards or in work training and development
- Redundancy
  - Inability to remove officers inhibits innovation and reduces incentives for individual performance ('job for life' mentality)
- Shift patterns
  - Minimum notice periods for both changes to police officer rosters and overtime payments reduce workforce flexibility and increase costs

10. If forces are to do more (or the same) with less (fewer workers), they must focus on increasing the capability of existing and prospective officers and staff. While increasing productivity requires wider cultural and organisational reform, as already indicated, existing rules governing pay and conditions of service constrain latent potential within the workforce.

11. We should re-emphasise that although we have focused the discussion on enhancing productivity to address funding cuts, we are equally concerned about effective policing outcomes.

12. Questions still remain about the sustainability of existing services provided by the police. And in fact, modifying either the scope and/or quality of service is another

option for reducing costs (doing less). The APA does not, however, accept the inevitability of reductions in either service or headcount because of the cuts. At least not in the medium to long term. We do, however believe that by providing the right environment, including the tools, leadership and structures, policing productivity can be increased to fill the funding gap. Industry performance proves time and again that continuous improvement increases productivity. While accepting caveats on public/private sector comparisons, the APA believes there is scope for change in the delivery of policing services and that reforming remuneration and conditions of service is a fundamental requisite to step-change performance improvement.

## **Measuring Productivity**

13. Measuring productivity is difficult, irrespective of sector and organisation. The question will be asked, 'how will forces know when they're more productive?'

14. Policing has always grappled with performance measurement. Our understandable discomfort with qualitative measures of success has resulted in numerous quantitative performance indicators, including the incidence of crime and clearance rates. While these indicators are important, a more sophisticated approach is required to capture a complete picture of policing performance and effectiveness.

15. Performance, and hence productivity matters in several ways. Most critically, there is a hierarchy of performance indicators in terms of their importance and interest to the public. Public impact, both real and perceived, enables us to establish priority functions within policing. Catching and prosecuting criminals scores highly in the public interest – if only because it is seen as a core function of policing by the public, and can be measured. More difficult to measure, but no less important, is an absence of crime and public perceptions of policing effectiveness.

16. Effectively, measuring police performance, and hence productivity relies on both outputs (tangible measures of achievement) and outcomes themselves. While outputs are more readily quantifiable, outcomes present a significant challenge to forces. Underpinning measurement decisions, especially from the APA's point of view, is that forces should "measure what matters". What "matters" depends on the policing service package and public perception.

17. The challenge for policing is identifying what informs public perceptions of policing – a likely combination of observable, real deliverables (e.g. number of arrests) and perception (the streets are crawling with criminals), then prioritising activities for greatest impact. In this regard a risk-based approach to resource allocation must come to dominate prioritisation methodologies.

18. The problem faced by forces, however, is striking an appropriate balance between prioritising real risk and the public's perception of risk. The performance measures used by a force, and their ability to measure productivity, are intrinsically shaped by this balance. The more a force focuses on addressing perceived risk, the greater the measurement problem.

19. The previous government seemed to recognise the challenge of performance measurement, shifting to a single measure – 'confidence'. Although obscuring the complexity of its component parts, public confidence is indeed an appealing conceptual foundation for measuring police productivity. By definition, however, this approach depends on human perception and is therefore a measure of relativity (e.g. what does "good" look like?). Whether we think this is a problem determines the way forward.

20. Despite an apparently widely-held dislike of quantifiable performance metrics within policing, we do not believe productivity monitoring and improvement is possible without them. Aversion to such metrics seems to arise from the individual performance targets that typically accompany them. Although targets are useful in some instances, they create potential for manipulation and a check-box mentality. Irrespective, the application of performance metrics of some description are necessary to measure productivity, and more particularly, changes in productivity. Quantifiable metrics will, however, ultimately consist predominantly of intermediate measures of performance.

21. Importantly, the APA does not advocate a return to central targets that impose undue bureaucracy on police forces. And in fact, the use of targets generally, wherever they originate, requires sophistication to avoid the traps of increasing bureaucracy and distorting behaviours – both of which increase cost and risk adversity, and reduce organisational effectiveness.

22. The inherent difficulties of definitively measuring police performance (and success) bring us to an uncertain conclusion. This uncertainty may bring even greater discomfort in some quarters from our belief that the challenges inherent in measuring policing performance, means that at some point we might only rely on a *leap of faith* in the capabilities and performance of individuals and, by extension forces. We can, however, rely on established organisation theory to ameliorate concerns, which indicates that the more capable a workforce, the more productive its potential. Elsewhere in our paper we argue for greater empowerment of police officers and staff, augmented by the recruitment and development of an increasingly diverse, skilled and educated workforce.

23. It is clear from our discussion that measuring productivity in policing, as in any organisation, is difficult – and even more so when the basis for measurement is perception. Ultimately, measuring performance only makes sense when the benefits of doing so exceed the costs of data collection and analysis, and when the measurement itself adds value to the underlying product or service. We remain unconvinced that either of these requisites is likely to be satisfied by trying to measure productivity. Rather, intermediate performance measures, especially those of a quantitative nature should remain the current focus for forces. The APA does not believe a credible, robust measure of public perception is available. Further, we remain sceptical that one is possible at all given the anticipated costs and management expertise required to both develop and implement such a tool.

24. In addition, we believe that a capable police workforce catalyses higher productivity. On this basis measures of workforce capability may satisfactorily substitute for outcome-based productivity measures – or at least diminish the need to find them.

## **ANNEX C: Pricing ‘Office of Constable’**

1. The Office of Constable is an iconic pillar of British policing which creates a single point of reference for community confidence and security. Undoubtedly, the Review of pay and conditions is complicated by this Institution. Initially, the APA believes the Office of Constable needs stress testing for continued relevance in 21st century policing. We think it right to question whether the ideological benefits of the Office of Constable outweigh the practical considerations illustrated below and throughout this submission? Specifically, we focus our discussion on the costs associated with the Office of Constable.
2. Though the APA challenges the continuing relevance of existing pay structures within the police service, we understand the unique role of policing and police officers in our society, and consequently tread carefully in our analysis and proposals for reform. We acknowledge the importance of differentiating police officers in some way from other workers and members of society more generally. We understand the risks of corruption, graft and political interference and the need for an ultimately final bastion of public order and safety. But none of this should prevent rational debate about the role of the Office of Constable in the future of policing and its relationship with pay and conditions of Service.
3. We ask why police pay and conditions should or shouldn't differ markedly from those in other sectors, both public and private? If parity doesn't make sense, it is important to understand why and be able to communicate our reasons to stakeholders, including the public.
4. On the face of it police officers appear comparably well-remunerated. More so when wider aspects of pensions, leave and sickness entitlements and job security are taken into consideration. These entitlements are deliberately intended to reward police officers for purportedly unique aspects of their role. One such attribute is the Office of Constable. Our analysis below examines more closely the specific implications of the Office of Constable and what these mean for pay and conditions.
5. The issues for consideration are threefold, two of which potentially impose specific and measurable imposition on the lives of police officers, namely 'direction and control' (particularly 'recall to duty' but includes, for example, mutual aid duty) and 'right to strike' provisions. The third consideration alludes to expectations upon officer behaviour in their private lives and their obligation to avoid bringing the service into disrepute.
6. Society needs the security afforded by the reliability of its police service. Any ability by individual police officers to reject or ignore the lawful direction of his or her Chief Officer undermines public safety and confidence and is simply untenable. Similarly, security is compromised by a police workforce that can walk off the job (an issue which increasingly concerns police staff also in terms of service resilience, and which is addressed below).
7. The APA observes within the police service a widespread and deeply engrained sense of entitlement associated with the Office of Constable. Entitlement, in this case, comprises a market premium on pay and conditions of service to compensate for constraints imposed on officers' personal lives by their Office-holding status. We suspect, supported in particular from our participation in PNB negotiations, that officer perceptions of the impact of these constraints are inflated. Moreover, the APA regularly observes exploitation of these constraints to strengthen Staff Side justification for ever greater pay and increasingly favourable conditions of service. In this regard, police

officers have exploited the failings of the service to present robust counter-arguments. The challenge we face is 'pricing' these constraints. Understandably, a tension exists between police officers and forces in terms of the appropriateness of any such price.

8. The APA is interested to understand whether "what it says on the tin" in terms of restrictions imposed by Office holding status is meaningful in terms of the impact on the professional lives and personal freedoms of police officers. Our questions then relate specifically to each dimension of the Office of Constable and the true size of any imposition they impose upon the lives of police officers. We aim to shift debate from hypothetical assertions to an assessment of how the attributes of the Office of Constable play out in reality.

9. We seek to bring some rigour to the conversation – because it matters for the future of police pay.

10. Questions:

- Police officers are subject to recall to duty 24/7/365, implying an atypical burden upon their private lives when compared with the rights and obligations of workers in other sectors. Consequently, we ask:
  - How frequently are officers actually recalled to duty?
  - How often do officers intervene in incidents when off-duty ( perhaps as measured by the number of off-duty arrests)?
  - How frequently are officers disciplined for off-duty behaviour-related incidents?
- Police officers are subject to lawful direction by Chief Constables. We assume that the only imposition likely from this requirement occurs when an officer is re-assigned from their usual role and duties to perform extra-ordinary roles or tasks, which may or may not include different working hours. Involuntary mutual aid duty is included in this definition? Our questions include:
  - How commonly are officers reassigned to extra-ordinary duty?
  - How frequently are officers directed to undertake involuntary mutual aid duty?

11. Data is hard to come by, but empirical and anecdotal evidence gathered by the APA implies a less than compelling picture of burden upon officers. For example, Kent Police reports 1779 police officer recalls to duty in 2009/10, equating to 9177 officer hours. Total force strength is 3766 police officers (as at Oct, 2010). Concerning mutual aid duty and overtime, anecdotal quotes provided by one force human resources department include:

- "As a police Constable, I put myself forward for MAST training simply because I knew that it would increase my chances of overtime."
- "I was always happy to be called out on mutual aid which was normally 10 – 12 hours at double time."
- "I believe that generally the majority of Sergeants and Constables are invariably happy to go on mutual aid [paid] and the majority of Inspectors and above are not [unpaid]."

12. Whilst appreciating the poor reliability of the supporting information, the APA believes more research would worthwhile to paint a clearer picture of the issues.

13. Our view is that policing has evolved beyond conceptions of brawn and quasi-military 'force' into an institution concerned with work life balance, flexible working,

equality and career mobility. Contemporary management systems and leaders themselves within the service aspire to modern working environments which we suspect have suitably diluted the professional and public concerns originally most associated with the intent of the Office of Constable. So despite advocating within our submission retention of the Office of Constable status for all warranted police officers on ethical and ideological grounds, we remain sceptical about the actual imposition upon officers by such status.

14. Importantly, our view has implications for 'pricing' the Office of Constable. If the imposition is minor, we struggle to see justification for premium pay and conditions of service in recognition of Office-holding status. In any respect, the APA's pay proposals outlined in the body of our paper serve to ensure that where extra-ordinary imposition is typical and common, that the relevant individuals are appropriately remunerated. We can no longer support a pay regime that assumes all police officers are subject to the same demands, whether in terms of risks, skills and abilities, or disruption imposed by their Office holding responsibilities.

*How does the Office of Constable impact workforce flexibility (and therefore productivity)?*

15. It is important to recognise that any obstacle to workforce flexibility imposes a cost on an organisation where it is unable to allocate its resources to areas of business demand or do so in a manner that optimises productivity.

16. Workforce flexibility refers to matters of:

- Deployment – i.e. the ability of the employer to freely allocate resources, including people, to roles and locations that satisfy the business imperative. Restrictions impose costs
- Recruitment and retention – the ability of an organisation to freely compete with and attract workers on an open market.
- Market distortions – typically restrictions imposed by legislation (e.g. health and safety; equality, etc). The restrictions upon Officers of the Crown automatically assume a distortion to the free market mechanism by imposing additional costs on the employer (i.e. the need to pay more to attract suitable candidates)

17. The limitations on workforce flexibility for policing concern recruitment and retention. The police service draws its workforce from the open market, where competition for talent determines wage levels. The purportedly unique restrictions, obligations and risks upon and to individuals, both in and out of the workplace within policing, attract premium pay and conditions of service to attract and retain suitably qualified candidates. We question whether continuation of such a premium is warranted.

18. By definition, costs currently associated the Office of Constable reduce the ability of the service to attract candidate officers at the true market wage, negatively impacting productivity (via an overall higher cost base). If these impositions are largely inconsequential in terms of the size of impact, we might assume the fact to be recognised by the police workforce, both existing and latent, returning wage costs to their *real* level. Lower overall wage costs increase productivity.

19. The next section, 'Pricing Risk', continues the theme of our analysis by investigating the risks of harm faced by police offices and how pay structures might be more responsive.

## ANNEX D: Pricing Risk

1. Risks associated with personal injury or death for police officers are regularly presented as justification for extraordinary pay and/or conditions of service.
2. Policing is a complex, challenging and on occasions dangerous, and we do not seek to undermine the dedication of serving officers. However there is a clear lack of transparency in existing pay structures concerning the pricing and rewarding of risk. The current approach appears crude, if indeed risk is rewarded at all.
3. We know that pricing risk is difficult and establishing specific figures is both science and art. Accordingly, the APA does not advocate long-winded, expensive analyses in this area. We understand the need for a balanced approach.
4. The APA strongly supports fair reward for officers who expose themselves to potential personal harm in the course of carrying out their duties. However, the level of risk is rarely placed in satisfactory context, both in terms of policing roles and comparison of the risk level with non-policing roles (specifically, other occupations).
5. Axiomatic to our analysis is that not all policing roles expose officers (or police staff) to the same threat of injury and death. If we accept that risk is deserving of compensation, as the APA does, then it seems reasonable that the premium paid for exposure to risk should **vary by role**. Our proposed approach to pay already outlined permits variation of pay by role to accommodate this view. Quite simply, it is illogical that all police officers and members of staff are compensated for risk, irrespective of the level of risk their roles expose them to.
6. Of course, exposure to risk is just one dimension of value (*sic.* price) in any policing role. We make no attempt in this analysis to place a specific price on risk levels, but rather, seek to encourage rationale debate about the nature of modern day policing and risk-related issues.
7. A useful start to assessing the level of risk faced by police officers is establishing context. We think comparing injury and death rates with other sectors helps in this regard. Once we have a feel for the incidence of injury and death we can look at pricing issues. Again, a comparison with other sectors is useful.
8. Indicated below are simple indicators of the incidence of death in other sectors. Also included are pay levels for fire fighters and military personnel. We accept this analysis is relatively unsophisticated and draws no conclusions, but it establishes some high level observations from which further analysis is encouraged.
9. We think that our illustrative approach to analysing and pricing risk provides a useful basis for further work. We do not anticipate pricing risk for each and every role within policing. A more likely outcome is risk-assessment (and pricing) of job families.
10. Figure 1. below summarises data from the Health and Safety Executive (HSE)<sup>7</sup> for years 1976 – 95. We accept the data is dated.

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<sup>7</sup> Data from HSE, 1976-95 unless otherwise stated. Data Available at:  
<http://personal.rhul.ac.uk/uhte/020/Labour%202005/Most%20Dangerous%20jobs.pdf>

**Figure 1.**

<b>Occupation</b>	<b>Workers who died from accidents at work</b>	<b>Fatal accident rate per 100,000 worker-years (95% CI)</b>
Fisherman	454	103.1 (87.5-118.7)
Merchant seafarers	507	51.6 (38.7-64.5)
Energy and water supply industries	700	10.0 (6.7-13.9)
Agriculture, forestry and fishing	737	8.8 (8.2-9.5)
Construction	2404	8.4 (7.6-10.3)
Manufacturing	2264	2.2 (1.9-2.5)
Service industries	1619	0.7 (0.6-0.7)
All workers	9543	2.0 (1.7-2.2)

See also [http://www.hse.gov.uk/statistics/lfs/0809/injind1\\_3yr.htm](http://www.hse.gov.uk/statistics/lfs/0809/injind1_3yr.htm)

**Figure 2.**

<b>Police (September 2010)</b>		<b>Fire and Rescue Service (2009)</b>	
<b>Rank</b>	<b>Pay Range</b>	<b>Rank</b>	<b>Pay range</b>
PC	£23,259 - £36,519	Fire-fighter	£21,157 - £28,199
Sergeant	£36,519 - £41,040	Crew Managers	£29,971 - £31,263
Inspector	£46,788 - £50,751	Watch Manager	£31,940 - £36,752
Chief Inspector	£51,789 - £53,919	Station Manager	£36,365 - £40,109
Superintendent	£62,298 - £72,585	Group Manager	£41,881 - £46,428
Superintendent (range 2)	£71,331 - £75,909	Area Manager	£49,167 - £53,934
Chief Superintendent	£74,394 - £78,636		

11. It seems a reasonable observation that police officers and staff on operational, frontline duty are exposed to greater levels of risk than other officers and staff, whether uniformed or otherwise. It therefore seems inevitable that more officers and PCSOs fill these roles and are consequently exposed to higher risks than those at more senior rank, particularly at the level of Inspector and above. An Officer may be placed on response policing or motorbike surveillance for example, where the likelihood of a Superintendent being placed on those types of operations in the same role is much less.

12. One of the key differentials of the risk faced by officers is the notion that they may not be victims of accidents so much as victims of premeditated or spontaneous acts of aggression. In this context it is more comparable to the risk faced by the armed forces, in so much that they may be exposed to a deliberate act of violence intended to have fatal or near fatal consequences. However the pay of police officers in comparison to soldiers is strikingly different. Interestingly, the pay grades for Officers are similar to those for police officers:

**Figure 3.**

**Rates of Pay for Soldiers**

<b>Rank</b>	<b>Annual Salary</b>
On entry	£13,377
Private	£16,681– £28,372
Corporal	£27,051– £32,532
Sergeant	£32,114– £36,205
Colour Sergeant/Warrant Officer 2	£36,229– £42,404
Warrant Officer 1	£41,255– £45,836

**Rates of Pay for Army Officers**

<b>Rank</b>	<b>Annual Salary</b>
1. University Cadet Entrants	£12,470– £17,548
2. 2nd Lieutenant	£15,268– £24,133
3. Lieutenant	£29,006– £32,062
4. Captain	£37,172 –£44,206
5. Major	£46,824 –£56,078
6. Lt Colonel	£65,717 –£76,095
7. Colonel	£79,716 –£87,655

## **ANNEX E: A risk-based approach to pricing roles for officers and staff**

We encourage a risk-based approach to valuing and pricing police roles – which fits well with the proposals contained within the body of the APA response. We outline such an approach here. By first defining a role risk profile we establish the most appropriate person attributes required to mitigate that risk. The wage level assigned to a role constitutes a proxy price for mitigating the risks inherent to the role.

Risk defines both up and downside risk. That is the risk of events both happening and not happening. For example, risk may include the thread of a reduction in public confidence arising from police inaction as much as responses to specific events. The framework below attempts to capture these different forms of risk. The key assumptions for our approach include:

- The higher the risk associated with a role, the higher the cost.
- The higher the cost (pay & benefits), the better the incumbent (in terms of competence/commitment)
- The better the incumbent, the lower the risk (inverse relationship)

Therefore:

- Define roles by risk – providing risk score
- Scores define pay premiums attached to different roles.

### **Risk Mitigation**

Considering the risk profile for each role, we can develop a list of officer attributes that might indicate his/her ability to mitigate the risk and at what cost.

Our illustrative approach assumes that judgement and communication skills impact an individual's propensity for risk-taking and ability to mitigate risk. Equally, judgement is understood to be a product of life and job experience, interpersonal skill, maturity and cognitive ability such as reasoning and analysis, the latter acquired to a large extent through training and academic endeavour.

Table 2 below lists illustrative criteria for individual risk-profiling the cost of acquiring each attribute. We stress this is a purely illustrative exercise.

Figure 1.

<b>Officer Attribute</b>	<b>Cost</b> (High, Med, Low)	<b>Explanation</b>
Maturity / EQ	20 years – low 30 years – med 40 years – high	We might equate maturity with age, job and life experience. If we assume a positive correlation between earning power and maturity then the greater the maturity/EQ the higher the cost – most notably in recruitment. A minimum cost threshold will apply to probationer due to the application of minimum recruitment standards.
Policing experience	<ul style="list-style-type: none"> <li>▪ 0 – 2 years – Low</li> <li>▪ 2 – 5 years – Med</li> <li>▪ 5 – 10 yrs – high</li> <li>▪ 10 years &amp; over – v/high</li> </ul>	Could match against existing accreditation regimes
Other job experience	<ul style="list-style-type: none"> <li>▪ Voc. - Low</li> <li>▪ Voc / team - Med</li> <li>▪ Voc / team / man. - Med/H</li> <li>▪ Prof. - Med</li> <li>▪ Prof / team - Med/H</li> <li>▪ Prof / team / man. - High</li> </ul>	<p>We might want to assign value to different types of employment, such as professional and vocational. Further granularity might include team working experience and seniority.</p> <p>Are there existing models used for recruitment purposes?</p>
Level of Educational achievement	<ul style="list-style-type: none"> <li>▪ High School - Low</li> <li>▪ College - Low</li> <li>▪ Under-grad - Med</li> <li>▪ Post-grad - High</li> </ul>	
Rank	<ul style="list-style-type: none"> <li>▪ Probationer - Low</li> <li>▪ Independent patrol – Low</li> <li>▪ Sergeant - Med</li> <li>▪ Inspector &amp; above - High</li> </ul>	
Police vocational qualifications/training	<ul style="list-style-type: none"> <li>▪ Nil quals - Low</li> <li>▪ Specialist accred. – Med</li> <li>▪ Investigator - Med</li> <li>▪ Applied prof qual - High</li> </ul>	

## 1. Risk

An employer might ask, "what is the likely impact of service failure upon my business." Depending on the size of the impact and employer's appetite for the risk of such an event occurring he will determine the attributes (qualifications, etc) required in an employee that best mitigate such risk. It follows that the level of pay must be sufficient to attract a suitably qualified employee into the role.

Evaluating risks and our tolerance of them is the first step toward determining an appropriate level of pay. Once risk and tolerance are established we can identify our minimum acceptable attributes in any worker to obviate a given level of risk attached to any role.

## 2. Supply

A Surplus of candidates for any role will depress the level of pay and applies regardless of individuals' attributes.

On this basis we can apply the following formula:

$$\text{PAY} = \frac{\text{RISK TOLERANCE}}{\text{SUPPLY}}$$

# ANNEX F: Police overtime – an international comparison

May 2010

This report outlines an international comparative study of police overtime pay structures. While the research is limited in scope, it provides a useful basis for further analysis and debate into important issues such as officer welfare, public confidence and value for money.

## Executive Summary

1. A modern pay regime must optimise efficiency, provide value for money and enable professionalism. The APA believes the police pay regime in the UK, the way officers are paid, inhibits opportunities for step change improvement in all these areas. This includes a belief that the current regime represents an outdated model of policing that is no longer entirely fit for purpose in the 21<sup>st</sup> century. The APA seeks to actively contribute to, if not lead, modernisation of police pay.

2. In the UK, Federated ranking police officers (Inspector and below) are eligible for overtime pay. Overtime entitlements and rates of pay are agreed nationally through the PNB and prescribed in Police Regulations 2003, regulation 25.

3. This study follows on from recent heightened interest in police overtime, including separate research by the Home Office and the Centre for Crime and Justice Studies. Going further, the Government's 2010 budget announced required savings on overtime expenditure of £70m by 2012/13. Adding further momentum to this work, the APA will take the findings of the current study into a review of pay and conditions proposed by the recently appointed Home Secretary.

4. This study makes clear that overtime is inevitable in some circumstances. Moreover, the use of overtime for both planned and unplanned policing activity is a valuable mechanism for managing scarce resource. However some respondents also indicated that overtime expenditure in recent years typically exceeded budget forecasts, producing new focus on bringing its use under greater control.

5. Examination of non-UK Forces indicates a general dissatisfaction with overtime expenditure and a desire to improve current processes and procedures to increase efficiency (e.g. method of authorisation, payment rates, use of time off in lieu (TOIL). Improved shift management appears to be increasingly the focus of attention within police Forces.

## General Observations

- All responding forces agree that overtime serves a useful purpose, but also that uncontrolled use impacts upon budgets and that overtime payments should not be used to supplement salaries.
- Both the Victoria police and New York police agree that maintaining current overtime rather than hiring additional police officers will be more efficient, whilst the British government concurs that hiring more police may take the pressure off the police budget and possibly lead to savings.
- All surveyed Forces provide TOIL for overtime; British Forces offer double pay for officers working on bank holidays. Double time also applies when recalled to duty from statutory holiday?

- New Zealand is the only force which has a built in threshold of 5 hours with no OT compensation to be offered within that period - the rationale here being officers are expected to do extra hours which is reflected in their pay.
- In the last financial year Toronto police spent \$500,000 more than budgeted on court time. To cut overtime, officials have focused on the time officers spend in court, which on average makes up about 30 percent of overtime pay.
- All Forces indicated that shift work is demanding and often a detriment to police officer's health and well being. A police officer's effectiveness may be questioned as a result of lack of sleep and working long shifts.

## Background

6. The APA seeks to understand more about police overtime in the context of improving productivity and value for money across the UK police Service. This includes reviewing whether officer entitlements to pay and conditions of service under existing overtime arrangements are fit for purpose. This study does not examine overtime in the context of organisational requirements such as operational needs or managing resources. Although we recognise that overtime is an important tool in policing to help "smooth" inherently unpredictable levels of demand.

7. The APA is keenly interested in overtime arrangements elsewhere, against which to benchmark domestic policy and practice. A better understanding of contemporary issues and solutions identified elsewhere will help the APA to take forward any proposals for improvement to the existing overtime regime. We did not set out to establish the effectiveness of various overtime pay structures. We cannot therefore state whether some approaches to overtime are better than others. Our intention was always to examine the arrangements in place elsewhere as a basis for further examination of effectiveness. In terms of complexity of when overtime is authorised and how it is used, overtime should not be viewed in isolation. There are many other aspects of pay & reward which need to be considered to give a broader picture, recognising that overtime is only one part of the wider debate.

8. Police overtime is believed to cost the 43 police Forces in England and Wales about £485m a year. It is suggested that better workforce organisation could reduce the overtime bill by 70 million pounds by 2014. Police authorities and Forces in England and Wales are expected to meet both challenges: they must balance budgets and sustain delivery. The White Paper proposes improved deployment and demand management are a vital part of managing the use of overtime by forces.

9. Overtime can be quite an efficient way of fulfilling shortfalls in resources. All police forces who responded to the questions agreed overtime is only called upon when it is essential, to maintain operational effectiveness. Though overtime can never be eliminated, the overall feeling was it can be more successfully managed.

10. Policing is a dynamic 24/7 service, recognising there are national responsibilities and times when police genuinely need to call on officers to work beyond their scheduled hours. In some cases, police overtime expenditure is largely or even entirely unavoidable. Examples include instances in which an officer making an arrest is required to work extended hours to process the arrest made at the end of shift. Emergency or unplanned events in a city can result in significant police overtime expenditures e.g. the 7/7 Terrorist attacks in London.

11. Police overtime is a big cost as a result putting increasing pressure on police finance and budgets, both in the UK and on international Forces. The APA is interested in exploring alternative models for police overtime in an international arena, for opportunities to reform, which may include reform of overtime as part of a wider review of pay contracts. Any

changes to police pay need to be progressed through existing mechanisms, notably the Police Negotiating Board (PNB).

## Methodology

12. This research involved comparing of pay and conditions of employment of police officers in British Forces with those in other jurisdictions. The APA identified ten comparator forces for analysis.

13. Of the 10 countries examined, sufficient data was available on just four countries and two regional forces, New Zealand, Toronto, Canada, and Switzerland, Victoria Police (Australia). Most of the data obtained for New York was internet based research.

14. The data was gathered mainly through desk base research via the internet and direct email/phone contact. There were a number of limitations on the data gathering. For example, some data was classified as *restricted*. The level of detail available on police overtime was variable, making comparisons difficult.

15. The interpretation of the findings of this research requires caution. The small sample size and information gaps do not allow us to robustly conclude any trends of best practice in overtime arrangements.

## Findings

16. Some of the findings to emerge from the research include:

- Forces in the UK pay a significant amount in overtime compared to forces such as New Zealand and Australia which provide TOIL rather than cash payments when extra hours are worked
- Even though there is no paid overtime in the New Zealand Police, hours worked over and above rostered hours can however be reimbursed as Time Off in Lieu (TOIL). The pay (remuneration) level already recognises that constabulary employees are paid for some overtime (whether they work it not). Every sworn member of police has an overtime component of 5 hours per week built into their salary.
- The TOIL threshold in New Zealand has been reduced as a result of the pay negotiations over a number of years. In 2012 the threshold will be down to 3 hours per week - therefore once a constable does more than 3 hours overtime in a week, the excess hours will qualify for TOIL compared to the current 5 hour restriction.
- All Forces require management/lead officer sign off for all overtime worked which ensures there is no abuse of the system and myths such as police are working to 'boost' their salary are eradicated.
- Toronto police have separate compensation rules for police attending court hearings. For example, in Toronto the officer may elect to take cash payment or toil, and time and half for testifying in court on a scheduled day off.
- Switzerland is the force with different rates depending on morning or afternoon shift. For example, the overtime rates are divided into two separate categories. The higher rate (the individual monthly salary divided by 72) is paid for the following periods. Between 10 pm the day before Saturday or a public holiday and 6 am the next weekday; Between 10 pm the day before day/s off and 6 am the day after the day/days off; Between 10 pm and 6 am. The lower rate (the individual monthly salary divided by 94) is paid in all other occasions when overtime is applicable.
- The UK and Switzerland are the only two forces who offer double time pay to Officers working on bank holiday/public holidays , whilst the UK only pay OT to

Constable – Inspector ranks, in Switzerland it is offered to officers of all ranks who work OT.

- Toronto police Service expressed dissatisfaction of the current regime, and is currently exploring initiatives within the existing pay regime to reduce premium pay, have also taken several measures to control or reduce premium pay costs.

## **Conclusions**

17. It is difficult to draw any conclusions from this light study, other than that overtime regimes across jurisdictions varies considerably. However, a common theme among the sample group of forces is their desire to review existing pay structures to improve value for money. Some recommendations may include reforming police shift patterns to better suit public demand, cutting back on overtime payments, streamlining back office support services and finding cheaper IT solutions.

18. All Forces inferred if a police department is to manage overtime, it must be able to justify expenditures in terms of the work performed, to anticipate the rate and amount of payouts, and to explain why overtime had to be paid.

19. In England, forces agree the use of overtime can be beneficial and cost effective when considering the wider financial impact of employing and training new officers. Yet, there is a definite limit to which overtime should be relied upon.

20. Measures such as improved planning for special events, modified shift schedules to reduce costs, ensuring all overtime (where possible) to be approved by a supervisor before it is worked, and required to be recorded daily. In relation to monitoring and reporting aspects, the force is required to provide monthly variances reports, which include figures on premium pay.

21. By comparison, the New York police department believe the key to improving overtime management is foresight on the part of senior officers, which requires attention to analysis, record keeping, and supervision.

22. Police forces would benefit from careful monitoring of overtime trends, to ensure cost effectiveness as part of their continuing effort to reduce costs wherever possible. Police may also need to give some consideration to having budgets in place to demonstrate efficiencies, and decrease in overtime costs.

## **ANNEX G: Restricted duties – police case study: Lincolnshire Constabulary**

(Procedures used by Lincolnshire Police and approved by the PA)

- Occupational health assessment as early as possible to ensure that the officer is provided with support to get him/her back to work; this may include: private treatment, physiotherapy, psychotherapy or just general advice.
- Recuperative duties should only last for 12 weeks maximum, after which an officer will be expected to work full hours – be they or a restrictive nature.
- Any officer on restricted duties will have an action plan to support them through the recovery and back to full-time operational activity.
- If an officer is capable of undertaking non-operational work then he/she will normally fill a vacancy, normally an officer but there is the facility to employ them temporarily in a staff appoint until they are fit to return to normal (operational) duties.
- Forces should not create jobs for officers to be redeployed into on restricted duties.
- If an officer is on restricted duties for in excess of 6 months there is to be a formal review to decide whether that officer is capable of returning to normal (operational duties) or whether the medical discharge process should commence. If it is assessed that the officer is capable of returning to normal (operational duties) within a further 6 months then a further review is conducted at the end of that 6 month period.
- After 1 year on restricted duties, where an officer is not sustainable a process should commence to medically discharge the officer. However, where an officer meets the disability criteria under the DDA and the restrictions are sustainable he/she will be retained permanently in a suitable role. E.g. These may be operational roles that do not require the full range of activity (non-confrontational roles).

These procedures are designed to ensure that officers are back on normal (operational) duties as quickly as possible but allow for either medical discharge or restricted, which may also be operational, duties under the DDA.

“Lincolnshire policies and procedures are fair and equitable and meet both the needs of the individual and the Force. If used properly should, in my opinion, be retained and the APA should argue for the support of restricted duties for Officers.” John Cooke – Member Lincolnshire PA

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