



Prison Service  
Pay Review Body

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Nineteenth Report on  
England and Wales 2020

*Chair:* Tim Flesher CB





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on

**England and Wales**

**2020**

*Chair:* Tim Flesher CB

**Presented to Parliament by the  
Prime Minister and the Lord Chancellor and Secretary of State  
for Justice by Command of Her Majesty  
July 2020**



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ISBN 978-1-5286-1909-7  
CCS0420455368 07/20

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

# Prison Service Pay Review Body

## Standing terms of reference

The role of the Prison Service Pay Review Body is to provide independent advice on the remuneration of governing governors and operational managers, prison officers and support grades in the England and Wales Prison Service. The Review Body will also provide independent advice on the remuneration of prison governors, prison officers and support grades in the Northern Ireland Prison Service.

In reaching its recommendations the Review Body is to take into account the following:

- The need to recruit, retain and motivate suitably able and qualified staff taking into account the specific needs of the Prison Service in England and Wales and the Northern Ireland Prison Service;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Relevant legal obligations on the Prison Service in England and Wales and the Northern Ireland Prison Service, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability;
- Government policies for improving the public services, including the requirement to meet Prison Service output targets for the delivery of services;
- The funds available to the Prison Service in England and Wales and the Northern Ireland Prison Service as set out in the Government's departmental expenditure limits; and
- The Government's inflation target.

The Review Body shall also take account of the competitiveness of the Prison Service in England and Wales with the private sector, and any differences in terms and conditions of employment between the public and private sectors taking account of the broad employment package including relative job security.

The Review Body may also be asked to consider other specific issues.

The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, staff and professional representatives and others.

Reports and recommendations for the Prison Service in England and Wales should be submitted to the Prime Minister and the Lord Chancellor and Secretary of State for Justice. Reports and recommendations for the Northern Ireland Prison Service will be submitted to the Minister of Justice, Northern Ireland.

The members of the Review Body are:

Tim Flesher CB (*Chair*)  
Mary Carter  
Nicholas Caton  
Luke Corkill  
Professor Andrew Dickerson  
Judith Gillespie CBE  
Leslie Manasseh MBE  
Paul West QPM DL

The secretariat is provided by the Office of Manpower Economics.

## **The International Labour Organization 336th Report of the Committee on Freedom of Association**

The POA<sup>i</sup> took a complaint to the International Labour Organization (ILO) in August 2004, alleging that legislation deprived Prison Officers of the right to take industrial action and that they did not enjoy adequate compensation guarantees to protect their interests in the absence of the right to strike. In its 336th Report of the Committee on Freedom of Association (March 2005) the ILO noted that the POA saw the Prison Service Pay Review Body (PSPRB) as an inadequate compensatory mechanism because it had no powers to make binding recommendations, only to report and recommend, and there was no duty on the Minister to implement the award promptly or at all.

The Government stated that the establishment of the PSPRB in England and Wales, and Northern Ireland was inextricably linked to the introduction of voluntary agreements in that the Prison Service gave up the right to set pay increases in exchange for the POA's agreement not to organise industrial action. The Government stated that recommendations of the PSPRB are not binding in law, but in practice they would only be departed from in exceptional circumstances and are complied with in practice.

The Committee recommended that the Government continued to ensure that the awards of the PSPRB are binding on the parties and may be departed from only in exceptional circumstances.

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<sup>i</sup> The professional trades union for prison, correctional and secure psychiatric workers.

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## Contents

	Paragraph	Page
		viii
		ix
		x
<b>Chapter 1:</b>	<b>Introduction</b>	<b>1</b>
	Our role	1.1 1
	Outcome of our last report	1.4 1
	Our remit this year	1.6 2
	Our timetable	1.8 2
	Our evidence base	1.10 3
	Visits	1.13 3
	Our 2020 report	1.16 4
<b>Chapter 2:</b>	<b>Context and the parties' proposals</b>	<b>5</b>
	Introduction	2.1 5
	Economic context	2.2 5
	<i>Economic growth</i>	2.3 5
	<i>Inflation</i>	2.5 5
	<i>Labour market</i>	2.6 5
	<i>Earnings</i>	2.7 5
	<i>National Living Wage</i>	2.10 6
	Financial context	6
	<i>The Spending Round</i>	2.12 6
	<i>Approach to public sector pay</i>	2.15 7
	<i>Affordability</i>	2.17 7
	<i>Productivity</i>	2.20 8
	Environmental context	8
	<i>Covid-19</i>	2.21 8
	<i>Prison population</i>	2.23 8
	<i>Her Majesty's Inspectorate of Prisons annual report</i>	2.25 8
	<i>Safety in custody</i>	2.29 9

---

	Evidence from visits	2.33	10
	The parties' proposals	2.40	12
	Request for evidence	2.46	15
<b>Chapter 3:</b>	<b>Our Remit Group</b>		<b>17</b>
	Introduction	3.1	17
	The composition of our remit group		17
	<i>Staffing</i>	3.2	17
	<i>Transfer of HMP Birmingham staff to HMPPS</i>	3.7	18
	<i>Two-tier pay structure</i>	3.9	19
	<i>HMPPS workforce strategy</i>	3.14	19
	<i>Pay comparability</i>	3.17	20
	<i>Allowances</i>	3.19	20
	Recruitment and retention	3.27	21
	Locality pay and market supplements	3.40	24
	<i>Fair and Sustainable Band 3 analysis</i>	3.48	26
	Performance management	3.62	34
	Equality and diversity	3.70	35
	Motivation and morale		36
	<i>Civil Service People Survey</i>	3.79	36
	<i>Sickness absence</i>	3.81	37
	<i>Evidence from the parties</i>	3.84	37
<b>Chapter 4:</b>	<b>Our recommendations on pay for 2020</b>		<b>39</b>
	Introduction	4.1	39
	Analysis	4.4	39
	Affordability	4.17	42
	Support and officer grades pay award	4.20	42
	<i>Fair and Sustainable Band 2</i>	4.24	43
	<i>Fair and Sustainable Band 3</i>	4.26	43
	Operational managers pay award	4.41	47
	Pay progression and performance awards	4.42	47
	<i>Support and officer grades</i>	4.47	48
	<i>Operational managers</i>	4.52	49
	Opting in to Fair and Sustainable	4.56	49
	Locality pay	4.60	50

---

	Allowances and payments		50
	<i>Notional rents</i>	4.63	50
	<i>National Tactical Response Group</i>	4.69	51
	<i>Duty Governor allowance</i>	4.72	51
	<i>Other allowances and payments</i>	4.77	52
	Cost of our recommendations	4.78	52
<b>Chapter 5:</b>	<b>Looking ahead</b>		<b>55</b>
	Introduction	5.1	55
	The role of the Prison Service Pay Review Body	5.2	55
	Our timetable	5.3	55
	Pay aspiration	5.4	55
	Request for evidence	5.8	56
	Equality and diversity	5.10	57
	POA engagement	5.13	58
	Conclusion	5.14	58
<b>Appendices</b>			
	A: Minister’s activation letter and our response		59
	B: Correspondence with the Prisons Minister on HMPPS written evidence delays		62
	C: Locations visited in 2019-20		65
	D: Current and recommended pay levels		66
	E: Locality Pay Allowance rates		76
	F: Allowances and payments		77
	G: Notional rent		80
	H: Recommendations from the 2019 England and Wales report		81
	I: Summary of PSPRB recommendations from 2014 to 2018		83

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## Glossary of Terms

ACH	Additional Committed Hours
ACHP	Pensionable Additional Committed Hours
ARC	Assessment and Recruitment Centre
ASHE	Annual Survey of Hours and Earnings
BAME	Black, Asian and minority ethnic
CPI	Consumer Prices Index
CPIH	Consumer Prices Index including owner occupiers' housing costs
FTE	Full-time equivalents
HMIP	Her Majesty's Inspectorate of Prisons
HMP	Her Majesty's Prison
HMPPS	Her Majesty's Prison and Probation Service (or the Prison Service)
IDR	Incomes Data Research
ILO	International Labour Organization
IRP	Independent Review of Progress
JES	Job Evaluation Scheme
LPC	Low Pay Commission
LPA	Locality Pay Allowance (refers to the closed rates in Appendix E)
MoJ	Ministry of Justice
NLW	National Living Wage
NOMS	National Offender Management Service (now HMPPS)
NTRG	National Tactical Response Group
OME	Office of Manpower Economics
ONS	Office for National Statistics
OSG	Operational Support Grade
PCS	Public and Commercial Services Union
PGA	Prison Governors' Association
POA	The professional trades union for prison, correctional and secure psychiatric workers
PSPRB	Prison Service Pay Review Body
RHA	Required Hours Addition (allowance)
SSCL	Shared Services Connected Ltd
SOC	Standard Occupational Classification
SPDR	Staff Performance and Development Review
TOIL	Time off in lieu
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
YOI	Young Offender Institution

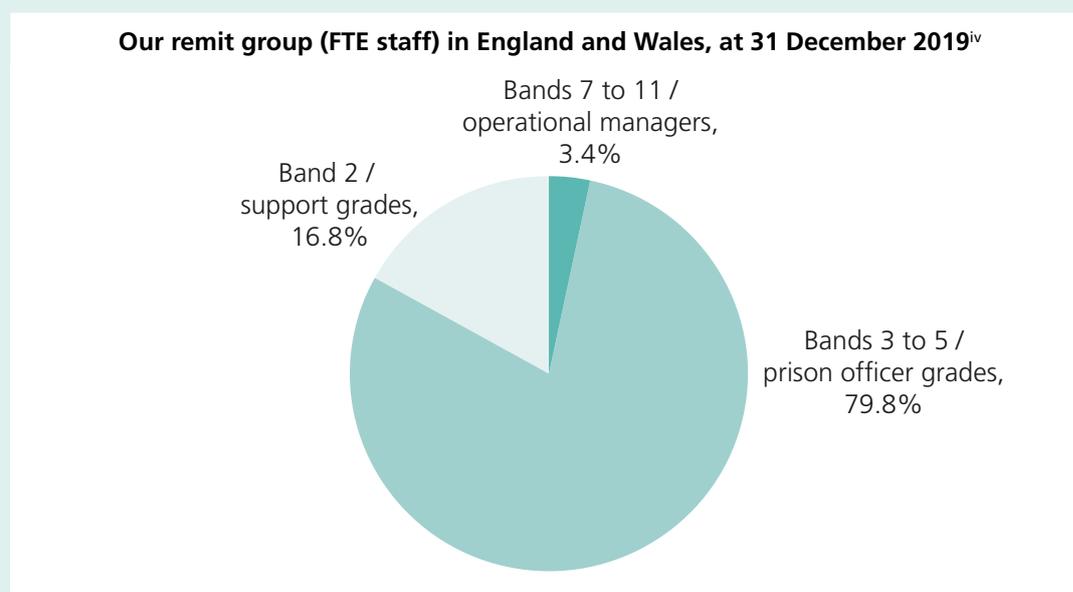
## Her Majesty's Prison and Probation Service (HMPPS) in England and Wales and our remit group

Her Majesty's Prison and Probation Service (HMPPS) is responsible for adult and young offender management services for England and Wales within the framework set by the Government. It is an Executive Agency of the Ministry of Justice. The agency currently manages Her Majesty's Prison Service and the National Probation Service. In addition, it oversees privately run prisons and Community Rehabilitation Companies. Its role is to commission and provide offender management services in the community and in custody, ensuring best value for money from public resources. It works to protect the public and reduce reoffending by delivering the punishments and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

On 20 March 2020, the prisoner population across both the public and private sector estates was 83,709 (1.4% higher than a year earlier)<sup>ii</sup>.

HMPPS paybill costs relating to the remit group in 2019-20 were approximately £1.2 billion (including social security and other pension costs)<sup>iii</sup>.

At the end of December 2019 there were 27,762 full-time equivalent staff (FTE) in our remit, down from 28,311 a year earlier (a decrease of 1.9%). The composition is below.



	<i>FTE staff</i>
Bands 7 to 11 / operational managers	942
Bands 3 to 5 / prison officer grades	22,154
Band 2 / support grades	4,666

<sup>ii</sup> 20 March 2020 date has been used as this was prior to the scheme to manage the early release of prisoners due to coronavirus (Covid-19). For comparison, on 1 May 2020 the prisoner population was 80,827 (2.2% lower than a year earlier).

<sup>iii</sup> Office of Manpower Economics (OME) estimate based on September 2019 prison staff numbers and estimated allowance costs.

<sup>iv</sup> OME analysis of HMPPS workforce data. Her Majesty's Prison and Probation Service, (2020). *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020]

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# Prison Service Pay Review Body 2020 report on England and Wales

## Summary

Our recommendations for 2020 are:

**Recommendation 1:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Band 2 spot rate and the National Bands 3 to 5 base pay points, along with the closed support and officer grade spot rates and base pay points, be increased by 2.5%, as set out in Appendix D. This award to be consolidated and pensionable for all staff.

**Recommendation 2:** We recommend that from 1 April 2020 the consolidated, pensionable salary for Prison Auxiliary and Night Patrol staff be increased to the National Living Wage or by 2.5%, whichever gives the greater amount.

**Recommendation 3:** We recommend that from 1 September 2020 the *Fair and Sustainable* National Band 3 base pay points increase by £2,564 giving a total consolidated and pensionable award of £3,000 when the 17 per cent unsocial hours payment is included. On 1 September 2020, this replaces the 'amber' market supplement and £3,000 of the 'red' market supplement for those Band 3 staff who currently receive them.

**Recommendation 4:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager pay scales (including the closed grade Required Hours Addition cash element) be increased by 2.5%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.5% so that they remain at the same relative position in the 2020 pay range. This award to be consolidated and pensionable for all staff.

**Recommendation 5:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2020 progress by one pay point effective from 1 April 2020.

**Recommendation 6:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2020 receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum.

**Recommendation 7:** We recommend that from 1 April 2020 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.5% and continue to be applied consistently across all bands, positioning maxima at £2,726 and £4,148 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

## Introduction

i. This report sets out our recommendations on pay and allowances for operational prison staff from 1 April 2020. While writing our report this year, we were mindful that the Prison Service is operating in a very different and challenging context due to coronavirus (Covid-19). We recognise that this is adding further pressures onto the already difficult job that prison staff do and we have been enormously impressed by the many ways in which staff at all levels

have confronted these extraordinary challenges and the risks these entail. We believe the determination of staff to maintain stability across the prison estate highlights the bravery and professionalism of our remit group and this should be commended.

ii. The impact of Covid-19 has also made it more difficult for us to consider the key economic benchmarks which we would usually draw on when making our decisions. Although we have considered the data that was available to us at the time of reaching our decisions we are aware that forecasts by the Bank of England and Office of Budget Responsibility suggest that Covid-19 will have a significant downward impact on the whole of the United Kingdom and global economy.

iii. We have made recommendations for our remit group based on the evidence we received. The objectives we have set out to address this year are:

- To provide all staff with an above-inflation, consolidated pay increase;
- To improve the competitiveness of our remit group's pay scales and ranges;
- To target pay to support the recruitment and retention of Prison Officers, particularly in light of increased Border Force and Police recruitment; and
- To reduce the pay differential between *Fair and Sustainable* and closed grades where the gap continues to remain significant.

iv. We ask that the Government consider this year's recommendations and publishes our report in good time to ensure staff receive their pay award without delay.

### **Role of the Prison Service Pay Review Body**

v. The Prison Service Pay Review Body (PSPRB) was established under statute in 2001 to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales, and in Northern Ireland. The PSPRB was set up by the Government as a compensatory mechanism for the remit group's loss of the right to take industrial action of any form. This was reinforced in the 336th report of the International Labour Organization (ILO) in 2005, in which the Government gave a clear and unequivocal commitment to depart from the PSPRB's recommendations only in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This commitment by the Government to the ILO remains.

### **Our remit and approach this year**

vi. On 30 October 2019, the Minister of State for Prisons and Probation, Lucy Frazer QC MP, wrote to us asking us to commence our work for the 2020-21 pay round. The activation letter drew our attention to the three central principles of the Government's pay policy: current and future affordability to the taxpayer; targeting awards to ensure HMPPS can recruit and retain the best public servants; and accompanying workforce reform and improvements in productivity, which can then be reinvested in higher pay. The Minister further asked that the PSPRB have due regard to the HMPPS policy commitment to prioritise investment in the *Fair and Sustainable* pay and grading structure.

vii. We received written submissions from the Public and Commercial Services Union, the Prison Governors' Association and Her Majesty's Prison and Probation Service (HMPPS). Although the POA has maintained its position of not submitting evidence to us, as mandated by its membership at its 2015 Conference, we received an open and without prejudice letter from its General Secretary in April 2020. In late 2019 and early 2020 we also conducted 16 visits

allowing us to meet and hear evidence from remit group staff at all levels on a wide range of issues.

### **2020 pay award**

viii. In determining the headline increase for staff this year, we concluded that there is a need for a consistent approach to pay awards for staff in both *Fair and Sustainable* and the closed grades. We felt it was particularly important to recognise frontline operational staff in both structures who continue to do a demanding job. Although we had limited official economic data, we noted both the figures of the Consumer Prices Index including owner occupiers' housing costs rate of inflation in March 2020 at 1.5% and the average earnings growth across the whole economy at 3.1% in the three months to January 2020. We also looked at the competitiveness of the pay scales and ranges, alongside the Incomes Data Research (IDR) report on prison staff pay comparability commissioned in 2019 and the Office for National Statistics' Annual Survey of Hours and Earnings (ASHE) data. We sought to recommend a headline award that was affordable, offered value for money and would allow our remit group to see some real-terms pay growth.

ix. We therefore recommend a consolidated, pensionable increase of 2.5% for all staff. For Prison Auxiliary staff and Night Patrol staff, we recommend that their consolidated, pensionable salary is increased to the Government's National Living Wage or by 2.5%, whichever is the greater. These recommendations will deliver the same percentage increase to staff irrespective of whether they are on *Fair and Sustainable* or closed scales.

### ***Fair and Sustainable* Band 3**

x. In analysing the evidence available to us this year, we felt that it strongly supported targeting additional investment at the *Fair and Sustainable* Band 3 Prison Officer scale. Band 3 is the main operational recruitment grade into the Prison Service, which is facing a significant challenge in terms of retaining staff at this grade. HMPPS informed us in oral evidence this year that it needed capacity to recruit up to 4,000 new Prison Officers a year, at a cost of around £13,000 per recruit, to keep pace with current attrition rates and recruitment drives by the Border Force and Police. We calculate in our report that the cost of new Band 3 recruits leaving the Service after less than two years of service is around £30 million a year. This is not only an inefficient use of public money but suggests that the Service is overall not attracting or selecting candidates for the longer term, indicating that there could be more fundamental issues with the recruitment, training and induction processes.

xi. HMPPS introduced market supplements of £3,000 and £5,000 in early 2017 to aid recruitment and retention at 31 prisons that had been failing to recruit and retain sufficient numbers of staff. However, in its own review of the supplements carried out at the end of 2019, it found that, although they had been reasonably effective at slowing resignation rates between March 2017-18, those rates had started to rise again from March 2018. In the data we received from HMPPS showing the breakdown of leaving rates per establishment, eight out of the top ten sites with the highest turnover rates between April 2018 and March 2019 were not 'amber' or 'red' market supplement sites. This indicates that retention is a wider problem across the whole prison estate.

xii. We have expressed concern in recent years that the market supplements are having a ripple effect at other prisons. Our concern is highlighted in HMPPS's review of the market supplements in which it concludes that it plans to seek approval from Her Majesty's Treasury to continue paying the market supplements from March next year and potentially expand the sites that receive them. One such site is HMP Wayland (in rural Norfolk) which had a resignation rate of 20.5%. We have serious reservations that expanding the sites that receive the supplements

will introduce yet more tiers to an already complex and unequal pay system and may have unintended consequences for other prisons that are in close proximity.

xiii. Our own analysis of the IDR and ASHE data this year points to an insufficiently competitive level of pay for Band 3 Prison Officers. This analysis showed that, while the Band 3 pay range overlapped with many of the comparators in the IDR study, this was often an overlap at the lower end of the comparator range. In particular, the Band 3 maximum fell below median economy-wide earnings in all regions, showing the relative position of the pay range maximum has deteriorated in recent years. Overall Band 3 pay compared poorly against other occupations located in the same broad occupational group as Prison Officers. While we recognise that there are a number of factors that influence individuals' career decisions, we believe pay is a key contributor. The overwhelming conclusion we drew from these data is that there is a clear issue with the market position of Band 3 Prison Officer pay; a conclusion borne out by the trends in the workforce data, particularly retention rates.

xiv. We believe it is crucial that the Prison Service invests in its pay structure now, not only to bring down the cost of turnover among the cohort of newly recruited Prison Officers but to also attract recruits who will remain in the Prison Service and bring the benefits of experience to the effective running of prisons. Our recommendations represent the first significant step towards improving the relative position of staff pay at Band 3, but we note that further meaningful increases will likely be needed in future years to improve the relative pay position of all staff in our remit group.

xv. We therefore recommend that from 1 September 2020 the 'amber' market supplement is consolidated into pay, resulting in a £3,000 increase in pensionable pay for all staff on the *Fair and Sustainable* National Band 3 pay scale. This £3,000 increase should be paid to all operational staff in Band 3, including those working at 'red' market supplement sites. We further recommend that HMPPS continues to pay an amended non-consolidated 'red' site market supplement of £2,000 a year to those Band 3 Prison Officers at the 18 prisons that currently receive it. We will review this in the future in line with our longer-term aspirations for Band 3 Prison Officer pay.

xvi. By increasing pensionable pay for Band 3 Prison Officers by £3,000 we are making a substantial move to close the gap between the maxima of the two pay structures, whilst reducing anomalies in the pay system. Our calculations show that this will reduce the gap between the National Band 3 maximum and the closed grade Prison Officer maximum by almost two thirds. We believe that this award recognises and supports HMPPS's policy commitment to invest more in *Fair and Sustainable* and to reduce the risk of equal pay claims.

### **Pay progression and performance awards**

xvii. In our report last year we made it clear to HMPPS and staff in our remit group that, if we did not receive evidence to demonstrate that the performance management system was sufficiently robust, credible and fair, then we would be unlikely to continue to recommend performance-related pay progression or performance awards for any grades of staff going forward. HMPPS acknowledged this year that there were "issues" in performance management across the Prison Service and the system was "inadequate" in assessing women, Black, Asian and minority ethnic and disabled staff. However, it fell short of recognising this problem applied to all grades of staff. We received written evidence from HMPPS still proposing performance-related pay progression and performance awards for operational managers despite it providing us with no credible evidence to show that the system was working for these grades. In fact, the data continued to show a large discrepancy between the number of senior managers receiving 'Outstanding' performance markings compared to more junior staff.

xviii. We therefore recommend that all staff on *Fair and Sustainable* Bands 3 to 5, following uplift to the pay scales, should progress to the next pay point unless they are subject to formal poor performance measures. Last year we recommended that *Fair and Sustainable* Band 2 became a spot rate and consequently staff at this grade do not receive pay progression.

xix. Following the uplift to the pay ranges, we recommend that all staff on *Fair and Sustainable* Bands 7 to 11 should receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum. Those staff on formal poor performance procedures should not receive pay progression and are entitled to the general pay award uplift only.

xx. We further reserve the right not to recommend any performance-related pay progression or performance awards until we are confident that the performance management system is robust, credible and fair, and bias in the system has been appropriately addressed.

### **Allowances**

xxi. We are mindful that many of the allowances within our remit have not been reviewed by the PSPRB for a considerable number of years. We therefore wish to flag to all parties that we propose to undertake a rolling programme to review some of these allowances each year, depending on the weight of the evidence we receive.

xxii. For our 2021 report, we also ask the parties to send us evidence on notional rents, the National Tactical Response Group, and the workload of operational managers. Further detail on these requests can be found in Chapters 4 and 5 of our report.

### **Cost of our recommendations**

xxiii. We estimate that our recommendations will result in an increase of approximately 4.0%<sup>v</sup> (£48.2 million) to the total paybill for our remit group. This equates to 1.0% of HMPPS's £5 billion annual budget for operational expenditure<sup>vi</sup> as of 2018-19. As we have set out in previous reports, we do not consider that the cost of pay progression or contractual performance awards should be included when calculating the cost of the annual pay award.

### **Looking ahead**

xxiv. Looking ahead to the next pay round, we have asked the parties to address several issues in evidence for our 2021 report so that we may consider them more fully. These cover a range of data requests as well as evidence about recruitment and retention, motivation and morale, performance management and equality and diversity. We also note that a lot of the information requested in our 2019 report was not provided to us this year, particularly by HMPPS in its written evidence. We are an evidence-based body and this information is important to enable us to discharge our statutory duty. We take this responsibility seriously and will continue to challenge HMPPS and other stakeholders where necessary when this information is not provided.

xxv. We see our recommendations this year as a first significant step towards reaching our longer-term aspiration of setting a single rate or scale for our remit group grades that reflects the market rates of pay for similarly skilled workers. We intend to update and maintain our data, such as the IDR report comparators and ASHE data, to support our 2021 and future

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<sup>v</sup> This percentage takes account of both our recommended increase to pay scales and those elements of the paybill that are not subject to any increase. It also takes account of anticipated savings from the recommended changes to the market supplements.

<sup>vi</sup> HMPPS, (2019). *HMPPS Annual Reports and Accounts 2018-19*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2018-19> [accessed on 21 May 2020]. At the time of writing our report the Annual Reports and Accounts for 2019-20 had not been published.

reports. However, we repeat that substantial investment is likely to be needed over the next few years to improve relative pay for our remit group grades.

xxvi. We ask that HMPPS submits timely evidence to us for our 2021 report in order that we can deliver our report in time for a 1 April 2021 implementation date.

## **Conclusion**

xxvii. Whilst we recognise the financial pressures that HMPPS faces within its current budget, we feel there are strong value for money justifications for our recommendations. The evidence we received this year demonstrates uncompetitive pay levels and unsustainable recruitment and retention costs. It is imperative that the Service invests in pay to ensure that the *Fair and Sustainable* pay framework remains competitive and that it reduces the worsening retention rate and associated costs of this, particularly at Band 3. It is equally important to ease the burden on experienced officers, who are key to maintaining stability across the prison estate and to training and mentoring new recruits.

xxviii. We further consider that the Service can make immediate productivity savings through a reduction in Band 3 Prison Officer turnover costs by implementing our recommendations thereby, in part, offsetting the cost of a higher award this year.

Tim Flesher CB (*Chair*)

Mary Carter

Nicholas Caton

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## Chapter 1: Introduction

### Our role

1.1 The Prison Service Pay Review Body (PSPRB) was established in 2001 under statute<sup>1</sup> to examine and report on matters relating to the rates of pay and allowances to be applied in the public sector prison services in England and Wales and in Northern Ireland.

1.2 We were created as a compensatory mechanism for our remit group's loss of the right to take industrial action of any form. This was outlined in the 336th report<sup>2</sup> (2005) by the International Labour Organization (ILO), in which the Government gave a clear and unequivocal commitment only to depart from the PSPRB's recommendations in "exceptional circumstances" and agreed that such recommendations would be complied with in practice. This pledge by the Government has not been rescinded. This therefore places a particular responsibility on us, and it is one that we take very seriously when formulating our recommendations. Given this context, we consider that, if the Government rejects any of our recommendations, the remit group should receive a full explanation of the "exceptional circumstances" that have led to that decision.

1.3 We have standing terms of reference which supplement our statutory remit. They emphasise that we should provide independent advice based on the range of evidence available to us. There are several elements in our terms of reference which we are asked to take account of when making our independent recommendations to Government, these are:

- Recruitment and retention factors. For example, can the Service recruit and retain the numbers of suitably able staff that it requires;
- Remit group morale;
- Labour market issues, including regional and local data, and the effects on recruitment and retention;
- The legal obligations placed on the Prison Service;
- Affordability of our proposals, which includes the Government's inflation target, and the funds available to the Prison Service;
- The competitiveness of the Prison Service with the private sector, along with any differences in terms and conditions and taking account of the broad employment package; and
- The economic and other evidence submitted by the Government, staff, professional associations and others.

### Outcome of our last report

1.4 In our 2019 report for England and Wales<sup>3</sup>, we made recommendations relating to staff on both the *Fair and Sustainable* and closed pay structures. In that report we recommended a headline award of 2.2% for all *Fair and Sustainable* and closed grade staff, whilst recommending a targeted 3.0% award for Band 3 *Fair and Sustainable* Prison Officers. We also made several other recommendations relating to: performance-related pay progression; performance awards; and the introduction of a new annual allowance for the National Tactical

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<sup>1</sup> The Prison Service (Pay Review Body) Regulations 2001, (SI 2001 No. 1161). Available at: [http://www.legislation.gov.uk/ukxi/2001/1161/pdfs/ukxi\\_20011161\\_en.pdf](http://www.legislation.gov.uk/ukxi/2001/1161/pdfs/ukxi_20011161_en.pdf) [accessed on 21 May 2020]. The PSPRB covers England and Wales, and Northern Ireland; the Scottish Prison Service is outside our remit.

<sup>2</sup> The International Labour Organization, (2005). *336th Report of the Committee on Freedom of Association*. (online) Available at: [https://www.ilo.org/public/libdoc/ilo/P/09604/09604\(2005-88-series-B\).pdf](https://www.ilo.org/public/libdoc/ilo/P/09604/09604(2005-88-series-B).pdf) [accessed on 21 May 2020].

<sup>3</sup> Prison Service Pay Review Body, (2019). *PSPRB Eighteenth Report on England and Wales*. (online) Available at: <https://www.gov.uk/government/publications/psprb-eighteenth-report-on-england-and-wales-2019> [accessed on 21 May 2020].

Response Group (NTRG) and the National Dog and Technical Support Group. The recommendations from our 2019 report are at Appendix H.

1.5 The Government accepted our recommendations in full, confirming this by Written Ministerial Statement<sup>4</sup> in Parliament on 22 July 2019. The recommended changes to pay scales and allowances were implemented in September 2019 and backdated to 1 April 2019. In Chapter 4 of our 2019 report we also asked the parties to provide us further evidence on a range of issues. Whilst we received some data from Her Majesty's Prison and Probation Service (HMPPS), there remains data and information that have not yet been provided, which we return to in Chapter 2. This is unsatisfactory as it impacts on our ability to make fully evidence-based recommendations.

### Our remit this year

1.6 The Government's revised approach to public sector pay was set out by the then Chancellor of the Exchequer in the Autumn Budget on 22 November 2017.<sup>5</sup> This saw a move away from the previous policy of awards of an average of one per cent. The Government said it would ensure that pay awards were fair to both public sector workers and taxpayers, and that it would consider the reports and evidence submitted by the eight public sector Pay Review Bodies. The Government's approach has not changed for this current pay round and is reflected in our activation letter.

1.7 The Minister of State for Prisons and Probation, Lucy Frazer QC MP, wrote to our Chair on 30 October 2019 asking us to commence our work for the 2020-21 pay round (at Appendix A). The activation letter, whilst drawing our attention to the three central principles of the Government's pay policy, contained no restrictions. We have therefore made recommendations that we consider appropriate in light of all the evidence available to us, and in accordance with our standing terms of reference.

### Our timetable

1.8 Our standard timetable previously assumed that we would receive written evidence at the start of October 2019 and that our report would be submitted to Government in mid to late February. This timetable reflects the expectation that the Government will implement our recommendations in April, which is the pay award effective date for our remit group. Due to delays in the Government providing us with its evidence and in subsequently implementing the pay award, we have been unable to follow this timetable since 2016-17. This has resulted in staff within our remit group receiving their pay award after the 1 April pay effective date with awards backdated. In recent years we have asked the Government to consider the implications of delays to the submission of its written evidence on our remit group and urged it to submit its evidence in accordance with our standard timetable to ensure that staff are paid in time for a 1 April pay effective date. We will continue to make this point to Government on behalf of our remit group.

1.9 In her activation letter, the Minister asked that we submit our report to the Government by 6 April 2020. In setting our timetable this year, we were aware that delays in the Government's submission of evidence might be caused by the December 2019 General Election. In consultation with the parties we therefore set a revised deadline of 7 February 2020 for written evidence submissions which was agreed by the Government. Unfortunately, the deadline was missed by the Government – for the fourth year running – which resulted in consequential delays to our process. We wrote to the Minister on 7 February 2020 highlighting the impact this would have on our remit group and the other parties. The Minister responded on 13 February 2020 and both these letters can be found at Appendix B. We received the Government's evidence on 4 March 2020 and, following subsequent oral evidence sessions with the parties, we wrote to the Minister to outline the revised timetable for the submission of our report. This letter can be found at Appendix A alongside our activation letter.

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<sup>4</sup> Government response to the Prison Service Pay Review Body recommendations 19/20: Written statement – HCWS1768. (online) Available at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-22/HCWS1768/> [accessed on 21 May 2020]

<sup>5</sup> HM Treasury, (2017). *Autumn Budget 2017: documents*. (online) Available at: <https://www.gov.uk/government/publications/autumn-budget-2017-documents> [accessed on 21 May 2020].

**Our evidence base**

1.10 All the parties who represent our remit group were invited to submit written evidence. We received written submissions from the Public and Commercial Services (PCS) Union, the Prison Governors' Association (PGA), HMPPS and individual submissions from staff in our remit group. This year, due to restrictions as a result of coronavirus (Covid-19), we held oral evidence sessions with all the parties via telephone conferencing facilities. We do not believe this compromised, or caused detriment to, either our evidence gathering or our decision-making process. We heard representations in oral evidence sessions from:

- The Minister of State for Prisons and Probation, Lucy Frazer QC MP, the HMPPS Chief Executive Officer, Dr Jo Farrar, and HMPPS officials led by its Director General for Prisons, Phil Copple.
- The PGA, led by Andrea Albutt, PGA President, and members of the PGA National Executive Committee.
- The PCS, represented by Dave Vickers and Ginnette Gantschuk, HMPPS Joint Secretaries for the National Trade Union Side.

1.11 The POA continues to maintain its position of not submitting evidence to us, as mandated by the membership vote at its 2015 Conference. Therefore, we have not received written submissions from, nor been able to hold oral evidence sessions with, the POA since 2015. However, this year, its General Secretary wrote an open and without prejudice letter to our Chair. We discuss this letter further in Chapter 2. We welcome this communication with the POA as we feel not providing evidence to the PSPRB is a missed opportunity for the union and its members.

1.12 We base our recommendations in this report on evidence from several sources. These include:

- Written and oral evidence from the parties (as above);
- Economic data from a number of sources, including the Office for National Statistics and the Annual Survey of Hours and Earnings;
- Statistical data provided by HMPPS on the composition of our remit group and its pay, which we shared with all the parties, along with publicly available data published on its website;
- The Incomes Data Research report on prison staff pay comparability;
- The 2019 Civil Service People Survey results for HMPPS as a whole and separately for the Prison Service;
- Information gathered during our visits to prison establishments and other HMPPS sites (see below); and
- Her Majesty's Inspectorate of Prisons' (HMIP) inspection reports and the HMIP 2018-19 annual report.

**Visits**

1.13 In 2019 and 2020 we visited eleven public sector establishments, one private sector establishment, the NTRG and three Assessment and Recruitment Centres (ARC) (listed at Appendix C). We visit a private sector prison to explore the differences and similarities with the public sector and to speak to the HMPPS Controller and their team, some of whom are in our remit. This year we also visited a number of ARCs which enabled us to gain evidence on the process for selecting new Prison Officer recruits. As in previous years, the visits gave us a valuable opportunity to meet remit group staff at all levels. We heard evidence on a wide range of issues, with key themes of: remuneration and the 2019 pay award; the recruitment and retention of Band 3 Prison Officers; the Government's recruitment drive for 20,000 Police Officers and the impact this may have on HMPPS recruitment; the performance management system; morale and motivation, including the working environment; and other issues covered by our terms of reference.

1.14 Visits typically included: separate discussions with support staff, the three officer grades, and with operational managers; a briefing with the Governor; meetings with local trade union representatives; and a tour of the establishment where we can talk informally to staff.

1.15 Our annual visits are an important part of our process as they allow us to engage with staff in their working environment and to gain a greater understanding of their day-to-day duties and current concerns. This provides important context and enables us to test the written and oral evidence we receive. We are grateful for those staff who take the time to meet with us and we thank those involved in making our visits for this report possible. We know these can take considerable effort.

### **Our 2020 report**

1.16 The format of our report has changed this year. Chapter 2 sets out the current economic, financial and environmental context, and summarises the evidence we received. In Chapter 3 we set out detailed information on our remit group and report on those issues covered by our terms of reference that we considered when reaching our decisions. Chapter 4 sets out our analysis of the evidence and our recommendations for 2020. Finally, in Chapter 5 we comment on several areas that we believe should be given further attention in advance of our 2021 report.

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## Chapter 2: Context and the parties' proposals

### Introduction

2.1 This chapter sets out the context for our recommendations. It provides information on the economic situation and describes both the financial and environmental context in which Her Majesty's Prison and Probation Service (HMPPS) made its proposals and how these informed the recommendations we have made. The chapter concludes with a summary of the main points that arose from our visits in September 2019 to January 2020 and the parties' proposals to us this year.

### Economic context

2.2 In our reports each year we look to recent economic performance, expectations for the coming year, and the position of public sector finances to inform our recommendations. This year, due to coronavirus (Covid-19), we find ourselves in an unprecedented position. Our ability to make an informed assessment of the future economic situation is hampered by the fact that we are at the start of the period during which the economy will be most affected and, as such, there is a lack of official data from which to form judgements. We have therefore used the published data that was available to us at the time of reaching our decisions in mid-April 2020 but note that this is not likely to be fully indicative of the coming period.

#### *Economic growth*

2.3 It is expected that there will be a significant economic shock from Covid-19, the length and magnitude of which is uncertain. Economic activity has already started to weaken, with large falls in demand in some sectors and disruption to supply chains. There will be a considerable contraction in the economy, likely centred on the second quarter of 2020.

2.4 The Government response to mitigate the impact of Covid-19 on the economy has been wide ranging, including a commitment to pay 80 per cent of the wages of furloughed workers (up to £2,500 a month) through the Coronavirus Job Retention Scheme. This will lead to a large increase in public sector debt.

#### *Inflation*

2.5 As part of our standing terms of reference, we are asked to take the Government's inflation target of 2.0% Consumer Prices Index (CPI) inflation into account. The Bank of England reported in March that, prior to recent developments, inflation was already set to fall further below the 2.0% target.<sup>6</sup> It said that inflation was now likely to decline to below one per cent in the spring this year, reflecting the pass-through to fuel prices of the recent sharp decline in the price of oil. The latest inflation figures for March 2020 put both the CPI and CPI including owner occupiers' housing costs rates at 1.5%.

#### *Labour market*

2.6 The latest official statistics in the labour market available to us, for the three months to January 2020, showed that employment was at record levels before Covid-19. This is expected to change as early survey evidence indicates that employers have made several short-term responses to the current business environment, including: changes to work hours; changes to staffing levels including furloughing, lay-offs and redundancies; different working practices; and changes to recruitment.

#### *Earnings*

2.7 In the latest official data, for the three months to January 2020, average earnings growth had fallen back from its peak of 4.0% in June 2019. Whole economy average weekly earnings growth was 3.1% in the

<sup>6</sup> Bank of England, (2020). *Monetary Policy Summary and minutes of the Monetary Policy Committee meeting*. (online) Available at: <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/march-2020> [accessed on 21 May 2020].

three months to January 2020. Regular pay growth (excluding bonuses) was also at 3.1%. Public sector average earnings growth (excluding financial services) was 3.3% in the three months to January 2020, having reached 3.9% in June 2019, the highest rate since April 2008. Private sector average earnings growth was 3.1% in the three months to January 2020, down from 4.0% in June 2019, the highest rate since April 2010.

2.8 A survey conducted by XpertHR in January and February of this year showed that, even before the extent of the Covid-19 outbreak was evident, employers were already being cautious about pay rises.<sup>7</sup> Employers in the private sector said they expected to make a median 2.0% pay award during 2020. A number of organisations with April pay review dates said they had been postponed until later in the year, with others saying that a decision to freeze pay for 2020 had already been taken.<sup>8</sup>

2.9 Average earnings growth will be difficult to track over the coming months as employers make use of the Government's furloughing scheme. Temporary pay freezes are likely to be implemented in businesses that have seen a large fall in revenue. In contrast, there are some sectors, such as supermarkets, where increased demands are being placed on front-line staff. These businesses have mainly responded by paying temporary pay increases or bonuses and in some cases by recruiting additional temporary staff.

### *National Living Wage*

2.10 The National Living Wage (NLW), the minimum wage for workers aged 25 and over, increased by 6.2% from 1 April 2020 to £8.72 an hour. The increase was calculated to take it to the target of 60 per cent of median earnings, originally set by the Government in 2015.

2.11 In the March 2020 Budget, the Government confirmed its ambition for the NLW to continue increasing towards a new target of two-thirds of median earnings by 2024.<sup>9</sup> The remit has an "emergency brake", whereby the Low Pay Commission (LPC) is asked to monitor the labour market and the impact of the NLW closely, advising on any emerging risks and recommending the Government review its target or timeframe if the economic evidence warrants it. The LPC has said that "the ongoing coronavirus pandemic...will require us to review whether the emergency brake is required when we next provide our advice to the Government. This advice will be crucially dependent as always on the economic data we receive".<sup>10</sup>

### **Financial context**

#### *The Spending Round*

2.12 The Spending Round, setting out the Government's spending plans for 2020-21 was presented to Parliament by the Chancellor of the Exchequer in September 2019.<sup>11</sup> It stated that no government departments would, for the first time since 2002, face cuts in their day-to-day budgets, allowing them the financial certainty needed to focus on delivering Brexit.<sup>12</sup> The Ministry of Justice's (MoJ) settlement included:

- A 4.9% increase in real terms to the department's resource budget from 2019-20 to 2020-21;
- Funding to begin the delivery of the Government's £2.5 billion commitment to create an additional 10,000 prison places;

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<sup>7</sup> XpertHR, (2020). *Low pay rises predicted for the year ahead*. (online) Available at: [https://resources.xperthr.co.uk/2020/Press%20releases/pay\\_19mar2020\\_pressrelease.doc](https://resources.xperthr.co.uk/2020/Press%20releases/pay_19mar2020_pressrelease.doc) [accessed on 21 May 2020].

<sup>8</sup> XpertHR, (2020). *Coronavirus: HR's initial response survey April 2020*. (online) Available at: <https://www.xperthr.co.uk/survey-analysis/coronavirus-hrs-initial-response-survey-april-2020/165111/> [accessed on 21 May 2020].

<sup>9</sup> Her Majesty's Treasury, (2020). *Budget 2020*. (online) Available at: <https://www.gov.uk/government/publications/budget-2020-documents/budget-2020> [accessed on: 21 May 2020]

<sup>10</sup> Low Pay Commission, (2020). *National Living Wage increase raises income of low-paid workers*. (online) Available at: <https://www.gov.uk/government/news/national-living-wage-increase-raises-income-of-low-paid-workers> [accessed on 21 May 2020].

<sup>11</sup> Her Majesty's Treasury, (2019). *Spending Round 2019*. (online) Available at: [https://www.gov.uk/government/publications/spending-round-2019-document/spending-round-2019?utm\\_campaign=English%2BCrime&utm\\_medium=web&utm\\_source=English\\_Crime\\_106](https://www.gov.uk/government/publications/spending-round-2019-document/spending-round-2019?utm_campaign=English%2BCrime&utm_medium=web&utm_source=English_Crime_106) [accessed on 21 May 2020].

<sup>12</sup> Brexit is an abbreviation for "British exit", referring to the United Kingdom's decision in the 2016 referendum to leave the European Union.

- £100 million to increase security in prisons through the introduction of more airport-style security scanners, mobile phone detection and prevention technology, and anti-corruption and intelligence operations;
- £55 million across the criminal justice system to support the work of 20,000 additional Police Officers; and
- Additional funding to support the ongoing reform of the probation system.

In oral evidence, HMPPS informed us that it was spending a further £60 million on improving IT across the prison estate.

2.13 The Spending Round also committed an extra £750 million for policing to begin delivery of the Government's commitment to recruit 20,000 additional Police Officers by 2023 and £480 million of Brexit funding in real terms, which included continued funding for Border Force capability. We note the additional funding for the Home Office in our report as the Border Force and Police are considered comparator jobs for Prison Officers, and we frequently hear on visits that Prison Officers leave to join these services.

2.14 The Government committed to publish a full, multi-year Spending Review in 2020. On 24 March 2020, the Chancellor announced that the Spending Review in 2020 would be delayed enabling the Government to remain focused on responding to the Covid-19 outbreak, with further plans to be announced in due course.<sup>13</sup>

#### *Approach to public sector pay*

2.15 This year, the activation letter sent by the Minister of State for Justice, Lucy Frazer QC MP, asked that the Prison Service Pay Review Body (PSPRB) consider the three central principles of the Government's pay policy when determining the final pay awards. These are: current and future affordability to the taxpayer; targeting awards to ensure HMPPS can recruit and retain the best public servants; and accompanying workforce reform and improvements in productivity, which can then be reinvested in higher pay.

2.16 The Minister further asked that the PSPRB have due regard to the HMPPS policy commitment to prioritise investment in the *Fair and Sustainable* pay and grading structure. She noted that, with pay flexibilities in recent years, there was an opportunity for HMPPS to make progress in this area and any recommendations should be considered alongside the Government's evidence and the pay comparability research conducted by Incomes Data Research (IDR).

#### *Affordability*

2.17 In its evidence to us, HMPPS stated that the rationale behind its recommendations this year was to: provide all staff with a pay award; support recruitment and retention; and mitigate increasing equal pay risks as a result of the two-tier workforce and continued pay differentials between the closed and *Fair and Sustainable* grades.

2.18 HMPPS acknowledged that the MoJ's settlement had increased following the 2019 Spending Round but noted that the financial position continued to be challenging, particularly given the proposed recruitment of 20,000 additional Police Officers. HMPPS asked that the PSPRB consider other pressures on the departmental budget, which included the need to utilise the additional funding to ensure the Criminal Justice System could cope with any potential increase in demand.

2.19 HMPPS costed its proposals for our remit group for 2020-21 at approximately £30.2 million (including progression).<sup>14</sup> We have never considered progression within a pay scale to be part of the annual award. Progression is an integral part of a fully functioning pay system, that evens itself out over time through staff movements between grades and in and out of the Service. On that basis we note that the actual cost of the

<sup>13</sup> Her Majesty's Treasury, (2020). *Comprehensive Spending Review 2020 Representations: guidance*. (online) Available at: <https://www.gov.uk/government/publications/comprehensive-spending-review-2020-representations-guidance> [accessed on 21 May 2020].

<sup>14</sup> This figure also includes on-costs, such as employer pension and National Insurance contributions.

pay award component of HMPPS's proposals is around £20.5 million. HMPPS said its proposals were aligned to departmental affordability and offered value for money.

### *Productivity*

2.20 As detailed in the activation letter this year, one of the three central principles of the Government's pay policy is accompanying workforce reform and improvements in productivity, which can then be reinvested in pay. HMPPS informed us in its written evidence that productivity improvements can be made by: improving recruitment and retention; boosting the effectiveness and productivity of Prison Officers enhanced training on drugs and offender health; assessing workloads for operational managers; and reviewing the current Job Evaluation Scheme.

### **Environmental context**

#### *Covid-19*

2.21 As we write our report this year, staff in our remit group are working in unprecedented conditions due to Covid-19. Every prison, working closely with public health and NHS services, has put contingency plans in place to slow the spread of Covid-19 and prioritise the safety of prisoners, staff and visitors. These plans include: the temporary pause of regimes in prisons in order to apply social distancing; the suspension of Parole Board hearings and new jury trials; and the temporary suspension of prison visits. All frontline prison staff have been classified as key workers<sup>15</sup> by the Government and continue to attend work in these difficult circumstances. We recognise that this is adding further pressures to their already challenging roles. We have been enormously impressed by the many ways in which staff at all levels have confronted these extraordinary challenges and the risks these entail, and we commend the bravery and professionalism of all staff working in prisons during this time.

2.22 During oral evidence HMPPS informed us that it had reached an agreement with the trade unions, and Her Majesty's Treasury, on a range of non-pensionable special payments for staff during this time. These payments cover staff at all grades to recognise the unique circumstances in which they are working. HMPPS informed us that these payments were implemented on 23 March and would be in place for 12 weeks, after which they would be reviewed.

#### *Prison population*

2.23 The prison population as at 20 March 2020, across the public and private sector was 83,709<sup>16</sup>, an increase of around 1,188 prisoners from the previous year.<sup>17</sup> The useable operational capacity<sup>18</sup> across the estate in England and Wales as at 20 March 2020 was 85,487.

2.24 At the beginning of April, the Government announced that appropriately risk-assessed prisoners who are within two months of their release date and some pregnant women in custody would be temporarily released on licence from prison as part of the national plan to slow the spread of Covid-19.<sup>19</sup>

#### *Her Majesty's Inspectorate of Prisons annual report*

2.25 Her Majesty's Inspectorate of Prisons (HMIP) is an Arm's Length Body of the MoJ, whose purpose is to "ensure the independent inspection of places of detention, report on conditions and treatment and promote

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<sup>15</sup> A public service employee who is considered to provide an essential service during the Covid-19 outbreak.

<sup>16</sup> Ministry of Justice, (2020). *Prison population figures: 2020*. (online) Available at: <https://www.gov.uk/government/statistics/prison-population-figures-2020> [accessed on 21 May 2020].

<sup>17</sup> We have used data as at 20 March 2020 because this was prior to the scheme to manage the early release of prisoners due to Covid-19.

<sup>18</sup> The useable operational capacity of the estate is the sum of all establishments' operational capacity less 2,000 places. This is known as the operating margin and reflects the constraints imposed by the need to provide separate accommodation for different classes of prisoner i.e. by sex, age, security category, conviction status, single cell risk assessment and also due to geographical distribution.

<sup>19</sup> Ministry of Justice, (2020). *Measures announced to protect NHS from coronavirus risk in prisons*. (online) Available at: <https://www.gov.uk/government/news/measures-announced-to-protect-nhs-from-coronavirus-risk-in-prisons> [accessed on 21 May 2020].

positive outcomes for those detained and in the public”.<sup>20</sup> In 2018-19, HMIP published 78 inspection and thematic reports. Of the 78 reports, 46 were for establishments covered by the PSPRB in England and Wales.

2.26 In the HMIP 2018-19 Annual Report<sup>21</sup>, the Chief Inspector commented that too many prisons were still plagued by drugs, violence, appalling living conditions and a lack of access to meaningful rehabilitative activity. He continued that levels of self-harm were disturbingly high and self-inflicted deaths had increased by nearly one-fifth compared to the previous year. The Chief Inspector, however, noted that some parts of the custodial estate were well run, particularly in the high-security estate and women’s prisons. He referenced the “extraordinary dedication” of staff working in prisons who perform difficult and dangerous work in a system that had seen reduced resources, both in terms of staff and investment. The Chief Inspector called for newly recruited staff to have as much support as possible.

2.27 In April 2019, a new prison visit called Independent Reviews of Progress (IRP) was introduced as a result of the poor response to inspection recommendations. IRPs allow HMIP to conduct an independent assessment of progress made by prisons against key recommendations made at previous inspections. HMIP now additionally conducts 15 to 20 IRPs each year.<sup>22</sup>

2.28 In March 2020, Peter Clarke, Her Majesty’s Chief Inspector of Prisons, announced that all scheduled inspection work involving visits to prisons or other places of state detention in England and Wales had been suspended up until the end of May 2020 due to the Covid-19 outbreak. This was expected to affect 15 full inspections, IRPs and visits as part of thematic inspection work.<sup>23</sup> In order to meet its statutory duty to report on treatment and conditions for those detained, HMIP announced in April 2020 that it had created an adapted approach for this period which involved short one-day scrutiny visits involving up to three inspectors.<sup>24</sup> HMIP started to undertake three scrutiny visits a week in late April.

### *Safety in custody*

2.29 Data from HMPPS show that levels of violence in prisons remains high.<sup>25</sup> In the year to December 2019, there were 9,995 assaults and 952 serious assaults on staff recorded. While both figures represent slight falls on the previous twelve month period, the level of assaults remains considerably higher than earlier years.

2.30 The number of self-harm incidents reached a record high of 63,328 in the year to December 2019, an increase of 14 per cent on the preceding twelve months.

2.31 In its written evidence, HMPPS acknowledged that the operational context in which prison staff work remains highly challenging. Despite some small signs of improvement, HMPPS stated it was under “no illusion” about the challenges faced by everyone working in prisons and that a programme of initiatives was underway to improve safety and security. These initiatives include: a new trauma-focused peer support programme for staff who have experienced a traumatic event; a ‘Challenge, Support and Intervention Plan’ to provide a basic case management model to challenge violent prisoners; a Prison Officers’ Guide to support the completion of core tasks; and a new national Prison Drugs strategy. HMPPS also continues the rollout of PAVA (synthetic pepper spray), body-worn cameras for officers and has received £100 million of additional funding to invest in x-ray body scanners and metal detectors.

2.32 During oral evidence, the Prison Governors’ Association (PGA) commented that there had been a slight reduction in the levels of violence but, given the large amount of resources put into this, the achievements were small. It further told us that Covid-19 was amplifying the risks operational managers already faced on a daily basis.

<sup>20</sup> Her Majesty’s Inspectorate of Prisons, (2014). *What we do*. (online) Available at: <https://www.justiceinspectorates.gov.uk/hmiprison/about-hmi-prisons/> [accessed on 21 May 2020].

<sup>21</sup> Her Majesty’s Inspectorate of Prisons, (2019). *Annual report 2018-19*. (online) Available at: <https://www.justiceinspectorates.gov.uk/hmiprison/inspections/annual-report-2018-19/> [accessed on 21 May 2020].

<sup>22</sup> Her Majesty’s Inspectorate of Prisons, (2019). *Independent Reviews of Progress (IRPs)*. (online) Available at: <https://www.justiceinspectorates.gov.uk/hmiprison/about-hmi-prison/independent-reviews-of-progress-irps/> [accessed on 21 May 2020].

<sup>23</sup> Her Majesty’s Inspectorate of Prisons, (2020). *COVID-19 update*. (online) Available at: <https://www.justiceinspectorates.gov.uk/hmiprison/2020/03/covid-19-update/> [accessed on 21 May 2020].

<sup>24</sup> *Ibid*.

<sup>25</sup> Office of Manpower Economics analysis of HMPPS statistics. Her Majesty’s Inspectorate of Prisons, (2019). *Safety in custody: quarterly update to December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/safety-in-custody-quarterly-update-to-december-2019> [accessed on 21 May 2020].

The Public and Commercial Services (PCS) Union told us in oral evidence that staff perceived levels of violence as still being too high despite the recent small fall in serious assaults against staff. It said the ten prisons project, where additional funding had been given to improve security at the ten most challenging prisons, had reduced violence levels because significant additional resources were invested at those sites.

### Evidence from visits

2.33 In advance of our 2020 report we visited eleven public sector prisons, one private sector prison, the National Tactical Response Group and three Assessment and Recruitment Centres (ARCs) (see Appendix C for the full list of locations visited). Our visits to meet frontline staff and to see the environment they work in provides us with a strong evidence base that allows us to test the parties' evidence. As in previous years, we have grouped the main cross-cutting themes and issues raised into main categories for ease of reference. A summary of the main points from our visits was shared with the parties earlier this year.

2.34 The main pay and allowances issues raised to us on our visits to the public sector establishments within our remit were:

- Staff acknowledged that pay awards in the last two years had been higher than previous years, although this had not made up for the real terms cut in pay over the last decade.
- The Band 3 Prison Officer pay scale was set too low and was not aiding retention. The majority of staff felt the maximum should be set at the same level as the closed grade Prison Officer equivalent.
- Pay levels were felt by operational managers as an area of concern when it came to the recruitment of the necessary numbers of capable and competent Band 3 Prison Officers.
- Operational managers said they were not appropriately remunerated bearing in mind the number of hours they worked and the demands of the Duty Governor role.
- Operational Support Grades (OSG) said they could earn more working in other sectors, such as factories and supermarkets, and HMPPS pay levels for their grade were not competitive. OSGs working in control rooms also wanted an allowance to recognise the demands and stresses of that role.
- Some officers were working a high number of Payment Plus hours to supplement wages and relied on this income. This was also creating barriers to promotion as more could be earned working Payment Plus, without the extra responsibility of a higher band.
- Future pay awards should be consolidated at the same rate for closed and *Fair and Sustainable* grades. Some staff said pay awards should be at least the rate of inflation.

2.35 The main issues raised on recruitment and retention were:

- There was a concern expressed by nearly all staff at all grades about the Government's announcement to recruit 20,000 Police Officers. Staff were concerned that a significant number of Band 3 Prison Officers would leave to join the Police, leaving the Prison Service struggling to recruit and retain.
- The Border Force were also recruiting which would place pressures at those prisons that were close to United Kingdom entry ports.
- Band 3 Prison Officers were said to be leaving the Service for a number of different sectors, such as: supermarkets; the Police; Border Force; railway companies; and other security and uniformed services.
- Band 3 retention rates did differ depending on the establishment visited, some had reasonable turnover rates whilst others had extremely high rates (nearly 25 per cent a year at one prison we visited).

- Those establishments close to London said the labour market was particularly competitive, especially given the large number of Border Force locations (airports) and the large Metropolitan Police Service.
- There was evidence to suggest that establishments were struggling to recruit and retain Band 2 OSGs, which most put down to the low salary and high transport cost in many rural locations.
- The number of applicants attending ARCs was variable and there were issues raised about some centres being outsourced to SSCL (Shared Services Connected Ltd) where assessors had no experience of working in prisons.
- More experienced staff were concerned that the recruitment process focused on numbers rather than the attributes needed to be effective when working in a prison. In particular, concerns were expressed that some of the new recruits were very young and lacked resilience and life skills. It was felt this contributed to a rapid churn of many new recruits.
- Operational managers questioned whether extra manager grades would materialise if the workload management tool indicated numbers needed to increase.
- The use of temporary promotion was reported to be high at some prisons, with some having been on this arrangement for over two years.

#### 2.36 The main motivation and morale issues raised were:

- At the locations we visited morale appeared to be low with feelings that HMPPS and the Government did not value prison staff. However, staff reported good levels of camaraderie at the prison level, which staff said the Service relied on.
- As in previous years, we heard from OSGs that they felt that they were not fully valued by the Prison Service or other prison staff. They said they felt forgotten and invisible at times.
- Operational managers said long hours impacted on their work-life balance, with periods on-call adversely affecting their home life, particularly at weekends.
- The feeling among the closed grades was that the Service wanted to “replace” them with cheaper alternatives, with their experience over the last 20 to 30 years not being fully valued by the Prison Service.

#### 2.37 On our visits, staff raised the following issues on the performance management system:

- Most support and officer grades we spoke to said they had not had quality conversations with their manager about their performance.
- Nearly all staff considered that the performance management system was not working. There was a strong feeling that pay and progression up the pay scale should not be linked to this system as it was not robust enough to capture staff performance accurately.
- Spans of control for Band 5 Custodial Managers were still too large, although staff at some establishments said efforts had been made to even this out to allow for a more equal distribution of the number of staff managed.
- Operational managers said they felt strongly that the high number of ‘Outstanding’ performance markings were being given to equivalents in headquarters or regional offices, rather than prison-based staff.

2.38 This year, like last year, we visited a number of establishments that were in receipt of the HMPPS 'amber'<sup>26</sup> and 'red'<sup>27</sup> market supplements and other prisons located near to these sites. The main issues raised were:

- At those prisons we visited that were in receipt of the HMPPS market supplements we were told this had aided recruitment. However, for those prisons close to a market supplement site this had apparently caused a ripple effect and they were now struggling to recruit, with candidates selecting the market supplement site for the higher pay levels.
- If the market supplements were removed, then staff said they would leave. Staff also said they had heard rumours that the market supplements would be removed this year or in 2021.
- Staff on the closed grade legacy Locality Pay Allowance system said they felt trapped by some significant differentials in pay between the closed and *Fair and Sustainable* pay structures. Some said this had stopped them applying for promotion.

2.39 Other issues raised were:

- Some staff challenged us on our independence.
- It was frequently suggested that Band 4 Supervising Officers (Senior Officers) should return as the first line manager grade rather than Band 5 Custodial Managers (Principal Officers).
- Feedback on the Keyworker Scheme was mixed, at some prisons it was felt to be working well, but other prisons were struggling to roll out the scheme due to staffing levels. Staff said there was a frustration that the roll out of PAVA was linked to the roll out of the Keyworker Scheme, which some saw as a frustrating delay in receiving PAVA.
- Some establishments that had received additional investment by HMPPS had seen positive progress, although when the funding had been withdrawn performance had begun to dip again.

### The parties' proposals

2.40 As noted in Chapter 1, the pay round for this year has again run late due to the delays in the Government's submission of evidence, caused in part by the December 2019 General Election. All the parties' evidence was received by 4 March 2020. The key points in the written evidence we received are summarised below.

2.41 HMPPS made the following proposals in its evidence to us:

#### Headline award

- The Band 2 National spot rate to be increased by two per cent.
- To ensure all staff continue to be paid at or above the Government's NLW.
- The National pay points in Bands 3 to 5 to be increased by two per cent.
- The National Band 7 to 11 pay range minima and maxima to be increased by two per cent to maintain the length of each pay range.
- To maintain those Bands 7 to 11 staff at their relative position on the pay ranges following the pay award uplift, before applying any progression.

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<sup>26</sup> The 'amber' sites are HMPs Belmarsh, Brixton, Chelmsford, Erlestoke, Guys Marsh, Isis, Lewes, Littlehey, Pentonville, Rochester, Wandsworth, Whitemoor and Wormwood Scrubs.

<sup>27</sup> The 'red' sites are HMPs Aylesbury, Bedford, Bullingdon, Coldingley, Cookham Wood, Downview, Elmley, Feltham, Grendon/Springhill, High Down, Highpoint, Huntercombe, Send, Standford Hill, Swaleside, The Mount, Winchester, Woodhill and also Medway Secure Training Centre.

- All closed grade staff, who would not benefit financially from opting in to *Fair and Sustainable*, to receive a one off non-consolidated award of £500.
- No consolidated increases to be applied to closed grade pay scales or spot rates except where this may be required to ensure that all staff continue to be paid at or above the Government's NLW.

### Performance-related pay progression and performance awards

- Eligible staff in Bands 3 to 5 who are not subject to formal poor performance measures to progress to the next pay point following pay uplifts.
- Eligible staff in Bands 7 to 11 who are rated 'Good' or 'Outstanding' to progress by a further four per cent, following relative position uplifts.
- Staff on *Fair and Sustainable* pay arrangements at Bands 5 to 11 who receive an 'Outstanding' performance marking to receive an additional non-consolidated payment on base pay as of 31 March 2020 of one per cent in Bands 5 and two per cent in Bands 7 to 11.
- Operational managers at the scale maximum to receive a two per cent non-consolidated progression payment for a 'Good' or better performance marking in accordance with existing contractual commitments.
- In accordance with contractual obligations, Phase One (closed grade) operational managers and senior managers on closed terms to receive an additional non-consolidated payment on base pay as of 1 April 2020 of one per cent for an 'Outstanding' performance marking.
- Uniformed closed grades not to receive any form of performance recognition payment as the POA previously opted out of these arrangements.<sup>28</sup>

### Locality pay

- No changes to the current locality pay zonal structure.
- The differential between National and the Outer and Inner London maxima rates to be increased by two per cent and the zonal differentials at pay range maxima to continue to be applied consistently across all bands.

### Allowances and payments

- No allowances or payments to have a cash or percentage increase.
- Notional rents to cease with effect from 1 April 2020 and be removed from the remit of consideration for the PSPRB from that date.
- Rents for any remaining Prison Service quarters to be managed in future by MoJ Estates and initially be set at a level consistent with the rent for social housing in the local authority area in which the quarters are located.

### Opt in to Fair and Sustainable

- To enable closed grade Principal Officer Specialists who opt in to move directly to the *Fair and Sustainable* Band 5 maximum.
- To enable closed grade Prison Officer Specialists who opt in to move directly to the *Fair and Sustainable* Band 4 maximum.

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<sup>28</sup> The POA historically opted out of legacy performance-related pay arrangements for closed uniformed grades. However, these are in place for non-operational equivalent staff represented by PCS.

- Normal opt in policy to apply for all other grades.

2.42 The PGA made the following proposals in its written evidence:

- The *Fair and Sustainable* Bands 7 to 11 pay ranges and closed grade scales to be increased by 15 per cent to match the average of the comparators listed in the IDR prison staff pay comparability report.
- A 4.9% pay award for all bands and closed grades to match the increase in funding allocation received by the MoJ as part of the 2019-20 Spending Round.
- All staff in Bands 7 to 11 who receive a 'Good' performance marking to receive pay progression of five per cent (consolidated) and eight per cent (consolidated) for an 'Outstanding' performance marking.
- Those staff at pay range maxima to receive the full progression as a non-consolidated payment for a 'Good' or 'Outstanding' performance marking.

2.43 The PCS HMPPS branch made the following proposals in its written evidence:

- A ten per cent consolidated award with a £2,400 "underpinning" on all pay points and ranges, which reflected the union's national position. This award to be for all staff, including those on closed grades.
- All staff to earn a minimum of £10 per hour nationally and £11.55 per hour in London.
- All pay scale and bands to be reviewed and revised to match the IDR prison staff pay comparability report. Base pay to be matched to the highest grade maxima for each comparator or at least the maxima of the private sector prison comparators.
- A new pay scale for Bands 3 and 4 to be introduced, with all other pay scales having a 20 per cent spread from minima to maxima and 10 per cent pay differential between pay bands.
- Band 3 to become a two point scale with a recruitment rate and a second pay point following completion of 24 month's service.
- The HMPPS 'amber' and 'red' market supplements to be consolidated into Band 3 base pay.

2.44 The POA continue not to submit evidence to us following its 2015 conference motion. As part of our usual evidence exchange with the parties, we shared all the other parties' written evidence with the POA in March 2020. As we have done in previous years, we extended the invitation to the union to attend an oral evidence session with us, which was declined. However, as noted in Chapter 1, the POA General Secretary, Steve Gillan, wrote an open and without prejudice letter<sup>29</sup> on 2 April 2020 to the PSPRB Chair. The POA stated that its membership has risen to the challenge of Covid-19 as keyworkers, demonstrating professional qualities and attending work in very dangerous circumstances, something it stressed its membership does on a daily basis.

2.45 The union made the following points relating to our remit:

- Band 3 Prison Officers should be earning an annual salary of £37,000.
- All staff deserve a meaningful and consolidated pay award and therefore HMPPS's proposals should not be endorsed. The £500 non-consolidated pay award proposal for closed grade staff was "insulting" and showed that the Service did not value them.
- Attrition rates for Prison Officers and OSGs were running nationally at around 11 per cent, with some establishments at 20-25 per cent.
- The Band 3 Prison Officer leaving rate in the first year of service was 25 per cent, which was too high.

<sup>29</sup> POA Circular 50 (2020). *Open letter to the Pay Review Body – without prejudice COVID-19*. (online) Available at: [https://www.poauk.org.uk/index.php?circulars&newsdetail=20200402-9\\_open-letter-to-the-pay-review-body-without-prejudice-covid-19](https://www.poauk.org.uk/index.php?circulars&newsdetail=20200402-9_open-letter-to-the-pay-review-body-without-prejudice-covid-19) [accessed on 21 May 2020]

- The introduction of the market supplements was an admission that the current pay structure was flawed.
- If retention and remuneration rates did not improve then staff would continue to be lost to the Border Force, Police and other occupations.

### Request for evidence

2.46 In our 2019 report, we asked the parties to address a number of issues in written evidence so that we could consider them fully in this 2020 report. We are an evidence-based body and this information is therefore important to enable us to discharge our statutory duty. We also see these requests as an opportunity for HMPPS to develop its data to inform the evidence it provides on a range of issues which touch on staff motivation and morale, to gain a better understanding of trends and emerging issues, and to help the development of strategies to deal with these. We were therefore disappointed that most of the information requested was not provided to us, particularly by the Government in its written evidence.

2.47 The information that was not provided to us is listed below, reproduced from our 2019 report.

- An update on how effective four specific new initiatives have been, particularly:
  - The recruitment and introduction of 3,000 new Advanced Prison Officer and Youth Custody Service roles at Band 4;
  - The establishment of additional Band 5 Custodial Manager posts through the implementation of the Offender Management in Custody model;
  - The introduction of a new pay on promotion policy; and
  - The changes in the hours available under the permanent contracted hours system and the associated decrease in the use of Payment Plus.
- An overview of the work that had been done in 2019-20 at a local and national level to inform, help and encourage staff to opt in to *Fair and Sustainable*. We encourage HMPPS to look for new ways to engage with staff on this matter.
- Clear and substantial evidence that the performance management system is working effectively and fairly for all grades in our remit group, along with its impact on motivation and morale. In particular, we would like to see data that shows the number of staff who have not received a performance marking has significantly reduced as a result of staff having meaningful conversations with their line managers about performance, and that the distribution of performance markings which are completed is becoming less skewed.
- Detailed evidence on the issues that are affecting continuing low levels of motivation and morale in the Prison Service, and the measures that have been put in place to improve these. We encourage HMPPS to explore different ways in which they can start to improve motivation and morale.
- The outcome of the work being undertaken by HMPPS on its Bands 7 to 11 operational manager workload management tool in respect of the Duty Governor role.<sup>30</sup> We would also welcome comment from the PGA in respect of this issue.
- An update on sickness absence levels and the work to reduce the number of average working days lost each year.
- Data on the gender and ethnicity pay gap, specifically in our remit group. Our terms of reference require us to consider all protected characteristics.

<sup>30</sup> We are mindful that this work is still ongoing and HMPPS has therefore been unable to provide us with the outcome of the workload management tool.

2.48 The failure to provide this information unfortunately limits aspects of our work, potentially to the detriment of the remit group. We take our responsibilities seriously and will continue to challenge HMPPS and other stakeholders where necessary.

2.49 We ask that all parties carefully consider Chapter 5 of our report this year and ensure that these requests for further information, alongside the element of our terms of reference, form the basis of written evidence submissions for our 2021 report.

## Chapter 3: Our Remit Group

### Introduction

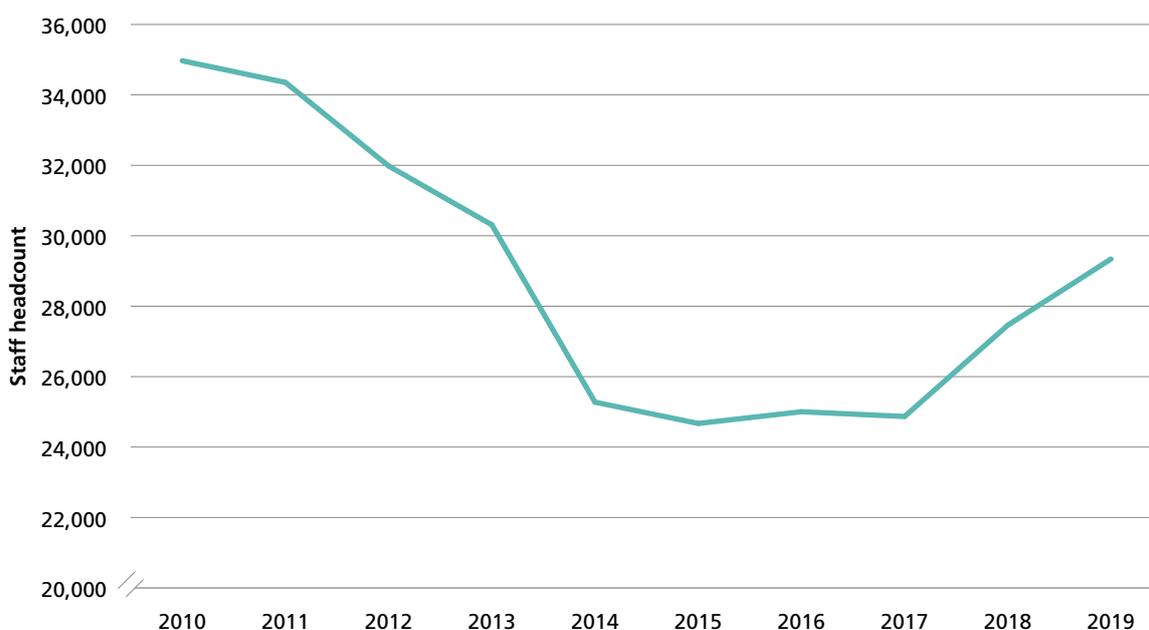
3.1 This chapter sets out the evidence we have received on the staff in our remit group. It presents background information and data on the composition of our remit group and reports on the issues covered by our terms of reference: recruitment and retention; motivation and morale; equality and diversity; and the competitiveness of the Prison Service employment package in England and Wales.

### The composition of our remit group

#### Staffing

3.2 We receive the latest available Prison Service staffing data from Her Majesty's Prison and Probation Service (HMPPS) annually and use these figures when formulating our recommendations. This year the dataset was provided to us in late 2019 but it generally refers to March 2019. Where we have used more up-to-date figures in our analyses, the time period has been referenced.

**Figure 3.1: Remit group size, March 2010 to 2019<sup>31</sup>**



3.3 There were 29,340<sup>32</sup> staff in our remit group at the end of March 2019, an increase of 6.8% since March 2018. Figure 3.1 shows the remit group size from 2010 to 2019. The headcount declined sharply over the period 2010 to 2014, due to a large number of staff exiting the Service through Voluntary Early Departure Schemes. From 2014 to 2017, the headcount of the remit group remained at around 25,000, the lowest it had been since the Prison Service Pay Review Body (PSPRB) was established in 2001. Since 2017, the number of staff in our remit group has started to increase following the Government's announcement to recruit an additional 2,500 Prison Officers in 2017.

3.4 Table 3.1 shows the number of remit group staff in post by grade at 31 March each year from 2014 to 2019. At 31 March 2019, staff within all grade groups had increased from the previous year:

- Band 2 / support grades – an increase of 4.2% or 201 staff;

<sup>31</sup> Office of Manpower Economics analysis of HMPPS workforce data.

<sup>32</sup> This is headcount.

- Bands 3 to 5 / officers – an increase of 7.5% or 1,637 staff; and
- Bands 7 to 11 / operational managers – an increase of 4.7% or 42 staff.

**Table 3.1: Headcount of remit group staff in post, 2014 to 2019<sup>33</sup>**

Broad staff group	Headcount of staff in post at 31 March						Change between 2018 and 2019	
	2014	2015	2016	2017	2018	2019	No	%
Bands 7 to 11 / Operational manager grades	1,011	958	964	934	903	945	42	4.7%
Officer grades:								
Band 5s / Principal Officers	1,369	1,385	1,368	1,407	1,428	1,560	132	9.2%
Band 4s / Senior Officers & Specialists	2,654	2,669	2,735	2,737	2,922	3,057	135	4.6%
Band 3s / Prison Officers	14,911	14,904	14,986	15,030	17,471	18,841	1,370	7.8%
<b>Total Band 3-5 / prison officer grades</b>	<b>18,934</b>	<b>18,958</b>	<b>19,089</b>	<b>19,174</b>	<b>21,821</b>	<b>23,458</b>	<b>1,637</b>	<b>7.5%</b>
Band 2 / Support grades	5,330	4,754	4,950	4,760	4,736	4,937	201	4.2%
<b>Total (remit group)</b>	<b>25,275</b>	<b>24,670</b>	<b>25,003</b>	<b>24,868</b>	<b>27,460</b>	<b>29,340</b>	<b>1,880</b>	<b>6.8%</b>

3.5 More recent full-time equivalent (FTE) data show that the number of Band 3 to 5 / officers decreased between 31 March 2019 and 31 December 2019 from 22,630 to 22,154 (by 2.1%). This more recent FTE data include around 420 operational staff who transferred from G4S to HMPPS in July 2019 when the running of HMP Birmingham was moved back to the public sector, which we discuss below. During this time period, the number of Band 2 / support grades also decreased slightly from 4,674 to 4,666 (0.2%) while the number of Bands 7 to 11 / operational managers increased from 927 to 942 (1.6%).

3.6 The Prison Governors' Association (PGA) again raised concerns to us this year about the quality of data provided by HMPPS on the number of operational manager grades in the Prison Service. It told us in its written evidence that nearly all the increases seen in Bands 7 to 11 / operational managers had been to roles in headquarters and regional structures, rather than in prisons.

### *Transfer of HMP Birmingham staff to HMPPS*

3.7 In October 2011, the running of HMP Birmingham transferred from the National Offender Management Service (NOMS) (now HMPPS) to G4S. This saw staff from our remit group TUPE<sup>34</sup> transfer to G4S on NOMS terms and conditions. In August 2018, HMPPS temporarily took over the running of the prison before staff were permanently transferred back to HMPPS in July 2019. These staff, both former NOMS and G4S grades, are now part of our remit group.

3.8 The transfer of HMP Birmingham has resulted in a more complicated closed grade pay structure. Staff at HMP Birmingham have been given the option to opt in to *Fair and Sustainable* or remain on their current pay grade. We will continue to treat these staff as being part of our remit group going forward, as we have

<sup>33</sup> Office of Manpower Economics analysis of HMPPS workforce data.

<sup>34</sup> Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) arrangements.

with previous G4S staff at the former HMP Wolds (now part of HMP Humber) and the Medway Secure Training Centre.

#### *Two-tier pay structure*

3.9 Since *Fair and Sustainable* was introduced in 2012, staff have occupied both the *Fair and Sustainable* and the closed grade pay structure. All staff on the closed grade pay structure are given the opportunity each year to opt in to *Fair and Sustainable* whether it is financially beneficial for them or not. For this exercise, HMPPS provides each staff member with personalised information about what the move would mean for them financially.

3.10 As of 30 September 2019, 74 per cent of our remit group were in the *Fair and Sustainable* pay structure, an increase of five percentage points from the previous year. There are many staff (mainly closed grade Prison Officers) who, understandably, are unwilling to opt in to *Fair and Sustainable* because the pay differential with *Fair and Sustainable* Band 3 remains substantial. We note that there are still several staff who do not wish to opt in because they are in receipt of legacy Locality Pay Allowances (LPAs) which are not paid under the *Fair and Sustainable* pay arrangements. A significant number of staff, predominantly Operational Support Grades (OSG) choose not to opt in despite it being financially beneficial for them to do so. We hear from these staff on our visits that this is due to a high level of distrust towards HMPPS and, in particular, a concern that certain elements of their pay, pension entitlements or allowances might be taken away at a future point.

3.11 In its written and oral evidence, HMPPS asked that our recommendations target investment within *Fair and Sustainable*, to reduce the pay differentials between the two-tier workforce and encourage staff to opt in to modernised *Fair and Sustainable* terms. For the first time, HMPPS stressed to us its concern about equal pay risks and informed us that it would not meet its original business case target to close the gap between the structures within 15 years. During oral evidence, HMPPS accepted that it was neither fair, nor sustainable for the closed grades to receive either limited or no pay awards for 15 years, as experienced staff needed to be retained to maintain stability. HMPPS informed us however, that it would not be possible to buy out the closed grade arrangements as the sums of money involved were still too large and therefore consolidated awards should be prioritised towards staff on *Fair and Sustainable*.

3.12 This year, HMPPS proposed a non-consolidated cash award for the closed grades. It stated in its written evidence that a non-consolidated award recognises the need to reward staff in the closed grades, while still paying the lower paid more in percentage terms. In line with previous submissions HMPPS also requested that this award be made only to those who cannot financially benefit from opting in to *Fair and Sustainable*.

3.13 Since 2018, we have sought to support HMPPS in its intention to invest more in the *Fair and Sustainable* bands by recommending targeted increases at Band 3, and in 2018 for Band 4, where the differential between the two pay structures remains the greatest. The Government rejected our targeted recommendations in 2018 and implemented a uniform percentage pay award for all staff within both pay structures. However, the targeted increase of three per cent that we recommended for all Band 3 Prison Officers in 2019 was accepted and implemented in full.

#### *HMPPS workforce strategy*

3.14 In 2019, HMPPS published its Business Strategy for 2020.<sup>35</sup> The strategy is centred on four key principles: enabling people to be their best; building an open, learning culture; transforming through partnerships; and modernising the prison estate and technology. The Business Strategy also sets out HMPPS's ambition to develop a longer-term strategic plan, detailing what it wants to achieve over the next four, seven and ten years. It says the strategic plan will help it to build the case for further investment in the 2020 Spending Review and will form the basis for its annual business planning cycle. We look forward to seeing how this work progresses for our 2021 report.

<sup>35</sup> Her Majesty's Prison and Probation Service, (2019). *HMPPS Business Strategy: Shaping our Future*. (online) Available at: <https://www.gov.uk/government/publications/hmppps-business-strategy-shaping-our-future> [accessed on 21 May 2020].

3.15 In addition to the Business Strategy, HMPPS has also developed an internal People Plan, which it says will shape future programming to better support and develop staff. The People Plan details a range of existing and new initiatives to boost leadership capability and build a diverse, professional and skilled workforce. One of these new initiatives is a new 12 month Prison Officer apprenticeship that HMPPS plans to launch in May 2020. On the successful completion of Prison Officer Entry Level Training, new Prison Officer recruits will have the option to enter a Level 3 Custody and Detention apprenticeship. HMPPS believe that by spreading learning over a 12 month period, the apprenticeship will increase the confidence and resilience of new Prison Officer recruits.

3.16 In its written evidence, HMPPS informed us that a key enabler of its People Plan is the approach to pay and reward, specifically the investment in *Fair and Sustainable* to progress closing the gap with the closed grades. It highlights the range of supportive policies, such as the recruitment of 2,500 additional Prison Officers and the new promotions policy introduced in 2018, which it says improves the attractiveness of *Fair and Sustainable* to staff. In previous years, HMPPS informed us that it intended to implement a new Band 4 Advanced Prison Officer role which it hoped would encourage closed grade Prison Officers to move in to *Fair and Sustainable*. We note however, that there has been limited progress on the new Band 4 role in recent years as HMPPS is still in discussions with the POA.

### *Pay comparability*

3.17 To inform our work, in 2019 we asked the Office of Manpower Economics (OME) to commission research aimed at identifying potential comparators to prison staff.<sup>36</sup> This work was undertaken by Incomes Data Research (IDR) who developed a methodology to identify comparator occupations based on characteristics commonly found in other roles at a similar level of skill and responsibility and within broadly comparable disciplines or working environments. While recognising that, in the case of operational Prison Service grades, the specific working environment and responsibilities means there are few direct external comparators, IDR identified groups of occupations that provide useful benchmarks for pay comparison purposes.

3.18 We welcome the insights that this work has provided and see it as a useful addition to our broader evidence base. We discuss the key findings of the report in more detail later in this chapter.

### *Allowances*

3.19 The Prison Service continues to place a heavy reliance on the use of allowances. Total expenditure on allowances increased by nearly £16 million in 2018-19 to a total cost of around £187.1 million, an estimated 20 per cent of HMPPS's total paybill. In 2018-19 there was a 33 per cent decrease in total expenditure for closed grade staff allowances from 2017-18 but in the same period, total expenditure for *Fair and Sustainable* staff allowances increased by 29 per cent. This is not unexpected as we have seen an increase in the number of staff in our remit group on *Fair and Sustainable* terms and conditions, who have unsocial working and additional contracted hours elements paid separately in the form of allowances.

3.20 In our report last year, we raised our concern about the increase in expenditure on Payment Plus which was at a high of £50 million in 2017-18. HMPPS informed us that expenditure on Payment Plus was predicted to reduce due to the take up of additional contracted hours and current and future recruitment volumes. It asked us to make permanent the temporary increase of £5 to the rate of Payment Plus to provide future certainty for staff. We had some reservations about permanently increasing the rate but supported the principle of providing greater certainty for staff and believed that the introduction of a new contracted hours scheme would help bring down the expenditure on Payment Plus. We are therefore pleased to note that in 2018-19, expenditure on Payment Plus decreased to £36 million, a reduction of nearly 30 per cent. For the first time in 2018-19, Payment Plus expenditure was higher for *Fair and Sustainable* staff than staff in the closed grades.

3.21 In our 2019 report, we also recommended that the temporary increase of £5 to the rates for OSG overtime and Tornado currently in place be made permanent. The purpose of this increase was, as with the increase to the rate of Payment Plus, to provide future certainty for staff. It was hoped this would encourage

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<sup>36</sup> Incomes Data Research (2019), *Prison Pay Comparability Study*. (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 21 May 2020]

more staff to volunteer for these duties, thus improving staffing availability to support prison stability and safety. In 2018-19 expenditure on both Tornado and OSG overtime decreased, by 24 per cent and 12 per cent respectively.

3.22 Time off in lieu (TOIL) is a debt HMPPS accrues of time owed to staff who have carried out additional, unpaid hours of work. This needs to be repaid in future by allowing the relevant staff time off. The outstanding TOIL balance at 31 March 2019 for staff in Bands 2 to 5 / support grades and officers was reported to be 341,212 hours across all establishments. The total hours per staff member remained unchanged at 12 hours.

3.23 The total hours of TOIL have been on a downward trend since 2015, although in 2019 the absolute number of TOIL hours increased for all grades of staff. The number of hours of TOIL per Bands 3 and 4 / Senior and Prison Officer, which has historically remained fairly stable at around 14 hours, has continued to decrease since 2017. This can be attributed to the increase in the number of Prison Officers HMPPS has recruited since 2017, reducing the need to work extra hours and allowing staff to take TOIL.

3.24 As of 31 March 2019, there were 1,746<sup>37</sup> staff in receipt of a temporary cover payment, 59 per cent of whom were Bands 3-4 / Prison Officers (including Specialists).<sup>38</sup> The number of staff receiving a temporary cover payment has been increasing since 2012 and, on our visits again this year, we heard of some staff being on temporary cover for periods of time longer than two years.

3.25 The PGA noted in its written evidence this year that it had concerns about the data supplied by HMPPS around the number of operational managers and the related levels of temporary promotions and vacancies. The union believes the numbers receiving a temporary cover payment are much higher than reported. In our 2019 report we endorsed HMPPS's proposal to shorten the Band 7 pay range from 20 per cent to 15 per cent to incentivise Band 5 officers to apply for promotion to operational manager roles. We had reservations about the effectiveness of this and the potential for it to undermine the integrity of the *Fair and Sustainable* pay structure. Unfortunately, we are yet to see the impact of this change and continued to hear on our visits this year that the financial incentive is not large enough for Band 5 officers to apply for promotion into the operational manager grades.

3.26 We believe that the increasing level of temporary cover is not sustainable for HMPPS in the long term and represents a missed opportunity to provide an incentive for good performance, fair and open competition, and career progression. The pay structure needs to be able to incentivise staff to apply for substantive promotion. We return to this matter in Chapter 5.

### Recruitment and retention

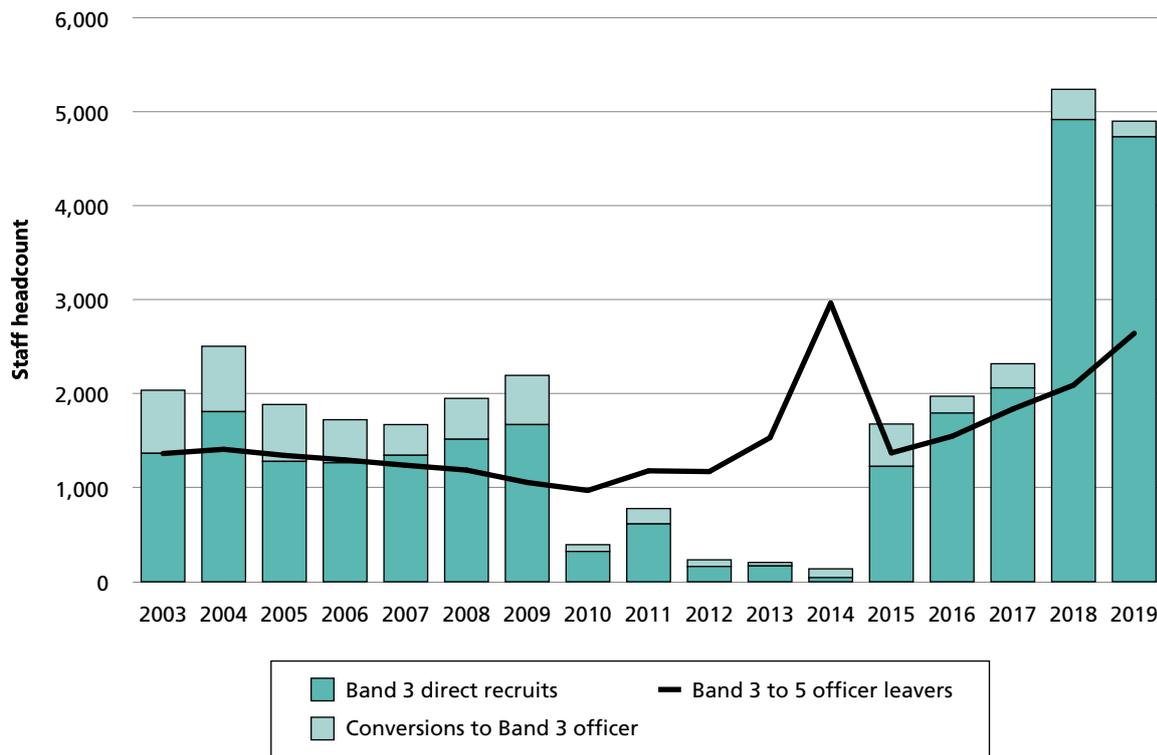
3.27 As set out in our terms of reference, the ability of HMPPS to recruit, retain and motivate suitably able and qualified staff is a key factor that we must consider when reaching our recommendations. In its written evidence, HMPPS state that the recruitment and retention of sufficient numbers of staff are required in all prison establishments to deliver safe, decent and secure regimes. This has been a key driver for the significant investment in increasing staff numbers.

3.28 In 2018-19 there were 4,905 new officers, of whom, 4,738 were new recruits to the Service and 167 were conversions from other Prison Service roles. Whilst these figures are lower than in 2017-18, they remain high in the context of previous years. We are pleased to see high numbers of recruits continuing to join the Prison Service but caution HMPPS again that a failure to invest appropriately in the pay structure of Band 3 Prison Officers will risk increasing already significant retention problems and the high costs of turnover among the cohort of new and recently recruited staff. See Figure 3.2 for the headcount of Band 3 conversions and recruits and Band 3 to 5 leavers, from 2003 to 2019.

<sup>37</sup> This is headcount.

<sup>38</sup> These figures include non-remit group Prison Service and headquarters staff, as well as the National Probation Service. This was the only time series of data available to use when drafting our report.

**Figure 3.2: Band 3 Prison Officer conversions and recruits and Band 3 to 5 leavers, March 2003 to 2019<sup>39</sup>**



3.29 HMPPS informed us in its written evidence that there are no recruitment or retention issues for operational managers and that the number of Band 2s has remained stable.

3.30 In the past year, the Service told us that it has continued to invest in its recruitment strategy, improving the quality of its advertising to ensure job adverts give a true reflection of the role and using local recruitment advisors to support candidates applying to join. HMPPS told us in its written evidence that it had also launched an amended Prison Officer recruitment process in October 2018, where recruitment of new officers is based on the Civil Service ‘Success Profiles’.

3.31 For the first time this year, we visited three Assessment and Recruitment Centres (ARC) in England. In all three ARCs there appeared to be issues with candidate turnout, with staff reporting that average attendance was around 50 per cent of those candidates who had confirmed they would attend. During the time of our visits, several ARCs were imminently due to be outsourced from the Ministry of Justice (MoJ) to Sopra Steria, run by SSCL (Shared Services Connected Ltd). We were told, unlike the MoJ run system, SSCL were not using ex-prison staff and we therefore question the effectiveness of this change and what the possible impact might be on the quality and suitability of new recruits into the Service. HMPPS assured us in oral evidence that moving the ARCs under SSCL management would not mean there would be a loss of input from former or current prison staff. We would encourage HMPPS to keep under review both this issue and candidate turnout rates as it refines its recruitment strategy.

3.32 In September 2019 it was announced that funding had been provided to the Home Office to recruit an additional 20,000 Police Officers.<sup>40</sup> The Home Office claim that this is the biggest police recruitment drive in decades and will see up to 6,000 officers recruited across 43 forces over the first year. The remaining 14,000 Police Officers will be recruited in the following two years. HMPPS informed us that there is cross Government work taking place to assess the impact this will have on both supply and demand in the prison estate. In oral

<sup>39</sup> Office of Manpower Economics analysis of HMPPS workforce data

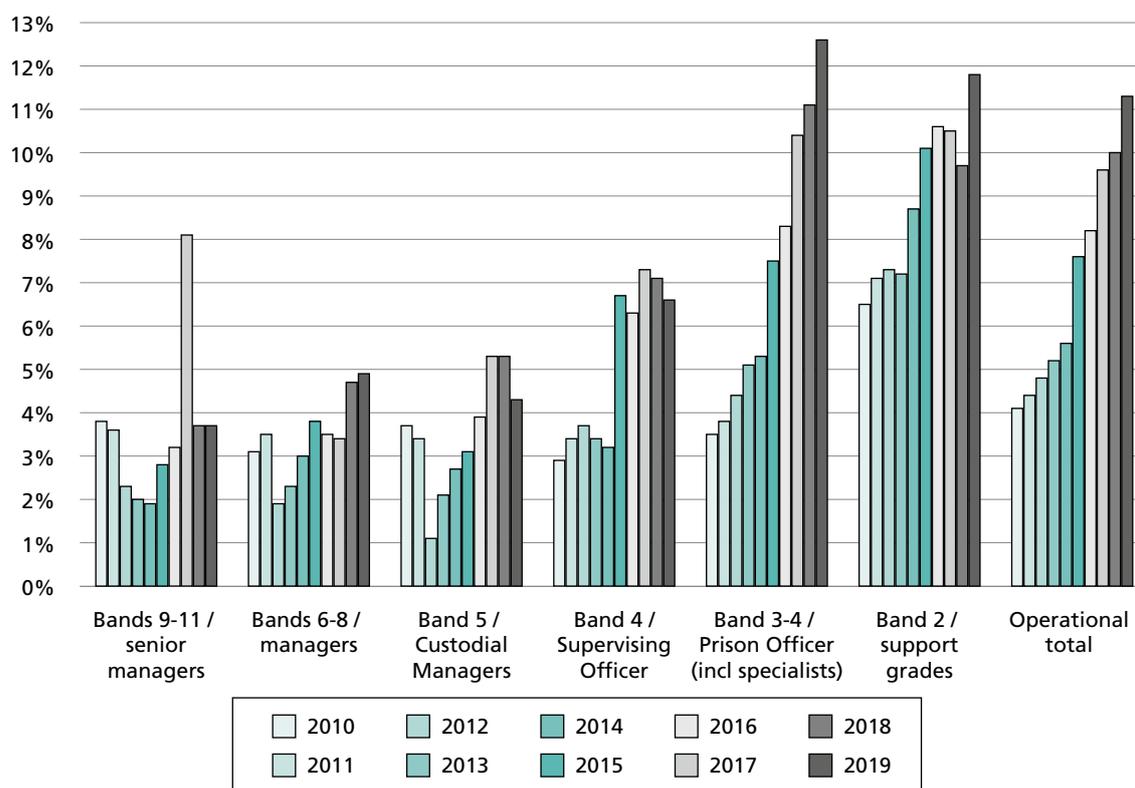
<sup>40</sup> Home Office, (2019). *National campaign to recruit 20,000 police officers launches today*. (online) Available at: <https://www.gov.uk/government/news/national-campaign-to-recruit-20000-police-officers-launches-today> [accessed on 21 May 2020].

evidence it said that the candidate pool for the Police had higher entry criteria than the Prison Service and therefore not all potential recruits or current prison staff would be able to join.

3.33 Figure 3.3 shows percentage leaving rates for the ten years ending March 2019. In the year to March 2019, the overall leaving rate for all grades across the Prison Service increased to 11.3%, up from 10.0% a year earlier. The leaving rates of permanent staff by grade were:

- 11.8% for Band 2 and equivalent, up from 9.7% the previous year.
- 12.6% for Band 3 Prison Officers (including Band 4 Specialists) and equivalent, up from 11.1% the previous year.
- 6.6% for Band 4 Supervising Officers and equivalent, down from 7.1% the previous year.
- 4.3% for Band 5 Custodial Managers and equivalent, down from 5.3% the previous year.
- 4.9% for Band 6 to 8 operational managers and equivalents, up slightly from 4.7% the previous year.
- 3.7% for Band 9 to 11 senior operational managers and equivalents, no change from the previous year.

**Figure 3.3: Leaving rate of remit group staff, March 2010 to 2019<sup>41</sup>**



3.34 As can be seen in Figure 3.3, the overall leaving rate is heavily weighted towards Band 3-4 / Prison Officers (including specialists) and Band 2 / support grades who had the highest leaving rates at 12.6% and 11.8% respectively. This is particularly concerning at Band 3 given the cost of continually high volumes of recruitment and the need to retain experienced officers to maintain stability in prisons. During oral evidence HMPPS told us that it would need to recruit between 2,800 and 2,900 new Prison Officer recruits a year to keep pace with current attrition rates. The Service said it had made the decision to try and “overshoot this” by planning for 3,500 new recruits, with the capacity to recruit up to 4,000 a year. It said these figures factored in recruitment drives by the Border Force and Police.

<sup>41</sup> Office of Manpower Economics analysis of HMPPS workforce data. Leaving rate is defined as number of leavers in the reference year as a percentage of the average number of staff in post.

3.35 In its written evidence HMPPS shared data that showed the leaving rate for Band 3 to 5 officers with less than two years' experience is significantly higher (at almost 20 per cent) than for those officers with two or more years' experience. HMPPS told us that each new recruit costs the Service around £13,000.<sup>42</sup> In the year to December 2019, there were 826 Band 3 to 5 leavers<sup>43</sup> with less than one completed year of service. We estimate that the turnover costs for these new recruits leaving just after completing their training is around £10.7 million.<sup>44</sup> These costs increase if full salary costs for those new recruits leaving after one full year of service is also included. In the same time period, there were 657 Band 3 to 5 leavers with one completed year of service, costing a total of around £19.3 million.<sup>45</sup> We calculate therefore that the total turnover for new recruits leaving after less than two years of service is costing HMPPS at least £30 million per annum.

3.36 When we asked HMPPS in oral evidence whether it had considered the trade-off between a higher pay award and reducing turnover costs, it informed us that this had not been considered when it had developed its proposals. HMPPS told us that reducing the cost of turnover was a long-term saving, but the pay award was an immediate cost.

3.37 We were also concerned to hear this year that HMPPS is still not routinely conducting exit interviews for staff who are leaving the Service. When they are done well, exit interviews can challenge assumptions and contribute to improving staff retention by giving insights into training, management, performance and culture. They can also help indicate trends and identify when and where resources should be best directed. In the context of such high turnover of new recruits, we would strongly encourage HMPPS to introduce exit interviews, particularly for Band 3 Prison Officers. We return to this matter in Chapter 5.

3.38 The Public and Commercial Services (PCS) Union noted in its evidence this year that there was insufficient evidence to indicate an improvement in staff retention and the union felt that the cycle of recruitment and training was diluting the experience of the workforce. It said this was having a detrimental impact on the operational performance of the Service. The PCS also informed us that staff were already expressing an interest in applying for jobs in the Border Force and Police as both offer higher rates of pay than HMPPS.

3.39 The PGA informed us in its written evidence that the reward package was not good enough to attract and incentivise new recruits to remain in the Service and this explained why turnover rates are so high. It likened HMPPS's recruitment efforts to filling a bath without putting the plug in and said that the Service needed to "put the plug in by paying staff what they are worth". During oral evidence the union told us that uncompetitive pay levels were considered a motivating factor for operational managers to leave the Service, along with the value of the pension not being seen as attractive as it once was. It said that the Service was struggling to recruit Governors at some of its most demanding prisons and the Service should consider a scheme to encourage non-operational managers to move into the operational workforce more quickly.

### Locality pay and market supplements

3.40 Two different sets of locality pay arrangements apply to staff in our remit group. Staff in the closed grades at certain establishments continue to qualify for one of six rates of LPA ranging from £250 to £4,250 per year (see Appendix E). Under these old arrangements, the same LPA was paid to all staff at these locations, irrespective of the extent of recruitment and retention difficulties for their particular grade. With the introduction of *Fair and Sustainable* in 2012, LPAs were replaced with three pay zones: a basic 'National' pay range and enhanced ranges for those working in 'Outer London' and 'Inner London' establishments and headquarters.

3.41 During our visits round we visited a prison where closed grade staff are on an LPA rate of £4,000 but staff on *Fair and Sustainable* are now on the National pay zone. This prison has some of the largest pay differentials across the prison estate, with some operational managers and below not financially benefitting from opting in to *Fair and Sustainable*. Staff at the prison found the current pay structure and locality pay arrangements

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<sup>42</sup> This figure includes recruitment, training and salary costs.

<sup>43</sup> This is headcount.

<sup>44</sup> To calculate this figure, we have multiplied 826 by £13,000.

<sup>45</sup> To calculate this figure, we have added the National base pay of a Band 3 officer on 37 hours including 17 per cent unsocial to £13,000 (minus £6,000 in salary for the ten weeks of training already included) and multiplied this by 657.

confusing and this prevented many of them seeking promotion. Others had taken pay cuts to take promotion from the closed grades to *Fair and Sustainable*. We note the frustration this complexity causes staff and ask that HMPPS consider this when developing their longer-term strategic plan.

3.42 In February 2017, HMPPS introduced new market supplements for 31 sites across England and Wales (26% of the public sector prison estate) for a period of four years, adding further complexity to the *Fair and Sustainable* pay structure. As at 30 September 2019, there were 2,528 Band 3 Prison Officers in receipt of the 'red' site £5,000 market supplement and 1,931 Band 3 Prison Officers in receipt of the 'amber' site £3,000 market supplement. An additional 576 Band 2 staff were in receipt of a 'red' site market supplement (£875 for an Outer London 'red' site or £900 for a National 'red' site). These are sites which HMPPS consider have, or have had, recruitment and retention issues – 'red' sites where the Service is unable to recruit the staff it requires despite significant efforts and 'amber' sites where recruitment is still possible but difficult. HMPPS added HMP & YOI Winchester as an additional 'red' market supplement site in 2019.

3.43 In March of this year, HMPPS sent us its review of market supplements, conducted between August and December 2019, which tested how effective the market supplements had been in the recruitment and retention of Prison Officers. The review found that those prisons with a market supplement can recruit and, on average, have recruited more joiners per Prison Officers in post than in non-supplement sites. However, there was now increased competition for quality candidates primarily from the Police recruitment drive where staff can earn significantly more, particularly when unsocial hours are taken into account. The review further found that retaining experienced prison staff remains a challenge, with dissatisfaction about pay when compared to other employers emerging as a "constant and consistent" reason for why staff leave. The review notes that the salary of a closed grade Prison Officer is regarded by staff as the rate for the job. Staff also felt that the value of the market supplement was originally based on the difference between the closed grade Prison Officer maximum and the pay band maximum for the *Fair and Sustainable* Band 3 pay structures.

3.44 The review concludes that ceasing market supplements in April 2021 would "unilaterally work against our need to retain experienced staff and compete across the public sector and local labour markets". HMPPS recommends that the market supplements remain in place after April 2021 and that Her Majesty's Treasury approve its request so payments can continue. The review further recommends potentially expanding the number of sites that receive a market supplement to address additional recruitment and retention issues. Eight additional prisons that might receive a market supplement in the future are highlighted in the annex of the review. These include HMP Wayland (in rural Norfolk) which had a resignation rate of 20.5% and HMP Hewell (in Worcestershire) which had a resignation rate of 16.9% between April 2018 and March 2019. Considering this information, HMPPS proposed that no changes are made to the value of the market supplements during the 2020-21 pay round.

3.45 HMPPS further stated in its written evidence that the pay comparability research conducted by IDR demonstrated that a competitive salary is offered at Band 3 and therefore market supplements are only needed to address local pay issues linked to specific sites. We find this conclusion surprising as it is not consistent with the evidence and we have not received any comparative data on competitive pay rates from HMPPS to confirm its assertion.

3.46 Before oral evidence, we shared our wider analysis on Band 3 pay (as discussed below) with HMPPS and the unions. In response, HMPPS informed us that it would need to have an effective answer to any evidence that Band 3 pay was not competitive but that financial constraints had limited its proposals this year. HMPPS further told us that it would be helpful to have evidence from the PSPRB for the upcoming Spending Review about the long-term challenges and direction of pay for Band 3 Prison Officers.

3.47 During oral evidence, the PGA informed us that although most of the 'red' market supplement sites were in the South East of England, the majority of prisons struggling with high attrition rates were not in that area. It felt that the market supplements were not working because attrition was on an upward trajectory, particularly at Band 3. In its written evidence the PCS asked that we consolidate all market supplements into base pay and then uplift all staff onto the same wage. The union told us in oral evidence that base pay, with the addition of the supplements, was the market rate for the job of a Prison Officer.

### **Fair and Sustainable Band 3 analysis**

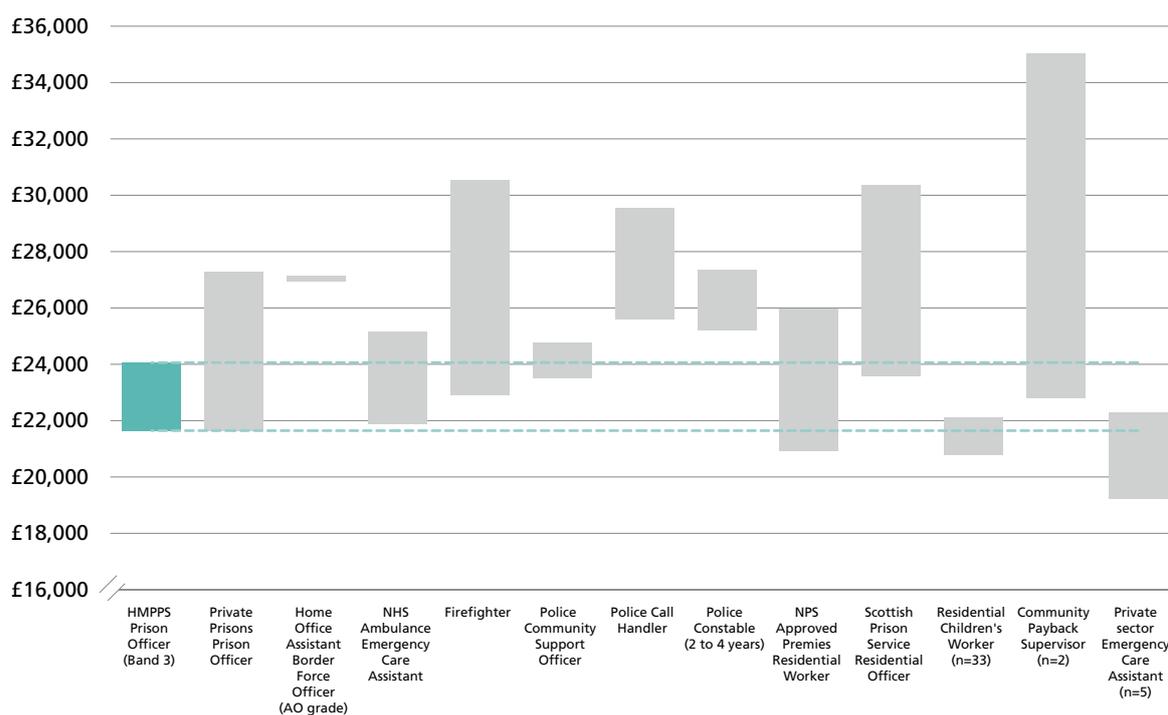
3.48 This year, we have drawn on a range of data to examine the state of the labour market for Band 3 Prison Officers. In the context of relative pay, we examined the IDR pay comparability report and analysis of the Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) data to assess the relative position of Prison Officer pay. To assess the wider labour market position, we drew on the most recently available HMPPS workforce data to examine various aspects of recruitment and retention. This data has greatly enriched our view and provided a strong insight on competitive pay rates.

3.49 The IDR study provided detailed pay comparisons against other occupations judged by IDR as being suitable comparators. While we note the challenges in identifying precise comparators, we regard the IDR findings as providing a useful source of information to assess the relative position of pay in the Prison Service. Figure 3.4 sets out, for Band 3s outside London, the 2018-19 values for base pay including unsocial hours against the pay of the identified IDR comparators.<sup>46</sup> The chart shows:

- The Band 3 pay range overlaps with all but three of the comparators (lying entirely beneath the ranges for Border Force and Police comparators).
- However, the Band 3 range minimum exceeds only four of the comparator minima (one very marginally) and lies below the remaining eight (which include the more significant public sector comparators).
- The Band 3 range maximum exceeds the maximum of just two of the twelve comparators.
- Where the Band 3 range overlaps with comparator pay, it tends to be at the lower end of the comparator ranges.
- Where the Band 3 maximum lies below that of comparators (ten out of twelve), the percentage gaps tended to be greater, reflecting the broader pay ranges in most of the comparator groups. The percentage gap ranged from -3 per cent (Police Community Support Officer) to -31 per cent (Community Payback Supervisor). In cash terms, this equated to £709 to £10,956 respectively.
- Recognising that the Community Payback Supervisor comparator is based on a very small sample, it is worth noting that the Band 3 maximum also fell below three of the more significant comparators (Firefighter, Police call handler and Scottish Prison Service's Residential Officer) by approximately 20 per cent (or some £6,000) in each case.

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<sup>46</sup> Incomes Data Research comparator earnings include unsocial/shift pay where relevant.

Figure 3.4: Band 3 (National) pay 2018-19 compared to IDR comparators<sup>47</sup>

3.50 Our analysis of ASHE data allowed us to assess the relative position of Band 3 pay against both economy-wide earnings and against a number of other occupations defined by ONS as being in the same Standard Occupational Classification (SOC) group as Prison Officers.<sup>48</sup>

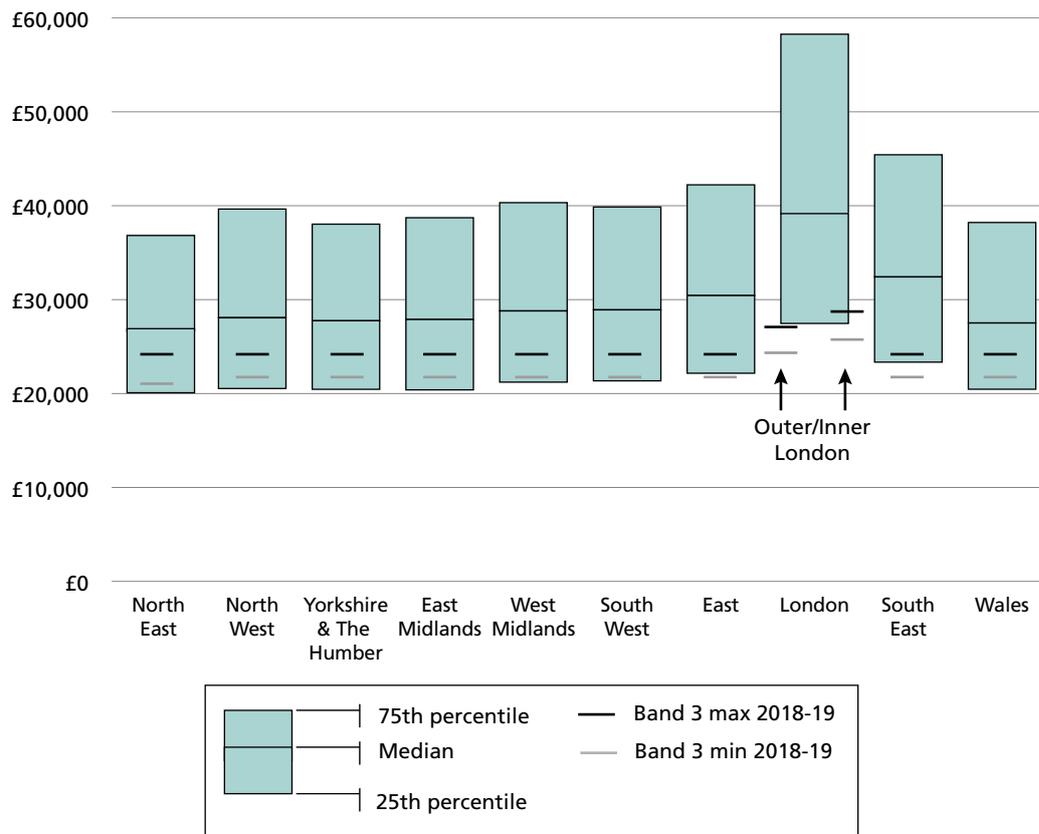
3.51 Figure 3.5 shows the position of the 2018-19 Band 3 pay range relative to the earnings distribution across the wider economy. It shows:

- The Band 3 maximum falls below median earnings in all regions. The largest gaps are in London (where the Band 3 ranges are compared to London-wide comparator earnings) and the South East.
- The application of market supplements (not shown in this chart) improves the relative position of Band 3 pay although still leaves the enhanced Band 3 maxima below the median earnings in all of the regions.

<sup>47</sup> Adapted from Incomes Data Research (2019), *Prison Pay Comparability Study*. (online) Available at: <https://www.gov.uk/government/publications/prison-pay-comparability-study> [accessed on 21 May 2020].

<sup>48</sup> The Standard Occupational Classification classifies jobs into groups according to the concept of 'skill level' and 'skill specialisation'. Standard Occupational Classification Group 3 (*Associate professional and technical occupations*) includes Prison Officers.

**Figure 3.5: Band 3 (National) pay range minimum and maximum compared to full-time economy-wide earnings (median, 25th and 75th percentiles), 2018-19<sup>49</sup>**

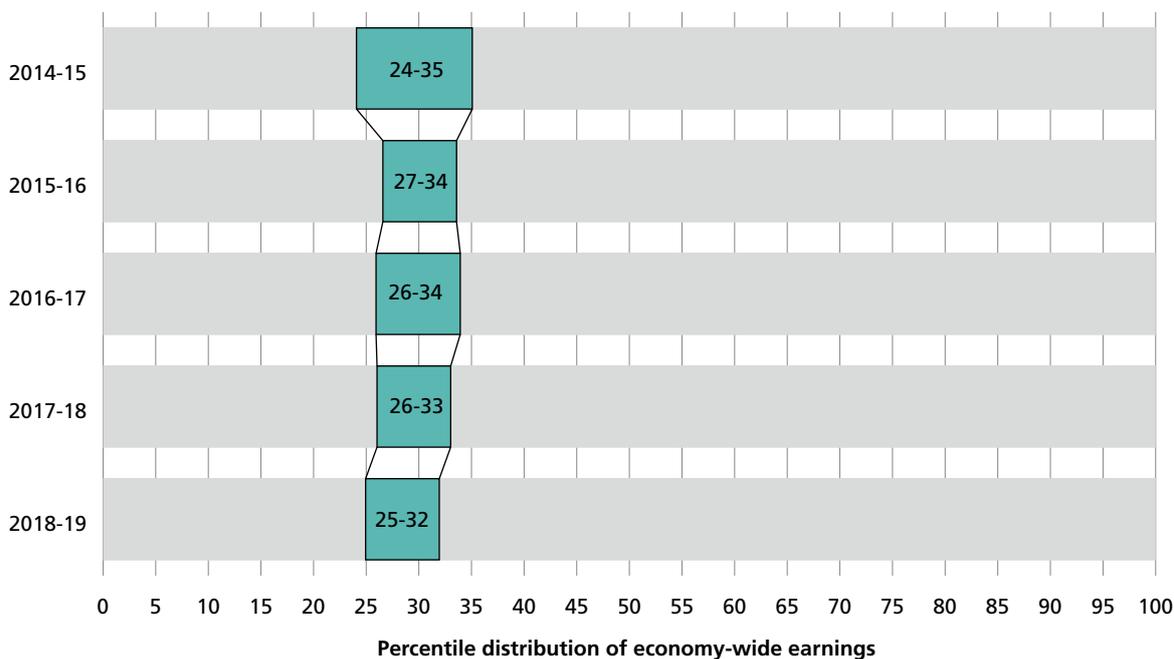


3.52 Figure 3.6 shows the relative position of the Band 3 pay range in the earnings distribution across the whole economy over recent years. The analysis tracks the position of the minimum and maximum of the Band 3 pay range in the wider (percentile) distribution of earnings across recent years. It shows:

- While the pay range minimum improved its relative position in 2015-16 following a restructure (shortening) of the pay range, its relative position has since deteriorated (falling from the 27th to the 25th percentile).
- The relative position of the pay range maximum has deteriorated (falling from the 35th to the 32nd percentile).

<sup>49</sup> Prison Officer Band 3: 37 hours plus unsocial hours. Comparator earnings based on Office of Manpower Economics analysis of unpublished Office for National Statistics Annual Survey of Hours and Earnings data (gross earnings).

**Figure 3.6: Position of Band 3 (National) pay range in the wider economy earnings distribution, 2014-15 to 2018-19<sup>50</sup>**

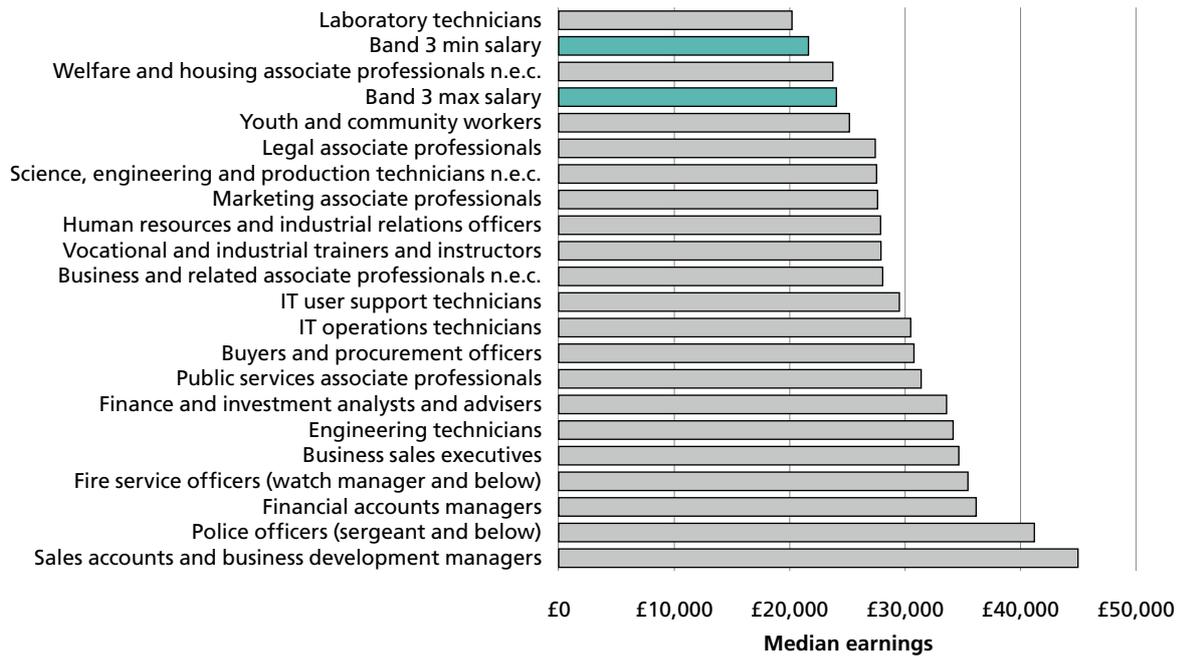


3.53 Figure 3.7 shows the position of the 2018-19 Band 3 pay range relative to the earnings of the largest occupational groups located in the SOC Group 3 (*Associate professional and technical occupations*), which includes Prison Officers.

3.54 The chart shows that both the Band 3 minimum and maximum are lower than median earnings in the vast majority of other SOC3 occupations.

<sup>50</sup> Prison Officer Band 3: 37 hours plus unsocial hours. Comparator earnings based on Office of Manpower Economics analysis of unpublished Office for National Statistics Annual Survey of Hours and Earnings data.

**Figure 3.7: Band 3 (National) pay compared to the median earnings of other SOC3 occupations (outside London), 2018-19<sup>51</sup>**

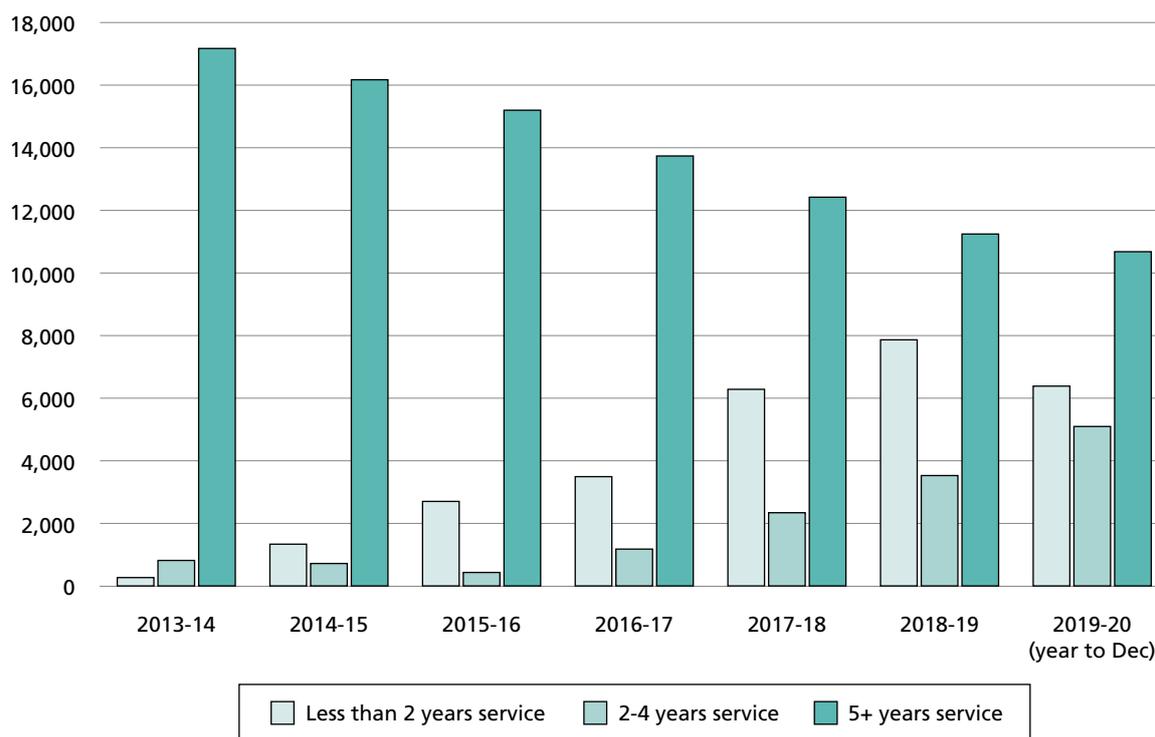
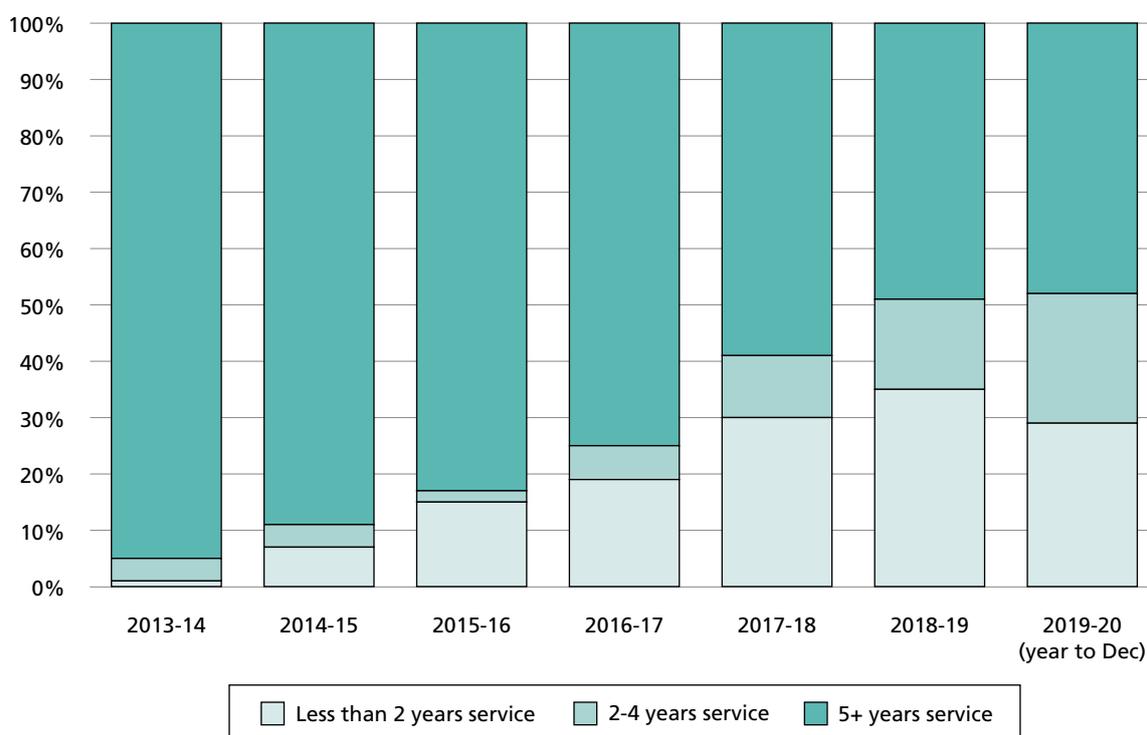


3.55 We also drew on the latest HMPPS workforce data to examine recent trends across a number of indicators.<sup>52</sup>

3.56 Figures 3.8 and 3.9 show the FTE numbers, and percentage breakdown, of serving Band 3 to 5 officers by length of service (completed years). The charts highlight the considerable decrease in the numbers and proportion of experienced officers. The number of officers with five plus years of experience has fallen from c17,000 in 2013-14 to c11,000 in 2019-20, from 94 per cent of the Band 3 to 5 officer workforce to 48 per cent.

<sup>51</sup> Prison Officer Band 3: 37 hours plus unsocial hours. Comparator earnings based on Office of Manpower Economics analysis of unpublished ONS ASHE data.

<sup>52</sup> Office of Manpower Economics analysis of HMPPS workforce data. Her Majesty's Prison and Probation Service, 2020. *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020]

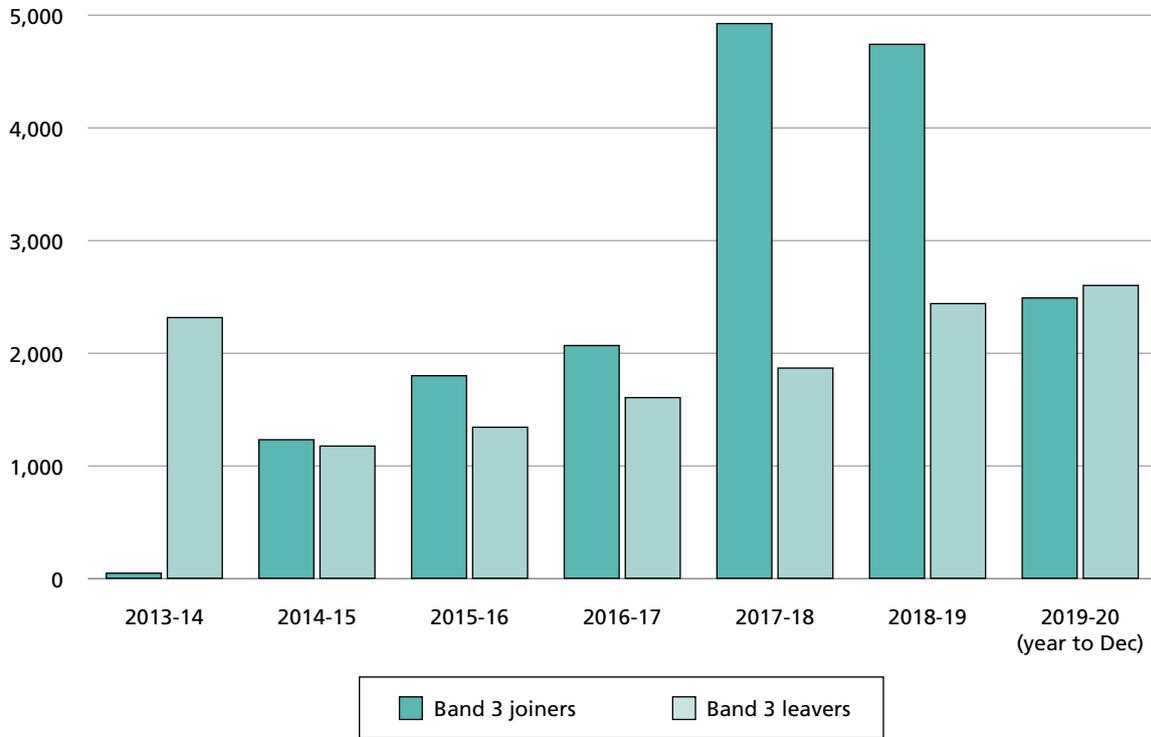
Figure 3.8: Band 3 to 5 staff in post, by length of service<sup>53</sup>Figure 3.9: Band 3 to 5 staff in post, by length of service (% breakdown)<sup>54</sup>

<sup>53</sup> Office of Manpower Economics analysis of HMPPS workforce data: Her Majesty's Prison and Probation Service, (2020). *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020].

<sup>54</sup> Ibid.

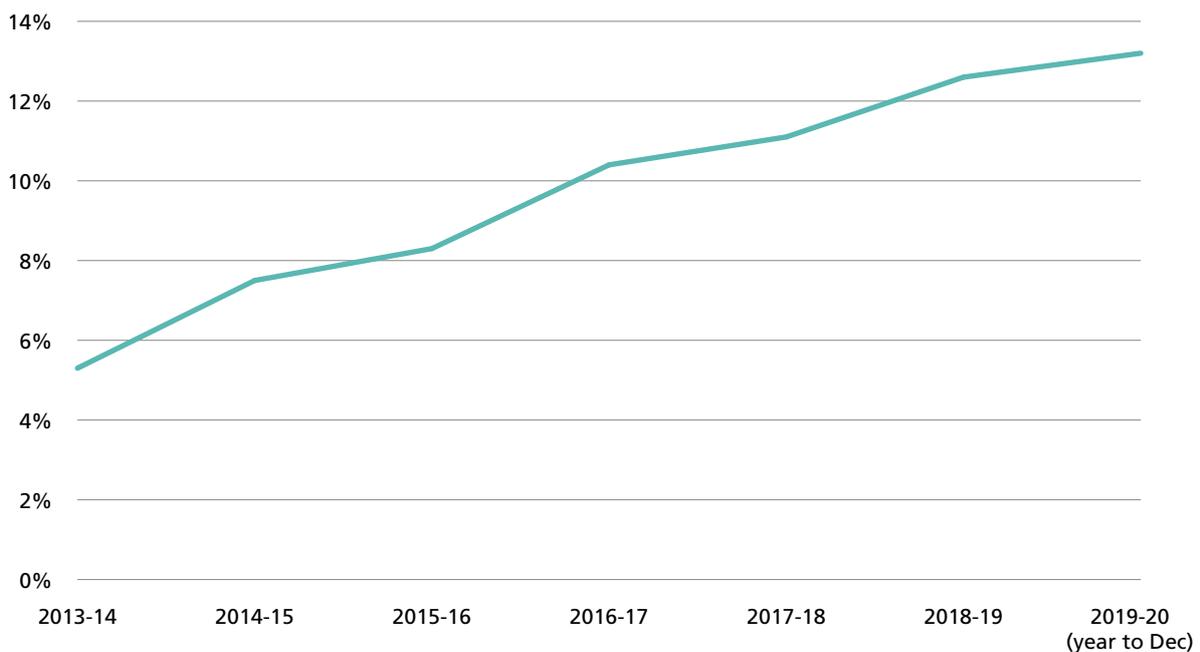
3.57 Figure 3.10 shows the numbers of Band 3 joiners and leavers since 2013-14. The chart shows that while the numbers of joiners exceeded leavers in the years from 2014-15 to 2018-19, this was reversed in the year to December 2019 when the number of recruits fell to 2,478 (compared to 4,738 for 2018-19).

**Figure 3.10: Band 3 joiners and leavers<sup>55</sup>**



3.58 Figure 3.11 shows the Band 3 leaving rate since 2013-14. It shows a steady increase in the leaving rate which reached 13.2% in the year to December 2019.

**Figure 3.11: Band 3 leaving rate<sup>56</sup>**



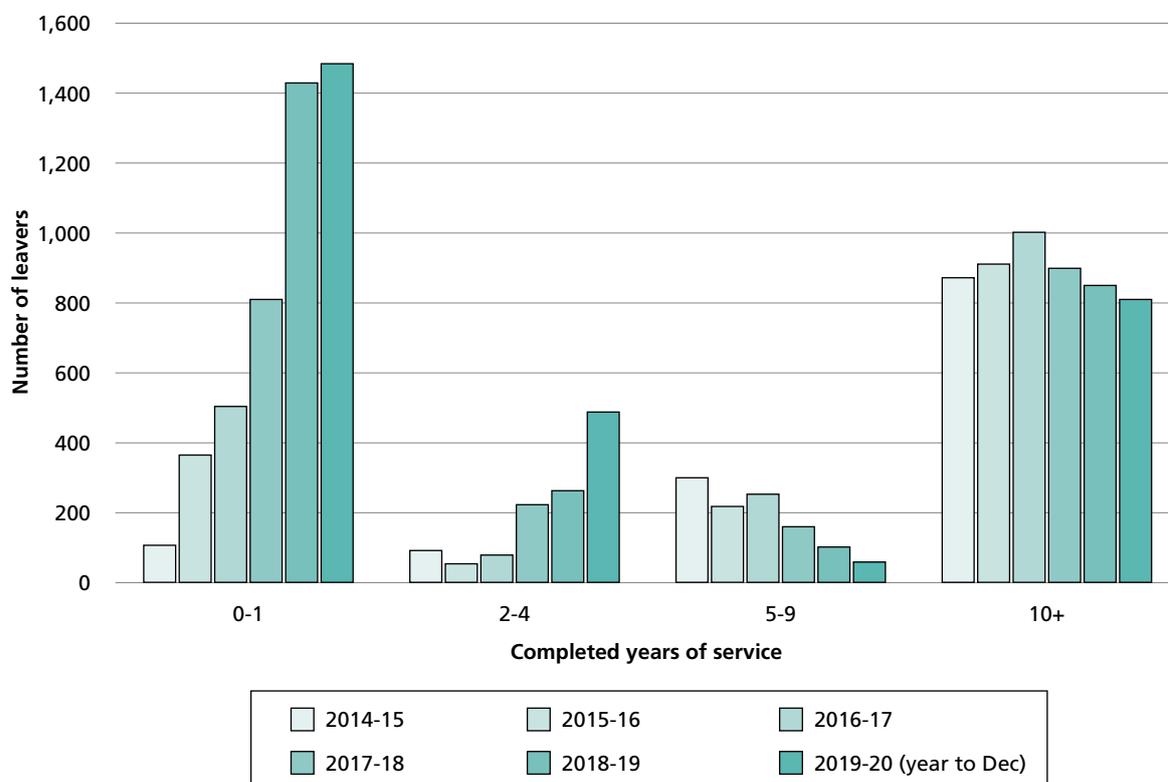
<sup>55</sup> Office of Manpower Economics analysis of HMPPS workforce data: Her Majesty’s Prison and Probation Service, (2020). *Her Majesty’s Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020].

<sup>56</sup> Ibid.

3.59 Figure 3.12 shows the numbers of Band 3 to 5 leavers since 2014-15 by length of service. It shows:

- The numbers of leavers with 0 or 1 completed year's service has increased markedly over recent years.
- The last two years have each seen between 1,400 and 1,500 leavers with less than two years' service, accounting for some 54 per cent of all leavers in each of those years.

**Figure 3.12: Band 3 to 5 leavers, by length of service<sup>57</sup>**



3.60 Overall, the key points we drew from our analysis on Band 3 were:

- While the Band 3 pay range overlapped with many of the comparators in the IDR study, this was often an overlap with the lower end of the comparator range. The band maximum, in particular, tended to compare poorly with the maxima of comparator ranges.
- Analysis of ASHE data show that the Band 3 maximum falls below median economy-wide earnings in all regions, the relative position of the pay range maximum has deteriorated in recent years and that Band 3 pay compared poorly against other occupations located in the same broad SOC group as Prison Officers.
- The proportion of (Band 3 to 5) officers with five plus years of experience has fallen markedly, from 94 per cent in 2013-14 to 48 per cent in 2019-20.
- The Band 3 leaving rate has steadily increased in recent years.
- The Service is losing high numbers of officers with 0 or 1 year's experience (i.e. of its new recruits).

3.61 We comment on the findings of this research in Chapter 4.

<sup>57</sup> Office of Manpower Economics analysis of HMPPS workforce data: Her Majesty's Prison and Probation Service, (2020). *Her Majesty's Prison and Probation Service workforce quarterly: December 2019*. (online) Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-december-2019> [accessed on 21 May 2020].

### Performance management

3.62 One way of rewarding performance and motivating staff is through having a pay system that links pay to the performance management system. For some years, there has been a common Civil Service performance management framework for staff below the Senior Civil Service grades (including our remit group) which incorporates a guided distribution for performance markings. Some Government departments, including the MoJ, have now moved away from this framework, replacing old systems with more regular and informal meetings between staff and managers, in-year bonus pots to reward staff instantly and ending the link between performance marking and progression awards. HMPPS however, has chosen to keep the current system in place while it plans “significant reforms” to its processes.

3.63 Last year in our 2019 report, we stressed that for there to be any element of performance-related pay, the system must be evidentially robust, credible and fair. We have consistently raised concerns with HMPPS about its performance management system being insufficiently robust to base performance-related pay decisions on its outputs for staff in Bands 4 and below. Last year, we received evidence that strongly suggested the system did not work effectively for support and officer grades or operational managers in Bands 7 to 11. As a result, we seriously considered whether to remove all forms of performance-related pay progression from our recommendations. We ultimately concluded however, that it would be unfair to staff who had completed the performance year with the expectation of receiving performance-related pay progression. We did, however, make it very clear in our 2019 report, that if HMPPS did not set out a firm programme to improve the operation of its performance management system, including equality implications, then we would be unlikely to continue to recommend performance-related pay progression or performance awards for any grades of staff going forward.

3.64 For the first time in its written evidence this year, we note that HMPPS acknowledged that there are “issues” in performance management across the Prison Service, particularly for officer grades. HMPPS also stated that its own assessments indicated that the system is “inadequate” in assessing women, Black, Asian and minority ethnic (BAME) and disabled staff. It therefore proposed to suspend linking end of year performance markings to progression for officer grades for one year while the current system was reviewed. HMPPS maintained however that, while improvement is required, the process is sufficiently robust to recommend withholding progression for operational manager grades who do not receive at least a ‘Good’ performance rating and for additional non-consolidated payments for those rated as ‘Outstanding’. HMPPS did not provide any evidence to us to validate this assertion.

3.65 We subsequently asked for the breakdown of performance markings by grade for the 2018-19 performance year. The data provided continues to reinforce our concerns that the system is not fit-for-purpose for any grade of staff. Despite a small improvement in the number of eligible staff receiving a box marking, the data showed that 17 per cent of staff still did not have a performance marking recorded on the system. Many staff we met on visits this year reported to us that, despite having a performance marking, it was given to them without discussion with their manager and the process was often describe as a “tick box exercise”. This corresponds with what we have heard on visits for several years. The data we received also showed that there are still substantial differences between the grades in the number of staff who received an ‘Outstanding’ marking, with 47 per cent of Bands 9 to 11 receiving this marking, compared to only nine per cent of Bands 3 to 4 and four per cent of Band 2.

3.66 During oral evidence HMPPS told us again that the current system was working more effectively for the operational manager grades, despite accepting that considerably more senior managers received an ‘Outstanding’ performance marking than other staff. It said that it planned to move towards the MoJ’s new performance management system, which it said had significantly reduced bias from the process. HMPPS acknowledged during oral evidence that the coronavirus (Covid-19) outbreak may delay the rollout of its planned reforms to the performance management system.

3.67 The PGA said in its evidence to us that the current performance management system did not work, and performance reviews were often “not done well or not done at all”. It said that staff in headquarters had more time to achieve tasks and complete performance reviews which it believed explained why they received

more 'Outstanding' performance markings. Achieving targets in prisons was more difficult, particularly when operational managers had to balance day-to-day duties with the Duty Governor role. In its written evidence the PGA did propose higher performance-related progression and performance awards for staff in Bands 7 to 11 but said it did this because it did not want its members to miss out on the extra money. During oral evidence, the PGA raised a concern about the new system HMPPS planned to implement and how this would work in an operational service which was target driven.

3.68 The PCS union made no proposals to us on performance management this year because it believes the current system is not fit-for-purpose and in its view, discriminates against BAME and disabled staff. The union noted that 4.8% of BAME staff received an 'Improvement Required' marking, compared with 1.5% of white staff, and that BAME staff received lower percentages of 'Outstanding' performance markings. During oral evidence, the PCS informed us that there was no evidence to suggest the performance management system was working better than before. It said that it did not believe a new system would be introduced this year due to the lack of consultation with the unions and the existing pressures the Service was under. The union also raised a concern about the new system HMPPS was planning to implement, saying that HMPPS needed a system that was fit for an operational service.

3.69 Following the oral evidence sessions with the parties in April, HMPPS formally announced to staff that performance reviews would be "scaled back" for 2019-20 due to the exceptional demands on staff and managers arising as a result of Covid-19. HMPPS suspended the usual process for SPDR<sup>58</sup> assessments at year end, objective setting and SPDR opening for 2020-21 with immediate effect. It informed managers that they only need to record a rating for those staff assessed as 'Outstanding' and light touch moderation meetings would be required only for these markings. All other staff would default to a 'Good' on the system. Any staff who are on formal poor performance measures as at 31 May 2020 will default to an 'Improvement Required', rather than 'Good' marking. HMPPS said these changes to the end of year process do not affect the contractual pay obligations to the closed grades, which it will continue to observe. We comment on this further in Chapter 4.

## Equality and diversity

3.70 Like other public bodies, we have a public sector equality duty and are required by our standing terms of reference to consider, as a minimum, the relevant legal obligations on the Prison Service with regard to equality and diversity. We recognise that creating and sustaining an inclusive and diverse workforce which promotes employee wellbeing, mutual respect, understanding and engagement is an important responsibility of any employer.

3.71 We monitor the diversity of our remit group using the data available. The most recently available figures as at 31 March 2019 show that some 50 per cent of OSGs were aged 50 or over. Around a quarter of Band 3 to 5 officers were aged under 30, showing the influx of newer and younger staff into Band 3. Proportionally, from 2016 to 2019 the 20 to 24 and 25 to 29 age groups doubled. Conversely, there are proportionally fewer Band 3 to 5 officers in 40 to 60+ age groups in 2019 than in previous years. The age profile of operational managers has continued to increase since 2010, with over half now aged 50 or over.

3.72 We note this year that 31 per cent of the remit group are female, up one percentage point from 2018. The gender split of our remit group varies by grade: 46 per cent of OSGs are female; 28 per cent of officer grades are female; and 35 per cent of operational managers are female. There have been increases in the proportion of female staff at all grades over the past decade, however the proportion does not reach half in any of the remit grades.

3.73 The data we received also reveals that 7.3% of our remit group declaring this information were from a BAME background, higher than the preceding two years. The corresponding proportion in the wider England and Wales population, as reported in the 2011 Census, was 14 per cent.<sup>59</sup>

<sup>58</sup> Staff Performance and Development Record.

<sup>59</sup> Office for National Statistics, (2011). *2011 Census*. (online) Available at: <https://www.ons.gov.uk/census/2011census> [accessed on 21 May 2020].

3.74 We do not receive any data on sexual orientation, religion and belief, or disability from the parties for our report.

3.75 HMPPS state that its equality objective is to “treat our staff with respect and offer equal opportunities to everyone we work with”.<sup>60</sup> A key part of its workforce strategy this year is to enable people to be their best by recruiting a more diverse group of staff to achieve an inclusive culture that supports everyone to reach their potential.<sup>61</sup> In its written evidence, HMPPS informed us that it had accepted all recommendations in the Lammy Review<sup>62</sup> on the treatment of, and outcomes for, BAME individuals in the Criminal Justice System. In relation to our remit, these recommendations include increasing the proportion of new BAME Prison Officer recruits; and improving representation of BAME leaders in the prison workforce.<sup>63</sup>

3.76 We were pleased to read in HMPPS’s written evidence that it has since made a public commitment that 14 per cent of all new recruits across HMPPS will be from a BAME background by December 2020, and it is tailoring its attraction and marketing recruitment campaigns to achieve this. We appreciate this is a challenging target, but we commend the intent, and look forward to hearing of the specific initiatives leading to further progress in this area in the coming year.

3.77 In reaching our recommendations this year we discussed and considered a number of issues that impact on equality and diversity in the Prison Service. Our primary concerns rested with both the continuing equal pay risk caused by the current two-tier pay structure and the apparent discrimination in performance management assessment outcomes for junior staff and those with protected characteristics. We discuss both our thinking and the conclusions that we reached on these two issues in Chapter 4.

3.78 There also remains a number of issues which, in addition to the above, we wish to gather more meaningful data on next year and address in our 2021 report. These include: the level of temporary promotions within the Service; the lack of exit interviews to identify the reasons why staff leave; the under-representation of staff from a BAME background compared to the wider population; and the HMPPS results from the 2019 Civil Service People Survey in which 16 per cent of respondents (see paragraph 3.79 below regarding the response rate) said they have been bullied, harassed or discriminated against in the last 12 months. We return to this matter in Chapter 5.

### Motivation and morale

#### *Civil Service People Survey*

3.79 HMPPS is part of the Civil Service and is therefore included as part of the annual 2019 Civil Service People Survey. HMPPS carried out its survey in the autumn of 2019 and its results, along with those for the wider Civil Service, were published on 26 March 2020.<sup>64</sup> We therefore received the results for the 2019 survey for both HMPPS and the Prison Service (a separate unit within HMPPS) in time for this 2020 report. As in previous years, the response rate for the Prison Service remained very low, at just 28 per cent (27 per cent in the 2018 survey). Due to the low completion rate it is important to treat results from this survey with caution.

3.80 There are three questions on pay and remuneration as part of the Civil Service People Survey which we monitor each year. It was disappointing to read this year that there had been a statistically significant decrease in responses from Prison Service staff on two of the questions below that relate to pay and remuneration:

- 23 per cent (down from 24 per cent) of respondents considered their pay was reasonable when compared to others doing similar jobs in other organisations. The wider Civil Service comparable benchmark was 28 per cent;

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<sup>60</sup> Her Majesty’s Prison and Probation Service, (2019). *Equality and diversity*. (online) Available at: <https://www.gov.uk/government/organisations/her-majestys-prison-and-probation-service/about/equality-and-diversity> [accessed on 21 May 2020].

<sup>61</sup> Ibid.

<sup>62</sup> Gov.uk (2017). *Lammy Review: Final Report*. (online) Available at: <https://www.gov.uk/government/publications/lammy-review-final-report> [accessed on 21 May 2020]

<sup>63</sup> Ibid.

<sup>64</sup> Ministry of Justice, (2020). *Ministry of Justice: Civil Service people survey results 2019*. (online) Available at: <https://www.gov.uk/government/publications/ministry-of-justice-civil-service-people-survey-results-2019> [accessed on 21 May 2020]

- 27 per cent (no change) of respondents were satisfied with their total benefits package. The Civil Service benchmark was 39 per cent; and
- 25 per cent (down from 26 per cent) of respondents felt that their pay adequately reflected their performance. The Civil Service benchmark was 35 per cent.

#### *Sickness absence*

3.81 It is important that we consider sickness absence in our report as it can significantly affect staffing levels. High levels of sickness absence are also often an indicator of low motivation and morale.

3.82 In the year to 31 March 2019, the overall rate of sickness absence for the remit group was 9.9 days per person. This is a slight increase from 9.7 days in 2018, but still lower than the peak of 12.1 days in 2014-15. Sickness absence rates are much lower for management grades. While Band 3 to 5 officer grade rates have typically been between 10 and 13 days a year since 2007-08, the corresponding rates for operational managers have tended to lie between 4 and 5 days.

3.83 In its written evidence HMPPS shared a number of new initiatives with us on staff wellbeing, including: the move away from the traditional occupational health nurse model to a mixed delivery model which includes local mental health advisers and on-site care teams; Cognitive Behavioural Therapy and Eye Movement Desensitisation Reprocessing for staff suffering from work related post-traumatic stress; and the introduction of 16 Trauma Risk Management practitioners in each establishment to provide a peer-to-peer risk management process similar to that used in the Police, Ambulance and Fire services. We welcome these initiatives and look forward to hearing about the impact they have on staff in our remit group.

#### *Evidence from the parties*

3.84 As in previous years, there is no specific section in the HMPPS evidence that deals with motivation and morale. In our last report we asked that all the parties provide detailed evidence on the issues that cause continuing low levels of motivation and morale in the Prison Service, and the measures that have been put in place to improve these. We encouraged HMPPS to explore different ways in which it could start to improve motivation and morale. We were therefore disappointed that this was not addressed in its evidence to us. In its written evidence HMPPS stated that it was "acutely aware" that it needs to prioritise building staff motivation and morale and its overarching priority therefore remains to build a safe, decent and secure environment for staff and prisoners.

3.85 The PGA noted in its written evidence that levels of motivation and morale remained low, with staff working in dilapidated buildings, facing extremely high levels of violence and record-breaking levels of prisoner self-harm. It said that the poor working conditions provided a barrier to recruitment and retention and the ability to make any difference in terms of prisoner rehabilitation. The PGA highlighted to us the long hours worked by their members, noting that some operational managers average 50 hours a week. On top of their day-to-day workloads, the union said staff were required to undertake Duty Governor tasks and comply with increasing levels of assurance. In order to improve motivation and morale, the PGA told us in oral evidence that the Service should reduce the level of unnecessary assurance, recruit more operational managers to reduce workloads, improve work-life balance and pay operational managers at the same level as their comparators in the IDR report.

3.86 The PCS informed us that morale was generally low and had decreased further this year. The union shared the results of the 2019 People Survey with us in its written evidence. In addition to the results reported in paragraph 3.80, the union quoted the following figures: 73 per cent of staff said when changes are made they are not for the better; 44 per cent of staff felt undervalued; 47 per cent of staff felt they had an unreasonable workload; and 58 per cent were not motivated by HMPPS to achieve its objectives. The PCS also noted that staff are concerned that, despite receiving consolidated pay rises in recent years, the difference in pay between them and their comparators has still not been addressed.



## Chapter 4: Our recommendations on pay for 2020

### Introduction

4.1 This chapter summarises our analysis of the evidence and sets out our recommendations. In reaching our recommendations we have considered all the relevant evidence available to us.

4.2 We have taken account of the evidence provided by Her Majesty's Prison and Probation Service (HMPPS) on its affordability constraints, and its policy commitment to prioritise investment in *Fair and Sustainable*, along with the Government's more flexible approach to public sector pay. We have considered evidence from the Prison Governors' Association (PGA), the Public and Commercial Services (PCS) Union, and the evidence obtained on our visits from staff in our remit group. We also analysed evidence on recruitment and retention, motivation and morale, equality and diversity and the competitiveness of the Prison Service's employment package in England and Wales using the pay comparability research by Incomes Data Research (IDR) and data from the Office for National Statistics Annual Survey of Hours and Earnings (ASHE), adhering to our terms of reference.

4.3 The objectives we set out to address this year are:

- To provide all staff with an above-inflation, consolidated pay increase;
- To improve the competitiveness of our remit group's pay scales and ranges;
- To target pay to support the recruitment and retention of Prison Officers, particularly in light of increased Border Force and Police recruitment; and
- To reduce the pay differential between *Fair and Sustainable* and closed grades where the gap continues to remain significant.

#### Summary of headline recommended pay awards

We recommend that from 1 April 2020 the *Fair and Sustainable* National Band 2 spot rate, the Bands 3 to 5 base pay points, the Bands 7 to 11 base pay minima and maxima, and all closed grade equivalent spot rates and base pay points be increased by 2.5%.

We recommend that from 1 September 2020 the *Fair and Sustainable* National Band 3 base pay points increase by £2,564 giving a total consolidated and pensionable award of £3,000 when the 17 per cent unsocial hours payment is included. On 1 September 2020, this replaces the 'amber' market supplement and £3,000 of the 'red' market supplement for those Band 3 staff who currently receive them.

### Analysis

4.4 In analysing the evidence available to us this year, we are mindful that the Prison Service is operating in a very different and challenging context. The impact of coronavirus (Covid-19) has had far reaching consequences on the prison staff in our remit group and the prisoners in their care. It has added further pressures onto the already difficult job that prison staff do, and we believe that the hard work and determination of staff to maintain stability across the prison estate during this time should be commended.

4.5 The impact of Covid-19 has also made it more difficult for us to consider the key economic benchmarks which we would usually draw on when making our decisions. In reaching our recommendations we have noted the latest published figures both for the Consumer Prices Index including owner occupier's housing costs (CPIH)

rate of inflation at 1.5%<sup>65</sup> and for average earnings growth across the whole economy at 3.1%.<sup>66</sup> However, we are also aware of forecasts by the Bank of England and Office for Budget Responsibility, suggesting that Covid-19 will have an enormous downward impact on the whole of the United Kingdom and global economy. This is not yet reflected in official statistics.

4.6 On our visits we see first-hand the day-to-day demands on prison staff. Despite small signs of improvement, the levels of violence and self-harm across the prison estate remain at record highs and the reported availability of drugs and mobile phones continues to increase. Staff in our remit group tell us that they are not just Prison Officers, but also fire officers, teachers, social and mental health workers and even parents. Many staff work in old buildings that create environmental difficulties, contributing to the low levels of motivation and morale we have observed for many years. It is therefore not surprising that staff continue to feel undervalued and regularly tell us that they are the “forgotten service”. The work they do to protect prisoners in their care and the public is hidden behind prison walls and, as a result, is often overlooked and not recognised in the same way as other frontline public servants. We believe this puts a significant onus on us to ensure that staff in our remit group are fairly recognised and rewarded for the job they do. We take this seriously when formulating our recommendations.

4.7 In 2019-20 to 2020-21, the Ministry of Justice (MoJ) received a 4.9% real term increase in its resource budget. Additional funding was also secured to create an additional 10,000 prison places, £100 million to increase security in prisons and £156 million to address the most pressing prison maintenance issues. This investment is welcome as many commentators consider that the Prison Service is in need of significant capital expenditure to improve the physical infrastructure of the prison estate. However, as we set out in our 2019 report, there should not be a trade-off between much needed infrastructure investment and the money available for a pay increase for Prison Service staff in a single year. Put simply, we do not believe that staff should be subsidising a safe and decent working environment. With the Government’s ambition to increase policing and build more prison places, the increase in demand on the Criminal Justice System will have a knock-on effect on the Prison Service. Adequate staffing levels and an appropriate balance between newly recruited and experienced staff will be crucial to maintaining the stability of the Service.

4.8 We have seen encouraging signs of progress as our remit group has again increased in size in the year to March 2019, demonstrating that the Prison Service is able to recruit into vacant roles. There has also been an associated decrease in the total expenditure on Payment Plus from a high of around £50 million in 2017-18 to around £36 million in 2018-19. We noted in our 2019 report that, by reducing the reliance on Payment Plus, the Service would be able to deliver productivity savings and we were therefore pleased to see a reduction of around 30 per cent this year. These are positive signs of progress, but the benefit of new recruits will only be felt if the majority remain in the Prison Service.

4.9 This year we have been concerned to see that the leaving rate has continued to increase. This is particularly problematic at Band 3 where the leaving rate rose again this year to 12.6%. Having requested a breakdown of leaving rates per establishment from HMPPS, we were alarmed to see at some establishments that the leaving rate for Band 3 Prison Officers is as high as 30 per cent.

4.10 HMPPS informed us in oral evidence that it needed capacity to recruit up to 4,000 new Prison Officers a year, at a cost of around £13,000 per recruit, to keep pace with current attrition rates and recruitment drives by the Border Force and Police. As calculated in Chapter 3, we estimate that the cost of new Band 3 recruits leaving after less than two years of service is around £30 million a year. This is not only an inefficient use of public money but suggests that the Service is overall not attracting or selecting candidates for the longer term, indicating that there could be more fundamental issues with the recruitment, training and induction processes. We are concerned this may be further exacerbated with the outsourcing of the recruitment process to SSCL (Shared Services Connected Ltd), at a time when the Service needs to focus both on the number and the quality of new recruits and put in place measures, including pay arrangements, which encourage them to stay.

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<sup>65</sup> The CPIH rate of inflation as of March 2020.

<sup>66</sup> Whole economy average weekly earnings growth was at 3.1% in the three months to January 2020.

4.11 When we raised this issue with HMPPS we were disappointed to hear that it considered that securing savings from reducing turnover costs was a long-term aspiration rather than a current priority. It had not considered the potential trade-off of a higher pay award reducing the cost of staff attrition. We strongly believe that the extra expense of continual recruitment to counter high turnover is an immediate cost to the Service. Continuous recruitment and churn of staff are also very disruptive for other prison staff and for prisoners.

4.12 Whilst we accept there are many reasons why staff may leave the Prison Service, we believe that pay levels are an important contributory factor. Despite the year-on-year increase in leaving rates, HMPPS does not conduct exit interviews so much of the evidence on reasons for leaving is anecdotal. That said, in its own review of the market supplements HMPPS notes that dissatisfaction with pay was a “constant and consistent” reason why staff leave. Staff reported that they could earn significantly more working for comparators, such as the Police. Additionally, we have heard from staff on our visits that the potential for the market supplements to be withdrawn is a concern for many, leading some to pursue greater financial security with other employers.

4.13 This year, our analysis has had a strong focus on the Band 3 Prison Officer group as we were concerned that comparable base pay at this grade had fallen behind that in both the public and private sectors. We have drawn on a range of pay and workforce data to assess the labour market position for this group. Our analysis, summarised in Chapter 3, showed:

- While the Band 3 pay range overlapped with many of the comparators in the IDR study, this was often an overlap with the lower end of the comparator range. The band maximum, in particular, tended to compare poorly with the maxima of comparator ranges.
- The Band 3 maximum fell below median economy-wide earnings in all regions, the relative position of the pay range maximum has deteriorated in recent years and Band 3 pay compared poorly against other occupations located in the same broad occupational group as Prison Officers.
- The proportion of Band 3 to 5 officers with five plus years of experience has fallen markedly, from 94 per cent in 2013-14 to 48 per cent in 2019-20.
- The Band 3 leaving rate has steadily increased in recent years.
- The service is losing high numbers of officers in their initial years of service.

4.14 The overwhelming conclusion is that there is a clear issue with the market position of Band 3 Prison Officer pay; a conclusion borne out by the trends in the workforce data. We were therefore concerned to hear from HMPPS that, after reading this evidence, it still considered that a competitive salary was offered at Band 3. As noted earlier in this report, we find this conclusion surprising, particularly as HMPPS has provided us with no comparative data to support its assertion.

4.15 The increasing leaving rates at Band 3 are having a major impact on our remit group and the management of prisons. As HMPPS set out in its written evidence, experienced staff have a positive effect on the stability of prisons through helping to reduce violence and maximising the effectiveness of new recruits. It is the experience of longstanding staff which is essential to the effective running of prisons and enables new recruits to develop their skills and confidence in a stable and supportive environment. With the potential for leaving rates to rise further over the next three years with increased recruitment competition from the Border Force and Police, it is vital that HMPPS develops and invests in a plan to bring down leaving rates and reduce the burden on the decreasing proportion of experienced staff who are being relied upon to train and mentor new recruits. We believe that a more attractive and competitive level of pay will play a role in reversing trends such as turnover rates.

4.16 This year we therefore believe that the evidence strongly supports targeting additional investment at *Fair and Sustainable* Band 3, which is the front-line operational role where the need is most pressing. We believe it is crucial that the Prison Service invests in its pay structure now, not only to bring down the cost of turnover among the cohort of newly recruited Prison Officers but also to attract the kind of recruits who

will remain in the Prison Service and, over time, bring the benefits of experience to prison management. Our recommendations represent a significant step towards improving the relative position of staff at Band 3 in the job market. We note however, that further meaningful increases will be needed in future years to improve the relative position of all staff in our remit group. We return to this matter in paragraph 4.36.

### Affordability

4.17 As set out in our terms of reference, we must be mindful each year of the funds available to the Prison Service in England and Wales, as set out in the Government's departmental expenditure limits. We have considered all the evidence we received about the current financial position of the Prison Service, the 2019 Spending Round and the upcoming Spending Review, and the Government's future plans for the Criminal Justice System. We have also had in mind the as-yet unquantifiable, but very significant, effects of Covid-19 both on the working environment for our remit group, and on the financial health of the economy.

4.18 HMPPS costed its proposals for 2020-21 at approximately £30.2 million, which included £20.5 million available for the pay award. This latter figure is 0.4% of HMPPS's £5 billion budget for operational expenditure as of 2018-19.<sup>67</sup> During oral evidence HMPPS informed us that Covid-19 would have a huge financial impact on the Service, but that its pay proposals were affordable at the time the written evidence was produced.

4.19 Whilst we are conscious of the financial context in which we make our recommendations, we have identified fundamental problems in the *Fair and Sustainable* pay system which undermine the effective running of prisons, waste large amounts of money and pose a significant equal pay challenge. Our recommendations begin to address each of these problems. They constitute a significant step forward in addressing pay inequalities and closing the gap between staff in *Fair and Sustainable* and the closed grades. We address the productivity savings that can be made to offset, in part, a higher award for Band 3 later in this chapter.

### Support and officer grades pay award

4.20 In determining the headline increase for staff this year, we debated two important questions: whether the award should be differentiated for staff on *Fair and Sustainable* and the closed grades; and what the value of the uplift should be. HMPPS proposed a headline award of two per cent for staff on *Fair and Sustainable* and a non-consolidated award of £500 for those closed grade staff who would not financially benefit from opting into *Fair and Sustainable*. Both the PCS and the PGA proposed a consistent award for all staff on both pay structures of 10 per cent (with a £2,400 "underpinning" on all pay points and ranges) and 15 per cent respectively.

4.21 We ultimately concluded that, as in previous years, there is a need for a consistent approach to pay awards for staff in both *Fair and Sustainable* and the closed grades. We felt that it was particularly important to recognise frontline operational staff in both structures who continue to do a particularly demanding job in even more difficult conditions this year due to Covid-19. We believe that differentiating between the two structures would damage morale across the whole Prison Service and risk worsening retention rates further at a time when stability and experience are critical.

4.22 Although we had limited official economic data available to us this year, we noted both the figures of the CPIH rate of inflation and the average earnings growth across the whole economy when considering the value of the uplift. We looked at the competitiveness of the pay scales and ranges, alongside the IDR report and ASHE data, and sought to recommend a headline award that was affordable in the context of HMPPS's overall budget, offered value for money and would allow our remit group to see some real-terms pay growth. We were not persuaded by HMPPS's argument to award non-consolidated awards. Historically they have been poorly received by staff, have had an adverse effect on morale of many of the most experienced staff and do not offer fairness or value for money in our view.

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<sup>67</sup> HMPPS, (2019). *HMPPS Annual Reports and Accounts 2018-19*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2018-19> [accessed on 21 May 2020]. At the time of writing our report the Annual Reports and Accounts for 2019-20 had not been published.

4.23 We therefore recommend a consolidated, pensionable increase of 2.5% for all staff in Bands 2 to 11, along with all closed grade staff (including those on HMP Birmingham pay grades and the *Fair and Sustainable* operational graduate and Accelerated Development schemes). This award will deliver the same percentage increase to staff irrespective of whether they are on *Fair and Sustainable* or on the closed grades.

**Recommendation 1:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Band 2 spot rate and the National Bands 3 to 5 base pay points, along with the closed support and officer grade spot rates and base pay points, be increased by 2.5%, as set out in Appendix D. This award to be consolidated and pensionable for all staff.

#### *Fair and Sustainable Band 2*

4.24 We wish to flag that in our analysis of the available data this year, we also had concerns both about the level of pay and retention rates for Band 2. We believe that this needs to be addressed in future years, and comment further on this in Chapter 5. We ask that, in the meantime, HMPPS continues to pay the Operational Support Grade (OSG) market supplement at its current value to those eligible staff.

4.25 HMPPS recommended in its written evidence that all staff should continue to be paid at or above the Government's National Living Wage (NLW), following the announced increase to £8.72 per hour<sup>68</sup> from 1 April 2020. We therefore recommend that the consolidated, pensionable salary for Prison Auxiliary staff and Night Patrol staff is increased to the NLW or by 2.5%, whichever gives the greater amount.<sup>69</sup> Using HMPPS's most recently shared data, this is likely to benefit one member of staff in the role of Night Patrol and three staff in the role of Prison Auxiliary.

**Recommendation 2:** We recommend that from 1 April 2020 the consolidated, pensionable salary for Prison Auxiliary and Night Patrol staff be increased to the National Living Wage or by 2.5%, whichever gives the greater amount.

#### *Fair and Sustainable Band 3*

4.26 As discussed earlier in this chapter, this year we consider that the evidence strongly supports targeting additional investment at *Fair and Sustainable* Band 3. Band 3 is the main operational recruitment grade into the Prison Service, which is facing a significant challenge in terms of retaining staff at this grade. In 2017 HMPPS introduced market supplements of £3,000 and £5,000 a year to aid recruitment and retention at 31 prisons that had been failing to recruit and retain sufficient numbers of staff. These supplements were implemented for a period of four years and are due to be reviewed in March 2021.

4.27 HMPPS's own review of its market supplements carried out at the end of 2019, found that those prisons receiving a market supplement had, on average, recruited more joiners per Prison Officer in post than the non-supplement sites. The review also found that, although the market supplements had been reasonably effective at slowing resignation rates between March 2017-18, they started to rise again from March 2018. There are many factors beyond pay that influence staff turnover, for example: health and safety; working conditions; management of staff; career opportunities; and training. However, in the data we received from HMPPS showing the breakdown of leaving rates per establishment, eight out of the top ten sites with the highest turnover rates between April 2018 and March 2019 were not 'amber' or 'red' market supplement sites. This indicates that retention is a wider problem across the whole prison estate.

4.28 We have expressed concerns in recent years to HMPPS that the market supplements are having a ripple effect at other prisons. This was made more evident last year when HMP & YOI Winchester was added to the list of 'red' market supplement sites, having experienced recruitment and retention issues due in part to its

<sup>68</sup> For employees aged 25 or over.

<sup>69</sup> We note that these grades may have slightly different terms and conditions, including working hours. Therefore, we believe HMPPS are best placed to calculate the NLW for these grades accurately.

proximity to HMP Erlestoke (an 'amber' market supplement site). Our concern is highlighted in HMPPS's review of the market supplements, in which it concludes that it plans to seek approval from Her Majesty's Treasury to continue paying the market supplements from March 2021, and potentially expand the sites that receive them. We have serious reservations about this. It risks introducing yet more tiers to an already complex and unequal pay system and may have unintended consequences for other nearby prisons.

4.29 As set out in Chapter 3 and in paragraph 4.13, our evidence points to an insufficiently competitive level of pay for Band 3 Prison Officers. While we recognise that there are a number of factors that influence individuals' career decisions, we believe pay is a key contributor. Our view, informed by the evidence, is that a substantial award is therefore required to begin to address the serious recruitment and retention problems.

4.30 Our approach this year towards Band 3 has been threefold: using the data available to us we considered what the 'rate for the job' should be; we then discussed how this could be achieved and in what time frame; and finally we considered HMPPS's financial position and what would be possible to recommend this year within those affordability constraints, taking account of associated productivity savings. We discuss each of these issues in turn.

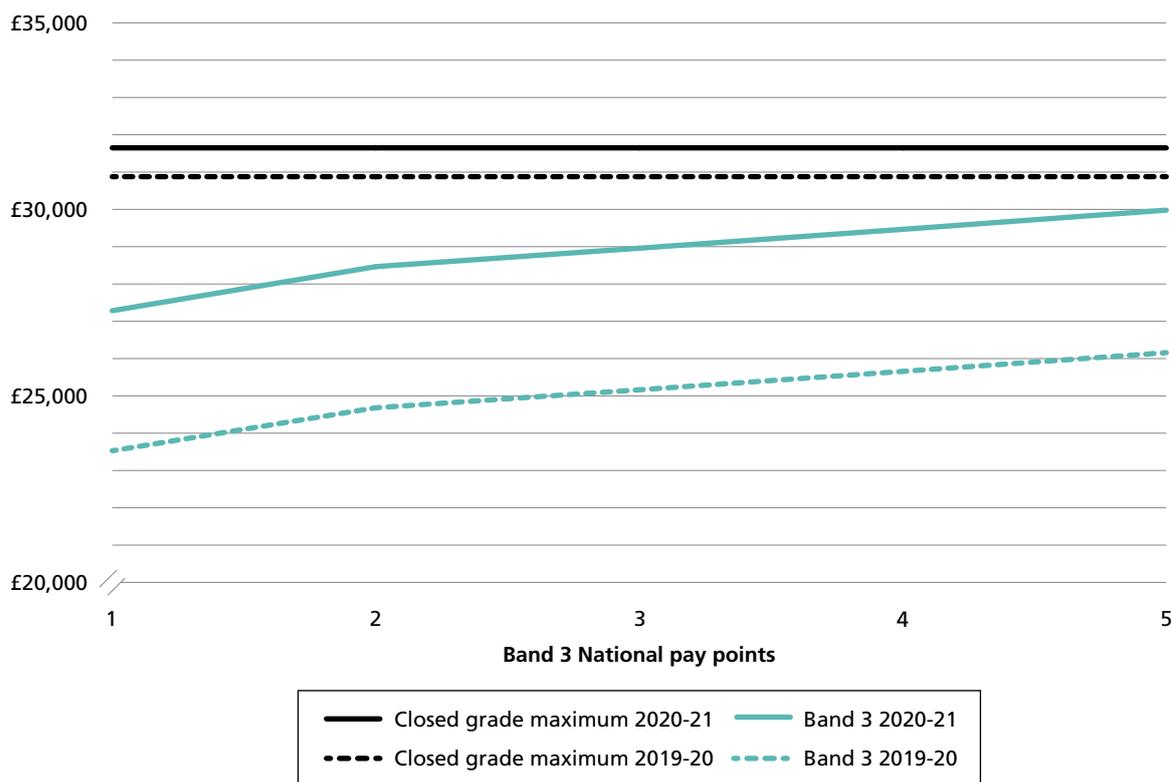
4.31 In its review of market supplements, HMPPS gathered feedback from a number of staff about the rate of pay at Band 3. This, combined with our own feedback from visits, suggests that the salary of a closed grade Prison Officer is regarded by the majority of staff as the rate for the job. Staff believe that the value of the market supplements was originally based on the difference between the closed grade Prison Officer maximum and the *Fair and Sustainable* Band 3 pay maximum. We note however, that some Band 3 Prison Officers in receipt of the 'red' market supplement are being paid above the closed grade Prison Officer maximum and, in some regions, this still leaves total pay below median earnings. We concluded that Prison Officers in both the closed grades and *Fair and Sustainable* should be paid a single rate for the job which is set at an appropriate position against the relevant market comparators. This is consistent with the overarching principle of the *Fair and Sustainable* framework which introduced a single market-facing rate for each of our remit grade groups. This aspiration will guide our future approach, recognising for reasons of affordability, it may take several steps to achieve this over time.

4.32 After much deliberation, we further concluded an important step toward achieving this aspiration would be to consolidate the 'amber' market supplement for all Band 3 Prison Officers, including those who do not currently receive a market supplement. With the upcoming review period for the market supplements in March 2021, we felt this approach would provide some certainty for staff who receive a supplement and begin to address the issue of uncompetitive pay at Band 3. On our visits we frequently hear concerns from staff that the Service will take away the market supplements which, in the HMPPS review of the supplements, states would "unilaterally work against our need to retain experienced staff and compete across the public sector and local labour markets". By consolidating the 'amber' market supplement into pay, we are giving more confidence to staff and creating a financial incentive for new recruits to stay in the job for longer through the prospect of higher pay.

4.33 While debating how best to proceed with our recommendations, we considered a range of approaches including applying higher percentage increases to the Band 3 pay scale. The evidence however, suggested that a similar incremental approach to last year would not sufficiently address the scale of the problem or resolve the distortions and problems created by the market supplements themselves. It would add yet more pay ranges; create pressure to increase the number of market supplement sites; inhibit movements across the estate; and cause ill will and create uncertainty for staff. Applying a higher percentage increase to the Band 3 pay scale would also not resolve the problem of having the number of market supplement sites increased and potentially paid to around half of the prison estate. Ultimately, we concluded that consolidating the existing 'amber' market supplement into base pay is the most appropriate way to enhance Band 3 pay this year for all. This is consequently a less costly option for the Prison Service as it is already paying the £3,000 supplement to 1,931 staff and the £5,000 supplement to a further 2,528; this equates to around 38% of *Fair and Sustainable* Band 3 staff. Whilst we recognise staff incur additional pension contributions through this approach, we believe this is outweighed by the considerable long-term gains from the resulting enhanced pension benefits accruing from higher pensionable pay.

4.34 We appreciate that this alone may not bring Band 3 Prison Officer pay up to a competitive relative market position or resolve the equal pay issue at this grade completely, but we believe that it is unaffordable to do more than this in one year. By increasing pensionable pay for all Band 3 Prison Officers by £3,000 we are making a substantial move to close the gap between the maxima of the two pay structures. Our calculations show that this will reduce the gap between the National Band 3 maximum and the closed grade Prison Officer maximum from £4,719 to £1,670<sup>70</sup> (see Figure 4.1). We believe that this award recognises and supports HMPPS's policy commitment to invest in *Fair and Sustainable*.

**Figure 4.1: Impact of our recommendations on the gap between the *Fair and Sustainable* National Band 3 scale and the closed grade equivalent<sup>71</sup>**

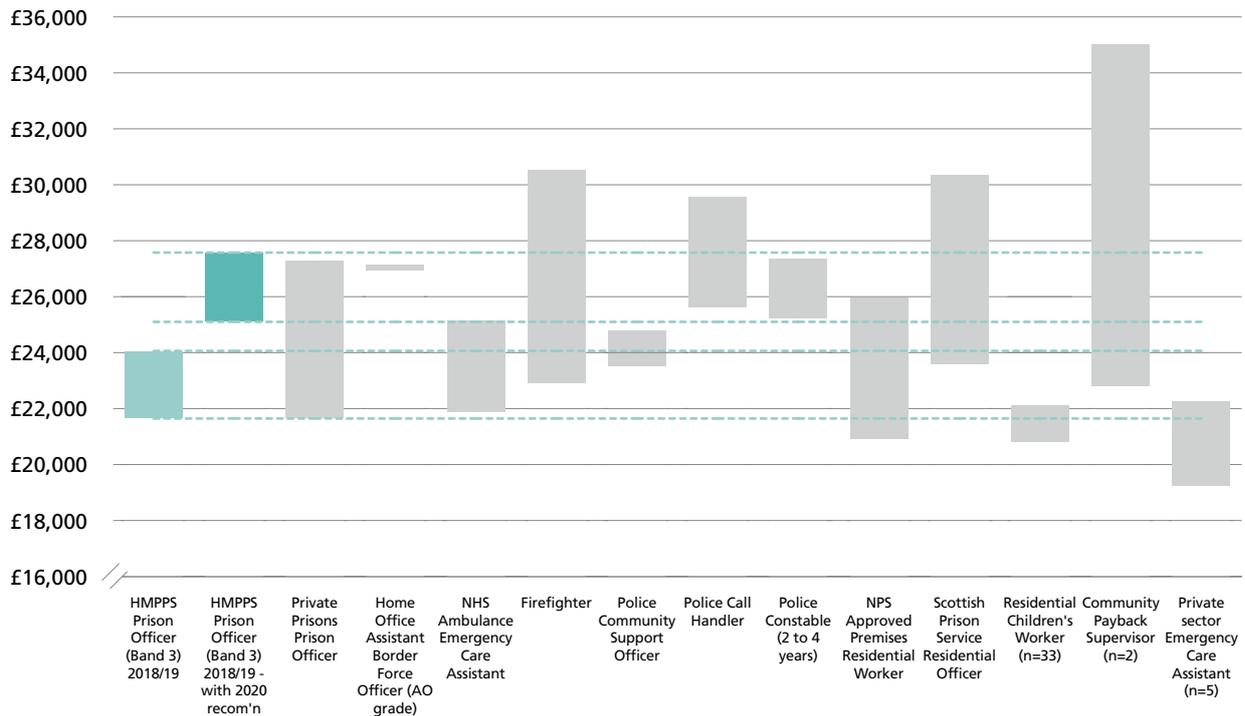


4.35 Our recommendations similarly take a considerable step in improving the relative position of Band 3 Prison Officer pay compared to other occupations. In Chapter 3, we included the comparisons made by IDR of 2018-19 Band 3 pay against that of comparator occupations. Figure 4.2 provides an illustration of the impact that an award equal to our recommendation this year would have on that comparison.

<sup>70</sup> This is based on 39 hour working week and does not include those closed grade Prison Officers in receipt of legacy Locality Pay Allowances or *Fair and Sustainable* Band 3 Prison Officers in receipt of the residual £2,000 'red' site market supplement.

<sup>71</sup> Recommended change to National Band 3 pay scale (base pay + unsocial hours + 2 x Additional Committed Hours), 2019-20 to 2020-21.

**Figure 4.2: Illustrated impact of our recommendations on the relative pay of Band 3 Prison Officers against external comparators<sup>72</sup>**



4.36 As we mention above, we see our recommendations this year as being the first significant step towards addressing the long-term issues relating to both comparative pay and recruitment and retention. Our future aspirations are that there should be a single rate or scale for each of our remit group grades in order to resolve equal pay issues and that the rates or scales should reflect the market rates of pay for similarly skilled workers. Substantial investment is likely to be needed over the next few years to improve and achieve this. Our recommendations in any year will be determined by the full weight of evidence in that year. We will continue to be guided by this in making our recommendations so that the Prison Service pay framework is appropriately positioned against the relevant market comparators as they develop.

4.37 In reaching our recommendation we are aware of the time it would take HMPPS to implement the award and the fact that eligible staff will, from April 2020, have been receiving the monthly payment of the non-consolidated market supplements. We are conscious of the complications it could cause the Service to implement our recommendation retrospectively and we therefore propose that the value of the 'amber' market supplement is consolidated as described from 1 September 2020. We anticipate that this should give HMPPS adequate time in which to make the procedural and system changes that are required to implement our recommendation.

4.38 We are mindful of the read across this recommendation will have on those non-operational staff who are not in our remit group. We appreciate that this is a real cost to HMPPS but believe this cannot drive what we recommend, and we must do what we believe is right for our remit group. We feel this award recognises the very challenging job that Prison Officers do and will continue to do in the coming years as the demand on the Criminal Justice System increases. We are an evidence-based Review Body and we must take notice of what the data tell us when making our recommendations. We believe that now is the right time to take significant steps to close the gap between the *Fair and Sustainable* and closed grade pay structures and establish a competitive market rate for the job of a Prison Officer.

4.39 We therefore recommend that from 1 September 2020 the 'amber' market supplement is consolidated into pay, resulting in a £3,000 increase in pensionable pay for all Band 3 staff on the National *Fair and*

<sup>72</sup> Illustration is based on applying the effective percentage increases recommended this year, to the 2018-19 Band 3 minimum and maximum used in the IDR report. The IDR data (based on 2018-19) remains unchanged. This chart assumes no pay increases in the external comparators.

*Sustainable* Band 3 pay scale. This £3,000 increase should be paid to all staff in Band 3, including those working at 'red' market supplement sites. We ask that HMPPS implement this recommendation by consolidating £2,564 into base pay. This takes account of the 17 per cent unsocial hours element that is calculated from base pay which provides the £3,000 increase in pensionable pay. For clarity we recommend that HMPPS firstly increases base pay by the headline 2.5% from 1 April 2020 before it consolidates the 'amber' market supplement from 1 September 2020.

**Recommendation 3:** We recommend that from 1 September 2020 the *Fair and Sustainable* National Band 3 base pay points increase by £2,564 giving a total consolidated and pensionable award of £3,000 when the 17 per cent unsocial hours payment is included. On 1 September 2020, this replaces the 'amber' market supplement and £3,000 of the 'red' market supplement for those Band 3 staff who currently receive them.

4.40 We further recommend that HMPPS continues to pay an amended non-consolidated 'red' market supplement of £2,000 a year to those Band 3 Prison Officers at the 18 prisons that currently receive it. We will review this next year, in line with our longer-term aspirations for Band 3 Prison Officer pay.

### Operational managers pay award

4.41 As previously highlighted, we believe that there is a need for a consistent approach to pay awards for staff in both *Fair and Sustainable* and the closed grades this year. Therefore, we recommend that all staff in the *Fair and Sustainable* Bands 7 to 11 open pay ranges and the closed grade equivalents should see their current salary increase by 2.5%, maintaining their relative position in the 2020 pay range. In line with the approach we have adopted for support and officer grades, we propose that the uplift to the scales is separated from an individual's pay progression and progression pay is applied after, and in addition to this uplift.

**Recommendation 4:** We recommend that from 1 April 2020 the *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager pay scales (including the closed grade Required Hours Addition cash element) be increased by 2.5%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.5% so that they remain at the same relative position in the 2020 pay range. This award to be consolidated and pensionable for all staff.

### Pay progression and performance awards

4.42 In our report last year we made it clear to HMPPS and staff in our remit group that, if we did not receive evidence to demonstrate the performance management system was sufficiently robust, credible and fair, then we would be unlikely to continue to recommend performance-related pay progression or performance awards for any grades of staff going forward. We asked HMPPS to set out a firm programme to improve the operation of its system, including the impact on equality, and requested clear and substantial evidence from all parties on whether they felt the performance management system was working effectively and fairly.

4.43 HMPPS acknowledged this year that not only were there "issues" in performance management across the Prison Service, but that its own assessment indicated that the system was "inadequate" in assessing women, Black, Asian and minority ethnic and disabled staff. However, in both written and oral evidence it fell short of recognising that this problem applied to all grades of staff. Despite proposing performance-related pay progression and performance awards for operational managers, it provided us with no credible evidence to show that the system was working for these grades. In fact, the data we received showed that the number of Band 9 to 11 senior managers receiving 'Outstanding' markings had increased to 47 per cent from 44 per cent in 2018-19. This is in comparison to only four per cent of Band 2 support grades who received an 'Outstanding' marking in 2018-19. We take this opportunity to remind HMPPS of its own equality duty in light of its observations about the current system.

4.44 Without evidence to show that the system is working effectively for all staff and, with the associated delays in the rollout of its planned reforms to improve the system, we came to the view that we cannot make recommendations on performance-related pay progression or performance awards for any grades of staff this year.

4.45 In oral evidence, HMPPS informed us that it was planning to implement a new performance management system, similar to that used in the MoJ. Both the PCS and PGA raised concerns to us that this system would not be fit for an operational service. We share these concerns and further believe that a new performance management system will take longer than a year to implement and embed, particularly given the current Covid-19 challenges. We are sceptical that any material changes can be made in time for our next report. The new system will need to win the confidence of staff and managers across the Prison Service, and we will need to be confident that it is fairly and accurately measuring performance.

4.46 We therefore reserve the right not to recommend any performance-related pay progression or performance awards until we are confident that the system is robust, credible and fair. We are conscious that there will be staff, particularly in Bands 5 and 7 to 11, who will lose out this year, and possibly in future years, because of this decision. However, without convincing evidence to demonstrate the performance management system is working effectively, we believe this is the right conclusion.

### *Support and officer grades*

4.47 Staff in *Fair and Sustainable* Bands 3 to 5 do not have contractual pay progression and we therefore make annual recommendations on progression for these grades. Last year we recommended that *Fair and Sustainable* Band 2 become a spot rate and consequently staff at this grade do not receive pay progression.

4.48 This year, HMPPS proposed temporarily removing the link between performance management and progression for officer grades for one year. It proposed that any staff in Bands 3 to 5 who are not subject to formal poor performance measures therefore progress to the next pay point, following the pay uplift. It further proposed that staff in Band 5 who receive an 'Outstanding' performance marking be awarded an additional non-consolidated payment on base pay as of 31 March 2020 of one per cent.

4.49 Since 2014, the Review Body has not recommended relating pay progression to performance for support and officer grades as we did not believe the system was sufficiently robust to accurately measure performance. In 2016, we considered that there were small signs of improvement for staff in Band 5 and moved towards recommending a non-consolidated performance award for an 'Outstanding' performance marking. We continued to recommend performance awards for Band 5 since this time, including in our 2019 report, as we felt staff had completed the performance year with the expectation of receiving a performance award. During this time however, we have not been provided with any firm evidence to suggest that the system was working adequately for staff in Band 5, or indeed Bands 2 to 4.

4.50 We concluded that all staff on *Fair and Sustainable* Bands 3 to 5 should therefore move with the pay points as set out above in recommendations 1 and 3. Following this uplift to the pay scales, we recommend that all staff progress to the next pay point unless they are subject to formal poor performance measures. This will deliver further increases in base pay for those staff who are not at the maximum of the pay scale. We do not recommend 'Outstanding' performance awards for any staff in *Fair and Sustainable* Bands 2 to 5.

**Recommendation 5:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2020 progress by one pay point effective from 1 April 2020.

4.51 Support and officer grades on the closed scales are all on the pay scale maxima and are therefore not entitled to any further contractual pay progression.

### Operational managers

4.52 From 2015 to 2019, the Prison Service Pay Review Body (PSPRB) stated in its reports, albeit with some reservations, that the performance management system is sufficiently robust to determine pay for Bands 7 to 11, and that there should be greater differentiation for those receiving an 'Outstanding' performance marking. Our position changed in 2019 when we received data from HMPPS showing the discrepancies between the numbers of operational managers receiving 'Outstanding' performance markings, compared to more junior staff, and the poor completion rates. Last year, despite our reservations about the robustness of the system, we recommended both performance-related pay progression and performance awards for Bands 7 to 11 because staff had already completed the performance year with the expectation of receiving performance-related pay.

4.53 As stated earlier, we will not recommend performance-related pay progression or performance awards for any grades of staff this year. Following the uplift to the pay ranges, we therefore recommend that all staff on *Fair and Sustainable* Bands 7 to 11 should receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum. Those staff on formal poor performance procedures should not receive pay progression and are entitled to the general pay award uplift only.

**Recommendation 6:** We recommend that all staff (except those subject to formal poor performance procedures) on *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2020 receive a consolidated and pensionable progression increase of five per cent, capped at the new 2020 band maximum.

4.54 We believe this recommendation continues to support HMPPS in its aim for staff to reach the maximum of the band within a reasonable time frame that reflects competence in the role and also recognises the PGA's request for all operational managers to receive pay progression of five per cent.

4.55 Operational managers in the closed grades, like officers, are now all on the pay scale maxima and therefore not entitled to any further contractual pay progression. However, staff on the maximum are entitled to a contractual non-consolidated but pensionable award depending on performance.<sup>73</sup> All staff on closed grades with an 'Outstanding' performance marking also receive a one per cent non-consolidated, non-pensionable payment. We note that, while HMPPS has simplified its performance management processes in light of Covid-19 this year, it has still committed to observe its contractual pay obligations to the closed grades.

### Opting in to *Fair and Sustainable*

4.56 In its written evidence, HMPPS included three proposals to apply when staff opt in to *Fair and Sustainable*. These were:

- To enable Principal Officer Specialists who opt in to move directly to the *Fair and Sustainable* Band 5 maximum.
- To enable closed grade Prison Officer Specialists who opt in to move directly to the *Fair and Sustainable* Band 4 maximum.
- Normal opt in policy to apply for all other grades.

4.57 HMPPS further proposed this year that staff on the closed grades who would financially benefit from opting in to *Fair and Sustainable* should not receive any award. As we noted in previous reports, there are a range of different reasons and circumstances why staff choose not to opt in, not least a lack of trust and confidence in HMPPS. We do not think it is helpful for HMPPS to state that an individual must accept its view of what is beneficial for them or receive no pay increase, as this further exacerbates the distrust between the Service and its staff.

<sup>73</sup> Operational managers in the closed grades are entitled to a contractual non-consolidated but pensionable award of one per cent for 'Improvement Required' and two per cent for a 'Good' or 'Outstanding' performance marking.

4.58 As we have noted earlier in this report, the number of staff in *Fair and Sustainable* continues to increase with 74 per cent of our remit group now in this structure. While this suggests that the problem is gradually resolving itself, we would encourage HMPPS to continue to be proactive in giving staff clear and concise, personalised information on the benefits of opting in.

4.59 Although we are supportive of HMPPS in its aim to move staff across to *Fair and Sustainable*, given the environmental context in which we are making our recommendations this year, we do not think it is appropriate for us to deny any member of staff a pay increase. As we have repeatedly highlighted, the group this would primarily affect are the lowest paid – closed grade OSGs. We therefore continue to recommend pay awards this year for those staff who would benefit from opting in.

### Locality pay

4.60 Our remit covers “regional/local variations in labour markets and their effects on the recruitment and retention of staff”. The locality payments available to staff in our remit cover a wide range of measures across the pay structures, from the legacy Locality Pay Allowance (LPA) rates to the *Fair and Sustainable* zones and now the ‘amber’ and ‘red’ market supplements. The latter we have discussed and made recommendations on earlier in this chapter.

4.61 In its written evidence to us this year, HMPPS asked us not to recommend any changes to the current *Fair and Sustainable* locality pay zonal structure. It requested that we increase the differentials between the National and Outer and Inner London maxima rates by the headline award so that the differentials continue to be applied consistently across all bands.

4.62 We endorse HMPPS’s proposals to continue with the current application of the locality pay zonal structure and therefore recommend that the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones be increased by 2.5%. This results in the maxima now being placed at £2,726 and £4,148 above the National maxima for Outer and Inner London zones respectively. As in previous years, we recommend that the other points on the London scales are adjusted so that progression steps between the pay points have the same percentage value as on the National bands, as per the *Fair and Sustainable* pay design. The resulting scales and ranges are set out in Appendix D.

**Recommendation 7:** We recommend that from 1 April 2020 the fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.5% and continue to be applied consistently across all bands, positioning maxima at £2,726 and £4,148 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

### Allowances and payments

#### *Notional rents*

4.63 Historically prison staff, from support grades through to the Governor, were provided with prison quarters for which they were required to pay a notional sum towards the costs associated with providing the accommodation. It has been the Prison Service’s policy to sell these quarters once they become vacant, rather than offering them to new staff and, as such, the number of quarters has fallen considerably since the late 1980’s.

4.64 From 2002-05 the PSPRB uprated notional rents in line with the overall basic pay award for the remit group. However, from 2005 we indicated that we would start to consider notional rents by reference to the rental market more widely. We last uprated notional rents in 2010 by 1.2% as per the Retail Price Index rental element. After this period, we adopted the view that we would only review notional rents if specifically requested by the parties. Since 2010, none of the parties have asked for notional rents to be reviewed.

4.65 We requested data from HMPPS in 2018 on the number of prison quarters still occupied by prison staff. It responded by saying the data were “patchy and incorrect in some cases”, but it believed that there were 41 prison quarters still occupied by support and officer grades. HMPPS informed us that it was due to conduct a survey via Governors to ascertain who the tenants were and the details of their tenancy agreements, along with the rents being paid in each case. HMPPS has not shared the results of this survey with us.

4.66 In its written evidence to us this year, HMPPS proposed that notional rents should cease with effect from 1 April 2020 and be removed from our remit. It further proposed that rents for any remaining Prison Service quarters should be managed in future by MoJ Estates and initially be set at a level consistent with the rent for social housing in the local authority area in which the quarters are located.

4.67 We concluded that it would not be appropriate for us to endorse ceasing notional rents and removing them from our remit this year without first fully understanding the impact this would have. We are concerned that if rents were to be set at a level consistent with the rent for social housing this may mean a substantial rent increase for the staff still residing in these quarters. We therefore ask that HMPPS share with us the detailed results of the survey it has conducted on notional rents in its evidence to us next year, as well as the estimated impact this change would have for those currently living in quarters. We would also welcome evidence from all other parties on this matter.

4.68 Once we have reviewed this data, we will make an informed decision in our 2021 report on whether notional rents should cease and be removed from our remit.

#### *National Tactical Response Group*

4.69 On our visits in autumn 2019, we visited the National Tactical Response Group (NTRG) at their site in Kidlington, Oxfordshire. We were keen to hear from the staff about the impact of the annual NTRG on-call allowance that we had recommended in our report last year.

4.70 During our visit we were impressed by the professionalism of the NTRG staff and the difficult job that they do to maintain operational stability across the prison estate. NTRG staff acknowledged the introduction of the on-call allowance but shared with us that they felt that their pay was not high enough to reflect the risks of their role. In particular, they asked us to look at implementing a higher NTRG Tornado rate due to the additional responsibilities they undertake during incidents. They informed us that, during an operational incident, they are required to create de-escalation plans, manage interventions and command a significant number of establishment based staff. It is for these reasons that they felt an enhanced rate of Tornado should be introduced for NTRG staff. We are sympathetic to their request but concluded that it would be difficult to introduce a new Tornado rate without having first considered evidence from all the parties on this matter.

4.71 We therefore request that all parties present to us in written evidence for our next report their views on whether an enhanced Tornado rate should be introduced for NTRG staff and the rate this should be set at. We would also welcome information on the composition of the group and any further feedback on the introduction of the annual NTRG on-call allowance.

#### *Duty Governor allowance*

4.72 For the past three years, the PGA has raised concerns with us about the lack of recognition for the additional responsibilities borne by operational managers, particularly for the role of Duty Governor. We have previously stated that we do not consider that the introduction of a Duty Governor allowance would be appropriate as it is evident from our visits that the nature of the Duty Governor role varies between prisons, with some staff reporting that they are able to manage these additional responsibilities alongside their normal duties. We have instead asked the PGA and HMPPS to work together to present to us a joint proposal to recognise and reward the role of Duty Governor.

4.73 Last year, HMPPS informed us that it was creating a workload management tool which would assess the workloads of operational managers. It gave a commitment to both us and the PGA to invest in additional operational managers if further resource was identified as being required, as HMPPS believed this represented

greater value for money than a “pay-as-you-go” allowance. The PGA, although preferring the introduction of a Duty Governor allowance, noted that it would welcome the recruitment of additional operational managers.

4.74 In its written evidence to us this year, HMPPS told us a number of productivity improvements could be made to justify higher pay awards. One such improvement was the workload management tool for operational managers. HMPPS informed us that this project was looking at the work carried out by operational managers and that it had already reported back its initial findings to the ‘implementation working group’. It did not share these findings with us but told us that an action plan was expected to be agreed in early 2020.

4.75 The PGA shared with us in oral evidence its hope that the workload management tool, combined with the current Job Evaluation Scheme review, would produce a suitable solution for rewarding the Duty Governor role. However, it still felt the introduction of an allowance was the most appropriate way forward.

4.76 Having considered the views from the parties, we have concluded that the new workload management tool and the commitment to recruit additional staff, if needed, is still the preferable way to proceed. We ask again that both parties present to us, in evidence for our 2021 report, an update on this work. We are keen to see the conclusion to this project by next year and therefore commit to the PGA to reconsider this issue again next year.

### *Other allowances and payments*

4.77 In our deliberations this year, we were mindful that many of the allowances within our remit have not been reviewed by the PSPRB or updated by HMPPS for a considerable number of years. We therefore wish to flag to all parties that we intend to undertake a rolling programme to review some of these allowances each year, depending on the weight of the evidence we receive. The allowances we make recommendations on can be found in Appendix F. We ask that all the parties submit evidence to us if they believe any of these allowances should be amended and at what new rate(s) they should be set. We also ask the parties to consider if these allowances are distributed appropriately and fairly.

### **Cost of our recommendations**

4.78 We estimate that our recommendations will result in an increase of approximately 4.0%<sup>74</sup> (£48.2 million) to the total paybill for our remit group. This equates to 1.0% of HMPPS’s £5 billion annual budget for operational expenditure<sup>75</sup> as of 2018-19. As we have set out in previous reports, we do not consider that the cost of pay progression or contractual performance awards should be included when calculating the cost of the annual pay award.

4.79 We believe our recommendations will increase the competitiveness of the Prison Service and thereby improve recruitment, retention and morale. This should assist the Service to deliver productivity savings to enable the award to be sustainable in terms of affordability. These savings include:

- **Recruitment costs:** we consider that increasing the starting salary of new Band 3 recruits will assist the Service in attracting sufficiently competent and capable candidates despite increased competition from comparator roles. We hope this will also reduce the need for the Service to run multiple recruitment campaigns to fill vacancies.
- **Improving retention rates:** we believe there is scope to reduce the cost of turnover significantly for the Service by improving retention rates. We have calculated that the cost of turnover for new Band 3 Prison Officer recruits leaving the Service within their first two years is around £30 million per annum. By increasing all Band 3 base pay points we believe this will encourage Band 3 Prison Officers to stay in the job for longer, delivering immediate savings for the Service.

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<sup>74</sup> This percentage takes account of both our recommended increase to pay scales and those elements of the paybill that are not subject to any increase. It also takes account of anticipated savings from the recommended changes to the market supplements.

<sup>75</sup> HMPPS, (2019). *HMPPS Annual Reports and Accounts 2018-19*. (online) Available at: <https://www.gov.uk/government/publications/hmpps-annual-report-and-accounts-2018-19> [accessed on 21 May 2020].

- Increasing the effectiveness and productivity of Prison Officers: HMPPS informed us in its written evidence that improving the retention rates of prison staff and building a pool of experienced officers can: lower levels of violence in prisons; decrease the reliance on overtime; increase confidence and morale; and develop a strong pipeline of future leadership talent.

4.80 Whilst we recognise the financial pressures that HMPPS faces within its current resources, we feel there are strong value for money justifications for our recommendations. The evidence we received this year demonstrates uncompetitive pay levels and unsustainable recruitment and retention costs. It is imperative that the Service invests in pay to ensure that the *Fair and Sustainable* pay framework remains competitive and that it reduces the worsening retention rate and associated costs of this, particularly at Band 3. It is equally important to ease the burden on experienced officers, who are key to maintaining stability across the prison estate and to training and mentoring new recruits.

4.81 As we have said previously, we believe the Service can make immediate productivity savings by implementing our recommendations through a reduction in Band 3 Prison Officer turnover costs, thereby in part, offsetting the cost of a higher award this year.



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## Chapter 5: Looking ahead

### Introduction

5.1 In this final chapter we offer our thoughts and comments on a range of issues and highlight several points that need to be addressed for our next report.

### The role of the Prison Service Pay Review Body

5.2 As we have noted in this report and our previous reports, the Prison Service Pay Review Body (PSPRB) was established as a compensatory mechanism for our remit group's loss of the right to take industrial action in any form. It is a role that we place great importance on and take seriously when formulating our recommendations. When considering our 2020 report, we ask that the Government is mindful of both our role and its commitment to the International Labour Organization, in which it committed to only depart from our recommendations in "exceptional circumstances".

### Our timetable

5.3 It has become the norm in recent years that we have been unable to submit our report in good time to meet the April pay review date because of delays in receiving Her Majesty's Prison and Probation Service's (HMPPS) evidence. Yet again this year we are submitting our report many months after the 1 April pay effective date. We urge the Government to submit its evidence on time so that we may deliver a report that sees our remit group receiving the annual pay award in time for the 1 April implementation date.

### Pay aspiration

5.4 A key focus for us this year has been to improve the competitiveness of our remits group's pay scales and ranges, particularly at *Fair and Sustainable* Band 3. As we highlight in Chapter 4, we see this year as the first significant step towards reaching our longer-term aspiration of setting a single rate or scale for our remit group grades. This will have the benefit of making the pay structure more simple, transparent, and more readily understood and trusted by staff. It will also mitigate equal pay risks. The scales and ranges should reflect market rates of pay for workers with similar responsibilities and skills. We intend to update and maintain our bank of data and evidence, such as the Annual Survey of Hours and Earnings and Incomes Data Research (IDR) report comparators, to support our 2021 and future reports. We ask that HMPPS consider our long-term aspirations and provide evidence to us for our next report on its strategy to achieve these. We would also welcome evidence from the other parties on these matters.

5.5 As we have noted, this year we have chosen to target our recommendations on what we consider to be the Prison Service's most pressing issue, Band 3 Prison Officer recruitment and retention, and their level of pay. The data suggest there are also issues at other grades, particularly at Band 2 Operational Support Grade (OSG) where leaving rates are increasing despite the change last year to a spot rate of pay. We are concerned that the Band 2 spot rate sits below its comparators in the IDR report. By focusing on Band 3 this year it leaves a larger pay differential between the two bands. We intend to consider the competitiveness and comparability of Band 2 pay levels, along with Band 2 recruitment and retention issues, in our next report. We see this as forming part of our longer-term aspiration on pay. We ask the parties to provide evidence and data to us in relation to this.

5.6 In our 2019 report, we highlighted that we would return to the issue of pay for Bands 7 to 11 once the IDR report was completed. We wanted to see if the data in the IDR report could shed light on the qualitative evidence that operational manager pay was not comparable to workers in other sectors. We intend to look at this further in our 2021 report. We therefore ask the parties to provide us with evidence on the competitiveness of the pay levels for Bands 7 to 11 operational managers for our next report.

5.7 We were pleased to hear in oral evidence this year that HMPPS said it was starting a review of the *Fair and Sustainable* pay structure with a view to considering whether structural changes needed to be made. The Prison Governors' Association (PGA) informed us that it was having positive engagement with HMPPS on the Job Evaluation Scheme (JES) that underpins *Fair and Sustainable*. We welcome this review and collaboration with the unions, as *Fair and Sustainable* has now been in place for eight years with only limited structural changes made, despite extensive change within the Prison Service over that period. We believe the JES review could complement our intention for pay going forward in the Prison Service. We ask that HMPPS engages with us, and the trade unions, at the earliest opportunity to share its thinking and provide its findings to us so that we may consider evidence from all the parties on this in time for our 2021 report. Many of these changes are likely to need significant investment from Government and will need to be considered as part of the Ministry of Justice's (MoJ) allocation in the future Spending Review.

### Request for evidence

5.8 Looking forward to the next round, in order to enable us to discharge our statutory duty, we ask the parties to provide us with the following additional information in written evidence so that we may consider it fully in our 2021 report:

- In respect of the performance management system we require from HMPPS:
  - The most up-to-date data on performance marking distributions broken down by grade and protected characteristics.
  - Information on the proposed new performance management system, including how it will operate, how learning from the previous system will be included, how performance will be measured and moderated, and the timeframes for implementing the new system.
  - Evidence on how the performance management system will be fair, inclusive, comprehensive and consistent for all grades and how it will win the confidence and participation of all staff and in particular, those with protected characteristics.

We also welcome comments and evidence from the unions in relation to the performance management system.

- An overview of the work that has been undertaken in 2020-21 to inform, help and encourage opt in to *Fair and Sustainable* by those closed grade staff who would financially benefit. We encourage the use of different and innovative ways to engage with staff on this matter, particularly OSGs. We request data from HMPPS on the number of staff that have opted in to *Fair and Sustainable* following its annual opt in exercise.
- Evidence from HMPPS on how it will begin the process of exit interviews in order to better understand the reasons why staff leave, particularly at Band 3 where the issue is the most pressing. As part of this process we request information on any trends in leaving rates of staff with protected characteristics.
- The conclusions and data from the work being undertaken by HMPPS on its Bands 7 to 11 operational manager workload management tool and how this has taken account of the Duty Governor role. We encourage the PGA to provide its comments on this and whether it agrees with the findings.
- Staff in the National Tactical Response Group (NTRG) raised the issue of an increased rate of Tornado payment. We ask HMPPS for further data on the NTRG, including trends in calls outs and further detail about the role of NTRG during operational incidents. We would welcome from all parties their views on the appropriateness of and level for an enhanced Tornado rate and any additional feedback on the introduction last year of a NTRG annual on-call allowance. We would also require information on the composition of staff in the NTRG, including by protected characteristics.
- We note that a number of allowances listed in Appendix F have not been increased for some time, some for over a decade. We ask the parties to consider whether any of these allowances should be changed for

our next report, providing data and evidence as appropriate. We will also require data from HMPPS on the composition of staff in receipt of these allowances, including by protected characteristics.

- This year, HMPPS proposed that notional rents be removed from our remit and moved under the remit of MoJ Estates. We did not think it was appropriate to endorse this proposal without first understanding the impact on those staff who still occupy the quarters. We ask HMPPS to provide us with the outcome of its survey on notional rents and the impact of setting rents in line with those for social housing in the locality of the quarters. We would also welcome the other parties' views on this matter.
- In recent years, the PGA has raised the issue of operational manager grades being covered by staff on temporary cover. This distorts the number of vacancies. We therefore require accurate data for all grades, including officer grades, on the numbers of vacancies being filled by temporary cover and over what periods, including whether these are establishment or headquarters based. We would also like this data to include a breakdown by protected characteristics. We would want to see a reduction in the numbers of staff on temporary cover arrangements.

5.9 We also repeat the additional outstanding requests made in our 2019 report for the following information:

- An update on how effective new initiatives have been, particularly:
  - The recruitment and introduction of 3,000 new Advanced Prison Officer and Youth Custody Service roles at Band 4;
  - The establishment of additional Band 5 Custodial Manager posts and a new role of Prison Offender Manager through the implementation of the Offender Management in Custody model;
  - The introduction of a pay on promotion policy in October 2018; and
  - The changes in the hours available under the permanent contracted hours system and the associated decrease in the use of Payment Plus.
- As per our terms of reference, motivation and morale are important elements of our remit. We acknowledge that motivation and morale are abstract concepts which can be difficult to measure, but there are many proxy indicators which, taken together, can provide an overall assessment of the organisational position. It was disappointing that we received limited evidence on this area this year. We therefore ask the parties to provide us evidence next year on the levels of motivation and morale in the Prison Service, along with any plans to improve them.
- The number of sickness absence days per staff member increased slightly in 2018-19, although is still lower than the peak in 2014-15. We would therefore like an update from HMPPS on the work being undertaken to reduce the number of average working days lost each year through sickness.

### **Equality and diversity**

5.10 As we noted in Chapter 3, we are required by our standing terms of reference to consider the relevant legal obligations on the Prison Service in regard to equality and diversity. We further note that HMPPS has a public sector equality duty which underpins the work it does. However, the data we receive on equality and diversity is variable. We have good statistical data in relation to staffing numbers for some protected characteristics, but others are absent, for example on disability and sexual orientation. This affects our ability to ensure that our recommendations have full regard to the equality and diversity obligations placed on the Prison Service. We would welcome any further initiatives from HMPPS and the unions to encourage greater self-declaration by employees.

5.11 As noted previously in this chapter, we have requested that HMPPS has further regard for diversity and equality issues when it provides information on exit interviews, the performance management system and

temporary cover. We also ask that HMPPS provides us with an update for our 2021 report on its progress to implement the Lammy recommendations on Black, Asian and minority ethnic representation in the prison workforce and data on the diversity and gender pay gap.

5.12 We were concerned to note from the HMPPS results from the 2019 Civil Service People Survey that 16 per cent of those who completed the survey reported that they had been bullied, harassed or discriminated against in the last 12 months. We ask that HMPPS provides us with its plan to address this issue in its written evidence next year.

### **POA engagement**

5.13 This year the POA's General Secretary, Steve Gillan, wrote an open without prejudice letter to us in April 2020. We wish to signal that we would welcome the POA's engagement with the PSPRB as it would strengthen our evidence base for future reports. We have highlighted our long-term aspiration in regard to pay in the Prison Service, which covers those grades the POA represents. We would welcome input from the POA in both written and oral evidence.

### **Conclusion**

5.14 We consider that our recommendations offer a meaningful pay award to staff this year, recognising the challenging circumstances in which they are currently working. We consider that they offer value for money and deliver longer-term productivity savings to the Prison Service.

5.15 We see our recommendations this year as providing the first significant step towards addressing the structural issues within *Fair and Sustainable*. We have a long-term aspiration which will ultimately see pay for all grades in the Prison Service receiving a single rate for the job and one that reflects the market rates of pay for similarly skilled workers. We are confident that we can work with the Government, HMPPS and the trade unions in the coming years to further develop this aspiration and consider HMPPS's strategy for achieving this.

## Appendix A: Minister's activation letter and our response



Lucy Frazer QC MP  
Minister of State for Justice

Tim Fleisher  
Chair, Prison Service Pay Review Body  
8th Floor  
Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

30 October 2019

### THE PRISON SERVICE PAY REVIEW BODY (PSPRB) REMIT 2020/21

I am writing to you to formally commence the 2020/21 pay round.

The Government's pay policy has three central principles which must be considered when determining final pay awards. These are:

- Current and future affordability to the taxpayer;
- Targeting awards to ensure we can recruit and retain the best public servants;
- Accompanying workforce reform and improvements in productivity, which can then be reinvested in higher pay.

As you will be aware, my Department must balance the need to ensure fair pay for prison staff and managers with the need to ensure value for money for taxpayers and meet increasing demands on the justice system. Amongst other areas, the Ministry of Justice is investing to improve safety and security across the prison estate and in the rehabilitation of offenders - all of which contributes to a more effective and efficient prison system and better working conditions for staff.

For those reasons, I expect affordability to be a critical part of your consideration when determining final awards. Officials will set out the Department's affordability position and planned investments that impact employee conditions in our written evidence. As with last year's report, I request in your final report you set out what steps have been taken to ensure that affordability has been given due consideration when reaching your recommendations and in doing so consider the totality of the pay bill - including both progression pay and revalorisation.

In addition, I would like the Pay Review Body to ensure that its deliberations and recommendations have due regard to the HMPPS policy commitment to prioritise investment in the Fair and Sustainable (F&S) pay and grading structure and the principle of F&S being a market facing approach to pay. The intent of closing the gap between F&S and the 'closed grade' terms and conditions was established at the introduction of F&S as part of a long-term plan. Whilst during the period of pay restraint there were limited options to make targeted investments to support this, recent years' pay flexibilities present an opportunity for HMPPS to make progress in this area. I would expect the pay comparability research you have commissioned alongside the evidence from government and others to inform any recommendations.

With a more flexible policy it is of even greater importance that recommendations on annual pay awards are based on independent advice and underpinned by robust evidence, submitted by departments, that considers the wider economic circumstances, private sector comparators, and overall remuneration of public sector workers. The role of the Pay Review Bodies is therefore more important than ever.

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E [help@correctional.uk](mailto:help@correctional.uk)  
[www.gov.uk/mc](http://www.gov.uk/mc)

102 Petty France  
London  
SW1H 9AJ

The Government is committed to providing you with evidence on a timely basis, to facilitate the PSPRB process that enables staff in your remit group to be paid their awards as early as possible. We hope that through a concerted effort during this pay round and the next we will be able to return to implementing pay settlements in April by the 21/22 round – with this year's implementation date being as early as possible.

Whilst we are starting the pay round now, we do not anticipate providing the Government evidence until November – to ensure there is sufficient time to provide a quality return, and so that the pay comparability research you have commissioned can be finalised and published in advance. On this basis can I request that you provide your recommendations no later than the week commencing 6 April 2020.

Thank you for your continued hard work in this important area and I look forward to receiving your report.

I am copying this letter to Jo Farrar in HMPPS, the Chief Secretary to the Treasury and to representatives of the POA, Prison Governors Association (PGA) and Public and Commercial Services Union (PCS).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lucy Frazer', written over a faint circular stamp or watermark.

**LUCY FRAZER QC MP**



Office of Manpower  
Economics

Lucy Frazer QC MP  
Minister of State for Justice  
102 Petty France  
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PRISON SERVICE PAY REVIEW BODY  
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<https://www.gov.uk/government/organisations/prison-services-pay-review-body>

3 April 2020

**BY EMAIL**

Dear Lucy,

I am writing to thank you for taking the time, particularly in light of the operational difficulties the Service is facing due to COVID-19, to attend oral evidence with the Prison Service Pay Review Body on Thursday 26 March to discuss the 2020-21 pay round.

Now we have concluded oral evidence with all the parties, I can confirm that the Review Body is working towards submitting our 2020 England and Wales report to the Government at the beginning of June this year. We hope this should provide sufficient time for the Government to consider our recommendations and publish our report prior to the summer Parliamentary recess.

I am copying this letter to the Chief Executive Officer at Her Majesty's Prison and Probation Service.

Yours sincerely

*Tim Flesher*

*Chair, Prison Service Pay Review Body*



## Appendix B: Correspondence with the Prisons Minister on HMPPS written evidence delays



Office of Manpower  
Economics

Lucy Frazer QC MP  
Minister of State for Justice  
102 Petty France  
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<https://www.gov.uk/government/organisations/prison-services-pay-review-body>

7 February 2020

**BY EMAIL**

Dear Lucy,

I am writing in response to your letter dated 30 October 2019, asking for the Prison Service Pay Review Body to formally commence the 2020/21 pay round. In your letter you ask that the Review Body provide its recommendations to you no later than week commencing 6 April 2020.

Following receipt of your letter, the secretariat has engaged closely with HMPPS officials to establish an appropriate date for the submission of written evidence from the Government. In light of the general election a deadline of Friday 7 February was reached which all parties agreed was achievable. For the fourth year running, this deadline has been missed and there is no clear indication when will receive the Government's written evidence so we may formally begin the pay round. These delays, with the consequential disruption to our timetable and the considerable inconvenience this provides to the other parties, are unacceptable and undermine our process. They are also further delaying the date by which we can send our report to the Government, and therefore the timescales for our remit group to receive a pay award.

On behalf of our remit group and the other parties, I would welcome your assurance that we will receive the evidence very soon so we may complete our normal processes and submit a report before Parliament rises in July.



I look forward to seeing you during oral evidence and, as you indicated in your letter of 16 December, continuing to build a strong and constructive working relationship.

Yours sincerely



*Tim Flesher*

*Chair, Prison Service Pay Review Body*



Ministry  
of Justice

Lucy Frazer QC MP  
Minister of State for Justice

Tim Flesher CB  
Prison Service Pay Review Body  
8th Floor, Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

MoJ ref: ADR75824

13 February 2020

Dear Tim,

**GOVERNMENT EVIDENCE TO THE PRISON SERVICE PAY REVIEW BODY**

Thank you for your letter of 7 February 2020 concerning the timescales for submitting the Government evidence to the Prison Service Pay Review Body.

The evidence pack has been completed by officials and will shortly be submitted to Her Majesty's Treasury and No.10 for approval. I can reassure you that officials are working across departments to ensure that these final steps are completed as quickly as possible. I have asked officials to work closely with the review body's secretariat in the Office for Manpower Economics to ensure you are kept up to date on progress.

I look forward to seeing you at oral evidence to discuss the Government's proposals for prison service pay.

Yours sincerely

LUCY FRAZER QC MP

## ***Appendix C: Locations visited in 2019-20***

The 2019 visit programme covered the following establishments:

HMP Altcourse\*

HMP Berwyn

HMP & YOI East Sutton Park

HMP Full Sutton

HMP Huntercombe

HMP Lewes

HMP Liverpool

HMP & YOI Norwich

HMP & YOI Stoke Heath

HMP & YOI Sudbury

HMP Wayland

HMP Wealstun

National Tactical Response Group – Kidlington

Birmingham Assessment and Recruitment Centre

Croydon Assessment and Recruitment Centre

Grendon Assessment and Recruitment Centre

\* privately managed by G4S

## Appendix D: Current and recommended pay levels

### Current and recommended pay levels for *Fair and Sustainable* grades

#### *Fair and Sustainable* ranges – National

Grade/Pay band		Current pay ranges		Recommended pay ranges from 1 April 2020	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>79,594</b>	93,125	<b>81,584</b>	95,453
	Min	<b>66,328</b>	77,604	<b>67,987</b>	79,545
<b>Governor</b> (Band 10)	Max	<b>70,367</b>	82,329	<b>72,127</b>	84,389
	Min	<b>58,636</b>	68,604	<b>60,102</b>	70,319
<b>Deputy Governor</b> (Band 9)	Max	<b>63,920</b>	74,786	<b>65,518</b>	76,656
	Min	<b>53,267</b>	62,322	<b>54,599</b>	63,881
<b>Deputy Governor / Head of Function</b> (Band 8)	Max	<b>49,906</b>	58,390	<b>51,154</b>	59,850
	Min	<b>41,586</b>	48,656	<b>42,626</b>	49,872
<b>Head of Function</b> (Band 7)	Max	<b>42,800</b>	50,076	<b>43,870</b>	51,328
	Min	<b>37,218</b>	43,545	<b>38,149</b>	44,634

Notes:

1. The Band 7 to 11 ranges do not have fixed incremental pay points.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with Required Hours Addition (RHA) is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. The RHA is pensionable.

Grade/Pay band	Current pay point	Recommended pay point from 1 April 2020
	£ a year	£ a year
<b>Operational graduate Custodial Manager</b> (Band 5)	30,388	31,148
<b>Operational graduate Prison Officer</b> (Band 3)	27,990	28,690

Grade/Pay band	Current pay scales			Recommended pay scales from 1 April 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
<b>Custodial Manager</b> (Band 5)	<b>30,415</b>	35,586	37,230	<b>31,176</b>	36,476	38,161
	<b>29,710</b>	34,761	36,367	<b>30,453</b>	35,630	37,276
	<b>29,022</b>	33,956	35,524	<b>29,748</b>	34,805	36,413
	<b>28,349</b>	33,168	34,701	<b>29,058</b>	33,998	35,569
	<b>27,021</b>	31,615	33,075	<b>27,697</b>	32,405	33,902
<b>Supervising / Specialist Officers</b> (Band 4)	<b>26,713</b>	31,254	32,698	<b>27,381</b>	32,036	33,516
	<b>26,197</b>	30,650	32,067	<b>26,852</b>	31,417	32,868
	<b>25,691</b>	30,058	31,447	<b>26,334</b>	30,811	32,234
	<b>25,196</b>	29,479	30,841	<b>25,826</b>	30,216	31,612
	<b>24,018</b>	28,101	29,399	<b>24,619</b>	28,804	30,135
<b>Prison Officer</b> (Band 3)	<b>21,183</b>	24,784	26,158	<b>21,713</b>	25,404	26,812
	<b>20,777</b>	24,309	25,657	<b>21,297</b>	24,917	26,298
	<b>20,377</b>	23,841	25,163	<b>20,887</b>	24,438	25,793
	<b>19,987</b>	23,385	24,681	<b>20,487</b>	23,970	25,299
	<b>19,054</b>	22,293	23,529	<b>19,531</b>	22,851	24,118
<b>Operational Support Grade</b> (Band 2)	<b>17,175</b>	20,095	21,023	<b>17,605</b>	20,598	21,550

## Notes:

1. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
2. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including Pensionable Additional Committed Hours (ACHP) or Additional Committed Hours ((ACH) – not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

## Appendix D

### Fair and Sustainable ranges – Outer London

Grade/Pay band		Current pay ranges		Recommended pay ranges from 1 April 2020	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>82,253</b>	96,236	<b>84,310</b>	98,643
	Min	<b>68,544</b>	80,196	<b>70,258</b>	82,202
<b>Governor</b> (Band 10)	Max	<b>73,026</b>	85,440	<b>74,853</b>	87,578
	Min	<b>60,852</b>	71,197	<b>62,374</b>	72,978
<b>Deputy Governor</b> (Band 9)	Max	<b>66,579</b>	77,897	<b>68,244</b>	79,845
	Min	<b>55,483</b>	64,915	<b>56,871</b>	66,539
<b>Deputy Governor / Head of Function</b> (Band 8)	Max	<b>52,565</b>	61,501	<b>53,880</b>	63,040
	Min	<b>43,802</b>	51,248	<b>44,898</b>	52,531
<b>Head of Function</b> (Band 7)	Max	<b>45,459</b>	53,187	<b>46,596</b>	54,517
	Min	<b>39,531</b>	46,251	<b>40,520</b>	47,408

#### Notes:

1. The Band 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential - £2,659 for 2019, £2,726 for 2020. Minimum are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the nearest £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.
5. Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

Grade/Pay band	Current pay point	Recommended pay point from 1 April 2020
	£ a year	£ a year
<b>Operational graduate Custodial Manager</b> (Band 5)	33,385	34,220
<b>Operational graduate Prison Officer</b> (Band 3)	30,747	31,516

Note: Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

Grade/Pay band	Current pay scales			Recommended pay scales from 1 April 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Custodial Manager</b>	<b>33,074</b>	38,697	40,484	<b>33,902</b>	39,665	41,498
(Band 5)	<b>32,308</b>	37,800	39,547	<b>33,117</b>	38,747	40,537
	<b>31,560</b>	36,925	38,631	<b>32,351</b>	37,851	39,600
	<b>30,829</b>	36,070	37,736	<b>31,601</b>	36,973	38,681
	<b>29,385</b>	34,380	35,969	<b>30,121</b>	35,242	36,870
<b>Supervising / Specialist Officers</b>	<b>29,372</b>	34,365	35,953	<b>30,107</b>	35,225	36,852
(Band 4)	<b>28,805</b>	33,702	35,259	<b>29,526</b>	34,545	36,141
	<b>28,249</b>	33,051	34,578	<b>28,956</b>	33,879	35,444
	<b>27,705</b>	32,415	33,912	<b>28,399</b>	33,227	34,762
	<b>26,410</b>	30,900	32,327	<b>27,072</b>	31,674	33,137
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Prison Officer</b>	<b>23,842</b>	27,895	29,442	<b>24,439</b>	28,594	30,179
(Band 3)	<b>23,386</b>	27,362	28,879	<b>23,971</b>	28,046	29,601
	<b>22,936</b>	26,835	28,323	<b>23,510</b>	27,507	29,032
	<b>22,498</b>	26,323	27,782	<b>23,061</b>	26,981	28,477
	<b>21,448</b>	25,094	26,485	<b>21,985</b>	25,722	27,148
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Operational Support Grade</b>	<b>19,834</b>	23,206	24,278	<b>20,331</b>	23,787	24,886
(Band 2)						

## Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential - £2,659 for 2019, £2,726 for 2020. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

## Appendix D

### Fair and Sustainable ranges – Inner London

Grade/Pay band		Current pay ranges		Recommended pay ranges from 1 April 2020	
		£ a year	£ a year	£ a year	£ a year
		37 hour base pay	37 hour inc 17% RHA	37 hour base pay	37 hour inc 17% RHA
<b>Governor</b> (Band 11)	Max	<b>83,640</b>	97,859	<b>85,732</b>	100,306
	Min	<b>69,700</b>	81,549	<b>71,443</b>	83,588
<b>Governor</b> (Band 10)	Max	<b>74,413</b>	87,063	<b>76,275</b>	89,242
	Min	<b>62,008</b>	72,549	<b>63,559</b>	74,364
<b>Deputy Governor</b> (Band 9)	Max	<b>67,966</b>	79,520	<b>69,666</b>	81,509
	Min	<b>56,639</b>	66,268	<b>58,055</b>	67,924
<b>Deputy Governor / Head of Function</b> (Band 8)	Max	<b>53,952</b>	63,124	<b>55,302</b>	64,703
	Min	<b>44,958</b>	52,601	<b>46,082</b>	53,916
<b>Head of Function</b> (Band 7)	Max	<b>46,846</b>	54,810	<b>48,018</b>	56,181
	Min	<b>40,737</b>	47,662	<b>41,756</b>	48,855

#### Notes:

1. The Band 7 to 11 ranges do not have fixed incremental pay points. The ranges are calculated by setting the range maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential - £4,046 for 2019, £4,148 for 2020. Minimum are then calculated so that they are the same proportion of the maximum as is the minimum of the equivalent National range.
2. Base pay ranges are calculated by rounding up to the £ after the uplift is applied. Pay with RHA is presented as rounded to the nearest £.
3. The 37 hour base pay salaries are the basis from which other rates are calculated.
4. RHA is pensionable.
5. Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

Grade/Pay band	Current pay point	Recommended pay point from 1 April 2020
	£ a year	£ a year
<b>Operational graduate Custodial Manager</b> (Band 5)	34,943	35,817
<b>Operational graduate Prison Officer</b> (Band 3)	32,179	32,984

Note: Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

Grade/Pay band	Current pay scales			Recommended pay scales from 1 April 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACHP & 17% unsocial
<b>Custodial Manager (Band 5)</b>	<b>34,461</b>	40,319	42,182	<b>35,324</b>	41,329	43,238
	<b>33,663</b>	39,386	41,205	<b>34,506</b>	40,372	42,237
	<b>32,884</b>	38,474	40,252	<b>33,707</b>	39,437	41,259
	<b>32,122</b>	37,583	39,319	<b>32,926</b>	38,523	40,303
	<b>30,618</b>	35,823	37,478	<b>31,384</b>	36,719	38,415
<b>Supervising / Specialist Officers (Band 4)</b>	<b>30,759</b>	35,988	37,651	<b>31,529</b>	36,889	38,593
	<b>30,165</b>	35,293	36,924	<b>30,920</b>	36,176	37,847
	<b>29,583</b>	34,612	36,211	<b>30,323</b>	35,478	37,117
	<b>29,014</b>	33,946	35,515	<b>29,739</b>	34,795	36,403
	<b>27,658</b>	32,360	33,855	<b>28,349</b>	33,168	34,700
<b>Prison Officer (Band 3)</b>	<b>25,229</b>	29,518	31,154	<b>25,861</b>	30,257	31,934
	<b>24,746</b>	28,953	30,558	<b>25,366</b>	29,678	31,323
	<b>24,270</b>	28,396	29,970	<b>24,878</b>	29,107	30,721
	<b>23,806</b>	27,853	29,397	<b>24,402</b>	28,550	30,133
	<b>22,695</b>	26,553	28,025	<b>23,263</b>	27,218	28,727
<b>Operational Support Grade (Band 2)</b>	<b>21,221</b>	24,829	25,976	<b>21,753</b>	25,451	26,627

## Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential – £4,046 for 2019, £4,148 for 2020. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 2 to 5 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACHP (pensionable) or ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

## Appendix D

### Pay levels for *Fair and Sustainable* Band 3 from 1 September 2020

#### *Fair and Sustainable* scale – National

Grade/Pay band	Recommended pay scales from 1 April 2020			Recommended pay scales from 1 September 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Prison Officer</b>	<b>21,713</b>	25,404	26,812	<b>24,277</b>	28,404	29,979
(Band 3)	<b>21,297</b>	24,917	26,298	<b>23,861</b>	27,917	29,465
	<b>20,887</b>	24,438	25,793	<b>23,451</b>	27,438	28,959
	<b>20,487</b>	23,970	25,299	<b>23,051</b>	26,970	28,465
	<b>19,531</b>	22,851	24,118	<b>22,095</b>	25,851	27,284

#### Notes:

1. Base pay for Band 3 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
2. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.

#### *Fair and Sustainable* scale – Outer London

Grade/Pay band	Recommended pay scales from 1 April 2020			Recommended pay scales from 1 September 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Prison Officer</b>	<b>24,439</b>	28,594	30,179	<b>27,003</b>	31,594	33,346
(Band 3)	<b>23,971</b>	28,046	29,601	<b>26,540</b>	31,052	32,774
	<b>23,510</b>	27,507	29,032	<b>26,083</b>	30,517	32,209
	<b>23,061</b>	26,981	28,477	<b>25,638</b>	29,996	31,659
	<b>21,985</b>	25,722	27,148	<b>24,574</b>	28,752	30,346

#### Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Outer London differential – £2,659 for 2019, £2,726 for 2020. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 3 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Outer London covers – Belmarsh, Downview, Feltham, High Down, Isis and the controllers' offices at Bronzefield and Thameside.

**Fair and Sustainable scale – Inner London**

Grade/Pay band	Recommended pay scales from 1 April 2020			Recommended pay scales from 1 September 2020		
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial	37 hour base pay	37 hour inc 17% unsocial	39 hour inc 2xACH & 17% unsocial
<b>Prison Officer</b>	<b>25,861</b>	30,257	31,934	<b>28,425</b>	33,257	35,101
(Band 3)	<b>25,366</b>	29,678	31,323	<b>27,937</b>	32,686	34,498
	<b>24,878</b>	29,107	30,721	<b>27,456</b>	32,124	33,905
	<b>24,402</b>	28,550	30,133	<b>26,987</b>	31,575	33,326
	<b>23,263</b>	27,218	28,727	<b>25,867</b>	30,264	31,942

## Notes:

1. These scales are calculated by setting the scale maximum at a value equal to the equivalent National pay band maximum plus the Inner London differential - £4,046 for 2019, £4,148 for 2020. Other points are then calculated so that they are the same proportion of the maximum as the equivalent point on the equivalent National scale.
2. Base pay for Band 3 staff is based on a 37 hour week and is the basis from which other rates are calculated. These staff may qualify for an additional unsocial hours payment of 17 per cent which is pensionable.
3. Base pay scales are rounded up to the nearest £. Those which include 17 per cent unsocial working hours and those including ACH (not pensionable but has a 1.2 multiplier) are rounded to the nearest £ at the end of the calculation.
4. Inner London covers – Brixton, Pentonville, Wandsworth, Westminster headquarters and Wormwood Scrubs.

## Appendix D

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### Pay levels for non-Fair and Sustainable grades

Only 1 April 2020 pay points occupied by staff are shown

#### Non-Fair and Sustainable operational manager scales<sup>#</sup>

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2020 £ a year
<b>Senior Manager A</b>	87,274	89,456
<b>Senior Manager B</b>	84,712	86,830
<i>Senior Manager C</i>	76,290	78,198
<b>Senior Manager D*</b> (pre-2009 scale) (RHA inclusive)	70,087	71,840
<b>Senior Manager D</b> (post-2009 scale)	64,266	65,873
<b>Manager E</b>	48,459	49,670
<b>Manager F</b>	41,106	42,134
<b>Required Hours Addition (D*-F)<sup>†</sup></b>	5,821	5,967

<sup>#</sup> We understand that former HMP Wolds and Medway Secure Training Centre operational manager grades previously run by G4S are on individual salaries.

<sup>\*</sup> The pre-2009 Senior Manager D scale has the RHA payment (currently £5,821 and recommended to increase to £5,967) incorporated into the pay scale and is not paid separately.

<sup>†</sup> This is pensionable.

The grade in italics no longer has staff from our remit group occupying this pay scale, however, HMPPS may still employ staff in the non-remit group on this pay scale.

**Non-Fair and Sustainable support and officer grades<sup>†</sup>**

Grade	Current pay scale £ a year	Recommended pay scale from 1 April 2020 £ a year
<b>Principal Officer</b>	35,728	36,622
<b>Senior Officer</b>	33,235	34,066
<b>Prison Officer</b>	30,877	31,649
<b>Prison Officer 2*</b>	18,317	18,775
<b>G4S Prison Officer<sup>#</sup></b>	25,726	26,370
<b>Operational Support Grade</b>	20,165	20,670
<b>G4S Security Officer<sup>#</sup></b>	19,871	20,368
<b>Night patrol</b>	18,857	19,329
<b>Prison Auxiliary</b>	16,714	17,132

<sup>†</sup> This also includes those staff still on the G4S pay arrangements at Medway Secure Training Centre who we understand are on individual salaries.

\* Base pay for those on the Prison Officer 2 scale is based on a 37 hour week (those on this scale may qualify for an additional unsocial hours payment of 17 per cent). Pay for all other closed, pre-Fair and Sustainable scales shown is based on a 39 hour week.

<sup>#</sup> These grades were formerly part of HMP Wolds run by G4S.

**Non-Fair and Sustainable HMP Birmingham grades**

Following the transfer of HMP Birmingham back to HMPPS staff TUPE transferred on G4S pay and grading arrangements. Staff are therefore on several different pay scales and individually negotiated rates of pay, therefore no pay rates will be covered in this appendix. Staff will be treated as closed non-Fair and Sustainable grades and are entitled to any pay award applied to the non-Fair and Sustainable closed grades as recommended in this report. Those staff that have opted in to Fair and Sustainable will be covered under the National Fair and Sustainable rates of pay.

## **Appendix E: Locality Pay Allowance rates**

We recommend no change to legacy Locality Pay Allowance (LPA) rates for the closed, pre-*Fair and Sustainable* grades so the rates remain as below. These rates are pensionable.

<i>Rating structure</i>	<i>£ a year</i>
Rate 1	4,250
Rate 2	4,000
Rate 3	3,100
Rate 4	2,600
Rate 5	1,100
Rate 6	250

### **Establishments/sites covered:**

Rate 1	Brixton, Pentonville, Wandsworth and Wormwood Scrubs
Rate 2	Feltham, Huntercombe, The Mount and Westminster headquarters
Rate 3	Belmarsh, Bronzefield*, Coldingley, Downview, High Down, Isis and Send
Rate 4	Aylesbury, Bedford, Bullingdon, Chelmsford, Grendon/Springhill and Woodhill
Rate 5	Lewes and Winchester
Rate 6	Birmingham <sup>†</sup> , Bristol, Littlehey, Long Lartin and Onley

### **Notes:**

Only payable to those staff in post at 31 March 2012.

\* Payable to eligible staff in the controller's office at these establishments.

<sup>†</sup> There may be a number of former NOMS/HMPPS staff that were TUPE transferred to G4S at this establishment who have now TUPE transferred back to HMPPS, that may also be in receipt of this LPA rate.

## Appendix F: Allowances and payments

We make no changes to allowances and payments. Below are the continuing rates from 1 April 2020.

<i>Allowances</i>	<i>Closed grades</i> From 1 April 2020	<i>Fair and Sustainable grades</i> From 1 April 2020
<i>Care and maintenance of dogs<sup>1</sup></i>		
(rate 1) – single dog	£1,526 a year	£1,526 a year
(rate 2) – multiple dogs	£1,908 a year	£1,908 a year
<i>Specialist allowance<sup>#</sup></i>		
Healthcare Officers	£1,296 a year	
Caterers, Dog Handlers, Librarians, Physical Education Instructors, Trade Instructors and Works Officers	£1,200 a year	
National Tactical Response Group allowance	£6,670 a year	£6,670 a year
National Dog and Technical Support Group allowance	£6,670 a year	£6,670 a year
<i>Payments</i>		
Operation Tornado payment (officers)	£24.86 per hour	£24.86 per hour
Operation Tornado payment (OSG) <sup>2</sup>	£19.00 per hour	£19.00 per hour
Payment Plus	£22.00 per hour	£22.00 per hour
<i>Allowances</i>		
Dirty protest allowance		
four hours or less per day	£10.00 per day	£10.00 per day
over four hours per day	£20.00 per day	£20.00 per day
On-call (radio pager)		
weekdays	£5.67 per period of more than 12 hours	
weekends and privilege holidays	£16.13 per 24 hour period or proportionately for periods of less than 24 hours	

## Appendix F

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<i>Allowances</i>	<i>Closed grades</i> From 1 April 2020	<i>Fair and Sustainable grades</i> From 1 April 2020
public and bank holidays	£20.41 per 24 hour period or proportionately for periods of less than 24 hours	
On-call (home) weekdays	£7.09 per period of more than 12 hours	
weekends and privilege holidays	£20.17 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£25.47 per 24 hour period or proportionately for periods of less than 24 hours	
On-call (home) <sup>3</sup> weekdays and privilege holidays		£9.00 per period of 12 hours or more
weekends and public holidays		£25.00 per period of 24 hours or more or proportionately for periods of less than 24 hours
(hourly rate)		(£1.04 per hour whilst on call outside of normal office hours)
Stand by (office) weekdays	£13.43 per period of more than 12 hours	
weekends and privilege holidays	£38.46 per 24 hour period or proportionately for periods of less than 24 hours	
public and bank holidays	£48.26 per 24 hour period or proportionately for periods of less than 24 hours	

Notes:

1. We introduced a second rate for the care and maintenance of dogs allowance in our 2016 report. This means there are now two rates – one for care of a single dog (amount is £1,526 a year) and one for care of multiple dogs (amount is 25 per cent more than the single rate – £1,908 a year).
  2. NOMS (now HMPPS) introduced a new rate for OSGs as part of a joint agreement with the POA in 2015.
  3. For staff on open scales the on-call payments are payable as two rates only: (a) work days and (b) rest days or weekends and bank or public holidays.
- # These allowances are pensionable.

**Appendix G: Notional rent**

We make no recommendation on notional rents which remain as set out below.

<i>Rent</i>	<i>Current level</i>
Notional rent for quarters	
former Governor I	£3,804 a year
former Governor II	£3,762 a year
former Governor III	£3,615 a year
former Governors IV/V	£2,516 a year
Prison officers / support grades	£1,675 a year

## Appendix H: Recommendations from the 2019 England and Wales report

- The National *Fair and Sustainable* Bands 2, 4 and 5 base pay points, along with all closed support and officer grade spot rates and base pay points, be increased by 2.2%, as set out in Appendix D. This award to be consolidated and pensionable for all staff.
- The consolidated, pensionable salary for Prison Auxiliary and Night Patrol staff be increased to the National Living Wage or by 2.2%, whichever gives the greater amount.
- The National *Fair and Sustainable* Band 3 base pay points be increased by 3.0%, as set out in Appendix D. This award to be consolidated and pensionable for all staff.
- The *Fair and Sustainable* National Bands 7 to 11 base pay minima and maxima and the closed operational manager scales (including the closed grade Required Hours Addition cash element) be increased by 2.2%. Staff in *Fair and Sustainable* Bands 7 to 11 should have their pay increased by 2.2% so that they remain at the same relative position in the 2019 pay range. This award to be consolidated and pensionable for all staff.
- The *Fair and Sustainable* operational graduate and Accelerated Development schemes consolidated, pensionable pay rates be increased by 2.2%.
- All staff in *Fair and Sustainable* Bands 3 to 5 who are in post on 31 March 2019 progress by one pay point effective from 1 April 2019, unless they have been placed on formal poor performance procedures.
- Staff in *Fair and Sustainable* Band 5 who are in post on 31 March 2019 and receive a performance marking of 'Outstanding' receive an additional one per cent non-consolidated, non-pensionable performance pay award based on 31 March 2019 base pay.
- Staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2019 and receive a performance marking of 'Good' receive a consolidated and pensionable progression increase of four per cent, capped at the new 2019 band maximum.
- Staff in *Fair and Sustainable* Bands 7 to 11 who are in post on 31 March 2019 and receive a performance marking of 'Outstanding' receive a consolidated and pensionable progression increase of six per cent, capped at the new 2019 band maximum. Those within six per cent of the maximum, or at the maximum, should receive the balance of the six per cent as a non-consolidated, non-pensionable performance pay award, capped at two per cent of base pay.
- From 1 April 2019, pay point 1 of the National *Fair and Sustainable* Band 2 is removed so that the band becomes a spot rate. All staff on pay point 1 are to be moved to pay point 2, irrespective of eligibility or performance, to facilitate this change.
- From 1 April 2019 (and following the uplift in recommendation 4) the *Fair and Sustainable* National Band 7 pay range is shortened from 20 per cent to 15 per cent by raising the minimum so that the new 2019 maximum is 15 per cent above that value. All staff below the minimum at this stage to move onto the new pay range minimum before progression is applied.
- The fixed cash pay differentials for the *Fair and Sustainable* Outer and Inner London zones are increased by 2.2% and continue to be applied consistently across all bands, positioning maxima at £2,659 and £4,046 respectively above the base 37 hour National zone pay. We also recommend adjusting minima and intermediate points so that progression steps are the same percentage as on the National bands. The increases to be consolidated and pensionable.

## **Appendix H**

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- The temporary £5 increase to the rates for Payment Plus, Operational Support Grade overtime and Tornado currently in place be made permanent from 1 April 2019.
- The introduction of a new non-pensionable and annualised on-call allowance of £6,670 for the National Tactical Response Group and the National Dog and Technical Support Group with effect from 1 April 2019.
- The Prison Governors' Association and Her Majesty's Prison and Probation Service present to us, in evidence for our 2020 report, an update on the workloads of operational managers and the new workload management tool.

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## Appendix I: Summary of PSPRB recommendations from 2014 to 2018

- **2018** – a consolidated 2.75% increase for all *Fair and Sustainable* and closed grades, except *Fair and Sustainable* Band 3 and 4, which were recommended increases of 5.25% and 3.5% respectively. Rejected by the Government and reduced to a 2.0% consolidated and 0.75% non-consolidated award for all *Fair and Sustainable* and closed grades.
- **2017** – a consolidated flat cash award of £400 to all uniformed grades (both those on *Fair and Sustainable* and closed grades) and an increase of one per cent to the maxima of the *Fair and Sustainable* National Bands 7 to 11.
- **2016** – an increase of one per cent to the maxima of the *Fair and Sustainable* National bands and non-consolidated awards of £300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers.
- **2015** – an increase of 1.8% to the maxima of the *Fair and Sustainable* National bands but no recommended pay awards for those on closed grades. The Government then provided non-consolidated retention bonus payments (£300 for Prison Officers and support staff, £325 for Senior Officers and £350 for Principal Officers) shortly after the publication of our 2015 report.
- **2014** – a one per cent consolidated pay increase for all officers and support staff on all pay structures and changes to some *Fair and Sustainable* National Band 7 to 11 pay structures to provide two per cent to staff who opted in.





