

<b>Committee(s):</b> Police	<b>Date(s):</b> 12 <sup>th</sup> April 2013
<b>Subject:</b> Policing Reforms Update: Winsor Review and new Governance Structures (National Crime Agency, College of Policing, Police ICT Company)	<b>Public</b>
<b>Report of:</b> Commissioner of Police POL 15/13	<b>For Information</b>
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>Members will be aware that wide ranging reforms are currently taking place within the Police Service. This report is for information and covers the two main areas of change- The Winsor Review and the changes to the national governance structure.</p> <p>The Winsor Review has been published in two parts and makes 183 separate recommendations (See Appendix A for full recommendations) on matters relating to deployment of officers and staff (including shift allowances, overtime and assisting other police forces); post and performance related pay (including special priority payments, competence related threshold payments for constables and bonuses at all ranks), how officers enter and leave the police service, pay progression, whether the typical service length should be made more flexible and lastly, how officers and staff pay and conditions of service are decided. Some of these have more of a direct impact on officers than others (Extract at Appendix B).</p> <p>The Force has already implemented nationally agreed recommendations where this is straightforward, however some local debate and decision making has also been undertaken at the Force Strategic Management Board in relation to, for example implementation of the overnight allowance. It is important to note that not all the recommendations have yet been agreed and some are still going through national consultation, negotiation and arbitration as appropriate. In terms of financial impact so far the position for the force will be largely cost neutral. However, in general terms there will be a negative financial impact on individual officers and staff.</p> <p>Through the Commissioner’s verbal updates to your Committee, Members will be aware of the changes to the national governance structure, including the creation of the National Crime Agency (NCA) and the Force’s involvement in the Economic Crime Command Board (ECCB) and associated sub groups. In addition, broadly speaking the</p>	

two other areas of change are the creation of a Police Information Communications and Technology (ICT) Company; and the winding up of the National Police Improvement Agency, with its various functions being split ultimately between the NCA, the Police ICT Company and the new College of Policing.

### **Recommendations**

It is recommended that this report be received and its contents noted.

## **Main Report**

### **Background**

1. Members will be aware from widely available media reports that there are changes taking place within the police service at present. In a speech given on 2<sup>nd</sup> March 2011, the Home Secretary made clear her commitment to police reform and acknowledged the challenges the police service face in reducing spending whilst improving policing services.
2. This report will cover the two main areas of reform which are the independent review of pay and conditions for Police Officers and Staff; and changes to national governance structure and services.

### **Winsor Review**

3. Prior to her speech on the 2<sup>nd</sup> March 2011, the Home Secretary had already commissioned an independent review of pay and conditions of service for police officers and staff, which began on 1<sup>st</sup> October 2010. Thomas P. Winsor was appointed to undertake the review and it is now known colloquially as the 'Winsor Review'. The Review was commissioned to look chiefly at areas including deployment; rewarding contribution; recognising posts and skills; allowances; managing the workforce and managing ill health.
4. Part One of this Review was published on the 8th March 2011<sup>1</sup> and covered the deployment of officers and staff (including shift allowances, overtime and assisting other police forces); post and performance related pay (including special priority payments, competence related threshold

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<sup>1</sup> <http://review.police.uk/publications/945287?view=Binary>

payments for constables and bonuses at all ranks) and how officers leave the police service.

5. Part Two of this Review was published in two volumes on 15<sup>th</sup> march 2012<sup>2</sup> and mainly covered, how officers enter the police service; how pay progression up the pay scales could be made fairer to officers, staff and the taxpayer, whether the typical service length should be made more flexible and lastly, how officers and staff pay and conditions of service are decided (including the structures of the Police Negotiating Board (PNB) and the police staff council).
6. The recommendations from both parts of the Review have or are going through where appropriate, a period of consultation with the relevant Staff Associations and negotiation and arbitration where an amendment to an original Police Regulation is required. Negotiation and arbitration are still continuing for some of the recommendations from the Review.
7. On 30<sup>th</sup> March 2012 the Home Secretary signed the determination for the recommendations set out in Winsor part one (Home Office Circular 010/2012<sup>3</sup>). In respect of the recommendations contained in part two of the Review, the decision of the Police Arbitration Board (PAT) was published on the 6<sup>th</sup> December 2012. This still awaits ratification by the Home Secretary.

### **National Policing Governance Structure**

8. Members may also already be aware from open source reporting of some of the changes that are taking place in terms of the national policing response. The Commissioner has also provided updates on some aspects of this in his regular verbal updates to Police Committee.
9. This includes the creation of the National Crime Agency (NCA)<sup>4</sup>, the winding up of the National Policing Improvement Agency (NPIA) and creation of The College of Policing and Police ICT Company.

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<sup>2</sup> <http://review.police.uk/publications/part-2-report/report-vol-1?view=Binary>  
<http://review.police.uk/publications/part-2-report/part-2-volume-2?view=Binary>

<sup>3</sup> <http://www.homeoffice.gov.uk/about-us/corporate-publications-strategy/home-office-circulars/circulars-2012/010-2012/>

<sup>4</sup> <http://www.homeoffice.gov.uk/publications/crime/nca-creation-plan?view=Binary>

## **Current Position**

### **Winsor Review**

10. A full list of the recommendations from the Winsor Review part one and part two, are appended to this report at Appendix A. However, some of the recommendations have more of a direct impact on officers than others, and these have been extracted and are listed at Appendix B for Winsor part one. The more significant recommendations include changes to payment of overtime- namely that the minimum of four hours pay for recall between tours of duty is abolished ; Suspension of incremental pay progression, and Chief Officer & Superintending Rank Bonuses for a defined period; Abolition of Special Priority Payments; Introduction of a Team Recognition Bonus; and changes to the allocation of the competency related threshold payments
11. Where the changes resulting from the recommendation are straightforward they have taken effect in Force from 1<sup>st</sup> April 2012. However, a number of the recommendations have also been subject to local discussion and debate and have required a Force decision on how and when they will be implemented locally. To date, this has included the recommendations relating to the 'Introduction of an unsocial hours allowance' and 'Changes to Public Holiday arrangements'. Reports on both these recommendations have been considered and discussed at the Force Strategic Management Board (SMB) chaired by the Commissioner.
12. An Overnight and Hardship allowance policy and Standard Operating Procedure (SOP) was approved at SMB in November 2012 which introduced an allowance in specified circumstances; and a Policy and SOP on Substitute Public Holidays, was approved at SMB in December 2012, which allowed Officers to nominate substitute days for Bank Holiday leave days such as Christmas Day. However granting of these substitute days is dependent upon local and organisational business and operational need.
13. Other recommendations to be considered by the Force in due course include options and arrangements for offering voluntary exit terms to police officers and On-Call rotas and payment of allowances for On- Call for federated ranks.
14. In terms of Winsor part two and some outstanding recommendations from Winsor part one, a number of the recommendations that have been agreed

are still to be ratified by the Home Secretary and a number are still undergoing consultation, and relevant arbitration and negotiation. These include recommendations on Compulsory Severance ; Fitness Testing Recruitment of Chief Constables to allow possible candidates from overseas; Changes to pay scales for new recruits with a lower starting salary being introduced; Changes around managing officers on 'restricted duties'; and Pay progression of federated ranks to be linked to performance. The consultation phase on the proposals for Direct Entry for Inspectors and Superintending ranks has only recently concluded (28<sup>th</sup> March).

15. A further update report can be submitted to your Committee if appropriate, at a time when more of the recommendations have been settled.

## **Financial Implications**

### **Impact on officers and staff**

16. There is no question that there will be a detrimental impact as a result of some of the Winsor recommendations on the financial situation of many officers and staff. In addition to the current pay freeze, officers will be losing out on a number of additional payments such as special priority payments, bonus payments and competency related threshold payments. The rate of payment for certain types of overtime has also been reduced. Furthermore, from the 1<sup>st</sup> April 2013- officer's pension contributions are due to increase. This follows an increase in April 2012 and there will almost certainly be a further increase in April 2014. The increase in pension contributions will depend on which scheme officers are in and on their basic annual salary, but range from an increase of 1.2% to 3%. Although some new payments are being introduced by Winsor (such as an on call payment and overnight allowance), these will not impact upon the majority of officers.

### **Impact on Force Budget**

17. In terms of financial impact upon the force's overall budget, the recommendations that have been implemented already that have the greatest impact upon the force budget are the unsocial hours' payments and the overnight allowance. The budget allocation for these for 2013-14 is £441k. The potential impact of the on-call allowance is not yet known as details are yet to be finalised, but based on the options so far presented to the Force's Strategic Management Board, the impact is calculated at approximately £127k.

18. However, the increment freeze on Police Officer pay will have saved the Force approximately £400k in 2012/13 and there will be a saving of approximately the same in 2013/14. In addition, the abolition of Special Priority Payments (SPP) will make a saving of £174k in 2013/14.

<b>Summary</b>	
Cost of recommendations already implemented	£441k
Potential cost of implemented recommendation (not yet finalised)	£127
<b>Total</b>	<b>£568</b>
Savings from increment freeze 2013/14	£400k
Saving from abolition of SPPs	£174
<b>Total</b>	<b>£574</b>

19. This presents a fairly cost neutral position so far, however Members may wish to note that the freeze on increments in pay is not permanent.

### National financial impact (Winsor part 1)

20. In terms of predicted national savings and costs- the table below shows a summary of the estimated national costs and savings from Part 1 of the Winsor Review.<sup>5</sup> (Figures have been rounded to the nearest £1m. Some of the totals do not sum due to rounding).

<b>Savings:</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Officers: 2- year progression freeze	-£72m	-£192m	-£220m
Staff: 2-year progression freeze	-£24m	-£42m	-£32m
Abolition of competency related threshold payments (CRTP)	-£37m	-£61m	-£65m
Suspension of Chief Officer and Superintendent bonuses	-£0.5m%	-£1m	-£1m
Abolition of Special Priority Payments (SPP)	-£50m	-£86m	-£86m
Changes to overtime/ mutual aid (officers and staff)	-£32m	-£58m	-£60m

<sup>5</sup> Winsor Review Part I pp 208-209 & ACPO/ NPIA Winsor part I -Summary and Observations March 2011.

<b>Total Savings- 1 -£441m - £463m</b>	<b>-£215m</b>	<b>-£441m</b>	<b>-£463m</b>
<b><i>Costs of Part I review:</i></b>	<b><i>2011/12</i></b>	<b><i>2012/13</i></b>	<b><i>2013/14</i></b>
Unsocial hours payments (10% of basic pay)	£60m	£103m	£104m
Expertise and professional accreditation allowance (£1,200pa)	£52m	£90m	£90m
On call allowance (£15 per day for officers)	£10m	£15m	£15m
Team recognition awards (officers and staff)	£1m	£2m	£2m
Officer maternity pay (Increase to 18 weeks)	£3m	£5m	£5m
NI contributions	£17m	£30m	£30m
<b>Total Costs</b>	<b>£144m</b>	<b>£245m</b>	<b>£246m</b>
<b>Total Net Savings</b>	<b>-£71m</b>	<b>-£197m</b>	<b>-£217m</b>

## National Policing Governance Structure

21. Members will also be aware from media reporting and the Commissioner's verbal updates to your Committee that there are a number of changes affecting the national governance structure for policing. The Crime and Courts Bill will provide the legal basis for the creation of the National Crime Agency (NCA), and in addition it will ultimately also legislate for the winding up of the National Policing Improvement Agency (NPIA) and the creation of the Policing College which will become a statutory body. The Bill has completed Committee stage in the House of Commons and, subject to the will of parliament, is on track to receive royal assent in the near future.

## National Crime Agency

22. The NCA is due to become fully operational by 1<sup>st</sup> December 2013 and the 'build' phase is well underway, with Keith Bristow at the helm as head of the agency. The NCA will take in the Serious and Organised Crime Agency (SOCA), Border Policing (UK Border Agency and Border Force), the work

of the Child Exploitation Online Protection Centre (CEOP) and is also creating an Economic Crime Command (ECC).

23. The CoLP Chief Officer team has ensured it has been well positioned on relevant boards and in discussions regarding the creation of the ECC. The main Board for implementation of the ECC is the Economic Crime Command Board (ECCB) which the Commissioner attends. There are 16 organisations represented on the ECCB including CoLP, who remain engaged and are feeding into a wide variety of projects being coordinated by the Economic Crime Command Programme Team.
24. The sub-groups, two of which are chaired by Assistant Commissioner Dyson (Economic Crime Operations Group (ECOG) and Economic Crime Intelligence Group (ECIG)) continue to provide a mechanism to support multi-agency activity across prevention, intelligence and enforcement work streams. Numerous operations and projects are being developed, which are in turn testing and proving fundamental concepts crucial in informing the wider build of the Agency.
25. Over recent months, the programme has moved towards operational delivery through implementation of “shadow” intelligence, coordination and economic crime structures and improved definition of which commands will own certain assets, and their respective roles. The CoLP plays an important role in the delivery of this through secondments to the intelligence and economic crime teams, and through close engagement with shadow working and the sub-groups of the Economic Crime Coordination Board (ECCB).

### **National Policing Improvement Agency (NPIA)**

26. As of December 2012, the NPIA has transferred all of its operational functions to the Home Office, the College of Policing and the Serious Organised Crime Agency (SOCA). Some of these functions will transfer from the above bodies to the National Crime Agency (NCA) and the Police ICT Company when they are operational/ established. A full list of which functions have gone to which agency can be found on the NPIA website.<sup>6</sup>

### **College of Policing**

27. The College of Policing was officially launched on 4<sup>th</sup> February 2013. The Government hopes that it will be *fully* established by 2014. The Chief

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<sup>6</sup> <http://www.npia.police.uk/en/19482.htm>



Executive Officer of the College is Chief Constable Alex Marshall formerly of Hampshire Constabulary. The College is currently focusing on its future shape and structure.

28. The College will initially retain many of the NPIA's functions that are linked to enhancing police professionalism, including: learning and development, strategy and curriculum; Authorised Professional Practice (APP); examinations and assessment; the International Academy; Leadership training and assessment; uniformed operational support; and specialist training and research & analysis information unit. The College will also inherit the Police National Chemical, Biological, Radiological, Nuclear (CBRN) Centre.

### **Police ICT Company**

29. As part of the wider reforms the Home Secretary announced that she would be creating a Police Information Communications Technology (ICT) Company, the overriding objective of this would be to enable police forces to get better value for their ICT spend. The Company is intended to be owned by the Police and Crime Commissioners (PCCs) and led by police forces as customers.
30. On the 16<sup>th</sup> July 2012 a written ministerial statement was laid in the House of Commons by the Home Secretary and in the House of Lords by Lord Henley. This informed both Houses that the Home Office had now legally incorporated 'The Police ICT Company Ltd'. The company is jointly owned by the Association of Police and Crime Commissioners (APCC) (since their appointment in November) and the Home Office. Twelve directors have been appointed from the policing community to form a board of directors. At this stage the purpose of the ICT company is to provide governance and oversight since the election of the PCC's to include agreeing the long term ownership group, agree governance of the ownership group and develop a business plan and organisational design.
31. The NPIA functions transferring to the new company in due course (the Home Office in the interim) include ICT Strategy; ICT contract management, procurement and service management and management of and implementation of ICT projects and programmes. Having consulted with the Project Manager for the East Coast IT Services (ECIS) project, there should be no direct impact on the proposed collaboration agreement between CoLP, Kent and Essex, and any issues regarding technical management will be managed through appropriate wording in the contracts and managed through the ECIS governance structure.

## **Conclusion**

32. It is evident that as a result of the Government's Police reform agenda, there are a number of large scale changes taking place that are already, or will in the future, be impacting significantly upon Police Forces. The Force is working, through its corporate governance structure, to ensure that these changes are managed at Force and Authority level where appropriate to achieve the longer term aims of Government's objectives. This report is submitted for the information of Members.

## **Background Papers:**

*Winsor Review by Thomas P Winsor*

*Closure of the NPIA- Summary for Chief Constables - NPIA December 2012*

*The National Crime Agency- A plan for the creation of a national Crime Fighting capability- Home Office June 2011*

## **Appendices**

*Appendix A- Full list of recommendations from the Winsor Review I and II*

*Appendix B – Extract of recommendations impacting on officers*

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