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Federation News



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3-YEAR PAY DEAL

Staff Side secure best public sector deal for police

On Wednesday 16th October the Staff Side of the Police Negotiating Board agreed to a historic three year deal, after a week of crisis talks with the Official Side, Home Office and independent economic advisers. The talks which took place against an extremely volatile economic backdrop became ever more urgent as independent advisers predicted inflation could drop as low as 1% over the next year and warned of the effects this would have on negotiated pay deals, particularly under a pay review body.

The three-year deal backdated to September the 1st 2008, will run through to August 31st 2011. The deal ensures that all UK police officers will receive annual rises of 2.65%, 2.6% and 2.55% respectively to see them through these fragile economic times.

“Inflation will fall from present levels in 2009 and 2010 on, so that these settlements compared to inflation will look much more favourable in 2009, 10 and 11. Government finances will deteriorate as a result of the interventions in financial markets over the last few days. Accordingly their ability to award large settlements to public servants will be much reduced. Any settlements above 2.3% will look good over the next three years.”

Bob Elliot, Professor of Economics (specialism-public sector pay), University of Aberdeen and Economic Adviser to the JCC

Why did the Federation agree to this deal? What's changed?

The economic environment has changed dramatically over the last few weeks and in light of this and the independent advice received the Police Federation entered discussions with the constituent parts of the Staff Side of PNB, the Home Office and Official Side to explore whether an agreeable settlement could still be reached.

Independent economists advised the Federation that a Pay Review Body would potentially bring substantially lower settlements than the multi year deal offered by the Official Side and that if a three-year deal was still available it should be secured as soon as possible. Forecasters also predict that over the coming year inflation is likely to fall to around 1% and that if we fought for a pay deal based on inflationary averages (indexation) the percentage would be lower than the deal we found unacceptable last year of 1.9%.

The Federation firmly believes that bearing these and other economic factors in mind this deal will provide members some stability in very uncertain times.

“That this House welcomes the announcement that an agreement has been reached between the Home Office and the Police Federation on police pay for the next three years; congratulates both sides on working together to achieve a settlement that satisfies all parties; hopes that this package will create stability for the police force over the next three years; further hopes that this settlement will set a precedent for future years; and expresses its disappointment that an agreement such as this was not reached last year.”

Early Day Motion – Police Pay - Keith Vaz MP, Chairman of the Home Affairs Select Committee

Why were members not consulted on this?

The Police Federation is just one component part of the Staff Side of the Police Negotiating Board and the decision on this agreement was taken by Staff Side.

With limited time before the Police Arbitration Tribunal meeting to recommend a one-year settlement figure, the eight-week consultation on the introduction of a Pay Review Body and the changing economic climate, the Police Federation of England and Wales together with Staff Side had to move quickly if the best possible financial deal for all members was to be secured.

What about the Police Arbitration Tribunal on 21st October?

Following a failure to agree in July, the Staff Side of PNB was due to make their case to present a case for the 2008/09 one year pay settlement to the Police Arbitration Tribunal on 21st October. The Official Side had put forward a recommendation of a 2.325% increase which was rejected by Staff Side. In turn Staff Side had proposed a 3.5% increase which was rejected by the Official Side.

Despite the best optimism the best advice was that the Police Arbitration Tribunal (PAT) would recommend a 2.325% increase. Especially as the Official Side's recommendation of 2.325% was based on the PAT endorsed index from last year.

With this in mind and in view of the changing economic climate, the Staff Side of the PNB had a duty to seek the very best possible deal for police officers.

The advantages of the three-year deal

- In the current economic climate this is a good deal
- In real terms this settlement is worth more than it was in July.
- This is the best multi-year deal offered to any workers in the public sector.
- The settlement will be backdated to 1st September this year
- Every effort will be made to ensure payment is received by officers before Christmas.
- There is a reopening clause which means that if there is a substantial change in economic and labour market conditions and they are impacting on police officer recruitment then, either in August 2009 or August 2010, Staff Side of PNB can go to the Police Arbitration Tribunal (PAT) to seek re-opening of pay negotiations. If the PAT agrees the conditions of the re-opening clause have been satisfied that decision to re-open negotiation will be binding on the Home Secretary.
- The Home Secretary has agreed with immediate effect that she will end the consultation process on a Police Officers Pay Review Body and has given written assurance that, in the lifetime of this current Parliament, the Government will not seek to legislate for a Pay Review Body to determine police pay and conditions.
- This deal ensures that the Police Negotiating Board will continue to be the negotiating machinery for police officer pay and conditions of service.

Is the Federation still fighting for binding arbitration or industrial rights?

The Police Federation is still following the mandate given from members in the poll earlier this year to pursue

industrial rights if binding arbitration is not granted. To gain industrial rights will require a change in legislation.

A letter was sent to the Home Secretary in September that gives a deadline of the Queen's Speech on 4th December for binding arbitration on the government in statute to be announced. Should this not be announced on or before 4th December then the Federation will progress actions needed to attempt to introduce industrial rights for police officers.

For progress please check on the website and keep in touch with your local rep for updates. Please note we have been advised this process will be lengthy.

How will pay be affected?

The following shows what this settlement will mean in real terms over the three years for federated rank officers at the top of their pay scale.

The pay award percentages will also apply to London Weighting uprating which takes place in July each year.

The uprating of CRTP and dog handlers allowance historically takes place after police pay is agreed and ratified by the Home Secretary. Claims for the uprating of these allowances in line with the pay increase will be tabled at the next PNB meeting on 30th October 2008.

Top of scale rates of pay 2007-2010

(These are approximate as we await publication of the official pay scales)

2008 + 2.65%

2009 + 2.6%

2010 + 2.55%

Please note these figures do not include the CRTP payment of £1,122 (2007).

Constables

2007 - £33,810

2008 - £34,706

2009 - £35,608

2010 - £36,516

Sergeants

2007 - £37,998

2008 - £39,005

2009 - £40,019

2010 - £41,039

Inspectors

2007 - £46,989

2008 - £48,234

2009 - £49,488

2010 - £ 50,750

Inspectors (London)

2007 - £48,903

2008 - £50,199

2009 - £51,504

2010 - £52,817



Chief Inspectors

2007 - £49,923

2008 - £51,246

2009 - £52,578

2010 - £53,919

Chief Inspectors (London)

2007 - £51,831

2008 - £53,205

2009 - £54,588

2010 - £55,980

Chief Inspectors in post 31 August 1994

2007 - £50,742

2008 - £52,087

2009 - £53,441

2010 - £54,804

Chief Inspectors in post 31 August 1994 (London)

2007 - £52,641

2008 - £54,036

2009 - £55,441

2010 - £56,855

Commenting on the outcome of the police pay negotiations, Liberal Democrat Shadow Home Secretary Chris Huhne said:

"Everybody will breathe a sigh of relief that these tortuous negotiations have come to an end. Police officers can now get back to doing what they do best, without worrying that they are being taken advantage of by the Government. Ministers could have avoided this charade by having the decency to honour an independently determined pay award to a workforce that cannot strike."

"Probably the best deal in the circumstances. Some are talking about inflation dropping to 1% during parts of next year."

*Charles Lewington, Managing Director of Hanover
Communications and political advisor to the Police Federation
Joint Central Committee*

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