

Evidence to the National Crime Agency Remuneration Review Body

- 7th Submission -



NCOA

National Crime **Officers** Association
The Trade Union of the NCA

PROTECTING THOSE **WHO PROTECT THE PUBLIC**

Pay Round Aug 2021 – July 2022

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1. Summary

1.1 On the 25th November 2020, HM Treasury announced that there would be a 'pay pause' in 2021/22 across the whole of the public sector - with the exception of those working in the NHS. We recognise that this 7th submission to the National Crime Agency Remuneration Review Body is made against the backdrop of a global COVID-19 pandemic, but do not accept that a response to that pandemic must include stifling the ability of independent pay review bodies to make recommendations for pay awards. Whilst the Government's plans to reduce the deficit resulting from its COVID-19 response might be a contributing factor, so should affordability considerations made by the individual public sector organisations, who should be given the flexibility to submit their own plans unhindered.

1.2 On the 27th November 2020, the NCOA General Secretary Simon Boon wrote to Rt Hon Priti Patel MP, the Home Secretary, to make the case that NCA officers should be exempt from the HM Treasury imposed 'pay pause' (see Appendix A). With the NCA only part way through a 7-year period of pay reform, preventing the NCARRB from making recommendations on pay uplifts at this stage, will not only reduce the chances of NCA pay reform being concluded in 2024, but also risks undermining progress made to date in reforming NCA pay. The Home Secretary's response to the NCOA broadly mirrored the subsequent Remit Letter to the NCARRB of the 14th January 2021 (see Appendix B).

1.3 At the time of this submission, the NCA budget for 2021/22 has not been shared with its Trade Unions and may not be available until after the Chancellor's budget statement in early March. The NCA will again present joint evidence with the Home Office. The recent fiscal evidence provided by HM Treasury to most public sector pay review bodies is rejected by the NCOA. Pragmatically, NCOA members realise that however unfair the impact will be for the majority of them, it is likely to be accepted as an undisputable backdrop against which the NCARRB will report this year.

1.4 Even without full consideration of the costs incurred as a result of the most recent national lockdown, the Government has spent an extra £280bn since the COVID-19 crisis began. It is estimated that they are on course to preside over a budget deficit of £393.5bn at the end of 2020. The money saved as a result of the public sector pay pause will be small change when set against the colossal spending deemed necessary to combat the overall economic situation. The Office for Budget Responsibility (OBR) noted the Chancellor had averaged £20bn extra spending in each of the first 14 fiscal interventions since the crisis started.

1.5 The NCA baseline Pay Bill including overtime is estimated to be £222.19m for 2020/1. In 2020/1, following the NCARRB recommendations and subsequent negotiations between the NCA and its TU's, a differentiated pay offer was

delivered to NCA officers at an average uplift of 2.5% per officer. This was at a cost modelled at £5.55m. Yet again, this came from existing agency budgets.

1.6 Last year, the NCARRB reported on NCA pay reform,

'the rate of progress is constrained by affordability and we suggest that successful reform needs proper investment.'

It is clear to the NCOA and its members that the impact of any enforced NCA pay pause will have a miniscule impact on addressing the current deficit.

1.7 The experiences from previous austerity measures imposed on public sector organisations has taught us that freezing the pay of most NCA officers reduces the ability of the Agency to recruit and retain experienced officers. This could also lead to a potential return to yearly attrition rates in excess of 10%. Rather than blocking pay uplifts for NCA officers, the Government should now accept this guidance from the NCARRB and be providing more investment to the National Crime Agency. The NCOA reject the application of a pay pause for NCA officers, particularly as it risks undermining the progress made to date in reforming NCA pay and addressing long-standing imbalances.

1.8 The NCOA proposal of a minimum 3% uplift in pay for NCA officers would enable significant progress to be made in bridging the gap in pay between NCA officers and its comparators. A 3% pay uplift would be fair, forward looking and embed the positive impact of NCA pay reform achieved to date and increase the attractiveness of the overall pay and benefit package on offer to NCA officers. In addition, it would maintain the on-going improvement in reducing the gender pay gap. The acceptance of NCOA proposals on geographical allowances and reform of the use of the non-consolidated pay budget would further augment the reform of pay in the NCA and increase the chance of that progress being sustainable.

1.9 The recent 2020 survey results reported a 9-point improvement in the scoring for Pay and Benefits for NCA officers since the previous year. At 39%, Pay and Benefits still remains the lowest scoring area. If the pay remit given to the NCA by the Home Secretary causes the 2021/22 pay award to be focussed on officers within Spot Rate roles - the consequences are predictable and entirely avoidable. The theme of dissatisfaction from those who remain on the standard pay framework, without a means of pay progression, will continue as they witness first-hand yet another year of differentiated pay awards.

1.10 In this submission, we will articulate the concerns of our members. The NCOA represents the majority of NCA officers, across all grades and roles. The issues they face as employees of the NCA, including the impact of the COVID-19 pandemic, represent the additional challenges the Agency will face in 2021/22 as a result of any pay pause. The proposals we make to the NCARRB are made in

good faith as a means of supporting our members and the Agency itself through these difficult times.

1.11 All parties will already understand the legal restrictions placed on NCA officers with powers. As of 1st November 2020, the NCA comprised of 5724 officers of whom 1964 were officers with designated operational powers. With only 34% of NCA officers now having operational powers, the NCOA hold it is now the time for all parties to work together to develop an updated pay engagement mechanism, which is reflective of the current and future NCA workforce.

1.12 By way of comparison, in 2019 those 'With operational powers' sat at 38% of the workforce. In 2018, 2017, 2014 similar figures were 45%, 46% and 49% respectively. The steady decline is difficult to ignore given the rationale for setting up the Pay Review Body in 2013.

Table 1: Total Number of NCA officers in each grade as of the 1st of November 2020 including powers information.

<i>November 2020</i>	Powers F	Powers M	No Powers F	No Powers M	Total
<i>NCA Grade 1</i>	~	~	~	~	98
<i>NCA Grade 2</i>	18	82	82	127	309
<i>NCA Grade 3</i>	56	259	182	286	783
<i>NCA Grade 4</i>	181	492	443	478	1594
<i>NCA Grade 5</i>	293	553	974	752	2572
<i>NCA Grade 6</i>	~	~	~	~	368
<i>Grand Total</i>	554	1410	1925	1835	5724

~ denotes 10 or less, including values redacted to safeguard the identity of our officers.

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2. Impact of the Government pay pause on NCA Pay Reform

2.1 To understand the impact of any HM Treasury pay pause, the NCOA will reflect on the outcomes of the NCA Pay Award in 2020/21. As the NCA finds itself part way through a pay reform process which was due to conclude in 2024; a pay pause at this point will have a disproportionate impact on some NCA officers when considered against their colleagues in the NCA and in wider public service.

2.2 As we have already reported, only 34% of NCA Officers currently have operational powers. It is relevant to any NCA Pay Award for 2021/22 that as of November 2020, 1,713 officers were on the Spot Rate pay framework. This equates to approximately 30% of the NCA workforce. The crossover between these two data sets is not known to the NCOA but is no doubt available via the Agency.

Table 2: Number of NCA officers on the Spot Rate pay framework, identified by grade and spot rate.

November 2020	Spot Rate	Number of Officers
NCA Grade 1	SR1 - Developing	23
	SR2 - Proficient	0
NCA Grade 1 Total		23
NCA Grade 2	SR1 - Developing	87
	SR2 - Proficient	0
NCA Grade 2 Total		87
NCA Grade 3	SR1 - Developing	4
	SR2 - Proficient	1
NCA Grade 3 Total		5
NCA Grade 4	SR1 - Developing	287
	SR2 - Developing	295
	SR3 - Expert	13
NCA Grade 4 Total		595
NCA Grade 5	SR1 - Developing	387
	SR2 - Developing	198
	SR3 - Proficient	399
	SR4 - Expert	19
NCA Grade 5 Total		1003
Grand Total		1713

**This data capture includes officers on temporary promotion to spot rate roles.*

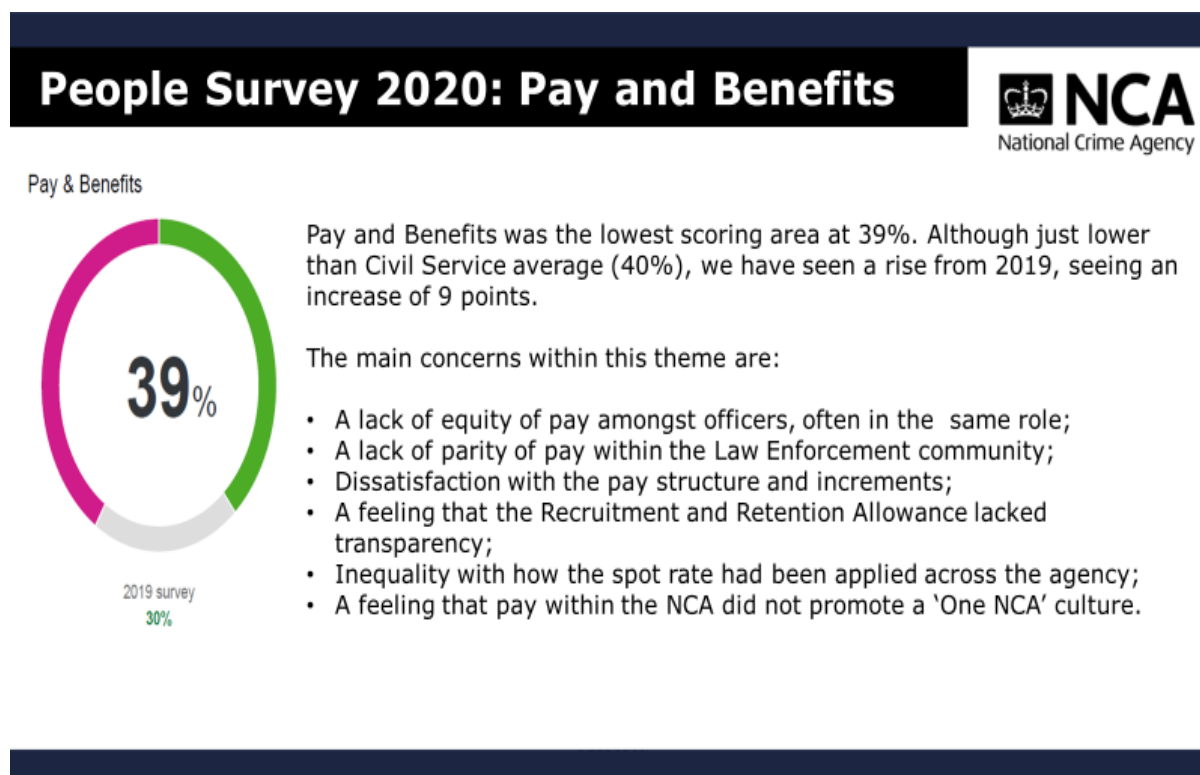
2.3 The focus of the Agency in developing Spot Rate pay framework whilst 70% of officers remain on Standard Pay ranges is reflected in the key themes identified by the NCA's own assessment of the 2020 People Survey.

2.4 The concerns raised by staff, included dissatisfaction that NCA Officers do not have pay parity with comparators elsewhere in Law Enforcement and

inequality in how the Spot Rate framework is applied. The NCOA proposals within this submission, address these specific concerns.

2.5 The NCA's own analysis of the 2020 People Survey (see Table 3) includes 'a feeling that pay within the NCA did not promote a 'One NCA' culture. The NCA would send a clear message to its workforce if it deviated from delivering a differentiated pay award in 2021/22 and supported the NCOA proposal of a 3% uplift for all officers on NCA Terms and Conditions.

Table 3: Analysis of 2020 NCA People Survey for Pay Benefits



2.6 In addition, there are proportionally fewer female officers on the Spot Rate pay framework, when compared against the overall female/male ratio across the NCA of 42%/58%. Whilst there is no requirement from the Government to provide a gender pay gap submission whilst the COVID-19 situation persists, it is likely that a pay pause in the NCA will result in a widening of the gender pay gap in 2021/22. This is somewhat disappointing as the Agency has made consistent progress in reducing this gap since 2017.

Table 4: NCA Gender breakdown for officers on Spot Rate pay framework.

Grade Band	Non-Spot Rate		Spot Rate		Grand Total
	Female	Male	Female	Male	
NCA Grade 1	23.47%	54.08%	~	~	100.00%
NCA Grade 2	25.89%	44.34%	6.47%	23.30%	100.00%
NCA Grade 3	30.01%	69.35%	0.38%	0.26%	100.00%
NCA Grade 4	27.34%	34.48%	11.79%	26.39%	100.00%
NCA Grade 5	32.58%	29.27%	16.72%	21.43%	100.00%
NCA Grade 6	60.87%	39.13%	~	~	100.00%
Grand Total	32.07%	38.08%	11.24%	18.60%	100.00%

~ denotes 10 or less, including values redacted to safeguard the protected characteristics of our officers.

2.7 The NCOA's objection to the pay capping of Standard Pay Ranges is documented in its previous submissions to the NCARRB. With the majority of NCA officers remaining on Standard Pay Ranges, the real impact of the Government pay pause, will be felt by this group who will not receive a pay uplift in 2021/22.

2.8 At this point in 2020, 5.7% of NCA officers were at the maximum of an agency Standard Pay range. The feeling amongst most officers is that progress up to these maximums is currently unachievable, without a defined progression mechanism over and above the normal cost of living pay uplifts. We have repeatedly highlighted this in successive submissions and know that feelings of unfairness will be further compounded in 2021/22.

2.9 The difference for NCA officers between those on a Spot Rate pay framework and a Standard Pay framework will be starker in 2021/22. It is estimated that it will cost £2.4m if all officers currently on Spot Rates progress to the next (higher) Spot Rate. As progression is normal within any 12-month period, this is a highly likely cost.

2.10 It should be noted that at the time of this submission the Spot Rate skills matrices for G1 to G3 roles have yet to be shared with the NCA workforce, although the NCOA had reached an agreed position with the Agency on the content of these matrices some time ago. (The NCA's rationale for stalling its introduction is unclear, the NCOA have reminded the Agency that the ability for officers to progress in SR's is the contractual entitlement secured by these officers when they accepted a move to a 40hr working week).

2.11 There are also a number of anomalies affecting those at lower grades which has affected their ability to progress up the Spot Rates. We have therefore asked that the Agency resolve these longstanding issues before finalising Spot Rate transition pathways for those who have only recently joined the framework at more senior grades.

2.12 A fair and currently available way for the Agency to deal with this obvious inequality between officers on the different pay frameworks, is to have a widespread expansion of the Spot Rate pay framework. This would see considerably more roles at all grades, including G3 roles - once an urgent review is conducted to resolve blockers for officers at this grade.

2.13 In its submission to the NCARBB in February 2020, the Agency calculated that 134 G3 Officers of the 176 G3 Officers who were in a planned Spot Rate role would accept an offer to move to the Spot Rate pay framework.

2.14 Contrary to its own submission, at the implementation stage of the 2020 pay award, the Agency designated less than 15 roles as being eligible for Spot Rates - a number of these were vacant. As of 1st November 2020, only 5 G3 Officers in the NCA had elected to move to the Spot Rate Pay Framework (see Table 2). Only 1 of these officers was amongst the group of 176 G3 officers originally identified as being in a role earmarked for Spot Rates. The other 4 officers were subsequently recruited into the NCA after the implementation period.

2.15 It is now clear that the impact on officers at G3 is that most of them are disengaged from the headline change of NCA pay reform which is of course the attractiveness of a move to the Spot Rate pay framework. In its submission to the NCARRB in 2020, the NCA stated that,

'Grade 3 officers in scope for this reform (move to SR) are primarily Senior Investigating Officers equivalent to Inspector/ Chief Inspector in policing.'

Yet when the NCA's 2020 Pay Award was offered, none of this primary group were to be offered a move to a SR.

2.16 As the NCOA articulated to the Agency, its plans to move G3 officers to the Spot Rate framework were ill-conceived. With the G3 SR1, 'Developing' rate being set at £45,480, the same amount as the Standard pay range minimum for G3 officers - it was anything but 'attractive'.

2.17 It seems the NCA plan, relied on its G3 officers agreeing to work an additional 3 hours per week as well as giving up the opportunity for overtime, when electing to move to a Spot Rate framework. As the NCOA advised its members, this offer represented an 8% pay drop. Even a direct move to SR2 - 'Proficient' rate, set at £48,980, was actually no more than a pro-rata increase to compensate for the shift to a 40hour working week. With the Spot Rate framework predominantly aimed at operational and intelligence roles, to lose the ability to claim overtime without any financial compensation, was always going to be unattractive to most officers, who were in original target groups.

2.18 With the pay pause now restricting the ability to uplift Spot Rate pay ranges, the fair and timely way for the Agency to address this inequality in G3 pay, is to scrap its current G3 Spot Rate pay range. It should then engage properly with its Trade Unions and decide whether it remains appropriate for G3's to lose overtime and if so, how these officers will be fairly compensated when they move to any revised G3 Spot Rate framework. The NCOA made this recommendation to the Agency in December 2019, again within our submission to the NCARRB in 2020 and then during subsequent pay engagement talks.

2.19 Without urgent remedial action to rectify the flaws in the NCA's original plans, it would be fair to offer G3 officers on the SR framework the choice to move to an equivalent position (without detriment) on the Standard pay framework with a 37-hour week.

2.20 Having reduced the number of offers to G3 officers to move to the Spot Rate pay framework from 176 to 14 (without any consultation), *after* submitting its evidence to the NCARRB and the finalised pay award for 2020/21, the Agency then went on to substantially increase the number of offers to its senior officers at G1 and G2. Sadly, we are not aware of any attempt to widen the pool of Spot Rate eligibility for officers at Grade 3, 4 or 5.

2.21 Within its submission to the NCARRB in February 2020, the Agency estimated that 17 of the 18 officers at G1 who were to be offered a move to Spot Rate were likely to accept it. In the case for G2's, 43 officers were likely to accept a move, from the 44 who were to be offered it.

2.22 At the implementation stage in November 2020, the Agency had moved to place 23 G1 officers and 87 G2 officers on the Spot Rate framework. Whilst all these officers are at SR 1 'Developing', the decision taken by the Agency to extend the numbers of G1 and G2's, whilst reducing the number of G3's, may now present it with some very real affordability challenges.

2.23 In its submission to the NCARRB in 2020, the NCA modelled *the cost of implementing a SR pay structure for investigations and intelligence officers at Grades, 1, 2 and 3 as £1.02m*. The NCA also modelled the average uplift for the 134 G3 from the target group of 176 G3's to be £3,819. With almost no G3's eventually being offered Spot Rates, an additional £450,000 was made available to be redistributed.

2.24 NCOA members remain unclear what the driver was for the NCA to redistribute the funds in this way, allowing more Senior Officers the opportunity to embrace SR pay, rather than introduce additional roles at G4 and G5. This is particularly galling for those who still remain outside the SR pay framework even though they were considered part of the original target groups when SR's were first implemented in 2018.

2.25 The respective contractual uplifts are £5,864 and £4,945 when G1 and G2 officers move from SR1 Developing to SR2 Proficient. There is now a case, that the Agency would have been better placed had it extended the number of roles at G4 and G5 in 2020. The additional benefit would have been to reduce pressures on the Recruitment and Retention Allowance budget and offsetting some of the difficult decisions the Agency took on its limited resources.

2.26 Even with Spot Rate progression continuing in 2021/22, a pay pause will impact on progress in developing both scope and attractiveness of this framework. Aspirationally, the Agency has reported its intention for Spot Rate roles to sit at 90% of the rate of comparable Police scales. The modelling provided by the Agency in its 2020 submission, indicated that if pay reform had continued, this would have been achieved in 2021/22. Instead, officers in G5 and G4 roles who are assessed as 'Proficient' by meeting capability and accreditation requirements of their SR, will remain at 87% and 88% respectively. It is too early to assess how this will impact on future recruitment and retention pressures in the Agency. What cannot be ignored, behind the scenes, is the Government campaign to recruit an additional 20,000 Police officers.

2.27 The Agency has made no progress in developing the 'Expert' Spot Rate framework in the last 12 months. For some roles, an 'Expert' Spot Rate would have made the NCA the 'employer of choice' when pay comparisons are made with Police equivalent roles. In addition, there remains a cohort of NCA officers who in accepting offers to move the SR framework in 2018 and 2019, made those decisions with a reasonable expectation of a contractual progression to 'Expert' SR, would be available to them at some point in the near future. Some of our members fall within this group and feel justifiably let down and financially disadvantaged by the NCA's tardiness in implementing an 'Expert' rate.

2.28 Whilst the finalised capability and accreditation requirements for progress for G1 and G2 officers has yet to be shared by the Agency. When some of these officers do progress to SR2, 'Proficient' in the next 12 months, they will still be only at 80% and 83% of similar Police Rate Comparators, with no further progress under consideration via an 'Expert' Spot Rate. Again, in the current economic climate, it is too early to assess the impact this will have on recruitment and retention pressures at these grades. Although it is already the case that experienced, mid-career Police Officers at Superintendent and Chief Superintendent rank are unlikely to make a lateral move to the NCA.

3. NCOA 'Bullseye model' for zonal Geographical Allowances

3.1 Over the last 5 years, the NCOA has been consistent in recommending to the NCA and the NCARRB a pressing need to review its Geographical Allowances which are available to officers who work in the United Kingdom.

3.2 Currently, the Agency continues to pay a consolidated (pensionable) London Weighting Allowance (LWA), this regional allowance is neither limited to the London or Greater London area, nor even the boundaries of the M25. Instead, and without any substantive review, the payment of LWA in the NCA has simply developed organically and some 8 years after the NCA was formed it reflects sites which originally had a larger proportion of Metropolitan Police Service officers on secondment to the National Crime Squad. An organisation which was disbanded 15 years ago and not even a direct pre-cursor agency of the NCA.

3.3 In its 2020/21 submission to the NCARRB, the Agency made this commitment,

'As the closest comparator, Police forces pay different location allowances in and around the South East of England. These allowances vary by force and by location but are paid beyond London. This places the Agency at a disadvantage as our LWA is limited to the Greater London area. We are addressing this by looking at the value of our allowances and locations that receive them.'

3.4 Subsequent to the 2019/20 pay award, the NCOA joined the Agency on its working group looking to review this London Weighting Allowance. The NCOA was clear of the need to future-proof the payment of geographical allowances to NCA officers who work in the London and the South East, as it is anticipated that the NCA's estate transformation plan is likely to gather pace from 2022 onwards.

3.5 Whilst the specific NCA recommendations to the NCARRB are not known at this time, it is hoped that the NCA will recommend the NCOA 'Bullseye' zonal model which has been presented to the NCA Board. This NCOA proposal which would provide security to officers who currently receive LWA, it recognises the additional costs in living and travelling to inner and closer London locations as well as treating NCA officers consistently with law enforcement peers serving in Police Forces in the South East.

3.6 The NCOA proposal would see the inner 'Bullseye' zone being up to 25 miles from Central London which would include officers currently based at the following NCA sites, Spring Gardens, Tolworth, Heathrow and Slough as well as covert locations and secondment to sites within this zone (or home workers *living* in this zone) Those within this zone would receive an uplifted allowance of £5,338, in line with that currently paid to officers in the Metropolitan Police Service.

Table 5: NCOA 'Bullseye' zonal model for payment of Geographical Allowances in London and the South East.



3.7 The NCA should learn lessons from earlier recruitment outcomes at the Stevenage office, which led to unequal treatment of officers, with long-standing NCA officers retaining a LWA whilst new recruits received no allowance. Ultimately, this resulted in a number of officers at Stevenage seeking local transfer at the conclusion of their probationary period to a site where LWA was paid. The NCOA proposal will not only address this anomaly but provide a transparent and accountable solution to the payment of a geographical allowance to officers who have recently moved from Felixstowe to Chelmsford and who, as yet receive no geographical allowance.

3.8 The proposed NCOA middle zone would operate between 25 miles to 50 miles from Central London and besides including a new geographical allowance to officers at Stevenage and Chelmsford, also includes more established sites at Crawley, Gatwick, and Vigo (and covert sites). Existing officers working within this zone, would continue to receive the current allowance of £3,391.

3.9 The maintenance of this allowance for these officers will address the internal competition created during recruitment and lateral move campaigns for officers who require the payment of such an allowance. It would also address the reluctance amongst some officers to seek promotion, when as a consequence (if successful) they lose an existing LWA. The level of this allowance is comparable to the current South East Police Regional Allowances.

3.10 The NCOA propose that the outer zone would operate 50 miles from Central London and include current sites at Solent, Folkestone, Dover and Wyboston as well as Felixstowe (until such time it closes). Officers at these sites would receive an allowance comparable to the current South East Police Regional Allowance of £2000.

3.11 In making this proposal, the NCOA recognise that the South East Regional Allowance paid to Police Officers in the areas surrounding London is also due for review but, establishing a link at this stage would allow for comparability to be maintained. This is particularly with regard to any future increases in the allowances paid to officers in the Metropolitan Police and City of London Police Services.

3.12 The NCOA proposal of a 'Bullseye' model for geographical allowances for NCA Officers in the London and South East area, provides a transparent and fair way for an allowance to be allocated as the NCA's estates plan develops and matures. The NCOA model future-proofs estate changes in the London and South East area. This model based on Inner, Middle and Outer zones, provides parity with comparator organisations. It therefore compliments the Agency's desire to close the gap with Policing counterparts. In turn it will address some of the recruitment and retention pressures which appear to be more aligned to regional cost of living variations, rather than base pay differences.

4. Use of Non-Consolidated Pay Budget

4.1 The non-consolidated pay budget enables the Agency to target non-pensionable and reviewable allowances to specific roles where it considers there is evidence of compelling recruitment and retention problems. Non-consolidated spend in the NCA is capped at 1% of the total pay bill. As the NCA reported in its 2020 submission to the NCARRB, the non-consolidated pay budget for 2019/20 was set at £1.87m but was expected to increase to £2.16m in 2020/21, as a result of continued recruitment.

4.2 The predominant spends from the non-consolidated pay budget are, Recruitment and Retention Allowances (RRA's), Special Duty Bonus Payments (SDBP's), Shift Allowance payments and Performance Development Scheme (PDS) Exceeded Payments. The Allowances are allocated via business cases to the NCA's Remuneration Committee and are renewable yearly on the 31st March. As the Agency reported in its 2020 NCARRB submission,

'officers in receipt of Spot Rate are not eligible to receive RRA's'.

4.3 In our own submission to the NCARRB in 2020, the NCOA made a compelling and affordable case based on the independent evidence that the NCA had commissioned during its review of shift working, to uplift the shift allowance for officers to 30% of their base pay. In addition, during its pay engagement with the Agency, the NCOA also made the case for officers such as those in the Targeted Interception Team who work unsociable hours but do not work shifts (as defined by the NCA), to receive a non-consolidated, unsociable hours allowance.

4.4 The NCOA made it clear that a Shift Allowance uplift to 30% and an unsociable hour's allowance of in the region of 10%, would correlate and is benchmarked against payments made elsewhere in law enforcement for those working unsociable or irregular hours. These NCOA recommendations would have negated the need to deal with recruitment and retention pressures placed on the Control Centre and Targeted Interception Team on a yearly basis by reviewing RRA's or SDBP, respectively.

4.5 Owing to the emerging COVID-19 situation, in March 2020, the NCA took the pragmatic decision to suspend the re-assessment of RRA's given a belief that the 2020 pay award was likely to negate the need for RRA's in some business areas. Unfortunately, that did not turn out to be the case and in due course the Agency was forced merely to renew all RRA's for those in receipt since 2019 and reject any new bids made for the 2020/2021 period. It is important to stress that there were a number of new business cases which appeared to provide strong evidence of recruitment and retention pressures.

4.6 In the case of Armed Operations Unit, they remain an anomaly with some roles being eligible for both Spot Rate and an RRA. This creates perceived issues around fairness in the application of policy for the rest of the workforce.

4.7 The NCOA wrote to the Agency, raising our concerns on the process for allocating RRA's in 2020. The Agency has agreed to a review and a more transparent process in 2021. The NCOA have committed to being involved in this review. We propose that it should include a review of how the entire non-consolidated pay budget is best used to reward NCA officers and tackle recruitment and retention pressures in the NCA.

4.8 Existing practices highlight that when RRA bids are submitted, this includes a proposed award value to be paid to each officer should the bid be successful. During the ensuing central assessment and validation of all RRA business cases, a scoring matrix is applied to identify a prioritisation list for the payment of RRA's. However, in successful cases, the final award made payable to officers tends to mirror the original bid and does not take into account the more strategic overview of all RRA submissions at the Agency's disposal. As a consequence, this has seen groups which have been assessed centrally as being higher priorities for such an allowance receiving a lower award than others who are much further down the priority list.

4.9 We would therefore urge the Agency to deliver a more targeted response to any successful RRA bids. This can be achieved by prioritising the value of the award based on the objectively secured scoring assessment rather than an original business case which does not reflect the overall national recruitment and retention issues affecting the wider Agency.

4.10 It is clear to the NCOA that besides a process for assessing the business cases, there needs to be a fair and transparent method by which some roles can exit from RRA's and SDBP's, whilst recruitment and retention pressures remain.

4.11 Besides solid NCOA proposals for uplifts in shift allowances and unsociable hours payments, the Agency needs to have a more nuanced process of assessing the actual causes of the recruitment and retention pressures. The NCOA proposal for Geographical Allowances would also resolve some of pressures which are associated with regional differences in cost of living rather than the base pay of a role. The NCOA will also look on with interest to see how 'Targeted Variable Payments' develop in policing. The NCOA will continue to bring an open mind and creativity to the forthcoming review of RRA's.

4.12 In the last 12 months the NCA ran both internal and external campaigns to recruit new investigators to the National Digital Media network. Whilst the Agency was able to fill the majority of vacancies in the North, Midlands, Wales & West areas, 11 vacancies remained unfilled in the London & South East region, with the low pay and higher cost of living being a significant factor restricting the NCA's ability to recruit to this role in this area.

4.13 Although not widely publicised, a small number of NCA officers receive bonus payments from the non-consolidated budget. In December 2019, the NCA forecasted just 1 NCA officer would receive such a payment in 2020. With the backdrop of the obvious constraints on the pay for the majority NCA officers in 2021/22, this now seems an appropriate opportunity for the NCA to stop bonus payments.

5. Grade 6 Pay

5.1 The specific issue raised in this year's remit letter and NCARRB call for evidence is the pay uplift of £250 which can be awarded to those earning under £24,000. In the NCA, this only impacts officers at Grade 6, whose pay range is £20,800 to £26,871. As of the 1st November 2020, most of these officers earned less than £24,000. The NCOA understand that no G6 officers earning less than £24,000 have NCA operational powers.

5.2 With the terms of the remit letter which explained,

'how best to avoid leapfrogging' of those earning just under £24,000 with those earning just over £24,000. Government will consider modest, necessary awards in excess of the £24,000 threshold to avoid structural issues such as leapfrogging if there is a strong case'.

It is clear to the NCOA that a fair way to administer this £250 uplift would be to award it to all G6 officers. With the relative low numbers of G6's in the NCA, this proposal is clearly affordable and ultimately the fairest way of dealing with such a modest pay increase.

5.3 In 2020, the NCOA sought a review of G6 pay in the NCA. Grade 6 remains the only grade not included within a Spot Rate pay framework. The review which the NCOA seeks on behalf of its membership, is for a widespread job evaluation exercise at G6 to inform the implementation of a Spot Rate framework for some roles. The differences in the ability to recruit to certain Directorates, evidences a clear need for this review.

5.4 With only 34% of NCA officers having operational powers, the reluctance of the Agency to initiate this review due to 'lack of comparability with Police Officer roles', is no longer sustainable. This is particularly so given that many Senior Officers now sit within the Agency's new Spot Rate structure, despite having no direct policing counterparts.

5.5 In November 2019, the NCA employed 4730 officers with 351 of these officers at Grade 6, equating to 7.4% of the NCA workforce (excluding contractors etc). By the 1st November 2020, the Agency had grown by almost 21% to a workforce of 5724 employees. Interestingly, with 118 vacancies, there are still only 368 G6's in the NCA. Currently with only 6.4% of the NCA workforce at G6, it is clear that the benefits of Pay Reform have yet to be experienced at this important grade.

Table 6: NCA vacancies by grade and Directorates as of the 1st November 2020.

The following table provides the number of vacancies by grade in each command, the minus numbers are instances where the number of officers in role is higher than the number of posts available.

Command	VOTE & External Funding	Vacancies
NCA Change 0 vacancies in 2019	G1	-1
	G2	2
	G3	3
	G4	2
	G5	3
	G6	0
	Sub Total	10
NCA Corporate Business Services 11 vacancies in 2019	G1	0
	G2	-1
	G3	5
	G4	6
	G5	9
	G6	11
	Sub Total	30
NCA Digital, Data and Technology 4 vacancies in NCA Technology in 2019	G1	0
	G2	12
	G3	0
	G4	28
	G5	32
	G6	10
	Sub Total	83
NCA Human Resources 4 vacancies in 2019	G1	-1
	G2	2
	G3	-1
	G4	6
	G5	4
	G6	-10
	Sub Total	0
NCA Intelligence 80 vacancies in 2019	G1	-3
	G2	-7
	G3	18
	G4	25
	G5	200
	G6	63
	Sub Total	296
NCA Investigations	G1	0
	G2	-1
	G3	-4
	G4	65
	G5	237

NB 51 vacancies in 2019	G6	22
	Sub Total	318
NCA Legal Command 1 vacancy in 2019	G1	0
	G2	6
	G3	0
	G4	0
	G5	3
	G6	2
	Sub Total	11
NCA National Economic Centre 21 vacancies in 2019	G1	-1
	G2	1
	G3	4
	G4	32
	G5	25
	G6	6
	Sub Total	68
NCA Strategy 4 vacancies in 2019	G1	1
	G2	-4
	G3	-15
	G4	12
	G5	11
	G6	2
	Sub Total	8
NCA Threat Leadership 0 vacancies in 2019	G1	-3
	G2	-1
	G3	3
	G4	-6
	G5	70
	G6	2
	Sub Total	65
Grand Total		889

6. NCOA Pay proposals 2021/22

6.1 The NCOA reject the HM Government messaging that those in the public service have had their pay shielded from the economic impacts of COVID-19. During the COVID-19 pandemic, the work of NCA officers has progressed unabated. Hardly a week goes by, without the Agency highlighting the significant operational results achieved by its officers. At the height of the COVID-19 pandemic, NCA officers delivered Op Venetic,

'the largest serious and organised crime operation ever undertaken in the UK' - Director General Operations Steve Rodhouse

- NCOA Under Cover magazine. Issue 13, December 2020.

6.2 During the last 12 months, NCA officers have continued to deploy operationally, significant numbers of officers have continued to travel to workplaces. Other officers, with some working from home, have delivered COVID-19 operating procedures and secure workplaces as well as maintaining 'business as usual' across all NCA priorities. It has taken a whole agency approach for NCA recruitment to continue, with the organisation growing by 21% in the period December 2019 – November 2020.

6.3 Whilst pay reform has enabled some progress to be made in moving towards comparator pay for some officers of in NCA Investigations and NCA Intelligence roles, without both an uplift in the pay ranges and an 'Expert' Spot Rate, pay parity will not be achieved until at least August 2022.

6.4 The majority of NCA officers remain on a standard pay range. The Home Office position from its remit letter that,

'Public sector pay was already 7% ahead of the private sector before COVID-19'.

is simply not recognised by NCOA members.

6.5 In its 2020 NCARRB report, the NCA reported that,

'the technology command experienced annualised turnover of 15% with 41.4% of leavers resigning and leaving the Civil Service'.

Officers with specialist skills in Banking, Insurance and IT remain attractive to the private sector. Table 6 clearly shows that in the NCA Digital Data and Technology (DDAT) and the NCA National Economic Centre (NECC), vacancies still remain unfilled at all grades between G2 and G6.

6.6 As reward remains an important lever in the NCA Workforce Strategy. These NCOA pay proposals for 2021/22 will enable the NCA to continue to use pay as an enabler to develop the skills, capabilities, and behaviours in its officers to meet the changing threat from serious and organised crime. A pay pause for

most NCA officers would prevent this. The following NCOA Pay Proposals for 2021/22 are recommended to the NCARRB.

NCOA Pay Proposals 2021/22

1. Minimum 3% consolidated pay uplift for all staff in grades 1 – 6.
2. Widespread expansion of Spot Rate (SR) pay framework across all grades.
3. G3 SR pay framework is re-designed, with G3 officers being offered a choice to move to the standard pay framework in the interim.
4. NCA London Weighting Allowance to be replaced by NCOA 'Bullseye' Zonal Geographical Allowance.
5. NCA to redesign use of non-consolidated pay budget.
6. NCA to cease use of bonus payments.
7. NCA shift pay allowance to increase to 30%.
8. NCA to introduce a new allowance for working unsociable hours.
9. NCA to introduce a G6 Spot Rate pay framework.
10. NCA to pay £250 to all G6's in line with HO remit letter.

**Appendix A -
NCOA General Secretary Letter to Home Secretary – 27th Nov 2020.**



**1 Dundonald Avenue
Stockton Heath
Warrington
Cheshire
WA4 6JT**

www.ncoa.org.uk
membership@ncoa.org.uk

Rt. Honourable Priti Patel MP (by e-mail)
Home Secretary,
The Home Office,
2 Marsham Street,
London,
SW1P 4DF.

27th November 2020

Dear Ms Patel,

Re: NCA Pay Review Process 2021/22.

As an active participant, you will know that the NCA Remuneration Review Body (NCARRB) was established to deal with annual pay awards for NCA officers with designated powers. The NCA, with the support of its Trade Unions, accept the principle that any pay award made to officers with designated powers is applied with consistency to NCA officers who do not have powers.

Since the inception of the NCA in 2013, the proportion of officers with designated powers has reduced and now sits far lower than those without. Custom and practice dictates that collective bargaining on pay between the Trade Unions and the NCA for non-powered officers, does not take place until the recommendations of the NCARRB have been considered by HM Government and the NCA.

Under normal circumstances, the NCARRB would have received your remit and commissioning letter by now, which would have been shared with the NCA and the NCOA, to act as the trigger point to commence the 2021/2022 pay round.

The NCOA represents the majority of NCA officers (whether that be with, or without designated powers) and our members are bitterly disappointed by the announcement made by your Cabinet colleague, Chancellor Rishi Sunak, which indicates pay is now frozen for most NCA officers in 2021/22.

Earlier this year you accepted all of the NCARRB recommendations in their entirety, commenting,

'Serious Organised Crime is evolving rapidly in both volume and complexity. I have been clear that the NCA needs to transform to meet the threat head on. Part of this transformation includes being

able to attract, recruit and retain the right people. This Review Body's recommendations help support the NCA to achieve that goal.'

Within their report, the NCARRB were also very clear,

' we assess that a relatively small level of funding increase could have a significant effect on the pace and impact of pay reform. We will want to see that progress has been made in evidence for next year's pay round'

Whilst not insensitive to the financial implications of the COVID-19 pandemic, NCA staff are keyworkers and our members, without complaint, have attended work during this crisis in order to maintain the fight against serious and organised crime. Comparisons made between public and private sector pay, played out in the media prior to the Chancellor's announcement as well as the formal announcement itself, are simply not recognised by my members, whose pay it is agreed, requires urgent reform

The NCA pay transformation process, so important to the fight against serious and organised crime, was due to continue until at least 2024. To freeze that process now will leave the majority of my members in limbo, their pay still not in line with comparators in either the private sector or more significantly, UK law enforcement. Your challenge to attract, recruit and retain the right people is therefore likely to be unachievable.

I would therefore urge HM Government to recognise the NCARRB's independent assessment of NCA pay as well as previous commitments of the Government and respond by insulating my members from any proposed pay freeze.

I look forward to your urgent response given the short timeframe to commence the 2021/2022 pay round for NCA officers.

Yours sincerely,



Simon Boon
NCOA General Secretary

cc. Director General NCA – Lynne Owens
Anita Bharucha - Chair, NCA Remuneration Review Body

Sent via e-mail to privateoffice.external@homeoffice.gov.uk

Appendix B - NCARRB Remit Letter from Home Secretary – 14th Jan 2021.



Home Secretary

2 Marsham Street
London SW1P 4DF

www.gov.uk/home-office

BY EMAIL ONLY

Anita Bharucha
NCA Remuneration Review Body
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8AE

14 January 2021

Dear Anita,

National Crime Agency Remuneration Review Body Remit 2021/22

I should first of all like to offer my thanks for the work of the NCA Remuneration Review Body (NCARRB) over the past year on the sixth report and your recommendations for pay round 2020/21. The Government continues to appreciate and value the independent expert advice and contribution made by the NCARRB.

The NCA is an essential part of the UK's National Security Apparatus, tackling serious, organised and highest harm crimes, often involving international working and including child sexual abuse and exploitation, drugs trafficking and modern slavery. The NCARRB continues to play an important role in providing an independent view and advising the Government on its approach to pay and, in the case of the NCA specifically, I ask that you consider the evidence for 2021/22 in the context of the reforms which the Agency has achieved to date: in particular, the reduction in inequalities and implementation of skills-based pay in the areas where this is most needed, to support the Agency's strategy and transformation programme.

As you know, the timing of the SR announcement has unfortunately delayed the commencement of Pay Round 2021/22. I am writing now to set out how the Government proposes working with the NCARRB in relation to the 2021/22 pay round and to formally begin the Review Body process.

You will have seen that the Chancellor of the Exchequer announced that pay rises in the public sector will be restrained and targeted in 2021/22 at the Spending Review. As the Chancellor set out, Covid-19 is significantly impacting the economy, labour market and the fiscal position and has suppressed earnings growth and increased redundancies in the private sector. Public sector pay was already 7% ahead of the private sector before Covid-19 and it has been shielded from the pandemic's economic effects. In the six months to September, the private sector has seen a pay cut of nearly 1% on the year, yet public sector earnings were up by almost 4%. Since March, the number of people in employment in the UK fell by 782,000, whilst over a similar period of time public sector employment increased. Hours worked were down 18% in Q2 (the largest drop since 1971) having a significant impact on people's pay and even into Q3 remain below pre-COVID-19 levels.

If we carried on with rises across the board, the existing gap between public sector reward and the private sector would widen significantly. Therefore, it is right to temporarily pause pay awards for the majority of the public sector as we assess the impact Covid-19 has had on the wider economy and labour market. This approach will also allow us to protect public sector jobs and investment in public services as Covid-19 continues to have an impact. We will be able to reassess this position ahead of pay round 2022/23. No member of the workforce will face a cut to their existing reward package and the pause will apply to headline pay uplifts only – other payments such as progression pay, overtime and special allowances will continue as before.

HM Treasury has set out the justification and evidence for this policy in more detail in the economic oral and written evidence, which will soon be available on the Office of Manpower Economics' website

We greatly value the work of the NCARRB and have only taken this decision in extraordinary circumstances. Whilst we will not be seeking a recommendation for pay uplifts in the remit group for 2021/22, we will shortly submit joint NCA and Home Office evidence for this group in the usual way, covering the usual factors and in line with the pay policy announced at the Spending Review. This will include setting out the operational context in which the Agency is operating, its ongoing pay strategy and longer-term plans for its workforce, on which we invite your view.

Those who earn less than median earnings of £24,000 (full time equivalent) are exempt from the pay policy announced at the Spending Review and will receive an increase of at least £250. Whilst there are some NCA officers without powers earning the equivalent of gross earnings of less than £24,000, they do not fall under your remit and so we will not be seeking a recommendation at this time. However, we do invite you to comment on how this is best implemented to avoid issues such as 'leapfrogging'.

As the NCA is a Non-Ministerial Department, the Agency will provide you with its own evidence on the points above, based on its workforce assessments and the Review Body's terms of reference. The Home Office will be engaged in this and, where necessary, provide additional information, which I expect to be submitted to you in good time. To allow adequate time for consultation, I should be grateful if you would aim to provide a report on this matter in early July 2021.

Finally, I would like to thank you again for your invaluable contribution to NCA pay, and I look forward to continuing our dialogue in future.

A handwritten signature in black ink, appearing to read 'Priti Patel', with the words 'with our joint wishes' written above it in a cursive script.

Rt. Hon. Priti Patel MP