

**Evidence to the
National Crime Agency
Remuneration Review Body**

- 8th Submission -



NCOA

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

PROTECTING THOSE WHO PROTECT THE
PUBLIC

Pay Round Aug 2022 – July 2023

9th February 2022

Published at: www.ncoa.org.uk

Contents

- 1. Summary.**
- 2. Impact of looming cost of living pressures.**
- 3. NCARRB evidence and information requests.**
- 4. Outstanding pay reform matters.**
- 5. NCOA pay proposals 2022/2023.**

Appendix Log

A. NCARRB Remit Letter from Home Secretary – 30th November 2021.

Reference Charts

1. 2021 Civil Service People Survey NCA wide Report.
2. Impact on household expenditure.
3. CPIH Annual Rate 2012 - 2021.
4. NCOA 'Bullseye' zonal model for payment of Geographical Allowances in London and the South East.

Reference Tables

1. NCA assessment of officers in Spot Rate roles by Gender.
2. Gender Representation by Grade.
3. 2021 PDS 'Excellent' Breakdown by Grade.
4. Total Number of NCA officers in each grade as of the 1st November 2021 (including powers information).
5. Number of NCA officers who are currently paid a Spot Rate, identified by grade and the specific Spot Rate.
6. Current level of vacancies in the Control Centre and OST.
7. Current vacancies by grade within the NCA per directorate.

SECTION 1

Summary

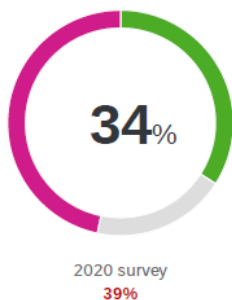
1.1 When HM Treasury confirmed that the ‘pay pause’ would be lifted from April 2022, 2.6 million Public Sector workers, including NCA Officers, alongside Police Officers, Teachers, and other Civil Servants, should have felt a degree of optimism that they would join the high wage economy signalled by HM Government. With the outcome of the most recent HM Treasury ‘Spending Review’ now known, it is clear that any pay increases for NCA Officers in 2022 will need to be funded from the existing NCA budget. Unless there is greater autonomy aligned to creativity and ambition by the Agency to appropriately reward all NCA officers, then another ‘tight’ and in the main disappointing set of recommendations, are likely from the NCA in 2022/23.

1.2 The Home Secretary’s remit letter of the 30th November 2021 (Appendix A) stifles the original ambition for the NCA to complete its pay reform programme by 2024. We have already been advised by the Agency that the 2022/23 settlement will be followed by a potential 3year pay deal. As we will report, this does not come without risk to the Agency - unless it can guarantee significant additional investment to fund reform and eventually finalise the NCA pay structure.

1.3 Progress made in the 2020 Staff Survey assessment of Pay and Benefits has in the main been lost in 2021. At 34%, Pay and Benefits is once again the lowest scoring area, with half of NCA Officers now feeling that they are *not* appropriately recompensed - when compared to people doing a similar job in other organisations.

Chart 1: 2021 Civil Service People Survey NCA wide Report.

Pay & Benefits Theme Score



Question	Distribution	2020 survey	NCA National Crime Agency (Corporate Report)	Civil Service Benchmark 2021
B36. I am satisfied with the total benefits package	36% 22% 42%	-5 ↓	0	-9 ↓
B35. I feel that my pay adequately reflects my performance	36% 17% 48%	-6 ↓	0	-2 ↓
B37. Compared to people doing a similar job in other organisations I feel my pay is reasonable	31% 19% 50%	-3 ↓	0	-1

1.4 In our 7th submission to the NCARRB we reported that it is our experience, that public sector austerity measures have an impact on the NCA’s ability to retain its officers. As part of the normal cycle of engagement, the Agency calculated their attrition rate between September 2020 to September 2021 to be 8.9% but forecasted that owing to an increase in the number of officers leaving the Agency, this would have risen to around 9.7% by the end of 2021. The most recent data shows that attrition from the NCA has now increased to 11%. The importance of the 2022/23 pay round cannot be overstated in terms of redressing the worrying decline in the morale of NCA officers and

the increase in those choosing to leave the Agency.

1.5 The Agency should be very wary of justifying any paucity in this year's settlement with trite communication that a more meaningful pay reform is 'just around the corner'. Sadly, this is a message that NCA officers have become too familiar with and for most officers who have not yet benefitted from earlier pay reform changes, they will feel such communication is likely to be short on delivery.

1.6 Whilst this 8th submission to the National Crime Agency Remuneration Review Body, is yet again made against a backdrop of the COVID-19 pandemic and specifically the OMICRON variant; more important to NCOA members and those who are contemplating joining the NCA, is a looming cost of living crisis. We will provide evidence that only a consolidated pay uplift of at least 10% will ensure that NCA officers receive a real terms pay increase in 2022 and make the NCA a comparable employer to the pay in other law enforcement agencies.

1.7 We will also further reflect on the overall impact on NCA Officers of the long-term damage caused by the inherent unfairness of the differentiated pay model which has been exasperated by the pay pause. With the original NCA pay reform programme due to conclude in 2024, we will remind the NCARRB of missed opportunities by the Agency in its failure to grasp the numerous recommendations made by the NCOA to reform the complete NCA pay and allowance package - much of which has not changed significantly since 2006 when SOCA was formed.

1.8 For most NCA officers who remain on a Standard Pay Range, this structure is predominantly a 'lift and shift' from what was available to those who moved from the pre-cursor Agencies who formed SOCA - the National Crime Squad, HMRC or the Immigration Service. For those on the Standard Pay Range, there is still no contractual pay progression which sets it apart from our closest pay comparator - The Police Service. Unlike National Crime Agency officers, pay progression continues to insulate policing peers from the impact of recurring HM Government austerity measures.

1.9 In our 7th submission to the NCARRB we highlighted that it was our experience that because of the differentiated pay mechanisms in the NCA, austerity measures were also highly likely to have a negative impact on progress made in reducing the Gender Pay Gap. As the NCA has recently reported,

'after a number of years of reductions, the mean and median gender pay gap has increased to 11.74% and 11.18%. This is mainly the result of the pay pause, whereby the Agency has been limited in the progress that we have been able to make. Whilst the pay increases we were able to make favoured those who were in the lower grade roles, mainly women, the effect on the gender pay gap was outweighed by the increases in pay to those on (capability based – 'spot rates'), where there is a higher proportion of men, particularly in the more senior (and better paid) roles. This is the main reason for the gender pay gap widening.'

1.10 It is positive that the NCA workforce has increased in size and the proportion of female officers has increased from 37% to 42%, although there remains a lag in officers

choosing to move to or being recruited to Spot Rate roles. During our engagement with the NCA, we have encouraged the NCA to try to understand why this is the case and whether the requirements of the roles and increase in hours (37hrs to 40hrs per week) has an impact on the attractiveness of these roles.

1.11 You will recall our objections to this unwarranted increase in working hours - an objection shared by all parties involved in the formal pay review process - except of course the Agency itself.

Table 1: NCA assessment of officers in Spot Rate roles by Gender.

Grade	Non-Spot Rate		Spot Rate		Grand Total
	Female	Male	Female	Male	
NCA Grade 1	~	~	~	~	100.00%
NCA Grade 2	29.48%	34.95%	7.60%	27.96%	100.00%
NCA Grade 3	33.09%	65.80%	~	~	100.00%
NCA Grade 4	25.95%	32.01%	13.03%	29.01%	100.00%
NCA Grade 5	27.66%	24.50%	22.70%	25.14%	100.00%
NCA Grade 6	~	~	~	~	100.00%
Grand Total	29.90%	33.60%	14.66%	21.84%	100.00%

1.12 The NCA have also accepted that whilst it has been successful in attracting more female officers at lower grades (See Table 2, SR position for Grades 5s), this has not been the case throughout other grades. The NCA have articulated their commitment to resolve this matter to us.

Table 2: Gender Representation by Grade.

Grade	Female	Male
NCA Grade 1	31%	69%
NCA Grade 2	32%	68%
NCA Grade 3	33%	67%
NCA Grade 4	39%	61%
NCA Grade 5	49%	51%
NCA Grade 6	63%	37%

1.13 The difficulty the NCA had in maintaining progress in reducing the Gender Pay Gap during the 'Pay Pause' is perhaps understandable, given the gender imbalance in both senior grades and Spot Rate roles which was already in place. What was extremely disappointing and implausible to those we represent, was the quite clear bias in rewarding 'excellent' assessment as part of the yearly Personal Development System (PDS) to those in Senior NCA Grades in 2021.

Table 3: 2021 PDS 'Excellent' Breakdown by Grade.

Grade	%
NCA Grade 1	25.8%
NCA Grade 2	32.2%
NCA Grade 3	30.6%
NCA Grade 4	20.6%
NCA Grade 5	13.5%
NCA Grade 6	17.1%

1.14 With 2021 being the first year whereby NCA Officers in Grades 1 – 3 could progress from Spot Rate 1 to Spot Rate 2, it is apparent that some Deputy Directors and above who were making these assessments and moderating the process, confused proficiency with excellence. This is not something found at either Grades 5 or 6 who had a disappointingly low proportion of officers assessed as *excellent*, in a year when the NCA reported its best operational results. The NCOA are now actively involved with the NCA in seeking to reform the PDS process where we will push for a fairer and more open process in 2022.

1.15 It is apparent from the latest appointments that the Agency are seeking to redress a similar gender imbalance amongst the smaller cohort of Deputy Director SCS (Senior Civil Service) grades and above.

1.16 Openness in the level and process by which salary on appointment at SCS grades remains a contentious issue and one which has delayed publication of an updated Remuneration Operating Procedure; a set of pay principles which ought to be in place for all NCA employees. Whilst the vast majority of the Agency’s new recruits at Grades 6 – 1 are appointed at pay band minimums, it is clear that SCS recruits have been regularly and consistently appointed at salaries above the pay band minimums.

1.17 Until NCA Pay Reform is satisfactorily completed, the pay for NCA officers is likely to remain uncompetitive at all Grades; something which is rather galling for lower grades, particularly given that role advertisements published by the NCA only appear to breach the NCA Pay minima (as a starting point) for SCS Grades.

1.18 In our 7th submission to the NCARRB, we reported the decline in the proportion of NCA officers ‘with operational powers’ since the NCA was formed in 2013. The NCARRB recognised our concerns and in the letter to the NCARBB Chair of the 21st July 2021, the Home Secretary commented,

‘With regards to your suggestion of a review of the role of a Review Body process, my officials will consider this with the NCA and Treasury’.

1.19 To date, the NCOA have not been updated on the progress of any such review.

1.20 As of the 1st November 2021, the NCA comprised of 6018 officers of whom 2192 have operational powers. All parties understand the legal restrictions placed upon NCA officers with powers including prohibition from taking strike action.

Table 4: Total Number of NCA officers in each grade as of the 1st November 2021 (including powers information).

Grade	Powers		No Powers		Grand Total
	Female	Male	Female	Male	
NCA Grade 1	~	~	~	~	106
NCA Grade 2	20	79	102	128	329
NCA Grade 3	67	264	204	274	809
NCA Grade 4	177	514	472	500	1663
NCA Grade 5	393	642	1009	739	2783

NCA Grade 6	~	~	~	~	328
Grand Total	665	1527	2019	1807	6018

SECTION 2

Impact of Looming Cost of Living Pressures

2.1 In December 2021, HM Treasury (HMT) produced its Economic Evidence to the Pay Review Bodies. In this evidence HMT made it very clear that:

'Pay Review Bodies have been, or will be, remitted in full for Pay Round 2022/23.'

2.2 This evidence was broadly based on the Office of Budgetary Responsibility's (OBR), *October Economic and Fiscal Outlook (EFO)*, which in the main predated (and did not assess the impact of) the OMICRON COVID-19 variant on the UK economy. Neither did it reflect the planned 1.25% increase in National Insurance (NI) rates from April 2022. Even so, HM Treasury accepted the then OBR's assessment was to expect that inflation would *peak around 4% in 2022, while also noting in their EFO that developments since it closed its forecast, would be "consistent with inflation peaking at close to 5%"*.

2.3 As early as Jan 2022, live inflation data from the Office of National Statistics (ONS) provide evidence of a clear underestimation by HMT of the rising cost of living our members will face in the coming year.

2.4 At the end of December 2021, the Resolution Foundation in its spotlight on *'Wages and the cost of living in 2022'*, reported that:

'The Bank of England' now expects growth in the Consumer Prices Index (CPI) 'to reach 6 per cent in the spring'.

2.5 A key driver of the high inflation predicted by the Bank of England during 2022 will be acutely felt by our members - energy prices.

2.6 Energy prices are currently 'capped' to protect customers from unfair price increases and cap is reviewed twice yearly. In the past 12 months, rising wholesale prices have seen the real cost to suppliers exceed the costs applied to customers protected by the price cap using 'old data'. This has seen the untimely collapse of over 25 energy firms.

2.7 Whilst in the main, the Ofgem 'price cap' has insulated customers from rapid and unprecedented wholesale energy prices, the scheduled price cap review which took place in August 2021 saw an increase of 12% to those on standard tariffs for the period October 2021 to March 2022.

2.8 On the 3rd February, in response to the continued upward shift in energy prices, Ofgem signalled that from April 2022, the cap would rise by a staggering 54%.

¹ Bank of England Monetary Summary published on the 16th December 2021

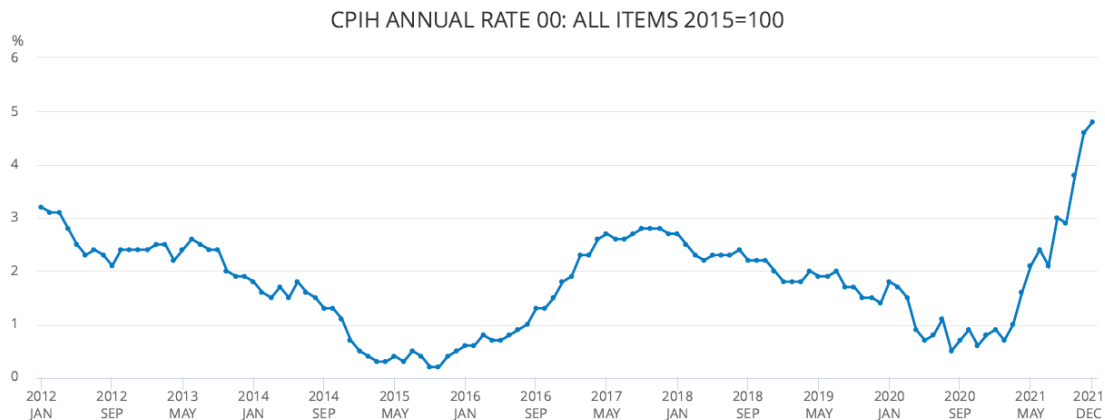
Current and forecast annual household expenditure, and proportion of expenditure, on energy bills, by equivalised income decile: UK



Notes: Current expenditure based on the winter price cap, set at £1,277 for a household with standard energy use. Assumed up-rating of the price cap in line with recent forecasts from Cornwall Energy, and costs of £300 per household for the cost of supplier failures, in line with forecasts produced by Citizens Advice (E94) and Invested (E100). Share of expenditure calculations based on household budgets increased in line with OBR forecasts. Source: RF analysis of BEIS energy price statistics, Ofgem price cap data, ONS Living Costs and Food Survey, OBR EFG. © Resolution Foundation 2021 resolutionfoundation.org

Source - Resolution Foundation Reporting 29th Dec 2021 - Labour Market Outlook Q4 2021

2.9 This significant direct hit on disposable income will have a devastating effect on our members. Rising energy prices will of course also affect logistics and manufacturing with an inevitability that at least some of these increases will be passed on to the customer.



Source: Office of National Statistics (ONS) Reporting 19th Feb 2022

2.10 On the 19th January 2021, the ONS announced that inflation had risen to 5.4% in the 12 months to December 2021, up from 5.1% from the previous month. The 12-month inflation rate is now the highest since September 2008 when it stood at 4.8%. This reporting confirms that inflation in the UK was at its highest point since March 1992. Whether continuous rises in inflation will result in the Bank of England raising interest rates remains to be seen. However, it seems unlikely it will simply sit back and watch, providing a clear signal of intent on the 3rd Feb by raising interest rates by a further 0.25%. This mirrored action it took the previous month.

2.11 Early HMT predictions of a 4% inflation 'peak' in 2022 - are already way off the mark.

2.12 With the ONS commenting that increases in the prices of furniture, food and clothing have contributed to the rise in the December cost of living, the Resolution Foundation (and other commentators) are also confirming that wholesale gas and electricity prices have increased by more than eight-fold and five-fold respectively over the past 12 months. Current estimates are that this will amount to a rise of around £500 per year for a typical household bill.

2.13 Even if HM Government bring in some mitigation measures to reduce the impact of increasing fuel costs, the pay for the vast majority of NCA officers has not kept pace with inflation. It has also failed to remain competitive in the private or wider public sector where many continue to benefit from contractual pay increases *in addition to* pay progression mechanisms. This is not available to the majority of NCA Officers who remain on Standard Pay Ranges.

SECTION 3

NCARRB Evidence and Information Requests

3.1 Aligned to the Home Office remit letter which starts the NCA pay round for 2022/23, we note that the 2021 NCARRB report made some specific evidence and information requests. Whilst some of these issues relate to operational matters or data to which the Trade Unions do not have access, it would be inappropriate for the NCOA to comment. Some though relate directly to previous information and recommendations made by the NCOA or are relevant to our recommendations for 2022/23.

3.2 In relation to pay comparators, at this time, the research undertaken by the Incomes Data Research (IDR), into the comparability of NCA Officers pay has not been produced. This is unfortunate as we are aware that previous research by IDR showed that the majority of employers in the private sector in the coming year are planning to make pay increases of inflation or above. This is in recognition of real difficulties in recruitment and retention, as well as increasingly competitive labour markets, particularly for professional and specialist skills.

3.3 With the NCA actively promoting itself as the leader of the Serious Organised Crime System (SOC), many NCOA members remain unclear why, even after several years of pay reform, that the pay of NCA Officers still lags behind that of Police Officers. By way of example, the maximum of the NCA G5 pay scale is £37,748, whilst an equivalent Police Constable receives £41,130. For G4s the figures highlight an NCA maximum of £44,912 with a comparable Police Sergeant receiving £46,227.

3.4 Even those very limited number of officers, who the NCA deems to be 'Expert' and therefore receive the equivalent Spot Rate payments, receive £37,930 for G5s and £45,526 for G4s. With no progress made in reviewing the use of Expert Spot Rates, there has been no change since we reported on this matter in 2021 when all those officers the Agency deemed as being '*experts*' worked within the Armed Operations Unit.

3.5 The differential between the pay of more senior NCA Officers and their Police Officer equivalents remains out of kilter. For NCA G3s, the pay range maximum is £56,104, whether these roles are aligned to either that of an Inspector or Chief Inspector, with respective maximums of £57,162 (or £59,104 in London) or £61,725 (£64,032 in London), G3s are paid significantly less.

3.6 NCA G2s maximum pay is £68,503, whereas the Police Superintendent equivalent is £82,881 and for NCA G1s their maximum is £83,888 compared to a Police Chief Superintendent pay at £91,749.

3.7 For NCA G3s to G1s in Spot Rate roles, there is still no process to be assessed

as experts, with appropriate remuneration. Therefore, when assessed as proficient and moving to Spot Rate (SR) 2, G3s, G2s and G1s will receive levels of SR pay which are -13%, -4% or - 10% below the respective NCA Standard Pay Range maxima. That said, in the case of G1s and G2s, electing to move to a SR pay range is generally an attractive proposition as it offers contractual pay progression based upon an assessment of capability.

3.8 This is something obviously valued by this cohort of NCA Managers, who will have in the main either been promoted or joined the Agency at pay range minima. The alternative being, like other officers on a Standard Pay Range, to remain at the minimum of the range, relying on cost of living increases to improve their level of pay, without any corresponding change to their respective position on the NCA pay range.

Table 5: Number of NCA officers who are currently paid a Spot Rate, identified by grade and the specific Spot Rate.

Grade	Spot Rate	Number of Officers
Grade 1	SR1	20
	SR2	19
Grade 2	SR1	48
	SR2	74
Grade 3	SR1	10
	SR2	0
Grade 4	SR1	295
	SR2	374
	Expert Rate	10
Grade 5	SR1	560
	SR2	257
	SR3	508
	Expert Rate	24
Grand Total		2199

Please note this data includes officers on temporary promotion.

3.9 Since we last reported on the failed rationale on which the Spot Rate levels were set for Grade 3 NCA Officers, the Agency has not sought to redress the very obvious imbalance. In our 7th submission to the NCARRB we reported that only 5 G3s had elected to move to the Spot Rate pay range. This is alarming given the automatic placement on the SR pay range following either recruitment to, or promotion within the NCA.

3.10 With the G3 SR1 still set at the same level as the minimum of the G3 Standard Pay Range, a move to Spot Rate pay remains unattractive, especially when the Agency requires that these officers should work an additional 3 hours per week for no additional pay and significantly - the loss of all overtime payments.

3.11 The Agency has also made no progress in extending the reach of Expert Spot Rates. In our 7th submission to the NCARRB we reported that there were 32 NCA Officers in either G4 SR2 (13 officers) or G5 SR3 (19) on these Expert Spot Rates.

Table 5 shows that this number has barely increased and now stands at 34 officers.

3.12 The stagnant position on Expert Spot Rates is wholly down to the inability of the Agency to conduct a meaningful review of their use, which means that only officers in the Armed Operations Unit have access to them and only then as a result of an Agency initiated *pilot* which took place 2 years ago and has never been fully assessed or validated.

3.13 Spot Rates were introduced 4 years ago and the ability to transition up to Expert level was an attractive proposal for those considering the initial shift when offered. The Agency's lack of appetite to progress this further leaves officers feeling cheated and with no real understanding as to why this was presented as an achievable element of Spot Rate pay.

3.14 Critically, officers predominantly in Investigations Command who first elected to move to the Spot Rate pay mechanism in 2018 are now marking time at either SR2 (G4) or SR3 (G5). It is apparent to the NCOA, that judicious extension of capability based Expert Spot Rates would now be wholly justified for experienced Surveillance Officers who for various reasons (not just retirements), are choosing to leave this role.

3.15 This reduction in numbers, which meant that in one region of the Agency, only 2/3rd of Investigator surveillance posts were filled and a temporary ban on lateral moves was brought in by the Agency to mitigate against rising levels of attrition. It is apparent to the NCOA that the failure to extend the reach of Expert Spot Rates beyond the AOU can now only be justified by the Agency on the grounds of affordability as there is an absolute need to incentivise officers to move to these and other hard to fill roles in the Agency.

3.16 Even with targeted recruitment, individuals with current PIP2 (detective) skills AND surveillance skills are extremely rare if not non-existent, beyond the Agency. Those who are recruited with the aptitude to obtain these skills in due course (including IOTP officers) are in fact several years away from being able to deliver what is needed at this time.

3.17 In the last year there has been an increase in the number of NCA officers on the Spot Rate pay mechanism, from 1713 (1st November 2020) to 2199 (1st November 2021). With hindsight, the Agency rationale for increasing the working week from 37 to 40hrs when moving from a Standard Pay Range to a Spot Rate Pay Range to reduce the cost of overtime has not achieved its original objective. We do accept that the numbers of officers in Spot Rate roles has increased year on year.

3.18 It is clear that overtime costs or accrued time off in lieu by officers remains a significant financial challenge for the Agency and one which they are yet again reviewing. We anticipate that our members will reject any proposals made by the Agency to reduce overtime rates from the established levels as part of any future pay reform measure. This would replicate the stance previously, and quite rightly taken when rejecting detrimental contractual changes to their terms and conditions (an increased working week), associated with moving to a Spot Rate role in 2018.

3.19 NCOA members consider the current levels of financial recompense as the minimum level they would expect for working any additional hours, especially as they are acutely aware that unlike their policing counterparts, they have a longer working week without paid meal breaks.

3.20 We have made it very clear to the Agency at the outset of the current pay engagement process that we will resist any attempt to use the weakening of existing terms and conditions as a blunt bargaining chip to secure a meaningless pay award.

3.21 In our 7th submission to the NCARRB, the NCOA proposed a redesign of the Non-Consolidated Pay Budget. The Agency went on to conduct its annual review of the Recruitment and Retention Allowances (RRA), which (following a challenge by the NCOA) included a refined governance process delivering greater financial rigour to ensure there is no repeat of the underspend of the 2020 RRA budget.

3.22 The allocation of the RRAs has though remained unchanged for a number of years, with no Agency strategy for a process by which teams can exit from receiving RRAs - which were intended as a specific solution to a short-term problem.

3.23 No redesign of the non-consolidated pay budget has taken place. Special Duty Bonus Payments (SDPBs) have in the main, remained unchanged since 2006 and is another aspect of the NCA pay strategy inherited from a precursor of SOCA, the National Crime Squad. Shift Allowance payments have not changed in the last year and we have already reported on the debacle of a disproportionate allocation of the Exceeded Payments in 2021. The NCOA proposal for a review of the Non-Consolidated Pay Budget remains current.

3.24 There are currently 50 NCA Officers in receipt of a Shift Allowance payment, spread across the Operational Services Team (OST) – 9 officers and the Control Centre – 41 officers. The current shift allowance payment of 20% has failed to address the additional recruitment and retention pressures in these teams.

Table 6: Current level of vacancies in the Control Centre and OST.

Business Area	Vacancies
Control Centre	5
Operational Services Team	7

3.25 Officers in the Control Centre continue to receive Recruitment and Retention Allowances as well as their 20% shift allowance. In our 6th submission to the NCARRB in 2020, the NCOA made a compelling and affordable case based upon independent evidence which the NCA had itself commissioned, to uplift the shift allowance for officers to 30% of their base pay. It remains the case, that a Shift Allowance uplift to 30% would negate the need to deal with the additional pressures that remain by a yearly review of any RRA in the Control Centre.

3.26 Some teams, including Targeted Interception (TI), continue to receive a Special Duties Bonus Payment. A planned review of this outdated payment by the Agency has again been delayed. It remains our case that there are teams (including TI) who

retain an SDBP payment in lieu of the unsociable hours they work without working shifts (as defined by the NCA). Converting such payments to a consolidated unsociable hours allowance at a level benchmarked against payments made elsewhere in law enforcement would tackle the recruitment and retention pressures associated with working unsociable hours.

3.27 In relation to *other allowances*, it is now time to increase the level of the NCA on-call allowance in line with inflation². The current level of this allowance has not changed since 2006. In increasing it now to £35 and extended its remit so that all officers at Grades 6 -1 can claim it, would go some way to ensuring that the Agency is able to provide the 24/7 coverage it has ambitions to reach and ensuring the Minimum Staffing Levels which have recently been agreed between the NCA and its Trade Unions can be maintained.

²Bank of England Monetary Summary published on the 16th December 2021

SECTION 4

Outstanding Pay Reform Matters

4.1 In both its 6th and 7th submissions to the NCARRB (2020 and 2021), the NCOA sought a review of Grade 6 pay in the NCA. With the likelihood that HM Government will introduce a capability pay framework for Senior Civil Servants in 2022, this will leave NCA Grade 6s, the only grade *not* included in any contractual pay uplift framework. The NCOA seeks a widespread job evaluation exercise at G6 to inform the implementation of a 'Grade Specific' Spot Rate framework - mirroring the approach already in place for officers at other Grades.

4.2 The Agency has confirmed that there are some Grade 6 officers who retain operational powers. It is worth highlighting that only 36% of NCA officers have operational powers. Despite a clear initial focus by the Agency to create a parallel with Policing peers when Spot Rates were first introduced at G5 & G4, the Agency now has a spot rate framework embedded in roles at G2 and G1, which includes those with no direct Police comparator. Significantly skills matrices produced for these Senior Grades are not linked to obvious law enforcement technical competence either.

4.3 The reluctance of the Agency to initiate a review of G6 pay in this year is therefore untenable given the Agency's now embedded decision to remove the link between Spot Rates and Policing equivalent roles within the NCA. Current headcount at G6, evidences why the Agency should take this step as a matter of urgency.

4.4 In November 2020, the NCA employed 5724 officers with 368 of these being at Grade 6, equating to 6.4% of the NCA workforce. In November 2020, the Agency had 118 G6 vacancies. By November 2021, whilst the Agency had grown to 6018 officers, the number of Grade 6 officers had dropped to 328 with Grade 6 vacancies having increased to 159. It is clear as we approach 4 years since the NCA pay reform processes started, Grade 6 officers in the Agency have not seen any benefit from it.

Table 7: Current vacancies by grade within the NCA per directorate.

Command	Grade	Establishment Target	Vacancies (FTE)
NCA Change	G1	5	0.0
	G2	13	2.0
	G3	32	-4.9
	G4	30	-0.7
	G5	13	-2.0
	G6	2	-1.2
	Sub Total	95.0	-6.8
NCA Corporate Business Services	G1	3	1.0
	G2	22	1.8
	G3	31	-5.5
	G4	46	-9.1
	G5	38	-0.4
	G6	43	-12.4
	Sub Total	182.0	-24.6
NCA Digital, Data and Technology	G1	14	1.0
	G2	38	-7.0

	G3	57	4.9
	G4	99	-18.9
	G5	96	-12.3
	G6	30	-10.4
	Sub Total	334.0	-42.7
NCA Human Resources	G1	4	2.0
	G2	17	-0.4
	G3	24	-1.4
	G4	82	-17.7
	G5	32	3.4
	G6	30	-12.9
	Sub Total	188.8	-27.1
NCA Intelligence	G1	17	3.0
	G2	83	8.0
	G3	314	-2.3
	G4	678	-50.9
	G5	1157	-156.6
	G6	175	-73.0
	Sub Total	2423.6	-271.7
NCA Investigations	G1	16	1.0
	G2	45	-3.0
	G3	146	-4.1
	G4	530	-46.7
	G5	1327	-216.9
	G6	112	-25.7
	Sub Total	2176.4	-295.4
NCA Legal Command	G1	7	0.9
	G2	33	-6.5
	G3	0	0.0
	G4	2	0.4
	G5	15	-6.7
	G6	3	-2.0
	Sub Total	59.2	-13.9
NCA National Economic Centre	G1	6	-1.0
	G2	19	-1.0
	G3	48	-4.0
	G4	119	-38.3
	G5	126	-35.6
	G6	32	-16.2
	Sub Total	349.6	-96.1
NCA Strategy	G1	4	1.0
	G2	10	2.0
	G3	29	6.7
	G4	40	-13.1
	G5	31	-9.4
	G6	2	0.0
	Sub Total	116.0	-12.8
NCA Threat Leadership	G1	11	1.0
	G2	23	-4.3
	G3	65	-4.4
	G4	135	-5.5
	G5	242	-49.7

	G6	21	-5.6
	Sub Total	497.4	-68.5
	Totals	6421.9	-859.6

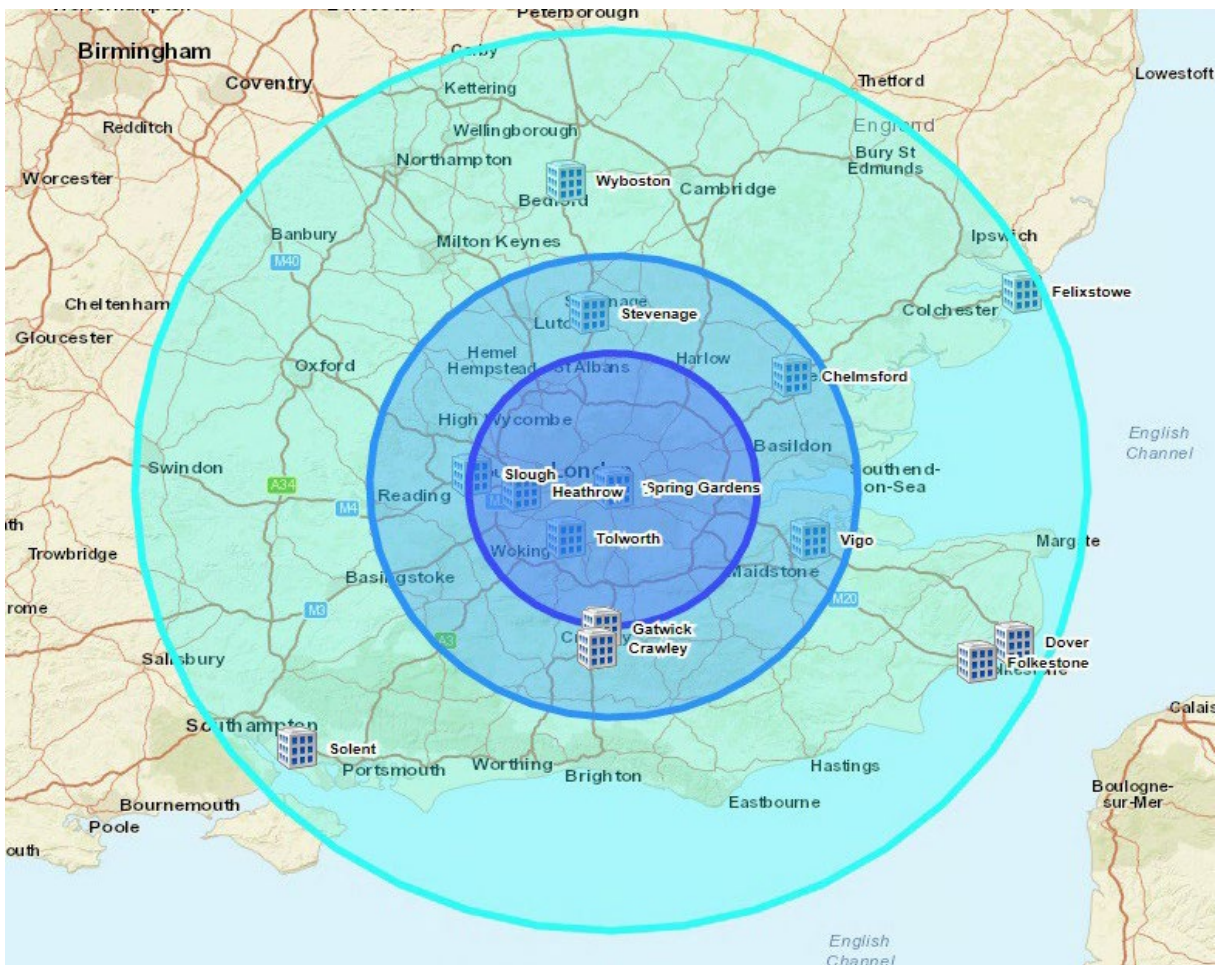
*The minus numbers are vacancies, with any above zero numbers representing over establishment numbers.

4.5 The HM Treasury ‘pay pause’ prevented the NCARRB from considering the NCOA proposal for a Bullseye model of zonal Geographical Allowances for NCA officers in the London and South East region. The defined zones recognise the need for change in the NCA Estates portfolio, owing to the restrictions on the longevity of occupancy placed on the Agency, as it predominantly leases rather than owns, most of its sites. For the last 6 years, the NCOA have consistently recommended to the NCA and NCARRB that there is a pressing need for a meaningful review of its Geographical Allowances.

4.6 The apparent lack of funding provided to the Agency as part of its SR21 settlement means that the NCA need to develop contingency plans for a *Zero-Based Budgeting* proposal, to deal with the impending premises lease ends. It seems inevitable that within the next 4 years, the NCA’s largest site at Spring Gardens in London will close. It is also likely that more NCA officers will continue to work in the London and South East region, than other NCA regions - spread across several sites in the South East rather than a single London Hub.

4.7 The NCOA ‘Bullseye’ model for Geographical Allowances, future proofs the Agency for these highly likely rather than merely *potential* changes.

Chart 4: NCOA ‘Bullseye’ zonal model for payment of Geographical Allowances in London and the South East.



4.8 The NCOA proposal would provide security to officers who currently receive London Weighting Allowance (LWA) as well as those who are considering careers in the NCA but face some uncertainty on where they will work in the future. The NCOA proposal recognises the additional costs of 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.

4.9 Our proposal would see the inner 'Bullseye' including all sites up to 25 miles from Central London. Those officers working within this zone would receive an uplifted allowance of £5871 in line with that currently paid to officers in the Metropolitan Police, plus a 10% cost of living uplift.

4.10 Unequal treatment currently exists for a number of officers at Stevenage and Chelmsford, whereby long-standing NCA Officers retain a LWA whilst new recruits receive no allowance. Under the NCOA proposal, officers at these sites, as well other sites which are in the middle zone (which is between 25 to 50 miles from Central London), would receive a geographical allowance of £3730 in line with the current NCA LWA, plus a 10% cost of living uplift.

4.11 The NCOA proposal would see an outer zone operating 50 miles from Central London. Officers at sites within this zone would receive an allowance of £2200 which is an amount comparable to the current South East Regional Police allowance with a 10% cost of living uplift included.

4.12 At a time of increasing uncertainty for NCA Officers in the London and South East region, the NCOA proposal of a 'Bullseye' model for geographical allowance provides a transparent and fair way for an allowance to be allocated, whilst also addressing some of the geographical recruitment and retention pressures the NCA is feeling. The proposal is also, by its very nature, future-proofed to complement the NCA's developing Estates Strategy, allowing Geographical Allowance to be implemented fairly, transparently, and consistently as some sites are closed and other, new sites subsequently opened.

4.13 In the event that any revised structure sees existing LWA recipients disadvantaged due to site closures, for example where the new model sees the value of LWA at the site officers are currently working reduced when moved elsewhere, the NCOA have sought that the Agency commit to at least 'red circling' the allowance officers receive when subject to compulsory transfer.

4.14 The NCOA have also been clear with the Agency that if the current hybrid working model is adopted, it should have no impact on the ability for NCA officers to receive a full geographical allowance. This would recognise that any associated contractual changes are likely to be considerably less favourable, than those in place for officers on say, more traditional Alternative Working Arrangements or those with Home Working status.

Section 5

NCOA Pay Proposals 2022/23

5.1 It is widely accepted that the HM Government pay restraint during the last decade has meant that pay increases and comparable pay levels in the public sector have fallen behind those in the private sector, as well as the rate of inflation. This period incorporates the entire lifespan of the National Crime Agency, whose officers have seen their pay fall behind that of their Policing peers and living standards drop in real terms.

5.2 Some progress has been made in redressing the imbalance since the NCA's pay reform programme commenced in 2018. However, in the main this has only been for the minority of officers who can access the Spot Rate pay framework, and to the detriment of a significant proportion of the Agency's older, more experienced, and long-serving officers. For this important group, there is little financial benefit in moving to a Spot Rate pay framework with pay levels that still sit below the maxima of the Standard Pay framework. This of course remains significantly below comparable roles in Policing.

5.3 Whilst 23.86% of the NCA are currently aged over 54 years, only 6.88% are on a spot rate pay framework. We acknowledge that this figure has increased from 5.24% in 2020, following the introduction of Spot Rates for Grades 1 and 2.

5.4 The capping of the Standard Pay Framework introduced by the Agency under the "guise" of fairness, has been a failure. With pay ranges still below those of comparable roles in Policing, without any access to contractual pay progression, pay range capping has simply ensured that NCA officers have an inability to progress along this pay framework. This is something disgruntled longstanding staff are well aware of but comes as a complete surprise to recent joiners to the Agency who feel misled by the existence of a pay range which is impossible to climb.

5.5 If the Agency are unable to introduce a widespread expansion of Spot Rate pay framework across all grades in 2022/23, it should initiate an urgent review of the Standard Pay framework to ensure that officers can also progress along it. An interim solution the NCOA have suggested to the Agency is to align the Standard Pay Range minimum in line with inflation whilst supporting a 10% consolidated pay uplift for all officers.

5.6 After years of pay restraint, last year's announcement of a "Pay Pause" was particularly galling to NCOA members, whose pay levels are already below those in comparable law enforcement agencies. We have already shown that NCA's rate of attrition is increasing; early data now shows that the Agency's ability to attract new recruits is also being affected detrimentally.

5.7 In the period November 2019 – November 2021, the Agency recruited 1165 officers and had a further 1200 candidates in its pipeline to join. In the period November 2020-21, 577 officers joined the Agency and there are currently 391 candidates in a pipeline to join. With on-going insecurity in the funding position of the NCA, it is unclear whether the Agency will be able to actually complete the recruitment of these officers or just accept a high level of vacancies, as a means of responding to budgetary restrictions. Historically, at a regional level we are aware of the Agency simply reducing its departmental headcount to remove the perception of significant numbers of unfilled posts.

5.8 It is abundantly clear that the NCA needs additional funding to deal appropriately with

pay. Our proposal of a minimum 10% consolidated pay uplift for all staff, is required to offset the likely financial hardship caused by the looming cost of living crisis where there are clear early warning signs of inflation topping 6%. Such an increase is necessary to redress the lack of progress made on pay, morale, retention, and recruitment which has all been lost during the pay pause in 2021/22 and will make tangible progress in securing comparable pay with Policing peers.

NCOA Pay Proposals 2022/23

1	Minimum 10% consolidated pay uplift for all NCA Staff in Grades 1- 6.
2	Widespread expansion of the Spot Rate pay framework across all grades, including the introduction at Grade 6 and extension of Expert Spot Rates.
3	Review of Standard Pay framework to enable pay progression.
4	G3 SR pay framework is re-designed to ensure that there is no financial disadvantage by moving to it. *With those promoted to G3 being offered a choice to move to standard pay framework in the interim in support of 'No Detriment' promotions.
5	NCA London Weighting Allowance to be replaced by the NCOA 'Bullseye' Zonal Geographical Allowances.
6	NCA to redesign use of non-consolidated pay budget.
7	NCA shift allowance to increase to 30%.
8	NCA to introduce a new allowance for working unsociable hours.
9	NCA On-Call Allowance to increase to £35 per period and be available to all Grades 1-6.

5.9 In addition to these proposals, we seek that the NCA submit their evidence to NCARRB in line with the agreed timetable. 2021 was the sixth consecutive year in which the pay engagement process was delayed owing to the late submission of the NCA evidence. As we highlighted in 2021, the majority of NCA officers are subject to the Collective Bargaining process which *follows* the publication of the NCARBB recommendations for officers with operational powers.

5.10 In 2021, these delays resulted in a number of non-pay proposals presented by the NCOA not being given adequate consideration by the Agency. These proposals related to the enhancement of existing wellbeing provisions available to NCA Officers - with zero cash implications for the Agency. Whilst swiftly rejected by the Agency, they were entirely appropriate in a period of enforced pay pause particularly given the outstanding results of the workforce during the restrictive C19 pandemic which had crippled other businesses and Agencies elsewhere. This was particularly disappointing to our members who supported these proposals following pragmatic acceptance of the implications of the HM Treasury imposed pay pause.

5.11 If delays persist into 2022/23, in addition to a review of the NCARRB process in line with the relatively low density of NCA officers with operational powers, then the timetable for the yearly pay engagement mechanism should also be reviewed.

**Appendix A -
NCARRB Remit Letter from Home Secretary – 30th November 2021.**



Home Secretary

2 Marsham Street
London SW1P 4DF
www.gov.uk/home-office

Andy Bliss
NCA Remuneration Review Body
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8AE

30 November 2021

Dear Andy,

NATIONAL CRIME AGENCY REMUNERATION REVIEW BODY REMIT 2022/23

I would first like to take this opportunity to thank you for continuing in the role of interim Chair of the Review Body. I was grateful for Anita Bharucha's sound advice on NCA pay last year, under challenging financial circumstances, and I look forward to working with you. The role of the Review Body remains very important. It is crucial that I am provided with independent advice on pay for those NCA officers with operational powers given the provisions of the Crime and Courts Act.

I should, therefore, like to ask for your recommendations on the pay award for NCA officers with operational powers in 2022/23.

As you know, the NCA is a national law enforcement body, which leads the fight to cut serious and organised crime, protecting the public by targeting and pursuing those criminals who pose the greatest threat to the UK. Serious and organised crime includes child sexual abuse, modern slavery, the supply of illegal drugs and firearms, cybercrime, money laundering, and fraud. These crimes ruin lives, destroy communities, and wreck our prosperity while the perpetrators make obscene profits. Serious and organised crime costs the UK at least £37bn each year. Its scale and devastating impact make it one of the most pressing national security threats we face.

The Government must balance the need to ensure fair pay for public sector workers with protecting funding for frontline services and ensuring affordability for taxpayers. We must ensure that the affordability of a pay award is taken into consideration to enable the Agency to fulfil its transformation plans by building future skills and capabilities.

In considering your recommendations, you should have regard to the following:

1. the affordability of any proposals;
2. evidence of recruitment, retention and vacancy rates within the NCA and its ability to maintain competitiveness with its key comparator markets; and

3. evidence of the Agency's improvements to productivity and workforce efficiencies.

As the NCA is a Non-Ministerial Department, the Agency will provide you with its own evidence on points 1 to 3 above, based on its workforce assessments and the Review Body's terms of reference. My officials within the Home Office will be engaged in this and, where necessary, will provide additional information.

As part of its evidence, the NCA will set out the operational context, Agency pay strategy and longer-term plans for its workforce, which I expect to be submitted to you in good time.

To allow adequate time for consultation before any changes are applied, I should be grateful if you could aim to provide a report on this matter no later than end of May 2022.

With our good wishes


Rt Hon Priti Patel MP
Home Secretary