



FDA written evidence to the National Crime Agency Remuneration Review Body

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2. Introduction and summary

The FDA welcomes the opportunity to submit written evidence to the National Crime Agency Remuneration Review Body (NCARRB). We believe that employees and the UK taxpayer benefit from an independent, evidence-based review body that has democratic legitimacy through its government remit. We hope that government respects its independence and honours credible and considered recommendations. As in previous years our evidence will look at the wider economic context, government evidence and wider civil service developments to emphasise the pressures facing the NCA.

Whilst inflation has fallen from the unprecedented heights of last year our continued focus on the impact on members of the cost-of-living will not surprise the Pay Review Body nor our view that the Agency's pay structures require urgent reform embracing all its employees. Settlements in the private sector continue to outpace those in the public sector. Pay in the Agency remains significantly behind Police pay and increasingly is becoming less competitive for senior staff in the wider civil service. The FDA recognises the constraints that have dictated the NCA approach to pay but it cannot afford to fall further behind. It is crucial that the momentum for pay reform is supported by the Treasury with sufficient funding to secure the long-term future of the agency.

In past evidence we have stated our vision for a more comprehensive version of reform, one that embraces all employees so that they gain tangible benefits. We welcome that the Agency is now looking to submit a business case towards creating a more cohesive reward structure, one that supports its ambitions to be One NCA. It is imperative that the case provides a means for improving progression through pay ranges for staff not on spot rates. We focus on this in more detail in Section 9 of our evidence.

We believe that the system of pay review under the NCARRB has been an important part in providing an impetus for this and that the we should retain reviews by the Independent Pay Body as a feature of a revised pay structure.

FDA reserves judgement on whether Agency staff should remain civil servants or change status to public servants. Whilst we appreciate the frustration of being tied to HM Treasury Remits It is not axiomatic that a change in status leads to a better funding position. Any proposal to change the status of its employees needs very careful consideration by the Agency and Trade Unions must be fully involved in that process.

We ask the NCARRB to balance the Home Office requirement for affordability and sustainability with the pressing need to allow the Agency to adequately reform its pay structure to secure its ability to recruit and retain the skills needed and motivate its workforce.

To summarise we ask the Review Body to consider the following when making their recommendations:

- The NCA needs to award a fair and reasonable consolidated award on pay and allowances that adequately addresses the cost of living. {Section 4 and 5}
- As a minimum the increase needs to be in line with Police pay. {Section 6 & 7}
- A further programme of reform to the pay structure from 2024 that includes a mechanism to deliver pay progression for all staff in delegated grades {Section 9}
- That reform should affirm that pay for all staff in the NCA will be determined through a Pay Review Body {Section 2}

3. NCA context

The FDA represents senior and middle managers in leadership roles in the National Crime Agency (NCA) and across government. In addition, we provide affiliated support to the staff associations across the UK Intelligence Community (UKIC) and to our members in the Home Office with responsibility for law enforcement policy. In the context of the NCA, our members are employed as Directors, Deputy Directors and Grades 1 to 3 in varied professions.

The NCA is a pivotal law enforcement agency with national and international reach, and the mandate and powers to work in partnership with other law enforcement organisations to bring the full weight of the law to bear in cutting serious and organised crime. NCA employees are, however, civil servants subject to the civil service code. To assist them in their crime fighting role, NCA officers may be designated with one or more of the powers and privileges of a constable, powers of a customs officer and powers of an immigration officer (triple warranted).

As NCA staff are civil servants we have based the evidence in this submission around the same comparators and using the same pay and economic data as we include in submissions to other civil service review bodies.

The NCA describes its purpose as:

To continue to deliver the Strategy 2023-28 to meet the Home Secretary's priorities to protect the public from SOC, and equip the Agency with the tools, capability and workforce that are required. It will be implemented through four priorities:

- Degrade the most harmful organised crime groups;
- Lead the UK's operational response;

- Transform the Agency's capabilities
- Build a highly skilled workforce¹

In her foreword to the NCA Annual Plan 2023/24 the then Home Secretary acknowledged:

"Serious and organised crime has a devastating impact on our country, threatening our national security and prosperity. We have to take on and bring to justice organised crime groups in the UK and those crime groups and networks who threaten this country from overseas"²

The NCA delivers a prominent role in combatting this challenge to our security and therefore it is appropriate to compare the position of NCA staff with similar roles in the police and other law enforcement agencies particularly as many NCA staff will work in teams with police staff. The vast majority of NCA officers designated with powers hold 'tripartite powers' (namely, the powers of a Constable in England and Wales; the powers of an Immigration Officer; and the powers of a Customs Officer) which are collectively known as NCA Standard Powers (NCASP). A number of these officers will also be designated with the powers of a Constable (Scotland).

If it is to meet its commitments to "transform the Agency's capabilities" and "Build a highly skilled workforce" the Agency urgently needs to transform its pay structure. The FDA is mindful and supportive of the NCA's ambition to be One NCA. However past pay direction has undermined that aim and we flag here again our concern from previous years evidence that the Agency's "differentiated" approach to pay reform, focusing on relatively small numbers of staff in selected professions, has led to fragmentation. In our regular member survey ahead of submitting our evidence only 50% of respondents told us they fully understood the pay and performance systems in the NCA. No respondents regarded the pay framework as fit for purpose.

We therefore welcome the NCA's commitment to a programme of pay reform and look forward to working with them towards a more effective reward structure.

¹ National Crime Agency Annual Plan 2023-2024

² National Crime Agency Annual Plan 2023-2024

4. Economic background

This chapter sets out our economic analysis and shows that the reduced value of NCA pay is uncompetitive and damaged by the Government's approach to pay in the civil service.

Against the background of 12.9% RPI forecast by the OBR, by April 2024 last year's 7% award for staff in the NCA will have amounted to a further real-terms cut.

These are extraordinary economic times, as the Home Secretary's remit letter acknowledges. RPI inflation is expected by the government's Office for Budget Responsibility to average at 8.3% in the current financial year (2023-24), with CPI at 6.1%.³

Thus, despite being "historically high" in nominal terms, last year's 7% pay award still amounted to a real-terms cut in living standards.

This comes on top of:

• the £1900 flat rate award in 2022-23, resulting in staff in Grade 1 on a spot rate receiving an increase of between 2.5- 2.7% whilst those on the standard range received between 2.3 - 2.8%. For Grade 2 the picture was broadly similar with staff on spot rates receiving between 2.9 to 3.1% and on standard range 2.8-3.4%. when inflation ran at 12.9% RPI, [10% CPI];

• the 2.5% awarded in 2021-22, when inflation ran at 5.8% RPI, [4% CPI]

This context was recognised by a recent National Audit Office (NAO) report on the civil service workforce which confirmed that "[a]cross almost all civil service grades, real-terms median salaries have fallen over time. Analysis of Annual Civil Service Employment Survey (ACSES) data shows that from 2013 to 2022, the median salary in almost every grade went down in real terms". The NAO's analysis shows that this trend is most pronounced for more senior grades.⁴

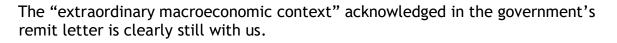
Against this background, another below-inflation pay award in 2024-25 will further exacerbate an unprecedented deterioration in the real value of Civil Service pay. The OBR's November expectation for 2024 was for inflation to remain

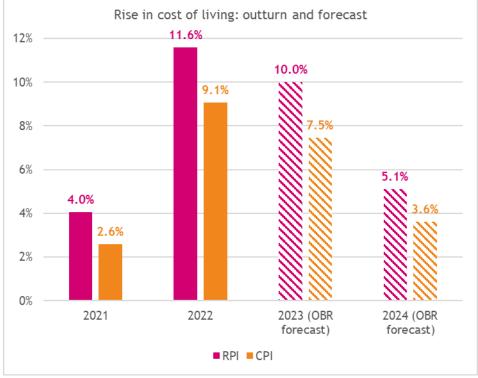
³ <u>https://obr.uk/download/november-2023-economic-and-fiscal-outlook-supplementary-economy-tables/?tmstv=1704726493</u>

⁴ If anything, the NAO analysis understates the extent by comparing medians taken at each year, which will also be affected by compositional shifts

 $[\]underline{https://www.nao.org.uk/wp-content/uploads/2023/11/civil-service-workforce-recruitment-pay-and-performance-management.pdf}$

at elevated levels, running at 5.1% RPI and 3.6% CPI.⁵ The most recent ONS data showed CPI unexpectedly rising at the end of 2023, to 4%.





Source: Office of Budget Responsibility⁶

5. Economic context: trends in earnings and settlements

Earnings

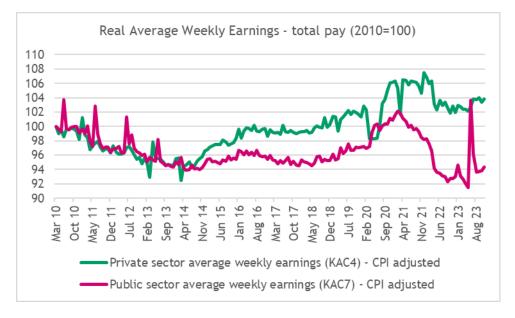
2.8 At the Spending Review 2021, the then Chancellor announced that public sector pay growth over the three years to 2024-25 "should retain broad parity with the private sector".

⁵ <u>https://obr.uk/download/november-2023-economic-and-fiscal-outlook-supplementary-economy-tables/?tmstv=1704726493</u>

⁶ <u>https://obr.uk/download/november-2023-economic-and-fiscal-outlook-supplementary-economy-tables/?tmstv=1704726493</u>

2.9 In January 2021 the government cited movements in public and private sector earnings growth to justify a "pause" in pay awards across the civil service and public sector. As we predicted at that time, subsequent data releases showed these trends to be temporary effects of the pandemic and in particular the operation of the government's furlough scheme.

2.10 Using the latest data points from the same series then cited by the government, we can see that a long-term trend of public sector pay falling behind the private sector has strongly reasserted itself (barring a short-lived spike in the public sector series reflecting one-off bonus payments received by NHS workers and civil servants in summer 2023).



Source: Prospect analysis of ONS data⁷

2.11 The government's economic evidence last year forecast that the "loosening of the labour market should, over time, contribute to normalisation of nominal pay growth".⁸ However the OBR reports private sector earnings growth at well above historic norms in 2023, with whole economy earnings growth at 6.8%, on top of 6%

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https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/aver ageweeklyearningsearn01

⁸ ⁸ "In the six months to September, private sector wages fell by 0.8 per cent compared to the same period the previous year, as compared to a 3.9 per cent increase in the public sector" - <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/954610/</u> <u>Economic_Evidence_to_the_PRBs_FINAL.pdf</u>

in 2022. In 2024 whole economy earnings growth is forecast by the OBR to remain at the still elevated level of 3.7%.⁹

Even this may prove to be a low forecast. The National Institute for Economic and Social Research in November forecast that in 2024 earnings growth would be 7.1%.¹⁰

6. Settlements

With private sector earnings growth outpacing public sector and civil service earnings growth at a historically unprecedented rate a year ago,¹¹ the government shifted its ground. They asserted that "data on average private sector pay settlements... provides the most comparable measure of pay growth to public sector pay settlements".¹²

XpertHR - the source chosen by the government in previous years' economic evidence to Pay Review Bodies (PRBs) - puts median pay awards in 2023 at 6 %.¹³ Their surveys of pay expectations suggests that, in their words "pay awards in 2024 will be a little lower than we recorded in 2023, but remain high by historical standards".¹⁴

Incomes Data Research's (IDR) Pay Bench marker database puts median pay awards in 2023 at 5.5%. A survey conducted by IDR at the end of 2023 suggests that although the average award is likely to be lower in 2024, almost half (47%) of employers expect to offer pay rises in 2024 equivalent or higher than the historically high pay awards of 2023.¹⁵

¹¹ The ONS had recently noted that in the months August to October 2022 "the difference in growth rates between the private and public sector is among the largest we have seen". https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletin s/averageweeklyearningsingreatbritain/december2022

⁹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/954610/ Economic_Evidence_to_the_PRBs_FINAL.pdf

¹⁰ https://www.niesr.ac.uk/wp-content/uploads/2023/11/JC760-NIESR-Outlook-Autumn-2023-UK-v10.pdf?ver=rzOTnaV2zXfRbiYewvGG

 $^{^{12}}$ Last year's economic evidence from the government cited XpertHR median settlements of 3.5 % in the last quarter of 2021-22 and 4% in the first quarter of 2022-23, claiming that this was "broadly in line with or lower than 2022-23 awards for PRB workforces"

¹³ https://www.xperthr.co.uk/podcasts-and-webinars/podcast-pay-awards-whats-in-store-for-2024/166968/

¹⁴ https://www.xperthr.co.uk/survey-analysis/forecasts-for-pay-awards-in-20232024/166943/

¹⁵ https://email.firstinternet.co.uk/t/r-e-tiluuiik-l-l/

7. Pay comparability – the gap between Civil Service salaries and the market

The government's economic evidence to the Pay Review Bodies last year asserted that "the public sector remuneration package remains competitive"¹⁶

These gaps can only have worsened in the years since. Research recently commissioned and published by the Government found that compared against its historic relationship with private sector wages, the recent period of public sector pay restraint constituted "the longest period of sustained downward pressure on public sector pay in recent history". It concluded that

"Given the duration and magnitude of the current public-private sector wage gap there is a risk ... [of] skill shortages in certain areas of the public sector". The government's economic evidence to the Pay Review Bodies asserts that "the public sector remuneration package remains competitive".¹⁷

ONS analysis published in 2020 indicated that if overtime and bonus pay is included, "average" earnings in the public sector have been lower than that in the private sector since 2014.¹⁸ The ONS has not updated its analysis to cover more recent years, but other evidence (such as the earnings and settlement trends presented above) would suggest that the gap is likely to have widened considerably by 2023-24. In October 2022 the Institute for Fiscal Studies calculated that by its estimate the "public-private pay differential is now less favourable to the public sector than at any point in the past thirty years".¹⁹

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1127720/Economic_Evidence_January_2023_-_final_version_PUBLISHED.pdf

¹⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1127720/Economic_Evidenc e_January_2023_-_final_version_PUBLISHED.pdf 18

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/publicandprivatesector earnings/2019

¹⁹ https://ifs.org.uk/sites/default/files/2022-10/Public-spending-pay-and-pensions-R219.pdf



Source: Prospect analysis of ONS data²⁰

The ONS has not updated its analysis to cover more recent years, but other evidence (such as the earnings and settlement trends presented above) would suggest that the gap is likely to have widened considerably by 2023-24. In October, the Institute for Fiscal Studies calculated that, by its estimate, the "public-private pay differential is now less favourable to the public sector than at any point in the past thirty years".²¹

This analysis is based upon broad averages and is significantly influenced by the fact that most of the lowest paid roles in the economy are in the private sector. When analysis is focused on the sector of the labour market within which employers needs to recruit and retain staff in senior Civil Service roles, we find that the lag behind comparable roles becomes even more dramatic.

The ONS analysis cited above found that public sector earnings lag behind those in the private sector by the widest margin in "knowledge-intensive services", where the so-called public sector "premium" is negative even before overtime and bonus pay is included.²²

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https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/publi candprivatesectorearnings/2019

²¹ https://ifs.org.uk/sites/default/files/2022-10/Public-spending-pay-and-pensions-R219.pdf

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/publicandprivatesector earnings/2019

More fine-grained benchmarking of civil service salaries against closely comparable public and private sector roles has these gaps to be wider still. Analysis of market data conducted by Incomes Data Research in 2021 found that, at the level of Pay Bands, Civil Service pay for staff in skilled roles was between 7 per cent and 24 per cent behind comparable public sector roles in the NHS and local government, and between a third and three fifths behind comparable roles in the private sector.²³

In sum, then, it is clear that "average" comparisons of public and private sector pay conceal particularly acute divergences at higher-skilled and more senior levels that are especially dramatic when more the salaries of higher graded civil servants are compared with those of comparable roles in both the public and private sectors.

In previous years the Agency has pointed out that NCA pay compares well against other civil service departments but we argue that given the poor relative position of the civil service in competing for the skills that NCA in particular needs this is not persuasive.

NCA is unusual in Civil Service terms in also having a read over to the law enforcement community. NCA officers will work closely with colleagues in police forces and there has been interchange between organisations with staff in the Agency having worked previously as police officers.

At present there is a significant disparity in pay levels between senior NCA officers and their comparable grades in the police service as the table below highlights. At G2 the pay disparity with a Superintendent of Police is over £15,000 at both the minimum and maximum of range. This disparity has continued to get wider since we first used this comparison in 2016, a further indication of how far NCA and civil service pay more generally has fallen behind relevant comparators. It should also be borne in mind that Police scales continue to allow for incremental progression.

Grade / Rank	Minimum	Maximum	Difference at Minimum	Difference at Maximum		
G1 Chiof Supt	£75,092	£91,794	£11,438	£11,448		
Chief Supt	£95,094	£103,242				
G2 Supt	£61,675 £77,121	£75,332 £90,717	£15,446	£15,385		

²³ Senior Civil Service: pay comparisons, a report for the FDA, Incomes Data Research, February **2021**.

8. Fiscal context and affordability

The new NCARRB remit letter from the Home Secretary states that ". It is vital that PRBs consider the Government's affordability position that will be set out further in written evidence, and in the case of the NCA, the final outcome of the 2023-24 pay round when known will also need to be considered.

The 2021 Spending Review provided the largest increase in total departmental spending this century - to use the words of the former Chancellor and present Prime Minister himself.²⁴ Given that the work of government and delivery of public services consists in large part of people's hard work, expertise and skills, we would expect much of this increased funding to be used for pay to ensure that departments can recruit and retain the right number of staff with the right skills.

Higher-than-forecast inflation has no doubt eroded the real value of the budget allocations made three years ago. Simultaneously, however, it has also significantly boosted the government's tax revenues: public sector current receipts are now forecast by the OBR to be £48.4 billion higher in 2024-25 than was forecast in March,²⁵ and £91 billion more than was forecast at the time of the Spending Review.²⁶ Each 1% increase in NCA pay for delegated grades would cost £1.4m budgeted on 23/24 payroll costs.²⁷

Against this needs to be counted the costs of failing to pay civil servants at a fair and competitive level. Research commissioned and published by the government in 2020 concluded that: "Given the duration and magnitude of the current publicprivate sector wage gap there is a risk ... [of] skill shortages in certain areas of the public sector". ²⁸

The authors give the example of "senior administrators" in the NHS who might be likely to "seek employment in higher paid private sector jobs;" civil servants working for NCA in senior roles would clearly occupy an analogous position. Similarly, the Institute for Fiscal Studies (IFS) warned in October 2022 that: "The continuing fall in public sector pay relative to the private sector poses recruitment and retention challenges for public services and could threaten the government's ability to deliver on its public service objectives".²⁹

In December 2023 the NAO confirmed that "the government faces substantial challenges to attract and retain civil service staff³⁰. FDA members report difficulties

²⁴ https://www.gov.uk/government/speeches/autumn-budget-and-spending-review-2021-speech

²⁵ https://obr.uk/docs/dlm_uploads/E03004355_November-Economic-and-Fiscal-Outlook_Web-Accessible.pdf

²⁶ https://obr.uk/docs/dlm_uploads/CCS1021486854-001_OBR-EFO-October-2021_CS_Web-Accessible_v2.pdf
²⁷ Information provided by NCA

²⁸https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/869631 /The_dynamics_of_public_and_private_sector_wages__pay_settlements_and_employment_March_2020.pdf
²⁹ https://ifs.org.uk/sites/default/files/2022-10/Public-spending-pay-and-pensions-R219.pdf

³⁰ https://www.nao.org.uk/wp-content/uploads/2023/11/civil-service-workforce-recruitment-pay-and-performance-management.pdf

both in recruiting employees and retaining them once they are employed in the Agency. Three-quarters of respondents to the FDA survey told us they did not have enough staff to deliver their team objectives.

Evidence is mounting that many of the most significant risks to government plans and commitments - including efforts to control their costs - are the result of gaps in civil service skills and expertise. For example:

- The Public Accounts Committee warned in December 2020: "Skills shortages in the civil service are responsible for delays, inefficiencies and increased costs in government projects. We repeatedly see evidence of this in the projects and programmes we scrutinise ... the civil service has major skills gaps in the science, commercial and digital sectors, as well as in the management of large projects. These gaps impede progress and can necessitate the use of high-cost consultants"³¹
- The Institute for Government warned in April 2021: "The National Audit Office, the Public Accounts Committee, ministers and civil servants themselves have described how a lack of specialist skills in areas from digital to finance has contributed to delays, cost overruns or policy and operational failures ... Pay constraint... make it harder to attract people with the right skills... too many consultants are being used where civil servants on the government's payroll could do the job more cheaply"³²
- An inquiry into the MoD's management of procurement costs conducted by the Public Accounts Committee concluded in late 2021 that "the Department will not secure a step change in performance until it can recruit and retain the highly skilled staff that it requires. The Department continues to suffer from skills shortages in key areas critical to effective contract and programme management. It relies on expensive temporary contractors to deliver many of its programmes. We note that the cost of staff is small in comparison to the cost of the programmes the Department delivers. It pointed to constraints on its ability to recruit the right people who would help to deliver programmes to time and budget."³³

These signs of strain demonstrate that attempting to find fiscal savings by holding down the pay of civil servants is a counterproductive false economy, and that a government concerned with "affordability" should be seeking to redress growing deficits relative to the cost of living and relevant private and public sector comparators as a matter of urgency.

³¹ https://publications.parliament.uk/pa/cm5801/cmselect/cmpubacc/686/68605.htm

³² https://www.instituteforgovernment.org.uk/sites/default/files/publications/civil-service-skills.pdf

³³ https://publications.parliament.uk/pa/cm5802/cmselect/cmpubacc/185/report.html

The NCA has struggled in recent years to attract the staff in needs. Poor retention and the consistent need to induct new staff has a detrimental impact on productivity. The Remit letter from the Home Secretary requires the NCARRB to have regard to "Improvements made within the last year, to the Agency's productivity and workforce efficiencies"³⁴

Research by the Institute for Government advised Government to focus on:-"Retention of experienced staff and clear workforce planning. Experienced staff tend to do their jobs better than new hires.... long term workforce planning can ensure services avoid this mistake and retain the staff they need."³⁵

The failure of Government for a decade to provide adequate funding to the NCA to improve its attraction and reward package has resulted in significant recruitment and retention problems in recent years. The constant effort in recruiting to replace exits teams has had a consequent dragging effect on productivity.

9. Pay Progression

Previous FDA evidence has iterated the need for the NCA to introduce some mechanism to allow staff to progress through their pay range based on demonstrating and developing competency within a role. To a considerable extent that mechanism is present in the Agency's approach to spot rates but we believe that there may need to be more granularity within ranges when leadership and professional roles are considered.

The Civil Service has developed a Competency Framework for the Senior Civil Service³⁶ but progress on this has stalled and there is little evidence of appetite from government departments to pursue this for delegated grades without a clear steer from the centre and when the available resources to introduce a scheme are so obviously inadequate.

Individual professions such as Digital and Data [DDaT] have introduced competency-based frameworks³⁷ that inform pay schemes and these are now being adopted by more departments for their DDaT cohort. The advantage to Civil Service employers in moving to the DDaT ranges is that they are able to fund higher salaries for their employees through savings generated by no longer relying on contractors. This is not an option available to all professions or to civil service employers as a whole.

³⁴ <u>2024-25 NCARRB remit letter from the Home Secretary.pdf</u>

³⁵ <u>Public service productivity | Institute for Government</u>

³⁶ <u>cscf_fulla4potrait_2013-2017_v2d.pdf (publishing.service.gov.uk)</u>

³⁷ <u>Government Digital and Data Profession Capability Framework - Government Digital and Data Profession Capability Framework (ddat-capability-framework.service.gov.uk)</u>

From our perspective we prefer a structure allowing progression through pay ranges based on developing competency within a role. However, this approach should be universal, based on grade across the organisation as is the case based for the tried and trusted Agenda for Change³⁸ in the NHS and police forces across the UK. It is also the driver for reward and recognition in the UK Intelligence Community.

Such an approach will bring greater visibility of how decisions on pay are linked to the capability, knowledge and experience of each staff member. Employees need to understand how they are rewarded and see that put into practice. At present FDA members tell us that is not the case.

All respondents to the FDA survey thought it was extremely or very important that increased skills, knowledge and experience was rewarded. None of the respondents could see a clear link between their pay and their performance in their experience of the NCA pay arrangements.

In past years evidence we have highlighted the number of NCA employees who remain at the band minima and lower quartiles. The growing size of the challenge for NCA is visible in the more detailed table below. Of the 53 staff employed in Grade 1 roles 35 are on the minimum of their pay band of which 17 have been employed for over 10 years and 10 for between 5 and 9 years. The picture is even more stark for staff employed in Grade 2 roles where 159 out of the total of 186 staff are still at the minima for their band of which 76 have been employed for more than 10 years and 39 have been employed for between 5 and 9 years.

Grade	Quartile	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49
NCA Grade 1	Grade Minimum	8	10	3	4	7	2		1		
	1st Quartile	3	2				1				
	2nd Quartile				2	2					
	3rd Quartile		1		2		1				
	4th Quartile	2	1		1						
NCA Grade 1 Total		13	14	3	9	9	4		1		
NCA Grade 2	Grade Minimum	44	39	22	17	17	7	6	5	2	
	1st Quartile	1	2		2	3	1	1			
	2nd Quartile	2			1	1		2			
	3rd Quartile	1	2		2	1	1		1		
	4th Quartile	1									
	Grade Maximum	1							1		
NCA Grade 2 Total		50	43	22	22	22	9	9	7	2	

Source: Data provided by NCA

Whilst superficially, pay ranges in the Agency may be higher than in other departments that is of little benefit to its employees if in reality they are unable to progress to the higher pay points in their pay range. Those with valuable skill sets will find it easier to secure higher pay by leaving the Agency. Last year 22% of staff who left the Agency did so to gain promotion. Attrition rates at G1 and G2 is 11.9% and 12% respectively, two of the highest rates in the NCA³⁹.

³⁸ <u>NHS Terms and Conditions of Service Handbook | NHS Employers</u>

³⁹ Sourced from NCA evidence

Unless employees have a reasonable expectation that their pay will remain competitive then they will choose to look elsewhere. Providing a clear route to progressive pay steps will allow employees to understand the ongoing value of their longer-term commitment to the Agency.

We ask the NCARRB to endorse our proposal for a pay progression mechanism for all NCA employees in delegated grades to be included in NCA's proposals for pay reform.

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