

17 April 2001

To: APA Clerk Advisers

cc: APA Executive Sub-committee members

POLICE PENSIONS SCHEME – RETENTION AFTER 30 YEARS

The Home Office are considering whether anything could or should be done to encourage more police officers to continue to serve once they have completed 30 years' service and have therefore accrued maximum pensionable service. I attended an initial exploratory meeting on this issue before Easter, at which discussion was based on the **attached** Home Office paper. I should now welcome views from all clerk advisers to inform a paper for members on the development of APA policy on this issue.

A strategic priority?

As a first step, we will put a policy paper to the next meeting of the APA Personnel Issues Policy Group to seek views from members on whether encouraging extension beyond 30 years should be a strategic priority for police authorities and the APA. There are arguments on both sides. Best value, for example, might suggest that extension of service beyond 30 years should increase the return on the training investment made in police officers. It should also maximise the use of the experience and skills of long-serving officers. Is it possible to put a cost on this?

But we will also need to consider whether there are operational and cultural issues to factor in to the discussion. For example, is there a balance between new recruits and more experienced officers to retain maximum operational capability and the long term effectiveness of the force? If so, can this be quantified? Should or could officers who extend service beyond 30 years undertake specific roles or duties? Or should they be capable of undertaking the full range of duties associated with their rank?

In reality, I am sure the answer is to aim for a balanced approach, with the weight given to recruitment or retaining existing officers depending on a range of circumstances, including the recruitment market at any given time. But I should welcome your views on the balance of argument and the factors individual authorities might consider.

The detail

Whether or not this issue is a strategic priority for the APA and police authorities, there will be a number of details that will need to be addressed. As a matter of good practice we should use this opportunity to ensure there are no unnecessary disincentives and barriers to continue service. Issues to consider here might include pension contributions (whether benefits such as death in service payments can be maintained without full pension contributions after 30 years) and the timing and / or the market protection of the lump sum payment. Are there others?

Positive incentives to remain in service

If members conclude that the police service should seek to increase significantly the number of officers who remain in service after 30 years, the more difficult questions will be what positive incentives to remain in service could be offered, and how generous they would have to be to make an impact? A number of officers already extend service beyond 30 years and we would not wish to put in place new arrangements that made this process more difficult or costly. However, are there options around pension contributions, the timing of the lump sum payment, or possibly access to enhanced remuneration (or a fixed sum on extension), which could be explored? All options would clearly need to be analysed in detail, with the costs assessed against any benefits (probably reduced recruitment and training costs). But at this stage we are simply trying to identify as many options as possible.

I should also welcome views on whether service beyond 30 years should be on a fixed term basis. The advantages of doing so would be to provide sensible management controls and lessen the dangers of an increase in medical retirements. The main disadvantage could be to reduce the appeal of extending service.

A general or selective extension policy?

Finally, we also need to consider what factors should determine suitability for extension of service beyond 30 years and, in particular, how selective the criteria should be. Should they go beyond an assessment of basic capability?

The APA's general policy on recruitment and retention issues is to aim for maximum flexibility locally. It would follow from this that we could explore further whether there is scope to enable incentives to remain in service to be offered to individual officers, or groups of officers, as deemed necessary by forces or authorities. This might, for example, be appropriate in a difficult recruitment environment or where an individual officer's retirement would leave a skills gap (although effective HR planning should avoid short term skills gaps arising from planned retirement). Could greater flexibility be achieved? Would it be possible to retain a selective extension policy? How could we ensure fairness and transparency in the decision-making process?

Policy development here is still at an early stage and the aim of this consultation is to generate ideas to inform debate and discussion within the APA. Any conclusions will then need to be discussed with the Home Office and ACPO before consulting more widely with the staff associations. It is also possible that any reforms would need to be negotiated through the formal PNB machinery.

It would be helpful if I could have any comments and views by **Friday 11 May**.

Melanie Leech
Executive Director