

# Annual report and statement of accounts

2010/11



# Independent Police Complaints Commission Annual Report and Statement of Accounts 2010/11

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## Chair's foreword

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I am pleased to introduce our annual report and accounts for 2010/11. I took over as IPCC Interim Chair last summer, when my predecessor, Nick Hardwick, left the organisation to take on the role of Her Majesty's Chief Inspector of Prisons.

The IPCC has performed extremely well over this past year, achieving almost all of its targets in what has been a very challenging climate. Our casework team has worked hard to reduce our appeals backlog; we are undertaking more independent investigations than ever before and we have worked with the Home Office to turn our Stock Take proposals for simplification of the complaints system into draft legislation for inclusion in the government's new policing bill.

We have this year, in common with many public sector organisations, faced challenges associated with reductions in funding. Jane Furniss and her senior team had prepared well for this eventuality and had put in place a number of cost saving initiatives as part of a wider review of our operational capabilities. These initiatives have ensured that we can approach the coming year with confidence, although there remains much still to do in order to cope with reductions in future years.

This annual report describes how we have taken our work forward over the last year by listening to feedback from our various stakeholders.

### The IPCC's workload

Demand for our service continued to rise during 2010/11. The internal processes we have adopted are enabling us to manage the flow of incoming work more effectively, and our new Customer Contact Centre, based in our Sale office, is working well.

### Changes to the police complaints system

The IPCC's review of the police complaints system (the Stock Take), carried out during 2008/09 with help from a range of stakeholders, recognised that the system could be improved significantly with a shift to more complaints being resolved quickly at a local level. It also recommended focusing the system on an individual's complaint rather than on officer or police staff conduct. To do this, the Stock Take recommended that the complaints system needs to:

- fix the problem, not just the culpability
- move from slow to fast resolution
- conduct more proportionate investigations
- reduce bureaucracy and costs
- instil a learning culture

We made progress with several of these recommendations by revising our Statutory Guidance and implementing a Performance Framework system, working closely with forces. Some recommendations, however, required a change to legislation and I am delighted to report that many of these have been included by the Government in the new Police Reform and Social Responsibility Bill, which is currently making its way through the Parliamentary process.

### Police and Crime Commissioners

The proposed Bill has yet to complete its journey through Parliament, but, assuming it attains Royal Assent, it will bring about considerable changes to the police complaints system. One significant change will enable the Home Secretary to create regulations that will give the IPCC power to handle matters relating to the conduct of elected Police and Crime Commissioners (PCCs).



Planning for the introduction of the Bill has formed a large part of our policy work since it was first introduced to Parliament in November 2010. The IPCC has set up an internal board to consider how to manage the range of interrelated activities necessary for us to meet our new statutory duties from May 2012. We will work closely with the Home Office and police forces to implement changes that will reduce bureaucracy and make the system more effective.

### Looking ahead

In May this year, we launched our new Corporate Plan. Based on evidence from our investigations, casework and guardianship work, our planning process identified six priority issues to help guide our work and each of these has a Commissioner lead. Concentrating on these issues will help to ensure that police forces learn and improve, adverse incidents and complaints reduce and public confidence improves.

The priority issues are:

Deaths and serious injury

- in police custody
- as a result of police use of firearms and less lethal weapons
- as a result of gender abuse and domestic violence, where it is alleged that the police have failed to protect the victim
- following road traffic incidents, which it is alleged the police have caused or failed to prevent

Additionally, and in view of the potential for significant public concern, we will also focus on learning from complaints and appeals in cases arising from:

- police use of Stop and Search powers, and other issues affecting young people's confidence in the police
- policing of protests and public order incidents

This report describes a great deal of hard work by IPCC Commissioners and staff, and I should like to thank them all for their support and commitment throughout the year.

At the time of writing, the process to recruit the new Chair of the IPCC is well underway and so I will be retiring when my term of office comes to an end in September 2011. I have thoroughly enjoyed the last eight years – as a Commissioner, as Deputy Chair and, more recently as Interim Chair of an organisation I am proud to have been part of. I leave it, I know, in very capable hands and extend to all of my colleagues and our wider stakeholders my very best wishes for the future.

**Len Jackson**  
Interim Chair

## Chief executive's review of the year

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The last year has provided a number of challenges for the IPCC – several high-profile cases, the departure of our founding Chair and the new Government's review of 'Quangos' and radical action on public expenditure to tackle the effects of the recession.

Against this challenging backdrop I am particularly pleased to be able to report on a year where the IPCC's performance has gone from strength to strength.

### Improving the way we work

The end of 2010/11 marked the successful completion of Connect, a major strategic change programme for the IPCC. In my report last year I reflected on some of the changes we were making. A year on and we are seeing the impact of these changes and real benefits in the services we deliver.

Established in 2008, the programme was a response to demand pressures the IPCC faced and our recognition that we were unlikely to secure increased resources. The challenge we set ourselves was to make better use of our existing resources to ensure we could fulfil our statutory function to a high standard. The programme's overarching objective was to improve the quality of our casework and investigations whilst at the same time securing efficiencies, thereby allowing us to invest more money in delivering better services to the public.

A review of the senior organisational structure delivered immediate benefits, achieving a £1million annual saving through a reduction in the number of Commissioners and executive Directors. Savings generated have been reinvested in casework and investigations posts. The reduction in Directors was possible following

a move from a regional to a national functional structure resulting in fewer Directorates, focusing on Investigations, Casework and Customer Services, Business Services, and Standards and Quality. Following the restructure we have also been able to strip out other management layers and reduce some support functions, again enabling reinvestment in frontline posts and allowing us to cash some savings.

Estates and IT projects have also been integral to reducing the costs of our overheads, with savings being reinvested in frontline services. The re-let of the IPCC IT and telephony contract has resulted in significant savings (approximately £1m per annum), while also delivering better functionality and resilience. A rationalisation of the IPCC's London estate continues to deliver savings, which has been supported by moving some functions to our less expensive office locations in Cardiff and Sale.

The newly formed Investigations and Casework and Customer Services Directorates both undertook comprehensive reviews of their processes and decision making to develop a clear national approach, ensuring that investigations and appeals are handled consistently across England and Wales. We have made changes to the way we handle referrals, how we allocate work and how we define the scope of our investigations. These changes are ensuring that we are tackling the most serious incidents and those areas of policing of greatest concern to the public and doing so more quickly.

The Standards and Quality Directorate provided a new approach to scrutiny of our operational performance. This small expert team has helped to ensure that our investigations and casework meet the high standards we expect and that the



improved efficiency in our processes has not been at the expense of quality. In its first year the Directorate has already undertaken a range of checks on our investigations and casework, demonstrating good levels of compliance. Where we have made mistakes we have apologised, ensured lessons are learned and made improvements in our approach for the future.

### **A better service to the public – performance improvements**

The benefits being delivered by the Connect change programme, ongoing quality assurance work, and the commitment of IPCC staff have all contributed to major improvements in our operational performance. We have also undertaken a number of initiatives to influence and manage our workload more proactively.

During 2010/11:

- We focused on carrying out more independent investigations, recognising that these provide the greatest level of public confidence. We started 164, and completed 154 independents, 52% more than in 2009/10, as well as reducing the average time taken to complete them.
- Equally, having decided to reduce the number of managed investigations, (in which we direct and oversee the police investigation), we have undertaken approximately half that carried out in the previous year.
- Work we undertook to raise public awareness about the most effective way to make a complaint, coupled with work done by forces to improve local access to the complaints system, has contributed to a reduction in the volume of direct complaints received during 2010/11.

- We saw a further increase in the number of appeals made to us during 2010/11. However, by improving the way we process appeals and using a national allocation system, we have in recent months, completed more appeals per month than we have received and thus reduced the time taken and eliminated our backlog. We continue to uphold approximately 30% of appeals.
- Feedback we have sought from people submitting appeals to us consistently shows that approximately half are satisfied with the way we handled their case; a positive indicator, given the nature of our business.

See page 46 onwards for a detailed review of our delivery against our plans and targets.

### **Better value for money – proactively meeting the Comprehensive Spending Review challenge**

In common with the public sector generally, the IPCC needs to manage within a diminishing budget during the Comprehensive Spending Review period, along with coping with inflation and associated increased costs. The benefits of our early work described above have put us in a strong position to handle the challenges. We have already made the required savings for the April 2011 - March 2012 period and we are well on the way to making the further savings needed for 2012/13 by reducing our back office and support costs. I am confident that we will be able to focus our resources to meet the Commission's priorities.

We will continue to work with forces to improve the experience of those making complaints against the police and to reduce the bureaucracy and cost attached.

We will continue to share learning, particularly from what the public tell us through submitting direct complaints and from our handling of their appeals. In these ways we will support forces to help them get their complaint handling 'right first time' through prompt, proportionate and professional responses to complaints.

It is our intention to continue to focus resources on meeting our statutory responsibilities, delivering an effective service to the public and ensuring that those areas of policing and the complaints system that impact most on levels of public confidence are given highest priority. We will work with community stakeholders, the voluntary sector and other expert organisations to draw on their experience and to help us in our role and help the police to improve their responsiveness. Elsewhere in this report, we refer to the six priority issues on which we are consulting stakeholders and which my team and I will be supporting the Commission to address in the forthcoming year.

I should like to finish by thanking my Directors and staff for all their hard work and commitment over the past year. The excellent progress that we have made, and which is reported here, is thanks to their considerable skill and dedication.

This is Len's last year as a Commissioner; I have very much appreciated his leadership and support as interim chair during the interregnum that followed the departure of Nick Hardwick. I know that Len will be missed by the IPCC and many associated with our work to improve the police complaints system. We hope that the new Chair for the IPCC will be announced very shortly.



**Jane Furniss**

Chief Executive and Accounting Officer  
June 2011

# About us

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## Establishment and powers

The Independent Police Complaints Commission (IPCC) was established by the Police Reform Act 2002 and began work in April 2004. Our primary purpose is to increase public confidence in the police complaints system in England and Wales.

The Police Reform Act sets out the statutory powers and responsibilities of the IPCC, chief police officers and police authorities for the complaints system. The Act:

- guarantees the **independence** of the Commission
- outlines the IPCC's role as **guardian** of the police complaints system<sup>1</sup>
- gives the IPCC a duty to raise **public confidence** in the police complaints system

Police forces deal with the majority of complaints against police officers and police staff. The IPCC oversees the whole of the police complaints system and sets the standards by which the police should handle complaints.

The IPCC is independent – by law, none of our Commissioners can have worked for the police service in any capacity. We make our decisions independently of the police, Government, complainants, and interest groups. This means that:

- all complaints must be dealt with in accordance with legislation and the guidance issued by us and agreed by the Home Secretary

- all complainants who have their complaints dealt with by the police in the first instance have a right of appeal to us
- we will independently investigate the most serious incidents and complaints
- we will report publicly on the outcome of our investigations and make local and national recommendations as appropriate to help to ensure that the same thing does not go wrong again

## SOCA, HMRC and UKBA

Since April 2006, the IPCC's remit has included serious complaints relating to staff at the Serious Organised Crime Agency (SOCA) and Her Majesty's Revenue and Customs (HMRC). Since February 2008, our jurisdiction has been further extended to include serious complaints and conduct matters relating to officers and officials at the UK Border Agency (UKBA). Pages 42-45 explain more about our work with these organisations during 2010/11.

1. Please see page 127 for further information about our guardianship work during the period under review.

## Our purpose and aims

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At the heart of our work is the belief that public confidence in the police complaints system will lead to greater trust in the police service as a whole, and that, in turn, will contribute to increasing the police's overall effectiveness.

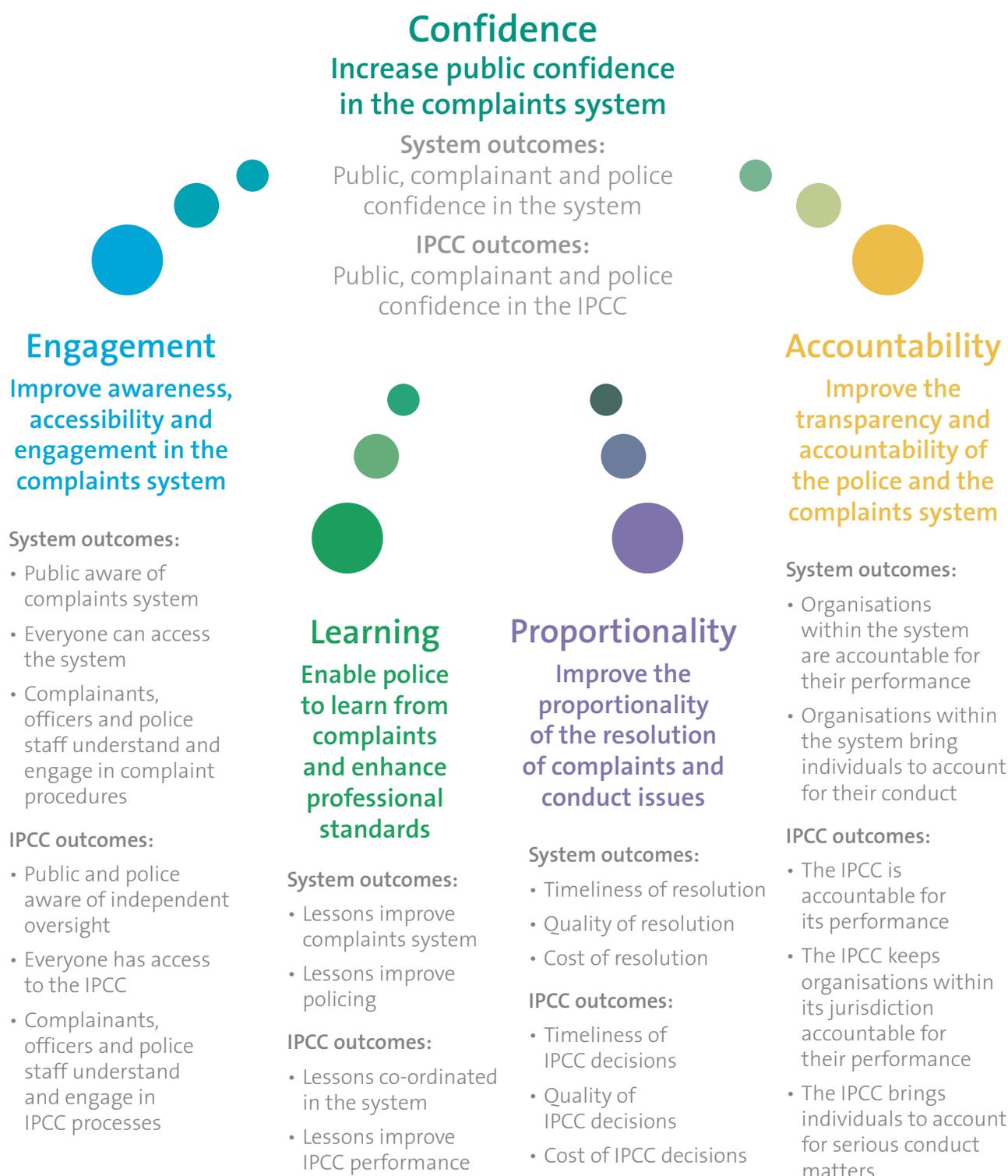
Figure 1 sets out our purpose and the four overarching aims that support it. For each aim, we have developed, with stakeholders, the key outcomes for both the system as a whole and the IPCC in particular. Against these outcomes, we have developed performance indicators for our performance framework (see page 29). The framework measures the achievement of our aims, and is used to judge the success of the complaints system, both as a whole and in terms of its constituent parts: the IPCC, police forces, and other parties.

In exercising our powers we are committed to five core values:

- **Justice and respect for human rights**
- **Independence**
- **Valuing diversity**
- **Integrity**
- **Openness**

These values underpin all the work that we do. They influence our plans, service delivery and engagement with the police, community and voluntary groups, and complainants. They are also reflected in the recruitment of our staff and Commissioners, and in the way that the organisation is run.

Figure 1:  
**Our purpose and aims**



# Our investigations

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## What happens when the IPCC receives a complaint or referral?

The most serious complaints recorded by forces must be referred to the IPCC. As well as these serious complaints, certain types of incident must be referred to us by the police, HMRC, SOCA, or UKBA, even where no complaint has been made. For example, when someone has died or been seriously injured following direct or indirect contact with a police officer, police staff member or staff from HMRC, SOCA, or UKBA using enforcement powers.

When the IPCC receives a complaint or referral, we can decide to return it to the force to be dealt with through local resolution or a local investigation. Alternatively, we can investigate it ourselves in a number of ways:

- **IPCC supervised investigations** are carried out under the direction and control of the police, HMRC, SOCA or UKBA, but supervised by the IPCC. Supervised investigations apply in cases where we decide that a case is of considerable significance and probable public concern. The complainant has a right of appeal to us about the outcome.
- **IPCC managed investigations** are conducted by the police, HMRC, SOCA, or UKBA, but under the direction and control of the IPCC. This usually occurs when the allegation is of such significance and probable public concern that its investigation needs an independent element.
- **IPCC independent investigations** are conducted by our staff into incidents that cause the greatest public concern, have the greatest potential to impact on communities, or have serious implications for the reputation of the police, HMRC, SOCA, or UKBA.

## What happens at the end of an investigation?

After examining the evidence, our investigations conclude by deciding whether a complaint is upheld or not upheld. A decision of not upheld would result if an investigation concluded that the treatment received by the individual involved was reasonable. Each decision will always be accompanied by a good-quality explanation of what an investigation has found:

- **Prosecution:** in managed or independent investigations where a criminal offence may have been committed, we will liaise closely with the Crown Prosecution Service (CPS) throughout. At the end of the investigation, we may refer the case to the CPS. The CPS is responsible for deciding if criminal charges should be brought. Any subsequent verdict and sentence is a matter for the courts.
- **Disciplinary action:** in cases where it is alleged that a police officer has committed a disciplinary offence, the IPCC will pass its investigation report to either the relevant force or police authority (depending on the seniority of the officer concerned). The investigation report will include recommendations relating to disciplinary offences. The IPCC can require a force to hold disciplinary proceedings, but the findings and any outcome are entirely a matter for the tribunal.
- **Sharing learning:** in some cases, our investigations may find no evidence of misconduct or criminal behaviour by individuals working for the police, but they may identify organisational learning. We make recommendations for changes to systems and processes in order to prevent the same thing happening again. We may also identify examples of poor performance, where personal learning or development opportunities can be used in order to address or improve an individual's performance in the future.

## Two high-profile cases finalised in 2010/11

### **Serious impropriety found after allegations concerning recruitment exercise**

In March 2010 the IPCC began two investigations into allegations of irregularities in a North Yorkshire Police recruitment exercise. The allegations involved Chief Constable Grahame Maxwell, Deputy Chief Constable Adam Briggs, a police constable and two members of HR staff.

An independent investigation was conducted into the allegation that CC Maxwell and DCC Briggs jointly assisted a relative in circumventing the first stage of the recruitment, and the further allegation that the Chief Constable had also assisted a member of his extended family. As a result of the findings of this investigation, the DCC faced a misconduct meeting, while the CC faced a gross misconduct hearing – the first time for 34 years a serving Chief Constable has faced such a hearing.

The misconduct meeting for DCC Briggs was held in December 2010. He was found to have breached the code of conduct on two counts in that he failed to challenge and report improper conduct and he was guilty of discreditable conduct. He received management advice.

The Chief Constable admitted gross misconduct on the opening day of his hearing in May 2011 and received a final written warning.

A managed investigation was conducted into the allegations that HR staff had used their position to help both themselves and acquaintances to progress in the recruitment exercise, while the Police Constable had assisted PCSOs, who he was training, in the same way. This investigation resulted in the two members of HR staff being dismissed after a hearing, while the Police Constable received a final written warning.

This was a very difficult investigation, largely due to the senior positions held by two of the officers subject to investigation. Senior officers and staff from North Yorkshire Police demonstrated courage when they decided to make a stand and challenge CC Maxwell

and DCC Briggs over their actions. The CC and his deputy are the two most senior officers in the force and are supposed to lead by example, setting the standards for others to follow.

### **Force missed opportunities to protect vulnerable family from escalating anti-social behaviour**

The IPCC conducted an independent investigation into the response of Leicestershire police to calls for assistance made by Fiona Pilkington, who died with her disabled daughter in October 2007.

Our investigation found that Leicestershire Police's error in not identifying Fiona Pilkington and her children as a vulnerable family lay at the core of their failure to provide a cohesive and effective approach to the anti-social behaviour the family suffered. Some action was taken by police and some officers did try to assist the family. However they failed to co-ordinate their efforts.

The IPCC made a number of recommendations to Leicestershire Police, which the force accepted, mainly around information sharing between officers and the handling of vulnerable people. It is clear that the force has learnt a number of lessons since the tragic deaths and has made some significant changes to the way they monitor anti-social behaviour and deal with vulnerable people. The force has also improved its management structures.

As a result of the independent IPCC investigation, four officers, an Inspector, a Sergeant and two police constables have a case to answer for misconduct and will face a misconduct meeting. One other constable is receiving management action from the force for unsatisfactory performance.

## Examples of some of our cases in 2010/11

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Evidence from our investigations, casework and guardianship allows us to identify specific areas that we need to focus on to ensure that we are using our resources to address the issues that matter to the public. The cases we have worked on during the period under review have informed our decisions about what these specific areas should be. You can read more about the areas we will be focusing on over the next year in our Corporate Plan (available at: [http://www.ipcc.gov.uk/Pages/corp\\_reports-plans.aspx](http://www.ipcc.gov.uk/Pages/corp_reports-plans.aspx)), but briefly, they are:

### Deaths and serious injury

- In police custody
- As a result of police use of firearms and less lethal weapons
- As a result of gender abuse and domestic violence, where it is alleged that the police have failed to protect the victim
- Following road traffic incidents, which it is alleged the police have caused or failed to prevent.

Additionally, and in view of the potential for significant public concern, we will also focus resources on learning arising from complaints and appeals in cases arising from:

- police use of stop and search powers, and other issues affecting young people's confidence in the police
- policing of protests and public order incidents

The case studies in this chapter set out some examples of investigations we have worked on, or released the findings of, during 2010/11. They are grouped according to the specific areas we will be focusing on in the coming year. Details of our guardianship work relating to some of these themes is available on page 31.

Also included in this chapter are some of the most high-profile cases, which have received significant media coverage.

These examples represent a small number of the issues we deal with. Information about other cases is available on our website at:

 [http://www.ipcc.gov.uk/Pages/investigation\\_reports.aspx](http://www.ipcc.gov.uk/Pages/investigation_reports.aspx)

## Deaths and serious injury in police custody

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The cases outlined below set out examples of investigations into deaths or injuries in or following police custody. Further information about our work in this area is available on page 31.

### ➔ *Investigation into death in custody finds unacceptable delay in transporting man to hospital*

Sean Hardy was arrested by Derbyshire Police in December 2006 and taken to a police station, from where he was taken to hospital and pronounced dead.

Following the conclusion of the inquest into Mr Hardy's death in August 2010, the findings of the IPCC investigation could be published. It found that a number of officers had recognised Mr Hardy's need for medical treatment – two custody sergeants had informed the arresting officers that Mr Hardy needed to be taken to hospital. However, the officers involved tried to get colleagues to take him instead.

Forty minutes later it was noticed that Mr Hardy was not breathing and an hour after he was first brought into custody an ambulance arrived.

Mr Hardy died of natural causes related to alcohol use, but the delay in taking him to hospital denied him his best chance of surviving.

*As a result of our investigation, four officers were subject to disciplinary action – two police constables received written warnings, an acting sergeant and a police constable received management advice.*

### ➔ *Man in custody suite self harms using smuggled blade*

In July 2010, we began an investigation into how a man was able to smuggle a razor blade into a West Mercia Police custody suite and self harm.

The man had been arrested for his own safety and was taken into custody. His record showed warning markers for previous attempts at self-harm, mental health, and previous attempts to cut his wrists.

The investigation reviewed CCTV and custody records, which showed that the man had been placed in a cell under constant CCTV monitoring. A detention officer monitoring the footage then identified suspicious actions and went to the man's cell. He found the man bleeding from two cuts to his wrist. A razor blade was found under the mattress.

The investigation found that the search carried out on the man relied too heavily on hand-held metal detectors to check for objects that could be used to self harm. Unfortunately, the detector was not capable of revealing the presence of the very small blade. Therefore, the man should have been properly strip-searched before being put in a cell.

*There was no evidence of misconduct in this case and all the police officers and police staff involved were treated as witnesses.*

*Records showed that there had been a number of other similar cases in the West Mercia force area in the last year. The IPCC looked specifically at whether there was a common issue. Our investigations showed that this was not the case, and we were reassured by the positive way in which the force responded to our recommendations, which aim to ensure that similar incidents are avoided in future.*

## Firearms

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The cases outlined below set out examples of incidents involving firearms. Further information about our work in this area is available on page 32.

### ➔ *Police attempts to negotiate with armed man fail*

In May 2009 armed officers from Sussex Police shot 64-year-old Mervyn Tussler at his home. The police had been called by Mr Tussler's carers, who reported that they had been threatened by him and had concerns for his welfare.

The matter was referred to the IPCC and an independent investigation began immediately. We were able to publish our findings in November 2010 after an inquest into Mr Tussler's death concluded that he had been lawfully killed.

The investigation found that officers had tried to negotiate with Mr Tussler without success and had entered his flat more than two and a half hours after the incident began. As the officers searched the flat they entered his bedroom and were shot at three times. They tried to use a distraction grenade to safely detain Mr Tussler, but were shot at again when they re-entered the room. Officers then returned fire and killed Mr Tussler.

*Our investigation identified that Sussex Police's actions were consistent with Association of Chief Police Officers (ACPO) guidelines and with best practice identified by the National Negotiator Group and the National Police Improvement Agency (NPIA). Therefore, no misconduct actions arose from the incident.*

### ➔ *Non-fatal police shooting highlights failures in training*

The findings of an IPCC investigation, published in September 2010, highlighted concerns about the use of high-calibre weapons in confined spaces.

In January 2009, Bartholomew Buckley was seriously injured by West Yorkshire Police officers who had responded to reports of a domestic incident at his home. The findings of our subsequent investigation, which concluded in January 2010, were published after Mr Buckley was convicted of offences related to the incident.

The investigation found that several of the shots fired by the officers missed Mr Buckley and penetrated a wall behind him. These shots could, potentially, have injured or killed other people. The potential problems caused by 'over penetration' have been raised with ACPO for consideration by their police firearms working group.

*Our investigation found that the firearms officers had not committed any misconduct or criminal offences. However, their response to the threat posed by Mr Buckley – who was drunk, and confronted them despite knowing that they were armed – was chaotic and characterised by poor decision making. It concluded that a lack of training for such a scenario contributed to their ill-considered response.*

## High-profile cases update

### ➔ **The death of Mark Saunders**

The findings of the IPCC's investigation into the death of Mark Saunders, who was shot dead by officers from the Metropolitan Police Service (MPS) following an armed siege at his home, were published after the inquest into his death concluded in December 2010.

Our investigation concluded that:

- *the strategy and tactics used were appropriate to the situation*
- *the strategy and tactics were within national and force guidelines in place at the time*
- *the actions of the firearms officers involved were justified.*

However, it also highlighted concerns about confusion between roles, and a lack of options for dealing with vulnerable people in firearms situations. The investigation's recommendations included the need for greater co-operation between forces and GPs during the firearms licence application process, to ensure that applicants give truthful information about any medical conditions they may have (see page 32 for more information about our work in connection with firearms licencing).

After the inquest into Mr Saunders' death finished, allegations were made that an officer had deliberately inserted song lyrics into the evidence he gave. Our investigation into this matter concluded that the officer did not deliberately insert song titles into his evidence, but that he did make a comment that led colleagues to believe that he had. Therefore, he acted in a manner that brought the MPS into disrepute and faced misconduct action.

The findings of this investigation raised questions about the suitability of the officer involved to be a firearms officer and, therefore, the Force's vetting, assessment and welfare systems. The MPS agreed to review these matters in response to discussions with the IPCC Commissioner who oversaw the case.

### ➔ **The death of Raoul Moat**

In July 2007, the IPCC began two independent investigations linked to events concerning Raoul Moat, who died at the end of a high-profile police manhunt in July 2010.

Initially, while Northumbria Police were still conducting a man hunt to find Moat after he shot his former girlfriend, her new partner and a police officer, a referral was received from the force relating to the handling of intelligence it had received from HM Prison Service. The intelligence concerned threats that Mr Moat had made towards his former girlfriend, Samantha Stobbart.

After Moat's death, a further investigation began. This is looking at the police response to the sighting of Raoul Moat at 7:25pm on 9 July 2010, and at his subsequent containment, through to his being pronounced dead at 2:22am on 10 July 2010. The investigation will take account of the command strategy and tactics adopted during the operation.

*Both of the investigations relating to Raoul Moat are ongoing at the time of writing. The findings will be passed to the Coroner for use at an upcoming inquest.*

## Gender violence

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The cases outlined below set out examples of investigations into cases which have identified gender violence issues. Over the past few years, a growing number of referrals of cases involving violence and abuse of women has made gender and domestic abuse an important theme in our work. In response to this, we continued to operate a gender violence strategic support group. The group was instrumental in helping the IPCC to update its guidance on formulating recommendations in investigations and developing a standard set of terms of reference which can be used in all relevant investigations.

A cluster of gender violence cases in Wales led to a joint event with police forces – see page 40.

### ➔ **Failure to identify warning signs leads to officers facing misconduct meeting**

In April 2010, Simon Lockton stabbed his former partner five times outside a primary school in Leicestershire. He was subsequently convicted of the attack and sentenced to an indeterminate life sentence.

The IPCC investigated how police had responded to a number of previous incidents leading up to this attack where the woman had been harassed by Simon Lockton. The investigation examined police logs relating to their contact with the victim and Simon Lockton, and looked at relevant force policies and intelligence systems. It also took into account statements from the victim and from a number of police officers involved.

Our investigation found that police dealt with each incident in relative isolation, despite a limited number of Leicestershire Police officers being involved. It also found that police adopted a haphazard approach, characterised by a lack of positive action by officers and their supervisors when dealing with the victim.

Officers failed to recognise several warning signs, which should have alerted them to the increasing risk that Simon Lockton represented. They failed to carry out proper risk assessments and complete paperwork in accordance with force policy and procedures.

*As a result of the IPCC investigation two police constables will face a misconduct meeting.*

### ➔ **PC sentenced to life after managed investigation**

In November 2010, Northumbria PC Stephen Mitchell was convicted of two counts of rape, three indecent assaults and six counts of misconduct after he stood trial at Newcastle Crown court.

PC Mitchell was convicted following an investigation into his activities conducted by Northumbria Police's Professional Standards Department (PSD) and managed by the IPCC. The investigation found that PC Mitchell used his position as a police officer to assault women. Mitchell's trial heard that he targeted vulnerable women, including heroin addicts and shoplifters, by offering to help them while they were in custody at Newcastle's Pilgrim Street police station and then asking for sexual favours.

His victims showed great courage in coming forward and giving overwhelming evidence against him. Their experiences of Mitchell left many of them in fear and we pay tribute to their bravery in being prepared to give evidence.

*A police officer is a public servant who is there to help protect individuals. This shocking case sends a strong message to the public – a police uniform does not bestow powers that make officers above the law. Following his conviction, Mitchell was sentenced to life imprisonment.*

## Road traffic incidents involving police vehicles

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The cases outlined below set out examples of investigations into road traffic incidents (RTIs) involving the police. Further information about our work in this area is available on p31.

### ➔ *Investigation launched after man seriously injured during police pursuit*

An incident in February 2009 during which a Nottinghamshire Police van mounted a pavement and pinned a suspect against metal railings, fracturing the man's pelvis, prompted the IPCC to begin an investigation which led to an officer and member of police staff being subject to misconduct proceedings.

Our investigation found that the sergeant involved should not have pursued the car because it is against force policy to use a van for this purpose. In addition, he was not trained or authorised to conduct pursuits. The investigation concluded that his actions in crossing a carriageway and mounting the footpath were unacceptable. It also found that a control room operator failed to apply the force policy on vehicle pursuits.

The police sergeant attended a misconduct meeting in July 2010 and received a written warning. The control room operator was to receive management action in connection with failing to follow Nottinghamshire Police procedures. However, this has been discontinued due to welfare issues.

*A file of evidence regarding the conduct of the police sergeant was submitted to the CPS, which decided that there was no criminal case to answer.*

### ➔ *Careless driving leads to conviction*

In July 2010, Special Sergeant Mykal Trim of Suffolk Police was found guilty of careless driving following an investigation managed by the IPCC.

Special Sergeant Trim had responded to reports of a car that had failed to stop for a colleague. He attempted to perform a three-point turn, but while the police car was across the carriageway it was hit by the same car Sergeant Trim's colleague had reported for not stopping.

Evidence showed that Special Sergeant Trim would have seen the car approaching ten seconds before he attempted the turning manoeuvre. Therefore, his actions were careless and endangered him, his colleague and the other driver.

Sergeant Trim had received the basic level of driver training and, in line with guidance affecting the duties of Specials, had not activated emergency equipment. Also, Specials are not allowed to engage in pursuits and can act in an observational capacity only.

*He received a six-month disqualification from driving, a £1,000 fine and was ordered to pay £300 costs.*

## Stop and search

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The case below is an example of an IPCC investigation involving stop and search. You can read more about our work in relation to stop and search on our website at:

 <http://www.ipcc.gov.uk>

### **Officer convicted of common assault after IPCC investigation**

*In March 2011, a magistrate found PC Marcus Ballard – an officer with the Metropolitan Police Service (MPS) – guilty of common assault. He resigned on the day of his conviction and was sentenced to 150 hours community service and ordered to pay £1,000.*

Our investigation followed an incident where a 16-year-old boy was pushed through a shop window during a stop and search.

The trial followed an independent IPCC investigation, during which CCTV from the area where the incident took place was gathered. This showed the boy with his hands in his pockets, not acting in a threatening manner as PC Ballard approached him.

PC Ballard was shown taking hold of the boy's arm to turn him around. He then grabbed his jacket, and forcibly pushed him backwards towards a shop window.

Police officers are entitled to use force where necessary to defend themselves and members of the public. However, the CCTV and witness evidence clearly showed that, in this case, the officer had no need to be aggressive.

This case highlighted young people's concerns about the use of stop and search, and the manner in which it is conducted. The witnesses to this incident were predominantly young black men – our 2009 public confidence survey showed that 47% of black respondents thought that the IPCC was part of the police, compared to 25% of white respondents. Our staff worked hard to convince these witnesses of our independence from the police service, and to allay any fears they had about possible repercussions of giving statements to our investigators.

We hope that this case shows young people that engaging with the complaints system can help to improve how sensitive procedures like stop and search are carried out.

## The policing of protests

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Following the student protests in late 2010 the IPCC began two independent investigations – one into an allegation that a 20-year-old man suffered a serious head injury as a result of being struck with a truncheon at the demonstration on 9 December 2010. The second investigation is looking at allegations that a young man was falsely arrested and that excessive force was used on him.

The IPCC is also closely supervising five investigations being conducted by the MPS Directorate of Professional Standards. Supervising a number of linked investigations allows the IPCC to monitor the investigations to identify themes and issues.

In addition, in October 2010 footage emerged of an English Defence League demonstration in Bolton, which took place in March 2010. This demonstration drew a counter demonstration by an organisation called Unite Against Fascism. As a result of the footage, the IPCC is managing an investigation which is examining allegations of excessive force, unlawful arrest and attempting to pervert the cause of justice.

*At the time of writing all of these cases are ongoing.*

## High-profile cases update

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### **The death of Ian Tomlinson**

In April 2009 Ian Tomlinson died during the G20 demonstrations in central London and the IPCC began an independent investigation into the circumstances leading to his death.

Our investigation gathered more than 1,200 hours of video footage, hundreds of still images and statements from more than 200 witnesses and experts. A file of evidence was presented to the Crown Prosecution Service (CPS) in August 2009.

The CPS decided in July 2010 not to prosecute the officer and the IPCC investigation report was subsequently provided to the MPS to consider misconduct proposals, and to the Coroner and all interested parties in preparation for the inquest.

#### **Inquest verdict**

The inquest into Mr Tomlinson's death began on 28 March 2011. On 3 May 2011, a jury returned a verdict of unlawful killing.

The IPCC then announced that it had directed the MPS to hold the gross misconduct hearing in public, a decision made before the inquest, but not announced till its completion at the request of the Coroner.

In light of the evidence heard at the inquest, the CPS carried out a review of the case and on 24 May, the Director of Public Prosecutions announced that PC Simon Harwood will be prosecuted for manslaughter. IPCC investigators will continue to work with the CPS to assist in the preparation for those criminal proceedings.

As well as investigating Mr Tomlinson's death, the IPCC independently investigated complaints from his family about how the police handled the media in the days after his death, and about a briefing given to a pathologist by an MPS officer.

The investigation into how the police handled the media found no evidence that anyone involved set out to deliberately mislead. The investigation into the briefing given to a pathologist by an MPS officer found no evidence to suggest that the officer intended to mislead the pathologist, but that he was inaccurate and reckless in his briefing.

### **Other cases arising from the G20 demonstrations**

The MPS referred 83 complaints to the IPCC in connection with the policing at the G20 demonstration. Aside from those related to Mr Tomlinson's death, three further incidents were independently investigated:

1. A woman alleged that she was assaulted by a MPS Sergeant, who struck her with his hand and baton. The matter resulted in a trial at Westminster Magistrates Court and the officer was found not guilty.
2. A woman alleged that she was assaulted resulting in a file being presented to the CPS, which decided that there was insufficient evidence to bring charges.
3. A woman alleged that she was assaulted while trying to leave the Climate Camp on Bishopsgate. After its investigation, the IPCC made recommendations to the MPS about the use of shields, improving communications, and allowing people to leave areas of containment.

The policing of public demonstrations has raised concern in recent years, especially with the advent of technology that allows demonstrators to share footage of interactions with officers during demonstrations.

### **G20 appeals**

As well as conducting a number of independent investigations arising from the G20 protests, we also dealt with a number of investigation appeals. These were submitted following the conclusion of supervised or local investigations into complaints.

In total, the IPCC received 10 investigation appeals. After consideration, six of these were upheld. The main theme of the appeals we upheld was the determination that there had been an unjustified use of force by officers. Although in some cases it was impossible to identify the specific officer involved, the IPCC made recommendations to the relevant forces that they should accept responsibility and provide each of the complainants with an apology.

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## How the findings of our investigations can highlight where changes are needed

Our investigations often uncover lessons that can be shared more widely in order to avoid a similar situation arising again. Some examples are included here.

## Recognising when anti-social behaviour is a symptom of more serious issues

In March 2011, the IPCC published the findings of its investigation into the response by Greater Manchester Police (GMP) to anti-social behaviour suffered by David Askew and his family.

Mr Askew, 64, collapsed and died in the rear garden of his home in March 2010 after an incident involving local youths. Prior to this, he and members of his family had contacted the police many times about incidents of anti-social behaviour – between January 2004 and March 2010 88 incidents involving the family were reported.

Our investigation identified systemic failures within GMP. Although the incidents had been dealt with diligently on an individual basis, the Force had never taken a holistic, strategic approach to remedying the situation.

The Force's response lacked consistent identification of, and response to, the vulnerability factors affecting the Askew family. Mr Askew had learning difficulties and the definition of hate crime adopted by GMP listed disability as one of the motivations for hate crime.

Because the incidents involving the Askew family were never recorded as hate crime by any of the police officers or call handlers involved, the opportunity to deal with the incidents at a more strategic level was missed.

GMP has since undertaken work to learn lessons from this case. Strategies and structures are now in place to tackle anti-social behaviour; this includes the identification of vulnerability, repeat victimisation and offender management.

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## Investigation highlights need for national approach to use of the ANPR system

On 25 October 2009, Ashleigh Hall was murdered by Peter Chapman after he befriended her on the social networking site, Facebook. The IPCC subsequently began an investigation into how Cleveland Police, Durham Constabulary and North Yorkshire Police responded to intelligence from the Automatic Number Plate Recognition (ANPR) system. The results of our investigation were published in February 2011.

Merseyside Police had added information to the Police National Computer (PNC) on 23 October 2009 stating that Mr Chapman was wanted for arson, breach of the sex offenders' register and theft. The information was that he was driving a blue Ford Mondeo car. The report was given a medium priority.

Our investigation found that in the three days after Merseyside Police had added intelligence about Mr Chapman's car to the PNC, his car generated 16 hits from static locations on police force cameras in Cleveland, Durham and North Yorkshire. However, each of the Forces looked at as part of this investigation had a different approach to using this information, ranging from Cleveland Police monitoring the hits 24 hours a day, seven days a week, to North Yorkshire Police monitoring hits only in relation to specific operations.

Mr Chapman confessed to Miss Hall's murder and led police to her body. He pleaded guilty to murder at Teesside Crown Court on 8 March 2010 and was sentenced to life imprisonment. It is impossible to say with certainty whether better use of the ANPR system could have prevented Ms Hall's murder. But it is clear that opportunities were missed – it took 16 hits on the ANPR system before Chapman was finally arrested.

Following a call by the IPCC for a full review of how the ANPR system is operated, a working group has been set up to ensure that consistent policies are in place across all forces, with information prioritised and inputted accurately.

The next chapter explains how our findings have helped to develop changes that will make vehicle pursuits safer.

# What the public and our research tell us about the police complaints system – and how we are responding

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## Does the public have confidence in the police complaints system?

Our public confidence survey is an important way of gauging the opinions of the general public. It helps us to measure trends in the levels of public confidence in the complaints system both as a whole, and in specific areas. It asks people about:

- contact with the police
- willingness to complain
- barriers to complaining
- ways in which members of the public may wish to complain
- awareness of the IPCC.

## Do people know about and trust the IPCC?

Levels of public confidence in the IPCC continue to be high according to surveys carried out in 2009 and 2011.

The results of the 2009 survey, carried out on our behalf by the British Market Research Bureau, were published in May 2010. The results of the survey carried out in early 2011 were published in June 2011.

The 2011 survey showed a significant increase in the number of people who said they would be willing to complain about the police – up from 59% in 2009 to 68% in 2011. This rise was most marked among ethnic minority respondents, who are now almost as likely as their white counterparts to say that they are willing to complain.

However, although 85% of people thought they would be treated fairly by the IPCC, the figure was lower for ethnic minority respondents – 68% compared to 87% for white respondents. This gap remains similar to that found in previous years.

The 2011 survey also shows that awareness of the IPCC is lower among younger people, lower socio-economic groups, ethnic minorities and people from London. It tells us that black and Asian respondents and those from lower socio-economic groups continue to be more likely to think that the IPCC is part of the police.

In response to these findings, we have continued to build relationships with community groups and other specialist voluntary organisations – for example, those dealing with issues such as domestic violence and mental health. We are taking all available opportunities to explain how the police complaints system works, provide details of its investigations and listen to people's comments on the system. We are also working to communicate in different ways, for example by using social media channels such as Twitter and You Tube. These channels help us to reach a wider audience directly. All of this will help to improve the service we provide, and the way the complaints system operates.

## What people tell us about our service

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While statistics are helpful, there is no substitute for hearing from people who have direct experience of using the police complaints system. Listening to people's experiences is essential if we are to be sure that we are meeting the expectations of those we serve.

### Feedback from people involved in our investigations

We have carried out two surveys that sought feedback from people with experience of our independent and managed investigations. The first surveyed complainants whose complaint had been dealt with through an independent or managed investigation. The second surveyed police officers and staff who had been subject to one of these types of investigation.

Most respondents reported that they received information at the start of the investigation and were provided with updates, which they found clear and useful. Many of those who did not receive updates viewed this as a significant omission. The routine provision of proportionate and consistent information during and at the end of an investigation, and an opportunity for more direct contact with IPCC staff, were highlighted as important areas for improvement.

Respondents were asked to comment on how they felt the IPCC could improve its work in the future. Speeding up investigations and ensuring that they are proportionate to the matter under investigation were clearly viewed as high priorities. Ensuring that explanations for delays are provided – and demonstrating sensitivity to the impact that such delays can have on those involved – were also seen as significant to improving the overall experience of those involved in an IPCC investigation.

Since carrying out this research, we have begun to implement improved processes and ways of working in our Investigations Directorate. These changes have resulted in us being able to carry out a higher number of independent investigations, and in us completing these investigations more quickly. More information about our investigations performance is available on page 48. We are also working to improve the way we communicate during our investigations.

### Listening to people who submit an appeal to us

We also published the findings of research into the views of people who appeal to the IPCC. Our survey aimed to develop an understanding of the views and experiences of people who made an appeal to the IPCC. Its main focus was on discovering appellants' views about how their appeals were handled rather than on recording people's feelings about the appeal decision.

We sent the questionnaire to 1,629 people whose appeal was completed by the IPCC during the 2008/09 financial year. We received 632 completed questionnaires – a response rate of 39%. Many respondents reported feeling that the IPCC handled their appeal well. However, a much lower rating was given in relation to the fairness of the appeal. Ratings were also low in terms of overall satisfaction levels.

Feedback questionnaires are now sent out to our customers as a matter of course. Over time, the responses in completed questionnaires will enable us to monitor trends and respond to the issues they raise. Recent feedback has confirmed the key findings of the survey. We have sought to address low ratings around fairness and satisfaction in a number of ways.

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We continue to experiment with our communications, focusing particularly on refining the information that we send out at the start and end of an appeal. The objective is to ensure clarity about what the process involves, and what actions may occur if an appeal is upheld. We have also aimed to ensure that letters outlining the findings of appeals deal with all the points raised at the start of the appeal, and are easy to understand. Additional work with forces to improve complaints handling and reduce appeals is outlined below.

## Assessing how the complaints system is performing

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The majority of complaints are dealt with by the police force concerned. The IPCC works closely with forces to monitor the complaints system as a whole and identify ways to improve the way it works, ensuring it meets the needs of people who use the system.

The IPCC and key stakeholders have agreed a new system for assessing performance in relation to complaints. It is now possible to assess how well the overall system is performing, as well as looking at the performance of individual forces and the IPCC.

The IPCC now routinely collects data from all forces across England and Wales after the end of each quarter and uses this to produce a year to date report for each force. These reports are available on our website, along with any commentary that forces have provided.<sup>2</sup>

### Complaints data for 2009/10

In February 2011, we published complaints statistics for forces in England and Wales for the financial year 2009/10.<sup>3</sup>

Work between the IPCC and key stakeholders has led to nine key indicators (see Table 1) being used to measure performance. Forces and members of the public can use these to judge objectively how well complaints are being handled.

A total of 33,854 complaint cases<sup>4</sup> were recorded during 2009/10 – an 8% increase compared to the previous year. Further data is contained in the report, which is available at:

 [http://www.ipcc.gov.uk/Documents/complaints\\_statistics\\_09-10.pdf](http://www.ipcc.gov.uk/Documents/complaints_statistics_09-10.pdf)

3. The 2009/10 statistics were published later than in previous years due to the release of revised Statutory Guidance to police forces, which became operational in April 2010 (see page 33). This involved some changes to IT applications and we made the decision that it would be best to wait for these changes to take place before collecting any data.
4. The 33,854 complaint cases recorded excludes British Transport Police.

2. Please see: <http://www.ipcc.gov.uk/Pages/stats.aspx>

Table 1 **Key indicators in the handling of complaints**

Measure	2008/09	2009/10
Percentage of complaint cases recorded within 10 working days	82%	84%
Average number of days to locally resolve allegations	53	62
Average number of days to investigate complaint allegations – local police investigation	179	145
Average number of days to investigate complaint allegations – supervised police investigation	294	412
Average number of days to finalise complaint cases (not including sub judice <sup>5</sup> )	85	90
Average number of days to finalise complaint cases (including sub judice)	100	100
Appeals to IPCC as a percentage of allegations completed by local or supervised investigations	15%	15%
Appeals to the IPCC as a percentage of allegations completed by local resolution	2%	3%
Percentage of all appeal types upheld	29%	29%

### Complaints data for 2010/11

We will publish complaints statistics for 2010/11 later this year.

5. Sub judice refers to a case or matter that is before a court or judge for determination.

## Deaths in or following police contact – and work to help reduce these

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The Learning the Lessons Bulletins referred to above have included lessons arising from several cases where people have died in police custody, or soon after being in contact with the police. Collating and sharing learning about such deaths can play a big role in helping to reduce these tragedies.

In December 2010, we published the results of an 11-year study into deaths in or following police custody. The study examined trends in the incidents, and looked at a range of themes, including risk assessment, restraint, and mental health.

The report identifies lessons that can be learnt. It also includes recommendations for police forces and the health service to improve practice in this area and prevent further deaths. The report is available at:

 <http://www.ipcc.gov.uk/Pages/deathscustodystudy.aspx>

At the same time, we published the annual statistics on deaths in or following police contact for 2009/10.

The report is available at:

 [http://www.ipcc.gov.uk/Documents/Deaths\\_Report\\_2009-10\\_v5.pdf](http://www.ipcc.gov.uk/Documents/Deaths_Report_2009-10_v5.pdf)

### Deaths statistics for 2010/11

Our report setting out the 2010/11 statistics on deaths in or following police contact will be published on the same day as this annual report. In 2010/11, the following number of fatalities occurred within each death category:

- 26 road traffic fatalities
- 2 fatal police shootings

- 21 deaths in or following police custody
- 52 other deaths following police contact
- 46 apparent suicides following release from custody

The full report is available on our website at:

 [www.ipcc.gov.uk](http://www.ipcc.gov.uk)

### Ensuring that vehicle pursuits involving the police are as safe as possible

In February 2011, the Minister for Policing, the Rt Hon Nick Herbert MP, agreed to a proposal from the IPCC and the Association of Chief Police Officers (ACPO) to codify<sup>6</sup> ACPO's guidance on the management of police pursuits. This followed the publication in 2007 of the IPCC's research on police-related road traffic incidents.<sup>7</sup>

One of the recommendations in our report was that the ACPO guidance on the management of police pursuits should be made the subject of a statutory code. This received support from all police bodies, and Home Office Ministers were keen to see progress in this area. Ministers agreed and the process of codification began, but stopped again in 2010 with the formation of a new government. The IPCC continued to pursue the matter.

At a meeting in January 2011 various national stakeholders again agreed the need for a statutory code and subsequently the Minister for Policing was written to. At the end of February, the Minister agreed that the guidance should be made the subject of a statutory code and this was laid before Parliament on 23 May 2011.

6. Codification is the process of collecting and restating the law in a certain area.

7. Available at: [http://www.ipcc.gov.uk/Pages/reports\\_rti.aspx](http://www.ipcc.gov.uk/Pages/reports_rti.aspx)

## **Evidence from our investigations involving firearms**

The process through which people apply for firearms licences has come under increasing criticism in the wake of various high-profile incidents, such as the death of Mark Saunders. The IPCC's Chief Executive Jane Furniss and Commissioner Tom Davies gave evidence to the Home Affairs Select Committee in October 2010 as part of the Committee's ongoing inquiry into firearms control. They used the opportunity to highlight some of the learning arising from our investigations in this area, and to discuss some of the recommendations put forward by the Firearms Strategic Support Group set up by the IPCC in 2007.<sup>8</sup>

The majority of questions the Select Committee asked sought extra detail on the information we provided in our written submission to the Committee. The main focus was on the use of medical information during the process for granting or revoking a firearms license, the scale of the firearms problem, and conclusions arising from investigations, like those carried out after the deaths of Mark Saunders and Raoul Moat (see page 18).

After appearing before the Committee, we also provided its members with further written evidence about the learning from relevant investigations.

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8. As well as the IPCC, the Firearms Licensing Strategic Support Group included representatives from the Home Office, ACPO, the Police Federation and the National Police Improvement Agency. The Group looked at what action needed to be taken in the wake of a series of deaths and other cases involving licensed firearms.

## Working with forces to ensure that the complaints system meets users' needs

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We use performance data to help establish how well the police complaints system is working – and to determine where it needs to improve. Using this information, and feedback from people who use it, we identify how we can improve the way the system works.

### Statutory Guidance – the foundation of a complaints system that puts things right

The introduction of our revised Statutory Guidance<sup>9</sup> to forces in April 2010 allowed us to introduce many of the changes recommended by our 'Stock Take'<sup>10</sup> of the complaints system. The main conclusion of the Stock Take was that the complaints system should focus primarily on the experience of the complainant and what – if anything – could be done to put things right.

Our revised guidance reflects the experience we have gained over the first five years of our operation. It also seeks to increase the emphasis on learning and improving individual and organisational performance. The revised Guidance is now in use and has been well received by forces.

### Ensuring that members of the public receive good customer service

Our analysis shows us which forces have a high percentage of upheld appeals.<sup>11</sup> It also shows us the key reasons why appeals have been upheld. By working with forces to improve the way they deal with complaints, as described in the section below, we want to embed better customer service and increase levels of satisfaction among complainants. This will also lead to a reduction in the number of appeals made to the IPCC and a general reduction in avoidable costs across the police complaints system.

### Increasing local access to the complaints system – and getting it 'right first time'

The majority of complaints are dealt with locally by police forces. We are working with PSDs to help them, and local managers within their forces, 'get it right first time'<sup>12</sup> – which will help to drive up overall levels of public confidence in the complaints system.

This 'getting it right first time' approach is a key part of our Access Strategy.<sup>13</sup> The strategy sets out exactly how the IPCC offers its services to customers and stakeholders, seeking to meet their needs using the most efficient and effective methods. It also describes how we are working with forces to help them improve access to the complaints system at the local level.

9. The Statutory Guidance provides police and police authorities with guidance on dealing with complaints (<http://statguidance.ipcc.gov.uk>).

10. The Stock Take was a review of the police complaint system, carried out in collaboration with stakeholders in 2007.

11. <http://www.ipcc.gov.uk/en/Pages/appeals-against-handling-of-complaint.aspx>

12. By this, we mean providing a prompt, proportionate, professional response to complaints, that meets their reasonable expectations.

13. <http://www.ipcc.gov.uk/Documents/finalaccessstratagy.pdf>

### **Increasing access – saving time and reducing bureaucracy**

The IPCC believes that the best way for members of the public to complain about the police is for them to approach their local police force – and our research shows that the majority of complainants would prefer to complain directly in this way.<sup>14</sup> This approach allows the force concerned to put things right quickly – and to avoid the same situation arising again.

However, many people complain to the IPCC either because they have tried, unsuccessfully, to raise a complaint with the force concerned, or because they lack confidence that their complaint will be dealt with effectively at the local level. Complainants are then passed between the IPCC and the force before being able to access the complaints process.<sup>15</sup> This can be frustrating and causes delays.

Complaining direct to the force concerned offers several benefits:

- it saves the complainant time
- it makes the process less bureaucratic
- it allows the IPCC to focus its resources where they can make most impact

14. Direct complaints survey: a survey seeking feedback from people who complain directly to the IPCC (<http://www.ipcc.gov.uk/Documents/Direct%20complaints%20report%20-%20Nov%202010.pdf>).

15. This is because, by law, all complaints must be recorded by the appropriate police force. Therefore, where the IPCC receives a complaint, it must pass it to it to the force for recording, with the consent of the complainant.

The facility to complain via the IPCC is still available as a safety net for people who have a valid concern about making a complaint direct to the police, and for people who need additional support or guidance.

We have been working closely with forces to ensure that they are providing members of the public with adequate access to the complaints system, and that the information they provide emphasises the process for complaining direct to the force. We have also provided forces with a template for their web pages to help them to set out clear information about how people can make a complaint. This was well received. As well as this, we have also restructured the information on our own website to make it more accessible.

### **Helping forces to learn from each other**

The police complaints system is a powerful tool for improving policing. When investigations are conducted into complaints or conduct matters, valuable lessons can be learnt – not only by the force concerned, but by forces across England and Wales.

The multi-agency Learning the Lessons Committee,<sup>16</sup> which the IPCC chairs, helps the police service to improve by sharing learning arising from investigations through a dedicated website and regular Learning the Lessons Bulletins. During 2010/11, we published three such Bulletins – two had a general theme (June 2010 and February 2011) and one focused on gender and domestic abuse issues.

Three further issues of the Bulletin will be published during 2011/12.

16. The Learning the Lessons Committee is a multi-agency committee which disseminates and promotes learning across the police service. Please see [www.learningthelessons.org.uk](http://www.learningthelessons.org.uk) for further information.

## Looking ahead

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The Police Reform and Social Responsibility Bill, which was introduced in December 2010, proposes significant changes to the policing landscape. The Bill proposes that the IPCC plays a role in ensuring the accountability of the new Police and Crime Commissioners (PCCs). It also proposes a number of changes to the complaints system based on the IPCC's Stock Take proposals, which we believe will improve the way the complaints system works and lead to a better service – both for people who make complaints and people who are the subject of a complaint.

Responding to the changes, especially in the context of revising our systems and processes, will be a big part of the work we do in the coming year as we continue to play our part in making sure that the new arrangements will deliver a system in which the public can have confidence.

# Our work in Wales

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## Police complaints – the numbers

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The IPCC's jurisdiction covers England and Wales and we have a dedicated Commissioner for Wales. We address national Welsh issues when delivering our services in Wales, and work with the Welsh Assembly Government to address both these issues and our specific statutory responsibilities.

We will publish complaints statistics for police forces in Wales for 2010/11 later this year.

## Our investigations and cases involving police forces in Wales

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### Investigation recommends changes after forces fail to respond adequately to calls for help

Following the conviction of Cyron Williams for the murder of Joanna Michael in July 2010, the IPCC published the findings of its investigation into how South Wales and Gwent Police dealt with emergency calls from Ms Michael before she was murdered.

Our investigation found that Ms Michael was denied timely help because of a fatal combination of technological and human errors. Firstly, emergency phone calls from Ms Michael's mobile phone were misrouted to Gwent Police by the mobile phone mast system when she was, in fact, in the South Wales force area. This slowed down the police response.

In addition, once the initial technological problems were overcome, the policies, training and communication systems operated by the two forces failed Ms Michael. The IPCC cannot say that an earlier response would have saved her life. What we can say for certain is that more could and should have been done for her. The service she received was below standard.

As a result of its investigation, the IPCC made recommendations about changes needed at both forces to help avoid similar tragedies. The forces accepted our recommendations in full. In addition, two call handlers who dealt with Ms Michael's request for help were subject to misconduct action. Cyron Williams was sentenced to life imprisonment with a minimum tariff of 20 years in prison.

### Officer's efforts fail to save man who became ill during a search of his home

In September 2010 Gwent Police officers executed a search warrant at the Caerphilly home of James Graham. While the search was taking place, Mr Graham became ill and was taken to hospital where he was pronounced dead.

The IPCC published the findings of its investigation after an inquest into Mr Graham's death in January 2011, which reached a verdict of accidental death.

During the police search, Mr Graham began to suffer breathing difficulties. When asked if he needed an asthma inhaler he said he did. However, a post mortem found that a package of heroin had blocked Mr Graham's airways.

The investigation found that the officers who attended Mr Graham's home were not aware he had swallowed any package, and that they took immediate action when they realised that he was suffering breathing difficulties, beginning cardiopulmonary resuscitation (CPR) and calling for an ambulance.

Our investigation established that the officers responded quickly and effectively to the situation, working together under difficult conditions. There is no evidence to suggest that the ultimate outcome could have been prevented if the officers had acted differently.

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## Woman's death highlights areas of weakness in force policies, procedures and training

In July 2010, the IPCC published the findings of its investigation into how North Wales Police responded to calls about the welfare of Brita Burns before she was found dead. The investigation found that force policies, training and procedures were poor.

Ms Burns' daughter had called North Wales Police in July 2009 at about 1.40am to express concern about her mother's welfare. She provided police with details of the area where she believed her mother to be. Approximately 12 hours later, Ms Burns' body was found near to where police had been told they could find her.

Our investigation found that there were no officers on duty in Caernarfon who had been trained in search or mental health issues. As a consequence, searches for Ms Burns were not carried out in a systematic or constructive way. The supervision provided to junior officers was also not as it should have been, and two sergeants received words of advice.

## Officer dismissed from force and jailed after covert operation

In June 2010 a former South Wales Police officer was sentenced to three and half years in prison Cardiff Crown Court after being found guilty of misconduct in public office, harassment, and inciting prostitution for gain.

PC Slater was arrested by South Wales Police in October 2009 and the matter was referred to the IPCC, which managed the investigation. The officer was brought to account after two women made allegations against him.

A covert police investigation was conducted, which established that, while on duty, Slater was meeting several different women and engaging in sexual activity with them in his police vehicle. On two occasions, Slater tried to persuade women to work as prostitutes for him.

The officer's trial heard that he used the police computer regularly to view details of a woman who worked as a prostitute and sent her threatening messages.

This man abused the position of trust a serving police officer is given, and his sentence sends a strong message that this will not be tolerated. The force conducted a fast-track misconduct process, which resulted in the officer being dismissed from the service in December 2009.

## Working in partnership to improve public confidence

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Each year we develop an engagement plan to support our guardianship role in Wales. This plan sets out how our national initiatives are best delivered given the local context, and ensures that we identify, and feed into our work, emerging issues from both the local community and policing sectors.

During 2010/11, we established productive working relationships with the Children's Commissioner for Wales, the Public Ombudsman for Wales and the Wales Audit Office. Regular meetings allow information about relevant issues to be shared, and also enable the IPCC in Wales to call on assistance from these organisations, if required, during investigations.

Key IPCC staff hold regular meetings with the Presiding Officer for the National Assembly, as well as with the Minister for Social Justice and Local Government. These meetings help to ensure that they are fully aware of our roles and responsibilities, and that we are informed about any local issues or concerns that they may have.

The Commissioner for Wales has continued to hold regular meetings with MPs and Assembly Ministers and, following the election for the Welsh Assembly Government in May 2011, we briefed several new Assembly Ministers on our role and responsibilities.

We also work with the Association of Chief Police Officers in Wales (WACPO) to ensure that we are actively engaged in the issues and challenges that Welsh forces are encountering. This forum provides a useful way for us to disseminate our key messages.

As in England, we are working with police authorities and other stakeholders in Wales to ensure that our performance framework data (see page 29) (complaints statistics provided by police authorities), and the Learning the Lessons initiative are used in a consistent and productive manner. This will help us to contribute to real improvements in the police service in Wales.

### Gender abuse

Work to address issues arising from gender abuse cases has continued across Wales during the year under review. IPCC staff met with a range of stakeholders (including the Welsh Assembly) to discuss key learning arising from a spate of serious cases, which involved all four Welsh police forces, over the summer of 2009. These cases involved four murders and one missing person. All were independently investigated by the IPCC.

After meetings with Chief Constable Napier of Gwent Police, who is the national lead on gender violence issues, an all-Wales conference was held in June to share this learning and promote multi-agency working in gender abuse cases.

This was the first time in Wales that the IPCC and police service had arranged a joint event to improve policing.

The domestic abuse conference was planned to ensure that the overlapping themes that the IPCC investigations identified could be acted upon across the four forces, so that policing best practice in Wales on domestic abuse could be developed. Delegates from all four Welsh forces attended the conference along with staff from the Home Office, Welsh Government, agencies from within government, community safety partnerships and voluntary bodies.

Representatives from each of the four Welsh forces set out at the conference how they implemented the IPCC learning recommendations in their force areas. The IPCC has also established official links with the Public Services Ombudsman of Wales, The Children’s Commissioner for Wales and the Wales NAO to allow early evidence to be passed to the Ombudsman if similar cases arise where other agencies are involved. This will allow the actions of health and social services agencies to be scrutinised along with the police.

### Mental health

The Welsh Assembly invited the IPCC, along with other professionals, to be involved in a group looking at forming guidance on the use of sections of the Mental Health Act in Wales. This follows the publication in 2008 of the IPCC’s research into the use of section 136.<sup>17</sup>

## Communicating in Welsh

In order to increase the number of Welsh-speaking staff in the Casework and Customer Services directorate, we created a new post in our Cardiff office. This post was advertised as an essential Welsh speaker. The post holder is responsible for answering general queries received via the Welsh telephone line and responding to written correspondence in Welsh.

Over the course of the year under review, 11 staff from the Cardiff office undertook level one Welsh language training, eight undertook level two, and two took part in a refresher course for fluent speakers.

Throughout the year the IPCC continued to play an active role in the Wales Justice Network – a group set up to look at promoting the use of the Welsh language in justice agencies in Wales.

17. Police custody as a place of safety: examining the use of section 146 of the mental health act ([http://webarchive.nationalarchives.gov.uk/20100908152737/http://www.ipcc.gov.uk/section\\_136.pdf](http://webarchive.nationalarchives.gov.uk/20100908152737/http://www.ipcc.gov.uk/section_136.pdf))

# Wider responsibilities – complaints and referrals from other organisations

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## HMRC

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The IPCC's jurisdiction over HMRC covers:

- all mandatory referrals, which includes serious complaints and incidents such as alleged assaults, discriminatory behaviour, corruption and deaths during or following contact with HMRC staff
- voluntary referrals – when HMRC decides it is appropriate to refer other allegations to the IPCC
- appeals against HMRC non-recording of a mandatory referral
- appeals against the outcome of an investigation of a mandatory referral

When cases are referred to the IPCC, we then decide the appropriate mode of investigation. Allegations may be:

- independently investigated by the IPCC
- investigated by the police or HMRC under the management or supervision of the IPCC
- investigated locally either by HMRC or the police

The criteria for handling complaints and referrals for HMRC differ slightly to those for the police.

### Work this year and future work

- The IPCC worked closely with HMRC to update the regulations governing its remit in relation to HMRC. The Revenue and Customs (Complaints and Misconduct) Regulations 2010 came into force on 5 August 2010.
- We are working closely with HMRC on producing statutory guidance for the way complaints against it are handled. The draft statutory guidance is currently out for public consultation. The finalised guidance will be published later this year, once any revisions arising from the consultation process have been incorporated.

### Investigations and appeals

During the period 1 April 2010 to 31 March 2011 the IPCC received 26 referrals from HMRC. Of these referrals:

- 15 were sent back to HMRC for local investigation
- 11 were referred back to HMRC to be dealt with as they see fit

The IPCC received four appeals relating to HMRC cases during 2010/11. All four appeals were against the outcome of an investigation. In 2010/11, five investigation appeals were completed, four of these were not upheld and one was not valid.

## UK Border Agency

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On 25 February 2008, the IPCC's jurisdiction was extended to include complaints and conduct matters relating to UK Border Agency officers and officials of the Secretary of State. From 5 August 2009, the IPCC's remit was extended further to cover the transfer of staff who work inland and at the borders detecting the smuggling of illicit goods and prohibited items (including weapons), as well as collecting taxes and duties, from HMRC, to UKBA.

In April 2010, the IPCC also began to provide oversight to certain contracted staff employed by UKBA. Casework for any UKBA complaints is carried out by staff based in our Wakefield office.

The IPCC's remit over UKBA is restricted to the most serious complaints in which staff or contractors have used enforcement powers (powers of search, arrest, detention, etc) while undertaking immigration functions in England and Wales.

The IPCC's oversight of complaints about UKBA's exercising of customs functions does not require that the UKBA staff member involved has been exercising enforcement powers. We do not have jurisdiction over immigration detention centres, but PACE<sup>18</sup> compliant customs custody facilities do fall within our remit.

As well as handling certain complaints and referrals, the IPCC is responsible for considering appeals in relation to serious complaints against UKBA. If UKBA decides not to record a serious complaint about a member of UKBA staff exercising enforcement powers, the complainant has the right of appeal to the IPCC.

### Investigations and appeals

During the period 1 April 2010 to 31 March 2011, UKBA referred 21 matters to the IPCC. Of these:

- one was independently investigated by the IPCC
- 14 were investigated locally by UKBA
- 6 were referred back to UKBA to be dealt with as they see fit

The IPCC received three appeals relating to UKBA cases during 2010/11. All three appeals were against the outcome of an investigation.

In 2010/11, three investigation appeals were completed, one of those was not upheld and two were not valid.

## SOCA

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The Serious Organised Crime Agency (SOCA) was set up on 1 April 2006 to combat organised crime. The IPCC is responsible for the way that complaints against SOCA are handled.

### **Investigations and appeals**

During the period 1 April 2010 to 31 March 2011, SOCA referred 11 complaints and conduct matters to us. Of these:

- 8 were returned to SOCA for local investigation
- 3 were returned to SOCA to be dealt with as they see fit

The IPCC received 12 appeals relating to SOCA cases during 2010/11. Seven were against the outcome of an investigation, one was against the local resolution process and four were against the non-recording of a complaint.

In 2010/11, seven investigation appeals were completed, one of them was upheld, three were not upheld and three were not valid. We also completed one appeal against the local resolution process that was not upheld and three appeals against the non-recording of a complaint of which two were upheld and one was not valid.

# Our targets and performance in 2010/11

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## Introduction

2010/11 was another challenging year for us as we continued to experience a high level of demand for our services. Over 2,400 matters were referred to us during 2010/11 and we decided to investigate more of these matters independently, using our own investigators. We started 164 independent investigations, a 50% increase compared with the previous year.

Making effective use of our resources, we completed 100 more independent and managed investigations than during 2009/10. The average time it took us to complete independent investigations reduced by nearly eight weeks, and we have considerably reduced the number of ongoing managed investigations – by over 100 cases.

The number of appeals received from the public increased by a further 13% to over 6,300. At the start of the year our appeals caseload was at its highest since operations began. We worked hard to reduce this and by the last quarter of the year it took us, on average, three weeks less to inform appellants of the outcome of their appeal.

We processed more than 13,400 complaints made directly to us by members of the public. Through effective triaging, the most serious of these complaints continued to be dealt with promptly. In addition, we introduced a new Customer Complaints Centre and made significant improvements to the way that we handle all the complaints we receive.

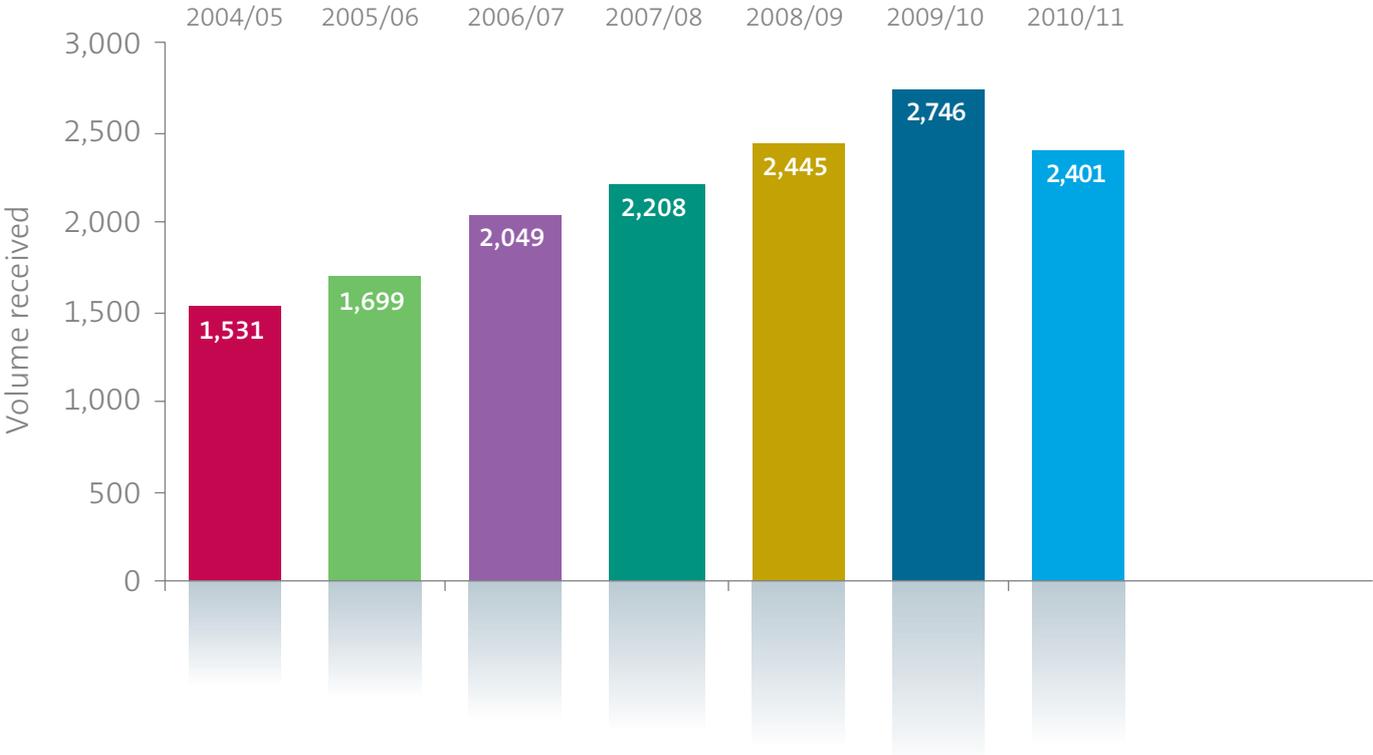
This section outlines the demand for our service and our performance during 2010/11. It concludes with our plans to improve performance over the coming year.

## Referrals

The police, HMRC, SOCA and UKBA must refer to us the most serious complaints and incidents. We then decide how the matter will be dealt with. For the first time since operations began in 2004 there has been a reduction in the number of these matters referred to us. We received a total of 2,401 referrals during 2010/11, representing a 13% decrease compared to the year before (Figure 1). We are working with forces to review the referral criteria to see whether more matters can be resolved or investigated locally, without the need for the IPCC's involvement.

We aim to communicate back to the force how the matter should be dealt within two working days in 90% of the cases referred to us. We achieved this target in 88% of cases, taking on average 1.7 days to respond to forces. Towards the end of the year we introduced a national referral rota to provide a dedicated focus for dealing with referrals. This will help us to improve our timeliness for communicating decisions to forces during 2011/12.

Figure 1  
The volume of referrals received by the IPCC by year



## Independent and managed investigations

During 2010/11 we made significant improvements to the way we deal with both independent and managed investigations. A single point of contact in our investigations national office provided a consistent and co-ordinated approach for making mode of investigation (MOI) decisions. We actively sought to carry out more independent investigations

using our own investigators and to reduce the number of managed investigations.<sup>19</sup> In total, we decided to independently investigate 164 of the more serious matters referred to us (see Figure 2). This is over 50% more than during the previous year. In contrast, we started 71 managed investigations – 80 fewer than in 2009/10 (see Figure 3).

Figure 2  
Independent investigations started and completed by year

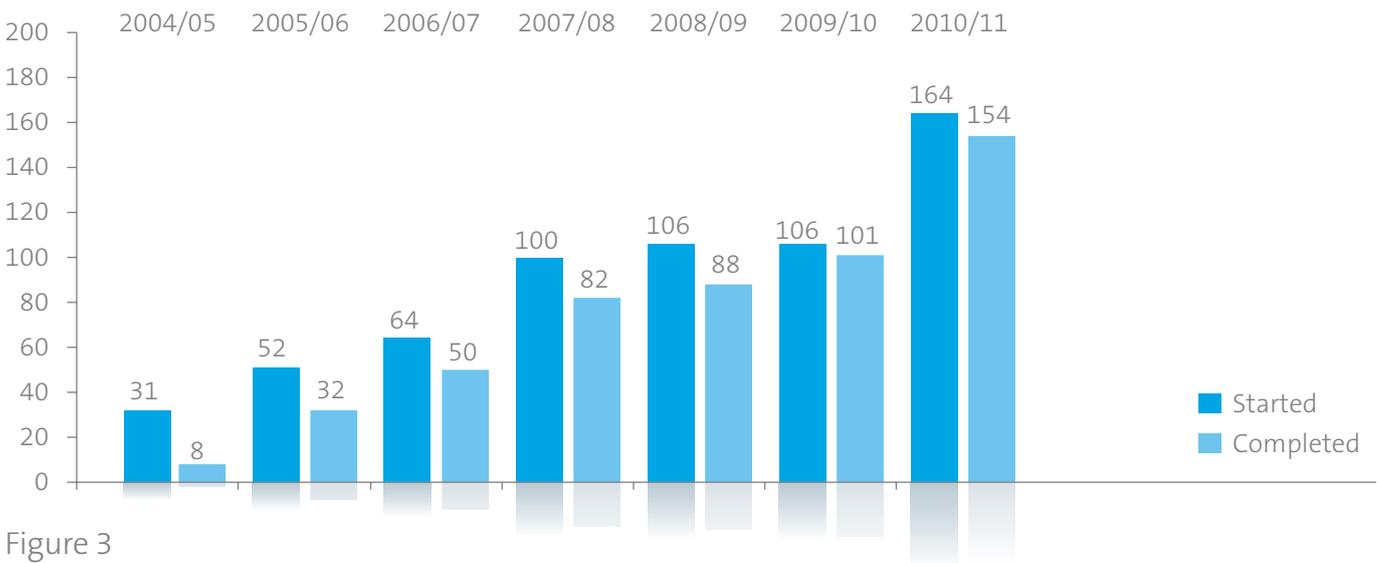
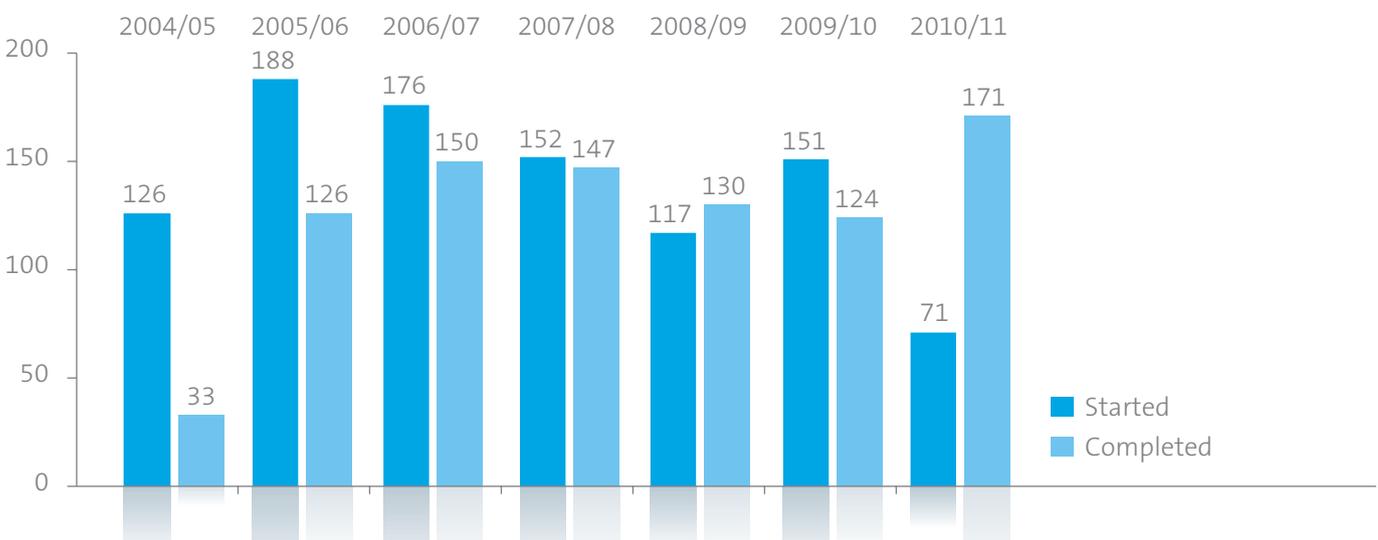


Figure 3  
Managed investigations started and completed by year



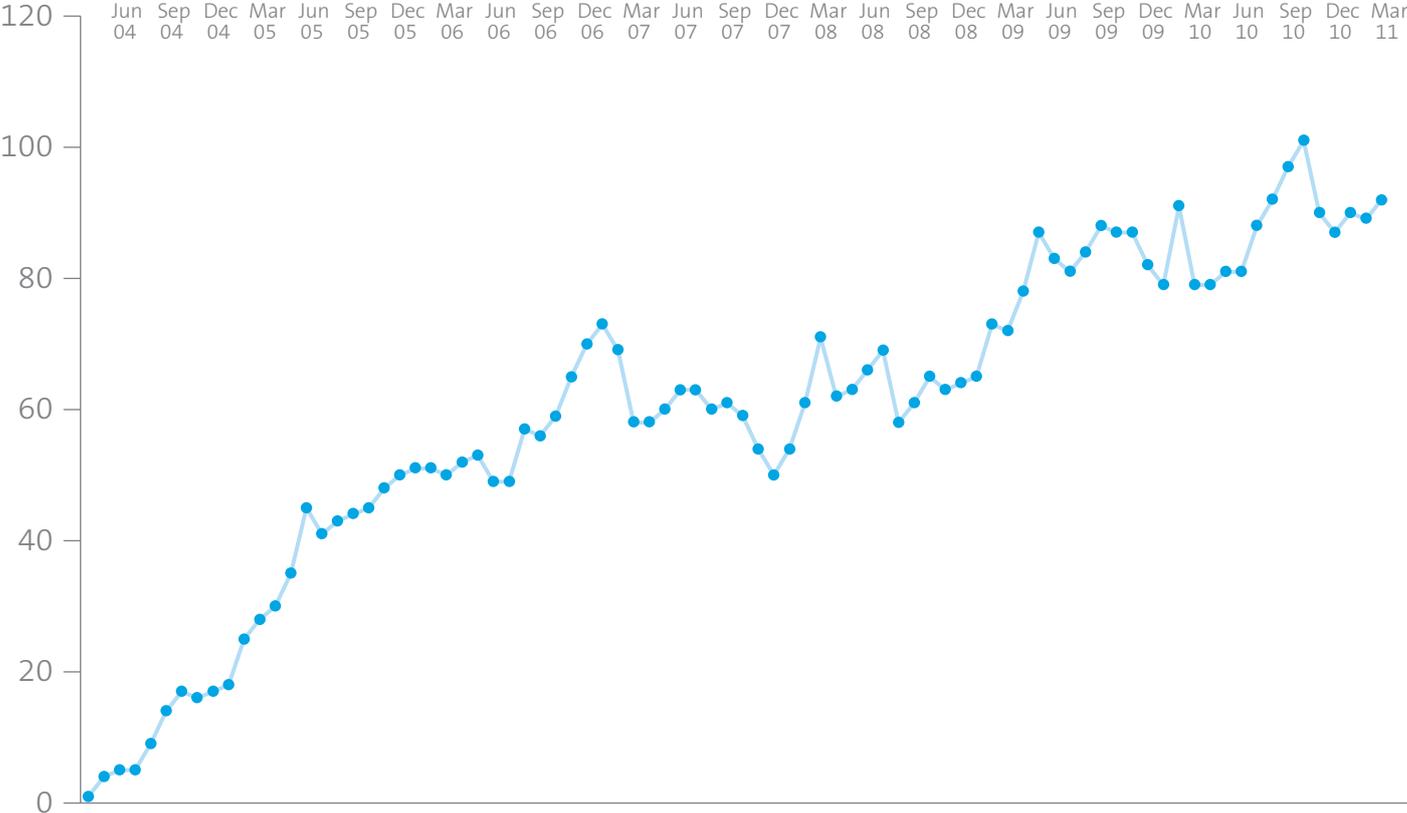
19. See page 13 for an explanation of independent and managed investigations.

Throughout the year we improved how we investigated cases. By drawing up more focused terms of reference at the start of an investigation and adopting a standard approach to reviewing independent investigations after 14 days, we were able to utilise our resources more effectively. This led to a significant increase in our completion rates for both independent and managed investigations. It also confirmed that we could manage the caseload of independent investigations, even though we were actively starting more.

We completed 154 independent investigations in 2010/11 (see Figure 2). This is 53 more than during 2009/10 and it meant that our active caseload was held at a manageable level (Figure 4). Likewise, we completed 171 managed investigations (see Figure 3). This is 47 more than during the previous year and led to an appreciable reduction in the number of ongoing cases. At the end of 2010/11 there were only 26 ongoing managed investigations. This is a reduction of 106 cases throughout the year (see Figure 5).

Figure 4  
**Ongoing independent investigations**

The number of independent investigations ongoing (month-end) April 2004 to March 2011



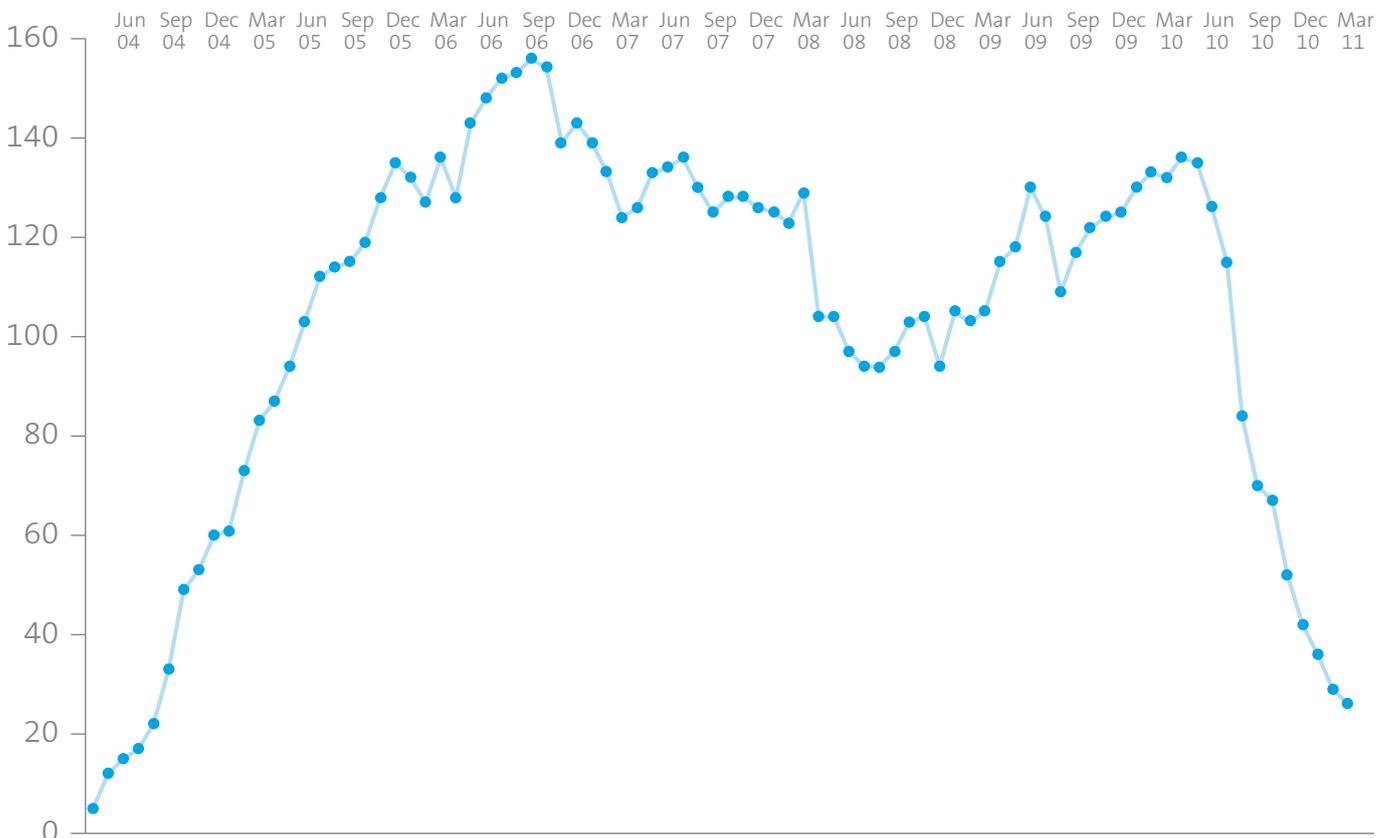
We aim to complete investigations within a target of 157 working days. During 2010/11 we worked hard to close cases that had exceeded this target. Our target was achieved for 64% of independent investigations, with the average taking 163 working days to complete. This is nearly eight weeks shorter than the average time it took us during 2009/10.

We closed many of the older managed cases, which meant that we were not able to improve the time to complete managed investigations. These took on average 215 working days to complete, with 44% being completed within the 157 working day target. We anticipate that the remaining open managed investigations will be completed more quickly during 2011/12.

Figure 5

**Managed independent investigations**

The number of managed investigations ongoing (month-end) April 2004 to March 2011



## Appeals

A complainant has the right to appeal to the IPCC about the way their complaint has been handled locally by a police force. An appeal can be made against the failure to record a complaint, the outcome of a local or supervised investigation, or the local resolution process.

We saw further increases in the number of appeals made to us during 2010/11. We received 6,307 appeals during 2010/11, an increase of 13% compared to the previous year (see Figure 6). The types of appeal we received are illustrated in Figure 7. Appeals against the outcome of an investigation accounted for a significant proportion of the overall increase in appeals (see Figure 8).

Figure 6  
The volume of appeals received by the IPCC by year

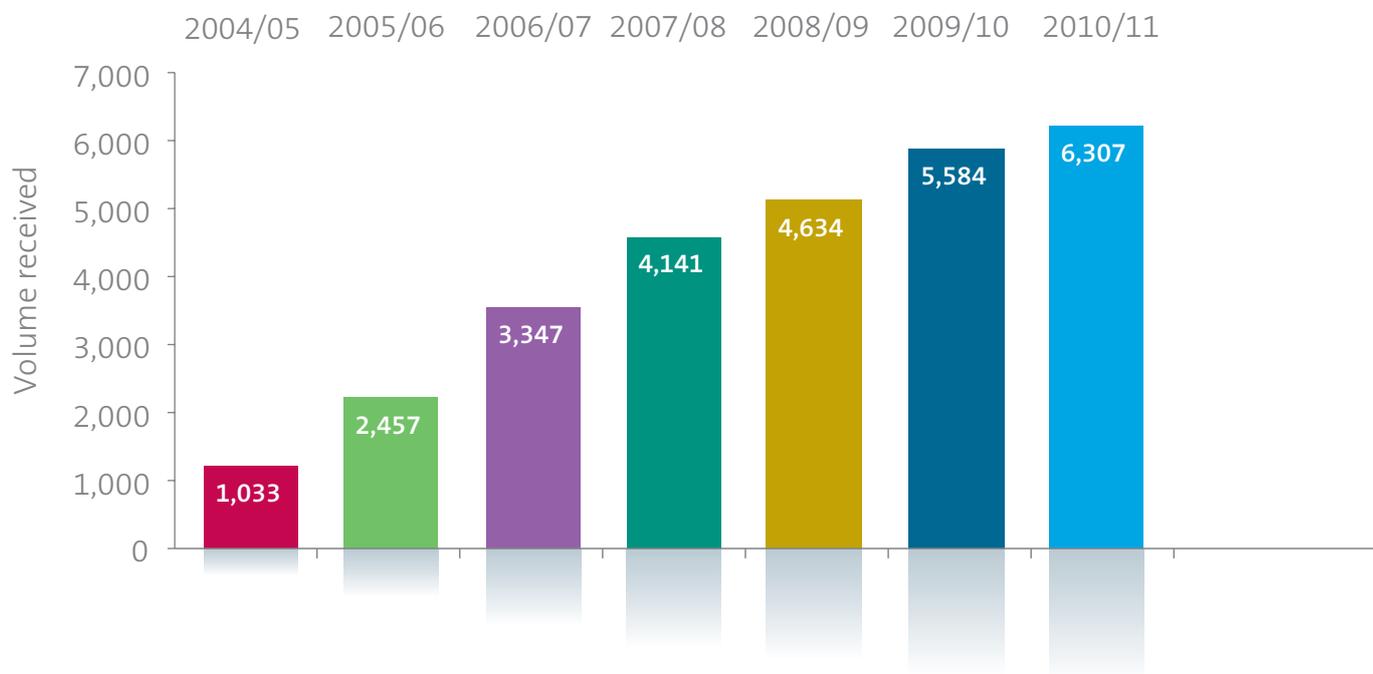
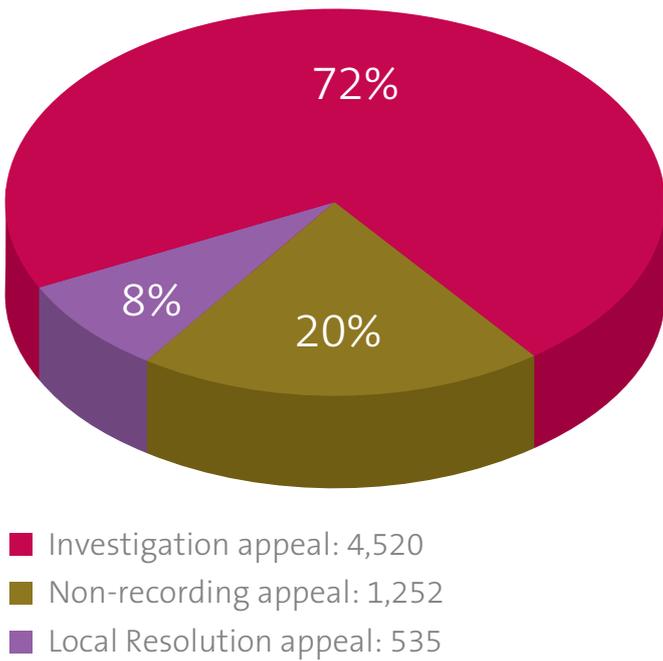


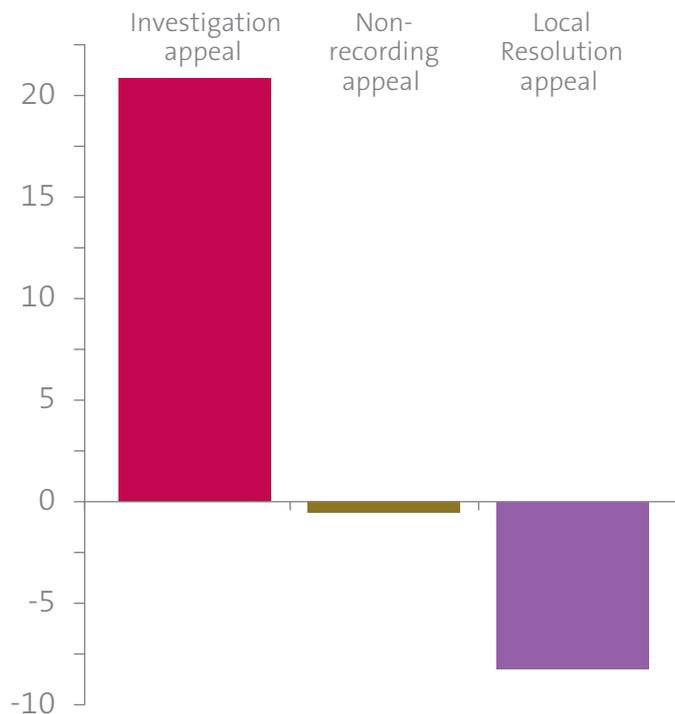
Figure 7  
The type of appeals received during 2010/11



We aim to forward an appeal to the appropriate authority within one day of receiving it.<sup>20</sup> This is a challenging target given that there has been no change in the level of resource available to deal with the increasing volume of appeals. We were able to meet this target for 73% of the appeals made to us. In 2011/12 we will adopt a national approach to processing appeals as they are received into the organisation. This will allow us to utilise our limited administrative resource more effectively and improve the proportion of cases forwarded on time.

20. We aim to notify the relevant force that we have received an appeal within one working day. This gives the force early notice that we require them to submit relevant information about the matter that is subject to the appeal. We then judge the appeal based on the evidence of both the complainant and the police force.

Figure 8  
Percentage change in the number of appeals received between 2009/10 and 2010/11



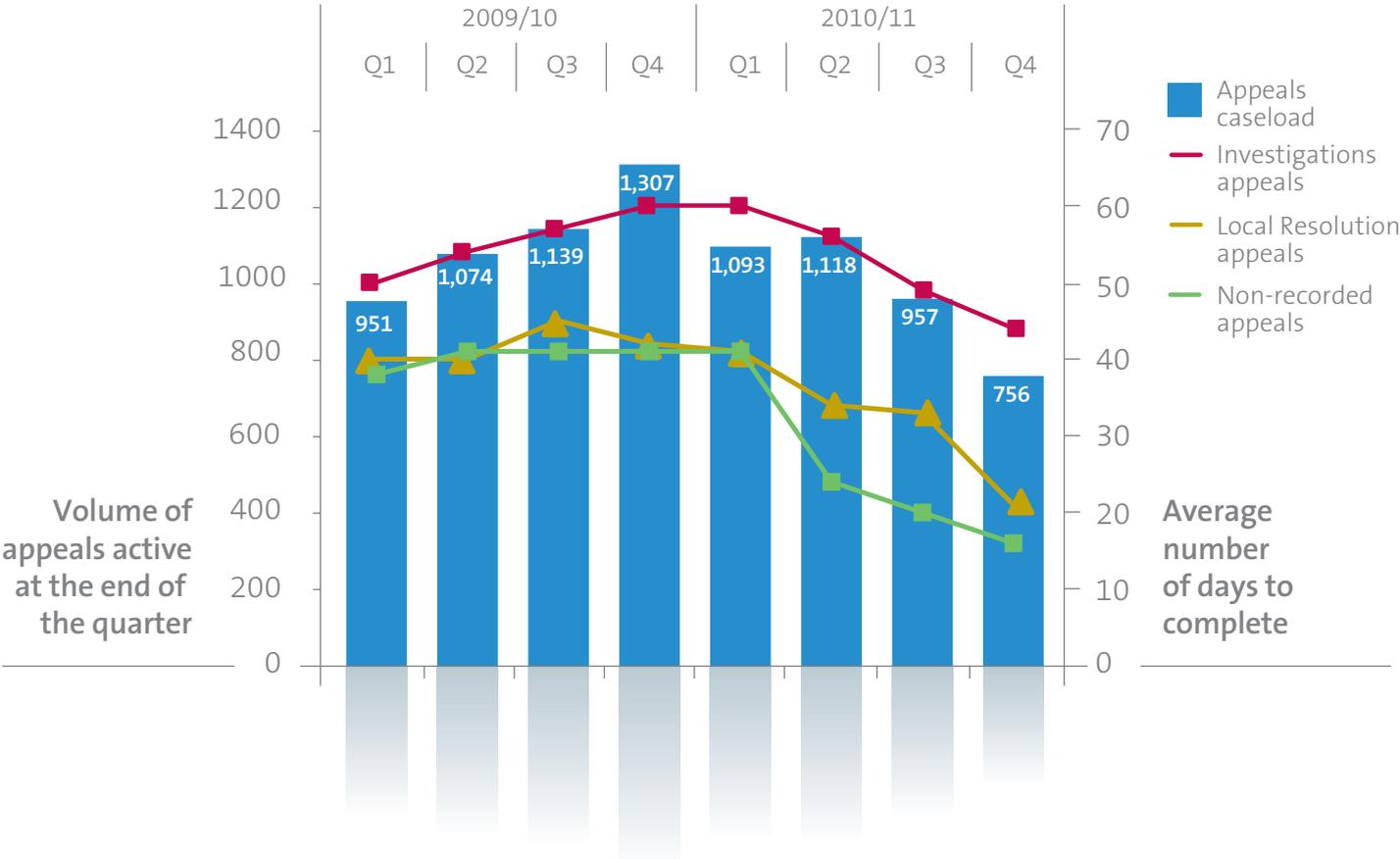
We improved the time taken to complete appeals in 2010/11. Our drive to improve completion rates was facilitated through the delivery of a more proportionate appeal review and by continuing to allocate appeals on a national basis and in strict date order. This approach was helped further by securing additional temporary staff. As illustrated in Figure 9, we started the year with the highest caseload of appeals since operations began in 2004. In order to manage customer expectation, our aim was to complete all appeals within a target of 55 working days.

Higher completion rates meant that we were able to reduce our appeals caseload over consecutive months. By March 2011 we were successfully completing all local resolution appeals and all non-recording appeals within 55 working days, while 81% of investigation appeals were being completed within the set timescale. Overall, during 2010/11 appeals took us on average 45 working days to complete, nearly two weeks shorter than we aimed for at the start of the year.

We continued to uphold just under a third of all appeals made to us.

During 2010/11, we included feedback questionnaires with the letters sent to appellants to explain the decision relating to their appeal. For the 15% of appellants that responded, 50% were satisfied with the appeals process in general. We will seek to improve this satisfaction rate during 2011/12.

Figure 9  
**Appeals caseloads and average time to complete 2009/10 – 2010/11**



## Direct complaints

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Members of the public can make a complaint about the conduct of a person serving with the police directly to the IPCC. Since this provision was introduced in 2004 the number of complaints made directly to us had been increasing each year. This changed in 2010/11 and the demand for this service reduced by 16%. However, we were still required to handle a high volume of complaints and processed 12,750 during the year (Figure 10). We continued to triage complaints to ensure that those we considered to be high priority<sup>21</sup> were dealt with promptly (priority one). During the year we identified 2,707 such complaints.

The reason for the reduction in complaints made directly to us may be two fold. We published our revised Statutory Guidance, which encourages police forces to make it easier for complaints to be made locally, at the start of the year. We have also started to implement our Access Strategy<sup>22</sup> and have improved the information we provide to complainants about how best to access the complaints system in our own literature and website.

In previous years it has been difficult to manage the increasing volume of complaints within the constraints of the resources available to us. At the start of 2010/11 it was taking us longer to deal with complaints than we would have liked. We restructured our customer contact function and streamlined our processes in the second half of the year. This, coupled with a reduction in demand, led to considerable improvements in performance. During March 2011 we met all of our targets for dealing with direct complaints (Figure 11).

Throughout the year we dealt with the more serious (priority one) complaints in a timely manner. Overall, we responded to the complainant within our two working day target in 93% of cases, and 91% of cases were forwarded to the relevant force within our two working day target.

Our aim was to deal with the remaining less serious complaints (priority two) within five working days. We responded to the complainant within five working days in 62% of cases, and 72% of these priority two cases were forwarded to the relevant force within five working days.

21. High-priority cases include those, for example, where a risk to an individual is identified and those that meet the mandatory referral criteria.

22. See page 33 for more information about the IPCC's Access Strategy.

Figure 10  
**Number of direct complaints received by the IPCC and forwarded to force each year**

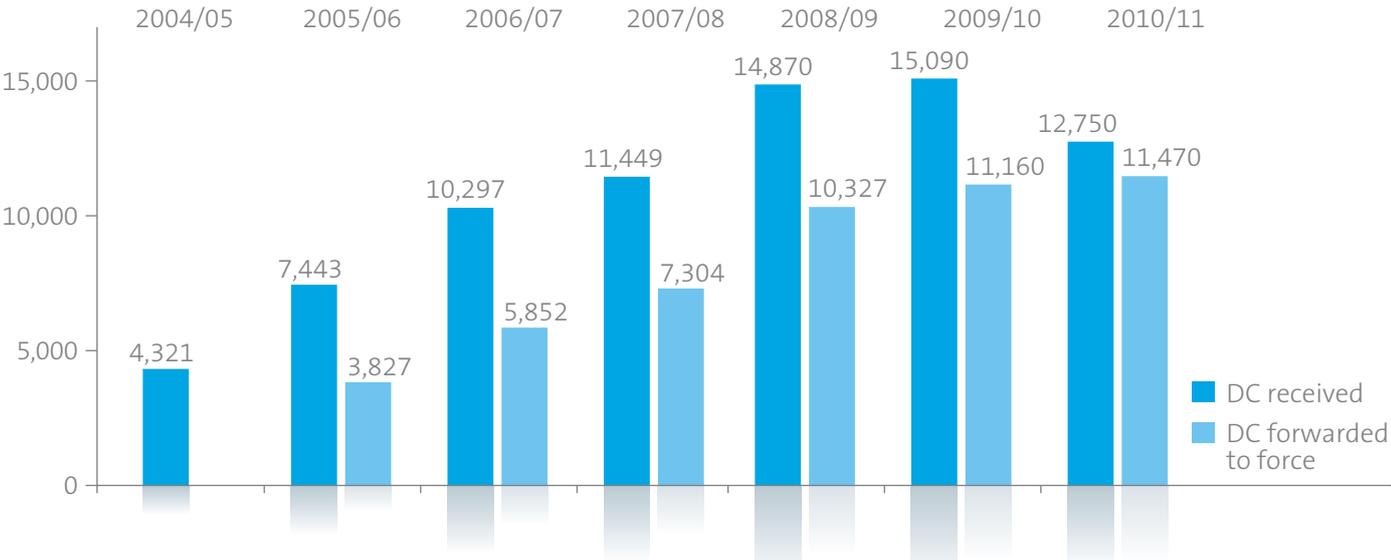
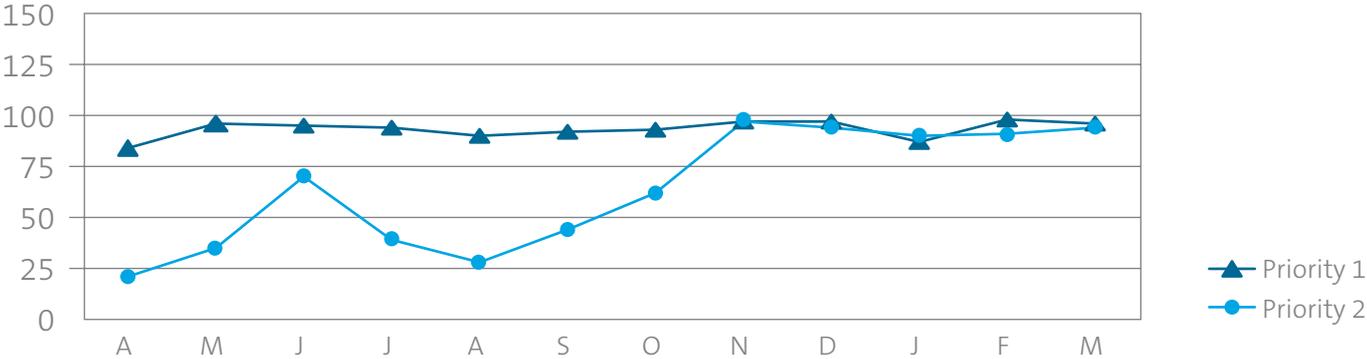
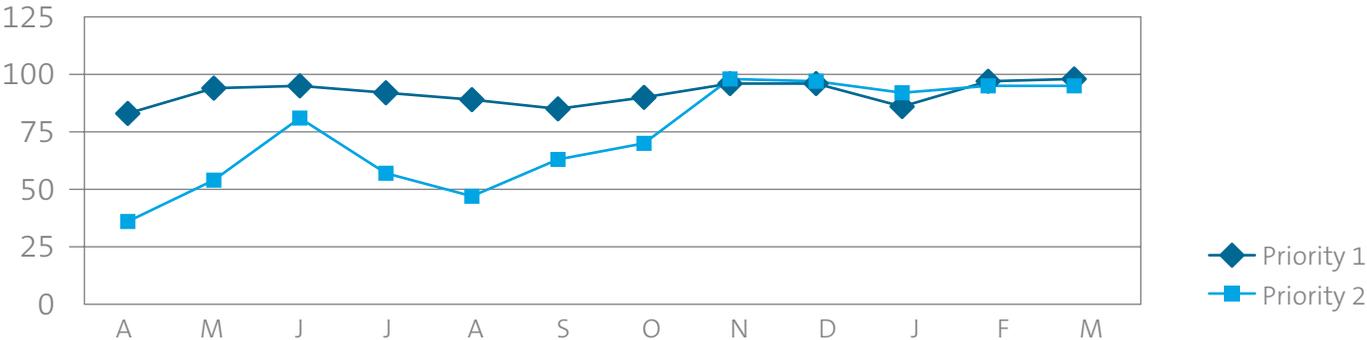


Figure 11  
**Direct complaints where we responded to the complainant on time**



**Direct complaints forwarded to force on time**



## Other performance information

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The volume and nature of complaints made against our own staff reflects our achievements during 2010/11. As we improved completion rates for the services we provide, we made more decisions and had more contact with complainants. This may have led to the increase in complaints being made against our own staff, particularly as the 508 complaints made during 2010/11 were mostly about decisions and service delivery. Fewer of these complaints related to a delay, which reflects the improvements we have made in reducing the time it takes for us to complete our work.

We continue to take complaints against our own staff very seriously and aim to provide a substantive response to complainants within 20 working days. We achieved this for 94% of the complaints made. We found 63 complaints to be justified, a similar proportion (13%) to previous years. Compared to 2009/10, our staff absence rate reduced to 3% during 2010/11, but the staff turnover rate increased to 10%. A higher number of staff left the organisation at the end of the financial year. This was as a result of directorate restructuring and the restrictions on renewing fixed term contracts.

Throughout the year under review we were required to deal with information requests from a number of sources. We received 335 letters from Parliamentarians on behalf of their constituents. We dealt with these promptly, acknowledging the letter within two working days for 99% of the letters received, and providing a response for 98% of correspondence in ten working days. We responded to 264 requests for information made under the Freedom of Information Act (FOI) and 228 requests made under the Data Protection Act (DPA). We were able to complete more requests during 2010/11. This means that outstanding requests of this type are at a more manageable level, which has helped us to improve the time it takes us to respond to them. We aim to meet our statutory targets for 75% of the requests we complete. During March 2011 we achieved this for both FOI and DPA requests. However, as a result of the lower performance at the start of the year, during 2010/11 overall we completed 54% of FOI requests and 66% of DPA requests on time.

## Improving our performance during 2011/12

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We anticipate that demand for our services will remain high during the coming year and it will be challenging for us to meet this demand in light of the comprehensive spending review.

Where appropriate, we will take on more independent investigations – including into matters that affect public confidence, such as corruption and serious police misconduct. We will continue to focus on completing our older cases, and we will work closely with police forces to support them to reduce the time it takes to complete managed investigations and to promote effective local resolution.

We will build on the levels of performance we have achieved in dealing with appeals and complaints received directly from the public. By applying strict operational standards we will improve the quality of our work, an area which is monitored by our Standards and Quality Directorate. We will also seek feedback from appellants and those involved in our investigations to help us to do this.

## Sustainability reporting

The UK government has introduced a requirement for reporting public sector entities to include within their annual report and accounts a sustainability report, reporting performance against their sustainable development targets for:

- greenhouse gas emissions
- waste minimisation and management
- use of finite resources

The IPCC is committed to operating responsibly and sustainably in all areas of its business. To achieve this we have established an Environmental Impact Reduction Group that meets quarterly to develop and monitor our Environmental Impact Reduction Strategy.

Wherever possible we buy goods and services that have a low environmental impact as well as providing value for money. In 2010/11 we:

- renewed our car fleet and after a careful evaluation of the environmental impact we selected cars with low carbon emissions that meet the London congestion charge scheme exemption criteria
- invested in new energy efficient IT equipment, which has reduced our consumption of electricity

In 2011/12, the IPCC will be developing a sustainable procurement policy which will be in line with the UK Government's sustainable strategy published March 2005. We will also improve the way we measure our results including setting targets where appropriate for our energy, water and waste consumption.

The Environmental Impact Reduction Group has monitored our performance for 2010/11, as shown in the tables that follow.

### Our performance summary

Area <sup>23</sup>	Figure
Carbon dioxide emissions	781 tonnes
Residual office waste	58 tonnes
Total waste expenditure	Not available <sup>24</sup>
Water consumption	5002 m <sup>3</sup>
Water expenditure	Not available <sup>25</sup>
Total energy consumption	1.636 kWh
Building energy consumption	1.636 kWh
Total energy expenditure	£0.12 million

23. Targets for these areas will be established for 2011/12.

24. Total waste expenditure was unavailable for the year 2010/11.

25. We pay for the water through our service charges.

Greenhouse gas emissions and energy		2010/11
Non-financial indicators (1,000 tonnes CO2e)	Total gross emissions	780.85
	Total net emissions	780.85
	Gross emissions (direct impact)	-
	Gross emissions (indirect impact)	780.85
	Related energy consumption (million kWh)	Electricity: non-renewable
	Electricity: renewable	-
	Gas	0.308
	LPG	-
	Other	-
Financial indicators (£k)	Expenditure on energy	122,789
	CRC gross expenditure	-
	Expenditure on accredited offsets (e.g. GCOF)	-
	Expenditure on official business travel	-

#### TARGET AND COMMENTARY

We do not have a target in place for 2010/11. In 2011/12 we will be looking at different ways of reducing our carbon emissions.

#### DIRECT IMPACTS COMMENTARY

The main direct impact is carbon emissions from our electricity consumption and vehicles use. We have efficiency programme in place to reduce the level of our direct impacts. We have reported our emissions in line with the scope defined by the Green Gas Protocol covering scope 1 & 2; however we have been unable to report emissions resulting for scope 3, which is mainly from business travel.

#### INDIRECT IMPACTS COMMENTARY

We have signed up to the OGC's centralised energy procurement initiative. For our major projects, we assess the amount of carbon emissions that will be produced, and look at how these can be reduced.

Waste minimisation			2010/11
Non-financial indicators (t)	Total volume of waste		82
	Hazardous waste	Total	-
	Non-hazardous waste	Landfill (residual)	58
		Reused/recycled	24
		Incinerated/energy from waste	-
		Construction landfill	-
		Construction recycled	-
Financial Indicators (£k)	Total waste disposal cost <sup>26</sup>		
	Hazardous waste – total disposal cost		-
	Non-hazardous waste – total disposal cost	Landfill	-
		Reused/recycled	-
		Incinerated/energy from waste	-

### TARGET AND COMMENTARY

We did not have a target in place for 2010/11. In 2011/12 we will look at different ways of reducing our waste going forward.

### DIRECT IMPACTS COMMENTARY

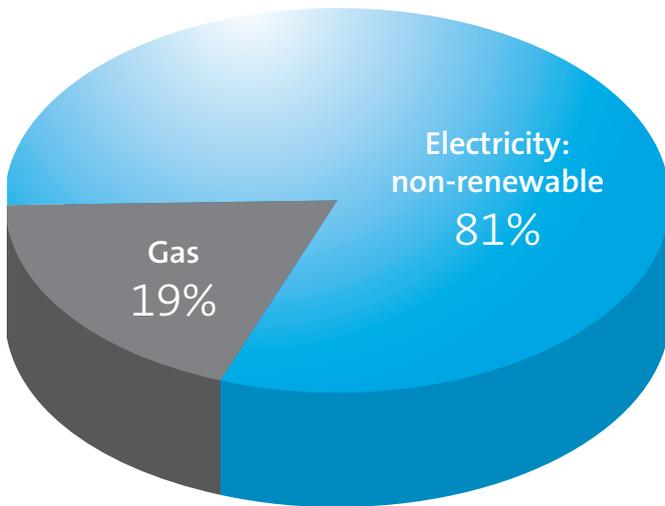
We try to avoid creating waste, and when we do, we reuse or recycle it where possible. As a last resort we send it to landfill. We are regularly looking at opportunities to improve recycling from our offices. We have introduced additional local initiatives that include removal of bins from desks from one of our offices in order to encourage staff to use the recycling bins provided; and are looking to roll this out across the organisation in due course. We are currently rolling out new printers that are defaulted to print double-sided.

### INDIRECT IMPACTS COMMENTARY

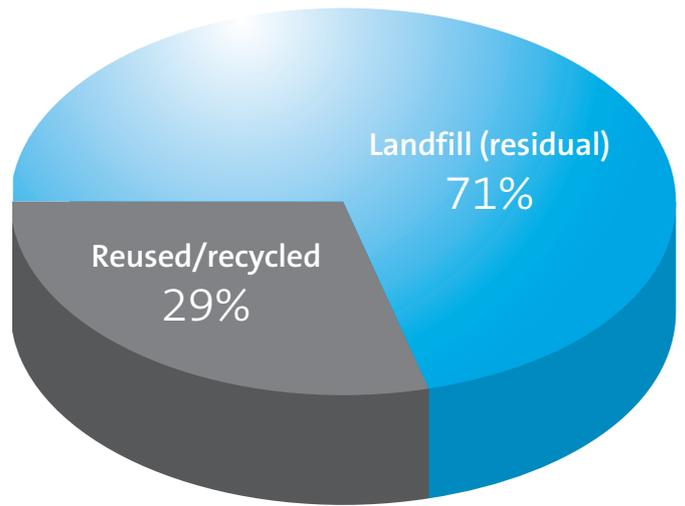
Most of our waste is handled by contractors, with whom we work in partnership to ensure effective waste management that meets all legal requirements as a minimum.

26. We have been unable to report the total disposal cost of waste due to the way we recorded our financial information in 2010/11. However, we will be looking at reporting the disposal cost in 2011/12.

**Energy consumption**



**Non-hazardous waste**



Finite resources			2010/11
Non-financial indicators (m3)	Water consumption	Supplied	3475
		Abstracted	-
Financial indicators (£k)	Water supply costs <sup>27</sup>		-

**TARGET AND COMMENTARY**

We did not have a target in place for 2010/11. In 2011/12 we will look at how we can reduce our water consumption.

**DIRECT IMPACTS COMMENTARY**

Our largest source of water consumption is in our offices. During the year we had a water leak at one of our offices where prompt remedial action was taken.

**INDIRECT IMPACTS COMMENTARY**

We do not have any indirect impact.

27. We have been unable to report the water supply costs for 2010/11, as we pay for the water cost mostly through our service charges. We will report these figures in 2011/12.

# Annual accounts and notes to the accounts

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## Foreword to the accounts

These accounts have been prepared by the IPCC in accordance with the requirements of the Financial Reporting Manual (FReM) produced by HM Treasury and the Accounts Direction given by the Secretary of State. They have been prepared with the consent of HM Treasury and in accordance with paragraph 17(1) of Schedule 2 to the Police Reform Act 2002.

## The nature of the IPCC's business and its aims, objectives and activities

The IPCC's primary purpose is to increase public confidence in the police complaints system in England and Wales. This is the IPCC's guardianship role. The IPCC also investigates the most serious complaints and allegations of misconduct against the police in England and Wales, as well as handling appeals from people who are not satisfied with the way the police have dealt with their complaint.

## History

The IPCC was created by the Police Reform Act 2002 and was established as an executive non-departmental public body (NDPB) on 1 April 2003. The organisation became operational on 1 April 2004.

On 1 April 2006, the IPCC's jurisdiction was extended to include serious complaints made against the staff of the Serious Organised Crime Agency (SOCA) and Her Majesty's Revenue and Customs (HMRC). On 25 February 2008, the IPCC's powers were extended to include serious complaints and conduct matters relating to officers and officials of the UK Border Agency.

The sponsoring department for the IPCC is the Home Office and the sponsoring unit is the Policing Powers and Protection Unit (PPPU) within the Crime and Policing Group.

The IPCC is run by a Chair and 12 Commissioners. Together they make up the Commission, which is the governing board of the IPCC. Commissioners (other than two non-executive Commissioners) have an operational role and also have responsibility for oversight of the organisation as a whole. Commissioners are appointed by the Home Secretary and are independent of the police, interest groups, political parties and Government.

The IPCC's executive is led by a Chief Executive, who is supported by a Management Board based in offices across England and Wales. The Chief Executive is accountable to the Commissioners for the effective running of the organisation. As Accounting Officer for the IPCC, the Chief Executive is responsible for the effective management of grant in aid in accordance with a management statement and financial memorandum drawn up by the Home Office.

## Commissioners

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Commissioners are appointed under Schedule 2 (Section 2) of the Police Reform Act 2002, for a term not exceeding five years.

The IPCC is overseen by a Commission that is made up of The Chair and 11 Commissioners, including one Deputy Chair and two non-executive Commissioners. Nick Hardwick, the IPCC's first Chair, resigned from the IPCC in June 2010. Deputy Chair Len Jackson was appointed Interim Chair by Her Majesty the Queen in September 2010 for 12 months. The Home Office is currently undertaking the recruitment process for a new Chair.

Following a recruitment exercise by the Home Office, Sarah Green was officially appointed as a Commissioner by the Home Secretary. She began her term at the IPCC in early March 2011.

The Commissioners who served during 2010/11 were as follows:

Nick Hardwick	Chair ( <i>resigned in June 2010</i> )
Len Jackson	Interim Chair ( <i>appointed 21 September 2010</i> )
Deborah Glass	Deputy Chair
Rachel Cerfontyne	Commissioner
Tom Davies	Commissioner
Ruth Evans	Non-executive Commissioner and Chair of the IPCC Remuneration Committee ( <i>appointed June 2009 for three years</i> )
Mike Franklin	Commissioner
Sarah Green	Commissioner ( <i>appointed March 2011 for five years</i> )
Nicholas Long	Commissioner
Naseem Malik	Commissioner
Rebecca Marsh	Commissioner
Amerdeep Somal	Commissioner
Jonathan Tross	Non-executive Commissioner and Chair of the IPCC Audit Committee ( <i>appointed May 2009 for three years</i> )

Details of Commissioners' remuneration can be found in the remuneration report that follows.

Details of other interests are publicly available on our website or may be obtained in writing from the IPCC Commission Secretary at 90 High Holborn, London, WC1V 6BH.

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## Corporate governance and risk management

The IPCC is committed to ensuring a high standard of corporate governance. The Commission is responsible for defining strategy and determining the allocation of resources to ensure the delivery of its objectives. The Commission has established committees to discharge specific functions. Each committee has clear terms of reference.

A risk management framework is in place within the IPCC which continues to be developed. This is overseen by the Audit Committee and the Commission with significant risks being identified, assessed and then actively managed by a series of mitigation and risk reduction activities.

### Audit Committee

The Audit Committee reports to the Commission. The role of the Audit Committee is to review the adequacy and effectiveness of the internal control systems that underpin delivery of the IPCC's objectives. It is also responsible for overseeing the IPCC's systems and processes for finance, corporate governance, risk management, accountability and complaints against the organisation.

During 2010/11, the Audit Committee comprised:

- Non-executive Commissioner Jonathan Tross (Chair)
- Non-executive Commissioner Ruth Evans
- Commissioner Nicholas Long
- Commissioner Rachel Cerfontyne

Representatives from the external auditors, the National Audit Office (NAO), and the internal auditors (the Home Office Audit Assurance Unit (AAU)) attend by invitation. The Chief Executive, the Director of Standards and Quality, the

Director of Business Services, the Head of Finance and the Risk and Audit Manager also attend.

### Quality Committee

The Quality Committee was formed in 2010 to ensure continued improvement in the quality and effectiveness of the IPCC services and oversight of the complaints system as a whole. The Committee supports the IPCC in its responsibilities for standards and quality assurance and it oversees the IPCC's performance and relevant systems.

During 2010/11, the Quality Committee comprised:

- Non-executive Commissioner Jonathan Tross (Chair)
- Non-executive Commissioner Ruth Evans
- Commissioner Nicholas Long
- Commissioner Rachel Cerfontyne

The Chief Executive, the Director of Standards and Quality, the Director of Business Services and the Risk and Audit Manager also attend.

### Employment policies

The IPCC has put in place policies to create an environment in which all staff can perform to their best ability and can contribute to their own and the organisation's success.

The IPCC aims to allow staff the opportunity to work flexibly. Flexible working options are available to all staff regardless of their employment status or seniority.

During the past year the IPCC has monitored recruitment, training, job satisfaction and staff turnover, providing regular reports on all of these issues to senior managers and Commissioners.

The IPCC involves staff in decisions about health, safety and welfare. The Public and Commercial Services Union negotiates on behalf of staff. In addition, a Staff Council, which includes both staff and trade union representatives, is in place for the purposes of communication and consultation.

The IPCC gives full and fair consideration to applications for employment from people with disabilities, where the nature of the employment makes this appropriate. The IPCC is similarly committed to enabling any members of staff who may become disabled during their period of employment to continue in their role.

### Valuing Diversity Group

Valuing diversity is one of the IPCC's core values. In 2010/11 the Valuing Diversity Group continued to develop its work around equality and diversity and to ensure that the organisation could respond in a meaningful way to new duties introduced by the Equality Act 2010.<sup>28</sup>

The Group is led by the Chair of the IPCC and includes one Commissioner, the Director of Casework, five nominated staff members and a representative from the Staff Council. The group's remit is to develop and implement a single equality scheme and to monitor the equalities impact assessment process and internal performance on diversity issues. In addition, it will provide advice and support to the IPCC Management Board in ensuring that the organisation meets its obligations under the Equality Act 2010.

### Sickness absence

During 2010/11 IPCC employees incurred an average of 6.5 days sick leave. This compares to an average of 7.1 days in 2009/10. The IPCC is committed to the health and well being of staff and as such has a comprehensive sickness absence policy. The IPCC provides an Occupational Health Service and an Employee Assistance Programme. The IPCC continues to review its sickness absence policy and practice to ensure that sickness absence is managed appropriately.

### Pension liabilities

The treatment of pension liabilities in the Accounts is described in the remuneration report and in Notes 1 and 3 to the Accounts.

### Health and safety

The IPCC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and of anyone likely to be affected by its operations. A Health and Safety Group, chaired by a Director, oversees health, safety and welfare, which is managed day-to-day by the Health and Safety Officer. The IPCC complies with the Health and Safety at Work Act 1974 and all other legislation as appropriate. The IPCC is monitoring the effects of the Lord Young Review into Health and Safety and is contributing to the Health and Safety Executive's consultations.

During 2010/11, the IPCC carried out general safety and fire safety audits at all offices. In addition, the majority of IPCC staff have completed a health and safety e-learning programme.

28. Please see [http://www.ipcc.gov.uk/en/Pages/annual-equality\\_reports.aspx](http://www.ipcc.gov.uk/en/Pages/annual-equality_reports.aspx) for our annual equality reports.

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Fifteen minor accidents were recorded during the year, compared with sixteen during 2009/10. These all involved IPCC staff with no injuries to contractor staff being reported. None of the incidents needed to be reported under RIDDOR (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995).

Four of the reported incidents were non-work-related injuries (for example, falls on the way to work), which were recorded because IPCC first aiders gave assistance. Of the remainder, one was a work-related injury sustained outside IPCC premises (at a police force headquarters) and one was a non-injury road traffic accident while travelling on IPCC business.

### **Environmental policy**

The IPCC seeks to reduce the impact of its work on the environment. It is committed to reducing carbon dioxide emissions from all forms of business-related travel – for example, by promoting the use of video and phone conferencing. Where travel is essential, the IPCC encourages the use of public transport. The IPCC strives to work collaboratively with its suppliers, staff and stakeholders to ensure that we are all aware of our commitments, and are proactive in helping the Home Office, the IPCC's sponsor body, meet its targets.

The IPCC is committed to reducing wasted energy and water through improved building and facilities management and smarter information technology. It is also committed to reducing the volume of waste generated; and to reusing and recycling. The IPCC is also fully committed to engaging with the Sustainable Operations on the Government Estate (SOG E) process, working with the Home Office to ensure maximum sustainability.

Further information is available in the Sustainability Report on page 58.

### **Creditor payment policy and performance**

The IPCC abides by the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890) and, in particular, aims to pay undisputed invoices in accordance with contract terms. During the year to 31 March 2011, 99% of invoices were paid in accordance with contract terms (the figure was 91% in 2009/10).

### **Key supplier arrangements**

Steria Limited is a key supplier of IT and telephony services to the IPCC. There is no indication that Steria Limited has any operational or financial difficulties that would adversely affect the IPCC's operations.

### **Research and development**

The IPCC research programme supports the guardianship work of the organisation by drawing out information and learning from the complaints system to support improvements in the police service.

Research undertaken during the year under review includes: studying deaths in police custody; an analysis of complaints made direct to the IPCC; survey work on public confidence; and the development of a framework for assessing how well police forces are handling complaints made by the general public.

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## Charitable donations

No donations to charity were made by the IPCC during the year. Where Commissioners and staff receive gifts as a result of their normal duties, these gifts, or an equivalent value, are donated to either Oxfam or Macmillan Cancer Support. Details are recorded in a register which is published annually on the IPCC website. A printed copy may be obtained by contacting the Commission Secretary at 90 High Holborn, London, WC1V 6BH.

## Going concern

Grant in aid for the IPCC for 2011/12 has been included in the Home Office departmental estimate, which has been approved by Parliament. There is no reason to believe that the Department's future sponsorship and future Parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## Events after the reporting period

No events after the reporting period have been noted as significant in terms of their impact on operational activities, or as having a significant impact on the balances contained in the accounts.

## Auditors

Arrangements for external audit are provided under paragraph 17 (2) of Schedule 2 to the Police Reform Act 2002. This requires the Comptroller and Auditor General (C&AG) to examine, certify and report on the statement of accounts, and to lay copies of it (together with his report) before each House of Parliament. The National Audit Office (NAO) conducts the audit on behalf of the C&AG. The fees for these services for 2010/11 are £42,000 (in 2009/10 the audit fee was £40,000 and a fee of £5,000 for review of the conversion of the 2008/09 accounts to IFRS). The NAO did not undertake any non-audit work.

Internal audit services are provided under contract by Home Office Audit Assurance Unit (AAU), which was appointed on 1 April 2009 with the agreement of the sponsor unit.

The Accounting Officer has taken all steps to ensure that she is aware of any relevant audit information, and to ensure that the IPCC auditors are also aware of that information. As far as the Accounting Officer is aware, there is no relevant information of which the IPCC auditors are unaware.

## Management commentary

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### Financial results for the year

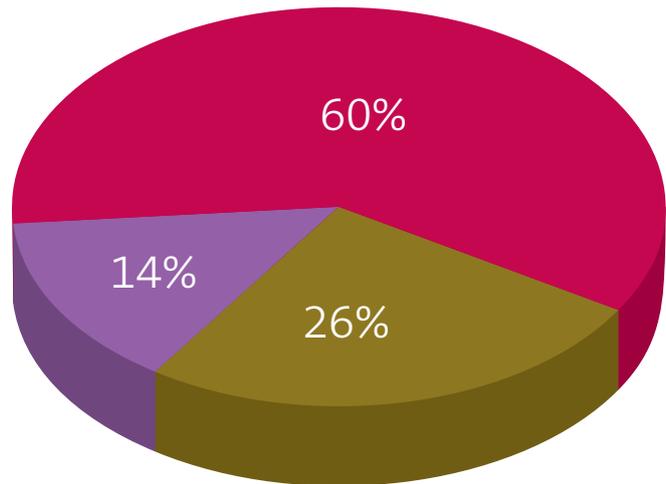
The activities of the IPCC are mainly funded by grant in aid from the Home Office. In 2010/11, the IPCC had a resource allocation from the Home Office of £35.365 million. The IPCC also received £1.877 million other income, which included payments for HMRC and UKBA investigations.

At the end of the year we reported to the Home Office that our expenditure was £34.748 million, an underspend of £0.617 million. The majority of the underspend (85%) was due to savings in staff costs where our steps to reduce expenditure ahead of the CSR review had an early beneficial effect.

The IPCC also received from the Home Office a capital budget allocation of £1 million. Actual capital expenditure in the year was £0.566 million in respect of property, plant and equipment and intangible assets. The unspent balance being committed to expenditure on the car fleet used by the investigations directorate.

IPCC resources are used to employ some 402 staff, outsource our secure IT system and provide the infrastructure and support necessary to operate the business effectively.

### How we used our resources



- Staff
- Infrastructure and support
- Outsourced IT

## Financial review

We have received formal confirmation of funding delegated to the IPCC for 2011/12, 2012/13 and an indicative delegation for 2013/14, 2014/15 for the CSR period. Our Grant in Aid funding falls from £35.365 million in 2010/11 to £30.741 million in 2014/15, a cut in cash terms of 13%. Given that we have to absorb increases in the cost of supplies and services and allow for a possible pay review the overall budget reduction is 21% over the CSR period.

At the end of the CSR in 2014/15 our overall income, which includes rent from the Security Industry Authority (SIA) and payments from UKBA and HMRC is expected to be £33.1 million. This is 4% less than the £34.6 million we received in 2006/07.

Demand for our activities has also grown considerably from 2006/07, particularly in appeals and independent investigations, which are our two most resource intensive activities. This is shown in the table below.

With demand rising year on year and funding reverting to below 2006/07 levels we face a substantial financial and operational challenge.

Prior to the CSR settlement we had already taken radical steps to reduce overheads in order to divert funds to the front line by:

- reducing the number of Commissioners from 18 full-time to 10 full-time, plus two part-time non-executive commissioners
- halving the number of Directors (from 10 to 5)
- re-letting our IT contract, saving 17% while securing improvements to our hardware and business systems
- sub-letting a substantial part of our London office to another NDPB, thus recovering 31% of the rent we will pay in 2011/12
- reducing management and administrative staff posts thereby saving £1.2 million per annum
- implementing the pay freeze during 2010/11 and 2011/12

These actions ensured that we entered the CSR period as a lean organisation that delivers value for money for the taxpayer.

Trend in resource intensive activities	2006/07	2007/08	2008/09	2009/10	2010/11	Percentage change from 2006/07
Appeals received	3,347	4,145	4,634	5,584	6,307	88%
Independent investigations started	64	100	106	106	164	156%

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The further reductions required by the CSR settlement require a strategic approach and therefore the focus of financial planning for the CSR period has been to identify the means to match our reduced resources to priorities. Our financial planning proposals include: further reductions in administrative staff and in management layers, and achieving operational efficiencies arising from better IT and process re-engineering.

### Business achievements for the year

In last year's management commentary, the IPCC outlined various plans for 2010/11. These are reviewed below.

- The decision process that determines the method of investigation was reviewed and changes have improved timeliness, standards and consistency.
- We have taken on a greater number of independent investigations and maintained the closure rate, ensuring that the open caseload remains manageable.
- Despite rising demand, we have reduced our open caseload of appeals significantly during the last year and have reduced the time taken to consider appeals from an average of 50 working days in 2009/10, to 45 working days.
- The investigations directorate has started 160 new independent investigations this year, up from 104 last year, with over 140 being completed.
- We have centralised the management of covert referrals from the police.
- We completed 8 reviews of high-profile cases.

- We produced guidance to casework in respect of proportionality in investigation appeals.
- We published revised Statutory Guidance for the police and are working with forces to make sure they are using it.
- We agreed our outline policy proposals for legislative change, which have been included in the Police Reform and Social Responsibility Bill. The Bill sets out changes to how the complaints system operates that are expected to unify it and reduce bureaucracy.
- We introduced a new Customer Relationship Management (CRM) system, helping to manage contact with our stakeholders more effectively.
- We implemented our Digital Media Strategy; this set out a programme of activity to further explore the use of and engagement with social and web-based media, with the primary aim of reaching younger audiences.

Further information is contained elsewhere in this report.

## Business focus for the future

The IPCC has developed four aims for the police complaints system that support the achievement of its overarching purpose of increasing public confidence in the complaints system. Each year, our business plan sets out the key developments that we will be working towards over the next year to deliver these aims.

Key developments planned for next year include major projects to:

- deliver revised risk management measures and procedures
- deliver improvements to police handling of complaints through our Right First Time Campaign
- implement our Access Strategy by working with the police to ensure there is effective local access for complainants
- complete a programme of work to implement the reforms to the complaints system set out in the Police Reform and Social Responsibility Bill, if passed by Parliament

Further information is contained elsewhere in this report and in the IPCC Corporate Plan for 2011/12 -2013/14 (available at [www.ipcc.gov.uk](http://www.ipcc.gov.uk)).

## IPCC operational structure

The IPCC is functionally organised into four directorates for management reporting and control. The costs and staff levels in these operating segments are shown in the Notes in the Annual Accounts. The role of each directorate is described below.

### ● Investigations

The directorate carries out independent, supervised and managed investigations into the most serious complaints and allegations of misconduct against the police in England and Wales. As well as these serious complaints, certain types of incident are referred to the directorate by the police, SOCA, HMRC and UKBA, even where no complaint has been made.

The directorate has a clear objective to ensure that IPCC investigations not only apportion responsibility, but provide a platform for both forces and individuals under investigation to learn lessons from inappropriate practices, actions and behaviour.

Examples include cases where there is a death or serious injury, allegations of serious or organised corruption, racism or attempts to pervert the course of justice. More information about some of the cases the IPCC has investigated this year can be found elsewhere in this report.

More information about the IPCC's role in relation to SOCA, HMRC and UKBA is explained elsewhere in this report.

### ● Casework and customer services

The directorate makes decisions on appeals made by members of the public. They advise on referrals from the police of serious incidents that may merit an independent investigation, and decide on requests from police to discontinue or to begin an investigation into a complaint.

In addition to the above they also provide advice to complainants about how to make a complaint and respond to enquiries and complaints about the police received by phone, post or online.

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A small number of staff work with community and third sector organisations to improve access to the police complaints system and public confidence in it.

#### • **Standards and quality**

The directorate is responsible for maintaining standards across the IPCC. It undertakes operational quality checks, risk management and operational training for casework and investigations. Its work includes the investigation of complaints against IPCC staff and conducting audit reviews of high-risk investigations. The directorate also provides detailed performance data and support to other Ombudsman in respect of external oversight.

The directorate also undertakes intelligence gathering, research and analysis into specific issues within police forces, SOCA, HMRC and UKBA.

#### • **Business services**

The directorate is made up of seven functions: Finance, Human Resources, ICT and Transformation, Legal Services, News and Media, Procurement and Estates, and Strategy and Communications.

The legal services team directly supports casework and investigations staff and Commissioners by providing high-quality advice in relation to casework decisions and investigations. It also provides representation for the Commission in litigation cases and at inquests.

The strategy and communications team delivers some aspects of the IPCC guardianship responsibility such as setting the standards for complaints handling; guidance to complainants, access to the complaints system and policy development.

The other functions provide high-quality professional support to the entire organisation on human resources issues, financial and business planning, internal communications and stakeholder engagement, assisting with press and public relations, information technology, procurement and facilities.

In addition, the directorate deals with requests for information made under the Freedom of Information Act and the Data Protection Act.

During 2010/11, the directorate was responsible for a number of key corporate projects, including facilitating the replacement of the car fleet; publishing revised Statutory Guidance for the police, introducing a Customer Relationship Management system, developing the Estates Strategy, reducing accommodation costs in our London office, the remote working pilot and information assurance.

The directorate also leads on benchmarking back office performance and this, together with the Estates Strategy, will be major projects for 2011/12.

#### • **Commission secretariat and Chief Executive's office**

The Commission Secretariat and the Chief Executive's private office support the Chair, Deputy Chairs and Chief Executive in undertaking their roles, and support the Commissioners in their corporate governance role.

#### **Reporting of personal data related incidents**

There were no protected personal data related incidents reported to the Information Commissioner's Office in 2010/11. Neither were any significant incidents relating to personal data reported to the Cabinet Office in 2010/11.

## Remuneration report

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The IPCC aims to ensure that the remuneration packages it offers are competitive. They are designed to attract, retain and motivate senior executives and other employees. In setting remuneration, the IPCC works within Government policy guidelines for public sector pay. The following sections provide details of the remuneration and pension interests of the Commissioners and the Chief Executive.

### Remuneration policy

The IPCC Chair is appointed by the Crown. Apart from the Chair, the Commissioners are appointments of the Secretary of State. The Chief Executive is appointed by the Commission with the approval by the Secretary of State. All of these appointments are made in accordance with the Code of Practice for Public Appointments, issued by the Commissioner for Public Appointments.

The Secretary of State reviews the Chair and Commissioners' salaries annually. The Commission has established a Remuneration Committee, which is responsible for considering and making recommendations to the Secretary of State on the base salary and benefits of the Chief Executive. The Remuneration Committee is also responsible for determining the specific remuneration and other employment benefits of the directors.

The Remuneration Committee comprises non-executive Commissioner Ruth Evans as the Chair, Commissioner Tom Davies and non-executive Commissioner Jonathan Tross. In addition, when the Committee meets to consider Directors' remuneration, the Chief Executive also attends.

Subject to annual approval by the Home Office of the IPCC's overall remuneration strategy, the Commission has delegated to the Management Board the determination of the remuneration packages and other employment benefits of all other IPCC employees.

The IPCC has established a job grading structure with salary scales for each grade. Job evaluation is undertaken to ensure that different roles within the IPCC are positioned fairly in the job grading structure, and annual appraisals are conducted with each employee to determine performance and identify areas where additional training is required. The base salary for each employee is determined by taking into account individual performance and the relevant salary scales for the job.

### Service contracts

The IPCC Chair is a Crown appointment for a period of five years, terminable by Her Majesty the Queen with no notice period. In March 2008, the Home Secretary announced that Her Majesty had approved the reappointment of Nick Hardwick as Chair of the IPCC for a further period of five years. This would have taken his period of appointment to the maximum allowed (ten years), but he resigned to take up another public appointment in June 2010. Deputy Chair, Len Jackson, was appointed interim IPCC Chair from 21 September 2010 by Her Majesty The Queen, on the advice of the Prime Minister and the Home Secretary. Len Jackson will act as interim Chair pending a permanent replacement until September 2011.

Commissioners are usually appointed for a fixed period of three to five years.

The Chief Executive, Jane Furniss, was appointed by the Commission on 4 December 2006 in accordance with the Civil Service Commissioners' Recruitment Code. The Chief Executive's contract has no fixed period and is terminable on up to six months' notice by the IPCC.

The Chief Executive appoints directors. Their contracts have no fixed period and are terminable on up to six months' notice by the IPCC. Early termination of directors or the CEO other than for misconduct would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

## **Bonuses**

The Chair and Commissioners do not receive a bonus. The Chief Executive and Directors are eligible for performance bonuses and these are approved by the Remuneration Committee. All bonus payments are made strictly in line with Home Office instructions on implementing the Senior Civil Service pay policy.

## **Benefits in kind**

The IPCC rented a flat in London for the use of the Interim Chair when on detached duty in London. This was in lieu of paying for hotel accommodation, subsistence and an essential car user allowance. The Interim Chair's salary is reflective of these arrangements, all of which offered better value for money to the taxpayer.

No other Commissioners or Directors received any benefits provided by the IPCC that were treated by HM Revenue & Customs as a taxable emolument.

## Remuneration report: Commissioners and CEO

The information in the remuneration table below provides details of the remuneration of Commissioners and the Chief Executive and is subject to audit.

This report has been audited.

Name and job title	Start date	Salary 2010/11 £'000	Benefits in kind 2010/11 to nearest £100	Remuneration 2010/11 £'000	Remuneration 2009/10 £'000
Nick Hardwick (Chair resigned 13th June 2010)	03/02/03	20-25 (annual 115-120)	-	20-25 (annual 115-120)	115-120
Len Jackson (Interim Chair from 21 September 2010)	01/10/03	90-95	44,400	135-140	80-85
Deborah Glass	01/04/04	85-90	-	85-90	85-90
Jane Furniss (Chief Executive)	04/12/06	130-135	-	130-135	130-135
Rachel Cerfontyne	04/05/09	75-80	-	75-80	65-70
Tom Davies	01/10/03	80-85	-	80-85	80-85
Ruth Evans (non-executive Commissioner)	01/06/09	5-10	-	5-10	5-10
Mike Franklin	01/09/03	80-85	-	80-85	80-85
Sarah Green	07/03/11	5-10 (annual 75-80)	-	5-10 (annual 75-80)	N/A
Nicholas Long	01/09/03	75-80	-	75-80	75-80
Naseem Malik	01/10/03	75-80	-	75-80	75-80
Rebecca Marsh	15/09/03	75-80	-	75-80	75-80
Amerdeep Somal	01/09/03	75-80	-	75-80	75-80
Jonathan Tross (non-executive Commissioner)	28/05/09	5-10	-	5-10	5-10

## Remuneration report: Directors (excluding CEO)

The information in the remuneration table below provides details of the remuneration of Commissioners and the Chief Executive and is subject to audit.

This report has been audited.

Name and job title	Date of appointment	Salary 2010/11 £'000	Compensation payment 2010/11	Total remuneration 2010/11 £'000	Total remuneration 2009/10 £'000
Mike Benbow <i>Director of Standards &amp; Quality</i>	01/03/2004	75-80	N/A	75-80	75-80
Philip Geering <sup>1</sup> <i>Director of Strategy &amp; Communications</i>	01/04/2008	85-90	N/A	85-90	85-90
Amanda Kelly <i>Director of Business Services</i>	28/09/2009	90-95	N/A	90-95	45-50
David Knight <i>Director of Casework &amp; Customer Services</i>	15/08/2005	80-85	N/A	80-85	80-85
Moir Stewart <i>Director of Investigations</i>	04/01/2010	105-110	N/A	105-110	25-30

1. Philip Geering was seconded from the Crown Prosecution Service (CPS) to 31 March 2011. The figures shown above are the value paid by the IPCC to the CPS. The remuneration for Philip Geering from the CPS is in the band £100k - £105k. His secondment to the IPCC ended on 31 March 2011.

## Payments made to directors under the Civil Service Compensation Scheme

During 2010/11 no payments were made to directors under the civil service compensation scheme.

## CEO remuneration

The CEO's remuneration over the last two years is shown in the table below.

This report has been audited.

	2010/11	2009/10
Salary	131,604	131,604
Bonus	–	–
Total	131,604	131,604

## Bonuses

Commissioners as public appointees are not entitled to bonuses. It is for the CEO to assess Directors and make a recommendation to the Remuneration Committee and for the Chair to assess the CEO and make a recommendation to the Committee. In view of the economic climate and despite excellent performance the CEO and Chair have advised the Committee against the payment of bonuses for the second year running.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the IPCC and thus recorded in these accounts.

## Payments to third parties

No payments were made to third parties for services of Commissioners.

## Pension benefits

The Chair, Commissioners and all staff are eligible for membership of the Principal Civil Service Pension scheme. Certain IPCC Commissioners who served as members with the Police Complaints Authority (PCA) participate in a 'broadly by analogy' (BBA) pension scheme as an alternative to membership of the Civil Service Pension scheme.

The information in the pension benefits tables below provides details of the pension benefits of Commissioners, the Chief Executive and the Directors and is subject to audit.

This report has been audited.

Name and job title	Total accrued pension at age 60 at 31/03/11 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 30/03/2011 £'000	CETV at 31/03/2010 £'000	Real increase/(decrease) in CETV £'000
Nick Hardwick	15 - 20 Nil lump sum	0 - 2.5 Nil lump sum	226	219	4
Len Jackson	15 - 20 Nil lump sum	2.5 - 5 Nil lump sum	319	258	52
Deborah Glass	15 - 20 45 - 50 Lump sum	0 - 2.5 2.5 - 5 Lump sum	265	223	10
Jane Furniss	45 - 50 145 - 150 Lump sum	0 - 2.5 0 - 2.5 Lump sum	1,057	980	0
Rachel Cerfontyne	0 - 5 Nil lump sum	0 - 2.5 Nil lump sum	35	15	16
Tom Davies	10 - 15 Nil lump sum	0 - 2.5 Nil lump sum	245	222	16
Mike Franklin	10 - 15 30 - 35 Lump sum	0 - 2.5 0 - 2.5 Lump sum	175	150	10
Sarah Green	0 - 5 Nil lump sum	0 - 2.5 Nil lump sum	47	45	1
Nicholas Long	5 - 10 Nil lump sum	0 - 2.5 Nil lump sum	189	165	18
Naseem Malik	20 - 25 Nil lump sum	0 - 2.5 Nil lump sum	238	207	2
Rebecca Marsh	5 - 10 Nil lump sum	0 - 2.5 Nil lump sum	115	95	9
Amerdeep Somal	15 - 20 Nil lump sum	0 - 2.5 Nil lump sum	199	179	2

This report has been audited.

Name and job title	Total accrued pension at age 60 at 31/03/11 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 30/03/2011* £'000	CETV at 31/03/2010 £'000	Real increase/ (decrease) in CETV £'000
Mike Benbow <i>Director of Standards &amp; Quality</i>	5 - 10 Nil lump sum	0 - 2.5 Nil lump sum	146	116	19
Philip Geering <i>Director of Strategy &amp; Communications</i>	30 - 35 95 - 97.5 Lump Sum	0 - 2.5 0 - 2.5 Lump Sum	491	448	4
Amanda Kelly <i>Director of Business Services</i>	0 - 5 Nil lump sum	0 - 2.5 Nil lump sum	41	13	24
David Knight <i>Director of Casework &amp; Customer Services</i>	25 - 30 75 - 77.5 Lump sum	0 - 2.5 2.5 - 5 Lump sum	388	344	11
Moir Stewart <i>Director of Investigations</i>	0 - 5 Nil lump sum	0 - 2.5 Nil lump sum	36	7	25

\* The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31 March 2010 and 31 March 2011 have both been calculated using the new factors, for consistency. The CETV at 31 March 2010 therefore differs from the corresponding figure in last year's report, which was calculated using the previous factors.

## Broadly by analogy (BBA) pensions

A BBA pension arrangement entitles the recipient to benefits that are similar to those provided by the PCSPS classic scheme described above, and obliges the IPCC and the member to make contributions in line with the PCSPS. The IPCC is responsible for funding future pension benefits and retaining pension contributions. BBA pensions are held by the following Commissioners and ex-Commissioners: David Petch, Deborah Glass, Ian Bynoe and Mehmuda Mian Pritchard.

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation.

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for **premium, classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable

salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic, premium** and classic plus and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at:

 <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

### Cash Equivalent Transfer Values

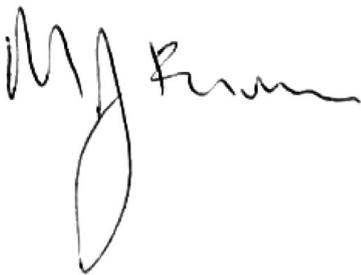
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



**Jane Furniss**

Chief Executive and Accounting Officer  
29 June 2011

## Statement of the Accounting Officer's responsibilities

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Under paragraph 17(1) of Schedule 2 to the Police Reform Act 2002, the IPCC is required to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction issued by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the IPCC and of its income and expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government FReM, and in particular to:

- observe the Accounts Direction issued by the Secretary of State, with the consent of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government FReM have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

For the year under review, the Accounting Officer for the Home Office had appointed the Chief Executive as Accounting Officer for the IPCC.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the IPCC's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Managing Public Money.

## Statement on internal control

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### Scope of responsibility

As Accounting Officer, I report to the Commission and have responsibility for maintaining a sound system of internal control that supports the achievement of IPCC's policies, aims and objectives, while safeguarding the public funds and IPCC assets for which I am personally responsible, in accordance with the responsibilities assigned to me in "*Managing Public Money*".

The IPCC provides information to the sponsoring department, the Home Office, via regular meetings. In particular, I discuss with the Sponsor Unit, during bilateral meetings with the Policing Powers and Protection Unit, the IPCC's operational performance, financial management and risk. These meetings are normally held bi-monthly.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of IPCC policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The IPCC's system of internal control has been in place throughout the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

Responsibility for risk management is cascaded throughout the IPCC, with Directors, Heads of Function and Managers taking responsibility for managing specific risks that could affect the achievement of their objectives and targets and for identifying opportunities that could enhance delivery of objectives and targets. Oversight is provided by the Commission, the Management Board and the Audit Committee all of which regularly review the corporate strategic risk register.

During 2010/11 an internal audit of risk management was undertaken by the Home Office Audit & Assurance Unit. Work is in hand to implement the improvements recommended.

The operational risk registers for each of the Directorates within the IPCC have been further developed and these inform the overall strategic risk register. The Home Office Audit and Assurance Unit have, with the input of the IPCC carried out a further detailed risk assessment across all control systems to ensure that the internal audit strategy being developed matches audit activity to risks.

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## The risk and control framework

The IPCC risk and control framework extends to cover all the work undertaken by the IPCC.

The internal control framework includes formal procedures to ensure that:

- risk management is included in each Directorate plan and is reviewed regularly by the senior management team
- reports to Commission contain consideration of risks to achieving objectives
- risk registers are reviewed regularly by management teams including operational directors, myself and risk owners, this includes a Strategic Risk Register which is reviewed on a minimum of a quarterly basis
- an annual review of risk management is undertaken, which includes the IPCC risk policy and guidance

The main structures in place for identifying, evaluating and managing risk are:

- Commission meetings, at which the strategic risk register is reviewed and progress against IPCC strategic plan is reviewed along with overall performance
- meetings of the Audit Committee, which receives reports on risk management and internal audit function. The Audit Committee also approves the annual internal audit plan and matters arising from it, including any control weaknesses identified
- regular reports by the internal audit function, provided during 2010/11 under contract by the Home Office Audit and Assurance Unit

These provide me with an independent opinion of the adequacy and effectiveness of the IPCC's system of internal control together with recommendations for improvement

- regular Management Board review of the strategic risks linked to the delivery of the business plan and corporate objectives
- an annual statement of assurance to me as Accounting Officer from executive directors on the system of internal control within their operating areas
- a register of corporate level risks, which is reviewed at least quarterly by the Commission and the Management Board

Further work will be carried out in 2011/12 to improve the linkages between the directorate and corporate level risk registers and on the implementation an Assurance Framework to enhance the risk and control activities currently undertaken.

## Information risk

As the Accounting Officer for the IPCC, I have overall responsibility for ensuring that information risks are assessed and mitigated to an acceptable level.

During the financial year we have:

- provided Information Assurance Training to all staff
  - conducted quarterly risk assessments on Information Assets
  - accredited all the IPCC systems to GSI requirements
  - commenced a project to ensure compliance with ISO27001, on target for March 2012 completion
-

- reviewed our position relating to disaster recovery resilience, which has resulted in the commissioning of a new disaster recovery solution, due for delivery by the end of 2011
- begun a review of the Business Continuity Plan to ensure it is in line with current organisational structures
- continued the ICT Transformation Programme, which involves replacing the whole of our infrastructure and upgrading or rebuilding the majority of our systems, and includes the introduction of secure printing and increased email security

An internal audit was commissioned to review Programme and Project Management. The Project Management system was commended and project management in practice confirmed as reflecting best practice as defined by the Office of Government Commerce, the Home Office and Prince 2 methodology. A number of recommendations relating to control improvements were accepted and work is in hand to ensure compliance.

An Information and Security Management Group comprising senior managers representing Risk, Operations, IT and Security has been chaired by the SIRO acting on behalf of Management Board to oversee all arrangements relating to information management, information assurance, security, business continuity and critical incident management throughout the IPCC.

During the period under review the IPCC has had 27 data breaches. The majority of these breaches were rated as minor (using the Home Office Departmental Security Unit impact table). We are working with staff to improve our processes and reduce such breaches. The most significant breach occurred in August when personal

information relating to IPCC staff was accidentally disclosed to a supplier based in Central Europe. Although significant this breach was managed quickly and where necessary appropriate action was taken to mitigate the impact. The Home Office was kept informed and lessons learnt were taken forward as a result.

### **Responding to the NAO Value for Money report on the IPCC**

During 2008/09 the NAO undertook a study to assess whether the IPCC had met its objectives. Updates on the specific recommendations were provided in last year's Annual Statement of Assurance and during 2010/11 the Home Office Audit and Assurance Unit completed a review on the implementation of these recommendations. Two areas relating to the monitoring of IPCC recommendations to police forces and a stakeholder engagement were highlighted as outstanding. In respect of the former, work has begun on the implementation of an improved system of monitoring recommendations within the Standards and Quality directorate with oversight by the Quality Committee. In respect of the latter a Customer Relationship Management system has been implemented and at the April 2011 Commission meeting, a significant programme of community engagement activity for the year was approved. This will be regularly internally monitored and reported on via the Commission meetings and Annual Report.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Directors and managers within the IPCC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Commission, the Management Board and the Audit Committee all contribute to my review of the effectiveness of the system of internal control and provide input to the plan to address weaknesses and ensure continuous improvement of the system.

The effectiveness of the system of internal control was maintained and reviewed by the Commission and the Management Board who:

- considered the strategic direction of the IPCC and reviewed performance against objectives on an ongoing basis
- considered the effectiveness of the control framework in the context of the external environment and internal issues specific to IPCC using the seven facets described in the Home Office assurance framework where applicable to the IPCC. I have based my overall judgement on the recommendations of internal audit and comments from the National Audit Office as well as on evidence presented to the IPCC management board, the Audit Committee and the Commission
- identified those systems and controls that are working well and identified those specific areas where there is a need for improvement. Internal audits of Credit Card Usage and Travel and Subsistence Payments identified weaknesses in procedure and compliance. These have been addressed through review of procedures and implementation of sanctions in respect of non-compliance, together with a revised policy which reflects the current austerity measures and a better controlled process. A further report on the management of information technology was complimentary about the delivery of the transformation programme and the management of our contract with Steria Ltd. It also made recommendations to improve the way in which our information technology assets are managed while in service and a number of resulting network management issues are being actively addressed
- allocated responsibility to the Standards and Quality Directorate, which was formed in April 2010, for providing assurance in respect of the quality and compliance of the delivery of core business. The directorate is responsible for providing independent assurance and has, for example in the last twelve months, quality assured a sample of independent, managed and quick-time investigations, together with a programme of review work with Casework. Creation of the Standards and Quality Directorate has brought a new focus to both internal complaints handling and quality assurance. In addition, there is regular oversight of the Directorate's work by the Quality Committee, which is subsequently reported to Commission

- kept the sponsor unit informed of the budgetary pressures caused by high demand for casework and investigations. Our good financial management processes enabled us to give early warning to the sponsor unit. Business planning processes are in place to deal with the reduced funding resulting from the Comprehensive Spending Review and work is being undertaken to improve efficiency and productivity, to ensure that a value for money service is provided to the public
- put forward to the Home Office proposals for legislative change which will improve the Complaints system for inclusion in the proposed Police Reform and Social Responsibility Bill
- reviewed actions taken on last year's Annual Statement of Assurance and in the Statement of Internal Control. An internal audit of the Assurance processes highlighted a number of process improvements in relation to the ASA and SIC and work is underway on their implementation

As the 2009/10 accounts were being signed off, an Enforcement Notice was received in June 2010 from the Information Commissioner in respect of a backlog of Freedom of Information and Data Protection Act requests. The backlog was due to a high peak of demand as a result of the G20 protests and public concerns regarding MPs' expenses coupled with inadequate resources which had been regularly notified to the Information Commissioner. The Enforcement Notice requested that the IPCC comply with their instruction to complete the outstanding items in the backlog. Additional resource had already been allocated to the team prior to receipt and this was used to reduce the backlog and subsequently fulfil the requirements of the enforcement notice.

Legal obligations in respect of Subject Access Requests and Freedom of Information requests are now being met.

The IPCC's change programme, Connect, was completed during 2010/11. This included completing the final phase of a management restructure which began in 2009/10, moving from regional to functional directorates, which has given clearer responsibility and reporting between the operational functions. It has brought together business support functions (corporate services, communications, planning) into one directorate and allowed further reduction in the number of Director level posts. It has also enabled us to reduce management posts and layers and allowed us to recruit more operational staff. Connect included a number of other business process changes across our operational teams which have significantly improved our performance.

There are positive signs that the anticipated benefits of the restructure and business changes are being realised as the numbers of investigations completed and appeals processed have increased, the quality and timeliness of our performance has improved and we have made the savings we anticipated.

The structural changes have been reflected in the revised IPCC scheme of delegation, giving clear guidance on decision making responsibilities across the Commission and Executive. In line with the Police Reform Act 2002, the revised scheme was submitted to the Home Office in November 2010 for the Home Secretary's approval. The Police Reform and Social Responsibility Bill proposes to revoke paragraph 10 (6) of the Police Reform Act. This provision currently states that "the making of arrangements" (for carrying out of the Commission's functions by way of a Committee,

a single Commissioner, CEO or members of staff) requires the consent of the Secretary of State. If the Bill becomes law the IPCC will no longer be obliged to obtain the Secretary of State's approval to its scheme of delegation.

Internal Audit reviews were conducted providing an independent opinion on the adequacy and effectiveness of the IPCC's internal controls, together with recommendations for enhancements as considered necessary. The Head of Audit for the IPCC has direct access to the Accounting Officer and the Chair of the Audit Committee.

Management interventions have been proactive in identifying risks and responding to errors and control weaknesses. Immediate action has been taken to address those risks identified as of high importance which includes the information related incidents previously documented. Longer term actions plans have been prepared for more general system improvements.

In the last quarter of the year a breach of procurement rules has been identified in respect of the commissioning of the annual public confidence survey. The survey was originally procured in 2005 from a single supplier and was used again in 2007. The use of a single supplier was to ensure production of consistent meaningful data which could be appropriately compared year on year. This procurement should however have been subject to an application to the Accounting Officer for an appropriate exemption but this process was not carried out. The breach was identified by the improved systems put in place as a result of the review by our Internal Auditors. As a result I commissioned an internal enquiry. I have received the report on this and have dealt with the conduct and capability issues it raised and am ensuring that any systemic weaknesses are being addressed.

The Audit Committee has reviewed the opinions of the Head of Internal Audit and considered the action plans proposed by management. The Committee is receiving regular reports and is closely monitoring delivery of the necessary improvements. In their 2010/11 annual assurance report, the internal auditors have formed the opinion that "strengths in the control, risk and information management systems in place outweigh weaknesses. Although there is a need for improvement in specific areas, systems generally operate effectively. The risks to the Accounting Officer are generally well managed, material errors and failures which arise are detected and rectified promptly and effectively". The overall opinion is assessed as moderate.

I am therefore able to report that in 2010/11 and subject to the corrections put in place to address risks of high importance the IPCC has no significant weakness in its internal controls.



**Jane Furniss**

Chief Executive and Accounting Officer  
29 June 2011

Independent Police Complaints Commission

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

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I certify that I have audited the financial statements of Independent Police Complaints Commission for the year ended 31 March 2011 under the Police Reform Act 2002. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Police Reform Act 2002. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Independent Police Complaints Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Independent Police Complaints Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Police Complaints Commission's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police Reform Act 2002 and Secretary of State directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Police Reform Act 2002; and
- the information given in the Foreword to the Accounts and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

### **Amyas C E Morse**

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

7 July 2011

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## Statement of comprehensive net expenditure

for the year ended 31 March 2011

	Note	2010/11 £'000	2009/10 restated £'000
<b>Expenditure</b>			
Staff costs	3	(21,006)	(21,675)
Other expenditures	4	(11,420)	(13,491)
Non-cash items	4	(2,552)	(2,750)
		<b>(34,978)</b>	<b>(37,916)</b>
<b>Income</b>			
Income from activities	5	589	935
Other income	5	1,288	1,022
Non-operating income	5	-	-
		1,877	1,957
<b>Net expenditure</b>		<b>(33,101)</b>	<b>(35,959)</b>
<b>Other comprehensive expenditure</b>		-	-
<b>Total comprehensive expenditure</b> for the year ended 31 March 2011		<b>(33,101)</b>	<b>(35,959)</b>

There were no discontinued operations, acquisitions or disposals during the period.

Figures for 2009/10 have been restated to remove the notional cost of capital charge in accordance with the Financial Reporting Manual and for the change in accounting policy to adopt depreciated historic cost as a proxy for fair value for short-life or low value assets.

The notes on pages 97 to 125 form part of these accounts.

## Statement of financial position

as at 31 March 2011

		<b>31 March 2011</b>	<b>31 March 2010</b> restated	<b>1 April 2009</b> restated
	<b>Note</b>	£'000	£'000	£'000
<b>Non-current assets:</b>				
Property, plant and equipment	6	2,169	2,097	2,631
Intangible assets	7	1,558	1,710	1,935
Trade and other receivables	9	4,893	6,427	-
<b>Total non-current assets</b>		<b>8,620</b>	<b>10,234</b>	<b>4,566</b>
<b>Current assets:</b>				
Trade and other receivables	9	2,655	2,224	1,229
Cash and cash equivalents	10	742	3,059	1,795
<b>Total current assets</b>		<b>3,397</b>	<b>5,283</b>	<b>3,024</b>
<b>Total assets</b>		<b>12,017</b>	<b>15,517</b>	<b>7,590</b>
<b>Current liabilities:</b>				
Provisions	12	863	761	-
Trade and other payables	11	2,587	4,417	2,733
Staff benefits	11	433	408	365
<b>Total current liabilities</b>		<b>3,883</b>	<b>5,586</b>	<b>3,098</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>8,134</b>	<b>9,931</b>	<b>4,492</b>
<b>Non-current liabilities</b>				
Provisions	12	1,221	837	1,373
Pension liabilities	3	1,431	1,681	1,193
Other payables	11	4,197	6,148	123
<b>Total non-current liabilities</b>		<b>6,849</b>	<b>8,666</b>	<b>2,689</b>
<b>Assets less liabilities</b>		<b>1,285</b>	<b>1,265</b>	<b>1,803</b>

## Statement of financial position – continued

as at 31 March 2011

	<b>31 March 2011</b>	<b>31 March 2010</b> restated	<b>1 April 2009</b> restated
<b>Note</b>	£'000	£'000	£'000
<b>Taxpayers' equity</b>			
Revaluation reserve	-	-	-
General reserve	2,716	2,946	2,996
Pension reserve	(1,431)	(1,681)	(1,193)
<b>Total reserves</b>	<b>1,285</b>	<b>1,265</b>	<b>1,803</b>

The financial statements on pages 91 to 96 were approved by the Commission on 8 June 2011 and signed on its behalf by;

Signed



**Jane Furniss**

Chief Executive and Accounting Officer  
29 June 2011

The notes on pages 97 to 125 form part of these accounts.

## Statement of cash flows

for the year ended 31 March 2011

	Note	2010/11 £'000	2009/10 restated £'000
<b>Cash flows from operating activities</b>			
net expenditure		(33,101)	(35,959)
adjustment for non-cash items	4	2,552	2,750
(increase) in non-current trade and other receivables	9	1,534	(6,427)
(increase)/decrease in current trade and other receivables	9	(431)	(995)
increase/(decrease) in current trade payables	11	(1,830)	1,684
increase/(decrease) in non current other payables	11	(1,951)	6,025
increase in employee benefits payable	11	25	43
increase/(decrease) in pension liabilities	3	(250)	488
less use of pensions	3	(38)	(38)
less actuarial (gains) losses not passing through the Statement of Comprehensive Net Expenditure	3	119	(413)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		3	12
change in discount rate in early compensation provision		14	
increase/(decrease) in non-current provisions	12	384	
increase/(decrease) in current provisions	12	102	-
Less use of provisions	12	(510)	(321)
<b>Net cash outflow from operating activities</b>		<b>(33,378)</b>	<b>(33,151)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(1,035)	(544)
Purchase of intangible assets	7	(904)	(891)
<b>Net cash outflow from investing activities</b>		<b>(1,939)</b>	<b>(1,435)</b>

## Statement of cash flows

for the year ended 31 March 2011

	<b>2010/11</b>	<b>2009/10</b>
<b>Note</b>	£'000	restated £'000
<b>Cash flows from financing activities</b>		
Grants from parent department	33,000	35,850
<b>Net financing</b>	<b>33,000</b>	<b>35,850</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		
	<b>(2,317)</b>	<b>1,264</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10 <b>3,059</b>	<b>1,795</b>
<b>Cash and cash equivalents at the end of the period</b>	10 <b>742</b>	<b>3,059</b>

The notes on pages 97 to 125 form part of these accounts.

## Statement of changes in taxpayers' equity

for the year ended 31 March 2011

	General reserve restated £'000	Revaluation reserve restated £'000	Pension reserve restated £'000	Total reserves restated £'000
<b>Balance at 31 March 2009</b>	<b>2,996</b>	-	<b>(1,193)</b>	<b>1,803</b>
<b>Changes in taxpayers equity 2009/10</b>				
Grant from parent received for revenue expenditure	34,415	-	-	34,415
Grant from parent received for capital expenditure	1,435	-	-	1,435
Movements in reserves	(16)			(16)
Transfers between reserves	75	-	(75)	-
Comprehensive expenditure for the year	(35,959)	-	-	(35,959)
Actuarial gain in year	-	-	(413)	(413)
<b>Balance at 31 March 2010</b>	<b>2,946</b>	-	<b>(1,681)</b>	<b>1,265</b>
	General reserve £'000	Revaluation reserve £'000	Pension reserve £'000	Total reserves £'000
<b>Balance at 31 March 2010</b>	<b>2,946</b>	-	<b>(1,681)</b>	<b>1,265</b>
<b>Changes in taxpayers' equity for 2010/11</b>				
Grant from parent received for revenue expenditure	32,434	-	-	32,434
Grant from parent received for capital expenditure	566	-	-	566
Transfers between reserves	(129)	-	131	2
Comprehensive expenditure for the year	(33,101)	-	-	(33,101)
Actuarial gain in year	-	-	119	119
<b>Balance at 31 March 2011</b>	<b>2,716</b>	-	<b>(1,431)</b>	<b>1,285</b>

The notes on pages 97 to 125 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010/11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the IPCC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the IPCC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

These financial statements are presented in pound sterling and rounded to the nearest £1,000.

#### 1.1 Prior-year adjustments

Figures for 2009/10 have been restated to remove the notional cost of capital charge in accordance with the Financial Reporting Manual and for the change in accounting policy to adopt depreciated historic cost as a proxy for fair value for short life or low value assets. There is no material impact on the reserves.

#### 1.2 Accounting conventions

These accounts have been prepared under the historical cost convention modified for revaluation of property, plant and equipment, except where depreciated historic cost is used as a proxy for fair value for short-life or low-value assets.

#### 1.3 Going concern

The activities of the IPCC are primarily funded by the Home Office.

Grant in Aid for 2011/12, taking into account the amount required to meet the IPCC's liabilities falling due in the year, has already been included in the department's estimates for that year, which have been approved by Parliament, and there is no reason to believe that the department's future sponsorship and future parliamentary approval will not be forthcoming. It has, therefore, been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

#### 1.4 Grant in aid

Grant in aid received is used to finance activities and expenditure that support the statutory objectives of the IPCC. The FReM requires that grant in aid is treated as financing and is credited to the general reserve because it is regarded as a contribution from a controlling party.

## Notes to the accounts – continued

### 1.5 Value Added Tax

The IPCC is registered for VAT but can only recover a very small proportion of VAT on purchases necessary for the IPCC undertaking non statutory activities. Income is shown as net of VAT, where VAT is due, and expenditure is charged as gross. Any input tax recoverable is credited to the Statement of Comprehensive Net Expenditure.

### 1.6 Notional costs

HM Treasury no longer requires that a notional charge for the cost of capital is employed in the period. Therefore no such charges have been made in the Statement of Comprehensive Net Expenditure and 2009/10 has been restated.

### 1.7 Property, plant and equipment

Expenditure on property, plant and equipment of £5,000 or more is capitalised. On initial recognition assets are measured at cost including any costs, such as installation, directly attributable to bringing them into working condition. The IPCC does not own any property. All plant and equipment is reviewed annually for impairment and is carried at fair value.

In 2010/11 the IPCC elected to adopt depreciated historic cost as a proxy for fair value for short-life or low value PPE assets. This is permitted by the FReM (reference 6.2.8h). In prior years fair value was established using indices provided by the Office of National Statistics also as permitted by the FReM (reference 6.2.8i). The change in valuation policy has no material impact on the Accounts.

Expenditure on the fit-out to buildings financed by operating leases is capitalised as a tangible non-current asset if the works add value to the building. Fit-out cost of all new buildings may include the costs of new furniture and equipment which individually costs less than £5,000 where the Accounting Officer considers it more appropriate capitalise the costs. Future replacements costs of furniture and equipment will however be funded from the Resource budget subject to the costs being below the capitalisation threshold at the time of replacement.

### 1.8 Intangible assets

Expenditure on intangible assets which are software licenses and the associated costs of implementation is capitalised where the cost is £5,000 or more. Intangible assets are reviewed annually for impairment and are stated at an approximation of fair value.

In 2010/11 the IPCC elected to adopt depreciated historic cost as a proxy for fair value for short-life or low value intangible assets. This is permitted by the FReM (reference 6.2.8h). In prior years fair value was established using indices provided by the Office of National Statistics as permitted by the FReM (reference 6.2.8i). The change in valuation policy has no material impact on the Accounts.

## Notes to the accounts – continued

### 1.9 Service Concession Arrangement

In December 2009 the IPCC agreed a 10 year contract for the provision of IT services. The IT assets in use by IPCC are capitalised as non current assets as provided for under interpretation 12, *Service Concession Arrangements*, of the International Financial Reporting Interpretation Committee and interpretation 29, *Service Concession Arrangements: Disclosures* of the Standards Interpretation Committee. These assets are depreciated over the life of the contract.

### 1.10 Depreciation and amortisation

Depreciation or amortisation is provided on all non-current assets in use on a straight line basis to write off the cost or valuation over the asset's useful life as follows:

Asset type	Useful life
Improvements to leasehold buildings	Duration of lease or the anticipated useful life
Motor vehicles	Three years
IT equipment	Three to five years
Intangible non current asset	Three to five years
Service concession IT assets	Duration of contract

Depreciated historical cost is used as a proxy for the above named classes of non-property assets.

### 1.11 Pensions

#### a) PCSPS

Pensions are ordinarily to be provided by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described more fully in the remuneration report on pages 75-81. There is a separate scheme statement for the PCSPS as a whole. Employer pension contributions are accounted for on an accruals basis. Liabilities rest with the PCSPS and not IPCC.

#### b) BBA

In the case of some former members of the Police Complaints Authority, pensions are provided by a Broadly By Analogy pension arrangement. In these cases, the annual cost of the pension contribution is recognised in the Statement of Comprehensive Net Expenditure. Amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Changes in Taxpayers' Equity. Liabilities for the Broadly By Analogy scheme rest with the IPCC. These are recognised in the Statement of Financial Position.

These financial statements are fully compliant with IAS 19: Employee Benefits.

## Notes to the accounts – continued

### 1.12 Early departure costs

The IPCC meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early by paying the required amounts annually to the Principal Civil Service Pension Scheme over the period between early departure and normal retirement date. The IPCC provides for this in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the HM Treasury discount rate applicable at the SoFP date. At 31 March 2011 this was 2.9 per cent in real terms (2009/10 1.8 per cent).

### 1.13 Staff costs

In accordance with IAS 19 Employee Benefits, the IPCC recognises the expected costs of short-term employee benefits in the form of compensated absences, as follows:

- (a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and
- (b) in the case of non-accumulating compensated absences, when the absences occur.

### 1.14 Provisions

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal or constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated. The amount recognised in provisions takes into account the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability or if the probabilities are equivalent, then using the expected value of the settlement amounts. Provisions are discounted and carried at their present value as at the reporting date. To the extent that reinstatement claims on leased properties exist within the meaning of IAS 37, they are recognised as a separate asset if their realisation is virtually certain.

### 1.15 Leases

The costs of operating leases held by the IPCC are charged to the Statement of Comprehensive Net Expenditure in the period to which they relate on a straight-line basis.

The significant operating leases are for office accommodation where purchase options are not available.

The IPCC does not have any finance leases.

## Notes to the accounts – continued

### 1.16 Income

Income from activities relates directly to income from HMRC and UKBA for activities carried out as part of the discharge of the IPCC statutory responsibilities and powers.

Other income relates to fees and charges for other services provided, mainly sub-leased property and staff seconded out.

Proceeds arising from the sale of non-current assets are accounted for as non-operating income.

Income represents the value of invoices raised on completion of services and the value completed but not yet invoiced.

### 1.17 Corporation Tax

IPCC is registered for corporation tax as part of the Home Office Corporation Tax Group.

### 1.18 Standards in issue but not yet effective

The IPCC provides disclosure that it has not yet applied a new accounting standard, and known of reasonably estimable information relevant to assessing the possible impact that the initial application of the new standard will have on the IPCC financial statements. There were no new standards issued for 2010/11 and not applied, which would materially affect the IPCC financial statements. The IPCC has also not adopted any standards early.

## 2 Analysis of net expenditure by segment

	2010/11		2009/10	
	Gross expenditure	Revenue	Net expenditure	Net expenditure restated
	£'000	£'000	£'000	£'000
Business Services	17,904	(1,248)	16,656	17,503
Investigations	7,898	(589)	7,309	8,838
Casework and Customer Services	5,592		5,592	5,010
Commissioners and the Commissioners' Office	1,456		1,456	1,647
Connect	234		234	1,239
Chief Executive and the Chief Executive's Office	310		310	593
Standards and Quality	1,584	(40)	1,544	1,129
<b>Total</b>	<b>34,978</b>	<b>(1,877)</b>	<b>33,101</b>	<b>35,959</b>

During 2010/11, the IPCC management reporting structure changed, reducing the number of directorates. Segmental reporting for 2010/11 is based on the new structure and comparative data for 2009/10 has also been revised.

This management reporting structure places financial responsibility with the director best placed to take expenditure decisions and ensure that value for money is achieved.

For this reason the Business Services directorate's expenditure shown above includes costs for IT, accommodation, depreciation, amortisation and other infrastructure activities managed on behalf of the entire organisation.

Information on income by customer is shown in Note 5.

Further information on the objectives of each operating segment is available in the Foreword to these Accounts.

### 3 Staff numbers and related costs

#### 3.1 Staff costs:

	2010/11 £'000		2009/10 £'000	
	Permanently employed staff	Other	Total	Total
<b>Commissioners and CEO</b>				
Salaries and emoluments	905	-	905	1,081
Social security cost	33	-	33	114
Other pension costs	214	-	214	257
<b>Sub total</b>	<b>1,152</b>	<b>-</b>	<b>1,152</b>	<b>1,452</b>
Less: recoveries in respect of outward secondments				
<b>Net costs of Commissioners and CEO</b>	<b>1,152</b>	<b>-</b>	<b>1,152</b>	<b>1,452</b>
<b>All other staff</b>				
Salaries and emoluments	14,757	1,101	15,858	16,153
Social security cost	1,256	-	1,256	1,237
Pension contributions	2,740	-	2,740	2,833
<b>Sub total</b>	<b>18,753</b>	<b>1,101</b>	<b>19,854</b>	<b>20,223</b>
Less: recoveries in respect of outward secondments	(40)	-	(40)	(154)
<b>Net costs of all other staff</b>	<b>18,713</b>	<b>1,101</b>	<b>19,814</b>	<b>20,069</b>
<b>Total staff costs</b>	<b>19,905</b>	<b>1,101</b>	<b>21,006</b>	<b>21,675</b>

Permanent staff includes staff on fixed-term contracts generally of 12 months' duration. Other staff costs includes temporary and inward seconded staff.

Commissioner and CEO net costs for 2010/11 have fallen by 20.7% over 2009/10. This is due to the reduction in the number of Commissioners commencing April 2010 in order to release resources for frontline activities. Further details on Commissioner remuneration can be found in the Remuneration Report.

The total cost figure for staff and Commissioners in 2010/11 has fallen by 3.1% over 2009/10. During the same period average staff numbers fell by 5.9%.

There were no pay increases during 2010/11 in line with government's emergency budget of June 2010.

### 3.2 Average number of persons employed (incl. Commissioners)

The average number of whole-time equivalent persons employed by segment during the year was as follows:

	Permanent staff	2010/11 Other	Total
Business Services	86	3	89
Investigations	146	-	146
Casework and Customer Services	115	9	124
Commissioners' Office	17	-	17
Connect	1	-	1
Chief Executive's Office	3	-	3
Standards and Quality	22	-	22
<b>Total staff numbers</b>	<b>390</b>	<b>12</b>	<b>402</b>
	Permanent staff	2009/10 Other	Total
Business Services	88	5	93
Investigations	163	6	169
Casework and Customer Services	117	2	119
Commissioners' Office	19	-	19
Connect	6	-	6
Chief Executive's Office	3	-	3
Standards and Quality	18	-	18
<b>Total staff numbers</b>	<b>414</b>	<b>13</b>	<b>427</b>

During 2010/11, the IPCC management reporting structure changed reducing the number of directorates. Staff numbers for 2010/11 are based on the new structure and comparative data for 2009/10 has also been revised.

### 3.3 Reporting of Civil Service and other compensation schemes - exit package

Comparative data to be shown (in brackets) for 2009/10

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	2 (1)	-	2 (1)
£10,000 - £25,000	3 (2)	-	23 (2)
£25,000 - £50,000	8 (3)	-	8 (3)
£50,000 - £150,000	5 (1)	-	5 (1)
£150,000 - £200,000	0 (0)	-	0 (0)
Total number of exit packages by type (total cost)	18 (7)	-	18 (7)
<b>Total resource cost (2010/11) in £000</b>	<b>871</b>	-	<b>871</b>
<b>Total resource cost (2009/10) in £000</b>	<b>233</b>	-	<b>233</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the IPCC has agreed early retirements, the additional costs are met by the IPCC and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

### 3.4 Broadly by Analogy pension scheme

Certain Commissioners who served as members with the Police Complaints Authority (PCA) receive pension benefits broadly by analogy (BBA) with the PCSPS.

The BBA pensions are unfunded, with benefits being paid as they fall due and guaranteed by the IPCC. There is no fund and therefore no surplus or deficit. The scheme liabilities for service have been calculated by the Government Actuary's Department using the following financial assumptions:

	<b>2010/11</b>	<b>2009/10</b>
Rate used to discount scheme liabilities	5.60%	4.60%
Rate of increase in salaries	4.90%	4.29%
Rate of increase in pensions payment and deferred pensions	2.65%	2.75%
CPI inflation assumption	2.65%	2.00%

The liabilities associated with Commissioners holding BBA pensions are as follows:

	<b>31 March 2011 £'000</b>	<b>31 March 2010 £'000</b>
<b>Pension provision</b>		
Balance at 1 April	1,681	1,193
Increase (decrease) in provision	(250)	488
<b>Present value of liabilities</b>	<b>1,431</b>	<b>1,681</b>

Other amounts to be disclosed in order to understand the change in provision.

	<b>31 March 2011 £'000</b>	<b>31 March 2010 £'000</b>
<b>Scheme liability at the beginning of the year</b>	<b>1,681</b>	<b>1,193</b>
<i>movement in the year</i>		
Current service cost (net of employee contributions)	29	28
Interest cost	70	72
Employee contributions	13	13
Actuarial (gains)/losses	(119)	413
Benefits paid	(38)	(38)
Past service cost*	(205)	-
<b>Increase in scheme liability</b>	<b>(250)</b>	<b>488</b>
<b>Scheme liability at the end of the year</b>	<b>1,431</b>	<b>1,681</b>

\*Past service cost is the change in the present value of defined benefit obligations caused by employee service in prior periods.

*Expense to be recognised in the Statement of Comprehensive Net Expenditure account*

	<b>2010/11</b>	<b>2009/10</b>
	£'000	£'000
Current service cost net of employee contributions	29	28
Interest cost	70	72
Past service cost	(205)	-
<b>Total expense</b>	<b>(106)</b>	<b>100</b>

*Actuarial gains/losses to be recognised in Changes in Taxpayers' Equity*

	<b>2010/11</b>	<b>2009/10</b>
	£'000	£'000
Experience loss/(gain) arising on the scheme liabilities	(8)	32
Change in assumptions underlying the present value of the scheme liabilities	(111)	381
<b>Net total actuarial loss/(gain) on Taxpayers' Equity</b>	<b>(119)</b>	<b>413</b>

No transfers out have been made in 2010/11. Two participating Commissioners retired on 31 March 2009. Estimates of the employee and employer costs payable in 2011/12 are £13k and £27k respectively.

<b>Present value of scheme liabilities</b>	<b>31 March 2011</b>	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>31 March 2008</b>	<b>31 March 2007</b>
	£'000	£'000	£'000	£'000	£'000
Liability in respect of					
Active members	394	431	1,193	1,088	971
Deferred pensioners	236	302			
Current pensions	801	948			
<b>Total present value of scheme liabilities</b>	<b>1,431</b>	<b>1,681</b>	<b>1,193</b>	<b>1,088</b>	<b>971</b>
History of experience losses / (gains)	(8)	32	(227)	54	29
Percentage of scheme liabilities at the end of the year	-0.5%	1.9%	-19.2%	5.0%	3.0%

### 3.5 Civil Service pensions

The PCSPS is an unfunded multi-employer defined benefit scheme but the IPCC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2010/11, employers' contributions of £2,157k were payable to the PCSPS (2009/10 £2,298k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2010/11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £755k (2009/10 £648k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1k (2009/10 £2k), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £2k (2009/10 £5k). Contributions prepaid at that date were nil.

## 4 Other expenditure

		2010/11	2009/10
	Note	£'000	restated £'000
Administrative costs include the following:			
IT costs excluding service concession costs		213	3,128
IT Service concession service charges		2,959	805
Accommodation rental on lease premises		2,906	2,860
Accommodation costs other than rental costs		2,011	1,963
Travel and subsistence		681	1,043
Training		293	530
Forensics		249	617
Recruitment costs		157	131
Stationery		155	161
Research		134	83
Legal services		121	317
Guidance for police and public		81	255
Postage		56	55
Consultants		52	286
Audit fee - external		42	45
Audit fee - internal		41	59
Pension interest cost		70	72
IT Service concession interest charges		172	60
Other costs		1,027	1,021
<b>Total other expenditure</b>		<b>11,420</b>	<b>13,491</b>
Non-cash items:			
Depreciation	6	922	1,038
Amortisation	7	1,056	1,116
Provisions provided in the year less provisions not required		994	506
Less reinstatement provision passing through non current assets	12	(287)	
Past service costs on BBA pensions	3	(205)	
Current service cost net of employee contributions	3	29	28
Unwinding of discount in early departure costs	12	2	22
Loss on revaluation of non-current assets	6/7	41	40
<b>Total non-cash items</b>		<b>2,552</b>	<b>2,750</b>
<b>Total</b>		<b>13,972</b>	<b>16,241</b>

The fee for the audit of the Statement of Accounts was £42k (2009/10 £40k and £5k for review of the conversion of the 2008/09 accounts to IFRS). The external auditors did not undertake any non-audit work.

Consultant's costs of £52k incurred during 2010/11 were for process re-engineering for the investigations and casework directorates.

## 5 Income

IPCC received income from HMRC for investigations undertaken under section 28 of the Commissioners for Revenue and Customs Act 2005. Income was received from UKBA for investigations undertaken into appropriate referrals.

Rental income was received from the Security Industry Authority (SIA) for an operating lease. The Home Office paid the IPCC for the cost of seconded staff.

The IPCC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved. The analysis below is provided for fees and charges purposes and not for IFRS 8 purposes as directed by the FReM.

	2010/11			2009/10
		£'000		£'000
<b>Fees and charges</b>	<b>Income</b>	<b>Costs</b>	<b>(Deficit)</b>	<b>Income</b>
HMRC income	448	(507)	(59)	695
UKBA income	141	(239)	(98)	240
<b>Income from activities</b>	<b>589</b>	<b>(746)</b>	<b>(157)</b>	<b>935</b>
SIA income	1,209	(1,209)	-	853
Home Office income	40	(40)	-	147
Sundry income	39	-	39	22
<b>Other income</b>	<b>1,288</b>	<b>(1,249)</b>	<b>39</b>	<b>1,022</b>
<b>Total</b>	<b>1,877</b>	<b>(1,995)</b>	<b>(118)</b>	<b>1,957</b>

Our income from HMRC and UKBA is based on actual costs of work undertaken. The 2010/11 deficit on UKBA and HMRC arises because the IPCC undertook work that has been invoiced for in prior years.

Information on allocation of income to segments can be found in Note 2.

## 6 Property, plant and equipment

	£'000			
	IT and AV equipment	Vehicles	Fit out, furniture and fittings	Total
<b>Cost or valuation</b>				
At 1 April 2010	3,277	370	5,887	9,534
Additions	397		638	1,035
Disposals	(1,741)		-	(1,741)
Impairment	-		-	-
Revaluations	-	(41)	-	(41)
At 31 March 2011	<b>1,933</b>	<b>329</b>	<b>6,525</b>	<b>8,787</b>
<b>Depreciation</b>				
At 1 April 2010	2,701	146	4,590	7,437
Charge for the year	244	62	616	922
Disposals	(1,741)		-	(1,741)
Impairment	-		-	-
Revaluations	-	-	-	-
At 31 March 2011	<b>1,204</b>	<b>208</b>	<b>5,206</b>	<b>6,618</b>
<b>Net book value at 31 March 2011</b>	<b>729</b>	<b>121</b>	<b>1,319</b>	<b>2,169</b>
<b>Net book value at 31 March 2010</b>	<b>576</b>	<b>224</b>	<b>1,297</b>	<b>2,097</b>
<b>Asset financing:</b>				
On SoFP service concession arrangement	177			177
<b>Net book value at 31 March 2011</b>	<b>177</b>	<b>-</b>	<b>-</b>	<b>177</b>

	£'000			
	<b>IT and AV equipment</b>	<b>Vehicles</b>	<b>Fit out, furniture and fittings</b>	<b>Total</b>
	restated	restated	restated	restated
<b>Cost or valuation</b>				
At 1 April 2009	3,370	410	5,855	9,635
Additions	512	-	32	544
Disposals	(605)	-	-	(605)
Revaluations		(40)		(40)
At 31 March 2010	<b>3,277</b>	<b>370</b>	<b>5,887</b>	<b>9,534</b>
<b>Depreciation</b>				
At 1 April 2009	2,904	84	4,016	7,004
Charge for the year	402	62	574	1,038
Disposals	(605)	-	-	(605)
Revaluations				-
At 31 March 2010	<b>2,701</b>	<b>146</b>	<b>4,590</b>	<b>7,437</b>
<b>Net book value at 31 March 2010</b>	<b>576</b>	<b>224</b>	<b>1,297</b>	<b>2,097</b>
<b>Net book value at 31 March 2009</b>	<b>466</b>	<b>326</b>	<b>1,839</b>	<b>2,631</b>
<b>Asset financing:</b>				
On SoFP service concession arrangement	-	-	-	-
<b>Net book value at 31 March 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7 Intangible assets

	£'000
<b>Cost or valuation</b>	
At 1 April 2010	6,908
Additions	904
Disposals	(157)
At 31 March 2011	<b>7,655</b>
<b>Amortisation</b>	
At 1 April 2010	5,198
Charge for the year	1,056
Disposals	(157)
At 31 March 2011	6,097
<b>Net book value at 31 March 2011</b>	<b>1,558</b>
<b>Net book value at 31 March 2010</b>	<b>1,710</b>
<b>Asset financing:</b>	
On SoFP service concession arrangement	810
<b>Net book value at 31 March 2011</b>	<b>810</b>
<b>Cost or valuation</b>	Restated
At 1 April 2009	6,017
Additions	891
<b>At 31 March 2010</b>	<b>6,908</b>
<b>Amortisation</b>	
At 1 April 2009	4,082
Charge for the year	1,116
At 31 March 2010	5,198
<b>Net book value at 31 March 2010</b>	<b>1,710</b>
<b>Net book value at 31 March 2009</b>	<b>1,935</b>

## 8 Impairments

The IPCC has no impairments in the period.

## 9 Trade receivables and other current assets

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
<b>9.1 Amounts falling due within one year:</b>		
Current part of service concession receivables	978	929
Current part of service concession arrangement prepayments in advance of assets coming into use	150	42
Accrued income	140	18
Trade receivables	489	342
Other receivables	4	35
Staff advances	45	51
Prepayments	849	807
	<b>2,655</b>	<b>2,224</b>
<b>9.2 Amounts falling due after more than one year:</b>		
Non-current part of service concession arrangement prepayments in advance of assets coming into use.	713	280
Non-current part of service concession receivables	4,180	6,147
	<b>4,893</b>	<b>6,427</b>
<b>Total trade and other receivables</b>	<b>7,548</b>	<b>8,651</b>

**9.3 Intra-government receivables**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Balances with central government bodies	629	334
Balances with local authorities	-	26
Sub total of intra-government balances	<b>629</b>	<b>360</b>
Balances with bodies external to government	2,026	1,864
<b>Total</b>	<b>2,655</b>	<b>2,224</b>

All intra government receivables are due within one year.

**10 Cash and cash equivalents**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Opening balance	3,059	1,795
Net change in cash balances during the year	(2,317)	1,264
<b>Closing balance</b>	<b>742</b>	<b>3,059</b>

Only cash (and no cash equivalent) is held and is available immediately.

**11 Trade payables and other current liabilities****11.1 Amount falling due within one year**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Other taxation and social security	(717)	(744)
Trade payables	(182)	(839)
Other payables	(80)	(26)
Accruals and deferred income	(630)	(1,879)
Current part of imputed finance lease element of service concession arrangement	(978)	(929)
	<b>(2,587)</b>	<b>(4,417)</b>

**11.2 Amounts falling due after more than one year**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Property rent accruals	(17)	(1)
Non-current part of imputed finance lease element of service concession arrangement	(4,180)	(6,147)
	<b>(4,197)</b>	<b>(6,148)</b>

Rent is accrued where there is a rent-free period, so that the total amount to be paid over the term of the lease is apportioned equally over the time period from the commencement date of the lease up to the lease end.

**11.3 Intra government payables**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Balances with central government bodies	(309)	(522)
Balances with local authorities	(3)	(28)
Balances with trading funds and public corporations	(7)	(6)
HMRC in respect of taxation and social security	(430)	(444)
<b>Sub total of intra-government balances</b>	<b>(749)</b>	<b>(1,000)</b>
Balances with bodies external to government	(1,838)	(3,417)
<b>Total</b>	<b>(2,587)</b>	<b>(4,417)</b>

All intra government payables are due within one year.

**11.4 Deferred income**

The deferred income in 2009/10 relates to monies received from the SIA for rental of property.

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Deferred income to be recognised within one year	-	223
Deferred income to be recognised in one to five years	-	-
<b>Total</b>	<b>-</b>	<b>223</b>

## 11.5 Staff benefits

IAS 19 requires the disclosure of employee benefits which are recognised in the period in which the entity receives services from the employee, rather than when the benefits are paid or payable. Taking this definition of IAS 19 into account the IPCC recognises holiday accruals for the year 2010/11 to be employee benefits.

The average number of holidays accrued per person based on the number of staff at the end of March 2011 is 5 days (4.5 days at March 2010).

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Holiday accrual	(433)	(408)
<b>Balance at 31 March 2011</b>	<b>(433)</b>	<b>(408)</b>

## 12 Provisions for liabilities and charges

Provisions have been made for BBA pensions liabilities.

For property provisions the IPCC recognises a dilapidation provision for all leased properties where it has an obligation to bring the property into a good state of repair at the end of the lease. The provision is based on the estimated costs of reinstatement of modifications the IPCC has made and the repair obligations required during the lease. The estimated cost of reinstating modifications made to the buildings is £487,000 (£202,000 for 2009/10). In line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the costs of reinstatement have been recognised as part of the fit-out assets and will be depreciated over the lease terms. In addition £412,000 (£289,000 for 2009/10) has been provided for current wear and tear obligations.

The early departure provision is for the expected redundancy and related costs arising from a reduction in the number of back office staff during 2010/11 as well as the remaining balance of early departure costs of directors and other staff made redundant in 2009/10.

These provisions have been discounted at a rate of 2.9% set by HM Treasury.

	£'000				
	Property	Early departure	Legal	Other	Total
<b>Balance at 1 April 2010</b>	<b>491</b>	<b>813</b>	<b>293</b>	<b>1</b>	<b>1,598</b>
Provided in the year	408	889	-	-	1,297
Provisions not required written back	-	(60)	(243)	-	(303)
Provisions utilised in the year	-	(459)	(50)	(1)	(510)
Unwinding of discount	-	2	-	-	2
<b>Increase/(decrease) in provisions</b>	<b>408</b>	<b>372</b>	<b>(293)</b>	<b>(1)</b>	<b>486</b>
<b>Balance at 31 March 2011</b>	<b>899</b>	<b>1,185</b>	<b>-</b>	<b>-</b>	<b>2,084</b>
<b>Represented by:</b>					
Non-current element of provision	899	322	-	-	1,221
Current element of provision	-	863	-	-	863
<b>Balance at 1 April 2009</b>	<b>437</b>	<b>619</b>	<b>306</b>	<b>11</b>	<b>1,373</b>
Provided in the year	54	452	-	1	507
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	(297)	(13)	(11)	(321)
Unwinding of discount	-	22	-	-	22
<b>Increase/(decrease) in provisions</b>	<b>54</b>	<b>177</b>	<b>(13)</b>	<b>(10)</b>	<b>208</b>
<b>Change in discount rate through reserves</b>		<b>17</b>			<b>17</b>
<b>Balance at 31 March 2010</b>	<b>491</b>	<b>813</b>	<b>293</b>	<b>1</b>	<b>1,598</b>
<b>Represented by:</b>					
Non-current element of provision	491	346	-	-	837
Current element of provision	-	467	293	1	761

### 13 Contingent liabilities disclosed under IAS 37

The IPCC has a contingent liability of £266k in respect of a number of legal claims or potential claims against the IPCC, the outcome and timing of which cannot be estimated with certainty. Full provision is made in the financial statements for all liabilities that are expected to materialise. The early departure provisions in note 12 are based on estimates based on the Civil Service Compensation Scheme. If there is a change in terms the IPCC may be liable to further costs. This contingent liability cannot be quantified. If there is a change in terms affecting provisions already made, the provision will be re-estimated.

## 14 Capital commitments

As at 31 March 2011, the IPCC had capital commitments of £442K (nil at 31 March 2010) relating to the renewal of the car fleet used by the investigations directorate.

Tangible assets

### Total

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
	442	-
<b>Total</b>	<b>442</b>	<b>-</b>

## 15 Commitments under leases

### 15.1 Operating leases

As at 31 March 2011 the IPCC had the following total future minimum lease payments under non-cancellable operating leases for each of the following periods:

#### Obligations under operating leases comprise

Buildings:

Not later than one year

Later than one year and not later than five years

Later than five years

Other:

Not later than one year

Later than one year and not later than five years

Later than five years

As at 31 March 2011 the IPCC had the following total future minimum sub lease payments expected to be received under non-cancellable operating leases:

Buildings:

Not later than one year

Later than one year and not later than five years

Later than five years

### Total

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
	2,923	2,892
	3,540	5,467
	-	-
	<b>6,463</b>	<b>8,359</b>
	-	3
	-	0
	-	-
	<b>-</b>	<b>3</b>
	735	413
	751	836
	-	-
<b>Total</b>	<b>1,486</b>	<b>1,249</b>

## 15.2 Finance leases

The IPCC had no finance leases in the period.

## 16 Service concession arrangements

The IPCC entered into a contract with Steria Limited on 25 August 2009 for the provision of IT and Telephony services.

The contract became effective on 20 December 2009. This is a fixed price contract with a ten year term and a break point at seven years.

Under the contract Steria Limited has an obligation to build and to maintain both tangible and intangible assets with an expected value at 31 March 2011 of £7.1 million (£8.1 million at 31 March 2010) for use by IPCC as well as provide operating services over the life of the contract at an expected value at 31 March 2011 of £29.8 million (£28.6 million at 31 March 2010). Finance charges over the life of the contract are expected to be £0.6 million (£ 0.8 million at 31 March 2010).

There is also an obligation for Steria Limited to refresh assets during the life of the contract, predominately in years 4 and 5. The assets are expected to have minimal residual value at the end of the ten-year term.

The annual payments to be made by IPCC were agreed at the start of the contract and subject to ongoing contract change notices there is minimal uncertainty over future cash flows. The contract provides for re-pricing if the RPI-X exceeds 6%.

The assets acquired under the contract are under the control of IPCC and under IFRIC 12 the contract is a service concession arrangement with the IPCC as grantor and Steria Limited as the operator.

SIC interpretation 29 describes the information to be disclosed in the accounts of the grantor.

Under IFRIC 12 the IPCC must recognise on its SoFP the assets to be provided under the service concession arrangement. These are shown as follows:

- assets already in use are included in the property, plant and equipment note (Note 6) and in the intangible assets note (Note 7)
- payments in advance of assets provided are shown in the trade receivables note (Note 9)
- assets yet to be provided are shown in the trade receivables note (Note 9)

This recognition of assets creates a corresponding financial obligation on IPCC and the note below shows the obligations of IPCC to pay for assets which are to be provided in future periods.

A unitary payment is made by the IPCC consisting of service charge, capital charge and interest.

The notes below shows the IPCC obligations to pay for future operating services.

Operating service charges already paid for are shown in Note 4.

**16.1 On Statement of Financial Position**

Total obligations under service concession arrangements for the following periods comprise

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Not later than one year	1,105	1,107
Later than one year and not later than five years	3,589	4,426
Later than five years	889	2,254
	<b>5,583</b>	<b>7,787</b>
Less interest element	(425)	(711)
<b>Total service concession SoFP obligations</b>	<b>5,158</b>	<b>7,076</b>
<i>represented by:</i>		
Current (included in trade & other receivables and payables)	978	929
Non-current (other payables & trade & other receivables)	4,180	6,147
<b>Total service concession SoFP obligations</b>	<b>5,158</b>	<b>7,076</b>

**16.2 Charged to Statement of Comprehensive Net Expenditure**

The payments to which the IPCC is committed at 31 March 2011, analysed by the period during which the commitment expires, is as follows.

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000
Not later than one year	3,034	2,972
Later than one year and not later than five years	12,608	12,003
Later than five years	10,399	12,810
	<b>26,041</b>	<b>27,785</b>

## 17 Commitments under PFI contracts

The IPCC had no PFI contracts in the period.

## 18 Other financial commitments

The IPCC has no other financial commitments.

## 19 Financial instruments

The IPCC does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the IPCC will be unable to collect an amount due in accordance with agreed terms.

The IPCC's resources are mainly met through Grant in Aid from the Home Office through the supply process and from income from work carried out on a repayment basis. The IPCC has no powers to borrow money or to invest surplus funds other than financial assets and liabilities which are generated by day-to-day operational activities. As a result the IPCC is therefore exposed to little or no credit, liquidity, foreign currency or inflation risk.

## 20 Grant in aid

The IPCC is funded by grant in aid received from the Home Office under their budget for building a safe, just and tolerant society.

	<b>2010/11</b>	<b>2009/10</b>
	£'000	£'000
Received for revenue expenditure	32,434	34,415
Received for capital expenditure	566	1,435
	<b>33,000</b>	<b>35,850</b>

## 21 Related party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2011 the Home Office provided grant in aid, as disclosed in Note 20.

HMRC, UKBA and SIA are Government bodies and therefore are related parties. The income from these bodies is shown under Income at Note 5. The amounts owed by these bodies to the IPCC are classified as trade receivables and amount to £629k (£328k at March 2010).

The Principal Civil Service Pension Scheme and the Cabinet Office are also related parties. Further information on the transactions with these bodies can be found in the pensions section of Note 3.

Details of balance with other government bodies can be found in Note 9 and Note 11.

During the year ended 31 March 2011 none of the appointed Commissioners, Directors or key managerial staff undertook any material transactions with the IPCC.

The IPCC has adopted a Code of Conduct based on the Cabinet Office Code of Practice for Board Members of Public Bodies. The IPCC maintains a register of interests for Commissioners and all staff who are required to declare interests. The register of interests for Commissioners is available to the public and is on our website. Where any decisions are taken which could reasonably be seen as giving rise to a conflict of interest individuals are required to declare the relevant interest and, when appropriate, withdraw from participating in the taking of the decision. The Commissioners and staff codes of conduct are available on our website. The IPCC procedures also ensure that investigators are not engaged on investigations in which they would have an interest.

## 22 Third-party assets

On occasion the IPCC holds third-party assets when required to facilitate investigations. These are securely stored and are normally returned to the lawful owner when no longer required. Reliable estimates of their value cannot be made.

Third party assets are not included in the financial statements because IPCC does not have a beneficial interest in them. As at 31 March 2011 no monetary assets were held.

## 23 Directors benefits

Directors and senior managers are entitled to season ticket loans for travel on the same terms as staff.

## **24 Losses and special payments**

Total losses and special payments made were below the threshold that requires reporting.

## **25 Events after the reporting period**

The Annual Report and Accounts were authorised for issue by the Accounting Officer on the same date that the Accounts were certified by the Comptroller and Auditor General.

The Home Office has no power to amend the accounts after issue.

There were no other reportable events at the end of the reporting period.

# Appendix 1

## Our Commissioners and senior staff

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### Our Commissioners

The Commission consists of the Chair, ten operational Commissioners (including two Deputy Chairs) and two non-executive Commissioners.

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## Guardianship work

In autumn 2010, Commission decided that the organisation needed to focus resources and attention on those matters that impact most on public confidence in policing, the IPCC, and the complaints system. The aim will be to ensure that police forces learn and improve, such incidents and complaints reduce in number and public confidence improves. The Commission has agreed to focus on a small number of specific priority issues, which have been identified from our investigations, casework and guardianship.

These are deaths and serious injury:

- in police custody
- as a result of police use of firearms and less lethal weapons
- as a result of gender abuse and domestic violence, where it is alleged that the police have failed to protect the victim
- following road traffic incidents, which is alleged the police have caused or failed to prevent.

Additionally, and in view of the potential for significant public concern, the IPCC will focus on learning from complaints and appeals in cases arising from:

- police use of stop and search powers, particularly as they impact on young people
- policing of protests and public order incidents.

These priorities will drive and underpin much of the focus of the Commission's work and resource allocation over the coming year. As a result, the number of Commissioner lead areas has been reduced and now reflect the above priorities.

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## Commissioner responsibilities and lead areas

The following lists the IPCC's Commissioners and their current responsibilities, along with those who have retired or left the IPCC during the period covered by this report. This list is current at the date of publication.

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**LEN JACKSON** is the Interim Chair of the IPCC

Appointed Interim Chair in 2010. Based at the national office in London, Len Jackson is accountable to the Home Secretary for the performance of the IPCC.

Appointed Deputy Chair in June 2008.

*Lead organisational contact:* Home Office and police staff associations

Chair of the IPCC's Valuing Diversity Group

Chair of the Learning the Lessons Committee

**DEBORAH GLASS** (London)

Appointed Deputy Chair in June 2008

*Police force responsibilities:* Metropolitan Police Service (MPS) and City of London

*Commission lead on:* police use of firearms and less lethal weapons (with Commissioner Rachel Cerfontyne)

**TOM DAVIES** (Wales)

*Police force responsibilities:* Dyfed Powys, Gwent, North Wales, South Wales, BTP and SOCA

*Commission lead on:* police-related road traffic incidents (with Commissioner Rebecca Marsh), National Assembly for Wales and government agencies within Wales, including health agencies

Member of the IPCC Remuneration Committee

**REBECCA MARSH** (South West)

*Police force responsibilities:* Avon & Somerset, Devon & Cornwall, Dorset, Gloucestershire, West Mercia, Wiltshire, Civil Nuclear Constabulary, HMRC and Ports of Portland and Bristol

*Commission lead on:* police-related road traffic incidents (with Commissioner Tom Davies)

*Lead organisational contact:* NPIA and APA

Member of the Learning the Lessons Committee

**MIKE FRANKLIN** (South East and London)

*Police force responsibilities:* Hampshire, Kent, Surrey, Sussex, Thames Valley, MPS and Port of Dover

*Commission lead on:* stop and search and other issues affecting young people's confidence in police (with Commissioner Naseem Malik) and custody issues (with Commissioner Sarah Green)

Represents the IPCC at the Ministerial Board for Deaths in Custody

*Lead organisational contact:* Inquest (with Jane Furniss)

Member of the IPCC's Valuing Diversity Group

**SARAH GREEN** (East England and London – from March 2011)

*Police force responsibilities:* Bedfordshire, Cambridgeshire, Cambridge University, Hertfordshire, Norfolk, Suffolk, MPS and Port of Felixstowe

*Lead Commissioner on:* policing of protests and public order (with Commissioner Nicholas Long) and custody issues (with Commissioner Mike Franklin)

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**RACHEL CERFONTYNE** (West Midlands, Essex and London)

*Police force responsibilities:* Essex, Warwickshire, West Midlands, MPS, MOD and Port of Tilbury

*Commission lead on:* Police response to gender abuse and domestic violence (with Commissioner Amerdeep Somal) and police use of firearms and non-lethal weapons (with Deputy Chair Deborah Glass)

Member of the IPCC Audit and Quality Committees

**AMERDEEP SOMAL** (East Midlands)

*Police force responsibilities:* Derbyshire, Leicestershire, Lincolnshire, Northants, Nottinghamshire and Staffordshire

*Commissioner lead on:* police response to gender abuse and domestic violence (with Commissioner Rachel Cerfontyne)

**NICHOLAS LONG** (Yorkshire & North East)

*Police force responsibilities:* Cleveland, Durham, Humberside, North Yorkshire, Northumbria, South Yorkshire, West Yorkshire, UKBA, Port of Tees & Hartlepool

*Commissioner lead on:* policing of protests and public order (with Commissioner Sarah Green)

*Commissioner lead on:* international work

Member of the IPCC Audit and Quality Committees

**NASEEM MALIK** (North West)

*Police force responsibilities:* Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside and Port of Liverpool

*Commissioner lead on:* stop and search and other issues affecting young people's confidence in police (with Commissioner Mike Franklin)

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## Non-executive Commissioners

The two non-executive Commissioners have particular responsibility for providing objective oversight and accountability for the IPCC itself. They sit on the Commission's Audit, Remuneration, and Quality Committees. Non-executive Commissioners do not have operational responsibilities. They report to the Chair.

**JONATHAN TROSS** – Chair of the IPCC Audit and Quality Committees and member of the Remuneration Committee

Investigates external complaints against operational Commissioners

**RUTH EVANS** – Chair of the IPCC Remuneration Committee and member of the Audit and Quality Committees

Investigates internal complaints against operational Commissioners

The following Commissioners either left the IPCC or retired during 2010/11:

**NICK HARDWICK** (first Chair of the IPCC) left the IPCC in June 2010

## Appendix 2

### Our staff

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We employ a diverse workforce and the tables in this appendix reflect the make up of the organisation in the financial year under review.

These figures obviously fluctuate, but these statistics were correct as of 31 March 2011.

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**Our staff by career background**

Job title	Count	Ex-police officer	Ex-police civilian
Investigator	85	18	10
Deputy Senior Investigator	27	10	4
Senior Investigator	9	8*	0
Casework	123	1	7
Other	181	9	23
Total staff	425	46	45

\* One Senior Investigator has previously worked as both a police officer and police civilian.

**Report 1 Ethnicity by grade end March 2011**

	5&6		7&8		9&10&11		12&13		14&15		Staff no.&%	
Ethnic origin												
Total BM	6	16.7%	4	10.8%	30	14.5%	11	11.6%	3	9.4%	54	13.3%
Total White/ White Other	30	83.3%	32	86.5%	176	85.0%	84	88.4%	29	90.6%	351	86.2%
Total Unknown	0	0.0%	1	2.7%	1	0.5%	0	0.0%	0	0.0%	2	0.5%
<b>Total</b>	<b>36</b>		<b>37</b>		<b>207</b>		<b>95</b>		<b>32</b>		<b>407</b>	

External benchmark: BME staff as % of total / Government Services Average 5.2% / IPCC 13.4%

**Report 2 Age by grade end March 2011**

Age category	5&6		7&8		9&10&11		12&13		14&15	
	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade
20 to 24	5	13.9%	9	24.3%	1	0.5%	0	0.0%	0	0.0%
25 to 29	15	41.7%	9	24.3%	43	20.8%	7	7.4%	0	0.0%
30 to 34	5	13.9%	2	5.4%	64	30.9%	22	23.2%	5	15.6%
35 to 39	6	16.7%	2	5.4%	38	18.4%	9	9.5%	4	12.5%
40 to 44	0	0.0%	7	18.9%	21	10.1%	20	21.1%	3	9.4%
45 to 49	1	2.8%	4	10.8%	12	5.8%	17	17.9%	5	15.6%
50 to 54	1	2.8%	1	2.7%	14	6.8%	8	8.4%	6	18.8%
55 to 59	2	5.6%	1	2.7%	11	5.3%	9	9.5%	8	25.0%
60 to 64	1	2.8%	1	2.7%	3	1.4%	3	3.2%	1	3.1%
> 65	0	0.0%	1	2.7%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>36</b>		<b>37</b>		<b>207</b>		<b>95</b>		<b>32</b>	

**Report 3 Gender by grade end March 2011**

Gender	5&6		7&8		9&10&11		12&13		14&15	
	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade
Female	23	63.9%	24	64.9%	126	60.9%	53	55.8%	11	34.4%
Male	13	36.1%	13	35.1%	81	39.1%	42	44.2%	21	65.6%
<b>Total</b>	<b>36</b>	<b>100.0%</b>	<b>37</b>	<b>100.0%</b>	<b>207</b>	<b>100.0%</b>	<b>95</b>	<b>100.0%</b>	<b>32</b>	<b>100.0%</b>

External benchmark: female staff as % of total / Government Services Average 68.0% / IPCC 57.9%

	Change no	Change %			Staff no. & %	Change no.	Change %
	2	-0.20%	3 25.0%	0 0.0%	57 13.4%	2	-0.20%
	23	0.20%	9 75.0%	6 100.0%	366 86.1%	23	0.20%
	0	0%	0 0.0%	0 0.0%	2 0.5%	0	0.00%
	<b>25</b>		<b>12</b>	<b>6</b>	<b>425</b>		

	Total	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	% of national population (16-64) by age	IPCC variance against national population
	15	3.7%	0	0.0%	0	0.0%	15	3.5%	9.21%	-5.68%
	74	18.2%	0	0.0%	0	0.0%	74	17.4%	10.13%	7.28%
	98	24.1%	0	0.0%	0	0.0%	98	23.1%	11.75%	11.31%
	59	14.5%	0	0.0%	0	0.0%	59	13.9%	12.07%	1.81%
	51	12.5%	2	16.7%	0	0.0%	53	12.5%	10.79%	1.68%
	39	9.6%	2	16.7%	2	33.3%	43	10.1%	9.72%	0.40%
	30	7.4%	4	33.3%	2	33.3%	36	8.5%	10.59%	-2.12%
	31	7.6%	0	0.0%	2	33.3%	33	7.8%	8.74%	-0.98%
	9	2.2%	4	33.3%	0	0.0%	13	3.1%	7.51%	-4.45%
	1	0.2%	0	0.0%	0	0.0%	1	0.2%		
	<b>407</b>		<b>12</b>		<b>6</b>		<b>425</b>			

	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade	Staff number	% of staff in grade
	237	58.2%	7	58.3%	2	33.3%	246	57.9%
	170	41.8%	5	41.7%	4	66.7%	179	42.1%
	<b>407</b>	<b>100.0%</b>	<b>12</b>		<b>6</b>		<b>425</b>	

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