

<b>Title:</b> Reform of the police complaints system and changes to the role, powers and structure of the Independent Police Complaints Commission (IPCC) <b>IA No:</b> HO0178  <b>Lead department or agency:</b> Home Office  <b>Other departments or agencies:</b> None	<b>Impact Assessment (IA)</b>			
	<b>Date:</b> 04/03/2015			
	<b>Stage:</b> Final			
	<b>Source of intervention:</b> Domestic			
	<b>Type of measure:</b> Primary Legislation			
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<b>Summary: Intervention and Options</b>	<b>RPC Opinion: N/A</b>
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Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009)	In scope of One-In, Two-Out?	Measure qualifies as
£52.2m	None	None	No	N/A

**What is the problem under consideration? Why is government intervention necessary?**

Public satisfaction with the police complaints system remains consistently low. The 2012/13 crime survey for England and Wales reveals that whilst 19% of respondents have experienced annoyance with the police in the last 5 years, 89% of those did not complain. Of those who did complain, 78% were dissatisfied, including 62% who were very dissatisfied, with the way their complaint was handled. A perceived lack of independence from the police, an overly complex structure and excessively bureaucratic processes are all relevant factors. The majority of the complaints system is prescribed by law; as a result, primary legislation will be required to reform it.

**What are the policy objectives and the intended effects?**

The Government aims to make the complaints system more independent of the police, easier for the public to understand, more focused on resolving complaints locally and with a simpler system of appeals. The intended effect of these aims is to improve public satisfaction with the complaints system.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

**Option 0:** do nothing

**Option 1 - Proposed reforms:**

**Reform A:** reforming the structure of the complaints system, giving new powers to Police and Crime Commissioners (PCCs); PCCs will select one of three models:

- Model A would leave a local police complaints system in its current format, notwithstanding the other reforms discussed in this document.
- Model B will transfer responsibility for the receiving, recording and referral of complaints from PSDs to PCCs, leaving the functions of acting as a single point of contact and resolving complaints with the police.
- Model C will transfer both the responsibilities outlined in Model B to PCCs as well as responsibility for acting as a single point of contact. It will also give PCCs a much larger role in local resolutions.

**Reform B:** transferring responsibility for hearing local resolution appeals from chief constables to PCCs.

**Reform C:** reforming the central tenets of the complaints system. Ending the practice of non-recording, expanding the definition of a complaint and replacing 'disapplication' and 'discontinuance' with 'no further action'

**Reform D:** introduce a system of super-complaints; which enable independent organisations to bring complaints regarding systematic issues to the attention of the IPCC.

**Reform E:** removing the option of the IPCC to carry out managed or supervised investigations.

**Option 1 is the government's preferred Option.**

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> /						
Does implementation go beyond minimum EU requirements?			N/A			
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro	< 20	Small	Medium	Large
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)				Traded:		Non-traded:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible : \_\_\_\_\_ Date: \_\_\_\_\_

# Summary: Analysis & Evidence

# Reform A

**Description:** structural reform of the complaints system giving new powers to PCCs.

## FULL ECONOMIC ASSESSMENT

Price Base Year - 2015	PV Base Year - 2015	Time Period Years – 10 yrs	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 42.5

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A	N/A
High	N/A		N/A	N/A
Best Estimate	0		11	94.5

### Description and scale of key monetised costs by 'main affected groups'

**The Police, PCCs and the IPCC** may incur costs as a result of the structural reforms of the complaints system. The public may perceive the system as more independent and may be more willing to come forward and make a complaint. An increase in the number of complaints similar to the increase following the creation of the IPCC would increase costs by between £5.5m and £23.8m per year. This estimate is based on a 44-85% increase in the number of complaints. The top end of the estimate also assuming no change in the rate of complaints resolved through local resolution, which could reduce the cost of any increase in complaint numbers. As a result, this is likely to be a significant overestimate as we are unlikely to see significant increases in complaint numbers without significant increases in local resolution rates. For this reason, we only use the best estimate, £10.6M, which takes into account both increases in local resolution rates and increases in complaint volumes.

In addition to the increase in the number of complaints, **PCCs** will also face greater costs from their increased involvement in the complaints system. This will involve additional costs of approximately £370,000 a year. Based on engagement with PCCs, we assume that only two thirds of PCCs will choose to adopt at least some of the increased powers. Should all PCCs take advantage of the enabling powers, the maximum cost may rise to £550,000 per year. We expect resources to be transferred from the police to meet these increased costs, resulting in a zero net cost impact.

### Other key non-monetised costs by 'main affected groups'

**PCCs** may incur additional costs from explaining to the public how the complaints system operates in their force area. We expect this cost to arise only after the introduction of the reforms and incumbent PCCs take a decision about how they wish to structure the complaints system locally and then again after each new PCC is elected. It has not been possible to monetise these costs given a lack of information regarding the respective plans of different PCCs to inform the public.

**The IPCC** may incur additional costs from revising their guidance as a result of decisions taken by PCCs locally. We expect this cost to arise only after the introduction of the reforms and incumbent PCCs take a decision about how they wish to structure the complaints system locally and then potentially again after each new PCC is elected. Finally, the IPCC could also face increased costs from extra appeals resulting from the additional complaints. Assuming current rates of IPCC appeals remain fixed, our estimated increase in complaints would result in an additional 1,900-3,800 appeals per annum. We have not been able to monetise either of these costs due to the IPCC not being able to estimate the cost of revising their guidance or of an appeal.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A	N/A
High	N/A		N/A	N/A
Best Estimate	0		15.9	137

### Description and scale of key monetised benefits by 'main affected groups'

**PCCs and the Police** may achieve benefits by responding to an increased number of complaints through local resolution. The cost of local resolution is cheaper than the cost of local investigation. Currently, 33% of complaints are responded to through local resolution and 52% through local investigation. In comparison, the best performing force is able to respond to 73% of complaints through local resolution, with only 7% of complaints being dealt with through local investigation. Repeating this level of performance across England and Wales could achieve savings of £15.5m, although there are uncertainties around achieving such an ambitious target.

**The Police** will no longer have to receive and record complaints in those cases where PCCs choose to adopt this function (Models B and C), assuming two thirds of PCCs take on this role, this will represent a saving of £370,000 to the Police. We expect these resources to be transferred to PCCs.

### Other key non-monetised benefits by 'main affected groups'

**The wider public** may benefit from improvements in the effectiveness of the complaints system following an expanded role for PCCs. These improvements could arise as a result of improved customer service and greater independence in the way complaints are handled and resolved locally.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount Rate</b>	<b>3.5</b>
We assume that PCCs are as efficient at performing the functions transferred to them as police forces. As explained above and in the main text, there are uncertainties relating to the potential increase in complaint numbers and the rate of local resolution. In order to avoid presenting potentially misleading costs, we have only presented our best estimate.		

## BUSINESS ASSESSMENT (Reform A)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>
<b>Costs:</b> None	<b>Benefits:</b> None	<b>Net:</b> None	No	N/A

# Summary: Analysis & Evidence

# Reform B

**Description:** transferring responsibility for appeals currently heard by chief constables to PCCs

## FULL ECONOMIC ASSESSMENT

Price Base Year - 2015	PV Base Year - 2015	Time Period Years - 10 yrs	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	N/A	N/A	N/A
High	0		N/A	N/A
Best Estimate	0		0.7	6.1

### Description and scale of key monetised costs by 'main affected groups'

PCCs will incur additional costs of reviewing approximately 1,100 appeals relating to local resolution a year. We estimate this will cost £700,000 a year. It is possible the number of appeals will fall thanks to a greater role for the PCC in complaints. We expect the additional costs to be met through transfers of resources from the police to PCCs.

### Other key non-monetised costs by 'main affected groups'

There are no non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A	N/A
High	N/A		N/A	N/A
Best Estimate	0		0.7	6.1

### Description and scale of key monetised benefits by 'main affected groups'

The Police will gain £700,000 in benefit from being released from responsibility for reviewing local resolution appeals. We expect these resources to be transferred to PCCs in order to help them meet their new responsibility.

### Other key non-monetised benefits by 'main affected groups'

The wider public will benefit through increased independence in the complaints system.

### Key assumptions/sensitivities/risks

The resources required for PCCs to hear appeals are assumed to be the same as those currently required by police forces.

Discount rate (%) 3.5

## BUSINESS ASSESSMENT (Reform B)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: None	Benefits: None	Net: None	No	N/A

# Summary: Analysis & Evidence

# Reform C

**Description:** to reform the central tenets of the complaints system: ending the practice of non-recording, expanding the definition of a complaint and replacing 'disapplication' and 'discontinuance' with 'no further action'

## FULL ECONOMIC ASSESSMENT

Price Base Year - 2015	PV Base Year - 2015	Time Period Years - 10 yrs	Net Benefit (Present Value (PV)) (£m)		
			Low: 2.8	High: 12.6	Best Estimate: 7.7

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	N/K	N/K	N/K

### Description and scale of key monetised costs by 'main affected groups'

There are no monetised costs.

### Other key non-monetised costs by 'main affected groups'

**Police Forces and PCCs** may incur costs from an increase in the number of complaints that are made following an expansion in the definition of a complaint. It is not possible to monetise these costs due to a lack of information on the potential increase in complaints numbers following this change.

**Police Forces, PCCs and the IPCC** may incur some costs from an increase in the number of appeals brought against decisions to take no further action in some complaints. It is anticipated that some of these costs will be offset by a reduction in the number of appeals that are brought against decisions to non-record complaints. It has not been possible to monetise these costs due to a lack of information on the cost to the IPCC of handling an appeal, and of the scale in the increase in appeal numbers.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	0	N/A	0.3	2.8
High	0	N/A	1.5	12.6
Best Estimate	0	N/A	0.9	7.7

### Description and scale of key monetised benefits by 'main affected groups'

**Police Forces and PCCs** will benefit from no longer needing to spend time considering whether a complaint should be recorded, we estimate the benefit of this to be £25.61 per complaint, for a total benefit of £900,000 a year.

### Other key non-monetised benefits by 'main affected groups'

**Police Forces and PCCs** will no longer need to spend time preparing for appeals heard by the IPCC against decisions to non-record a complaint. We were not able to gather the needed information from police forces to monetise this benefit.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	3.5
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It is not possible to estimate the exact number of complaints that will enter the system as a result of changing the definition of a complaint due to uncertainty surrounding the number of valid additional complaints.

It is not possible to estimate the impact of the reforms on the public and whether the changes will result in more people being prepared to come forward to complain about the police. Finally there is some uncertainty surrounding the potential time saving from eliminating non-recording, we have performed some sensitivity analysis which is included in the Low and High NPV estimates.

## BUSINESS ASSESSMENT (Reform C)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>In scope of OITO?</b>	<b>Measure qualifies as</b>
<b>Costs:</b> None	<b>Benefits:</b> None	<b>Net:</b> None	No.	N/A

# Summary: Analysis & Evidence

Reform D

Description: introduce a system of super-complaints

## FULL ECONOMIC ASSESSMENT

Price Base Year - 2015	PV Base Year - 2015	Time Period Years - 10 yrs	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	N/A	N/A	N/A
High	0		N/A	N/A
Best Estimate	0		0	0

### Description and scale of key monetised costs by 'main affected groups'

There are no monetised costs for this option.

### Other key non-monetised costs by 'main affected groups'

**The IPCC** may face an increasing number of complaints it needs to consider before deciding whether or not to begin an investigation into the conduct of a police officer. We do not have detailed enough information on this to precisely calculate this potential cost.

**Her Majesty's Inspectorate of Constabulary (HMIC)** may face an increasing number of issues it needs to take into consideration either as part of an inspection, or as part of any decision to launch an inspection in response to a super-complaint. We lack the necessary information on HMIC processes to properly calculate this potential cost.

**The College of Policing** may face an increasing number of issues it needs to consider as part of revisions it makes to best practice guidance it issues and training it provides to police forces. We anticipate that these costs will be negligible.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	N/A	N/A	N/A
High	0		N/A	N/A
Best Estimate	0		0	0

### Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits for this option.

### Other key non-monetised benefits by 'main affected groups'

**The wider public** will benefit from improvements in police integrity and practice that may result following the conclusion of a super-complaint. Members of communities that are thought to 'under-report' police complaints may benefit from the reform to enable other organisations, such as charities and community groups, to make complaints on their behalf.

**Police Forces** will benefit from improved policing practice as a result of work that the College of Policing does following the conclusion of a super-complaint.

**Police Forces and PCCs** may benefit from the improvements in police integrity that arise as a result of the conclusion of any investigation into a super-complaint, and a reduction in the number of complaints that are made.

### Key assumptions/sensitivities/risks

Discount Rate

N/A

We assume that any additional super-complaints will displace other large-scale investigations by the IPCC. In the event that there are additional investigations, these would cost an estimated £600,000 each.

## BUSINESS ASSESSMENT (Reform D)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: None	Benefits: None	Net: None	No.	N/A

# Summary: Analysis & Evidence

# Reform E

**Description:** removing the option of the IPCC to carry out managed or supervised investigations

## FULL ECONOMIC ASSESSMENT

Price Base Year - 2015	PV Base Year - 2015	Time Period Years - 10 yrs	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 2.1

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0	0

### Description and scale of key monetised costs by 'main affected groups'

There are no monetised costs.

### Other key non-monetised costs by 'main affected groups'

The IPCC may incur additional costs as a result of needing to begin more of its own investigations. We assume these costs will be met through the IPCC's existing budget. The IPCC already plans on expanding the number of investigations it carries out to include all serious and sensitive cases. Due to the uncertainty surrounding the current IPCC expansion programme it is not possible to estimate how many additional complaints the IPCC may have to carry out as a result of this reform. As a consequence, we have not been able to monetise this cost.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0.24	2.1

### Description and scale of key monetised benefits by 'main affected groups'

The IPCC estimates that it will save approximately £240,000 a year through no longer having to provide supervision and management to Police investigations. This will enable the IPCC to focus its resources on those investigations it needs to carry out independently of the police.

### Other key non-monetised benefits by 'main affected groups'

The wider public will benefit from greater clarity regarding the independence of investigations, which should improve confidence in the complaints system.

### Key assumptions/sensitivities/risks

Discount rate (%) 3.5

We assume, based on engagement with police professional standards departments (PSDs), that no significant additional resources are required by the Police as a result of the withdrawal of management and supervisory support by the IPCC.

## BUSINESS ASSESSMENT (Reform E)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: None	Benefits: None	Net: None	No	N/A

# Evidence Base (for summary sheets)

## A. Strategic Overview

### A.1 Background

1.1 In July 2014, the Government announced a review of the entire police complaints system, including the role, powers and funding of the Independent Police Complaints Commission (IPCC) and the local role played by Police & Crime Commissioners (PCC).

1.2 The review found that elements of the police complaints system do not work efficiently or effectively. Although the number of recorded complaints against the police has risen, most people dissatisfied with the police choose not to complain. In 2012/13, 89% of people dissatisfied with the police chose not to complain. The proportion of people who choose not to complain against the police has remained largely static for the past five years. Many members of the public who have complained are often not satisfied with how their complaint is handled. In 2012/13, 78% of people were dissatisfied with how their complaint was handled. A significant number of decisions taken by police forces about complaints are overturned on appeal. In 2012/13, 46% of appeals to the IPCC against decisions taken by police forces were upheld. Over the past three years, the proportion of appeals against local investigations upheld by the IPCC has risen from 31% to 44%. For those individuals who complained directly to the IPCC, the review also found they can experience frustration. In 2013/14, more than one-third of all complaints (12,825) against the police were submitted to the IPCC directly. However, the number of cases in which the IPCC has direct involvement is small. In 2013/14, the IPCC had direct involvement in only 413 investigations into a complaint against the police.

1.3 Reform of the complaints system has not kept pace with reforms to the rest of the policing landscape. In particular, the police complaints system does not reflect changes brought about through the introduction of PCCs. Although PCCs hold chief constables to account, they currently have no formal role within the police complaints system, with the exception of complaints made against chief constables.

1.4 In December 2014, the Government consulted on a series of changes to the complaints system. Those changes included:

- a) Structural change of the complaints system, through expanding the role of Police and Crime Commissioners in the complaints system, giving them the option of taking on responsibility for triage functions<sup>1</sup> and giving them responsibility for hearing appeals currently dealt with by chief constables;
- b) Extending the remit of Her Majesty's Inspectorate of Constabulary (HMIC) to enable it to continue to inspect the efficiency and effectiveness of the way complaints are handled and resolved should the structural changes be implemented locally by Police and Crime Commissioners;
- c) Reforming the fundamental tenets of the complaints system, by extending the definition of a complaint, requiring all complaints to be recorded, changing the language used to describe the complaints system to make it easier for the public to understand and making it easier to identify persistent and vexatious complaints;
- d) Introduction of a new system of 'super-complaints' that would allow organisations to identify trends and patterns of aspects of policing that might be harming the interests of the public and raise complaints on behalf of certain groups of people.

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<sup>1</sup> 'Triage' functions refer to the separate functions of receiving complaints, assessing and allocating complaints as suitable for local resolution, local investigation or investigation by the IPCC, acting as a single point of contact and communication for complainants and resolving complaints appropriate for local resolution.

## **A.2 Groups Affected**

1.5 The policy will affect: the general public; PCCs; Chief Constables; police complaints teams; the IPCC; HMIC; organisations who may wish to lodge a super-complaint.

## **A.3 Consultation**

### **Within Government**

1.6 The Home Secretary announced the review of the police complaints system, having first secured Home Affairs Committee clearance, in July 2014.

### **Public Consultation**

1.7 From an early stage, the Government invited views on how the police complaints system could be improved from a wide variety of groups, including the police, PCCs, the IPCC, solicitors, community-based organisations as well as members of the public who have made complaints about the police. Following the conclusion of the review of the police complaints system, the Government held a public consultation. The consultation was launched on 11 December 2014 and ran until 5 February 2015. The consultation invited views on the proposed changes to the police complaints system and sought further information and data that would help assess the impact of the proposed policies. There were 73 responses to an online survey, the majority of which were received from individual police officers. There were 78 written responses, the majority of which were from policing partners, including police forces, PCCs and police staff associations. The Government also held three meetings with partners, where attendees included the National Policing Lead, police staff associations, police officers deployed in professional standards departments and Police and Crime Commissioners. Further work also took place with a representative sample of 10 police force professional standards departments and the IPCC.

## **B. Rationale**

2.1 Although the number of recorded complaints against the police has risen, most people dissatisfied with the police choose not to complain. In 2012/13, 89% of people dissatisfied with the police chose not to complain. The proportion of people who choose not to complain against the police has remained largely static for the past five years.

2.2 Many members of the public who have complained are often not satisfied with how their complaint is handled. In 2012/13, 78% of people were dissatisfied with how their complaint was handled. A significant number of decisions taken by police forces about complaints are overturned on appeal. In 2012/13, 46% of appeals to the IPCC against decisions taken by police forces were upheld.

2.3 Over the past three years, the proportion of appeals against local investigations upheld by the IPCC has risen from 31% to 44%. For those individuals who complained directly to the IPCC, the review also found that they can experience frustration. In 2013/14, more than one-third of all complaints (12,825) against the police were submitted to the IPCC directly. However, the number of cases in which the IPCC has direct involvement is small. In 2013/14, the IPCC had direct involvement in only 413 investigations into a complaint against the police.

## C. Objectives

3.1 The reforms aim to improve public confidence in the police complaints system. The reforms will do this by making the complaints system:

- more independent of the police;
- easier for the public to follow;
- more focused on resolving complaints locally; and
- with a simpler system of appeals.

## D. Description of options considered

### **Option 0 - Do Nothing**

4.1 The current system for dealing with complaints made against the police will remain unchanged and the issues identified by the review of the police complaints system will not be addressed.

### **Option 1: Proposed Reforms**

4.2 The following package of reforms together form Option 1.

#### **Reform A: structural reform of the police complaints system**

4.3 This proposal will introduce an enabling power for PCCs to allow them to decide how aspects of the police complaints system should be structured locally. The power will apply to the following functions:

- a) Receiving and recording a complaint;
- b) Assessing and allocating a complaint either for local resolution, local investigation or national investigation by the IPCC, taking account of the mandatory referral criteria;
- c) Acting as a single point of contact and communication for the complainant; and
- d) Resolving complaints that are appropriate for local resolution

4.4 The legislation will enable PCCs to either take on responsibility for each of the functions described in paragraph 4.2(a)-(d) directly, or leave these functions with the police. Where a PCC decides to take on responsibility directly, they will have some freedom to be able to implement such arrangements as they consider appropriate and effective in engaging with their local communities to improve public confidence in the police complaints system.

4.5 Alongside these proposals, the Government also proposes to extend the remit of HMIC to enable it to continue to inspect the efficiency and effectiveness of the complaints function, whether that function sits in a police force or has become the responsibility of a PCC (though HMIC will not be able to inspect the individual PCC).

#### **Reform B: transferring responsibility for appeals currently heard by chief constables to PCCs**

4.6 This proposal will transfer responsibility for considering appeals against the outcomes of complaints dealt with through local resolution from chief constables to PCCs.

## **Reform C: reforming the central tenets of the complaints system**

### (i) To expand the definition of a complaint

4.7 This proposal will expand the definition of a complaint. Currently, complaints are defined by section 12 of the Police Reform Act 2002 as a complaint about the conduct of a person serving with the police. The consultation proposed to expand this definition to include policing practice and service failure as well as the conduct of an individual. By expanding the definition of a complaint, the Government hopes to increase the efficiency with which some complaints can be resolved by enabling forces to resolve a complaint without the need to look at the conduct of an individual.

### (ii) Requiring all complaints to be recorded

4.8 This proposal will end the practice of non-recording complaints. Currently, complaints are non-recorded for a variety of reasons. These include cases in which the complaint has been or is being resolved through existing misconduct or criminal proceedings, the complaint has been withdrawn, the matter is already subject to another, separate complaint made by the same complainant, the complainant fails to disclose his/ her name or address and it is not possible to obtain that information through reasonable steps, the complaint is vexatious, repetitious or fanciful. The reform will change this practice and require them to be recorded. The practice of non-recording complaints made by off-duty police officers will continue: issues raised by off-duty police officers will continue to be dealt with through the police conduct system. We expect that resolution of issues outside the complaints system will continue without the need for a 'formal' complaint to be lodged to continue.

4.9 This proposal will also remove an appeal point. Members of the public whose complaints are non-recorded can currently appeal that decision to the IPCC. The reform will remove this appeal point.

### (iii) Replacing 'disapplication' and 'discontinuance' with 'no further action'

4.10 This proposal will change the terms 'disapplication' and 'discontinuance' with the term 'no further action'.

### (iv) Making it easier to deal with vexatious and persistent complaints

4.11 The Government also invited views on how to make it easier to deal with vexatious and persistent complaints. The Government will continue to work with policing partners on the issue of vexatious and persistent complaints. As a result, the issue of vexatious and persistent complaints are not considered in this impact assessment.

## **Reform D: to introduce a system of super-complaints**

4.12 This proposal will enable complaints to be made about trends and patterns of aspects of policing that might be harming the interests of the public, as well as complaints made on behalf of certain groups of people. Super-complaints may require a response from the IPCC (if an investigation into the conduct of an officer needs to be investigated), HMIC (if a super-complaint raises issues relating to policing practice) or the College of Policing (if the outcome of the investigation into a super-complaint requires changes to either good practice guidance or police training).

## **Reform E: reform the role, powers and structure of the IPCC**

### (i) remove the option of the IPCC to carry out managed or supervised investigations

4.13 This proposal will remove the current practice in which the IPCC has three different types of involvement in the investigation of a complaint and replace that practice with a clearer distinction between complaints that are investigated by the IPCC and those that are investigated by the police.

4.14 Currently, the IPCC may either investigate a complaint itself, it may manage an investigation with police support or it may supervise a police investigation. This option proposes to remove managed and supervised investigations so that in future all investigations are either carried

out by the IPCC or by the police(though the IPCC will still need powers to ensure it can work with police forces as necessary to do an investigation). .

(ii) give the IPCC the power of initiative

4.15 The IPCC is currently able to direct police forces to refer matters to it, although this process takes time and delays that arise as a result can diminish the confidence in the IPCC and the ability of the system to respond to complaints effectively. This proposal will enable the IPCC to launch an investigation without a referral from the police.

## E. Consultation

5.1 These options have been subject to public consultation, which ran from 11 December 2014 to 5 February 2015. The proposals have also been subject to consultation with policing partners via a series of stakeholder meetings.

5.2 The consultation asked for views in relation to the proposals listed under the different reforms.

5.3 **Reform A:** The consultation asked for views as to whether the proposal to enable PCCs to take on responsibility for the functions described at 4.2(a)-(d) either directly or to leave those functions where they currently lie struck the right balance between ensuring local flexibility for PCCs to respond to the needs of their constituents and ensuring consistency in how complaints are dealt with throughout England and Wales.

5.4 The Government received a variety of views in response to this question. There was broad support for PCCs taking on a greater role in the complaints system. Most of these responses were from PCCs, but some police forces also expressed support for this proposal. More respondents were in favour of PCCs taking on the functions described in 4.2(a)-(c) than they were about PCCs taking on the function described in 4.2(d). Those respondents who did not think PCCs should take on function 4.2(d) did so on the basis that it was important for police officers to continue to play a role in local resolution in order for this to remain an effective way of resolving a complaint.

5.5 Some respondents were concerned about the potential fragmentation of the complaints system across England and Wales and the impact this may have on the ability of the public to understand how a complaint may be handled. Other respondents were concerned about whether a lack of capability or capacity in the office of the PCC may mean that complaints take longer to be resolved than they do currently.

5.6 A clear majority of respondents believed that, should the proposal to give PCCs the ability to decide how the complaints system should be structured locally, then HMIC's remit should be extended.

5.7 **Reform B:** The consultation asked for views on whether PCCs should be given responsibility for considering appeals currently considered by Chief Officers, for example on the outcome of complaints dealt with through local resolution.

5.8 The majority of PCCs who responded to the consultation, as well as some police forces, supported the idea that PCCs should take on responsibility for considering appeals on the outcome of complaints dealt with through local resolution.

5.9 Where respondents did not support the proposal, they were concerned about the potential impact the proposal may have on operational independence as well as the capability and capacity of the office of the PCC to consider appeals.

5.10 **Reform C:** The consultation asked for views on a series of proposals to reform the tenets of the complaints system.

5.11 With regards to the proposal to extend the definition of a complaint to cover policing practice and service failure as well as the conduct of someone serving with the police, the majority of respondents supported this proposal.

5.12 With regards to the proposal to require all complaints to be recorded, a clear majority of respondents support this proposal.

5.13 With regards to the proposal to replace the terms 'disapplication' and 'discontinuance' with 'a decision to end an investigation', almost all respondents supported the proposal to replace the terms 'disapplication' and 'discontinuance'. Some respondents proposed that the new term should be 'no further action' since this was less likely to cause confusion. The Government has accepted this alternative proposal.

5.14 **Reform D:** The consultation asked for views about the introduction of a system of super-complaints, as well as for views as to who would be best placed to receive super-complaints and whether any or all of the IPCC, HMIC and the College of Policing would require new powers to respond to a super-complaint effectively.

5.15 Most respondents considered that the introduction of a system of super-complaints would have positive benefits for police accountability and the ability of the police to improve the service they offer to the public.

5.16 Views were mixed as to which organisation was best placed to receive a super-complaint. While most agreed that the IPCC was best placed to take on this role, other respondents suggested that HMIC, the College of Policing or the Home Office may be better placed instead.

5.17 **Reform E:** The consultation asked for views about removing the option for the IPCC to conduct managed and supervised investigations.

5.18 A majority of respondents agreed with the principle that police involvement should be kept to an absolute minimum in IPCC investigations to ensure greater clarity about the independence of those investigations, as well as the practical impact such involvement can have on police resources. Although a minority considered that there should be no police involvement at all, a majority thought that it would be impossible for the IPCC to conduct investigations without some involvement from the police.

## F. Appraisal (Costs and Benefits)

### GENERAL ASSUMPTIONS & DATA

6.1 As part of the Consultation, efforts were made to gather additional information on the costs and nature of the Police complaints system. Requests for information were sent to both a sample of police forces and the IPCC on a range of subjects. The information gathered, together with that received in earlier data gathering exercises, as well as annual statistics, was used to help identify the costs and benefits which are discussed below.

#### Complaint numbers

6.2 In 2013/14 there were approximately 34,900<sup>2</sup> complaints made against the police, a figure broadly consistent with past numbers of complaints. Of these, approximately 52% are typically resolved through local investigations, 33% through local resolutions, 8% are withdrawn and 7% are disappplied, dispensed or discontinued.<sup>3</sup> Overall responsibility for complaints in police forces lies with PSDs however many local resolutions and some local investigations are carried out by police officers deployed outside PSDs. The split between PSD and non-PSD is 19% and 81%

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<sup>2</sup> [https://www.ipcc.gov.uk/sites/default/files/ods/tables\\_figures\\_police\\_complaint\\_stats\\_2012-13\\_and\\_2013-14.ods](https://www.ipcc.gov.uk/sites/default/files/ods/tables_figures_police_complaint_stats_2012-13_and_2013-14.ods)

<sup>3</sup> *ibid*

respectively for resolutions and 70% and 30% respectively for investigations.<sup>4</sup> The result in numerical terms of these different outcomes is as follows:

- Approximately 2,100 complaints were locally resolved by PSD staff.
- Approximately 9,400 complaints were locally resolved by non-PSD staff.
- Approximately 12,700 complaints were locally investigated by PSD staff.
- Approximately 5,400 complaints were locally investigated by non-PSD staff.
- Approximately 2,900 complaints were withdrawn.
- Approximately 1,600 complaints were disappplied.
- Approximately 300 complaints were dispensed.
- Approximately 300 complaints were discontinued.

These figures are used throughout the IA to estimate the costs and benefits of different reforms.

6.3 In addition to the initial complaint there are also subsequent appeals. Appeals can be made to both the chief constable of the police force in question or to the IPCC. In practice, many of the appeals made to Chief Constables are handled by members of a police force's PSD or by other senior police officers. The table below lays out the number of appeals lodged following different outcomes with Police forces and the IPCC in 2013/14.

**Table One – Police Complaints Appeals in 2013/14:**

	Local Investigations	Local resolutions	Disapplication	Discontinuation	Non-Recording	Total
Chief Constables	1,600	1,100	400	10	N/A	3,100
IPCC	3,200	300	N/A	N/A	900	4,400
Total	4,800	1,400	400	10	900	7,500

Source: IPCC Annual Statistics

#### Local Investigations and Resolutions

6.4 In this impact assessment, we make repeated use of our estimates of the average costs of resolving a complaint at a local level. These costs vary in two different ways. Firstly, they depend on the means by which a complaint is resolved, either through local resolution or through a local investigation. The former is less expensive as it involves an apology or other amends as opposed to a full police investigation. In 2013/14, on average 52% of complaints were finalised through a local investigation and 33% through a local resolution.<sup>5</sup> Secondly, costs vary according to whether the matter is resolved by a police force's PSD or by police officers working in other roles. The extent to which PSDs or police officers in other roles handle resolutions and investigations varies across police forces. On average, 19% of local resolutions and 70% of local investigations are performed by PSD staff, with the remainder done by non-PSD staff.<sup>6</sup> Generally speaking, non-PSD resolutions and investigations are less expensive, as non-PSD officers tend to handle the most straightforward complaints.

6.5 Taking these issues into account, the costs of resolving a complaint are as follows:

- A PSD local resolution is estimated to cost approximately £389.
- A PSD local investigation is estimated to cost approximately £1371.
- A non-PSD local resolution is estimated to cost approximately £247.
- A non-PSD local investigation is estimated to cost approximately £895.

<sup>4</sup> This information was obtained by surveying ten professional standards departments during the consultation.

<sup>5</sup> [https://www.ipcc.gov.uk/sites/default/files/ods/tables\\_figures\\_police\\_complaint\\_stats\\_2012-13\\_and\\_2013-14.ods](https://www.ipcc.gov.uk/sites/default/files/ods/tables_figures_police_complaint_stats_2012-13_and_2013-14.ods)

<sup>6</sup> [https://www.ipcc.gov.uk/sites/default/files/ods/tables\\_figures\\_police\\_complaint\\_stats\\_2012-13\\_and\\_2013-14.ods](https://www.ipcc.gov.uk/sites/default/files/ods/tables_figures_police_complaint_stats_2012-13_and_2013-14.ods)

6.6 PSD resolutions and investigations are calculated as follows; firstly, a cost per hour of PSD time is calculated: £33.94. This is based on two factors:

- Standard costs per hour for police staff, police officers of rank Sergeant and below and senior police officers, which are £21.38, £38.43 and £58.16 respectively.<sup>7</sup>
- Data gathered from a survey of ten police forces on the share of these ranks within PSDs and the time they spend on complaints work. On average, 34% of police complaints work is done by police staff, 54% is done by Constables and Sergeants and 12% of work is done by senior police officers (Inspectors and above).

This cost per hour is then combined with estimates of the man-hours required to complete a PSD local resolution and local investigation gathered from a sample of police forces. The average time to complete a PSD local resolution is 11.45 hours; the corresponding figure for PSD local investigations is 40.38 hours. This generates a cost per local resolution and investigation for each police force. This impact assessment uses the average of these figures: £389 for a PSD local resolution and £1371 for a PSD local investigation.

6.7 Non-PSD resolutions and investigations are calculated as follows:

- Again, standard costs per hour for police officers and staff are used.
- Data gathered from a survey of PSDs provides the approximate workload shares of different ranks for both resolutions and investigations. For local resolutions the workload shares are:
  - Constables and sergeants (52%).
  - Inspectors and above (47%).
  - Police staff (1%).
- For local investigations, the workload shares are:
  - Constables and sergeants (45%).
  - Inspectors and above (54%).
  - Police staff (1%).
- These workload shares are used to generate an average cost per hour of non-PSD complaints work for both local resolutions (£47.72) and local investigations (£49.00).
- Based on data obtained in a survey of PSDs, the typical non-PSD resolution takes approximately 5.175 hours, implying a cost of £247 per non-PSD local resolution.
- Almost all of the police forces participating in our data collection exercise identified that non-PSD investigations took less time than PSD investigations. They were, however, unable to estimate a typical investigation length. To generate a cost for a non-PSD local investigation, we assume that there is a similar ratio between the length of a non-PSD investigation and a PSD investigation as that between a non-PSD resolution and a PSD resolution. Based on this, non-PSD local investigations require approximately 18.25 hours and thus cost £895.

## **COSTS AND BENEFITS OF OPTIONS**

### **OPTION 0 – Current system**

#### **Costs**

6.8 The cost of the police complaints system consists of three elements:

- The Independent Police Complaints Commission;
- Officers and police staff within police PSDs, who specifically work on police complaints; and
- The time of officers and police staff within the general police population that is taken up with dealing with complaints.

6.9 Of these three elements, we possess the most reliable information for the first item, the cost of the IPCC, and estimates for the second two items.

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<sup>7</sup> These standard costs per hour are £21.38, £38.43 and £58.16 respectively. The estimated hourly cost of a police officer includes salary, expenses, regional allowance, training and employer contributions to pension and national insurance. The estimates were calculated using the Annualised Survey of Hours Earnings (ASHE), Chartered Institute of Public Finance and Accounting (CIPFA) Police Actuals and Association of Chief Police Officers (ACPO) Mutual Aid Rates.

## **The IPCC**

6.10 The IPCC's budget for 2013/14 was approximately £33.2m, with an additional £4.9 of capital spending. There is also an additional £0.8m grant for transitional costs and £7.5m grant for the investigation into Hillsborough.

## **Professional Standards Departments**

6.11 Police complaints teams oversee the complaints system within a Police force. They perform four functions:

- Receiving, recording and referring complaints.
- Local resolutions.
- Local investigations.
- Processing appeals.

Of these tasks, non-PSD officers play a role in local resolutions and investigations as well as appeals. The extent to which police forces handle resolutions and investigations varies between forces, although feedback from the consultation suggests that all forces try to handle the most complex complaint cases within PSDs. Appeals are typically handled by senior officers, both inside and outside PSDs, with regular PSD officers and staff providing support. The paragraphs below show the existing costs of these elements of the complaints system.

### **Receiving, Recording and referring complaints:**

6.12 The estimated cost of the initial reception, recording and referring of complaints is approximately £1.45m. This is based on data obtained from a sample of PSDs on the typical amount of time it takes to record a complaint (74 minutes). This is combined with the cost of an hour of PSD time which is outlined above (£33.94). These figures imply a receiving and recording cost per case of £41.64. On the basis that there were 34,863 complaints in 2013/14, we estimate the cost of receiving and recording complaints to be £1.45m. According to feedback from PSDs obtained during the consultation, the cost of referring a complaint is minimal. So no additional cost for referral is included.

### **Local Resolutions:**

6.13 Local resolutions are performed by both PSD and non-PSD officers and staff. On average, 81% of local resolutions are completed by non-PSD staff. The remaining 19% are dealt with by PSD officers and staff. Based on the typical costs of PSD local resolutions outlined above (£389), and the approximate number of local resolutions in 2013/14 (2,100), this gives a total cost of £833k.

### **Local investigations:**

6.14 Local investigations are also performed by both PSD and non-PSD staff. On average, 30% of local investigations are completed by non-PSD staff. The remaining 70% are dealt with by PSD officers and staff. Based on the typical costs of PSD local investigations outlined above (£1371), and the approximate number of local investigations in 2013/14 (12,700), this gives a total cost of £17.5m.

### **Appeals:**

6.15 Force level appeals are reviewed by staff both inside and outside PSDs, with practice varying from one police force to another. Using information obtained from a sample of PSDs on the amount of time spent on appeals by staff of different ranks, and using the standard costs of police time outlined above, we estimate the average cost of force level appeals to be £628. Using 2013/14 figures for the number of force level appeals (3,134) this gives a total cost of £1.97m.

## **General Police Population**

6.16 Non-PSD officers spend time on public complaints in a number of ways. Firstly, police officers handle the majority of service recovery issues: grievances with the police that do not progress to become official complaints. According to information gathered from a sample of Police forces, responding to service recovery issues take on average 114 minutes. Assuming that these issues are typically responded to by staff of a similar composition as PSDs, service recovery issues cost an estimated £5.2m in total.

6.17 As discussed above, non-PSD officers also perform 81% of local resolutions. Using the developed costing of a non-PSD local resolution (£247), this gives an estimated cost of £2.3m.

6.18 As discussed above, non-PSD officers also perform 30% of local investigations. Using the developed costing of a non-PSD local investigation (£895), this gives an estimated cost of £4.9m.

6.19 Finally, non-PSD officers also participate in Police complaints work as the accused or as witnesses to the wrong-doing of another officer. Due to the difficulty in obtaining accurate data on such an unusual event in a police officer's career, we have not been able to cost this involvement.

## **Total Costs**

6.20 The total cost of the Police complaints system in 2013/14 is estimated to be approximately £79.8m. This includes £45.6m spent on the IPCC, £21.7m spent on PSDs and £12.4m from the time of regular Police officers.

6.21 The intention of the proposed reforms is to make the current police complaints system more independent of the police, and more focused on efficient and effective customer service. The full list of reforms on which we are consulting is set out below, together with a separate analysis of the costs and benefits of each.

## **Option 1: Proposed Reforms**

### **Reform A: structural reform of the police complaints system**

6.22 In order to maintain consistency in the complaints system, while still enabling local accountability and oversight, reform A will enable PCCs to expand their role in the complaints system locally through selecting one of the three complaints system models:

- a) Model A would leave a local police complaints system in its current format, notwithstanding the other reforms discussed in this document.
- b) Model B will transfer responsibility for the receiving, recording and referral of complaints from PSDs to PCCs, leaving the functions of acting as a single point of contact and resolving complaints with the police.
- c) Model C will transfer both the responsibilities outlined in Model B to PCCs as well as responsibility for acting as a single point of contact. It will also give PCCs a much larger role in local resolutions.

### **Costs**

6.23 An exact assessment of the full cost of this option will not be possible, as it will be for each PCC to decide which Model it would like to adopt, with different implications for costs and benefits. However, based on engagement with PCCs during the consultation we anticipate that two-thirds of PCCs may want a greater role in the complaints system, and will thus adopt either Models B or C.

6.24 Model A implies no changes in the local complaints system, and as a result no additional costs. Our above assumption implies no transfer of resources or additional costs for one third of PCCs.

6.25 We assume that PCCs have similar staffing costs to police forces and are as productive in terms of processing complaints. As a result, Model B only involves the transfer of economic resources between police forces and PCCs. There should be no additional costs.

6.26 Under the current system, the total cost of receiving, recording and referring complaints is £1.4m per year. Due to Reform A, which proposes eliminating the practice of non-recording, this figure is assumed to fall to £550,000 per year. If all PCCs were to adopt model B or C, this entire figure would be transferred from Police to PCCs. As discussed above, we assume that only two thirds of PCCs will adopt Model B or C, reducing this transfer to £360,000 per year.

6.27 Model C includes Model B's proposals as well making PCCs responsible for being a single point of contact and giving them a larger role in local resolutions. We assume that functioning as a single point of contact is a role which can be carried out alongside the receiving, recording and referring of complaints. As a result, the only additional cost of Model C will come from PCCs additional involvement in local resolution. We have been unable to estimate the costs resulting from this responsibility, due to the uncertainty surrounding how often a PCC will need to be involved in local resolution. It will continue to be important for police officers to play a role in local resolution where appropriate to ensure that it remains an effective way of responding to a complaint. As a result, additional costs are believed to be minimal.

6.28 The overall costs of this option are estimated as an additional burden of £360,000 per year on PCCs, with resources being transferred from the police. For PCCs who choose to adopt Model C, there will also be some additional costs for PCCs. This is an estimate and ultimately, the exact resources transferred will be determined locally.

### Benefits

6.29 This reform will enable democratically elected PCCs will play a larger role in the complaints system, strengthening local accountability. This has the potential to drive service and efficiency improvements. In particular it may lead to a more customer focused system with more complaints being resolved through local resolutions, as opposed to local investigations.

6.30 The assumption that PCCs will be able to improve their services is supported by the high degree of variance in the rates of local resolutions and investigations currently achieved by police forces in England and Wales. The national average is for 33% of complaints to be locally resolved and 52% locally investigated. Lancashire Constabulary is the best performing police force in terms of the percentage of complaints resolved locally; Lancashire resolves 73% of complaints locally, investigating only 7%. Given the other improvements in the complaints system, as well as the direct accountability of PCCs to the public, we believe it is reasonable to assume that other police forces will be able to achieve Lancashire's rates of local resolution and investigation. This would produce significant savings as well as a quicker and more efficient complaints system. Given current costs for local resolutions and investigations, and assuming that the share of complaint resolved or investigated by PSDs and non-PSDs does not change, the savings from such an improvement would amount to £15.5m.

### Additional Complaints

6.31 As well as the above costs and benefits, it is possible that Reform A (as well as the rest of the package of reforms) will have the impact of increasing the number of complaints; the following section explores the possible costs that would result from such an increase.

6.32 Reform A, as well as the wider package of reforms, is expected to improve the quality of complaints system; this has the potential to lead to an increase in the number of members of the public coming forward with a complaint if the public start to believe that the system can deliver better outcomes. It is unclear exactly how large an increase will occur, we therefore provide some possible scenarios of complaint increases to give an idea of how these might affect costs.

6.33 We believe the most reliable approach to estimate this potential increase is to use information on the increase in complaints volumes that occurred following previous reforms:

- The IPCC was created in April 2004. We assume that the introduction of the IPCC, a major and well publicized change in the police complaints system, could have encouraged those previously reluctant to complain to come forward. Examination of the complaint number statistics supports this idea, showing a 44% increase in 2004/05. It is however possible that not all of the increase in complaint numbers was felt immediately. Complaint numbers continued to increase until 2007/08, where they peaked at 85% higher than the figure in 2003/04. It is not certain that either of these increases can be entirely attributed to the introduction of the IPCC, however it is not clear what other factors could have caused such a significant increase. As a result, we use a ranged estimate of 44-85% for the potential increase in complaint numbers as a result of these proposed reforms. This would result in an additional 15,300 to 29,600 complaints. At the lower bound this would lead to increased costs in resolutions of £1.4m, investigations of £9.8m, totaling £11.2m. At the upper end it would lead to increased costs in resolutions of £2.7m, investigations of £19m leading to a total of £21.7m.
- As discussed above, there is the potential for Reform A to increase the rate of local resolution achieved at a local level, reducing the number of local investigations at the same time. An increase of the rate of local resolution from 33% to 73% and a corresponding decrease in the rate of local investigation from 52% to 7% would significantly reduce any cost increases resulting from additional complaints. This would limit increased costs to £4.4m at the lower bound of potential volume increases and to £8.5m at the upper bound of potential increases.
- As well as additional complaints, there would also be additional appeals to Chief Constables (or PCCs under Reform B). Assuming current rates of appeal (9%) remain fixed, there would be an additional 1,900 to 3,800 appeals to Police forces each year costing an additional £900,000 to £1.7m. There is the possibility that an improved rate of local resolution could reduce this increase, as local resolution appeals are likely to be easier to resolve. Unfortunately, such an outcome cannot be costed, as only an overall figure for the cost of appeals is available.
- Additional complaints would also result in additional appeals to the IPCC. Currently, 13% of complaints result in an appeal to the IPCC; implying an additional 1,900 to 3,800 complaints. We are unable to provide a costing for this figure as the IPCC were unable to provide an estimate of the cost of an appeal.

6.34. The overall potential costs as a result of additional complaints are £12.3m to £23.8m under current rates of local resolution and £5.5m to £10.6m under improved rates of local resolution.

### Sensitivity analysis

6.35 To provide an understanding of how seriously expected benefits will change if our assumption regarding the potential rate of local resolution proves incorrect, we examined the implication of alternative local resolution rates. We take the 75<sup>th</sup> percentile of local resolution rates for police forces in England and Wales: 54%. For the rate of local investigation, we use the 25<sup>th</sup> percentile: 33%. This generates a much smaller saving than our central estimate of £15.5m; estimating only £6.4m in benefit.

### Summary

6.36 There are likely to be three key impacts of Reform A.

- Firstly, approximately £360,000 a year will need to be transferred from the police to PCCs to provide them with the resources needed to take on responsibility for receiving and recording complaints.
- Secondly, it is hoped that improvements in the police complaint system will lead to more complaints being locally resolved as opposed to investigated. This has the potential to save £6.4m-15.5m per year.
- Finally, improvements in the complaints system may cause more members of the public to come forwards with complaints. If we assume no improvement in the rate of local resolution,

this will cost approximately £12.3m to £23.8m. If we assume improved rates of local resolution then this will cost £5.5m to £10.6m.

6.37 The overall impact of the above is uncertain; it seems unlikely that there would be significant increases in the number of complaints without there first being the increases in local resolution rates that would accompany improvements in the complaints system. As a result, the combination of these costs and benefits with the lowest Net Present Value (NPV), namely an increase in complaints causing costs of £12.3m-£23.8m combined with no improvement in local resolution rates and therefore no additional benefit, is very unlikely. Similarly, there are unlikely to be significant improvements in rates of local resolution leading to a benefit of £15.5m without a correspondingly significant increase in the number of complaints. The highest NPV estimate possible with the above set of costs and benefits is therefore unlikely to materialise. Due to this, it is only appropriate to present our best estimate of the costs and benefits in the headline estimates:

- a significant improvement in the rate of local resolution, leading to benefits of £15.5m;
- a significant increase in the volume of complaints, but costs limited to an additional £10.6m by the improved rate of local resolution;
- a £360,000 transfer of resources from police to PCCs, appearing both as a cost to PCCs and a benefit to the police within the NPV analysis.

6.38 We omit a High and Low estimate from the headline analysis in order to avoid presenting a misleading estimate of the costs and benefits. As a result, the estimate we present for Reform A are costs of £11m a year, benefits of £15.9m a year, resulting in a positive net impact of £4.9m a year and a 10 year NPV of £42.5m.

#### Reform B: transferring the responsibility for hearing local resolution appeals from chief constables to PCCs

##### Costs

6.39 In 2013/14 approximately 1,600 appeals resulting from local resolutions were theoretically reviewed by chief constables. Most appeals are delegated to police officers within PSDs and senior officers from within the police force. Under this proposal, some of these appeals (those against the outcome of a complaint dealt with through local resolution) would now go directly to the PCC. To fulfil this function, PCCs would require approximately £700,000 in additional resources. This estimate is based on the current time spent and rank of staff working on appeals. On average, the cost of this resource is estimated as £628 per appeal. It is possible that this cost could be higher or lower, depending on which staff fulfilled this role at PCCs. It is not possible to exactly estimate this as this will be for PCCs to determine, and each PCC may select a different approach.

6.40 In summary, PCCs will require approximately £700,000 of additional resources in order to process appeals. We expect these resources to be transferred from police forces. This is an estimate and, ultimately, the exact resources transferred will be determined locally.

##### Benefits

6.41 Police forces will no longer have to perform the appeal function, saving them approximately £1m of resource, which will be transferred to PCCs.

6.42 Making PCCs responsible for reviewing local resolution appeals currently considered by the Chief Constable would improve the independence of the complaints system. It will also strengthen PCCs oversight of the complaints system, as they will have a direct role in overseeing some complaints.

6.43 In summary, transferring responsibility for local resolution appeals from Chief Constables to PCCs should improve the complaints system's independence and accountability as well as freeing up approximately £1m of resource within Police forces.

##### Sensitivity Analysis

6.44 To provide an understanding of how seriously expected benefits and costs will change if our data proves to be inaccurate we vary the cost of an appeal. We use the 25<sup>th</sup> and 75<sup>th</sup> percentiles of our sample of the cost of an appeal as alternatives for the cost of an appeal. This

gives us a higher and lower estimate for the cost of an appeal: £235 and £927. This in turn would require a lower or higher transfer of resources from the Police to PCCs than our central estimate (£1m) of £400,000 and £1.5m respectively.

### Reform C: to reform the central tenets of the complaints system

#### Costs

6.45 There are not believed to be any additional costs implied by this reform. Replacing 'disapplication' and 'discontinuance' with 'no further action', will merely alter the language involved to improve clarity.

6.46 Ending the practice of non-recording will mean that approximately 2,400 additional complaints will be entering the system each year. The majority, being originally non-recorded for being fanciful or vexatious will continue to attract minimal police resources and be classed as "no further action". Approximately 1,000 complaints, the number of non-recorded complaint appeals which are upheld each year, will likely be treated as ordinary complaints. However such complaints are already included in the base case, as they are included in the annual statistics for complaints once their appeal is successful.

#### Benefits

6.47 Ending the non-recording of complaints would mean that PSDs would no longer have to spend time determining, in accordance with statutory guidance, whether a complaint needs to be recorded. As outlined above, it currently takes approximately 74 minutes to receive, record, and refer a complaint. Using the same sample of PSDs, we estimate that 28 minutes of this time is spent filling out the necessary paperwork, a step which would continue under these reforms. In addition to the time spent on paperwork, approximately 45 minutes is spent reaching a decision on whether or not to record a complaint. This time would be saved under the proposed reform. Using our figure for the cost of an hour of PSDs time, we estimate this saves £41.64 per complaint. Based on the number of complaints in 2013/14 (34,900), this produces an estimated saving of approximately £890,000 in total.

6.48 As well as PSDs, the IPCC would also save resources, as it would no longer have to review appeals resulting from non-recording decisions. Based on a typical cost of an IPCC appeal of £85.29, and an average of 1,700 non-recording decisions a year, we estimate a saving of £145,000 per year. The savings are uncertain however, as the IPCC may face additional pressures from members of the public appealing "no further action" decisions. As a result, this saving is not included in our central estimate.

#### Sensitivity Analysis

6.49 To provide an understanding of how seriously expected benefits and costs will change if some of our assumptions or data prove incorrect or inaccurate we vary the length of time it takes to make a recording decision. We use the 25<sup>th</sup> and 75<sup>th</sup> percentiles of our sample of recording time, which result in a lower and higher estimate for the time it takes to record a complaint: 45 and 98 minutes. This includes both time for paperwork and time to make a recording decision. Based on our engagement with PSDs, we believe that the 28 minutes of this time needed for paperwork is relatively consistent and unlikely to change. As a result, the decision making times decrease to 17 minutes and increase to 70 minutes from the 25<sup>th</sup> and 75<sup>th</sup> percentile recording times respectively. These estimates in turn result in a lower saving of £300,000 or a higher saving of £1.3m.

### Reform D: to introduce a system of super-complaints

#### Costs

6.50 This reform is not expected to lead to additional investigations, but to improve the ability of the IPCC, HMIC and the College of Policing to identify trends and patterns of aspects of policing that might harm the interests of the public and then consider the appropriate action that should be taken as a result. Super-complaints may require a response from the IPCC (if an investigation into the conduct of an officer needs to be investigated), HMIC (if a super-complaint raises issues relating to policing practice) or the College of Policing (if the outcome of the investigation into a

super-complaint requires changes to either good practice guidance or police training). It is assumed that this reform will not result in additional investigations by the IPCC, but will instead enable it to target its work more effectively. As a result, it is assumed that any investigations resulting from this reform will displace those investigations that would have been initiated by the IPCC, in favour of those recommended by the designated organisations. There is however a risk that this will not be the case and that the IPCC will need to conduct additional investigations. We estimate this cost to be approximately £600,000 per additional investigation. This estimate is based on the current cost of a thematic investigation, an appropriate proxy.

6.51 Since the IPCC will continue to decide whether or not it launches an investigation, and the decision about whether HMIC will begin an inspection rest with it, we do not anticipate that the introduction of a system of super-complaints will result in any significant increase in costs.

#### Benefits

6.52 This reform will lead to a more proactive and effective targeting of investigations on the areas that are the most serious and urgent from the public's perspective, thereby contributing to enhancing public confidence. Additionally, an independent organisation has the potential to put forward complaints on behalf of those who do not typically complain or engage with the police complaints system. As a result the police will gain a means of understanding and responding to the needs of those unwilling or unable to complain. Finally, by enabling proactive resolution of systematic problems in the police service, this reform has the potential to reduce demand on future complaints services, by heading off problems before they result in a complaint.

6.53 In summary, it is hoped this reform will result in more effective targeting of IPCC investigations into systematic issues.

#### Reform E: to remove the option of the IPCC to carry out managed and supervised investigations

#### Costs

6.54 Engagement during the consultation with PSDs suggests that demands on Police resources are as high during managed and supervised investigations as during a regular Police local investigation. As a result there are not expected to be any additional costs for Police as a result of this reform.

6.55 This reform will lessen the role of the IPCC in some cases. However the expanded role of PCCs together with an IPCC expansion programme which aims to ensure that the most serious complaints cases are all independently investigated will lead to increased scrutiny overall.

#### Benefits

6.56 The ending of managed and supervised investigations will free up resources within the IPCC as they will no longer need to provide management and oversight. Based on 2013/14's case-load of 19 managed and 65 supervised investigations, and a cost per case of approximately £6600 for managed investigations and £1760 for supervised investigations, the IPCC estimates a saving of £240,000.

6.57 There would be greater clarity regarding the independence of investigations, with investigations directed by the IPCC only having police input in prescribed circumstances. Reports from stakeholders suggest that the public do not regard IPCC managed or supervised investigations as properly independent (38% of the public believe that the IPCC is a part of the police); as a result these types of investigations just add complexity to the system.

## **F. Risks**

7.1 We have identified a number of risks in relation to this package of proposed reforms:

### Option 1: Reform A

7.2 Risks for reform A relate to the uncertainty surrounding both the increases in potential volumes of complaints and the potential difficulties in achieving a higher rate of local resolution. Wide ranging sensitivity analysis has been conducted, identifying the maximum possible costs as approximately £150m and the maximum potential benefits as £86.5m. This is based upon variation in the volume of complaints, and the potential rate of resolution.

### Option 1: Reform B

7.3 The key risk for Reform B is that PCCs will be unable to perform the appeal function for local resolutions as effectively as police forces. This would result in additional costs, as those resources transferred from police forces would be insufficient. The size and scale of such additional cost has not been estimated, due to insufficient information about the future composition and structure of PCC appeal teams.

### Option 1: Reform C

7.4 The primary risk for Reform C is that the elimination of non-recording will fail to result in the level of expected time, and in turn cost, savings. Some sensitivity analysis has been performed using the sample of recording times gathered from PSDs. Using the 25<sup>th</sup> percentile, as opposed to the average as in the central estimate, we obtain an estimate of only £300,000 in benefits.

### Option 1: Reform D

7.5 Reform D's central risk is that the creation of super-complaints will result in additional demands on the IPCC and subsequently on police forces and PCCs. This risk is mitigated by the fact that super-complaints will most likely displace other large-scale investigations.

## **H. Summary and Recommendations**

8.1. Public satisfaction levels with the police complaints system are far too low, with only 1 in 10 of those dissatisfied with the police going on to make a complaint, and fewer than a quarter of those who complain satisfied with the outcome. To address this we have focused on four key policy objectives, as announced by the Home Secretary in July 2014. First, the police complaints system should be more independent of the police. Secondly, the police complaints system should be easier for the public to follow. Thirdly, the police complaints system should be more focused on resolving complaints locally. Finally, the police complaints system should have a simpler system of appeals. Consequently, whilst a "do nothing" option was considered, it is not recommended.

8.2. Our analysis and stakeholder engagement has revealed a proposed set of policy reforms which we recommend as important to address the policy objectives articulated above. These reforms include ending the non-recording of complaints, creating an ability for certain organisations to make a complaint about a perceived systemic failing in policing, and ensuring greater independence (both locally by empowering PCCs to play a greater role, and nationally by ensuring that investigations by the IPCC into the most serious or sensitive complaints are truly independent). We have recognised that making the system more user friendly will likely result in an increase in complaint volumes, increasing costs. However, we are mindful that these are not, in effect, new complaints. Rather, they are complaints that are not currently being addressed, resulting in poor public satisfaction and a loss of information that may be useful in terms of organisational development and improvement. We also recognise that a complaints system focused on local resolution, where appropriate, will be considerably more efficient.

8.3. Currently, while there are many avenues of making a complaint, the overwhelming majority of complaints are dealt with internally by police forces. We propose to empower PCCs to play a central role in deciding how the complaints system is run at a local level, potentially including receiving, assessing and allocating complaints, and resolving those complaints suitable for local resolution.

8.4. Currently, the majority of complaints are investigated by the police themselves and we do not propose to change this, but rather to enable PCCs to have a scrutiny role to ensure independent oversight.

8.5. Finally we have the issue of appeals. Currently, appeals are handled by both the police forces themselves and the IPCC. We propose that the appeal functions currently exercised by a Chief Constable in relation to complaints will be streamlined within a reformed system and will fall to the relevant PCC.

## **I. Implementation**

9.1. The Government plans to implement these changes as soon as parliamentary time allows. The changes will require primary legislation.

## **J. Monitoring and Evaluation**

10.1. Evaluation and monitoring will make use of existing information published in the Crime Survey for England and Wales as well as publications by the IPCC about the number of complaints it receives, the way they are resolved, the time it takes to resolve them and public perceptions of the system.

## **K. Feedback**

11.1. This impact assessment has been informed by public consultation.