

# Annual report and statement of accounts

2014/15





# Independent Police Complaints Commission

## Annual report and statement of accounts 2014/15

Annual Report presented to Parliament pursuant to Section 11(5) of the Police Reform Act 2002  
Accounts presented to Parliament pursuant to Paragraph 17 of Schedule 2 of the Police Reform Act 2002  
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## Independent Police Complaints Commission (2015)

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# 1. Chair's foreword



**This has been a year of considerable transition for the IPCC. We have more than doubled the number of investigations we take on, eliminated our appeals backlog, strengthened our**

**oversight of the complaints system, increased our staff and offices and created a new operational structure and executive team.**

This has not just meant doing more: it has meant building the structures to do things differently. This is driven in part by the need to run a much larger organisation – and that is stimulating further thought about our governance structure, as well as our operational processes and management. But it is also because we have responded to feedback. We have heard from families, complainants and communities during our review of deaths investigations and at stakeholder engagement events. We have also heard from police and policing bodies in our contacts with them. Though those groups often have very different perspectives on our work, their messages are very similar: that we must ensure quality and timeliness, not just numbers. That will be a strong focus in the coming year, as we continue to expand and increase our workload.

During the year, we continued to work on some high-profile cases, concluding our report into the death of Mark Duggan. This investigation resulted in important recommendations not only for the Metropolitan Police but also for all forces<sup>1</sup>.

We started 65 independent investigations into deaths during or following police contact<sup>2</sup> and began work on a growing number of child sexual exploitation cases, where the action, or inaction, of the police is at issue. Our large and complex investigations into the Hillsborough tragedy continued. We have strengthened our ability to use our investigations and appeals to improve policing practice. We are now able to ensure that police forces respond formally to our recommendations and will publish the action they propose to take. Our work on domestic violence in Wales, and our investigations and appeals work on the use of Taser, for example, have noticeably improved police practice. We are working closely with Her Majesty's Inspectorate of Constabulary and the College of Policing to ensure that our work feeds into inspections and standard-setting.

It is also a key part of our role to improve confidence in the complaints system as a whole. The great majority of complaints are dealt with by the police themselves. We know that this is too often flawed, since we uphold around 39% of appeals from dissatisfied complainants. With a very limited resource, we have been able to assist forces to improve their complaints handling: for example, in dealing with discrimination allegations and in deciding how and whether to record a complaint. This work has a wide and positive impact, and we want to be able to strengthen it further.

However, the complaints system as a whole needs radical reform. It is difficult for the public to have confidence in a system that is complicated, bureaucratic and focused on individual blame rather than systemic failure or resolution. We contributed

1. Please see: [www.ipcc.gov.uk/recommendations/national-recommendations-mark-duggan-investigation](http://www.ipcc.gov.uk/recommendations/national-recommendations-mark-duggan-investigation)

2. We will publish our annual statistics on deaths during or following police contact later in July 2015.

to the previous government's consultation on the reform of the system, and we will continue to press for a fundamental overhaul of the system, to make it, and our role in it, more effective.

I would like to take this opportunity to thank all the IPCC staff, who have risen to the challenge of doing more, and doing it differently, as we have changed and expanded over the year, under the leadership and management of Lesley Longstone and her executive team. I would also like to thank my deputies and fellow commissioners for their support and effective oversight of our work. Particular thanks go to our two retiring non-executive commissioners, Jonathan Tross and Ruth Evans, respectively the chairs of our audit and risk, and remuneration, committees.

A handwritten signature in black ink that reads "Anne Owers". The signature is written in a cursive, flowing style.

**Dame Anne Owers**  
*Chair*

## 2. The year in brief

2014/15 was a year of transition for the IPCC as we expand towards taking on all serious and sensitive cases by 2017. We began a process of expansion, taking on more staff, restructuring our operational work, and more than doubling the number of independent investigations taken on during the year. At the same time, we eliminated our appeals backlog and closed more investigations than in any previous year.

During the year under review, we:

- dealt with 3,873 referrals of deaths and serious injuries or potential misconduct (see page 16)<sup>3</sup>
- began 241 investigations and closed 120 investigations (see page 11)
- continued our major Hillsborough investigations (see page 14)
- received 4,108 appeals and dealt with 4,705 (see page 18)
- recruited over 200 new staff
- opened a new office and assessment centre in Birmingham

We worked to increase public confidence in the police complaints system by:

- developing our oversight and confidence strategy, setting out what we will do to ensure that our work has the greatest impact on public confidence
- carrying out a number of projects to assess how police forces are handling complaints and publishing guidance to help them improve

- responding to the government's consultations on police discipline and complaints
- working with external reference groups to inform our work and running three events to engage with young people's views on policing
- producing an information pack for bereaved families in consultation with INQUEST

We contributed to better policing by

- using our new power to require police forces to respond to our recommendations and making recommendations to improve safety and police practice (see page 24)
- publishing three Learning the lessons bulletins sharing learning from our work with the police service
- preparing to implement new powers over private contractors and to obtain information from third parties to secure evidence for our investigations
- producing a final report and implementing recommendations from our review of deaths investigations
- consulting on guidance about achieving the best evidence in death or serious injury cases to prevent police conferring
- developing a concordat with Her Majesty's Inspectorate of Constabulary and the College of Policing setting out how we will share information and work together

3. Police forces must refer the most serious matters – whether or not someone has made a complaint – to the IPCC. The IPCC may decide to investigate such cases independently, manage or supervise the police force's investigation, or return the matter for local investigation.

We developed our internal systems and processes by:

- strengthening our governance structure, with new committees to oversee our work
- restructuring our senior executive team
- creating a new Operations directorate bringing together investigations and appeals under a Chief Operating Officer, and developing performance and quality standards
- introducing a policy that restricts ex-police officers who work for us from conducting investigations into a police force where they used to work
- developing a Knowledge and Information Management strategy
- setting up a Change Programme Implementation Board with an external reference group
- creating an Equality and Diversity Group and commissioning a baseline review to inform our change programme

The IPCC was the subject of a Triennial Review in 2014/15. The review considered the IPCC's functions, efficiency and governance arrangements and a number of recommendations were made, which we will respond to in further detail in 2015/16.

## 3. About us - who we are and what we do

### Our remit

The IPCC was established by the Police Reform Act 2002 and began work in April 2004. Our primary statutory purpose is to secure and maintain public confidence in the police complaints system in England and Wales. We have a dedicated commissioner for Wales.

Police forces deal with the majority of complaints against police officers and police staff. We consider appeals from people who are dissatisfied with the way a police force has dealt with their complaint. Since November 2012, the responsibility for determining appeals is shared with local police forces.

In addition, police forces must refer the most serious cases – whether or not someone has made a complaint – to the IPCC. Serious cases include those where there has been a death or serious injury, or allegations of serious assault or serious sexual offence. We may decide to investigate such cases independently, manage or supervise the police force's investigation, or return it for local investigation. As part of our responsibility to secure and maintain public confidence in the complaints system, we use learning from our work to influence changes in policing, ensure accountability and share best practice.

We also have powers in relation to a small number of organisations that have police-like powers, but are not police forces. This includes the National Crime Agency (NCA), Her Majesty's Revenue and Customs (HMRC), some activities of Home Office immigration and enforcement staff, and all staff who work for the College of Policing. In addition to this, we investigate criminal allegations against police and crime commissioners (PCCs) and their deputies.

In April 2015, the final two powers introduced by the Anti-Social Behaviour, Crime and Policing Act 2014 came into force. These powers give us oversight of contractors working for the police, and enable us to obtain information from third parties for independent investigations.

### Vision

The IPCC is trusted to hold the police to account and there is increased confidence in the complaints system.

### Purpose

We exist to hold the police to account on behalf of the public by:

- setting and monitoring standards for the police handling of complaints and access to the system
- independently investigating serious and sensitive cases
- providing robust and independent scrutiny of appeals
- identifying and disseminating learning, which changes operational practice

### Objectives for 2014/15

1. We will demonstrate our independence and meet the diverse needs of complainants and families through our work
2. We will provide robust oversight of the police complaints system, which results in change
3. We will gain insight from engaging with those who have an interest in our work to inform and improve the service we deliver

4. We will develop a highly professional, diverse and motivated workforce, which provides what the public expects
5. We will have excellent systems and infrastructure which support the IPCC to provide value for money

## Values

Five values underpin our work. The values influence our plans and the way we deliver our service. They influence how we engage with complainants, the police and other stakeholders. They are also reflected in how we recruit our staff and commissioners, and are the foundation for the way the organisation is run. We hold ourselves to account for our behaviour under the values through our performance and development review process.

Our values are:

- justice and respect for human rights
- independence
- valuing diversity
- integrity
- openness

## 4. Progress against our objectives in 2014/15

We listed 18 projects in our 2014/15 Business Plan under five corporate objectives. We completed half of these in 2014/15, and the remainder are continuing into our 2015/16 Business Plan. We also carried out work under two equality objectives.

This section sets out our progress during 2014/15.

### Objective 1: we will demonstrate our independence and meet the diverse needs of complainants and families through our work

We created our new Operations directorate during the year under review. This brings together our casework and investigations functions under a Chief Operating Officer. It has helped to establish a consistent focus on performance and quality assurance and ensures that we make best use of our resources in meeting the diverse needs of complainants and families. This year the directorate has continued to expand, taking on more independent investigations than ever before.

#### Start more high-quality independent investigations

Our aim was to begin more independent investigations than in the previous year; we set ourselves a target of starting 186 independent investigations. As shown in the chart below, we exceeded this target, starting 241 new investigations – more than double those started in the previous year. A high proportion of these related to child sexual exploitation where the action, or inaction, of the police is at issue. We will be able to report further on these cases in our next annual report.

Some other examples of the types of case we are now able to investigate include:

- whether a force seemingly aware of a breached bail should have re-detained a man who sexually assaulted a child
- whether officers who failed to properly care for a man who had jumped/fallen from a balcony acted in a reasonable timeframe to prevent aggravated injuries
- whether a supposedly unlawful discharge of a Taser by an officer was warranted
- whether two seemingly unlawful stops on a person were aggravated by racial discrimination

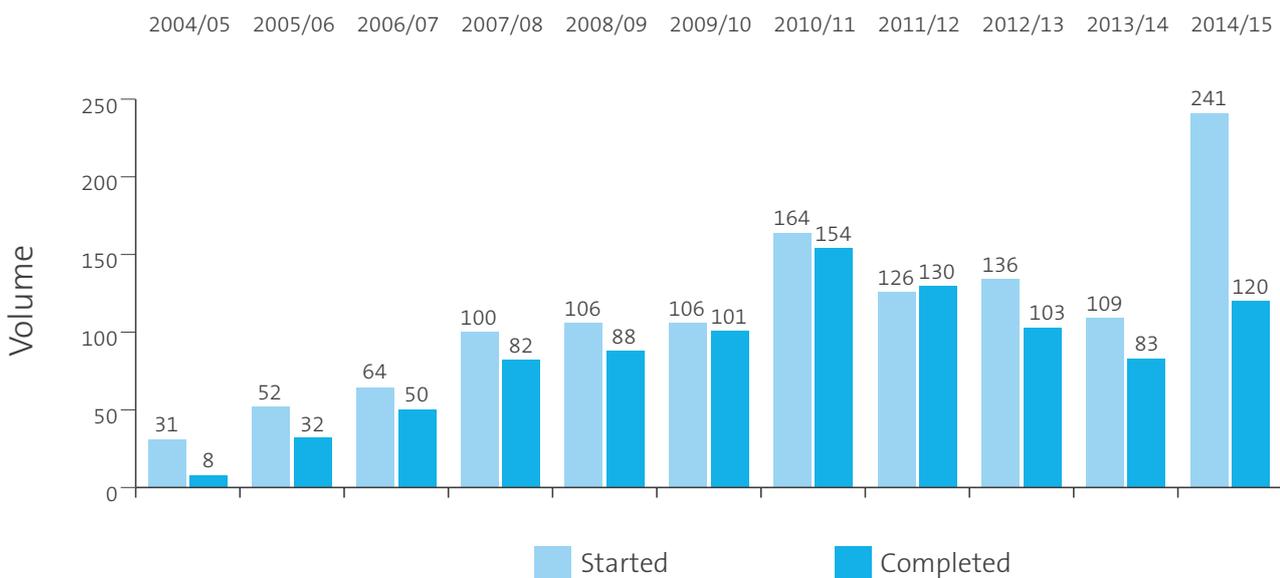
This increase is the result of a major programme of expansion, following additional funding to allow us to meet the Home Secretary's expectation that the IPCC would investigate all serious and sensitive matters. We opened a new office in Birmingham, and recruited and trained in excess of 200 new staff. Preparations to open another new office in Croydon are well advanced. Staffing this office will enable us to take on yet more new investigations in 2015/16 – between 400 and 700 across England and Wales.

#### Continue to investigate the most serious cases and ensure our investigations are of a consistently high quality

We completed 120 independent investigations during 2014/15. Our concluded investigations included matters of significant public concern, such as the investigation into the shooting of Mark Duggan and the police response to the murder of Gunner Lee Rigby.

We introduced a new target for completing investigations in 2014/15, moving away from a 157 working day target to agreeing target completion dates for each individual investigation, depending on its complexity. Our target for completing independent investigations within agreed timescales was achieved for 12 of the 34 investigations both started and completed during 2014/15. Timeliness is now one of our key performance targets.

Figure 1:  
The volume of independent investigations started and completed by year



We have revised our approach to quality assurance of investigations and are in the process of creating a new operations review unit. The unit will ensure that quality is embedded across all our operational work. We have also developed a new format for our investigation reports to improve the way we communicate our findings. Our training team has trained all new investigative staff, as well as overseeing continuous professional development for all investigators. Further work on quality is included in our 2015/16 Business Plan.

## *Supporting bereaved families during our investigations*

We conducted an independent investigation into a fatal road traffic incident in Birmingham in April 2012. The incident involved a West Midlands Police car and resulted in the death of Zhang Xuanwei.

Following our investigation, we sent a report to the Crown Prosecution Service, which decided that the officer involved should face criminal proceedings. One officer was charged with causing death by careless driving. He was subsequently acquitted at trial. The disciplinary process is ongoing.

In January 2015, we received the following feedback from Mr Zhang's family:

**No one can imagine the difficulty and pain we are enduring. But we know you probably understand this very well. We believe that you have been very successful in initiating the criminal case and without your fair investigation the case would not have been where it is today.**

In July 2014, we began an independent investigation following the death in custody of Sharmila Ullah. During Ms Ullah's detention, she needed medical attention and was taken to Walsall Manor Hospital. She was subsequently returned to custody, where a doctor certified her as fit to detain. She was later examined by a nurse in the custody suite, but approximately an hour later, custody staff found Ms Ullah unresponsive in her cell. She was taken to hospital where she died.

Our investigation looked at the actions of police officers and staff members prior to Ms Ullah's death. We took statements, secured CCTV from the custody suite, and our family liaison managers made contact with Ms Ullah's family. Our investigation found that one custody detention officer had a case to answer for gross misconduct. Our recommendations focused on the quality of custody staff's visits to detainees and their record keeping. West Midlands Police accepted our findings and the disciplinary process is ongoing.

Despite being unhappy with the outcome of an inquest into her death, Ms Ullah's partner and family sent messages to our staff to express how grateful they were for the support they had received from them.

## Managed and supervised investigations

Managed investigations are carried out by the police, but under the direction and control of the IPCC. The IPCC also supervises police investigations where the allegation is of such significance and probable public concern that its investigation requires an independent element.

During 2014/15, we started 62 managed investigations, more than double the number (22) started during the previous year. Of the 11 completed, these took, on average, 406 working days to complete compared to 328 during the previous year.

We started 74 supervised investigations during 2014/15, just over a quarter the number started during 2014/15. Completion rates have been higher at 157 and, as a result, the overall active caseload has decreased to 155. Of the 157 completed these took, on average, 262 working days to complete compared to 185 working days during the previous year.

## ***Responding to allegations of corruption***

### **Investigation leads to conviction of Humberside Police staff member**

The IPCC managed an investigation into a number of serious allegations against a member of Humberside Police staff, who had also served as a chief superintendent with the force. One of his victims, who was bombarded with calls and text messages, said his actions left her frightened and unable to function normally. He then threatened to expose intimate details about her life if she co-operated with the investigation.

After a six-week trial, which ended in January 2015, the man involved was found guilty of witness intimidation, aggravated stalking, harassment and assault. He was jailed for 12 months.

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**“This case was very challenging as the offender had a long history with the force and people in it. Working with the IPCC, Durham Constabulary<sup>4</sup> and the CPS ensured a robust, independent approach that secured justice and helped the Force address the legacy issues and move forward.”**

***Chief Constable Justine Curran***  
***Humberside Police***

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### **Staffordshire Police officer found guilty of misconduct in public office**

Following a managed investigation, an officer was found guilty of six offences (five counts of misconduct in public office and one Data Protection Act offence). He had engaged in sexual activities with five women while on duty and deliberately targeted vulnerable victims of crime for sexual purposes. He was dismissed from the force after a misconduct hearing and jailed for three years.

The IPCC has previously expressed concern at the number of cases across England and Wales where officers have targeted vulnerable women for sex. We will continue to respond robustly to such allegations, ensuring that they are investigated thoroughly.

4. The investigation was carried out by Durham Police and the terms of reference were set by the IPCC.

## Continue the Hillsborough investigation

A team of more than 150 staff based in Warrington has continued to make significant progress on the investigations into the Hillsborough disaster.

The IPCC is independently investigating the aftermath of the disaster and allegations surrounding how evidence was collected and presented by both South Yorkshire Police and West Midlands Police. The IPCC is also managing the aspects of Operation Resolve's investigation that look at the actions of the police in the planning and preparation for the match and the events of the day. Over the last year, the IPCC team and Operation Resolve have worked together to assist the ongoing inquests and pursue lines of enquiry for the criminal investigations. Both teams have also liaised closely with the Crown Prosecution Service.

In terms of investigative work, we have been examining the following areas:

### South Yorkshire Police

We have continued to pursue lines of enquiry around the collection of evidence and, in particular, officers' accounts after the disaster; the interaction of police officers with the media and politicians; and the conducting of police national computer and blood alcohol checks.

The process of analysing accounts that may have been amended has continued throughout the year. We are also using this evidence to develop a thorough understanding of the processes and procedures that were followed in handling officers' accounts after the disaster.

We have worked closely with Operation Resolve to establish what senior police officers would be expected to have known about tactics and procedures used at previous matches at Hillsborough.

We are examining what information was provided by South Yorkshire Police officers to West Midlands Police, the Taylor Inquiry and the original inquests.

### West Midlands Police

Our investigators have worked through the 1,706 responses to the witness appeal we launched in September 2013.

In particular, investigators have analysed accounts from witnesses who have expressed concern about the actions of West Midlands Police officers when they were giving their accounts of the disaster.

We are currently identifying lines of enquiry around the original inquests and how the West Midlands Police investigation supported the coronial processes.

### Engagement

We have continued to participate in regular forums with the families of those who died in the disaster. These forums are chaired by the former Bishop of Liverpool, Rt Rev James Jones, and allow the IPCC, Operation Resolve and the Crown Prosecution Service an opportunity to provide confidential updates. They also give families the opportunity to ask questions.

We have also continued to provide written updates to the families, stakeholders and the public on the progress of the investigation. In addition, the IPCC has provided regular updates to the All Party Parliamentary Group of MPs.

## Implement the actions from our review of cases involving a death and the external review of our investigation into the death of Sean Rigg

One of our most important functions is the investigation of deaths during or following contact with the police. It is important for the families of those who died that they know and understand what happened and why. It is equally important, for public confidence in policing and for the police themselves, that these events are fully and independently investigated, that there is proper accountability for actions or failures to act, and that lessons are learnt.

For that reason, in 2012 we decided to conduct a comprehensive review of our work in this area. This followed criticism and concerns about the approach, timeliness and thoroughness of some of our investigations. In March 2014, we published the final report of our review, which included 61 actions, 22 of which we had completed before the report was published. The findings matched many of the concerns also raised in Dr Silvia Casale's review into the investigation of the death of Sean Rigg. We therefore combined our action plans for both of these reviews.

In March 2015, we published an **update report on our progress**<sup>5</sup>. The report set out the work we have done to implement the action plan, which includes:

- in consultation with INQUEST, we developed an information pack for families, which explains our investigation process and the coronial process
  - families are involved in developing terms of reference and they are provided with emerging findings throughout investigations
  - we have developed draft statutory guidance on achieving the best evidence in death or serious injury cases to prevent police conferring. We are making final amendments to the guidance to submit to the Home Secretary for approval so that we can publish later in 2015
- we have arranged bereavement training for operational staff
  - we have provided training for staff on scene management, use of powers, disclosure, and mental health issues
  - we have implemented a policy that sets out arrangements for ex-police staff conducting investigations into a police force where they worked previously

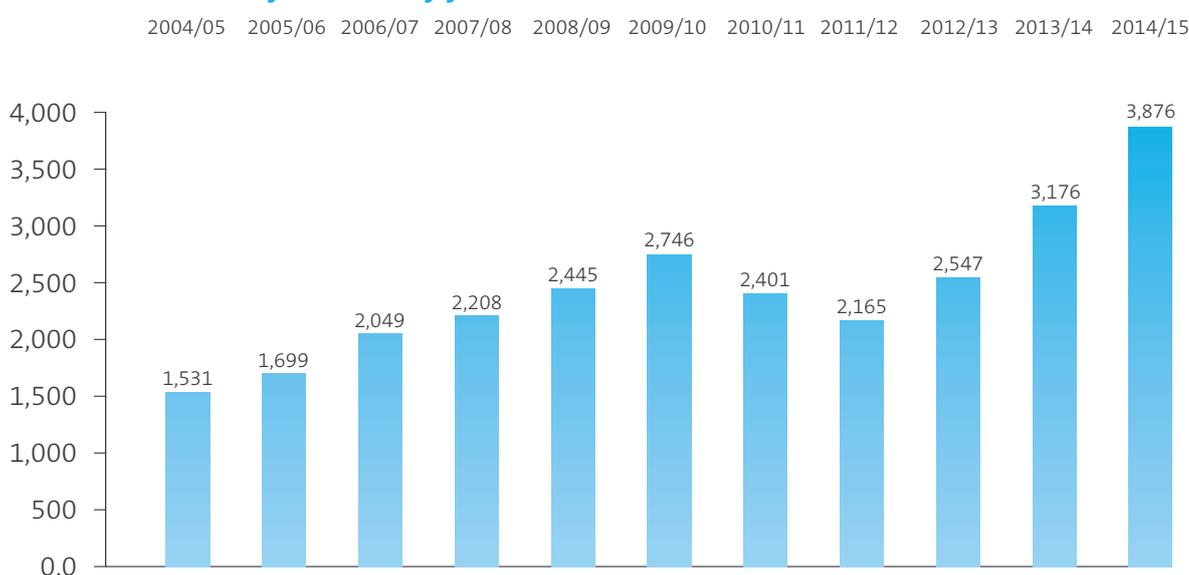
We will continue to deliver the remaining actions through our change programme and Commission will monitor this through our business planning process.

5. Available on our website.

## Establish an assessment function

We received 3,876 referrals of serious and sensitive cases from police forces. These referrals have increased consistently in recent years.

Figure 2:  
Referrals received by the IPCC by year



As part of our change programme, we created an assessment unit in our new Birmingham office. The unit receives referrals from police forces and makes decisions about the level of investigation that is required. It also has responsibility for making decisions about appeals relating to the non-recording of complaints<sup>6</sup>, and other more technical appeals. The unit has helped to end backlogs both in appeals work and the referral process, as well as improving the quality and consistency of our decisions.

## Wider responsibilities – complaints and referrals involving other organisations

### HMRC

The IPCC makes sure that serious complaints against Her Majesty's Revenue and Customs (HMRC) staff are dealt with effectively. When something has gone wrong, we also help HMRC learn lessons and improve the way it works.

#### Investigations and appeals in 2014/15

From 1 April 2014 to 31 March 2015 we received 74 referrals from HMRC:

- 41 were sent back to HMRC for local investigation
- 33 were referred back to HMRC to deal with as it saw fit

6. Complainants have the right of appeal to the IPCC if a police force did not record their complaint.

During the same period we received eight investigation appeals: two were upheld, five were not upheld and one was not valid.

We also received five non-recording appeals, which were not valid.

### Work this year and future work

This year has seen changes to the legislation governing the police complaints system. The Regulations which provide governance over police complaints and HMRC complaints are complimentary, but different.

We will be working with HMRC this year to identify which of the changes to the police complaints governance would be beneficial to be reflected in the governance of HMRC complaints, updating the regulations accordingly.

### **Home Office**

The IPCC is responsible for the way that some serious complaints against Home Office staff carrying out immigration and enforcement functions are handled. This includes staff contracted by the Home Office to carry out certain functions on their behalf.

The IPCC is also responsible for investigating conduct matters and death and serious injury (DSI) matters involving Home Office staff exercising specified enforcement functions (police-like powers). When something goes wrong we also help the Home Office learn lessons and improve the way it works.

### Investigations and appeals

From 1 April 2014 to 31 March 2015 we received 13 referrals from the Home Office:

- one is subject to an ongoing independent investigation
- one was initially subject to an independent

investigation, but was subsequently redetermined to a supervised investigation, which is ongoing

- six were sent back for local investigation
- five were referred back to the Home Office to deal with as it saw fit

During the same period we received one appeal against a local investigation, which was not valid. We also received five non-recording appeals: all of which were not valid.

### Work this year and future work

We are continuing to work with the Home Office to update the regulations that govern how these matters are dealt with.

### **National Crime Agency (NCA)**

The IPCC is responsible for the way that serious complaints against the NCA are handled, including complaints relating to proceeds of crime activity.

### Investigations and appeals in 2014/15

From 1 April 2014 to 31 March 2015 we received 21 referrals from the NCA:

- five were subject to an independent investigation
- nine were sent back to the NCA for local investigation
- seven were referred back to the NCA to deal with as it saw fit

During the same period we received 11 appeals against local investigations. Six were upheld, three were not upheld, one was not valid, and one is pending a decision. We also received nine non-recording appeals. Four were upheld, three were not upheld, and two were not valid.

Work this year and future work

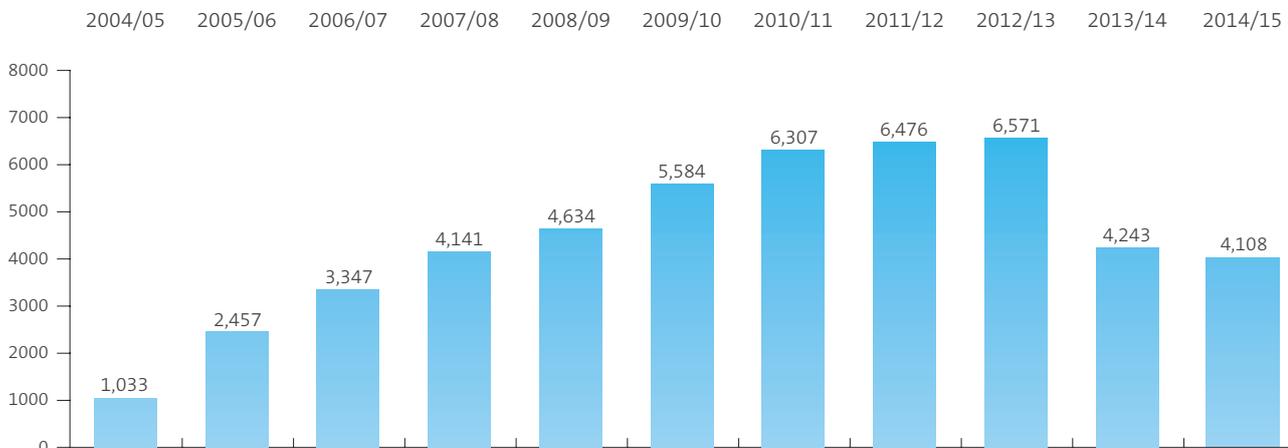
We will be considering how best to support the NCA to apply the legislation about complaints handling.

**Objective 2: we will provide robust oversight of the police complaints system, which results in change**

**Continue to deal with appeals**

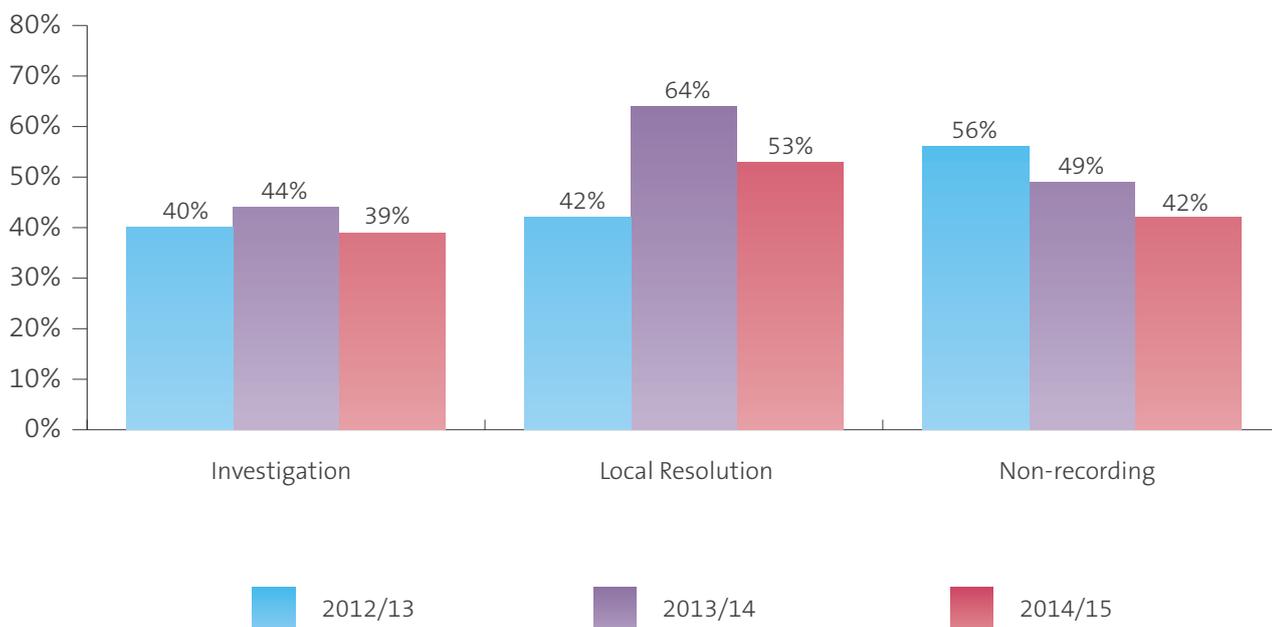
In 2014/15, the IPCC received a total of 4,108 appeals against the way that complaints were handled locally; 3% lower than the previous year. The number of investigation appeals reduced by 15% and local resolution appeals by 12% as some of these are now dealt with by police forces. Non-recording appeals increased by 12%.

Figure 3:  
**IPCC appeals received by year**



Of the appeals completed by the IPCC in 2014/15, we upheld 39% compared to 46% in 2013/14. The proportion of investigation and local resolution appeals upheld decreased, to 39% and 53% respectively. The number of non-recording appeals we upheld also reduced to 42%.

Figure 4:  
Percentage of appeals upheld by appeal type and year



The police complaints statistics for 2013/14, which we published in February 2015, show that police forces uphold fewer appeals than we do. Police complaints data collected for 2014/15 indicates this trend has not changed, although there is considerable variation between police forces.

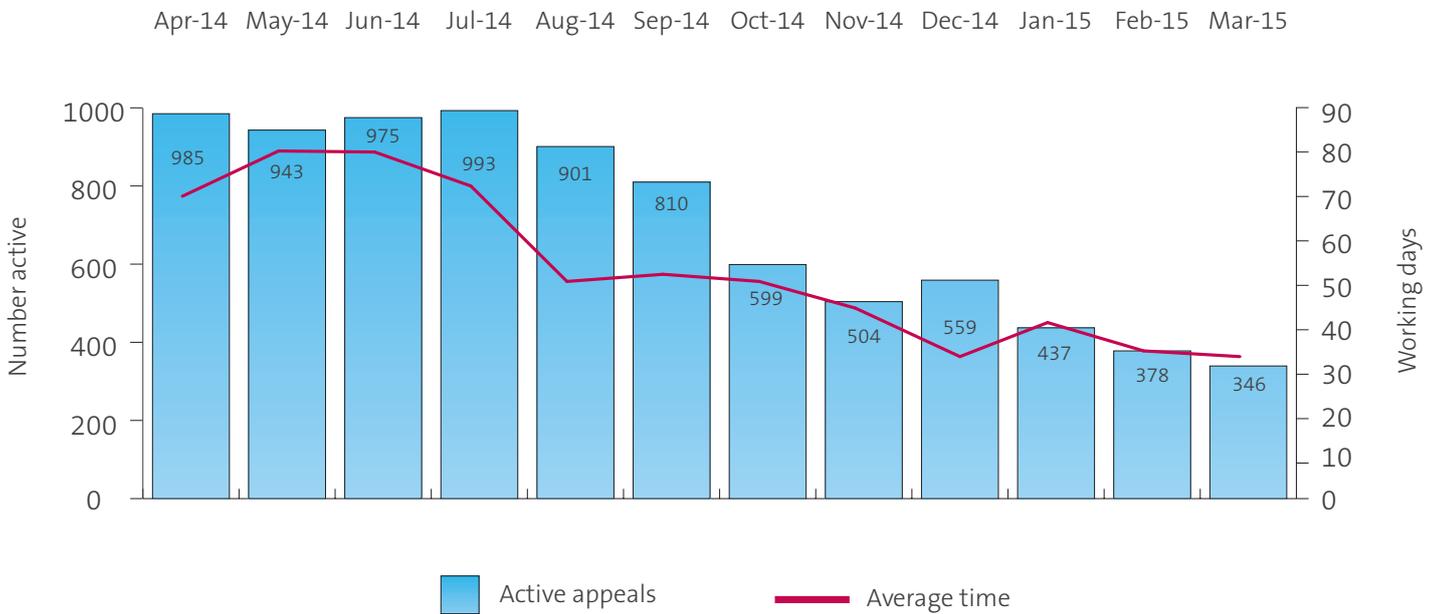
- retaining a number of additional casework staff
- creating a new assessment function to deal with referrals and more technical appeals
- applying rigorous focus on delivery, including improving the quality of our investigation appeal assessments

#### Clearing the backlog of appeals

At the end of April 2014, we had 985 open appeals – a significant backlog. At the start of the year under review, on average appeals were taking over 70 working days to complete; well above our target of 35 days. We recognised this represented an unacceptable level of service. This situation arose largely because of delays in the anticipated fall in volumes of incoming work, arising from changes to the law. We focused on clearing the backlog throughout 2014/15 by:

The goal was to clear the backlog before the transition to new ways of working associated with our change programme. We achieved this by January 2015; the open caseload has reduced to 437, which is within manageable levels. It has remained broadly steady at that level. The average time to complete an appeal reduced to 33 working days in March 2015.

Figure 5:  
**Active caseload of IPCC appeals and average time to complete**



We published our three-year oversight and confidence strategy in July 2014<sup>7</sup>. This included an action plan for 2014/15. We published the strategy alongside our engagement strategy and the findings of our public confidence survey.

7. [www.ipcc.gov.uk/page/oversight-and-confidence-and-engagement-strategies](http://www.ipcc.gov.uk/page/oversight-and-confidence-and-engagement-strategies)

Some of the work we have done to implement the strategy is set out below:

- We published a report into the police handling of discrimination allegations in June 2014<sup>8</sup>. The report found numerous failings and concluded that the handling of discrimination allegations was poor. The three forces that featured in the report signed up to comprehensive action plans to respond to our findings and the College of Policing accepted our recommendations about diversity training.
- We organised five regional police and crime commissioner (PCC) seminars and provided PCC staff with training on best practice in handling complaints.
- We reinstated our performance framework<sup>9</sup> and published quarterly force monitoring reports and annual police complaints statistics. The annual statistics showed a 15 per cent rise between 2012/13 and 2013/14 in the number of complaints. They also showed that police forces upheld only 20% of appeals – less than half the proportion that the IPCC upholds.
- We have done work to influence policy in a number of areas. For example, we provided a position statement to the Home Office about the IPCC's experience of cases involving triage nurses; provided evidence to the EHRC inquiry into non-natural deaths of people with mental health conditions while in detention; and are currently developing guidance and training for staff about acute behaviour disorder. In addition, we provided evidence from our work to a range of committees, including the Home Affairs Select Committee and the Committee on Standards in Public Life.

8. [www.ipcc.gov.uk/page/research-and-statistics#discrimination](http://www.ipcc.gov.uk/page/research-and-statistics#discrimination)

9. The performance framework is our method of gathering data from police forces about the complaints they have received.

## ***Identifying problems and making improvements***

### ***Improving complaints handling in the MPS***

Early in 2014, we were upholding 57 per cent of investigation appeals made to us about the Metropolitan Police Service (MPS) – an unacceptably high number. We took action to find the root cause of the problem.

#### ***What we did***

- We discussed with MPS who committed to working with us.
- We looked at all the appeals we upheld over a six-month period – around 300 – to ascertain the reasons.
- We found that the MPS investigations were not as rigorous as they should be; the complainant was not involved or kept updated about the investigation; and parts of complaints were not even addressed.
- We provided training and written guidance; and the MPS made a commitment to improving communication with complainants and monitoring how complaints were handled in boroughs. We met regularly to review progress and discuss issues.

#### ***Results***

- Within six months we saw the number of upheld appeals drop to 41 per cent, indicating that complainants are receiving a better service from the MPS.

### ***Significant changes made to Person Escort Form as a result of our recommendations***

We received a referral from South Wales Police following the death in HM Prison Cardiff of Christopher Shapley. Mr Shapley had been in police custody before appearing before a magistrate and being transferred to prison.

Our investigation found no evidence of any misconduct by the police officers involved, who had complied with the force's policies and procedures for completing risk assessments on a person in custody. However, we identified issues with the Person Escort Record (PER) form, which police forces use to relay any concerns about a detained person's risks. South Wales Police ticked the box on the PER form to record concerns about Mr Shapley's risks of self harm, but had insufficient space to provide additional risk information. Information was supplied on a separate sheet, stapled to the PER form. But this extra sheet was lost, and the information was not passed on. Our investigation found the PER form unfit for its purpose and in need of fundamental redesign.

We shared our learning report with the National Offender Management Service and the College of Policing. As a result, a revised form has now been developed to address our recommendations. The Ministry of Justice is arranging training on how to complete the new form. It is also piloting regional forums, which will allow local police forces, prisons and escort contractors to come together on a regular basis to examine issues concerning safer custody and, in particular, the quality of PER forms.

## Practical advice for police forces

In response to requests from police forces, in addition to our **Statutory Guidance**, we launched a new publication, **Focus**, in May 2014. It gives practical guidance on handling complaints, conduct matters, and death or serious injury matters. Each issue covers a specific topic and provides practical advice and examples for professional standards departments, Police and Crime Commissioners' offices, and others in the police who handle complaints.

We published five issues of **Focus**<sup>10</sup> in 2014/15 and received very positive feedback from police forces:

- 97 per cent of forces that responded said that Focus provides practical advice/guidance
- 84 per cent of forces that responded said that Focus clarifies complex legislation
- between 54% and 65% of forces said that they would change their practice as a result of reading Focus (depending on the specific subject area)

Learning the Lessons **bulletins** help the police service to learn lessons from completed investigations into police complaints and conduct matters. They cover both IPCC investigations and those conducted by individual police forces.

We published three bulletins during 2014/15. Each bulletin contains a series of short anonymised case studies and includes questions for policymakers/managers or police officers/staff to help police forces get to the heart of the learning arising from each case. We also release a more detailed learning report for each case. The bulletins are produced with input from the National Police Chiefs' Council, the College of Policing, Her Majesty's Inspectorate of Constabulary (HMIC), the Home Office, the Police Superintendents' Association of England and Wales and the Police Federation.

We asked police forces to tell us how useful they find these bulletins:

- 91 per cent of respondents agreed the bulletin was a useful tool to help drive change in police policy/practice
- 97 per cent of respondents agreed that the bulletin is relevant to their work
- a number of frontline officers/police staff have informed us that in the absence of formal training and development opportunities, the bulletin provides a useful resource to help them develop their knowledge and understanding

## Use of force research

With support from an external reference group, we are carrying out a study into the use of restraint and force by police. The overall aims of the study are to:

- develop an understanding of when and how force is used by police personnel by analysing the findings of IPCC investigations and appeals
- consider the factors that influence definitions of reasonable and excessive force by drawing on the opinions, views and experiences of police personnel, members of the public, experts and other specialist interest groups
- develop an evidence base to inform relevant recommendations relating to operational policies and training and to support future IPCC recommendations in this area
- provide the IPCC with an opportunity to use learning from this study to influence the work of partner organisations
- contribute to the debate around whether there should be a comprehensive system for recording use of force across the police service

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

We expect to publish our findings in autumn 2015.

The Act introduced six significant changes for the IPCC. These were the powers to:

- issue organisational learning recommendations and require a response and action plan, which are published.
- recommend and direct unsatisfactory performance proceedings following a death or serious injury investigation
- investigate staff employed by the College of Policing
- investigate private contractors carrying out policing functions
- serve an information notice on a third party from whom information is required for an IPCC investigation

In 2014/15, we published 17 recommendations covering a range of themes. Thirteen of these have been accepted by the police force involved. We are awaiting a response on three recommendations, and one was not accepted by the Metropolitan Police (our recommendations, along with the relevant police force's response, are on our **website**).

Powers over private contractors and powers to require third parties to provide information came into force in April 2015. From 8 April 2015 any complaints, conduct matters or death or serious injury matters involving contractors working for police forces will be dealt with in a very similar way to those involving police officers and staff. This will ensure that there is accountability for both contractors and serving police officers and staff.

Further work to update our Operations Manual will continue into next year. We expect to complete this work during 2015/16.

We have published operational advice on dealing with matters relating to contractors on our website. We also consulted on draft amendments to our

statutory guidance to reflect the changes in legislation and issued revised guidance in May 2015.

### Objective 3: we will gain insight from engaging with those who have an interest in our work to inform and improve the service we deliver

#### Develop and begin to implement our engagement strategy

We published our engagement strategy at the beginning of July 2014 as part of our overall oversight and confidence strategy. We also published the findings of our survey into public confidence in the complaints system. That survey revealed lower levels of confidence among certain groups, particularly black and ethnic minority communities and young people.

During 2014, we have been building on the model of engagement we developed in the deaths review, ensuring that strategic pieces of work are informed by:

- external reference groups with voluntary and community sector and academic representatives to provide critical challenge and insight
- working through interest and advocacy groups to engage service users on our behalf
- providing the opportunity for community organisations and individuals to inform our work through a series of engagement events across England and Wales

We held three youth engagement events in Bradford, Birmingham and Cardiff to develop our understanding of the issues affecting young people's trust and confidence in the complaints system. The findings from these events informed both our own work and our response to the Home

Office review of the complaints system.

We have put in place communication and stakeholder engagement plans to support a number of critical investigations. We have used a flexible case-by-case approach that identifies the needs of a particular investigation with the aim of maintaining public confidence in our work and the wider complaints system.

The activity we have undertaken has included:

- mapping relevant local and national stakeholders and, where appropriate, meeting them to discuss the investigation and their concerns
- developing Q&A style publications for different audiences in order to explain our role and remit, and answer questions that have been raised directly by communities
- using direct digital engagement to share key messages about our investigations and provide updates to campaign groups that have expressed an interest in a case
- sharing updates on investigations using a variety of formats, including through existing community networks where this has been identified as a preferred mechanism
- exploring setting up community and strategic reference groups to advise us during the course of an investigation

During May 2015, we carried out a series of regional engagement events across England and Wales. We will also develop proposals for a consistent approach to community and stakeholder engagement to support critical investigations. Work will continue to develop a stakeholder survey to assess the effectiveness of our strategies.

### **Implement the recommendations from our review of feedback from people who are affected by our work**

We have conducted a review, including research into how similar organisations seek feedback from service users – in our case, complainants and families. We have drafted recommendations, which set out how the IPCC could revise its approach to collecting customer feedback. It has not been possible to complete the work in this financial year, and it will be taken forward as part of the 2015/16 Business Plan.

In 2015/16, we will conduct further research into user satisfaction. We will ask those who have experienced IPCC investigations and appeals about their experiences in order to create a baseline of user feedback, and to better understand the drivers of satisfaction. This will inform our work on the change programme and track its impact on those who use our services.

### **Working in partnership with HMIC and the College of Policing**

On 24 September 2014, we published a **concordat** outlining how the IPCC, the College of Policing and Her Majesty's Inspectorate of Constabulary (HMIC) intend to work together to ensure we share information and best practice. We have committed to:

- regularly consult one another on areas of mutual interest
- share information and analysis as appropriate to promote timely, well-informed decision making, to assist the planning and prioritisation of work
- ensure that the data collection and inspection regimes for police forces minimise unnecessary bureaucracy
- promote clarity about our roles and responsibilities, recognising our separate, discrete and complementary jurisdictions

In January 2015, we published a revised memorandum of understanding (MOU) with HMIC and Her Majesty's Inspectorate of Prisons (HMIP) in relation to their joint inspections of police custody facilities. This MOU provides a framework for joint working between the three organisations, enabling us to share information to support custody inspections. We have continued to support these inspections by providing information about cases we have investigated and associated recommendations. The MOU sets out that HMIC/HMIP will report on the progress the police force being inspected has made towards implementing recommendations from our investigations.

### **Sharing our knowledge to help develop effective training for the police service**

The College of Policing is the professional body for policing. During 2014/15, we received a number of requests from the College for information about learning, trends and themes to support the development of Authorised Professional Practice (APP), which is operational guidance for police officers and staff. APP is an important channel for lessons learned as a result of our investigations and research. These requests covered areas such as mental health, call handling and custody. In response, we provided case studies and details about key learning and thematic patterns from our investigations.

We have also shared key messages from our work through active involvement in a number of other groups hosted by the College, including the National Investigative Interviewing Training Steering Group and the Stop and Search Strategic Scrutiny Group. Evidence from our investigations helped to inform the development of the College's leadership review programme.

We formally responded to the College's consultation on the APP on detention and custody in August 2014 and have attended meetings to discuss the changes we are seeking to ensure this vital guidance prevents future deaths. We also responded to consultations issued by the College about the development of APP, particularly in relation to public protection.

We have also advised on the national policing curriculum to develop learning descriptors, which outline the key aims, objectives and outcomes in relation to training on areas such as stop and search, Taser, custody and detention.

## *Using our research to help improve police training*

To support training for police officers on the use of Taser, we produced an edition of the **Learning the Lessons bulletin**, which the College used to assist its redesign of the Taser curriculum. We published this in July 2014, **alongside a report setting out research** we had conducted examining the issues and patterns that have arisen as the availability and use of Taser has increased. The police service responded positively to our recommendations and is taking action to address many of them – for example, making changes to training and guidance and communicating with police forces on areas such as aftercare, custody and monitoring use of Taser.

We provided comments on the draft curriculum, which was launched at a College conference attended by an IPCC commissioner and staff. At the conference, the College responded positively to a national recommendation we had made on Taser following an independent investigation.

We are also working with the Science Advisory Committee on the Medical Implications of Less Lethal Weapons, which provides advice to the government on the medical implications of Taser use. We will provide them with relevant information about our cases, when appropriate, to inform their work.

From May 2014 we supplied data to inform HMIC's inspection of police integrity and leadership. We were also represented on a stakeholder group, which contributed to the scoping of these inspections. The final report (**Integrity matters**) was published in January 2015.

We were involved in an external reference group set up to support HMIC's follow-up inspection on the police use of stop and search powers. Evidence from our recent work helped to inform the approach to the inspection.

### **Revising our discrimination guidelines**

We have engaged extensively with voluntary and community sector groups that represent people who share protected characteristics. This has given us invaluable insight into their experiences, particularly those who experience disadvantage and/or are less likely to complain because of low confidence in the system.

In response to the findings of our research into the way that police forces handle allegations of

discrimination, we began work to revise our guidance about how such complaints should be handled. We established an external reference group, which included Stuart Lawrence and representatives from Police Action Lawyers Group (PALG), INQUEST, Disability Lawyers' Association, the Equality and Human Rights Commission, the College of Policing, and ACPO. You can read more about this on page 31.

### **Working with Police and Crime Commissioners**

Police and Crime Commissioners play an important role in the police complaints system, holding chief officers to account for the handling of complaints. Our Chair, Dame Anne Owers, spoke in November 2014 at the Association of Police and Crime Commissioners' (APCC) Partnership Summit, outlining the progress that we have made through our change programme and the need for reform of the police complaints and disciplinary systems.

Throughout 2014/15, we have continued a productive dialogue with colleagues at the APCC, as well as maintaining local contact with individual Police and Crime Commissioners. We have begun

work towards creating a protocol that will clarify how we will work with PCCs, in both the handling of cases and dealing with complaints against chief constables. We plan for this to be finalised toward the end of 2015.

In February 2015, we published an issue of Focus dedicated to the issues encountered by PCCs' staff when dealing with complaints about chief officers and their dual role as an elected local policing PCCs' body. You can read more about Focus on page 23.

We have worked PCCs' offices locally, running seminars to increase their understanding of the police complaints system, and how best to discharge their role within it. We co-operated closely with the PCCs for the forces involved in our second report about how police forces handle **complaints involving discrimination** (see page 31). In light of our findings, we carried out follow up work with PCCs and police forces to improve how these complaints are handled.

## Objective 4: we will develop a highly professional, diverse and motivated workforce which provides what the public expects

### Develop a people strategy

We developed a new people strategy during 2014/15. Delivery will be phased over three years as part of our change programme and will include:

- a review of functional areas, teams, and roles
- implementation of new ways of working, including any associated changes to policy and procedure
- implementation of performance management in line with new ways of working

The strategy describes the critical business challenges we face and describes the strategic areas of people performance that we must focus on to be successful. It also sets out how we will measure our progress.

### Develop our managers

This year, the focus has been on developing our managers through our 'Practical skills for managers' course. We ran this course three times during 2014/15, training a total of 36 staff.

### Recruit additional staff

As part of the IPCC's expansion plans, we recruited over 200 staff last year, mainly in investigative roles. This has enabled us to increase the number of independent investigations we undertake. We are reviewing our recruitment processes to ensure that we attract a sufficiently diverse mix of recruits, and have commissioned an equality and diversity review as part of the change programme to ensure we are observing best practice in equality and diversity throughout the organisation.

## Objective 5: we will have excellent systems and infrastructure which support the IPCC to provide value for money

### Review our organisational structure

We have amalgamated our casework and investigations functions into a new Operations directorate, which will take on an increased number of independent investigations. We have also set up a Strategy and impact directorate, which will play a leading role in using the learning from our work to improve the police complaints system and influence changes in policing.

We have restructured our senior management team under our new Chief Executive, who is supported by:

- Chief Operating Officer
- Director, Operations
- Director, Resources
- Director, Change
- Director, Strategy and Impact
- Head of Legal Services

You can read more about our senior staff in appendix one.

We have made significant progress in defining and implementing the structures and roles that report into the senior team.

We have developed a new target operating model, which defines how we need to work to manage a greater volume of investigations effectively and efficiently. The organisational changes needed to bring the target operating model into effect are being implemented as part of our change programme. This work will continue during 2015/16.

### Develop a knowledge management strategy

We have finalised a knowledge management strategy, which sets out how we will use data and intelligence from inside and outside the organisation to inform our work. Work is now being done to implement the strategy. The changes we are making in this area will enable us to retrieve, share and apply the knowledge and information we have across an expanded organisation. This will include:

- the information and learning we capture from referrals, investigations and appeals
- data we collect from forces about their complaints handling
- intelligence from our work with stakeholders and community groups

We will use this to develop an intelligence model to assess emerging trends and risks, which will inform our oversight work as well as decisions about referrals, investigations and appeals.

## Our offices

All of our offices were at or nearing capacity. Therefore, as part of our expansion, we opened a new office in Birmingham in 2014/15 and doubled the size of our Wakefield office, as well as securing an additional office in Croydon. This will open by autumn 2015.

We also took on additional space in our Wakefield office to accommodate staff recruited as part of our expansion.

## Develop our ICT infrastructure

Considerable work has been done to ensure that we have a secure and stable infrastructure as the organisation expands. We have secured Cabinet Office approval for expansion plans covering core infrastructure and business-area specific ICT expansion. Work is progressing to implement change in line with the Cabinet Office Digital Government strategy. Further work will continue in 2015/16 as part of our change programme.

## Our work in Wales during 2014/15

We work across England and Wales, with the same responsibilities for Welsh and English police forces. Commissioner Jan Williams is responsible for providing independent oversight of police forces in Wales. During the year under review, she met regularly with a range of representatives from the Welsh Government (including the Minister for Public Services, the Minister for Health and Social Services and the Presiding Officer) to share information about our role and responsibilities, and share local issues or concerns.

The Commissioner for Wales has also met with the Secretary of State for Wales and the Welsh Local Government Association (WLGGA), which represents the interests of local government. Regular meetings with other regulatory and inspection bodies also

take place, including the Children's Commissioner for Wales, the Older People's Commissioner for Wales, the Wales Audit Office and the Equality and Human Rights Commission. These meetings provide a forum for discussion around relevant issues, and allow the IPCC in Wales to call on the services of these organisations, should they be required. In addition, the Commissioner for Wales continues to meet regularly with Her Majesty's Inspector of Constabulary, the Care and Social Services Inspectorate Wales, and the Health Inspectorate Wales. She has also held meetings with race and faith groups in Wales to address issues around discrimination, as well as meeting representatives of mental health organisations.

## Working with other policing bodies

The Commissioner for Wales and other key staff have continued to liaise with the National Police Chiefs' Council in Wales to ensure that we are aware of the issues and challenges for Welsh forces. Individual meetings also take place with each PCC in Wales, as well as a group meeting with all Welsh PCCs to discuss their role in overseeing the police complaints system.

## Communicating in Welsh

We continue to be committed to complying with our duties under the Welsh Language Act 1993, and the Welsh Language Measure. Throughout the year we have liaised with the Welsh Language Commissioner to ensure that our Welsh language provision is appropriate, and have begun work to meet new Welsh language standards that we will become subject to in the near future.

## *Improving police response to domestic violence in Wales*

Police handling of domestic abuse cases has been an issue in a number of independent investigations in Wales. We made findings to help improve the police response in recognising and responding to a range of domestic abuse factors, ranging from physical assaults to harassment and controlling and coercive behaviour.

Learning for police forces arose from investigations into the **Buckley family tragedy** and the murder of Caroline Parry, both in Gwent, and the violent assault on **Charmaine Lewis** in South Wales. Commissioner Jan Williams increased public awareness of the case outcomes through broadcast media, including taking part in an extensive interview with Radio 4's Woman's Hour. She reinforced the need for up-to-date training for frontline officers and call-handlers, thorough risk assessments, and effective supervision to ensure that police officers 'join the dots' in the face of escalating offending behaviour.

Gwent Police Chief Constable Jeff Farrar said: "Working with partners, Gwent Police has committed significant resources and taken action in an attempt to reduce the number of domestic abuse related incidents. While this is having a positive impact we are not complacent and there will always be more for all agencies to do. We continue to analyse our performance and take on relevant learning, including from IPCC investigations, to continue to improve our service to victims."

## Equality objectives

During 2014/15, we worked towards two equality objectives. Progress has been monitored by Equality Leads in each Directorate and reported each quarter to our Equality and Diversity Group<sup>11</sup>, which is now chaired by the Chief Executive. Progress against the work set out in our 2014/15 Business Plan is included below.

### Equality objective 1: we will ensure the IPCC complies with the public sector equalities duties

## Review and publish our discrimination guidelines

We have drafted new guidelines to be published and implemented in 2015. As well as being aimed at police forces, the guidelines will apply to our own investigations and operational decisions. We will provide training and guidance to police and our own staff. We expect to publish the revised guidelines in summer 2015.

To help us revise the guidelines, we set up a reference group including representatives from the Equality and Human Rights Commission, Discrimination Law Association, ACPO and the College of Policing. We have also engaged with voluntary/community sector groups with interests across the range of protected characteristics, and

11. The Equality and Diversity Group meets quarterly and is chaired by our CEO. The main function of the Group is to champion equality and diversity issues across the organisation.

used focus groups and questionnaires to obtain the views of our staff and police officers who have used the existing guidelines.

### **Monitor external information to identify emerging issues relating to diversity and equality**

An external horizon-scanning report is submitted to each Equality and Diversity Group meeting and circulated to the Management Board, commissioners, and operational and policy staff to help inform their work.

Commissioners' executive support officers attend force and PCC meetings with commissioners and share feedback with relevant parts of the organisation. This includes equality and diversity matters, and staff can access notes of these meetings to inform their work.

### **Deliver training to our operational staff to ensure they understand our public sector equality duties and how to deal with diversity issues in our work**

In 2014/15, all investigations staff attended compulsory continuing professional development events on the Equality Act. The events included training on the content of the Act, public sector duties, and practical application in investigations. In addition, a BME Commissioner provided input about perceptions and unconscious bias. Equality Act training is now included in induction training for all our new starters.

### **Hold development days for commissioners and staff on different areas of the protected characteristics**

We ran continuing professional development (CPD) days in December 2014 to provide investigators with training and awareness about mental health issues. Commissioners were also involved in these.

Further staff development days are now being considered. In addition, the Deputy Chairs hold bi-monthly commissioner development days.

## **Equality objective 2: we will work with others to improve access, confidence and awareness of the police complaints system in relation to diversity issues, and identify and respond to emerging diversity issues in policing, complaint handling and investigations**

### **Analyse the information we hold in relation to the protected characteristics**

Our performance team analysed the information we hold in relation to the nine protected characteristics. The review considered the information collected about our own employees and other persons in contact with the IPCC. A summary of our findings indicated that:

- We have systems in place to collect and analyse information for all the nine protected characteristics about our own staff.
- Fewer protected characteristic statistics are collected about complainants and persons subject to complaint, and there is less opportunity to collect and record these characteristics.
- The recording of protected characteristics on our case management system is limited, and the consistency of the data recorded varies.

Our Equality and Diversity Group will consider and discuss the recommendations arising from the review. Initial work for consideration will include:

- improving the systems we use to capture information about the protected characteristics of people who come into contact with the IPCC

- delivering training about the importance of collecting information about protected characteristics
- updating records as a case progresses and more information becomes available

### **Continue to develop our website to ensure that it is accessible to all, and explore extending the use of easyread and other accessible formats for the information we produce**

We have made a range of information available in easyread<sup>12</sup>. This includes information about what we do and about how to complain and appeal. We worked closely with an organisation called Keyring, gathering feedback on draft versions from a group of people with a learning disability to ensure that the information is accessible.

We have also published an easyread version of our complaint form, and work is underway to create easyread versions of our appeals forms.

### **Work with police forces to ensure that they provide suitable access to make and deal with complaints at a local level**

We have analysed police force websites, as well as conducting surveys with forces, to assess how well they are providing the public with access to the police complaints system. We will also be publishing a set of minimum standards on access to the system later this year. We expect all forces to sign up to the standards.

### **Develop our approach to engagement with groups that represent seldom heard or potentially vulnerable users of the complaints system, including through operational engagement**

We completed extensive engagement with stakeholders to support our review of our discrimination guidelines, including commissioning some groups to speak to service users on our behalf. Some of the groups we have spoken to are:

- Disability Rights UK
- GALOP
- Leeds GATE
- Muslim Women's Network
- Newham Monitoring Project
- Revolving Doors
- Stopwatch

We have undertaken a pilot exercise to map community, voluntary and non-policing statutory stakeholders in the West Midlands force area. We are now in the process of prioritising these stakeholders and following consultation will replicate this for other force areas.

We know that stop and search disproportionately affects people who have the lowest levels of confidence in the police complaints system – for example, BME communities and young people. Through our involvement in an external reference group, evidence from our work helped to inform HMIC's follow-up inspection on the police use of stop and search powers.

Work to develop our approach to community engagement for critical investigations is underway and is included in our 2015/16 Business Plan.

12. Easyread is helpful for people who have issues with reading or comprehension, including people with a learning disability, people with learning difficulties, and people who do not have English as their first language.

## 5. Annual accounts and notes to the accounts

### Foreword to the accounts, incorporating the strategic report

These accounts have been prepared by the IPCC in accordance with the requirements of the Financial Reporting Manual (FRM) 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 was created following both public and political concerns about the lack of an independent system to deal with complaints and conduct matters within the police service. Its primary statutory function is to secure and maintain public confidence in the police complaints system in England and Wales. It acts as an appeal body for some locally handled complaints and issues statutory guidance on complaints handling to police forces. It undertakes independent investigations into the most serious cases; and has the power to manage or supervise police investigations. It has a statutory obligation to measure, monitor and where necessary, seek to improve the current complaints system.

### 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.

Since 2004, the organisation's remit has been extended to include serious complaints and conduct matters relating to staff at the National Crime Agency, Her Majesty's Revenue and Customs

and certain staff who carry out immigration and enforcement functions who now work within the Home Office.

The Police Reform and Social Responsibility Act 2011 extended the IPCC's remit further. Since January 2012, the IPCC has been responsible for deciding whether any criminal allegations relating to the occupant of the Mayor's Office for Policing and Crime or his Deputy should be investigated. Since November 2012, the IPCC has had a similar remit over all Police and Crime Commissioners and their deputies. The Anti-social Behaviour, Crime and Policing Act 2014 gave a statutory remit over all staff who work for the College of Policing and private sector contractors exercising policing functions.

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.

### Structure

The Commission is accountable to Parliament through the Home Secretary. The Chair is appointed by the Crown and commissioners are appointed by the Home Secretary. The IPCC is overseen by a Board that at 31 March 2015 was made up of a Chair, ten full-time commissioners with operational responsibilities and four non-executive commissioners (the terms of two of the non-executive commissioners ended in May 2015). There are also two associate commissioners who have only operational duties. The Chair and commissioners collectively act as the Commission and as the governing Board of the IPCC.

Commissioners, under the leadership of the Chair, share responsibility for setting the strategy and values of the IPCC and holding the Executive to account. The Deputy Chairs and eight commissioners oversee and take ultimate responsibility for our investigations, casework and oversight of the complaints system. Commissioners with operational responsibilities work from one of the six IPCC offices in England and Wales and hold prime responsibility for designated police forces and other agencies subject to our oversight. In making decisions on individual cases, commissioners act under the delegated authority of the Commission. The non-executive part-time commissioners have a more traditional non-executive role in providing objective challenge and scrutiny and focussing on governance and accountability.

The Chief Executive, Lesley Longstone, reports to the Commission. She is responsible for running the organisation and supporting the work of the Commission. She also acts as the IPCC's accounting officer and is accountable to the Home Office principal accounting officer and to Parliament.

The CEO is supported by a management board of four directors with functional responsibilities for operations, external affairs, resources and change. There is also a head of legal services who reports directly into the CEO. 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 Framework Agreement drawn up by the Home Office.

### Commissioners

Her Majesty the Queen appointed Dame Anne Owers as part-time IPCC Chair for a five-year term from 2 April 2012. The Chair ensures that the Commission's governance is effectively managed. She leads the Commission and oversees the work of the CEO, the deputy chairs and the non-executive commissioners. Commissioners are appointed under Schedule 2 (Section 2) of the Police Reform Act 2002, for a term not exceeding five years.

The commissioners who served during 2014/15 were as follows:

|                        |   |
|------------------------|---|
| Anne Owers             | Chair   |
| Rachel Cerfontyne      | Deputy Chair  |
| Sarah Green            | Deputy Chair  |
| Carl Gumsley           | Commissioner (appointed 27 May 2014)                                    |
| Cindy Butts            | Commissioner  |
| Jennifer Izekor        | Commissioner  |
| Mary Cunneen           | Commissioner  |
| Kathryn Stone          | Commissioner (appointed 7 July 2014)                                    |
| James Dipple-Johnstone | Commissioner  |
| Derrick Campbell       | Commissioner  |
| Jan Williams           | Commissioner  |
| Sue Whelan-Tracy       | Non-executive Commissioner (appointed 7 April 2014)                     |
| David Bird             | Non-executive Commissioner (appointed 7 April 2014)                     |
| Jonathan Tross         | Non-executive Commissioner & Chair of the IPCC Audit and Risk Committee |
| Ruth Evans             | Non-executive Commissioner & Chair of the IPCC Remuneration Committee   |

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.

### Audit and Risk Committee

The role of the Audit and Risk 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 2014/15, the Audit and Risk Committee comprised:

- Non-executive Commissioner Jonathan Tross (Chair)
- Non-executive Commissioner Ruth Evans
- Non-executive Commissioner Sue Whelan-Tracy
- Non-executive Commissioner David Bird
- Commissioner Sarah Green
- Commissioner Jan Williams
- Commissioner Kathryn Stone

Representatives from the external auditors, the National Audit Office, and the internal auditors (the Home Office Internal Audit Unit) attend by invitation. The Chief Executive, the Director of Resources, the Head of Finance 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 the best of their abilities and 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. 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.

### Equality and Diversity Group

The Equality and Diversity Group is led by the Chief Executive of the IPCC. It includes one commissioner and 13 staff and it ensures that diversity issues are given the right level of priority across the organisation.

The primary function of the Group is to champion equality and diversity issues within the IPCC and it is a forum for:

- monitoring, evaluating and making recommendations for the effective development and implementation of our diversity policies
- sharing best practice
- monitoring external events that may have implications for the organisation
- raising awareness of equality issues amongst all staff and providing advice as appropriate

- acting as a sounding board for management board on diversity issues
- considering Equality Impact Assessments and other relevant corporate documents

### Sickness absence

During 2014/15 IPCC employees incurred an average of 6.6 days sick leave. This compares to an average of 7.6 days in 2013/14. The IPCC is committed to the health and wellbeing 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 takes seriously its responsibilities for the safety, health and wellbeing of all who may be affected by our work activities. The IPCC complies with the Health & Safety at Work Act 1974, which aims to prevent accidents and cases of work-related ill health, and provides adequate control of health and safety risks arising from work activities.

During 2014/15, the IPCC reviewed its policy, procedures and staff training in relation to health and safety. Additional training has been given to operations staff and commissioners and management board members. In addition, new starters in 2014/15 completed a health and safety e-learning programme, which had already been delivered to existing IPCC staff.

Twenty five minor injuries and incidents were recorded during the year compared to eighteen for 2013/14. This increase is largely due to the health and safety representatives in our regional offices encouraging staff to report accidents; we have also simplified reporting procedures. All accidents/incidents reported were from IPCC staff and visitors. No injuries to contractors were reported. None of the incidents required reporting under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995, although one instance was reported in the previous financial year.

A new health and safety committee led by the Chief Executive will focus on health and safety risk management as an integral part of the way the IPCC undertakes business activities in 2015/16.

### Reporting of personal data related incidents

There were no data-related incidents reported to the Information Commissioner's Office in 2014/15 or 2013/14.

### Environmental policy

The IPCC seeks to reduce the impact of its work on the environment and further information is available in the sustainability report included in annex 3 of this document.

### 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 or 30 days after receipt of a valid invoice where no terms are agreed. The table below sets out the 10-day and 30-day Prompt Payment Performance statistics for the IPCC. The 43% growth in the number of invoices adversely affected payment performance during the year.

| Prompt payment performance | 2014/15 | 2013/14 |
|----------------------------|---------|---------|
| Number of invoices paid    | 5,748   | 4,025   |
| % paid within 10 days      | 41%     | 85%     |
| % paid within 30 days      | 85%     | 97%     |

### Key supplier arrangements

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

### Research and development

The IPCC research programme supports our work to improve the complaints system including Statutory Guidance and learning reports for forces, research into public and stakeholder confidence, user feedback and policy positions on areas of concern.

Research undertaken during the year under review includes: studying deaths during or following police contact, reviewing our approach to collecting user feedback and continuing a detailed study of police use of force.

### Charitable donations

The IPCC did not make any donations to charity during 2014/15. Where commissioners and staff received gifts as a result of their normal duties, these gifts or an equivalent value were donated to either Cancer Research UK or LATCH, a voluntary organisation that supports children in Wales receiving treatment for cancer and leukaemia and their families. Details are recorded in a register, which is published annually on the IPCC website. A printed copy may be obtained in writing by contacting the Commission Secretary at 90 High Holborn, London, WC1V 6BH.

### Going concern

Grant in aid for the IPCC for 2015/16 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

In May 2015 the IPCC agreed a lease for a new operational office in Croydon. The financial impact on the operational balances contained in the annual accounts is shown in note 24.

### 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 2014/15 are £46k (in 2013/14 the audit fee was also £46k). The NAO did not undertake any non-audit work.

Internal audit services are provided under contract by Home Office internal audit unit, 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

### Financial results for the year

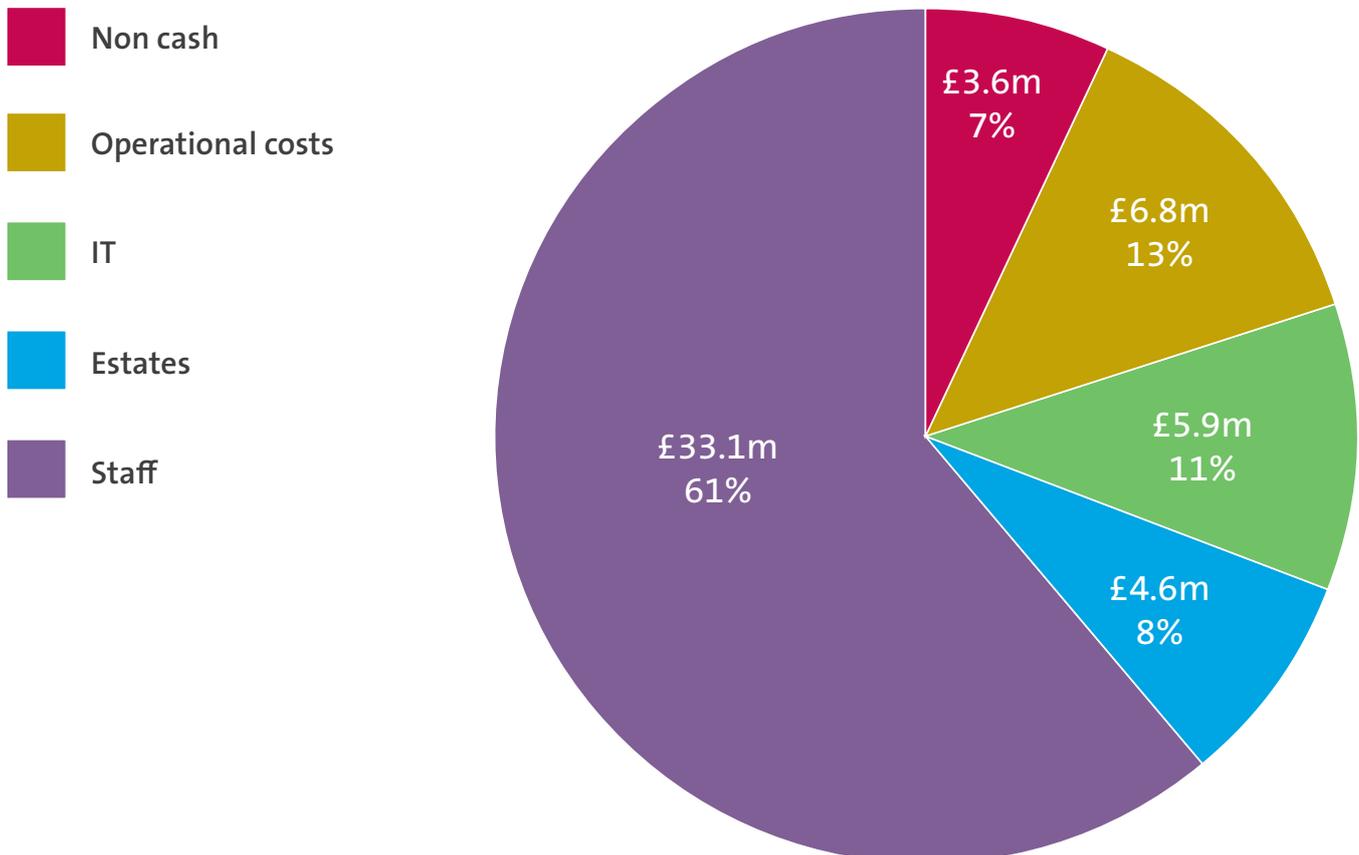
The statement of comprehensive net expenditure shows expenditure of £54 million in 2014/15 compared to £41 million in 2013/14. Our expenditure has increased as a result of additional resources required for:

- our investigation into the aftermath of the Hillsborough disaster
- expanding our workforce to meet the commitment made by the Home Secretary in February 2013 to enable us to investigate all serious and sensitive allegations against the police.

The accounts give the detail of how we spent £54 million in 2014/15 but in summary it was used to: employ an average of 766 permanent staff; outsource our secure IT system; provide the estates infrastructure necessary to operate the business effectively across England and Wales; finance the non-cash charges as we write-down our assets; and pay for other operational costs. The chart below shows this.

Figure 6:

#### How we used our resources



## Financial review

At the start of the financial year the Home Office agreed to provide funding for our Hillsborough investigation. This is the biggest investigation that the IPCC has ever undertaken; it is also the largest criminal and misconduct investigation ever conducted into police in England and Wales. It has involved setting up a new office in Warrington to accommodate the investigative staff and at March 2015 there were 164 people either working on or supporting the investigation compared to 105 such people in March 2014. Our expenditure is £10.6 million and Note 26 of the accounts show further details.

In February 2013, the Home Secretary announced that the IPCC would receive additional resources to deal with all serious and sensitive cases of complaints against the police. For 2014/15, revenue expenditure on expansion was £14 million and we had recruited a significant number of additional permanent staff by March 2015. To accommodate the additional staff we used capital funding of £3.8 million to open a new office in Birmingham, expand our office in Wakefield and strengthen our ICT infrastructure.

## Business achievements for the year

Last year, the IPCC 2014/15 Business Plan outlined 18 projects that we would undertake to improve the performance of the IPCC and the police complaints system. Half of these have been completed and the remainder are continuing into next year. Further information is included in chapter 4 of this report, but in brief we have:

- more than doubled the number of new investigations started
- made significant progress on the investigations into the Hillsborough disaster

- implemented many of the actions arising from our review of our work on investigation of deaths during or following contact with the police
- established an assessment function to improve the quality and consistency of our decisions
- begun to implement our strategy for oversight and confidence
- implemented changes resulting from the Anti-social Behaviour, Crime and Policing Act 2014

## Business focus for the future

The 2015/16 Business Plan sets out our planned work for the coming year under our strategic objectives which are to:

- improve the confidence of those groups who have least confidence in the police complaints system
- deliver an increased number of timely and high-quality independent investigations
- ensure that the IPCC operates a timely and high-quality appeals process
- improve the quality of police forces' own complaints handling
- improve policing practice as a result of learning from our investigations and appeals work
- ensure that the IPCC is fit for purpose, agile, able to manage significant expansion and representative of the communities we serve

We are also in the process of designing new structures and processes for how the larger IPCC will operate when independently investigating all serious and sensitive cases.

Further information about our projects to deliver the strategic objectives is available in the IPCC Business Plan for 2015/16.

## IPCC operational structure

During 2014/15 the IPCC was functionally organised into eight segments 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 segment is described below.

- Chief Executive's office

This is the Chief Executive's private office.

- Commission Secretariat

The Commission Secretariat supports the Chair, and deputy chairs in undertaking their roles, and supports commissioners in their corporate governance role.

- Operations directorate

The Operations directorate under the management of the Chief Operating Officer is made up of the following areas of the business, Operations (casework; investigations; contact and assessment); Quality Assurance; Operations Management and the Hillsborough Investigation.

The directorate is responsible for carrying out high quality and timely independent, managed and supervised investigations into serious complaints and allegations of misconduct against the police in England and Wales. As well as these serious complaints, certain other types of incident are referred to the directorate by the police, HMRC, the NCA, or Home Office, even where no complaint has been made but the matter is cause for considerable public concern. The directorate is also responsible for making decisions on appeals made by members of the public. Our contact and assessment unit advise on referrals from the police of serious incidents that may merit an IPCC investigation and decide on requests from police to discontinue or to begin an investigation into a complaint.

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 are 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 our role in relation to NCA, the Home Office and HMRC is explained elsewhere in this report.

- Hillsborough

This is part of our operations directorate but is a separate segment for control as our funding is ring fenced. It is predominately staffed by investigators, but commissioners and other staff, such as lawyers and press office, contributing to the investigation, are included in the costs.

- Legal

This segment directly supports casework and investigations staff and commissioners by providing high quality legal advice in relation to casework decisions and investigations. It also provides representation for the Commission in litigation cases and at inquests.

- Resources directorate

The directorate is made up of four functions: Human Resources, Finance, ICT, and Procurement and Estates.

These functions provide high-quality professional support to the entire organisation on human resources issues, financial and business planning, information technology, procurement and facilities. The directorate also coordinates the IPCC's response to requests

for information made under the Freedom of Information Act and the Data Protection Act.

- Change

The Home Office provided ring fenced funding for the expansion of the IPCC and therefore expenditure was managed as a separate segment. Expansion involves fundamental changes to our structures and systems and the segment includes work undertaken on the IPCC change programme, and expanding our workforce to meet the commitment made by the Home Secretary.

- Strategy and Impact

As part of the IPCC's role in securing and maintaining public confidence in the complaints system, the Strategy and Impact directorate plays a leading role in using the learning from the organisation's work to improve the system and influence changes in policing. We seek to influence policing policy, through our work with the Home Office and external stakeholders, and policing practice, by ensuring that key findings from our work are understood and responded to by individual police forces. The directorate is also responsible for improving the way complaints are dealt with, which happens primarily within forces. Underpinning and crucial to all of this is the communication of the IPCC's work to internal and external stakeholders and the public through the media.

## Remuneration report

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. The other commissioners are appointments of 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 Chair's remuneration is increased annually by the average base pay awards for the Senior Civil Service pay band 2. Commissioner remuneration is increased annually by the average base pay awards for the Senior Civil Service pay band 1.

The current Chief Executive was appointed by the Chair with the approval of the Home Secretary State. She is seconded from the Department of Education who set her remuneration.

The Commission has established a Remuneration Committee, which is responsible for determining the specific remuneration and other employment benefits of directors. The members of the committee in 2014/15 were non-executive commissioner Ruth Evans as the Chair, commissioner Jennifer Izekor 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 delegated to the Management Board the determination of the 2014/15 remuneration packages and other employment benefits of all other IPCC employees.

### **Service contracts**

The IPCC Chair is a Crown appointment for a period of five years, terminable by Her Majesty with no notice period. Dame Anne Owers was appointed part-time IPCC Chair from 2 April 2012 on the advice of the Prime Minister and Home Secretary.

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

Amanda Kelly was appointed Acting Chief Executive on 1 April 2013 and was then succeeded by Lesley Longstone, who took up the post of Chief Executive on 9 September 2014.

The Chief Executive appoints directors. Their contracts normally 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, commissioners and directors do not receive a bonus. The current Chief Executive is eligible for a bonus that is approved by the Department of Education. At the time of the submission of the accounts, no bonus was paid or awarded in 2014/15 and no bonuses were paid or awarded in respect of 2013/14.

### **Remuneration (including salary, benefits in kind and pensions)**

The information in the remuneration table below provides details of the remuneration of commissioners and the Chief Executive and senior management of the IPCC and is subject to audit.

## Statement of comprehensive net expenditure

for the year ended 31 March 2015

**Table 1 Single total figure of remuneration**

This report has been audited.

| <b>Commissioners</b>   | <b>Salary<br/>2014/15</b> | <b>Salary<br/>2013/14</b> | <b>Pension<br/>benefits<br/>2014/15</b> | <b>Pension<br/>benefits<br/>2013/14</b> | <b>Total<br/>remuneration<br/>2014/15</b> | <b>Total<br/>remuneration<br/>2013/14</b> |
|--|---------------------------|---------------------------|---|---|---|---|
|  | £'000                     | £'000                     | £'000                                   | £'000                                   | £'000                                     | £'000                                     |
| Anne Owers<br>(Chair)  | 85-90*                    | 95-100*                   | -                                       | -                                       | 85-90*                                    | 95-100*                                   |
| Rachel Cerfontyne  | 95-100                    | 85-90                     | 35-40                                   | 25-30                                   | 135-140                                   | 115-120                                   |
| Sarah Green  | 95-100                    | 80-85                     | 55-60                                   | 25-30                                   | 155-160                                   | 105-110                                   |
| Carl Gumsley<br>(started 27 May 2014)  | 65-70                     | -                         | 20-25                                   | -                                       | 90-95                                     | -   |
| Cindy Butts  | 80-85                     | 80-85                     | 30-35                                   | 30-35                                   | 110-115                                   | 110-115                                   |
| Jennifer Izekor  | 80-85                     | 75-80                     | 30-35                                   | 25-30                                   | 110-115                                   | 100-105                                   |
| Mary Cunneen   | 80-85                     | 80-85                     | 45-50                                   | 60-65                                   | 130-135                                   | 140-145                                   |
| Kathryn Stone<br>(started 7 July 2014)                                       | 55-60                     | -                         | 20-25                                   | -                                       | 80-85                                     | -   |
| James Dipple-Johnstone**   | 80-85                     | 75-80                     | -                                       | -                                       | 80-85                                     | 75-80                                     |
| Derrick Campbell   | 80-85                     | 75-80                     | 25-30                                   | 25-30                                   | 110-115                                   | 105-110                                   |
| Jan Williams   | 80-85                     | 50-55                     | -                                       | -                                       | 80-85                                     | 50-55                                     |
| Sue Whelan-Tracy<br>(non-executive<br>Commissioner, started 7<br>April 2014) | 20-25                     | -                         | -                                       | -                                       | 20-25                                     | -   |
| David Bird<br>(non-executive<br>Commissioner, started 7<br>April 2014)       | 5-10                      | -                         | -                                       | -                                       | 5-10                                      | -   |
| Jonathan Tross<br>(non-executive<br>Commissioner)                            | 5-10                      | 5-10                      | -                                       | -                                       | 5-10                                      | 5-10                                      |
| Ruth Evans<br>(non-executive<br>Commissioner)                                | 10-15                     | 10-15                     | -                                       | -                                       | 10-15                                     | 10-15                                     |

\* By agreement with the Home Secretary, the Chair decreased her attendance to the contractual 2.5 days per week from 1 January 2015, hence the lower remuneration in 2014/15 compared to 2013/14.

\*\* The IPCC pension provider, MyCSP, has been unable to provide accurate pension benefit figures for this commissioner for 2014/15 and 2013/14. As a result, we have not been able to prepare the total remuneration disclosures described in the Employers' Pension Notice 430.

**Table 2 Single total figure of remuneration**

This report has been audited.

| <b>Senior management</b>  | <b>Salary 2014/15</b> | <b>Salary 2013/14</b> | <b>Benefits in kind 2014/15</b> | <b>Benefits in kind 2013/14</b> | <b>Pension benefits 2014/15</b> | <b>Pension benefits 2013/14</b> | <b>Total remuneration 2014/15</b> | <b>Total remuneration 2013/14</b> |
|---|-----------------------|-----------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|   | £'000                 | £'000                 | £'000                           | £'000                           | £'000                           | £'000                           | £'000                             | £'000                             |
| Amanda Kelly<br><i>(Acting Chief Executive from 1 April 2013 to 30 September 2014)</i>        | 190-195               | 120-125               | -                               | -                               | 40-45                           | 30-35                           | 235-240                           | 155-160                           |
| Lesley Longstone<br><i>(Chief Executive from 09 September 2014)</i>                           | 75-80                 | -                     | -                               | -                               | 15-20                           | -                               | 90-95                             | -                                 |
| Nick Hawkins<br><i>Chief Operating Officer (started 1 September 2014)</i>                     | 70-75                 | -                     | -                               | -                               | 50-55                           | -                               | 125-130                           | -                                 |
| Mike Benbow<br><i>Director of Hillsborough</i>  | 95-100                | 95-100                | 30-35                           | -                               | 20-25                           | 70-75                           | 150-155                           | 165-170                           |
| Kathie Cashell<br><i>Acting Director of Strategy &amp; Impact (started 22 September 2014)</i> | 50-55                 | -                     | -                               | -                               | 20-25                           | -                               | 75-80                             | -                                 |
| David Knight<br><i>Director of Operations</i>   | 90-95                 | 80-85                 | -                               | -                               | 70-75                           | 10-15                           | 160-165                           | 90-95                             |
| Moir Stewart<br><i>Director of Investigations (left 3 Jan 2015)</i>                           | 190-195               | 105-110               | -                               | -                               | 35-40                           | 35-40                           | 225-230                           | 140-145                           |
| Kevin Woodrow<br><i>Director of Resources</i>   | 100-105               | 5-10                  | -                               | -                               | 130-135                         | 0-5                             | 230-235                           | 10-15                             |
| Tim Bianek<br><i>Director of Change (started 8 December 2014)</i>                             | 25-30                 | -                     | -                               | -                               | 5-10                            | -                               | 35-40                             | -                                 |

The former Director of Change, Megan Smart, was seconded from the Home Office with effect from 15 July 2013 to 14 July 2014. The IPCC paid the Home Office £44k for her services during 2014/15.

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

In September 2014 the former Acting Chief Executive was made redundant and she received a compensation payment of £52,000. In January 2015 the Director of Investigations was made redundant and he received a compensation payment of £45,000. Both compensation payments were calculated on the standard terms set out in the Civil Service Compensation Scheme and are included in Table 2 above.

## Benefits in kind

The Director of Hillsborough received taxable allowances of £31,000 relating to travel.

## Pay multiples

The IPCC is required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the workforce. The workforce includes all on-payroll employees and agency and other temporary employees covering staff vacancies.

The highest paid director is the Chief Executive whose annual remuneration in 2014/15 was £138,992 and the median remuneration of the workforce in 2014/15 was £33,775. Therefore, the Chief Executive's remuneration was 4.1 times the median remuneration of the workforce. The comparative figure for 2013/14 was £31,853 which was 3.9 times the median.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. For agency and other temporary employees the VAT and the agency fee at an average of 15 per cent has been excluded.

## Salary

This includes gross salary; performance pay or bonuses; 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 accrued payments made by the IPCC and thus recorded in these accounts.

## Payments to third parties

None of the commissioners or directors in the IPCC are paid by means of payments to a limited company or third party in lieu of a salary. All the commissioners and directors are paid through the IPCC payroll, with the exception of the Chief Executive who is seconded from the Department of Education and the IPCC pay them directly for her services.

## Pension benefits

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

### Table 3 Pension benefits

This report has been audited.

| Commissioners           | Accrued pension at pension age as at 31/3/15 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/03/2015 | CETV at 31/03/2014 | Real increase/ (decrease) in CETV |
|-------------------------|---|--|--------------------|--------------------|-----------------------------------|
|                         | £'000   | £'000  | £'000              | £'000              | £'000                             |
| Rachel Cerfontyne       | 10 - 15<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 183                | 143                | 22                                |
| Sarah Green             | 10 - 15<br>Nil lump sum   | 2.5 - 5<br>Nil lump sum                                      | 198                | 142                | 37                                |
| Carl Gumsley            | 0 - 2.5<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 17                 | -                  | 11                                |
| Cindy Butts             | 2.5 - 5<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 43                 | 23                 | 11                                |
| Jennifer Izekor         | 2.5 - 5<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 51                 | 27                 | 15                                |
| Mary Cunneen            | 20 - 15<br>Nil lump sum   | 2.5 - 5<br>Nil lump sum                                      | 306                | 257                | 63                                |
| Kathryn Stone           | 0 - 2.5<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 16                 | -                  | 11                                |
| James Dipple-Johnstone* | -   | -  | -                  | -                  | -                                 |
| Derrick Campbell        | 15 - 20<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum                                      | 195                | 163                | 15                                |

\* The IPCC pension provider, MyCSP, has been unable to provide accurate pension benefit figures for this commissioner for 2014/15 and 2013/14. As a result, we have not been able to prepare the CETV disclosures described in the Employers' Pension Notice 430.

**Table 4 Pension benefits**

This report has been audited.

| <b>Senior management</b>  | <b>Accrued pension at pension age as at 31/3/14 and related lump sum</b> | <b>Real increase in pension and related lump sum at pension age</b> | <b>CETV at 31/03/2015</b> | <b>CETV at 31/03/2014</b> | <b>Real increase/ (decrease) in CETV</b> |
|---|--|---|---------------------------|---------------------------|--|
|   | £'000  | £'000   | £'000                     | £'000                     | £'000                                    |
| Amanda Kelly<br><i>(Acting Chief Executive from 1 April 2013 to 30 September 2014)</i>        | 35 - 40<br>Nil lump sum  | 0 - 2.5<br>Nil lump sum   | 565                       | 513                       | 30                                       |
| Lesley Longstone<br><i>(Chief Executive from 09 September 2014)</i>                           | 45 - 50<br>145 - 150<br>Lump sum   | 0 - 2.5<br>2.5 - 5<br>Lump sum                                      | 834                       | 782                       | 11                                       |
| Nick Hawkins<br><i>Chief Operating officer (started 1 September 2014)</i>                     | 20 - 25<br>70 - 75<br>Lump sum   | 0 - 5<br>5 - 10<br>Lump sum   | 470                       | 416                       | 46                                       |
| Mike Benbow<br><i>Director of Hillsborough</i>  | 15 - 20<br>Nil lump sum  | 0 - 2.5<br>Nil lump sum   | 300                       | 273                       | 21                                       |
| Kathie Cashell<br><i>Acting Director of Strategy &amp; Impact (started 22 September 2014)</i> | 5 - 10<br>Nil lump sum   | 0 - 2.5<br>Nil lump sum   | 77                        | 65                        | 7  |
| David Knight<br><i>Director of Operations</i>   | 30 - 35<br>100 - 105<br>Lump sum   | 0 - 5<br>10 - 15<br>Lump sum  | 626                       | 538                       | 53                                       |
| Moir Stewart<br><i>Director of Investigations (left 3 Jan 2015)</i>                           | 10 - 15<br>Nil lump sum  | 0 - 2.5<br>Nil lump sum   | 185                       | 150                       | 24                                       |
| Kevin Woodrow<br><i>Director of Resources</i>   | 25 - 30<br>85 - 90<br>Lump sum   | 5 - 10<br>15 - 20<br>Lump sum                                       | 541                       | 410                       | 107                                      |
| Tim Bianek<br><i>Director of Change (started 8 December 2014)</i>                             | 15 - 20<br>Nil lump sum  | 0 - 2.5<br>Nil lump sum   | 221                       | 214                       | 3  |

## 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 salary-related and range between 1.5% and 6.85% of pensionable earnings for classic and 3.5% and 8.85% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2015. 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 the website <http://www.civilservice.gov.uk/pensions>

## 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.

## Cash Equivalent Transfer Values

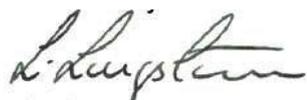
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment 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.

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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.



Lesley Longstone  
Chief Executive and Accounting Officer  
01 July 2015

## Statement of the Accounting Officer's responsibilities

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.

Under the terms of her appointment the IPCC Accounting Officer is accountable for the use, including regularity and propriety, of grants received and the other income and expenditure of 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 for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

## Chief Executive's Personal Annual Governance Statement for 2014/15

### Governance framework

The governance framework comprises the systems and processes by which the Independent Police Complaints Commission (IPCC) is directed and controlled. It enables the Commission as a governing body to monitor the achievement of its strategic objectives and consider whether the organisation has fulfilled the functions set out in the Police Reform Act 2002.

The system of governance, internal control and risk management is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide high, rather than absolute, assurance of effectiveness.

The IPCC and its fundamental governance structure was established by statute in 2002 and worked well when the organisation was relatively small and less dispersed than it is now. As the organisation has grown and become more dependent on formalised systems of control however, it has become apparent that this structure creates a number of inherent challenges. In particular the separate roles of commissioners, with respect to governance, representation and operations creates complexity in the control environment. There are effectively two lines of control for operational activities, one via the Chief Executive and the other via the deputy chairs, coming together in a non-Executive Chair.

As expected, the Triennial review of the IPCC recommended changes to our governance and in particular "the separation of the governance and operational roles". We are now considering this in light of Cabinet Office guidance and work is planned to develop and share with the Home Office proposals for change by the end of June 2015 along with our response to the other recommendations from the review. The Commission has also taken steps to mitigate the risks of the current arrangements by:

- revising the scheme of delegation to make clearer the different roles of Commissioners and staff;
- strengthening its sub-committees to ensure that full Commission is more able to focus on high-level strategic issues and holding the Executive to account for delivery;
- establishing a series of Programme Boards (Change and Operations to date) that will bring the work of the Executive and Operational Commissioners into a single assurance framework, despite different line management arrangements.

This is critical because of the IPCC's expansion and change programme, which will mean significantly more staff working from more sites to deliver our services. We anticipate taking on ten to 15 times more independent investigations over a three-year period, with a third more staff, operating from existing sites, an expanded office in Wakefield, and two new offices in Birmingham and Croydon. While we have already recruited many staff, and one new office, in Birmingham is already operational, the scale of further change presents its own challenges for a governance structure and control framework initially developed for a much smaller organisation. Consequently, we will review the current frameworks to ensure that they are sufficient to provide assurance in relation to our new business model. Financial and performance information, as well as quality and project management controls

will all need to be reviewed and improved to ensure they meet the requirements of the expanded and changed organisation.

In conjunction with the Home Office we have identified that we need to make improvements in our compliance with Cabinet Office spending controls, particularly in relation to the recruitment of staff. We are working collaboratively with the Home Office as part of an initiative by them to ensure a consistent approach to compliance across the various arms length bodies.

The Commission's internal control framework is based on the review of regular management information, administration procedures including the segregation of duties, and a system of delegation and accountability designed to manage risks to the achievement of objectives, efficiently and economically. This is enabled by regular meetings of the Commission at which strategic direction and plans are reviewed and performance against goals is reported. The Commission also periodically reviews the internal and external challenges facing the organisation and how the IPCC might best meet those challenges.

The Commission is responsible for defining strategy, determining the allocation of resources and the Chair of the Commission is accountable to the Home Secretary for the governance of the organisation and the delivery of its objectives. The Commission has established three Committees, the Audit and Risk Committee, the People and Human Resources Committee and the Strategy and Impact Committee to discharge specific functions and each has clear terms of reference, reporting to the Commission.

The role of the Audit and Risk Committee is to support the Commission and the Accounting Officer in their responsibilities for issues of risk, control and governance and associated assurance. The Committee oversees the IPCC's systems and processes of finance, corporate governance, accountability, and the effectiveness of the controls structure. It is also responsible for approving the annual accounts on behalf of the Commission. The Committee is chaired by a non-executive commissioner and the Chair reports annually to the Commission on the Committee's work.

The former Remuneration Committee agrees the staff pay and reward strategy and the annual staff pay remit. It also considers and agrees the Chief Executive's recommendations on pay progression and bonus awards for each director, and the recommendations of the Commission Chair in relation to the Chief Executive's pay. The People and Human Resources Committee has replaced the Remuneration Committee for 2015/16. The expanded role of the new committee will include oversight of the People Strategy, Conflict of Interest Policy, Health and Safety Policy and the Code of Conduct. The first meeting took place on 21 April 2015 and it was chaired by a non-executive commissioner.

A newly created Strategy and Impact Committee met for the first time on 26 May 2015 and was chaired by the Chair of the IPCC. Its terms of reference include the scrutiny and approval of all aspects of the development and implementation of the Oversight and Confidence, Stakeholder Engagement, Communications and Knowledge Information Management strategies. The Communications strategy needs updating to meet the needs of the expanded organisation and presents a risk to our reputation management. An external appointment has therefore been made to the Head of Communications post. I am hopeful that this individual will be able to start in the summer, subject to necessary clearances. All IPCC Committees intend to review their own effectiveness on an annual basis and their meetings are reported to the Commission.

The Commission itself acts in accordance with its Standing Orders and is accountable to Parliament. Through the Chair and Chief Executive's meetings with the Home Secretary and Minister of State for Policing and Criminal Justice, the effectiveness of the organisation is under constant review, and more generally is subject to considerable parliamentary and public interest and scrutiny.

As the Chief Executive, I chair the Executive Management Board (MB) which is responsible for the operational delivery of the IPCC's business. It meets on a monthly basis, receiving regular reports on finance, performance, and risk, to inform its decision making. In addition to myself, the MB includes the Chief Operating Officer, the Director of Resources, Director of Change, Director of Strategy and Impact, Head of Legal Services and the Commission Secretary.

Bi-lateral meetings have recently been established with the IPCC's Sponsor Unit to discuss strategic, budgetary and operational matters. No matters are discussed which could present a risk to the IPCC's independence. These meetings are supplemented with further meetings on risk, finance, human resources and estates leads, as required. A revised Framework Document has been negotiated and agreed with the Home Office this year to formalise elements of our control environment where the Home Office has a role.

### **Commission performance**

The Commission maintains a number of processes and systems to ensure that it can operate effectively. The recruitment of new Commissioners is conducted in accordance with the Office of the Commissioner of Public Appointments' code of practice and all commissioners are appointed by the Home Secretary. New appointees receive a comprehensive induction and operational commissioners are each subject to a yearly appraisal by a deputy chair. Appraisal of deputy chairs and non-executive Commissioners is undertaken by the Chair. The Commission has recently taken part in three workshops to review the way it fulfils its governance role, leading to some of the measures raised earlier. It has also completed an annual board self-assessment and the results and recommended action were discussed at the April and June Commission meetings.

In accordance with the standing orders, meeting agendas and papers are made available in a variety of formats at least one week before meetings. Papers provide sufficient information and evidence for sound decision-making including reference to risk, financial, legal, external stakeholder, and diversity implications, including Welsh language services.

### **Corporate governance**

We have reviewed the Corporate Governance Code in Central Government Departments which, whilst being directed at ministerial departments rather than at non departmental public bodies, provides best practice on corporate governance arrangements. Where they are considered to apply, the IPCC has complied with the principles of the code, with the following deviations:

The number of Commission members continues to be above the recommended number for a board. During a period of transition, there were four non-executive commissioners but the terms of two non-executive Commissioners came to an end in May. The Home Secretary has recently appointed a new

non-executive Commissioner who will replace them. As of June 2015, there are therefore three non-executive commissioners on the Commission.

Two members of staff do not report to the Chief Executive but have been appointed as associate commissioners and therefore report to a Deputy Chair. Associate commissioners work alongside our existing commissioners to act as guarantor of the IPCC's independence. They have full delegated commissioner responsibility for a caseload of IPCC investigations and are also required to assist existing commissioners with large and complex investigations, scrutinising MOI decisions and force liaison. They do not have any governance responsibilities.

## Risk assessment

The Commission's risk management framework seeks to ensure that risks to the Commission achieving its objectives are identified, monitored and managed. Risks are assessed in the light of their impact and likelihood using a scale agreed by the Commission. A strategic risk register is maintained and each directorate is developing an operational risk register in conjunction with agreement of the directorate plans.

All of these risks are subject to the IPCC risk management processes, with relevant mitigating activity identified and reported to the Executive Management Board, Audit and Risk Committee and Commission in line with the organisation's reporting cycles. The risks relating to our expansion programme are reviewed and discussed at the Change Programme Board and escalated to the strategic risk register as necessary. Further work is being undertaken on a specific risk appetite statement, which will be used as part of the review of risk going forward. Arrangements for escalation of risks to the Home Office have been tested in this period.

Every risk is assigned to a named individual who is responsible for mitigation and regular review of the risk. The assessment and monitoring of risk is part of our project management activities.

Internal audit services are provided by the Home Office Internal Audit Unit under a three-year contract, which was renewed on 1 April 2015. Continuation of the contract beyond this date was agreed by the Audit and Risk Committee in October 2014. Both internal and external audits assist us with the continuous improvement of procedures and controls. Actions are agreed in response to recommendations, and these are followed up to ensure that they are implemented. A monitoring report on the implementation of recommendations is provided to each meeting of the Audit and Risk Committee.

Work relating to the management of information risk has focused on staff induction and mandatory annual security awareness, together with the identification of information assets and the risk assessments undertaken by Information Asset Owners (IAO). Health checks of new systems and offices have taken place as well as the annual health check needed for PSN accreditation. All IPCC owned or managed information systems in scope have been accredited for both GSI and Public Services Network connectivity. The IPCC's IT supplier was awarded ISO 27001 status for the Information Security Management System it provides to the IPCC.

The IPCC implemented the new Government Security Classification policy over the period April to December 2014 running mandatory awareness sessions and amending its document and case management systems. Security and data breaches have been reported to the Senior Information Risk

Owner and IAOs have taken action to address any identified issues. There has been one attempt by a complainant to contact an IPCC employee by visiting our premises under false pretences. This was unsuccessful and the IPCC physical security was not breached. The resulting incident documented in the Breach register under SB12 -2015 details the incident as well as additional security measures put in place following the incident.

The IPCC has a suite of Business Continuity Plans (BCP) in place at organisational, directorate, and office level, supported by Critical Incident Plans and contact lists. These are reviewed annually, and are being updated to reflect organisational changes such as the creation of the Change Directorate and the consolidation of Casework and Investigations into an Operations Directorate. Business Continuity Plans will be tested in 2015 as part of the annual testing regime. Disaster Recovery provision for IPCC ICT services was successfully tested in May 2015 following migration to the Public Services Network.

A disaster recovery (DR) test took place successfully over the May Bank Holiday weekend providing assurance that the new Birmingham office would function in a scenario of a disaster and that the IPCC's Public Service Network driven services would operate in the event of a switch to the DR site.

We are currently going through the independent review (one3M) and assessment by the Home Office of the maturity of our information assurance (IA) and information management (IM) processes. As in earlier years, this indicates that the IPCC is one of the highest scoring entities in the Home Office family as far as IA and IM processes are concerned.

Risks relating to delays in Cabinet Office approval of plans relating to expansion and core IT infrastructure were formally escalated to the IPCC's Home Office Sponsor unit and to the Home Office Portfolio Investment Committee and have been subject to an audit of risk management and escalation processes. Although infrastructure capacity risks have been mitigated to some extent through revised transitional arrangements and both PIC and Cabinet Office has now approved this work, IPCC is now feeling the effect of these delays.

The Commission, Executive Management Board and senior operations management have recently undertaken Health and Safety training and a Health and Safety Committee has been established to consider relevant issues across the organisation. This is in response to a need to significantly strengthen governance of Health and Safety issues and ensure full compliance with the relevant legislation. The work of the Committee will be scrutinised by the People and Human Resources Committee.

## Major risks

The IPCC is currently in the process of a large and complex change and expansion programme which has to be balanced against an existing, demanding workload of appeals and independent investigations. The availability of key staff and skilled personnel to drive this change programme, to develop a new operating model and improve the quality and quantity of existing work is a significant risk to the organisation. This has been mitigated in part by the appointment of a Director of Change, together with improvements to the governance structure for the programme. A very real challenge remains to release enough capacity with the right skills to complete all the necessary work.

There have been significant changes in the senior management of the IPCC. I took up the post of Chief Executive in September 2014. The Chief Operating Officer, a newly created role bringing together the former Investigations and Casework and Customer Service directorates, took up post in August 2014. This role also has overall management of the Hillsborough investigation team. The former Interim Chief Executive, the Director of Investigations, the Head of Standards and Quality and the Head of Strategy and Communications have all left the organisation, which has created a significant risk of a loss of collective memory and knowledge, but has also provided the potential for new ideas and approaches.

These changes have been managed with the restructure of the IPCC, the creation of the Operations and Strategy and Impact directorates, and the transfer of some roles within the Standards and Quality directorate elsewhere within the organisation. The Operations Directorate is now complete with all key senior posts filled. Implementation of our new structures elsewhere in the organisations is still underway. The changes in our Operations Directorate are intended to facilitate the implementation of new ways of working and the management of the large numbers of new staff who need to be integrated into the organisation in a way which does not detract from the timeliness and quality of work already being undertaken. A Strategy and Impact directorate has been established and recruitment for the permanent director is complete.

A new office has been opened in Birmingham and is now fully staffed. The Wakefield office expansion project is complete, doubling its capacity. We will be opening a new office in Southern House, Croydon and this project will be completed in the summer. These new offices will provide the necessary accommodation to support staff taking on in excess of 400 independent investigations in 2015/16.

The short-term targets that were set by Management Board have been achieved. 241 independent investigations were opened in the year to the 31 March against a target of 186, and 120 have been closed. The appeals backlog has been cleared with current workload maintained below 400, and progress has been made on the Target Operating Model.

In light of the falling volume of work within appeals there is a need to reduce the number of casework managers and senior casework managers. Ninety five members of staff were declared at risk of redundancy, however as a result of some redeployment to other suitable roles it was possible to make this reduction without the need for redundancies. Actions have been taken to address the broader operational risks and enhance the expansion programme with Commission approval of a Knowledge and Information Management Strategy and a People Strategy, implementation of a large-scale induction and training programme and the creation of both a quality function and the Contact and Assessment Centre within Operations, all of which will have a positive impact on the volume and quality of work that can be undertaken by the expanded IPCC.

The process to identify work that will be used to produce a Business Plan for 2015/16 was delayed by the need to complete and submit a Business Case to the Home Office for funding in 2015/16. Uncertainty over funding for next year has been largely resolved, but has delayed implementation of the Croydon office and its recruitment, and therefore delivery of some aspects will fall into next financial year. In addition the Home Secretary decided that 2015/16 expansion funding should be focused entirely on increasing the number of independent investigations, which will constrain Commission aspirations for further Oversight and Confidence (O&C) work and puts at risk the impacts

set out in the published O&C and engagement strategies. The Home Secretary has also indicated that she will make the necessary funding available for us to complete our Hillsborough Investigation.

Allocation of budgets for business as usual, expansion and Hillsborough were formally approved by the Executive Management Board and Commission in line with business priorities. The funding for expansion, business as usual and Hillsborough were separately ring-fenced by the Home Office and we implemented this using separate cost centres. Supported by the IPCC Audit and Risk Committee we made the Home Office aware of the challenges this presented for the effective running of our investigation work and a revised process has been agreed for 2015/16 which addresses those concerns. Unexpected delays in the approval processes for a number of key projects have resulted in difficulties in financial forecasting. Forecasting has been undertaken using financial and demand modelling which is based on information received from forces with a varying degree of uncertainty and will need to be improved over the forthcoming year. An internal audit review of the IPCC's funding models was given an amber-red status and recommendations for improvement are being implemented.

The impact and timescale of the Hillsborough investigation is also a key risk for the IPCC given its scale and complexity. The Hillsborough independent investigation and managed component of the Operation Resolve investigation and subsequent consideration of our findings by the Crown Prosecution Service is likely to take a further two years (until March 2017). The investigation timescale is dependent on the progress made in the inquest, which may last beyond December 2015. Planning for completion of the criminal and misconduct investigation therefore needs to be continually revised as the inquest proceeds. Managing the disclosure requirements of the Coroner against the need to protect the criminal investigation is a continuing risk for the overall inquiry and disclosure work to assist the Crown Prosecution Service in ensuring it is able to make speedy decisions has added considerably to the workload of the investigation. This means we have to carry out continual reviews of resourcing levels impacting directly on budget planning.

A delivery review of the Hillsborough Investigation, led by a panel of managers and commissioners, was undertaken in February. Following the review, the team have proposed a number of changes including to the management and governance of the investigation, with a clearer separation of executive and commissioner oversight.

This is a challenging time for the IPCC and there is a risk that the pace of change exceeds the capacity within the organisation as we accelerate the change programme and continue to manage unpredictable levels of demand and the scale and nature of individual referrals, for example including large scale investigations or large numbers of single issue cross referrals such as the historical child sex abuse allegations in South Yorkshire and a number of other forces. We are developing a strategic approach to respond to the large numbers of child sexual exploitation investigations we are now carrying out. This will address how we manage capacity and capability issues, ensure consistency of approach and engage with other inquiries, reviews and investigations in this area. It will also set out our intention to monitor closely the impact on our planned numbers of investigations next year and how we ensure public confidence is maintained.

In July 2014, the Home Secretary announced three reviews and public consultations, to which the IPCC has contributed. The subjects are the police disciplinary system, police whistleblowing, and the police complaints system including the role, powers and funding of the IPCC.

We are now considering the Government's response to the consultation and the impact of those proposals on the IPCC. There is a proposal to remove managed investigations which would have a considerable risk for us. We will be working with officials to explain the impact of this if implemented.

### **Accounting Officer**

As the Chief Executive and Accounting Officer of the IPCC, I have personal responsibility for maintaining a sound system of governance, internal control and risk management to support the discharge of the IPCC's functions under the Police Reform Act 2002 and other relevant legislation, and the aims and objectives of the Commission, whilst safeguarding public funds and organisational assets.

My review is informed in part by the work of our internal auditors who have provided an indicative assurance level of moderate at the nine month point based on the work they have undertaken. Moderate assurance is defined by them as:

"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".

It is my opinion that to ensure this rating is maintained as the organisation grows, significant work is required to ensure that all governance and control frameworks are fit for purpose for the developing needs of an expanded organisation and that revised controls need to be strengthened and embedded throughout the organisation. Actions are in hand to address those things. Our control framework has been adequate to date but requires improvement to reflect a larger organisation.



Lesley Longstone  
Chief Executive and Accounting Officer  
01 July 2015

|                        | Commission |        |       |        |       |        |        |  |
|------------------------|------------|--------|-------|--------|-------|--------|--------|--|
|                        | 9 Apr      | 13 May | 4 Jun | 30 Jun | 8 Jul | 31 Jul | 10 Sep |  |
| Dame Anne Owers        | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| David Bird             | 1          | 1      | 1     | Apols  | 1     | Apols  | 1      |  |
| Cindy Butts            | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Derrick Campbell       | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Rachel Cerfontyne      | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Mary Cuneen            | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| James Dipple-Johnstone | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Ruth Evans             | 1          | 1      | 1     | 1      | 1     | Apols  | 1      |  |
| Sarah Green            | 1          | Apols  | 1     | 1      | 1     | 1      | 1      |  |
| Carl Gumsley           |            |        | 1     | 1      | 1     | 1      | 1      |  |
| Jennifer Izekor        | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Kathryn Stone          |            |        |       |        | 1     | 1      | 1      |  |
| Jonathan Tross         | 1          | 1      | 1     | Apols  | 1     | 1      | Apols  |  |
| Sue Whelan-Tracy       | 1          | 1      | 1     | 1      | 1     | Apols  | 1      |  |
| Jan Williams           | 1          | 1      | 1     | 1      | 1     | 1      | 1      |  |
| Total                  | 13/13      | 12/13  | 14/14 | 12/14  | 15/15 | 12/15  | 14/15  |  |
| Average                | 100%       | 92.3%  | 100%  | 85.7%  | 100%  | 80%    | 93.3%  |  |

|  |       |       |       |       | <b>Audit and Risk Committee</b> |        |        |        |        |
|--|-------|-------|-------|-------|---------------------------------|--------|--------|--------|--------|
|  | 7 Oct | 5 Nov | 9 Dec | 4 Feb | 22 May                          | 19 Jun | 30 Oct | 29 Jan | 25 Mar |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     | Apols                           | 1      | 1      | 1      | 1      |
|  | 1     | 1     | 1     | Apols |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     | 1                               | Apols  | 1      | 1      | 1      |
|  | 1     | 1     | Apols | 1     | Apols                           | 1      | 1      | 1      |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        |        |
|  | Apols | Apols | 1     | 1     |                                 |        |        |        |        |
|  | 1     | 1     | 1     | 1     |                                 |        |        |        | 1      |
|  | 1     | 1     | 1     | 1     | 1                               | 1      | 1      | 1      | 1      |
|  | 1     | 1     | 1     | 1     |                                 |        |        | 1      | 1      |
|  | 1     | 1     | 1     | 1     | 1                               | 1      | 1      | 1      | 1      |
|  | 14/15 | 14/15 | 14/15 | 14/15 | 3/5                             | 4/5    | 5/5    | 6/6    | 6/6    |
|  | 93.3% | 93.3% | 93.3% | 93.3% | 60%                             | 80%    | 100%   | 100%   | 100%   |

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

I certify that I have audited the financial statements of the Independent Police Complaints Commission for the year ended 31 March 2015 under the Police Reform Act 2002. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### Opinion on regularity

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Independent Police Complaints Commission's affairs as at 31 March 2015 and of the 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 made under the Police Reform Act 2002; and
- the information given in the Foreword to the Accounts and the 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP  
06 July 2015

## Statement of comprehensive net expenditure

for the year ended 31 March 2015

|   |             | <b>2014/15</b>  | <b>2013/14</b>  |
|---|-------------|-----------------|-----------------|
|   | <b>Note</b> | £'000           | £'000           |
| <b>Administration costs</b>   |             |                 |                 |
| Staff costs   | 3           | (1,819)         | (2,234)         |
| Other administration costs  | 4           | (1,231)         | (1,655)         |
| Operating income  | 6           | -               | 93              |
|   |             | (3,050)         | (3,796)         |
| <b>Programme costs</b>  |             |                 |                 |
| Staff costs   | 3           | (31,287)        | (21,320)        |
| Programme costs   | 5           | (19,783)        | (15,688)        |
| Income  | 6           | 116             | 75              |
|   |             | (50,954)        | (36,933)        |
|   |             | (54,004)        | (40,729)        |
| <b>Other comprehensive net expenditure</b>                                  |             |                 |                 |
| Actuarial (loss)  | 3.2         | (132)           | (239)           |
| <b>Total comprehensive net expenditure for the year ended 31 March 2015</b> |             | <b>(54,136)</b> | <b>(40,968)</b> |

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

The notes on pages 68 to 94 form part of these accounts.

## Statement of financial position

for the year ended 31 March 2015

|   |      | 31 March 2015  | 31 March 2014  |
|---|------|----------------|----------------|
|   | Note | £'000          | £'000          |
| <b>Non-current assets</b>   |      |                |                |
| Property, plant and equipment   | 7    | 8,249          | 6,354          |
| Intangible assets   | 8    | 7,020          | 6,563          |
| Financial assets  | 12   | 975            | 1,455          |
| <b>Total non-current assets</b>   |      | <b>16,244</b>  | <b>14,372</b>  |
| <b>Current assets</b>   |      |                |                |
| Financial assets  | 12   | 1,936          | 1,521          |
| Cash and cash equivalents   | 13   | 6,823          | 4,229          |
| <b>Total current assets</b>   |      | <b>8,759</b>   | <b>5,750</b>   |
| <b>Total assets</b>   |      | <b>25,003</b>  | <b>20,122</b>  |
| <b>Current liabilities</b>  |      |                |                |
| Provisions  | 15   | (179)          | (137)          |
| Trade and other payables  | 14   | (7,212)        | (4,623)        |
| Other liabilities   | 14   | (608)          | (450)          |
| <b>Total current liabilities</b>  |      | <b>(7,999)</b> | <b>(5,210)</b> |
| <b>Non-current assets plus/<br/>less net current assets/liabilities</b> |      | <b>17,004</b>  | <b>14,912</b>  |
| <b>Non-current liabilities</b>  |      |                |                |
| Provisions  | 15   | (1,260)        | (1,034)        |
| Pension liabilities   | 3    | (2,042)        | (1,894)        |
| Other payables  | 14   | (2,037)        | (3,183)        |
| <b>Total non-current liabilities</b>                                    |      | <b>(5,339)</b> | <b>(6,111)</b> |
| <b>Assets less liabilities</b>  |      | <b>11,665</b>  | <b>8,801</b>   |
| <b>Taxpayers' equity</b>  |      |                |                |
| General reserve   |      | 13,707         | 10,695         |
| Pension reserve   |      | (2,042)        | (1,894)        |
| <b>Total taxpayers' equity</b>  |      | <b>11,665</b>  | <b>8,801</b>   |

The financial statements on pages 68 to 94 were approved by the Commission and signed on its behalf by;



Lesley Longstone  
Chief Executive and Accounting Officer  
01 July 2015

The notes on pages 68 to 94 form part of these accounts.

## Statement of cash flows

for the year ended 31 March 2015

|   |      | 2014/15         | 2013/14         |
|---|------|-----------------|-----------------|
|   | Note | £'000           | £'000           |
| <b>Cash flows from operating activities</b>   |      |                 |                 |
| Net operating cost  |      | (54,004)        | (40,729)        |
| Adjustment for non-cash transactions  | 5    | 3,631           | 2,618           |
| (increase) in trade and other receivables   | 12   | (80)            | (18)            |
| increase in trade and other payables  | 14   | 2,279           | 1,654           |
| increase in employee benefits payable   | 14   | 158             | 13              |
| less movements in pension provisions relating to items not passing through the Statement of Comprehensive Net Expenditure | 3    | (65)            | (163)           |
| Use of provisions   | 15   | (23)            | (125)           |
| <b>Net cash outflow from operating activities</b>   |      | <b>(48,104)</b> | <b>(36,750)</b> |
| <b>Cash flows from investing activities</b>   |      |                 |                 |
| Purchase of property, plant and equipment   | 7    | (3,819)         | (3,229)         |
| Purchase of intangible assets   | 8    | (1,790)         | (1,350)         |
| <b>Net cash outflow from operating activities</b>   |      | <b>(5,609)</b>  | <b>(4,579)</b>  |
| <b>Cash flows from financing activities</b>   |      |                 |                 |
| Grants from the Home Office   |      | 57,000          | 45,126          |
| Capital element of payments in respect of on SoFP service concession arrangements   |      | (693)           | (736)           |
| <b>Net financing</b>  |      | <b>56,307</b>   | <b>44,390</b>   |
| <b>Net increase in cash and cash equivalents in the period</b>  |      | <b>2,594</b>    | <b>3,061</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>   |      | <b>4,229</b>    | <b>1,168</b>    |
| <b>Cash and cash equivalents at the end of the period</b>   | 13   | <b>6,823</b>    | <b>4,229</b>    |

The notes on pages 68 to 94 form part of these accounts.

## Statement of changes in taxpayers' equity

for the year ended 31 March 2015

|   |      | General reserve | Pension reserve | Total reserves |
|---|------|-----------------|-----------------|----------------|
|   | Note | £'000           | £'000           | £'000          |
| <b>Balance at 31 March 2013</b>                             |      | 6,366           | (1,723)         | 4,643          |
| <b>Changes in taxpayers' equity for 2013/14</b>             |      |                 |                 |                |
| Grant from the Home Office received for revenue expenditure | 25   | 40,235          | -               | 40,235         |
| Grant from the Home Office received for capital expenditure | 25   | 4,891           | -               | 4,891          |
| Transfers between reserves                                  |      | (68)            | 68              | -              |
| Comprehensive expenditure for the year                      |      | (40,729)        | -               | (40,729)       |
| Actuarial (loss) in year                                    |      | -               | (239)           | (239)          |
| <b>Balance at 31 March 2014</b>                             |      | <b>10,695</b>   | <b>(1,894)</b>  | <b>8,801</b>   |
| <b>Changes in taxpayers' equity for 2014/15</b>             |      |                 |                 |                |
| Grant from Home Office received for revenue expenditure     | 25   | 51,311          | -               | 51,311         |
| Grant from Home Office received for capital expenditure     | 25   | 5,689           | -               | 5,689          |
| Transfers between reserves                                  |      | 16              | (16)            | -              |
| Comprehensive expenditure for the year                      |      | (54,004)        | -               | (54,004)       |
| Actuarial (loss) in year                                    |      | -               | (132)           | (132)          |
| <b>Balance at 31 March 2015</b>                             |      | <b>13,707</b>   | <b>(2,042)</b>  | <b>11,665</b>  |

The notes on pages 68 to 94 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2014/15 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 that 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.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000).

#### 1.1 Accounting conventions

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

#### 1.2 Going concern

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

Grant in aid for 2015/16, taking into account the amount required to meet the IPCC's liabilities falling due in the year, has already been included in

the Home Office's estimates for that year. These have been approved by Parliament. There is no reason to believe that the Home Office'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.

#### 1.3 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.

#### 1.4 Property, plant and equipment

Property plant and equipment (PPE) is recognised initially at cost and thereafter at fair value less depreciation and impairment charged subsequent to the date of revaluation.

Cost comprises the amount of cash paid to acquire the assets and includes any cost directly attributable to making the asset capable of being operated as intended. The capitalisation threshold for expenditure on PPE is £5,000.

The IPCC does not own any property. All plant and equipment is reviewed annually for impairment and is carried at fair value. The IPCC has 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.

Expenditure on the fitting out of buildings financed by operating leases is capitalised as a tangible non-

current asset if the works add value to the building. Fitting out cost of 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 to capitalise the costs. Future replacement costs of furniture and equipment will be funded from the resource budget subject to the costs being below the capitalisation threshold at the time of replacement.

### 1.5 Intangible assets

Intangible assets are measured on initial recognition at cost and thereafter at fair value less amortisation and impairment charged subsequent to the date of revaluation. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Comprehensive Net Expenditure in the year in which the expenditure is incurred.

Expenditure on intangible assets that are software licenses and the associated costs of implementation is capitalised where the cost is £5,000 or more.

At each financial year end the intangible assets are assessed for impairment and the amortisation period and method are also reviewed. Intangible assets are carried at fair value. The IPCC has elected to adopt amortised historic cost as a proxy for fair value for short-life or low value intangible assets. This is permitted by the FReM.

### 1.6 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:

| <i>Asset type</i>            | <i>Useful life</i>                               |
|------------------------------|--|
| Furniture and fittings       | Duration of lease or the anticipated useful life |
| Vehicles                     | 7 years  |
| Information technology       | 3 to 5 years                                     |
| Intangible non-current asset | 3 to 7 years                                     |
| Service concession assets    | Duration of contract                             |

### 1.7 Service concessions

Assets in use and under the control of the 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 expected life of the contract.

### 1.8 Pensions

#### a) Principal Civil Service Pension Scheme

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. 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 the IPCC.

**b) Broadly By Analogy**

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.

(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.

**1.9 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 2015 this was 1.8 per cent in real terms (2013/14 2.35 per cent).

Severance costs outstanding at the year end under the Civil Service Compensation Scheme are accrued for rather than provided for in a provision.

**1.10 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:

### 1.11 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. If the effect is material, expected future cash flows are discounted using the real rate set by HM Treasury. To the extent that reinstatement claims exist within the meaning of IAS 37, they are recognised as a separate liability if their realisation is virtually certain.

### 1.12 Leases

The costs of operating leases held by the IPCC are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. The significant operating leases are for office accommodation where purchase options are not available.

The IPCC does not have any finance leases.

### 1.13 Income

Income from activities relates directly to income from HMRC and Home Office 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.

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

### 1.14 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs and income following guidance set out by HM Treasury.

### 1.15 Value Added Tax

The IPCC is registered for VAT but can only recover VAT on purchases when the IPCC is 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.

### 1.16 Corporation Tax

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

### 1.17 Standards in issue but not yet effective

The IPCC provides disclosure that it has not yet applied a new accounting standard, and known or 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 2014/15 and not applied, which would materially affect the IPCC financial statements. The IPCC has also not adopted any standards early.

## **2 Statement of operating costs by operating segment**

The operating segments are based on the management reporting structure within IPCC. This places financial responsibility with the director best placed to take expenditure decisions and ensure that value for money is achieved. During 2014/15 the operating segments used for management reporting were revised to transfer functions between directorates. The 2013/14 results are based on the previous reporting structure.

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

Information on income by customer is shown in note 6.

The Hillsborough operating segment includes Commission expenditure and non cash where appropriate, information on Hillsborough expenditure is shown in note 26.

|                     | <b>2014/15<br/>Gross<br/>expenditure</b> | <b>2014/15<br/>Income</b> | <b>2014/15<br/>Net<br/>expenditure</b> |
|---------------------|--|---------------------------|--|
|                     | £'000                                    | £'000                     | £'000                                  |
| Resources           | 12,538                                   | (15)                      | 12,523                                 |
| Operations          | 11,257                                   | (101)                     | 11,156                                 |
| Change              | 14,076                                   | -                         | 14,076                                 |
| Commission          | 1,640                                    | -                         | 1,640                                  |
| Hillsborough        | 10,615                                   | -                         | 10,615                                 |
| Chief Executive     | 552                                      | -                         | 552                                    |
| Legal               | 1,135                                    | -                         | 1,135                                  |
| Strategy and Impact | 2,307                                    | -                         | 2,307                                  |
| <b>Total</b>        | <b>54,120</b>                            | <b>(116)</b>              | <b>54,004</b>                          |

|                                | <b>2013/14<br/>Gross<br/>expenditure</b> | <b>2013/14<br/>Income</b> | <b>2013/14<br/>Net<br/>expenditure</b> |
|--------------------------------|--|---------------------------|--|
|                                | £'000                                    | £'000                     | £'000                                  |
| Resources                      | 12,309                                   | (93)                      | 12,216                                 |
| Investigations                 | 8,453                                    | (75)                      | 8,378                                  |
| Casework and Customer Services | 4,922                                    | -                         | 4,922                                  |
| Commission                     | 1,891                                    | -                         | 1,891                                  |
| Hillsborough                   | 7,546                                    | -                         | 7,546                                  |
| Chief Executive                | 2,531                                    | -                         | 2,531                                  |
| Legal and Assurance            | 2,434                                    | -                         | 2,434                                  |
| Change                         | 811                                      | -                         | 811                                    |
| <b>Total</b>                   | <b>40,897</b>                            | <b>(168)</b>              | <b>40,729</b>                          |

### 3 Staff numbers and related costs

#### Staff costs

|  | 2014/15         | 2014/15      | 2014/15       | 2013/14       |
|--|-----------------|--------------|---------------|---------------|
|  | £'000           | £'000        | £'000         | £'000         |
|  | Permanent staff | Other        | Total         | Total         |
| <b>Commissioners and CEO</b>                       |                 |              |               |               |
| Salaries and emoluments                            | 1,222           | -            | 1,222         | 1,137         |
| Social security cost                               | 137             | -            | 137           | 128           |
| Other pension costs                                | 218             | -            | 218           | 214           |
| <b>Sub total</b>                                   | <b>1,577</b>    | <b>-</b>     | <b>1,577</b>  | <b>1,479</b>  |
| Less: recoveries in respect of outward secondments | -               | -            | -             | -             |
| <b>Net costs of Commissioners and CEO</b>          | <b>1,577</b>    |              | <b>1,577</b>  | <b>1,479</b>  |
| <b>All other staff</b>                             |                 |              |               |               |
| Salaries and emoluments                            | 23,159          | 2,530        | 25,689        | 17,753        |
| Social security cost                               | 1,894           | -            | 1,894         | 1,393         |
| Pension contributions                              | 3,946           | -            | 3,946         | 2,992         |
| <b>Sub total</b>                                   | <b>28,999</b>   | <b>2,530</b> | <b>31,529</b> | <b>22,138</b> |
| Less: recoveries in respect of outward secondments | -               | -            | -             | (63)          |
| <b>Net costs of all other staff</b>                | <b>28,999</b>   | <b>2,530</b> | <b>31,529</b> | <b>22,075</b> |
| <b>Total staff costs</b>                           | <b>30,576</b>   | <b>2,530</b> | <b>33,106</b> | <b>23,554</b> |

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

There was a 1 per cent pay increase during 2014/15 for staff and commissioners.

## Average number of persons employed

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

|                                | <b>2014/15</b>         | <b>2014/15</b> | <b>2014/15</b> |
|--------------------------------|------------------------|----------------|----------------|
|                                | <b>Permanent staff</b> | <b>Other</b>   | <b>Total</b>   |
| Resources                      | 44                     | -              | 44             |
| Operations                     | 240                    | 14             | 254            |
| Change                         | 263                    | 4              | 267            |
| Commission                     | 15                     | -              | 15             |
| Hillsborough                   | 149                    | 3              | 152            |
| Chief Executive                | 4                      | 1              | 5              |
| Legal                          | 9                      | -              | 9              |
| Strategy and Impact            | 42                     | 1              | 43             |
| <b>Total staff numbers</b>     | <b>766</b>             | <b>23</b>      | <b>789</b>     |
|                                | <b>2013/14</b>         | <b>2013/14</b> | <b>2013/14</b> |
|                                | <b>Permanent staff</b> | <b>Other</b>   | <b>Total</b>   |
| Resources                      | 50                     | 1              | 51             |
| Investigations                 | 176                    | 1              | 177            |
| Casework and Customer Services | 132                    | -              | 132            |
| Hillsborough                   | 43                     | 7              | 50             |
| Commissioners' Office          | 23                     | 1              | 24             |
| Chief Executive                | 30                     | 1              | 31             |
| Legal and Assurance            | 28                     | 2              | 30             |
| Change                         | 4                      | 1              | 5              |
| <b>Total staff numbers</b>     | <b>486</b>             | <b>14</b>      | <b>500</b>     |

### 3.1 Reporting of Civil Service and other compensation schemes - exit package Comparative data to be shown (in brackets) for 2013/14

| Exit package cost band                                    | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|-----------------------------------|-----------------------------------|--|
| <£10,000  | - (-)                             | - (1)                             | - (1)                                      |
| £10,000 - £25,000   | - (-)                             | 1 (1)                             | 1 (1)                                      |
| £25,000 - £50,000   | - (-)                             | 3 (2)                             | 3 (2)                                      |
| £50,000 - £150,000  | - (-)                             | 2 (2)                             | 2 (2)                                      |
| <b>Total number of exit packages by type (total cost)</b> | <b>- (-)</b>                      | <b>6 (6)</b>                      | <b>6 (6)</b>                               |
| <b>Total resource cost (2014/15) in £000</b>              | <b>-</b>                          | <b>234</b>                        | <b>234</b>                                 |
| <b>Total resource cost (2013/14) in £000</b>              | <b>-</b>                          | <b>199</b>                        | <b>199</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.

### 3.2 Broadly by Analogy pension scheme

Certain commissioners and staff 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>2014/15</b> | <b>2013/14</b> |
|--|----------------|----------------|
| Rate used to discount scheme liabilities                   | 3.55%          | 4.35%          |
| Rate of increase in salaries                               | 4.20%          | 4.50%          |
| Rate of increase in pensions payment and deferred pensions | 2.20%          | 2.50%          |
| CPI inflation assumption                                   | 2.20%          | 2.50%          |

The liabilities associated with commissioners and staff holding BBA pensions are as follows:

|                                     | <b>31 March 2015</b> | <b>31 March 2014</b> |
|-------------------------------------|----------------------|----------------------|
|                                     | <b>£'000</b>         | <b>£'000</b>         |
| <b>Pension provision</b>            |                      |                      |
| Balance at 1 April                  | 1,894                | 1,723                |
| Increase (decrease) in provision    | 148                  | 171                  |
| <b>Present value of liabilities</b> | <b>2,042</b>         | <b>1,894</b>         |

### 3.2 Broadly by Analogy pension scheme (continued)

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

|  | <b>31 March 2015</b> | <b>31 March 2014</b> |
|--|----------------------|----------------------|
|  | £'000                | £'000                |
| Scheme liability at the beginning of the year        | 1,894                | 1,723                |
| <i>movement in the year</i>                          |                      |                      |
| Current service cost (net of employee contributions) | -                    | 27                   |
| Interest cost  | 81                   | 68                   |
| Employee contributions                               | -                    | 19                   |
| Actuarial loss                                       | 132                  | 239                  |
| Benefits paid  | (65)                 | (182)                |
| <b>Increase in scheme liability</b>                  | <b>148</b>           | <b>171</b>           |
| <b>Scheme liability at the end of the year</b>       | <b>2,042</b>         | <b>1,894</b>         |

|  | <b>2014/15</b> | <b>2013/14</b> |
|--|----------------|----------------|
|  | £'000          | £'000          |

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

|  |           |           |
|--|-----------|-----------|
| Current service cost net of employee contributions | -         | 27        |
| Interest costs                                     | 81        | 68        |
| <b>Total expense</b>                               | <b>81</b> | <b>95</b> |

|  | <b>2014/15</b> | <b>2013/14</b> |
|--|----------------|----------------|
|  | £'000          | £'000          |
| <i>Actuarial gains/losses to be recognised in Changes in Taxpayers' Equity</i> |                |                |
| Experience loss/(gain) arising on the scheme liabilities                       | (35)           | 75             |
| Change in assumptions underlying the present value of the scheme liabilities   | 167            | 164            |
| <b>Net total actuarial loss on Taxpayers' Equity</b>                           | <b>132</b>     | <b>239</b>     |

There are no employee and employer costs payable in 2015/16.

| Present value of scheme liabilities                     | 31 March<br>2015<br>£'000 | 31 March<br>2014<br>£'000 | 31 March<br>2013<br>£'000 | 31 March<br>2012<br>£'000 | 31 March<br>2011<br>£'000 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Liability in respect of                                 |                           |                           |                           |                           |                           |
| Active members  | -                         | -                         | 546                       | 468                       | 394                       |
| Deferred pensioners                                     | 406                       | 353                       | 298                       | 263                       | 236                       |
| Current pensions  | 1,636                     | 1,541                     | 879                       | 837                       | 801                       |
| <b>Total present value of scheme liabilities</b>        | <b>2,042</b>              | <b>1,894</b>              | <b>1,723</b>              | <b>1,568</b>              | <b>1,431</b>              |
| History of experience losses/(gains)                    | (35)                      | 75                        | (12)                      | 29                        | (8)                       |
| Percentage of scheme liabilities at the end of the year | -1.7%                     | 4.0%                      | -0.7%                     | 1.8%                      | -0.5%                     |

### 3.3 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. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2014/15, employers' contributions of £4,052k were payable to the PCSPS (2013/14 £3,149k) 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 2014/15 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 £105k (2013/14 £53k) 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 £7k (2013/14 £4k), 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 £18k (2013/14 £5k). Contributions prepaid at that date were nil.

#### 4 Other administrative costs

|   | Note | 2014/15<br>£'000 | 2013/14<br>£'000 |
|---|------|------------------|------------------|
| Other expenditure includes the following: |      |                  |                  |
| IT  |      | 348              | 48               |
| Service concession service charges        |      | 173              | 553              |
| Accommodation rental                      |      | 103              | 258              |
| Accommodation non-rental                  |      | 102              | 253              |
| Travel and subsistence                    |      | 153              | 119              |
| Training                                  |      | 76               | -                |
| Recruitment                               |      | 85               | 192              |
| Stationery                                |      | 11               | 20               |
| Legal services                            |      | 17               | 19               |
| Guidance for police and public            |      | 2                | -                |
| Other costs                               |      | 161              | 193              |
| <b>Total other expenditure</b>            |      | <b>1,231</b>     | <b>1,655</b>     |

#### 5 Programme costs

|  | Note | 2014/15<br>£'000 | 2013/14<br>£'000 |
|--|------|------------------|------------------|
| Other expenditure includes the following:                    |      |                  |                  |
| IT   |      | 2,262            | 1,792            |
| Service concession service charges                           |      | 3,009            | 2,655            |
| Accommodation rental   |      | 2,204            | 1,793            |
| Accommodation non-rental                                     |      | 2,201            | 1,935            |
| Travel and subsistence                                       |      | 1,720            | 1,292            |
| Training   |      | 613              | 625              |
| Forensics  |      | 325              | 325              |
| Recruitment  |      | 1,247            | 707              |
| Stationery   |      | 314              | 138              |
| Research   |      | 113              | 114              |
| Legal services   |      | 666              | 710              |
| Guidance for police and public                               |      | 103              | 147              |
| Consultants*   |      | 690              | 338              |
| Audit fee – external   |      | 46               | 46               |
| Service concession interest charges                          |      | 64               | 68               |
| Other costs  |      | 575              | 385              |
| <b>Total other expenditure</b>                               |      | <b>16,152</b>    | <b>13,070</b>    |
| Non-cash items:  |      |                  |                  |
| Depreciation   | 7    | 2,182            | 1,463            |
| Amortisation   | 8    | 1,333            | 1,000            |
| Provisions provided in the year less provisions not required | 15   | 33               | 57               |
| BBA pension expense  | 3    | 81               | 95               |
| Change in discount rate in early compensation provision      | 15   | 2                | 3                |
| <b>Total non-cash items</b>                                  |      | <b>3,631</b>     | <b>2,618</b>     |
| <b>Total</b>   |      | <b>19,783</b>    | <b>15,688</b>    |

The fee for the audit of the Statement of Accounts was £46,000 (2013/14 £46,000). The external auditors did not undertake any non-audit work.

\*Expenditure on consultants related to organisational design and IT process improvement work for the operating model and quality and knowledge management for the change programme.

## 6 Income

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

Rental income for 2013/14 was received from the Security Industry Authority (SIA) for an operating lease and from Her Majesty's Courts and Tribunals Service under a Moto agreement.

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.

|                               | 2014/15<br>£'000 | 2014/15<br>£'000 | 2014/15<br>£'000 | 2013/14<br>£'000 | 2013/14<br>£'000 | 2013/14<br>£'000 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Fees and charges</b>       | <b>Income</b>    | <b>Costs</b>     | <b>(Deficit)</b> | <b>Income</b>    | <b>Costs</b>     | <b>(Deficit)</b> |
| HMRC income                   | 22               | (22)             | -                | 37               | (37)             | -                |
| Home Office income            | 79               | (79)             | -                | 38               | (38)             | -                |
| <b>Income from activities</b> | <b>101</b>       | <b>(101)</b>     | <b>-</b>         | <b>75</b>        | <b>(75)</b>      | <b>-</b>         |
| SIA income                    | -                | -                | -                | 23               | (23)             | -                |
| HMCTS                         | -                | -                | -                | 57               | (57)             | -                |
| Sundry income                 | 15               | (15)             | -                | 13               | (13)             | -                |
| <b>Other income</b>           | <b>15</b>        | <b>(15)</b>      | <b>-</b>         | <b>93</b>        | <b>(93)</b>      | <b>-</b>         |
| <b>Total</b>                  | <b>116</b>       | <b>(116)</b>     | <b>-</b>         | <b>168</b>       | <b>(168)</b>     | <b>-</b>         |

Our income from HMRC and the Home Office is based on actual costs of work undertaken. Information on allocation of income to segments can be found in note 2.

## 7 Property, plant and equipment

|  | Payments on<br>account &<br>assets under<br>construction | Information<br>technology | Vehicles   | Furniture &<br>fittings | Total         |
|--|--|---------------------------|------------|-------------------------|---------------|
|  | £'000  | £'000                     | £'000      | £'000                   | £'000         |
| <b>Cost or valuation</b>               |  |                           |            |                         |               |
| At 1 April 2014                        | -  | 4,266                     | 442        | 6,997                   | 11,705        |
| Additions                              | 984  | 1,032                     | -          | 2,115                   | 4,131         |
| Disposals                              | -  | (147)                     | -          | (6)                     | (153)         |
| <b>At 31 March 2015</b>                | <b>984</b>   | <b>5,151</b>              | <b>442</b> | <b>9,106</b>            | <b>15,683</b> |
| <b>Depreciation</b>                    |  |                           |            |                         |               |
| At 1 April 2014                        | -  | 1,709                     | 181        | 3,461                   | 5,351         |
| Charge for the year                    | -  | 816                       | 64         | 1,302                   | 2,182         |
| Disposals                              | -  | (92)                      | -          | (7)                     | (99)          |
| <b>At 31 March 2015</b>                | <b>-</b>   | <b>2,433</b>              | <b>245</b> | <b>4,756</b>            | <b>7,434</b>  |
| <b>Net book value at 31 March 2015</b> | <b>984</b>   | <b>2,718</b>              | <b>197</b> | <b>4,350</b>            | <b>8,249</b>  |
| <b>Net book value at 31 March 2014</b> | <b>-</b>   | <b>2,557</b>              | <b>261</b> | <b>3,536</b>            | <b>6,354</b>  |
| Asset financing:                       |  |                           |            |                         |               |
| On SoFP service concession arrangement | -  | 1,023                     | -          | -                       | 1,023         |
| <b>Cost or valuation</b>               |  |                           |            |                         |               |
| At 1 April 2013                        | -  | 2,615                     | 442        | 4,428                   | 7,485         |
| Additions                              | -  | 1,720                     | -          | 2,569                   | 4,289         |
| Disposals                              | -  | (69)                      | -          | -                       | (69)          |
| <b>At 31 March 2014</b>                | <b>-</b>   | <b>4,266</b>              | <b>442</b> | <b>6,997</b>            | <b>11,705</b> |
| <b>Depreciation</b>                    |  |                           |            |                         |               |
| At 1 April 2013                        | -  | 1,222                     | 117        | 2,618                   | 3,957         |
| Charge for the year                    | -  | 556                       | 64         | 843                     | 1,463         |
| Disposals                              | -  | (69)                      | -          | -                       | (69)          |
| <b>At 31 March 2014</b>                | <b>-</b>   | <b>1,709</b>              | <b>181</b> | <b>3,461</b>            | <b>5,351</b>  |
| <b>Net book value at 31 March 2014</b> | <b>-</b>   | <b>2,557</b>              | <b>261</b> | <b>3,536</b>            | <b>6,354</b>  |
| <b>Net book value at 31 March 2013</b> | <b>-</b>   | <b>1,393</b>              | <b>325</b> | <b>1,810</b>            | <b>3,528</b>  |
| Asset financing:                       |  |                           |            |                         |               |
| On SoFP service concession arrangement | -  | 1,239                     | -          | -                       | 1,239         |

## 8 Intangible assets

Intangible assets comprise of software development and licences

|   | Payments on<br>account &<br>assets under<br>construction | Information<br>technology | Total         |
|---|--|---------------------------|---------------|
|   | £'000  | £'000                     | £'000         |
| <b>Cost or valuation</b>                  |  |                           |               |
| At 1 April 2014                           | -  | 8,964                     | 8,964         |
| Additions                                 | 747  | 1,043                     | 1,790         |
| Disposals                                 | -  | (529)                     | (529)         |
| At 31 March 2015                          | <b>747</b>   | <b>9,478</b>              | <b>10,225</b> |
| <b>Amortisation</b>                       |  |                           |               |
| At 1 April 2014                           | -  | 2,401                     | 2,401         |
| Charge for the year                       | -  | 1,333                     | 1,333         |
| Disposals                                 | -  | (529)                     | (529)         |
| At 31 March 2015                          | -  | <b>3,205</b>              | <b>3,205</b>  |
| <b>Net book value at 31 March 2015</b>    | <b>747</b>   | <b>6,273</b>              | <b>7,020</b>  |
| <b>Net book value at 31 March 2014</b>    | -  | <b>6,563</b>              | <b>6,563</b>  |
| <b>Asset financing:</b>                   |  |                           |               |
| On SoFP service concession<br>arrangement | -  | 3,525                     | 3,525         |
| <b>Cost or valuation</b>                  |  |                           |               |
| At 1 April 2013                           | -  | 6,532                     | 6,532         |
| Additions                                 | -  | 2,864                     | 2,864         |
| Disposals                                 | -  | (432)                     | (432)         |
| At 31 March 2014                          | -  | <b>8,964</b>              | <b>8,964</b>  |
| <b>Amortisation</b>                       |  |                           |               |
| At 1 April 2013                           | -  | 1,833                     | 1,833         |
| Charge for the year                       | -  | 1,000                     | 1,000         |
| Disposals                                 | -  | (432)                     | (432)         |
| At 31 March 2014                          | -  | <b>2,401</b>              | <b>2,401</b>  |
| <b>Net book value at 31 March 2014</b>    | -  | <b>6,563</b>              | <b>6,563</b>  |
| <b>Net book value at 31 March 2013</b>    | -  | <b>4,699</b>              | <b>4,699</b>  |
| <b>Asset financing:</b>                   |  |                           |               |
| On SoFP service concession<br>arrangement | -  | 4,257                     | 4,257         |

## **9 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 generated by day-to-day operational activities. As a result the IPCC is exposed to little or no credit, liquidity, foreign currency or inflation risk.

## **10 Impairments**

The IPCC has no impairments in the period.

## **11 Inventories**

The IPCC has no inventories in the period.

## 12 Trade receivables, financial and other assets

| 12.1   | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|--|------------------------|------------------------|
| <b>Amounts falling due within one year:</b>            |                        |                        |
| Current part of service concession receivables         | 1,030                  | 695                    |
| Accrued income   | 77                     | 17                     |
| Trade receivables                                      | 46                     | 104                    |
| Other receivables                                      | 2                      | 5                      |
| Staff advances   | 68                     | 45                     |
| Prepayments  | 713                    | 655                    |
|  | <b>1,936</b>           | <b>1,521</b>           |
| <br>   |                        |                        |
| 12.2   | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
| <b>Amounts falling due after more than one year:</b>   |                        |                        |
| Non-current part of service concession receivables     | 975                    | 1,455                  |
|  | <b>975</b>             | <b>1,455</b>           |
| <br>   |                        |                        |
| <b>Total trade and other receivables</b>               | <b>2,911</b>           | <b>2,976</b>           |
| <br>   |                        |                        |
| 12.3   | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
| <b>Intra-government receivables</b>                    |                        |                        |
| Balances with central government bodies                | 124                    | 94                     |
| Balances with local authorities                        | 79                     | -                      |
| Sub total of intra-government balances                 | <b>203</b>             | <b>94</b>              |
| Balances with bodies external to government            | 1,733                  | 1,427                  |
| <b>Total</b>   | <b>1,936</b>           | <b>1,521</b>           |
| All intra government receivables are due with one year |                        |                        |

## 13 Cash and cash equivalents

|   | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|---|------------------------|------------------------|
| Opening balance                             | 4,229                  | 1,168                  |
| Net change in cash balances during the year | 2,594                  | 3,061                  |
| <b>Closing cash balance</b>                 | <b>6,823</b>           | <b>4,229</b>           |

Only cash is held and is available immediately from the Government Banking Service.

## 14 Trade payables and other current liabilities

| 14.1  | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|---|------------------------|------------------------|
| <b>Amount falling due within one year</b>   |                        |                        |
| VAT   | (163)                  | (141)                  |
| Other taxation and social security  | (1,284)                | (932)                  |
| Trade payables  | (126)                  | (10)                   |
| Other payables  | (13)                   | (14)                   |
| Accruals and deferred income  | (3,964)                | (2,209)                |
| Current part of service concession arrangement accruals for assets coming into use before payment | (632)                  | (622)                  |
| Current part of imputed finance lease element of service concession arrangement                   | (1,030)                | (695)                  |
|   | <b>(7,212)</b>         | <b>(4,623)</b>         |

| 14.2  | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|---|------------------------|------------------------|
| <b>Amounts falling due after more than one year</b>   |                        |                        |
| Other payables, accruals and deferred income  | (464)                  | (427)                  |
| Non-current part of service concession arrangement accruals for assets coming into use before payment | (598)                  | (1,301)                |
| Imputed finance lease element of service concession arrangement                                       | (975)                  | (1,455)                |
|   | <b>(2,037)</b>         | <b>(3,183)</b>         |

| 14.3  | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|---|------------------------|------------------------|
| <b>Intra government payables</b>                    |                        |                        |
| Balances with central government bodies             | (1,413)                | (788)                  |
| Balances with local authorities                     | -                      | (38)                   |
| Balances with trading funds and public corporations | (1)                    | (20)                   |
| HMRC in respect of taxation and social security     | (893)                  | (656)                  |
| <b>Sub total of intra-government balances</b>       | <b>(2,307)</b>         | <b>(1,502)</b>         |
| Balances with bodies external to government         | (4,905)                | (3,121)                |
| <b>Total</b>  | <b>(7,212)</b>         | <b>(4,623)</b>         |

All intra government payables are due within one year

#### 14.4

##### Other liabilities

IAS 19 requires the disclosure of employee benefits that 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 2014/15 to be staff benefits.

The average number of holidays accrued per person based on the number of staff at the end of March 2015 is four days (five days at March 2014).

|                | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|----------------|------------------------|------------------------|
| Staff benefits | (608)                  | (450)                  |
| <b>Total</b>   | <b>(608)</b>           | <b>(450)</b>           |

## 15 Provisions for liabilities and charges

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 £916,000 (£658,000 for 2013/14). 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, £340,000 (£317,000 for 2013/14) has been provided for current wear and tear obligations.

The early departure provision is the remaining balance of early departure costs of directors and other staff made redundant prior to 1 April 2015.

The early departure provision has been discounted at a rate of 1.3% (1.8% for 2013/14) set by HM Treasury.

**15 Provisions for liabilities and charges (continued)**

|  | Property<br>£'000 | Early departure<br>£'000 | Total<br>£'000 |
|--|-------------------|--------------------------|----------------|
| <b>Balance at 1 April 2014</b>           | <b>975</b>        | <b>196</b>               | <b>1,171</b>   |
| Provided in the year                     | 281               | 8                        | 289            |
| Provisions not required written back     | -                 | -                        | -              |
| Provisions utilised in the year          | -                 | (23)                     | (23)           |
| Change in discount rate                  | -                 | 2                        | 2              |
| Unwinding of discount                    | -                 | -                        | -              |
| <b>Increase/(decrease) in provisions</b> | <b>281</b>        | <b>(13)</b>              | <b>268</b>     |
| <b>Balance at 31 March 2015</b>          | <b>1,256</b>      | <b>183</b>               | <b>1,439</b>   |
| <b>Represented by:</b>                   |                   |                          |                |
| Non-current element of provision         | 1,126             | 134                      | <b>1,260</b>   |
| Current element of provision             | 130               | 49                       | <b>179</b>     |

**Analysis of expected timing of discounted flows:**

|   | Property<br>£'000 | Early departure<br>£'000 | Total<br>£'000 |
|---|-------------------|--------------------------|----------------|
| Not later than one year                           | 130               | 49                       | 179            |
| Later than one year and not later than five years | 1,006             | 134                      | 1,140          |
| Later than five years                             | 120               | -                        | 120            |
| <b>Balance at 31 March 2015</b>                   | <b>1,256</b>      | <b>183</b>               | <b>1,439</b>   |

|  | Property<br>£'000 | Early departure<br>£'000 | Total<br>£'000 |
|--|-------------------|--------------------------|----------------|
| <b>Balance at 1 April 2013</b>           | <b>500</b>        | <b>286</b>               | <b>786</b>     |
| Provided in the year                     | 475               | 32                       | 507            |
| Provisions not required written back     | -                 | -                        | -              |
| Provisions utilised in the year          | -                 | (125)                    | (125)          |
| Change in discount rate                  | -                 | 3                        | 3              |
| <b>Increase/(decrease) in provisions</b> | <b>475</b>        | <b>(90)</b>              | <b>385</b>     |
| <b>Balance at 31 March 2014</b>          | <b>975</b>        | <b>196</b>               | <b>1,171</b>   |
| <b>Represented by:</b>                   |                   |                          |                |
| Non-current element of provision         | 860               | 174                      | <b>1,034</b>   |
| Current element of provision             | 115               | 22                       | <b>137</b>     |

## 16 Capital commitments

As at 31 March 2015, the IPCC had no capital commitments (nil at 31 March 2014).

## 17 Commitments under leases

### 17.1 Operating leases

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

|  | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|--|------------------------|------------------------|
| <b>Obligations under operating leases comprise</b> |                        |                        |
| Buildings:   |                        |                        |
| Not later than one year                            | 1,967                  | 2,086                  |
| Later than one year and not later than five years  | 4,331                  | 4,922                  |
| Later than five years                              | -                      | 39                     |
|  | <b>6,298</b>           | <b>7,047</b>           |

As at 31 March 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                           | -        | 15        |
| Later than one year and not later than five years | -        | -         |
| Later than five years                             | -        | -         |
|   | <b>-</b> | <b>15</b> |

### 17.2 Finance leases

The IPCC had no finance leases in the period.

## 18 Commitments under 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 was novated to Sopra Steria Limited during 2014/15.

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, the first break point being December 2016 .

Our intention is to undertake a phased exit from the contract after January 2017. This will involve disaggregation of ICT services to other commercial providers, adjusting the technical architecture and security controls accordingly and transferring ICT assets and services to new providers. This will also enable us to align to the government digital strategy using increased cloud, open-source and agile development.

At the year-end date no firm decision had been taken to exercise the break and therefore the notes 12, 14 and 18 have been prepared on the same basis as last year.

Under the contract Sopra Steria Limited has an obligation to build and to maintain both tangible and intangible assets with an expected value at 31 March 2015 of £7.6 million (£7.1 million at 31 March 2014) for use by the IPCC as well as provide operating services over the life of the contract at an expected value at 31 March 2015 of £30.9 million (£30.9 million at 31 March 2014). Finance charges over the life of the contract are expected to be £0.7 million (£0.6 million at 31 March 2014).

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

The annual payments to be made by the 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 the IPCC and under IFRIC 12 the contract is a service concession arrangement with the IPCC as grantor and Sopra 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 statement of financial position 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 and the intangible assets elsewhere in these accounts (note 7/8)
- payments in advance of assets provided are shown in the trade receivables note elsewhere in these accounts (note 12)
- accruals for assets coming into use in advance of payment are shown in the trade payables note elsewhere in these accounts (note 14)
- assets yet to be provided are shown in the service concession receivables note elsewhere in these accounts (note 12)

This recognition of assets creates a corresponding financial obligation on the IPCC and the note below shows the obligations of the IPCC to pay for assets that 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 notes 4 and 5.

**18.1 On statement of financial position (SoFP)**

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

|   | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|---|------------------------|------------------------|
| Total obligations under on SoFP service concession arrangements for the following periods comprise: |                        |                        |
| Not later than one year   | 1,073                  | 744                    |
| Later than one year and not later than five years   | 1,010                  | 1,441                  |
| Later than five years   | -                      | 67                     |
|   | <b>2,083</b>           | <b>2,252</b>           |
| Less interest element   | (78)                   | (102)                  |
| <b>Total service concession SoFP obligations</b>  | <b>2,005</b>           | <b>2,150</b>           |

represented by:

|   |              |              |
|---|--------------|--------------|
| <b>Current</b> (included in trade and other receivables and payables)         | 1,030        | 695          |
| <b>Non-current</b> (included in other payables & trade and other receivables) | 975          | 1,455        |
| <b>Total service concession SoFP obligations</b>                              | <b>2,005</b> | <b>2,150</b> |

**18.2 Charged to statement of comprehensive net expenditure**

The total amount charged in the statement of comprehensive net expenditure for the service element of the on SoFP service concession arrangement was £3.2 million (2013/14 £4.6 million)

|  | 31 March 2015<br>£'000 | 31 March 2014<br>£'000 |
|--|------------------------|------------------------|
| The payments to which the IPCC is committed at 31 March 2015, analysed by the period during which the commitment expires, is as follows: |                        |                        |
| Not later than one year  | 3,272                  | 3,296                  |
| Later than one year and not later than five years  | 10,509                 | 11,782                 |
| Later than five years  | -                      | 1,924                  |
|  | <b>13,781</b>          | <b>17,002</b>          |

**19 Other financial commitments**

The IPCC has no other financial commitments.

## 20 Contingent liabilities disclosed under IAS 37

The IPCC has no contingent liabilities at the end of 2014/15. Full provision is made in the financial statements for all liabilities that are expected to materialise.

The early departure provisions in note 15 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.

## 21 Losses and special payments

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

## 22 Related-party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2015 the Home Office provided grant in aid, as disclosed in note 25. Government bodies are related parties. The income from these bodies is shown under Other Income at note 6. The amounts owed by these bodies to the IPCC are classified as trade receivables and amount to £124k (£94k at March 2014)

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 balances with other government bodies can be found in notes 12 and 14.

During the year ended 31 March 2015 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 that 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.

## 23 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 the IPCC does not have a beneficial interest in them. As at 31 March 2015 no monetary assets were held.

## 24 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.

In May 2015 the IPCC secured a non-cancellable operating lease for our new office in Croydon. This change to our buildings' leases will increase our lease commitments from April 2015 as follows:

|   |            |
|---|------------|
| <b>Obligations under operating leases:</b>        | £'000      |
| Not later than one year                           | 30         |
| Later than one year and not later than five years | 902        |
| Later than five years                             | 32         |
|   | <b>964</b> |

## 25 Grant in aid

The IPCC is funded by grant in aid received from the Home Office.

|                                  | 2014/15<br>£'000 | 2013/14<br>£'000 |
|----------------------------------|------------------|------------------|
| Received for revenue expenditure | 51,311           | 40,235           |
| Received for capital expenditure | 5,689            | 4,891            |
| <b>Total</b>                     | <b>57,000</b>    | <b>45,126</b>    |

## 26 Hillsborough

The Home Office has agreed to provide additional grant in aid when the IPCC incurs additional expenditure as a result of the investigation into the aftermath of the Hillsborough disaster. This funding is included in note 25 above.

This note shows the expenditure incurred during 2014/15 and 2013/14.

|                                  | 2014/15<br>£'000 | 2013/14<br>£'000 |
|----------------------------------|------------------|------------------|
| <b>Staff costs</b>               |                  |                  |
| Salaries and emoluments          | 4,715            | 2,710            |
| Social security cost             | 395              | 226              |
| Pension contributions            | 755              | 465              |
| Temporary staff                  | 664              | 348              |
| <b>Total staff costs</b>         | <b>6,529</b>     | <b>3,749</b>     |
| <b>Other expenditure</b>         |                  |                  |
| Accommodation rental             | 517              | 512              |
| Accommodation non-rental         | 498              | 515              |
| IT                               | 757              | 805              |
| Legal services                   | 240              | 132              |
| Other costs                      | 250              | 146              |
| Recruitment                      | 179              | 364              |
| Stationery                       | 48               | 39               |
| Training                         | 112              | 73               |
| Travel and subsistence           | 419              | 507              |
| <b>Total other expenditure</b>   | <b>3,020</b>     | <b>3,093</b>     |
| <b>Non cash</b>                  |                  |                  |
| Depreciation                     | 1,066            | 704              |
| Amortisation                     | -                | -                |
| <b>Total non cash</b>            | <b>1,066</b>     | <b>704</b>       |
| <b>Total revenue expenditure</b> | <b>10,615</b>    | <b>7,546</b>     |
| <b>Asset additions</b>           |                  |                  |
| Information technology           | 26               | 871              |
| Furniture and fittings           | 61               | 2509             |
| Intangible assets                | 20               | 591              |
| <b>Total capital expenditure</b> | <b>107</b>       | <b>3,971</b>     |

# Appendices

## Appendix 1 Our commissioners and senior staff

### Commissioners

The IPCC is currently overseen by a Commission that is made up of a part-time non-executive chair, ten commissioners with operational responsibilities and three part-time non-executive commissioners.

As the terms of two non-executive commissioners ended in May 2015, the Home Secretary appointed a new non-executive Commissioner in April 2015.

IPCC commissioners are public appointments, made in accordance with the Code of Practice issued by the Office of Commissioner for Public Appointments.

The appointment of the chair is made by HM Queen on the recommendation of the Home Secretary. The chair ensures effective management of the Commission's governance arrangements. She leads the Commission and oversees the work of the CEO, the deputy chairs and the non-executive commissioners.

The deputy chairs oversee the work of all commissioners with operational responsibilities.

In addition, two associate commissioners have full delegated commissioner responsibilities on specific cases. They report into the deputy chairs. They also carry out some delegated oversight and confidence work. They do not have any governance responsibilities.

During this reporting year, we conducted a review of the effectiveness of Commission and Committee meetings. As a result, Commission meetings are now bi-monthly and some Committees were disbanded. New Committees, membership and terms of reference have now been agreed. The current Committees of the Commission are as follows:

- Audit and Risk Committee
- People and Human Resources Committee (replaces the Remuneration Committee)
- Strategy and Impact Committee (replaces the Oversight and Confidence Committee)

The Change Programme Board was also disbanded and replaced by a Change Programme Implementation Board, which is chaired by the CEO and includes two commissioners.

The Valuing Diversity Group has been replaced by an Equality and Diversity Group, chaired by the CEO, with commissioner representation.

### Commissioner responsibilities in 2014/15

**Dame Anne Owers** was appointed chair of the IPCC in April 2012 for a five-year term. She is accountable to the Home Secretary for the leadership and performance of the IPCC. This is a non-executive and part-time position.

Lead organisational contact: Home Office and key external stakeholders.

Currently chair of the Strategy and Impact Committee.

During this reporting year, she also chaired:

- Valuing Diversity Group
- Deaths Review Committee (disbanded during this year)
- Oversight and Confidence Committee
- Change Programme Board (replaced by the Change Implementation Programme Board during the year)

### **Rachel Cerfontyne**

Rachel Cerfontyne was appointed deputy chair in August 2013 for a five-year term. Prior to this, she was an operational commissioner.

Joint lead for the Commission's statutory operational role and for the operational commissioners as they discharge their operational responsibilities.

Police force responsibilities: Thames Valley, Devon & Cornwall, and Civil Nuclear Constabulary. Also commissioner with oversight of the Hillsborough investigation, jointly with Commissioner James Dipple-Johnstone.

### **Sarah Green**

Sarah Green was appointed deputy chair in January 2014 for a five-year term. Prior to this, she was an operational commissioner.

Joint lead for the Commission's statutory operational role and for the operational Commissioners as they discharge their operational responsibilities.

Police force responsibilities: Metropolitan Police Service.

During this reporting year, she was a member of the Audit and Risk and Deaths Review Committees.

### **Cindy Butts**

Cindy Butts was appointed as operational commissioner on 3 December 2012 for an initial four-year term.

Police force responsibilities: Avon and Somerset, Dorset, Port of Bristol and MPS cases.

During this reporting year, Cindy also had responsibility for North Yorkshire, South Yorkshire,

West Yorkshire, Humberside, Durham, Northumbria and Cleveland.

Joint lead with Commissioner James Dipple-Johnstone on investigations into Police and Crime Commissioner (PCCs).

Currently a member of the People and Human Resources Committee and joint lead with Jennifer Izekor on the review of our Discrimination Guidelines.

During this reporting year she was also a member of the Oversight and Confidence Committee.

### **Derrick Campbell**

Derrick Campbell was appointed as operational commissioner on 7 January 2013 for an initial four-year term.

Police force responsibilities: West Midlands, West Mercia, Warwickshire, Leicestershire, Nottinghamshire, Northants, and Lincolnshire.

Currently a member of the Strategy and Impact Committee and joint lead (with Associate Commissioner Guido Liguori) on mental health.

During this reporting year, he was also a member of the Oversight and Confidence Committee.

### **Mary Cunneen**

Mary Cunneen was appointed as operational commissioner on 5 November 2012 for an initial four-year term.

Police force responsibilities: Essex, Bedfordshire, Hertfordshire, Cambridgeshire, Kent, MOD and Port of Tilbury.

During this reporting year, Mary also had responsibility for HMRC, the National Crime Agency (NCA), Norfolk, Suffolk and MPS cases.

Mary is currently a member of the Strategy and Impact Committee and commissioner lead on international work.

During this reporting year, she was also a member of the Deaths Review Committee.

### **James Dipple-Johnstone**

James Dipple-Johnstone was appointed as operational commissioner on 3 December 2012 for an initial four-year term.

Police force responsibilities: Greater Manchester, Merseyside, Cheshire and Port of Liverpool. He also shares commissioner oversight of the Hillsborough investigation with deputy chair Rachel Cerfontyne.

During this reporting year, James had force responsibility for: Cumbria, Derbyshire, Staffordshire and Lancashire.

Joint lead with Commissioner Cindy Butts on investigations into Police and Crime Commissioners (PCCs).

He is currently a member of the Strategy and Impact Committee. During this year, he was a member of the Oversight and Confidence Committee.

### **Carl Gumsley**

Carl Gumsley was appointed operational commissioner on 27 May 2014 for an initial four-year term.

Police force responsibilities: Durham, Northumbria, Cleveland, Lancashire, Cumbria, National Crime Agency (NCA), Her Majesty's Revenue and Customs (HMRC) and Port of Tees and Hartlepool. Currently a member of the People and Human Resources Committee and also the Commission lead on deaths in custody, body worn video and Commission liaison with the Chief Coroner's Office.

### **Jennifer Izekor**

Jennifer Izekor was appointed operational commissioner on 5 November 2012 for an initial four-year term.

Police force responsibilities: Surrey, Sussex, Hampshire, the Home Office, BTP, City of London and MPS cases.

She is the Commission lead on children and young people, stop and search (including Schedule 7) and is joint lead with Cindy Butts on the review of Discrimination Guidelines. She is also a commissioner representative on the Change Programme Implementation Board and the Equality and Diversity Group.

During this reporting year, she was a member of the Remuneration Committee.

### **Kathryn Stone OBE**

Kathryn Stone was appointed operational commissioner on 7 July 2014 for an initial four-year term.

Police force responsibilities: North Yorkshire, South Yorkshire, West Yorkshire, Humberside, Derbyshire, and Staffordshire.

She is currently a member of the Audit and Risk Committee.

### **Jan Williams OBE**

Jan Williams was appointed operational commissioner for Wales on 1 August 2013 for an initial four-year term.

Police force responsibilities: North Wales, Dyfed Powys, South Wales and Gwent.

Member of the Audit and Risk Committee and a commissioner representative on the Change Programme Implementation Board.

## Non-executive commissioners

Our part-time non-executive commissioners have particular responsibility for providing objective oversight and accountability for the IPCC. They all sit on the Audit and Risk Committee and on one or more of the Commission's other Committees. Non-executive commissioners do not have operational responsibilities. They report to the chair.

### David Bird

David Bird was appointed non-executive commissioner on 7 April 2014 for an initial four-year term. He took over as Chair of the Audit and Risk Committee in May 2015.

### Ruth Evans

Ruth Evans was re-appointed non-executive commissioner on 1 June 2012 for a three-year term. During the year under review, she was chair of the Remuneration Committee and a member of the Audit and Risk Committee, and then chaired the People and Human Resources Committee. Ruth Evans' term ended on 31 May 2015.

### Jonathan Tross

Jonathan Tross was appointed non-executive commissioner on 28 May 2012 for a three year term. During the reporting year, he was chair of the IPCC Audit and Risk Committee (until May 2015) and a member of the People and Human Resources Committee. During the year under review, he was also a member of the Remuneration Committee. Jonathan Tross' term ended on 27 May 2015.

### Sue Whelan-Tracy

Sue Whelan-Tracy was appointed non-executive commissioner on 7 April 2014 for an initial four-year term. She is currently a member of the Audit and Risk, People and Human Resources and Strategy and Impact Committees.

## Associate Commissioners

### Guido Liguori

Police force responsibilities: Gloucestershire and Wiltshire, and other cases at the request of the Deputy Chairs. Also supports Rachel Cerfontyne with Thames Valley Police, Cindy Butts with Avon and Somerset Police and Mary Cunneen with Bedfordshire Police, Hertfordshire Police and Cambridgeshire Police. Joint lead (with Derrick Campbell) on mental health.

### Tom Milsom

Police force responsibilities: Norfolk, Suffolk, and MPS cases. Other cases at the request of the Deputy Chairs. Also supports Rachel Cerfontyne with Devon and Cornwall cases.

Joint lead (with Carl Gumsley) on body worn video.

### New commissioners

In April 2015, Tim Robinson was appointed non-executive Commissioner. Tim will chair the People and Human Resources Committee and will be a member of the Audit and Risk Committee

## Executive team

The Commission is supported by the executive team, which is led by Chief Executive Officer (CEO) Lesley Longstone, who took up post on 9 September 2014. She is responsible for the smooth and efficient running of the IPCC, leading and developing the organisation and its staff. She is also responsible for advising the Commission on strategy and policy, and implementing their decisions. She acts as the IPCC's Accounting Officer and is accountable to the Home Office Principal Accounting Officer and to Parliament.

The CEO is supported by a Management Board comprising:

**Chief Operating Officer**

Nick Hawkins

**Director, Resources**

Kevin Woodrow

**Director, Strategy and Impact**

Kathie Cashell

**Director, Change**

Tim Bianek

**Head of Legal Services**

David Emery

**Commission Secretary**

Anna O'Rourke

## Appendix 2 About our staff

We monitor recruitment activity to ensure that equality of access and opportunity remains high. We continue to monitor the diversity of the organisation through both HR data and the experience of staff as described in the staff survey. The tables in this appendix reflect the make up of the organisation in the financial year under review.

These figures fluctuate, but are correct as of 31 March 2015.

## Ethnicity by grade end March 2015

| Ethnic origin                               | 5&6                        | 7&8                        | 9,10&11                     | 12 &13                      |  |
|---|----------------------------|----------------------------|-----------------------------|-----------------------------|--|
| Asian Bangladeshi                           | 4                          | 3                          | 2                           | 0                           |  |
| Asian Indian                                | 1                          | 5                          | 16                          | 5                           |  |
| Asian other                                 | 0                          | 0                          | 5                           | 0                           |  |
| Asian Pakistani                             | 0                          | 2                          | 10                          | 0                           |  |
| Black African                               | 1                          | 0                          | 3                           | 1                           |  |
| Black Caribbean                             | 0                          | 0                          | 4                           | 1                           |  |
| Black other                                 | 1                          | 0                          | 0                           | 1                           |  |
| Chinese or other Chinese ethnic background  | 0                          | 0                          | 2                           | 0                           |  |
| Mixed - White and Black African             | 0                          | 0                          | 1                           | 0                           |  |
| Mixed White and Black Caribbean             | 0                          | 0                          | 2                           | 1                           |  |
| Mixed White Asian                           | 1                          | 0                          | 0                           | 1                           |  |
| Other                                       | 0                          | 0                          | 0                           | 1                           |  |
| Other mixed background                      | 0                          | 1                          | 2                           | 2                           |  |
| <b>Total black and minority group</b>       | <b>8</b><br><b>17.02%</b>  | <b>11</b><br><b>17.74%</b> | <b>47</b><br><b>9.85%</b>   | <b>13</b><br><b>9.03%</b>   |  |
| Information refused                         | 0                          | 0                          | 1                           | 1                           |  |
| Not stated                                  | 3                          | 0                          | 3                           | 0                           |  |
| Undisclosed                                 | 0                          | 0                          | 4                           | 1                           |  |
| <b>Total unknown</b>                        | <b>3</b><br><b>6.38%</b>   | <b>0</b><br><b>0.00%</b>   | <b>8</b><br><b>1.68%</b>    | <b>2</b><br><b>1.39%</b>    |  |
| White                                       | 35                         | 46                         | 402                         | 125                         |  |
| White other                                 | 0                          | 2                          | 12                          | 2                           |  |
| White Irish                                 | 1                          | 3                          | 8                           | 2                           |  |
| <b>Total White/White Other</b>              | <b>36</b><br><b>76.60%</b> | <b>51</b><br><b>82.26%</b> | <b>422</b><br><b>88.47%</b> | <b>129</b><br><b>89.58%</b> |  |
| <b>Total</b>                                | <b>47</b>                  | <b>62</b>                  | <b>477</b>                  | <b>144</b>                  |  |
| Comparator figures for BME staff, Sept 2014 | 13.64%                     | 18.97%                     | 9.09%                       | 8.21%                       |  |

Includes commissioners, seconded in and seconded out (excludes temporary agency staff)

|  | 14&15                      | Total staff no.             | Commissioner              | Director                   | Total                       |
|--|----------------------------|-----------------------------|---------------------------|----------------------------|-----------------------------|
|  | 0                          | 9                           | 0                         | 0                          | 9                           |
|  | 1                          | 28                          | 0                         | 0                          | 28                          |
|  | 0                          | 5                           | 0                         | 0                          | 5                           |
|  | 1                          | 13                          | 0                         | 0                          | 13                          |
|  | 0                          | 5                           | 1                         | 0                          | 6                           |
|  | 0                          | 5                           | 1                         | 0                          | 6                           |
|  | 0                          | 2                           | 1                         | 0                          | 3                           |
|  | 0                          | 2                           | 0                         | 0                          | 2                           |
|  | 1                          | 2                           | 0                         | 0                          | 2                           |
|  | 0                          | 3                           | 0                         | 0                          | 3                           |
|  | 0                          | 2                           | 0                         | 0                          | 2                           |
|  | 0                          | 1                           | 0                         | 0                          | 1                           |
|  | 0                          | 5                           | 1                         | 0                          | 6                           |
|  | <b>3</b><br><b>5.77%</b>   | <b>82</b><br><b>10.49%</b>  | <b>4</b><br><b>26.67%</b> | <b>0</b><br><b>0.00%</b>   | <b>86</b><br><b>10.70%</b>  |
|  | 0                          | 2                           | 0                         | 0                          | 2                           |
|  | 0                          | 6                           | 0                         | 0                          | 6                           |
|  | 0                          | 5                           | 3                         | 0                          | 8                           |
|  | <b>0</b><br><b>0.00%</b>   | <b>13</b><br><b>1.66%</b>   | <b>3</b><br><b>20.00%</b> | <b>0</b><br><b>0.00%</b>   | <b>16</b><br><b>1.99%</b>   |
|  | 45                         | 653                         | 8                         | 7                          | 668                         |
|  | 2                          | 18                          | 0                         | 0                          | 18                          |
|  | 2                          | 16                          | 0                         | 0                          | 16                          |
|  | <b>49</b><br><b>94.23%</b> | <b>687</b><br><b>87.85%</b> | <b>8</b><br><b>53.33%</b> | <b>7</b><br><b>100.00%</b> | <b>702</b><br><b>87.31%</b> |
|  | <b>52</b>                  | <b>782</b>                  | <b>15</b>                 | <b>7</b>                   | <b>804</b>                  |
|  | 4.44%                      | 9.78%                       | 26.67%                    | 0.00%                      | 10.06%                      |

## Ethnicity by directorate end March 2015

| Ethnic Origin                               | Business Services |                | Casework and Customer Services |                | Commission and CEO |                | Change       |                |  |
|---|-------------------|----------------|--------------------------------|----------------|--------------------|----------------|--------------|----------------|--|
|   | Staff number      | Staff number % | Staff number                   | Staff number % | Staff number       | Staff number % | Staff number | Staff number % |  |
| Black and Minority Group                    | 18                | 14.63%         | 26                             | 17.45%         | 6                  | 17.14%         | 1            | 25.00%         |  |
| Unknown                                     | 1                 | 0.81%          | 1                              | 0.67%          | 4                  | 11.43%         | 0            | 0.00%          |  |
| Undefined                                   | 0                 | 0.00%          | 1                              | 0.67%          | 0                  | 0.00%          | 0            | 0.00%          |  |
| White/White Other/White Irish               | 104               | 84.55%         | 121                            | 81.21%         | 25                 | 71.43%         | 3            | 75.00%         |  |
| <b>Total</b>                                | <b>123</b>        | <b>100.00%</b> | <b>149</b>                     | <b>100.00%</b> | <b>35</b>          | <b>100.00%</b> | <b>4</b>     | <b>100.00%</b> |  |
| Comparator figures for BME staff, Sept 2014 | 15.13%            |                | 11.76%                         |                | 17.14%             |                | 0%           |                |  |

## Ethnicity by location end March 2015

| Ethnic origin  | Birmingham   |                | Cardiff      |                | Home         |                | London       |                |  |
|--|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--|
|  | Staff number | Staff number % |  |
| Black and Minority Group   | 30           | 22.22%         | 4            | 4.82%          | 3            | 16.67%         | 35           | 15.35%         |  |
| Unknown  | 1            | 0.74%          | 1            | 1.20%          | 0            | 0.00%          | 6            | 2.63%          |  |
| Undefined  | 1            | 0.74%          | 0            | 0.00%          | 0            | 0.00%          | 0            | 0.00%          |  |
| White/White other/White Irish                                      | 103          | 76.30%         | 78           | 93.98%         | 15           | 83.33%         | 187          | 82.02%         |  |
| <b>Total</b>   | <b>135</b>   | <b>100.00%</b> | <b>83</b>    | <b>100.00%</b> | <b>18</b>    | <b>100.00%</b> | <b>228</b>   | <b>100.00%</b> |  |
| BME age 16-64 comparator figures for office catchment are from ONS | 15%          |                | 5%           |                | n/a          |                | 21%          |                |  |

Includes commissioners, seconded in and seconded out (excludes temporary agency staff)

| Hillsborough |                | Investigation |                | Standards and Quality |                | Total staff no. |                |
|--------------|----------------|---------------|----------------|-----------------------|----------------|-----------------|----------------|
| Staff number | Staff number % | Staff number  | Staff number % | Staff number          | Staff number % | Staff number    | Staff number % |
| 3            | 2.17%          | 31            | 9.31%          | 1                     | 4.55%          | 86              | 10.70%         |
| 5            | 3.62%          | 4             | 1.20%          | 0                     | 0.00%          | 15              | 1.87%          |
| 0            | 0.00%          | 0             | 0.00%          | 0                     | 0.00%          | 1               | 0.12%          |
| 130          | 94.20%         | 298           | 89.49%         | 21                    | 95.45%         | 702             | 87.31%         |
| 138          | 100.00%        | 333           | 100.00%        | 22                    | 100.00%        | 804             | 100.00%        |
| 1.85%        |                | 10.04%        |                | 4.76%                 |                | 10.06%          |                |

| Sale         |                | Wakefield    |                | Warrington   |                | Total        |                |
|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| Staff number | Staff number % |
| 9            | 7.14%          | 2            | 3.08%          | 3            | 2.01%          | 86           | 10.70%         |
| 1            | 0.79%          | 1            | 1.54%          | 5            | 3.36%          | 15           | 1.87%          |
| 0            | 0.00%          | 0            | 0.00%          | 0            | 0.00%          | 1            | 0.12%          |
| 116          | 92.06%         | 62           | 95.38%         | 141          | 94.63%         | 702          | 87.31%         |
| 126          | 100.00%        | 65           | 100.00%        | 149          | 100.00%        | 804          | 100.00%        |
| 10%          |                | 11%          |                | 10%          |                | 14%          |                |

## Age by grade

| Age category | 5&6          |                | 7&8          |                | 9,10&11      |                | 12&13        |                |  |
|--------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--|
|              | Staff number | Staff number % |  |
| 16 to 19     | 0            | 0.00%          | 0            | 0.00%          | 0            | 0.00%          | 0            | 0.00%          |  |
| 20 to 24     | 2            | 4.26%          | 4            | 6.45%          | 18           | 3.77%          | 0            | 0.00%          |  |
| 25 to 29     | 10           | 21.28%         | 17           | 27.42%         | 93           | 19.50%         | 3            | 2.08%          |  |
| 30 to 34     | 12           | 25.53%         | 18           | 29.03%         | 117          | 24.53%         | 29           | 20.14%         |  |
| 35 to 39     | 8            | 17.02%         | 4            | 6.45%          | 80           | 16.77%         | 38           | 26.39%         |  |
| 40 to 44     | 2            | 4.26%          | 2            | 3.23%          | 53           | 11.11%         | 14           | 9.72%          |  |
| 45 to 49     | 3            | 6.38%          | 8            | 12.90%         | 34           | 7.13%          | 22           | 15.28%         |  |
| 50 to 54     | 6            | 12.77%         | 6            | 9.68%          | 40           | 8.39%          | 23           | 15.97%         |  |
| 55 to 59     | 2            | 4.26%          | 2            | 3.23%          | 28           | 5.87%          | 11           | 7.64%          |  |
| 60 to 64     | 1            | 2.13%          | 0            | 0.00%          | 12           | 2.52%          | 3            | 2.08%          |  |
| Over 65      | 1            | 2.13%          | 1            | 1.61%          | 2            | 0.42%          | 1            | 0.69%          |  |
| <b>Total</b> | <b>47</b>    | <b>100.00%</b> | <b>62</b>    | <b>100.00%</b> | <b>477</b>   | <b>100.00%</b> | <b>144</b>   | <b>100.00%</b> |  |

| 14&15        |                | Total staff no. |                | Commissioner |                | Director     |                | Total no.    |         |
|--------------|----------------|-----------------|----------------|--------------|----------------|--------------|----------------|--------------|---------|
| Staff number | Staff number % | Staff number    | Staff number % | Staff number | Staff number % | Staff number | Staff number % | Staff number | Staff % |
| 0            | 0.00%          | 0               | 0.00%          | 0            | 0.00%          | 0            | 0.00%          | 0            | 0.00%   |
| 0            | 0.00%          | 24              | 3.07%          | 0            | 0.00%          | 0            | 0.00%          | 24           | 2.99%   |
| 0            | 0.00%          | 123             | 15.73%         | 0            | 0.00%          | 0            | 0.00%          | 123          | 15.30%  |
| 3            | 5.77%          | 179             | 22.89%         | 0            | 0.00%          | 0            | 0.00%          | 179          | 22.26%  |
| 12           | 23.08%         | 142             | 18.16%         | 0            | 0.00%          | 1            | 14.29%         | 143          | 17.79%  |
| 4            | 7.69%          | 75              | 9.59%          | 2            | 13.33%         | 0            | 0.00%          | 77           | 9.58%   |
| 9            | 17.31%         | 76              | 9.72%          | 3            | 20.00%         | 1            | 14.29%         | 80           | 9.95%   |
| 11           | 21.15%         | 86              | 11.00%         | 5            | 33.33%         | 3            | 42.86%         | 94           | 11.69%  |
| 8            | 15.38%         | 51              | 6.52%          | 2            | 13.33%         | 1            | 14.29%         | 54           | 6.72%   |
| 4            | 7.69%          | 20              | 2.56%          | 1            | 6.67%          | 1            | 14.29%         | 22           | 2.74%   |
| 1            | 1.92%          | 6               | 0.77%          | 2            | 13.33%         | 0            | 0.00%          | 8            | 1.00%   |
| 52           | 100.00%        | 782             | 100.00%        | 15           | 100.00%        | 7            | 100.00%        | 804          | 100.00% |

## Age by directorate

| Age Category | Business Services |                | Casework and Customer Services |                | Commission and CEO |                | Change       |                |  |
|--------------|-------------------|----------------|--------------------------------|----------------|--------------------|----------------|--------------|----------------|--|
|              | Staff number      | Staff number % | Staff number                   | Staff number % | Staff number       | Staff number % | Staff number | Staff number % |  |
| 20 to 24     | 1                 | 0.81%          | 4                              | 2.68%          | 1                  | 2.86%          | 1            | 25.00%         |  |
| 25 to 29     | 8                 | 6.50%          | 25                             | 16.78%         | 4                  | 11.43%         | 0            | 0.00%          |  |
| 30 to 34     | 33                | 26.83%         | 38                             | 25.50%         | 3                  | 8.57%          | 1            | 25.00%         |  |
| 35 to 39     | 33                | 26.83%         | 34                             | 22.82%         | 2                  | 5.71%          | 1            | 25.00%         |  |
| 40 to 44     | 9                 | 7.32%          | 16                             | 10.74%         | 4                  | 11.43%         | 0            | 0.00%          |  |
| 45 to 49     | 16                | 13.01%         | 12                             | 8.05%          | 6                  | 17.14%         | 1            | 25.00%         |  |
| 50 to 54     | 14                | 11.38%         | 7                              | 4.70%          | 8                  | 22.86%         | 0            | 0.00%          |  |
| 55 to 59     | 6                 | 4.88%          | 6                              | 4.03%          | 3                  | 8.57%          | 0            | 0.00%          |  |
| 60 to 64     | 2                 | 1.63%          | 4                              | 2.68%          | 2                  | 5.71%          | 0            | 0.00%          |  |
| Over 65      | 1                 | 0.81%          | 3                              | 2.01%          | 2                  | 5.71%          | 0            | 0.00%          |  |
| <b>Total</b> | <b>123</b>        | <b>100.00%</b> | <b>149</b>                     | <b>100.00%</b> | <b>35</b>          | <b>100.00%</b> | <b>4</b>     | <b>100.00%</b> |  |

|  | Hillsborough |                | Investigation |                | Standards and Quality |                | Total staff no. |                |
|--|--------------|----------------|---------------|----------------|-----------------------|----------------|-----------------|----------------|
|  | Staff number | Staff number % | Staff number  | Staff number % | Staff number          | Staff number % | Staff number    | Staff number % |
|  | 5            | 3.62%          | 12            | 3.60%          | 0                     | 0.00%          | 24              | 2.99%          |
|  | 21           | 15.22%         | 63            | 18.92%         | 2                     | 9.09%          | 123             | 15.30%         |
|  | 23           | 16.67%         | 77            | 23.12%         | 4                     | 18.18%         | 179             | 22.26%         |
|  | 12           | 8.70%          | 53            | 15.92%         | 8                     | 36.36%         | 143             | 17.79%         |
|  | 17           | 12.32%         | 27            | 8.11%          | 4                     | 18.18%         | 77              | 9.58%          |
|  | 15           | 10.87%         | 26            | 7.81%          | 4                     | 18.18%         | 80              | 9.95%          |
|  | 28           | 20.29%         | 37            | 11.11%         | 0                     | 0.00%          | 94              | 11.69%         |
|  | 12           | 8.70%          | 27            | 8.11%          | 0                     | 0.00%          | 54              | 6.72%          |
|  | 4            | 2.90%          | 10            | 3.00%          | 0                     | 0.00%          | 22              | 2.74%          |
|  | 1            | 0.72%          | 1             | 0.30%          | 0                     | 0.00%          | 8               | 1.00%          |
|  | 138          | 100.00%        | 333           | 100.00%        | 22                    | 100.00%        | 804             | 100.00%        |

## Performance management - formal disciplinary, grievance and capability cases managed between 1 April 2014 - 31 March 2015

|                               | Disciplinary |             | Grievance |             | Capability |             |
|-------------------------------|--------------|-------------|-----------|-------------|------------|-------------|
|                               | Number       | % of total  | Number    | % of total  | Number     | % of total  |
| <b>White/<br/>White other</b> | 12           | 80.0%       | 8         | 88.9%       | 2          | 100%        |
| <b>Asian other</b>            | 3            | 20.0%       | 1         | 11.1%       | 0          | 0%          |
| <b>Total</b>                  | <b>15</b>    | <b>100%</b> | <b>9</b>  | <b>100%</b> | <b>2</b>   | <b>100%</b> |
|                               |              |             |           |             |            |             |
| <b>Male</b>                   | 10           | 66.7%       | 6         | 66.7%       | 0          | 0%          |
| <b>Female</b>                 | 5            | 33.3%       | 3         | 33.3%       | 2          | 100%        |
| <b>Total</b>                  | <b>15</b>    | <b>100%</b> | <b>9</b>  | <b>100%</b> | <b>2</b>   | <b>100%</b> |

## Our staff by career background and role 31 March 2015

| Job title                                   | Total staff | Ex-police officer no. | %             | Ex-police civilian | %             |
|---|-------------|-----------------------|---------------|--------------------|---------------|
| Investigator                                | 253         | 57*                   | 22.53%        | 45                 | 17.79%        |
| Deputy Senior Investigator                  | 36          | 10                    | 27.78%        | 2                  | 5.56%         |
| Operations Managers/<br>Senior Investigator | 17          | 8**                   | 47.06%        | 1                  | 5.88%         |
| Other                                       | 498         | 32***                 | 6.43%         | 54                 | 10.84%        |
| <b>Total staff</b>                          | <b>804</b>  | <b>107</b>            | <b>13.31%</b> | <b>102</b>         | <b>12.69%</b> |

'Investigator' includes Trainee Investigator, Investigator and Lead Investigator  
Includes commissioners and seconded in (excludes temporary agency staff)

\*Ten investigators previously worked as both a police officer and a police civilian

\*\* One Operations Manager previously worked as both a police officer and a police civilian

\*\*\* Four 'other' staff previously worked as both a police officer and a police civilian

## Our staff by career background and directorate - 31 March 2015

| Directorate                    | Total staff | Ex-police officer no. | %             | Ex-police civilian | %             |
|--------------------------------|-------------|-----------------------|---------------|--------------------|---------------|
| Business Services              | 123         | 0                     | 0.00%         | 8                  | 6.50%         |
| Casework and Customer Services | 149         | 4                     | 2.68%         | 7                  | 4.70%         |
| CEO & Commission               | 35          | 0                     | 0.00%         | 1                  | 2.86%         |
| Change                         | 4           | 0                     | 0.00%         | 0                  | 0.00%         |
| Hillsborough                   | 138         | 35*                   | 25.36%        | 25                 | 18.12%        |
| Investigations                 | 333         | 67**                  | 20.42%        | 59                 | 17.72%        |
| Standards and Quality          | 22          | 1                     | 4.55%         | 2                  | 9.09%         |
| <b>Total staff</b>             | <b>804</b>  | <b>107</b>            | <b>13.31%</b> | <b>102</b>         | <b>12.69%</b> |

\*Two Hillsborough staff previously worked as both a police officer and a police civilian

\*\*13 Investigations staff previously worked as both a police officer and a police civilian

Includes commissioners and seconded in

## Leavers by grade - 1 April 2014 - 31 March 2015

| Ethnic origin   | 5&6           |                | 7&8           |                | 9,10&11       |                | 12&13         |                |  |
|-----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|--|
|                 | Leaver number | Leaver %       |  |
| Asian Pakistani | 0             | 0.00%          | 0             | 0.00%          | 1             | 3.85%          | 0             | 0.00%          |  |
| Black other     | 0             | 0.00%          | 0             | 0.00%          | 1             | 3.85%          | 0             | 0.00%          |  |
| White Irish     | 1             | 33.33%         | 0             | 0.00%          | 0             | 0.00%          | 1             | 11.11%         |  |
| Not stated      | 0             | 0.00%          | 0             | 0.00%          | 2             | 0.00%          | 0             | 0.00%          |  |
| White           | 2             | 66.67%         | 1             | 100.00%        | 21            | 80.77%         | 7             | 77.78%         |  |
| White other     | 0             | 0.00%          | 0             | 0.00%          | 1             | 3.85%          | 1             | 11.11%         |  |
| <b>Total</b>    | <b>47</b>     | <b>100.00%</b> | <b>62</b>     | <b>100.00%</b> | <b>477</b>    | <b>100.00%</b> | <b>144</b>    | <b>100.00%</b> |  |

Excludes temporary agency workers

| 14&15         |                | Total staff no. |                | Commissioner  |              | Director      |                | Total no.     |                |
|---------------|----------------|-----------------|----------------|---------------|--------------|---------------|----------------|---------------|----------------|
| Leaver number | Leaver %       | Leaver number   | Leaver %       | Leaver number | Leaver %     | Leaver number | Leaver %       | Leaver number | Leaver %       |
| 0             | 0.00%          | 1               | 2.38%          | 0             | 0.00%        | 0             | 0.00%          | 1             | 2.33%          |
| 0             | 0.00%          | 1               | 2.38%          | 0             | 0.00%        | 0             | 0.00%          | 1             | 2.33%          |
| 0             | 0.00%          | 2               | 4.76%          | 0             | 0.00%        | 0             | 0.00%          | 2             | 4.65%          |
| 0             | 0.00%          | 2               | 0.00%          | 0             | 0.00%        | 0             | 0.00%          | 2             | 4.65%          |
| 2             | 66.67%         | 33              | 78.57%         | 0             | 0.00%        | 1             | 100.00%        | 34            | 79.07%         |
| 1             | 33.33%         | 3               | 7.14%          | 0             | 0.00%        | 0             | 0.00%          | 3             | 6.98%          |
| <b>3</b>      | <b>100.00%</b> | <b>42</b>       | <b>100.00%</b> | <b>0</b>      | <b>0.00%</b> | <b>1</b>      | <b>100.00%</b> | <b>43</b>     | <b>100.00%</b> |

## Appendix 3 Sustainability reporting

The information included in this section explains the IPCC's current impact on the environment in terms of greenhouse gas emissions, waste minimisation and management, water consumption and sustainable procurement.

This meets the requirements of 'HM Treasury Guidance 2014-15 Sustainability Reporting in the Public Sector'. There is no biodiversity action plan as this does not apply to the IPCC's functions.

### Our sustainability performance in 2014/15

The key performance indicators are set out in the table below, compared with results for the previous two financial years where these figures are available. During this reporting period we have moved towards full occupancy in our Warrington office and have opened our new Birmingham office, which has a net internal area of 1,647 m<sup>2</sup>. We have also increased the footprint of our Wakefield office by 219 m<sup>2</sup>.

It should be noted that for waste we are only able to report the cost of recycled waste. Over the course of 2014/15 we have worked to improve our waste figures and lower the percentage of waste sent to landfill.

For the water figures, no consumption or costs are available for our London office. All the figures below were calculated using the recommended conversion factors provided by the Department for the Environment, Food and Rural Affairs, as set out in its Environmental Reporting Guidelines. Where improved information is now available for previous reporting periods, we have amended the data to reflect this.

| Greenhouse gas emissions*              |                              | 2012/13 | 2013/14   | 2014/15   |
|--|------------------------------|---------|-----------|-----------|
| <b>Non-financial indicators (tCo2)</b> | Gross emissions scope 1      | 91.58   | 114.21    | 164.67    |
|  | Gross emissions scope 2      | 308.32  | 345.62    | 533.93    |
|  | Gross emissions scope 3      | 37.66   | 57.59     | 65.15     |
|  | Total emissions              | 437.56  | 517.42    | 763.75    |
| <b>Non-financial indicators (kg)</b>   | Total waste                  | 20,647  | 44,296.   | 54,204.33 |
|  | Sent to landfill             | 10,199  | 2,197.    | 7,831.50  |
|  | Recycling                    | 10,448  | 25,978.   | 32,340.83 |
|  | Incineration                 | 0       | 14,032.00 | 14,032.00 |
|  | Incineration energy recovery | 0       | 0         | 0         |
| <b>Non-financial indicators (m3)</b>   | Water consumption            | 1,564   | 1,750     | 1,420     |

| Greenhouse gas emissions*              |   | 2012/13  | 2013/14  | 2014/15    |
|--|---|----------|----------|------------|
| <b>Non-financial indicators (tCo2)</b> | Expenditure on energy purchased, including travel | £652,385 | £887,239 | £1,026,773 |
|  | Expenditure on waste disposal, including:         | n/a      | n/a      | n/a        |
|  | Sent to landfill                                  | n/a      | n/a      | n/a        |
|  | Recycling   | £12,000  | £10,178  | £12,013    |
|  | Incineration                                      | 0        | 0        | 0          |
|  | Expenditure on water consumption                  | £5,000   | £12,934  | £5,782     |
| <b>Paper purchased</b>                 |   |          |          |            |
|  | A4 (boxes)  | n/a      | 1,391    | 1,668      |
|  | A3 (boxes)  | n/a      | 16       | 27         |

\*Scope 1 emissions are from sources owned or controlled by the organisation, such as vehicles and boilers. Scope 2 emissions are from energy consumed by the organisation, but purchased from external suppliers, such as electricity.

Scope 3 emissions relate to official business travel, but exclude international rail and air travel.

Our estate has continued to grow and full-time employees have increased by 345 from the end of reporting period 2013/14 to the end of 2014/15. Because of this, it is not possible to compare these figures on a like-for-like basis. However, over the course of this expansion the amount of Co2 generated per employee has dropped by 40kg for scope 2 emissions.

## Sustainable procurement

The IPCC uses several Government Procurement Service (GPS) framework contracts. The GPS is committed to sustainable procurement and supports the Greening Government Commitments (GGC). Where we issue tenders for our own requirements, we consider sustainability issues at the outset of the procurement project and, where appropriate, include these in documentation and evaluation.

### Action taken during 2014/15 to improve the IPCC's sustainability performance

We have taken a number of actions during the year to improve our sustainability performance:

- Replaced the existing lighting system in our Birmingham office with LEDs, which are up to ten times more energy efficient.
- Reduced consumption of power through: the use of timers on high wattage electrical items; replacing lamps with low power LED devices (where economically viable) and encouraging staff to switch off appliances when not in use.
- Aligned our operating temperatures to fall within best practice. Where building management systems allow, our space is heated at 19C and cooled at 24C.
- Implemented an optimal core hours window for heating and cooling our estate. Where building management systems allow, our plant turns on at 0800 and off at 1800 and is not on at weekends or bank holidays.
- Continued to encourage staff to recycle as much as possible. We have increased availability of recycle bins and have raised the frequency of collections in some offices. We have also reviewed waste contracts in several offices.
- Expanded our suite of video conferencing units and increased the number of locations we can have connected to a call. This supports our

efforts to make video conferencing a viable alternative to travel.

Our fleet vehicles contribute to our greenhouse gas emissions. To minimise the impact of this our fleet consists of Vauxhall Corsa 1.3 cdtri ecoflex vehicles, which can achieve up to 85.6mpg combined and produce Co2 88g/km. The nature of our investigative work means that there is rarely an alternative to using a vehicle. However, travel connected to administrative activities is done using rail and other public transport wherever possible.

### Our future strategy

We are committed to reducing our impact on the environment in line with the GGC and will continue in our efforts to limit our greenhouse gas emissions. We will consider this in all areas of our work.

We will continue work to improve the accuracy of our data and, in particular, our waste figures, we will also engage with relevant parties to improve our gas reporting. We have reviewed all of our waste collection contracts and appointed new waste collection services in our Sale and Wakefield offices, which will further reduce the amount of waste we send to landfill. We are looking into moving to energy recovery incineration for our London office with the building's managing agents.

We consider keeping in line with the GGC and reporting to the levels set by HM Treasury Guidance one of our sustainability key performance indicators. Because our estate will be expanding further in 2015/16, like-for-like data analysis will not be possible. Therefore we will also aim to keep our Co2 generated per employee at its current level or reduce it.



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