

Title: Policing and Crime Bill – Reform of the Discipline System IA No: HO0228 Lead department or agency: Home Office Other departments or agencies: N/A	Impact Assessment (IA)				
	Date: 29/01/2015				
	Stage: Final				
	Source of intervention: Domestic				
	Type of measure: Primary legislation				
	Contact for enquiries: Police Discipline-Police Integrity and Powers Unit (PIPU) Police.discipline@homeoffice.gsi.gov.uk				
Summary: Intervention and Options					RPC Opinion: N/A

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of Business Impact Target?	Measure qualifies as
-£0.04m	£0	£0	No	NA

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

During the last Parliament, a number of high-profile incidents involving police officers dented public confidence. Although these were triggered by a very small number of cases, there was a clear impact on public trust in the police. The previous Government introduced significant reforms to improving police integrity and public confidence through greater accountability and transparency following the 2014 comprehensive review of the policing discipline system by Major-General Chip Chapman. These proposed measures build on the many changes already introduced to implement the review’s recommendations and continue the process of increasing public confidence in the police complaints and discipline system.

What are the policy objectives and the intended effects?

The proposed changes as part of this Bill represent a major overhaul of the disciplinary system which will **increase accountability, transparency and independence** within the system. Together with the wider reforms to policing, this will deliver **greater public confidence** in the systems that hold the police to account. The reforms we are introducing will help to ensure that police honesty and integrity are protected, and corruption and misconduct rooted out.

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

Option 0 (do nothing)

Option 1: Implement proposed reforms to disciplinary system, including:

(i) **Extension of disciplinary powers to former officers** – allowing disciplinary proceedings to continue after an officer has left a force;

(ii) **List of persons struck off from policing and law enforcement activity**- creating a list of people barred from serving with the police and law enforcement bodies;

(iii) **Police (Discipline) Appeals Tribunals:** (a) changing the composition of the appeal panel; and (b) introducing changes to who appoints Police Appeals Tribunals to increase flexibility and enable collaboration;

(iv) **IPCC Disciplinary Powers:** (a) Giving the IPCC the decision making power for Misconduct Case to answer decisions; and (b) requiring the IPCC to undertake all Chief Officer investigations;

(v) **Power for the College of Policing to issue guidance on police discipline.**

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: -					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 No	Small No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A		Non-traded: N/A

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs

Signed by the responsible Minister: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description: Implement proposed reforms to the police disciplinary system, including extending the regulations to cover former officers, the creation of a 'struck off' list, reforms to the Police (Discipline) Appeals Tribunal, changing the role of the IPCC in relation to police discipline and enabling the College of Policing to issue disciplinary guidance.

FULL ECONOMIC ASSESSMENT

Price Base Year 15/16	PV Base Year 2015	Time Period Years 10 (17/18 start)	Net Benefit (Present Value (PV)) (£m)		
			Low: -0.04*	High: -0.04*	Best Estimate: -0.04
COSTS (£m)		Total Transition (Constant Price)	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low		1	1.0	7.9	
High			5.3	42.2	
Best Estimate	0.04		5.1	42.6	
Description and scale of key monetised costs by 'main affected groups'					
<ul style="list-style-type: none"> Cost to police officers who resign/retire of lost wages, £4.63m per year (best estimate), £0.52m per year (low estimate), £4.84m per year (high estimate). Cost to the IPCC of dealing with Chief Officer investigations, estimated to be £420k per year. Cost to the College of Policing who will now need to produce guidance on police discipline, estimated to be £80k in the first year and then £40k each subsequent year. 					
Other key non-monetised costs by 'main affected groups'					
<ul style="list-style-type: none"> Officers who choose to resign/retire are no longer productive however, most officers under investigation are placed on restricted/suspended duties, so the additional loss of productivity is likely to be small. Additional travel costs to officers for appeal proceedings which are now held regionally. There will be familiarisation costs to all parties involved in the disciplinary process, including IPCC, police officers and staff and Professional Standards Departments in each force. Cost to College of Policing of maintaining a database of struck-off police officers accessible to all forces. 					
BENEFITS (£m)		Total Transition (Constant Price)	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low		NK	1.0	7.9	
High			5.3	42.2	
Best Estimate			5.1	42.6	
Description and scale of key monetised benefits by 'main affected groups'					
<ul style="list-style-type: none"> Police forces will no longer need to pay the salary of all officers under investigation as they can now choose to resign or retire, resulting in savings of £4.63m per year (best estimate), £0.52m per year (low estimate), £4.84m per year (high estimate). Savings to PCCs who currently carry out Chief Officer investigations, estimated to be £420k per year. Savings to the Home Office who will no longer need to produce guidance on police discipline, estimated to be £40k per year. 					
Other key non-monetised benefits by 'main affected groups'					
<ul style="list-style-type: none"> Benefit to police forces by ensuring that those who have been dismissed for serious misconduct are not able to enter another police force. Benefit to society of reduced malpractice given that officers dismissed for serious misconduct face more extreme punishment and are therefore less likely to engage in misconduct. Introduction of lay members into the police appeals panel should improve impartiality and public confidence in the appeals process. Increased independence of hearings as the IPCC are now able to present their own investigations. 					
Key assumptions/sensitivities/risks				Discount rate	3.5%
<ul style="list-style-type: none"> We assume throughout that levels of misconduct by police officers will remain constant. We took advice from the Police Superintendents Association for England and Wales that the number of officers who will choose to resign once under investigation will be similar to previous years, even though the investigation will now continue in spite of their resignation. This leads to significant variations in the magnitude of the costs and benefits. 					

BUSINESS ASSESSMENT

Direct impact on business (Equivalent Annual) £m:			In scope of BIT?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	NA
* This represents the highest and lowest NPV that are feasible in practice based on our estimates. It would not make sense for example to pair the high estimate of benefit to forces from officer resignation with the low estimate of cost to officers from their resignation.				

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Evidence Base (for summary sheets)

A. Strategic Overview

A.1 Background

In the last Parliament, the Coalition Government set out its approach to reforming the police disciplinary system with the aim of improving police integrity. Following the review of the police disciplinary system, by Major General (Retd.) Chip Chapman, the Government published the report and recommendations intended to make the disciplinary system clearer, more independent and public-focused. The Chapman Review was conducted over the summer of 2014¹.

The Government set out its response to the *Improving Police Integrity* consultation in March 2015. A number of reforms have already been introduced, including the introduction of disciplinary hearings in public for the first time and (from January 2016) the introduction of independent legally-qualified chairs for misconduct hearings. These reforms have begun to improve the public accountability and transparency of the police disciplinary system.

The commitment to improving police integrity was reaffirmed in the Queen's Speech at the start of this Parliament. The Home Secretary is introducing legislation in the Policing and Crime Bill to implement the reforms which require primary legislation. Further reforms will be introduced in Regulations following Royal Assent of the Bill.

Alongside the Government response to the *Improving Integrity* consultation, the government published a full impact assessment of the recommendations which included reforms via primary and secondary legislation. This impact assessment focuses on the provisions included within the Policing and Crime Bill. A further IA will accompany the Regulations.

A.2 Groups Affected

- Police Forces in England and Wales
- Members of police forces
- Independent Police Complaints Commission (IPCC)
- College of Policing

A.3 Consultation

Within Government

Policy officials in parent departments with the Non-Home Department Police Forces (British Transport Police, Civil Nuclear Constabulary, MOD Police) were consulted.

In addition we consulted the IPCC and College of Policing in relation to the relevant provisions.

Public Consultation

Following the Chapman review the Home Office launched two separate public consultations in November and December 2014. The consultation launched in November 2014, *Changes to the Police Disciplinary System*, included recommendations on proposals for holding disciplinary hearings in public, introducing legally qualified chairs in disciplinary hearings, protecting whistleblowers, and changes to chief officer compensation payments.

The consultation launched in December 2014, *Improving Police Integrity*, focussed on the wider proposals from the Chapman review and also included major reforms to the police complaints system and changes to the role and powers of the Independent Police Complaints Commission. These are considered in separate IAs.

The Home Office published responses to both consultations on 12 March 2015, and simultaneously laid Regulations in Parliament to hold police misconduct hearings and appeals in public from 1 May 2015, and to introduce legally-qualified persons to chair the panel in misconduct hearings from 1 January 2016.

¹ <https://www.gov.uk/government/publications/the-police-disciplinary-system-in-england-and-wales>

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B. Rationale

Government intervention is required because it maintains the regulatory framework for the current disciplinary system. Due to a number of high profile cases, the integrity of the disciplinary system has often been called into question; therefore there is a need to take action to ensure that the system is effective and maintains public confidence.

A number of high-profile incidents contributed to a perception that officers were able to evade discipline and due process by retiring whilst under investigation to evade sanctions at the end of the misconduct procedures. It is unacceptable that officers should be able to avoid being held to account for their actions and it risked damaging public confidence in the police.

That is why in 2014 the Home Office introduced regulations preventing officers from resigning or retiring without consent whilst under investigation. This allowed the procedures to conclude and for officers to be struck off by being placed on the College of Policing *Disapproved Register*. This increases costs for forces as they continue to pay officers whilst under investigation who otherwise would have left the force. Introducing this change in primary legislation allows the Government to achieve the aims of accountability and improving public confidence at a lower expense to individual forces.

The 2014 Chapman Review highlighted a number of problems with the disciplinary system and its regulatory framework, including the complexity of existing legislation and processes, the lack of transparency and the perceived “opaqueness” of the system’s processes and outcomes. The report also raised concerns that the system lacks independence from the force in areas such as disciplinary hearings.

The review also highlighted what was seen as a closed and self-serving system where the ‘police investigate the police’, and follow a process that lacks accountability and openness, particularly in relation to outcomes.

The problems outlined above have begun to be addressed through changes and improvements to the system via regulations. However fully addressing the issues identified will require further changes in primary legislation because of the structure of the legislative framework.

C. Objectives

The measures included in this Bill are designed to continue the programme of reform to improve police integrity that began in the last parliament, including implementing recommendations from the Chapman Review.

The changes which this Bill introduces to the police disciplinary system will seek to improve public confidence in how the system works and ensure that all allegations of misconduct or gross misconduct against police officers are investigated through a process that is clear, open and public focussed, and where outcomes are transparent.

The measures will make sure that allegations of Gross Misconduct can be seen through to a proper conclusion, notwithstanding an officer’s departure from the force. This will make sure that where serious wrongdoing occurs, they are fully held to account for their actions.

D. Options

Option 0 is to make no changes (do nothing).

Option 1 To implement the disciplinary provisions within the Policing and Crime Bill

Net Present Value (NPV) Calculations

The net present values calculated in this IA are done so on the basis that the first year of implementation will be 2017/18. As figures are calculated throughout the IA in 2015/16 prices the NPV is the discounted sum of the costs throughout the 10 years period from 2017/18 to the end of 2026/27. In other words 10 years of costs with the first year assumed to be discounted by 1.035^2 , then the next year by 1.035^3 and so on.

(i) Extension of disciplinary powers to former officers

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Baseline: How the current system works

- The Police Conduct Regulations 2012, and associated disciplinary procedures, only apply to current and serving officers;
- In 2014, we introduced new regulations to prevent officers from retiring or resigning from a police force, whilst under investigation initiated under the conduct regulations;
- Whilst under investigation and seeking resignation or retirement the officer remains a paid member of the force of which they are a member.

Changes

- If an officer resigns or retires from a force whilst subject to an investigation or disciplinary proceedings that process will be able to continue and conclude after the officer has left the force, including Misconduct Hearings, where appropriate, with the possible sanction of dismissal resulting in being 'struck-off' from policing.
- Where a serious allegation (which would have amounted to Gross Misconduct) is received within 12 months of an officer leaving a force, in relation to conduct whilst that officer was serving, the force will be able to investigate and conclude the disciplinary process, and if the case is proven the officer will be 'struck-off'.

(ii) Persons struck-off from policing and law enforcement activity

Baseline: How the current system works

- If an officer is dismissed having been found to have committed Gross Misconduct or has resigned under investigation, this information is provided to the College of Policing who hold a disapproved register.
- Some police forces provide information in relation to police staff, others do not and the overall coverage is inconsistent.
- Some limited information is published by the College of Policing in relation to officers who have undergone a public hearing and subsequently been dismissed.

Changes

- Police forces will be required to report the dismissal of any staff or officers to the College of Policing;
- The College of Policing will collate and maintain this information on a Register for vetting purposes, a 'Police Barred List';
- The information will be shared with police forces and other law enforcement bodies to assist with vetting and recruitment. Chief Officers will have a duty to consult the list;
- The College of Policing will publish a version of this list which will include details of Officers who have been dismissed at a Misconduct Hearing. This will also apply for officers who resign or retire and are found, following their departure, to have committed Gross Misconduct.
- Officers will be placed on the "Police Barred" list indefinitely and on the public version of the "Struck Off" list for 5 years.

(iii) Police (Discipline) Appeals Tribunals (PAT)

(a) changes to the composition of the Panel to be set out in Regulations

Baseline: How the current system works

- At present PAT panels consist of a person (chair) nominated by the Lord Chancellor, a serving senior officer; and a retired member of a police force who was a member of an "appropriate staff association". For senior officers, the chair must also be nominated by the Lord Chancellor; one must be from Her Majesty's Inspectorate of Constabulary; and one must be a Home Office director.

Changes

- Chapman recommended that the third member of a PAT panel should be a lay member to mirror the composition of the panel at local misconduct hearings. To deliver this, the Bill

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amends the Police Act 1996 to enable the composition of the panel to be set out in regulations.

- The future composition of the PAT Panel will more closely mirror the composition of misconduct hearings with a nominated chair from the Lord Chancellor (as now) and a lay member, who will replace the retired officer under the current legislation.
- A lay member will bring a more public focussed and objective perspective to proceedings. This will add an important element of independence to the appeals panel thereby avoiding the perception that the police are over-represented on panels.

(b) changes to who appoints Police Appeals Tribunals

Baseline: How the current system works

- At present, appeals are arranged and administered locally by police forces, and are chaired by an independent legally-qualified individual appointed through the Judicial Appointments process.
- The Chapman Review proposed a number of options for how PATs could be arranged and recommended that hearings be held more centrally to improve collaboration and consistency of outcomes.
- These details are currently set out in primary legislation.

Changes

- We will introduce greater flexibility in the way appeals are administered and managed to allow forces to collaborate more easily.
- These changes will enable details about how PATs are formed, who is responsible for them and how they operate to be set out in regulations.
- We propose to enable forces to delegate responsibility for convening disciplinary hearings and appeals to another force, if they wish to; this will enable greater collaboration between forces. Greater collaboration will help improve consistency in appeal outcomes and raise standards across all forces, as well as enabling savings and efficiencies to be made.

(iv) IPCC Disciplinary Powers

a. Case to answer decisions

Baseline: How the current system works

- The IPCC can already “direct proceedings” to ensure that its findings, such as whether an officer has a ‘case to answer’ for gross misconduct, are acted upon. However, where the police force disagrees with the IPCC’s finding, there can be significant debate – and delay – in reaching a final decision, before ultimately the IPCC makes a direction.
- This delay impacts on the officer concerned, but importantly it also affects any complainant who may be seeking justice.

Changes

- The Bill will give the IPCC the power to make ‘case to answer’ decisions in all cases where it carries out an independent investigation.
- This will clarify and streamline the decision making process. The police force will be able to make representations to the IPCC in advance of its decision but the decision as to whether or not there is a ‘case to answer’ will be for the IPCC.

b. Chief Officer investigations

Baseline: How the current system works

- At present, the IPCC investigates most Chief Officer misconduct allegations. However, there is no statutory requirement for all chief officer allegations to be referred to the IPCC or for the IPCC to investigate such cases. Where a misconduct allegation about a Chief Officer is not investigated by the IPCC, it is usually investigated by a Chief Officer of a different police force.
- This arrangement lacks independence and transparency, which is crucial for public confidence, especially at the most senior level of the police.

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Changes

- The Bill will require the local policing body to refer all chief officer misconduct allegations (including gross misconduct) to the IPCC for independent investigation. Where the IPCC subsequently determines that the matter is not misconduct (e.g. it relates to performance) then the IPCC will be able to refer the matter back to the PCC for any further investigation or action as appropriate.

(v) Power for the College of Policing to issue guidance on police discipline

Baseline: How the current system works

- At present the oversight of the police disciplinary system and relevant statutory guidance is a matter reserved for the Home Office, which is in turn followed by the 43 Home Office Forces

Changes

- The College of Policing will be given a role in providing oversight for policing discipline in England and Wales with an ability to issue statutory guidance in relation to police officer misconduct procedures. Such guidance will require the approval of the Home Secretary.

E. Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

It is assumed that the workload (i.e. the level of misconduct and performance by police officers) will broadly stay the same and therefore the economic impact of the changes is likely to be neutral overall. There may be a small increase in the volume requiring investigation related to allegations which arise in the first 12 months following retirement or resignation, where an investigation would not currently be possible. This small increase may arise as a result of individuals who have recently retired or resigned being captured by the Police (Conduct) Regulations.

There may be some financial and resourcing impacts on certain parts of the system due to a reallocation of resourcing, roles and functions as a consequence of these changes, for example the transfer of responsibility of presenting certain cases from individual police forces to the IPCC.

There is an assumption throughout that greater transparency will have a positive effect on public confidence.

Some of the benefits of these changes are not monetised as they relate to improvements to the system overall and improvements related to increased public confidence, delivered through greater accountability and transparency in the way these matters are handled and their outcomes. In addition, many of the changes seek to introduce a system which is more streamlined and therefore more efficient in its processes and more effective in reaching the right outcomes, overall these may produce a net benefit to the system and individual parts, but these cannot be calculated in monetary terms or aggregated for an overall estimate.

We have attempted to identify all of the relevant costs and benefits of these proposals. The 2014 consultation was used to seek further information about the likely impacts of the proposals. Separate stakeholder engagement with the IPCC and with a sample of ten PSDs was also undertaken in early 2015 with a number of questions asked in an attempt to aid the monetisation of costs and benefits. The responses to this have been informative, but they did not provide sufficient data to enable us to fully monetise the costs and benefits for all of the changes. We have continued to engage with stakeholders to refine the estimates and will continue to do so as we implement the further changes through secondary legislation.

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OPTION 1 – To implement the disciplinary provisions within the Policing and Crime Bill

The following appraisal considers the costs and benefits associated with the implementation of the Bill in comparison with the baseline ‘do nothing’ option.

(i) *Extension of disciplinary powers to former officers*

COSTS

- We do not anticipate a significant increase in the volume of allegations as many of those who may be subject to these will be captured by the current regulations, and therefore subsequent investigations and hearings will remain consistent.
- There may be a small increase in the volume requiring investigation related to allegations which arise in the first 12 months following retirement or resignation as this will capture individuals in circumstances, post retirement or resignation, who have not previously been covered by the regulations. We do not hold reliable data for estimating the likely costs of these cases however we anticipate volumes to be low and the costs of investigations, hearings and appeals will be consistent with investigations into serving officers.
- There will be a loss of police work as officers who resign/retire will no longer be productive. However as officers who are under investigation are typically placed on either restricted or suspended duties, this additional cost will be small and so has not been estimated here.
- There will be a cost to police officers who choose to resign/retire in terms of lost wages. The methodology for calculating this is laid out in the benefits section below. Under our best estimate², we anticipate that officers will collectively lose wages of £4.63m per year in total.

BENEFITS

- The primary benefits of this provision relate to the reduction in cost for police forces of continuing to employ and therefore pay salary and associated costs for individuals under investigation or subject to proceedings who otherwise may now choose to resign or retire.
- This option will see a reduction in salary and associated costs for forces that currently need to be paid in relation to officers under investigation, which we estimate to be around £26,000 per officer³.
- The College of Policing has provided actual numbers of officers who retired or resigned whilst under investigation in 2014 (195 in total). Based on the average salary cost of £26,000 per officer, per investigation, this would equate to an estimated total salary cost of £5,070,000, if volumes for 2015 remain consistent. As a result, the provisions allowing officers to retire or resign whilst under investigation could deliver a potential saving of £5,070,000 to police forces.
- However, we anticipate that there may be a potential behaviour change in some of the officers who may have resigned under the previous system, who will now remain employed by the force until the process has concluded. This is because the investigation and proceedings will not be stopped if the individual leaves the force. Whilst we anticipate the volumes of retirements will remain unchanged (20 per year), it is likely that fewer individuals will choose to resign given that the investigation will continue regardless. We have no evidence to robustly estimate the behavioural change, however we received advice from the Police Superintendents’ Association for England and Wales (PSAEW) that behavioural change is likely to be limited, in part due to the limited availability of funding for representation for individual officers in some cases. PSAEW’s view is that most officers will continue to resign, so we select a best estimate that only 10% of the officers who would have resigned previously now choose to remain in the force. However given that officers will continue to be investigated even if they choose to resign and that doing so will cause them to forfeit their wages, there may be little financial incentive for resignation. It is therefore possible that no officers would choose to resign under then new system and therefore we select a lower bound estimate that 100% of the officers who would have resigned previously now choose to remain in the force.

² This is based on 158 resignations, the method of calculation is laid out in the benefits section.

³ This is based on constable and sergeant salaries, assuming an average investigation length of approximately six months,

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Based on figures from the previous year this leads to the following table of benefits.

	Of previous officers who resigned (175 ⁴), % who will resign under new proposal	Number of Officers who resign	Total Benefit (From decreased wage bill)
Upper Bound	95%	166	£4,316,000
Best Estimate	90%	158	£4,108,000
Lower Bound	0%	0	£0

- Adding these savings to the savings from the salaries of officers who now retire gives total savings of **£4,836,000** (upper bound), **£4,628,000** (best) or **£520,000** (lower bound). Over 10 years, these benefits have a NPV of **£37.5m** (upper bound), **£36.3m** (best) or **£4.2m** (lower bound)⁵.

(ii) List of persons struck off from policing and law enforcement activity

COSTS

- Costs for the struck-off list will be linked to the administration of providing the information to the College of Policing from police forces; the collation, maintenance and publication of both the private vetting list and published struck-off list by the college; and the ongoing cost of referring to the list when appointing new officers, staff, volunteers and contractors within policing by individual forces or law enforcement bodies.
- At present, all forces provide information to the College of Policing in relation to officers who have been dismissed and/or are being subject to the disciplinary proceedings including public hearings. Some forces also provide details about police staff who have been dismissed but this is not universal across all forces in England and Wales. As a result, for some forces there will be an increase in administration following dismissals, however we anticipate this to be minimal and a very low burden due to the standardised template used by the College.
- Some information in relation to the disapproved register, including details of officers who have been through a public-hearing and dismissed is already produced and published online. The changes in the requirements arising from these provisions and the information to be published mean that there will be some small modifications required for the website pages associated with the list.
- We anticipate that IT systems changes will be required for recording the different categories of officers and staff and providing access to the list for police forces on an ongoing basis. The College of Policing will face additional costs of changing the IT system and then maintaining the secure database and providing access to forces and law enforcement bodies. We do not have an estimate for these costs however the cost will be met by existing College of Policing budgets.
- All police forces go through vetting procedures when recruiting new staff, therefore the requirement to consult the struck-off list will not add significant costs to individual forces or law enforcement bodies. There will be a further cost to both forces and the IPCC in restricting the recruitment of former officers who are on the struck-off list and therefore preventing access to certain experience and expertise, but this is proportionate to maintain public confidence and ensure that officers who are dismissed cannot enter another law enforcement role.
- There will be a cost to individuals who are placed on the struck off list who will no longer be eligible for roles within policing and law enforcement as a result of being placed on the struck-off list and disapproved register, thereby barring them from such roles.

⁴ Based on 195 total, 20 of whom retired – College of Policing, 2014.

⁵ Calculated based on the assumption that the proposal will be carried out from 2017/18.

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BENEFITS

- The primary benefit of this change is to reduce the number of incidents of misconduct within police forces, which will occur for two reasons:
 - By creating a list of officers who have been dismissed and therefore preventing dismissed officers from joining the police force again, the costs to an officer of being found guilty of misconduct are higher. We would therefore expect officers to be put off engaging in misconduct and hence that there will be fewer incidents of it.
 - Officers who have been dismissed for misconduct may be more likely than the average officer to engage in misconduct in the future. By preventing these officers from joining the police force again we would expect fewer incidents of misconduct in the future.
- Additional benefits of these changes relate to increased public confidence in policing and public protection through more open transparency and public accountability therefore improving societal welfare, which cannot be monetised. These benefits include:
 - By making this list public, we are enhancing transparency and public scrutiny and ensuring that throughout the disciplinary process the outcome is open and transparent.
 - .
 - It will ensure that those who have been dismissed from policing, particularly in the most serious cases where they have abused powers, acted dishonestly or found to have been violent are not in a position to re-enter another police force or law enforcement body at a later stage.
 - These changes will help maintain public confidence in the system overall by improving the public understanding and perceptions through increased awareness.

(iii) *Police (Discipline) Appeals Tribunals*

COSTS

(a) changes to the composition of the Panel to be set out in Regulations

- The costs of administering individual panels will remain consistent, with the lay-members likely to be paid in line with retired officers at present, according to national rates set by the Home Office.

(b) changes to who appoints Police Appeals Tribunals

- The provisions will enable the Government to set out in regulations who can appoint a PAT. We propose to enable collaboration between forces. Where forces seek to collaborate and where PAT hearings are held at a joint or regional level, this will likely increase costs of certain aspects of the hearing, for example travel expenses for individuals who are appealing and those involved in the hearing. This cost is likely to fall to forces, police staff associations or individuals where they are not represented. We do not attempt to estimate these travel costs but do not anticipate that they will be particularly large.

BENEFITS

(a) changes to the composition of the Panel to be set out in Regulations

- These changes will create parity between the panel in disciplinary hearings held by forces and the appeal hearings in terms of their composition. The introduction of lay members in place of retired officers should inject greater public confidence in appeal proceedings and increase the independence of these panels. It will also ensure that a public focus is reflected in appeal hearings. The changes will also provide for greater consistency between the initial Misconduct Hearings and PATs. These benefits cannot be monetised.

(b) changes to who appoints Police Appeals Tribunals

- These changes will enable greater flexibility for PATs, including allowing forces to collaborate with other forces bilaterally or on a regional basis. This change provides an enabling power and where this option is pursued by forces, this will enable much closer collaboration and

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potential cost savings in the administration and support for PATs. These savings will be realised at a local level with individual forces.

(iv) IPCC Disciplinary Powers

COSTS

a. Case to answer decisions

- We do not foresee additional costs arising from this change, as it will shorten the process of decision making following an IPCC investigation. The appropriate authority will still have an opportunity to respond to the IPCC's indicative finding before the IPCC makes the final case to answer.

b. Chief Officer investigations

- We do not envisage that this power will result in a significant increase in cases and anticipate that the IPCC would only investigate less than six additional cases per annum. There may be costs to the IPCC for conducting these additional investigations. We estimate the *maximum* cost to the IPCC would be around £120k per full investigation⁶. The £120,000 is the estimated cost for the most serious and complex cases, i.e. likely to involve criminal allegations and therefore represents an upper bound of cost rather than a best estimate. Less serious cases are likely to cost significantly less than this and the IPCC have advised us that a better estimate is likely to be £70k each. The number of Chief Officer investigations is typically low and the IPCC already investigates most of these cases due to the often serious and sensitive nature. This demonstrates that there may be a very small number of additional cases the IPCC will need to investigate. Discussions between the IPCC and the Home Office concluded that the IPCC would take on up to 6 additional cases as a result. Using the best estimate of cost to the IPCC of around £70k per full investigation leads to an additional cost to them of £420,000 per year.
- Given the programme of expansion at the IPCC and the anticipated increase in caseload overall, they have indicated that the Chief Officer investigations will be undertaken using existing resources and therefore will not require any additional funding to be provided for these cases. Depending on the volume of other types of cases including the serious and sensitive types, this may require reallocation of resources and reprioritisation of cases and investigations undertaken by the IPCC. Some of these cases may well be of a more high-profile and complex nature requiring some greater resource than is the case for lower level cases or those involving less-senior officers.

BENEFITS

a. Case to answer decisions

- The existing decision-making process will be streamlined significantly which will reduce delays and confusion in the decision making process following the conclusion of an independent investigation. This will reduce the timescales for finalising reports and commencing disciplinary proceedings, which will reduce some of the resource and cost burden compared to the existing process. We do not have information on the amount of time that will be saved and therefore have not attempted to quantify this benefit.

b. Chief Officer investigations

- This will ensure the investigative route for these cases is independent of the police, which will build public confidence in investigations into the conduct of the most senior officers. PCCs that currently carry out these investigations will experience savings as the IPCC will take over responsibility for the investigation. If we assume that the costs to PCCs of carrying out these investigations are similar to the costs faced by the IPCC, then PCCs will save £70k per case. Using estimates from the "costs" section of 6 fewer cases per year, and PCCs will save a total of £420k per annum.
- There will also be savings for forces where chief officers currently carry out investigations against other chief officers, as this duty will now be undertaken by the IPCC.

⁶ House of Commons Home Affairs Select Committee, Independent Police Complaints Commission, 1 February 2013, HC 494 of session 2012–13, p 13.

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(v) Power for the College of Policing to issue guidance on police discipline

COSTS

- This would place a small resource requirement on the College of Policing which they have agreed to carry out within existing budgets. The College of Policing has estimated that this role is likely to cost approximately £80k in the first instance which accounts for staff costs of £40k and an additional £40k related to the costs of external consultation and engagement, gathering and quality assurance of evidence, programme management support and publication/publicity costs. These costs may reduce in future years following the initial costs of familiarisation and transfer of responsibility to the College, revisions and updates to guidance once produced will likely cost less than this to maintain. It is likely that in the future, staff costs will make up the majority of the cost of providing this guidance. Therefore we estimate that following a first year cost of £80k, the College of Policing will face costs of £40k each subsequent year.
- Police forces will continue to be responsible for disciplinary matters. Where the College publishes guidance there will be small familiarisation costs for those involved in the disciplinary process, including police officers and staff, IPCC, and police forces' Professional Standards Departments.

BENEFITS

- Guidance on police discipline is currently provided by the Home Office who will now save money if the guidance is produced by the College of Policing. We do not have an estimate from the Home Office on the current costs of producing this guidance so we surmise that it is similar to our estimate of the costs to the College of Policing. We therefore estimate savings to the Home Office of £40k per year.
- Greater consistency in the system should increase fairness, transparency and efficiency across police forces, and should help maintain public confidence in the police disciplinary system. Some of the familiarisation costs could be partly offset by the benefits of greater consistency and clarity in the system.

F. Risks

It is assumed that the workload (i.e. the level of misconduct and performance by police officers) will broadly stay the same. It is possible that given a more transparent, independent system, that misconduct by police officers may decrease. This would reduce many of the costs of the system, whilst also providing a wider benefit to society. It is not possible to estimate the extent to which police conduct might improve and therefore this possible benefit is not quantified.

There is an assumption throughout that greater transparency will have a positive effect on public confidence. Whilst this benefit is not quantified, if reforms have no effect on public confidence then we are overstating the benefits of the policies.

Sensitivity Analysis

Where necessary, sensitivity analysis is largely carried out within the appraisal section. In this section we will examine the cost implications in two instances if the assumptions set out above are varied.

IPCC investigates all Chief Officer cases

As set out in the costs of reform, there may be costs to the IPCC for conducting more investigations. There is much uncertainty surrounding the costs of these investigations, but we estimate the *maximum* cost to the IPCC would be around £120k per full investigation⁷. The £120,000 is the estimated cost for the most serious and complex cases, i.e. likely to involve criminal allegations and are therefore atypical. Less serious cases are likely to cost significantly less than that. In our appraisal we assume that costs of investigation for the IPCC will be £70k each, based on estimated figures provided by the IPCC. This is an estimate of the average cost of an IPCC investigation in 2015/16, based on their projected caseload and expenditure.

⁷ House of Commons Home Affairs Select Committee, Independent Police Complaints Commission, 1 February 2013, HC 494 of session 2012–13, p 13.

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If in reality costs are closer to our maximum estimate of £120k per investigation, then the IPCC will face additional costs of up to £720k per annum rather than £420k per annum. Having said this, if investigations cost up to £120k each, PCCs will save around £720k per annum rather than £420k per annum, as the most complex and sensitive cases, which would have been investigated either by another force or an independent QC, would now be handled by the IPCC.

In 2013 the IPCC carried out over 80% of investigations into chief officers, as a result in the appraisal section we assume that the IPCC would take on an additional 6 cases per year. If we vary this assumption, and use the maximum cost to the IPCC of £120k per investigation, so that the IPCC might take on 2-10 additional cases per year, then the additional costs would amount to £240k - £1.2m per year.

Extension of disciplinary powers to former officers

We assume that the volume of cases will remain the same as current levels, although there may be a very small increase following the introduction of powers to investigate former officers within 12 months of leaving the force. This will be limited to cases which would amount to Gross Misconduct but would include costs of running investigations and Misconduct Hearings where appropriate. An increase to the number of cases will result in greater costs to both individual forces through Professional Standards Department investigations and proceedings or to the IPCC, where a referral to the Commission or independent investigation is required.

G. Summary and Recommendations

The table below outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits		
Option	Costs	Benefits
1	<p style="text-align: center;">Quantified</p> <p>£42.6m (PV over 10 years)</p> <ul style="list-style-type: none"> • Lost salary for officers who retire/resign: £4.63m per year. • Cost to IPCC of dealing with Chief Officer investigations: £420k per year. • Cost to College of Policing of producing guidance on police discipline: £40k + £40k per year. 	<p style="text-align: center;">Quantified</p> <p>£42.6 (PV over 10 years)</p> <ul style="list-style-type: none"> • Police forces no longer need to pay salary of officers who retire/resign: £4.63m per year. • Savings to PCCs who currently carry out Chief Officer investigations: £420k per year. • Savings to the Home Office who currently produce guidance on police discipline: £40k per year.
	<p style="text-align: center;">Non-Quantified</p> <ul style="list-style-type: none"> • Additional travel costs to officers for appeal proceedings which are now held regionally. • Familiarisation costs to all parties involved in the disciplinary process. • Cost to College of Policing of maintaining a database of struck-off police officers accessible to all forces. 	<p style="text-align: center;">Non-Quantified</p> <ul style="list-style-type: none"> • Fewer incidents of malpractice within the police force. • Greater transparency and increased public confidence in policing, police integrity and the disciplinary system. • Benefit to police forces by ensuring that those who have been dismissed for serious misconduct are not able to enter another police force. • Introduction of lay members into the police appeals panel should improve impartiality and public confidence in the appeals process. • Increased independence of hearings as the IPCC are now able to present their own investigations.
Source:		

Police integrity is at the heart of public confidence in the police and underpins the model of policing by consent. It is what gives rank and file officers the legitimacy to do their jobs effectively.

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In 2010, the Government set out to deliver the most radical reforms in the history of policing, establishing a framework of institutions and processes that work to improve accountability, increase efficiency and continue to cut crime. This followed various high-profile cases on police failures both current and historic, as well as numerous HMIC inspections and IPCC reports relating to corruption.

Our analysis and stakeholder engagement has revealed a proposed set of policy reforms which we recommend as important to address the policy objectives articulated above, building on those which have already been introduced and going further by making these changes in primary legislation.

The reforms introduced by the previous Government included an overhaul of the complaints and discipline systems by introducing a programme of measures to improve standards of behaviour in the police.

The reforms to the police disciplinary system proposed within the Bill seek to continue to improve police integrity by improving the level of public transparency and accountability of police discipline, alongside similar reforms to the complaints system.

They also introduce changes to the disciplinary powers held by the IPCC, these changes are intended to streamline the current system and existing processes and making sure that in chief officer cases there is always an independent investigation and giving the case to answer decision to the IPCC where it conducts the investigation. Collectively these changes implement the spirit of the Chapman review to fully restore public confidence in police integrity and the disciplinary system that underpins police conduct.

H. Implementation

The provisions will come into effect by regulations following Royal Assent, but no sooner than 2 Months. We anticipate these regulations coming into effect later in 2017 and will continue working with police forces, the IPCC and College of Policing and other policing partners, to provide support and guidance in advance of implementation dates, including through the mandatory Police Advisory Board consultation, undertaken for all new secondary legislation affecting police.

I. Monitoring and Evaluation

The effectiveness of the new regime would be monitored by the combination of organisations who have oversight of the policing system, including the IPCC and Her Majesty's Inspectorate of Constabulary during their annual cycle of inspection and reporting programmes.

In addition the data will be collected by individual forces. Where appropriate the Home Office Annual Data Requirement will collate statistics on the operation elements of the system and its outcomes, including the volume of disciplinary cases and their outcomes.

J. Feedback

The Home Office will continue bilateral engagement with police forces and policing partners, as part of this we will seek feedback from those organisations in relation to the policies being introduced and the progress of implementation. The Home Office regularly sends representatives to regional meetings of Police Professional Standards Departments to engage directly with Heads of PSDs and will continue to engage with key stakeholder and representative organisations at a national level.

In addition, any changes subsequently introduced through Secondary Legislation will be subject to consultation with and representations from the Police Advisory Board before any subsequent regulations are made.

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Impact Assessment Checklist

The impact assessment checklist provides a comprehensive list of specific impact tests and policy considerations (as of October 2015). Where an element of the checklist is relevant to the policy, the appropriate advice or guidance should be followed. Where an element of the checklist is not applied, it may be advisable to note the reasons for this decision.

The checklist should be used in addition to [HM Treasury's Green Book guidance](#) on appraisal and evaluation in central government.

Business Impact Target

The Small Business, Enterprise and Employment Act 2015 ([s. 21-23](#)) creates a requirement to assess the economic impacts of qualifying regulatory provisions on the activities of business and civil society organisations. [[Better Regulation Framework Manual](#)] or [Check with the Home Office Better Regulation Unit]

Review clauses

The Small Business, Enterprise and Employment Act 2015 ([s. 28](#)) creates a duty to include a review clause in secondary legislation containing regulations that impact business or civil society organisations. [Check with the Home Office Better Regulation Unit]

Clarity of legislation

Introducing new legislation provides an opportunity to improve the clarity of existing legislation. Legislation with multiple amendments should be consolidated, and redundant legislation removed, where it is proportionate to do so.

Primary Authority

Any new Government legislation which is to be enforced by local authorities will need to demonstrate consideration for the inclusion of Primary Authority, and give a rationale for any exclusion, in order to obtain Cabinet Committee clearance. [[Primary Authority: A Guide for Officials](#)]

Statutory Equalities Duties

The public sector equality duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. [[Equality Duty Toolkit](#)]

Privacy Impacts

A Privacy Impact Assessment supports an assessment of the privacy risks to individuals in the collection, use and disclosure of information. [[Privacy Impact Assessment Guidance](#)] or [Contact the Corporate Security Information Assurance Team Helpline on 020 7035 4969]

Environmental Impacts

The purpose of the environmental impact guidance is to provide guidance and supporting material to enable departments to understand and quantify, where possible in monetary terms, the wider environmental consequences of their proposals. [[Environmental Impact Assessment Guidance](#)]

Sustainable Development Impacts

Guidance for policy officials to enable government departments to identify key sustainable development impacts of their policy options. *This test includes the Environmental Impact test cited above.* [[Sustainable Development Impact Test](#)]

Rural Proofing

Guidance for policy officials to ensure that the needs of rural people, communities and businesses are properly considered. [[Rural Proofing Guidance](#)]

New Burdens Doctrine

The new burdens doctrine is part of a suite of measures to ensure Council Tax payers do not face excessive increases. It requires all Whitehall departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them. [[New burdens doctrine: guidance for government departments](#)]

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Family Test

The objective of the test is to introduce a family perspective to the policy making process. It will ensure that policy makers recognise and make explicit the potential impacts on family relationships in the process of developing and agreeing new policy. [[Family Test Guidance](#)]

New Criminal Offence Proposals

Proposed new criminal offences will need to be agreed with the Ministry of Justice (MOJ) at an early stage. The Justice Impact Test (see below) should be completed for all such proposals and agreement reached with MOJ before writing to Home Affairs Committee (HAC) for clearance. Please allow 3-4 weeks for your proposals to be considered.

Justice Impact Test

The justice impact test is a mandatory specific impact test, as part of the impact assessment process that considers the impact of government policy and legislative proposals on the justice system. [[Justice Impact Test Guidance](#)]

Powers of Entry

A Home Office-led gateway has been set up to consider proposals for new powers of entry, to prevent the creation of needless powers, reduce unnecessary intrusion into people's homes and to minimise disruption to businesses. [[Powers of Entry Guidance](#)]

Health Impact Assessment of Government Policy

The Health Impact Assessment is a means of developing better, evidenced-based policy by careful consideration of the impact on the health of the population. [[Health Impact Assessment Guidance](#)]

Competition

The Competition guidance provides an overview of when and how policymakers can consider the competition implications of their proposals, including understanding whether a detailed competition assessment is necessary. [[Government In Markets Guidance](#)]