

Criminal Injuries Compensation Authority Annual Report and Accounts 1999/2000

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8. INVESTMENTS ON BEHALF OF VICTIMS

Under Paragraph 3 of the Scheme the Authority held and invested awards to victims as follows:

	1999/2000 Bank of Scotland Deposit A/C £	1998/1999 Bank of Scotland Deposit A/C £
Balance at 1 April 1999	3,652,291	1,171,966
Deposits in year	3,011,442	2,688,055
Interest received in year	209,575	118,817
	6,873,308	3,978,838
Withdrawals paid to victims and closures:		
Repaid to CICA	683,243	318,469
Interest paid to victims	11,080	—
	9,967	8,078
	704,290	326,547
Balance at 31 March 2000	6,169,018	3,652,291

9. BALANCES OF ALL FUNDS AT 31 MARCH 2000

	1999/2000 £	1998/1999 £
CICA		
Cash at bank (current a/c)	3,609,698	5,445,879
Cash held at headquarters	174	372
Imprest due from Criminal Injuries Compensation Appeals Panel	1,467	130,831
Staff imprests	15,494	4,723
	3,626,833	5,581,805
Held on behalf of victims in Bank of Scotland Deposit Accounts (Note 8)	6,169,018	3,652,291

Howard Webber

Chief Executive
Criminal Injuries Compensation Authority
20 December 2000

Fourth Report

Criminal Injuries Compensation Authority Annual Report and Accounts

1999/2000

Presented to Parliament by the Secretary of State for the Home
Department and the Secretary of State for Scotland pursuant to Section 6
of the Criminal Injuries Compensation Act 1995

Ordered by the House of Commons to be printed 30 March 2001

Laid before the Scottish Parliament by the Scottish Ministers March 2001

www.cica.gov.uk

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CICA Mission Statement

The Criminal Injuries Compensation Authority aims to support the victims of violent crime by:

- providing an efficient and fair service to applicants
- investigating thoroughly all claims for criminal injuries compensation
- treating applicants with sensitivity and courtesy at all times.

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5. OTHER OPERATING PAYMENTS

	1999/2000 £	1998/1999 £
Compensation	116,314,443	113,781,330
Medical and miscellaneous fees	4,949,668	4,057,253
Lease payment (Accommodation)	1,455,277	1,413,163
Other Accommodation Costs	995,844	1,341,802
Post Office and Telecom Services	441,022	411,346
Office supplies, stationery etc.	270,892	332,887
Travelling etc expenses of staff	154,868	108,133
Training	47,157	31,563
Advertising, publicity and incidental expenses	5,742	7,651
Audit Fee	14,000	10,500
	124,648,913	121,495,628

6. OTHER RECEIPTS/PAYMENTS

	1999/2000 £	1998/1999 £
Receipts		
Miscellaneous receipts	91,000	37,907
	91,000	37,907
Payments		
Purchase of computer hardware and software	662,530	564,815
Purchase of furniture and office equipment	116,962	76,704
	779,492	641,519
Total of other receipts/(payments) (net)	(688,492)	(603,612)

7. LOSSES

	1999/2000 £	1998/1999 £
Total losses identified were 144 cases (9 in 1998/99)	20,491	60,484

(b) The Chief Executive fulfils two roles jointly as the Chief Executive of the Authority and Director of the Board and his emoluments disclosed represent the total amount paid, as do the emoluments of the Senior Solicitor and the Deputy Chief Executive.

The Salary and pension entitlements of the most senior employees of the Criminal Injuries Compensation Authority were as follows:

	Age	Salary including Performance Pay (£K)	Real increase in Pension at 60 (£K)	Total Accrued Pension at 60 as at 31.3.2000 (£K)
H Webber Chief Executive (9 months)	45	35 – 40	0 – 2.5	20 – 25
A Johnstone Senior Solicitor	40	40 – 45	0 – 2.5	15 – 20
E McKeown Deputy Chief Executive	46	40 – 45	0 – 2.5	10 – 15

(c) Average number of staff employed during the year:

	1999/2000	1998/1999
Casework staff *	373	347
Support staff *	90	104
	463	451

* This represents the combined CICA/B administration staff complement. The costs at (a), however, represent staff costs attributable to Authority activities.

(d) All permanent members of staff are ordinary members of the Principal Civil Service Pension Scheme (PCSPS). This is a statutory scheme which provides benefits on a 'final salary' basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3 years pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

For 1999/2000 contributions of £797,853 were paid to the PCSPS at rates determined by the Government Actuary and advised by the Treasury.

These rates were in the range 12 – 18.5% of pensionable pay.

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Standing up to scrutiny

Our report this year might be called 'Standing up to scrutiny'. As ever, there have been individual cases which have received a fair degree of media attention. But in the year covered by this report and in the months following, our ways of working have been subject to more outside examination than ever before. This is always healthy for an organisation – though inevitably time-consuming. It has also taught us a lot about ourselves.

First we had an Investors in People assessment, which led to our being accredited, at the end of 1999, as an Investor in People. It is easy, but absolutely wrong, to see this as some sort of trophy. The whole process was at least as important in pointing out areas which needed improvement as in providing an external validation of our stronger points. It showed us that we needed to make training and development still higher priorities than they were. We also needed to improve internal communication within and between different parts of the organisation. We are working hard on both of these issues.

The potential value of good communication throughout the organisation was demonstrated by the other – and more public – outside examination of how we do our work. In my foreword to the last annual report I noted that we were in the middle of a scrutiny by the National Audit Office (NAO). This has now been completed and its report published; and we

had a subsequent examination by the Public Accounts Committee (PAC), whose report also has now been published. The NAO report contained valuable analysis and conclusions – demonstrating, for instance, that there are wide differences in levels of application relative to recorded violent crime in different parts of the country, an issue which we are now tackling.

But there were two particular positive conclusions which it is worth noting here.

First, the NAO 'benchmarked' our work against that of three private sector insurance companies dealing with personal injury claims. We came well out of the comparison. The NAO commented on our lower average time to clear a case, and concluded:

'The Authority's productivity compared well with that of the private sector insurance companies.'

Second, both the NAO and the PAC paid tribute to the quality of the Authority's staff. The PAC wrote in its report:

'It is a credit to the Authority's staff that they are regarded by applicants and their representatives as helpful and considerate in handling applications.'

This last finding gives me confidence for the future. Just as important, it confirms the value of good internal communications. No one knows more about their job than job-holders

Notes to the Account

1. THIS ACCOUNT IS DRAWN UP IN A FORM DIRECTED BY THE SECRETARY OF STATE.

2. HMG GRANTS RECEIVED

	1999/2000 £	1998/1999 £
+ Grant received from Class IV, Vote 1, (subhead I4)	113,581,984	114,390,971
* Grant received from Class IV, Vote 1, (subhead H2)	17,837,646	16,392,220
	131,419,630	130,783,191

A contribution towards the Grant in Aid was paid by the Scottish Executive as follows:

- + £13,425,500 (1998/99 £13,455,000) from Vote 5, subhead D4
- * £2,242,000 (1998/99 £2,774,070) from Vote 5, subhead C2

3. OPERATING RECEIPTS

	1999/2000 £	1998/1999 £
Compensation recovered by victims:		
from offenders by Court Compensation Orders	480,616	345,941
from other sources (including Civil actions)	88,492	53,113
	569,108	399,054

Section 9(7) of the Criminal Injuries Compensation Act 1995 requires that compensation recovered by the Authority is payable to the Consolidated Fund. In addition to the £514,920 already remitted receipts of £110,469 recovered in 1999/00 will be paid over the fund during 2000/01

4. SALARIES AND WAGES ETC

(a) Staff costs	1999/2000 £	1998/1999 £
Salaries and Wages	6,861,599	6,502,535
Social Security Costs	431,933	453,629
Pension Payments	797,853	727,305
	8,091,385	7,683,469

Receipts and payments Account

	Note	1999/2000 £	1998/99 £
HMG Grants received	2	131,419,630	130,783,191
Operating Receipts	3	569,108	399,054
		131,988,738	131,182,245
Salaries and Wages etc	4	8,091,385	7,683,469
Other operating payments	5	124,648,913	121,495,628
		132,740,298	129,179,097
(Deficit)/surplus from operations		(751,560)	2,003,148
Other receipts/(payments) (net)	6	(688,492)	(603,612)
(Deficit)/surplus		(1,440,052)	1,399,536
Appropriations		(514,920)	(591,116)
(Shortfalls)/surplus of receipts over payments for financial year		(1,954,972)	808,420

Statement of balances at 31 March 2000

	1999/2000 Cash at Bank (Note 9) £	1999/2000 Investments held on behalf of victims (Note 8) £	1998/1999 Cash at Bank (Note 9) £	1998/1999 Investments held on behalf of victims (Note 8) £
Balance at 1 April	5,581,805	3,652,291	4,773,385	1,171,966
Shortfall/(surplus) of receipts over payments for the financial year	(1,954,972)	2,516,727	808,420	2,480,325
Balance at 31 March (Note 9)	3,626,833	6,169,018	5,581,805	3,652,291

The notes on pages 29 to 32 form part of this Account

themselves – its challenges, difficulties and opportunities. The Authority is very fortunate in the quality of its staff, and it is the responsibility of management both to communicate clearly and comprehensively and to listen to staff at all levels, learn from them and where appropriate implement what is learnt.

The skill, dedication and knowledge of my colleagues are and will continue to be fully needed to deal with the challenges that face us, such as the implementation in England and Wales of the Human Rights Act (it has been law in Scotland since 1999), the Modernising Government agenda, the provision of fuller reasons for our decisions (both necessary in itself, and highlighted by a recent court judgement), and other elements of our programme of improved customer service. Given the high level of commitment and creativity throughout the organisation, I look forward to being able to report progress in all these areas in future annual reports.

Howard Webber

Chief Executive
February 2001

"The Government's compensation scheme is a practical way for society to express its regret and provide victims with some material recompense for their injuries. The staff at the Criminal Injuries Compensation Authority are helpful and considerate."

John Bourn

Comptroller and Auditor General, National
Audit Office, April 2000

Introduction

The Criminal Injuries Compensation Authority administers the criminal injuries compensation scheme. It pays compensation to people who have been the victim of a violent crime or those injured trying to apprehend criminals or prevent a crime. Until 1996 the amount of compensation was linked to what a victim could expect to be awarded in a successful action for damages in the civil courts. Since 1 April 1996, the level of compensation has been determined according to a scale, or tariff, set by Parliament. The CICA administers the scheme from its offices in Glasgow and London. Since the first scheme was set up in 1964, the Authority, together with the Criminal Injuries Compensation Board which it replaced, has paid over £2 billion in compensation to around 750,000 people. In 1999/2000 there were over 78,000 applications, which led to almost 40,000 applicants receiving payments amounting in total to £116 million.

The 1996 criminal injuries compensation scheme is designed to be simpler than the common law damages approach of all previous schemes. The scheme reflects the basic elements of common law claims for personal injury and wrongful death, but the size of the awards paid in recognition of victims' pain and suffering – and not linked to their financial loss – is fixed according to the tariff.

When applicants have suffered financial loss, through loss of earnings or earnings capacity, cost of medical or other care, or because they were dependent on someone who was murdered, they may still apply for compensation. We decide the amount of money they are entitled to by looking at all the available information on their financial circumstances before and since the crime occurred.

The current scheme's approach to financial and non-financial loss makes it simpler to administer and easier to understand, especially for those who may wish to apply for compensation.

Since the current scheme came into being the Authority has continued to work on the outstanding cases under the Board scheme that it replaced. The Criminal Injuries Compensation Board ceased to exist on 31 March 2000. Its final annual report is published separately. From April 2000, the Board's cases passed to the Authority to handle, though the actual decisions are now for the Criminal Injuries Compensation Appeals Panel. As at 31 March 2000, there were fewer than 6,000 Board cases outstanding.

Criminal Injuries Compensation Authority Accounts

for the year ended 31 March 2000

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Chief Executive in the preparation of the financial statements.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements properly present the receipts and payments of the Criminal Injuries Compensation Authority for the year ended 31 March 2000 and the balances held at that date and have been properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and the directions made thereunder by the Secretary of State; and
- in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn

National Audit Office
Comptroller and Auditor General
157–197 Buckingham Palace Road
Victoria
London SW1W 9SP
8 February 2001

"I feel I must write to tell you of our experience with your authority. From the advice and complete pack of application forms from our local CAB to all our dealings with your courteous, humane and efficient staff, we have no complaints at all."

Letter from an applicant, January 2000

Aims and objectives

The aims of the Criminal Injuries Compensation Authority are to support the blameless victims of violent crime by:

- providing compensation for injuries in circumstances which qualify under the 1996 criminal injuries compensation scheme
- sustaining the work of the Criminal Injuries Compensation Board while cases still to be resolved under the 1990 scheme remain within the Board's remit and then providing appropriate services to the Criminal Injuries Compensation Appeals Panel on transfer of the residual work
- ensuring that the Authority's services are delivered efficiently, effectively and with proper consideration to value for money.

Underpinning these aims, the Authority's objectives are to:

- process efficiently, fairly and consistently all claims made under the 1996 scheme and its predecessor
- ensure that applicants are treated with consideration and in accordance with Citizen's Charter principles
- ensure proper accountability for, and use of, public funds
- achieve progressive improvement in the efficiency, effectiveness and economy of the Authority's operations.

Types of compensation

There are three possible components for personal injury awards and four for awards arising from fatal injuries. For personal injury the possible components are:

- an award based on a description in the tariff of injuries, which fixes a standard amount of compensation according to the type of injury suffered; there are some 400 descriptions and 25 levels of award between £1,000 and £250,000
- actual net loss of earnings or earning capacity, which excludes the first 28 weeks of loss but, in cases of severe injury, can last for the rest of the victim's working life and may also include a sum designed to compensate for the loss of a pension
- the cost of medical or other care, which, subject to incapacity lasting more than 28 weeks, can be assessed from the date of injury for the rest of the victim's natural life.

Diagram 1: Compensation given by tariff of injuries level 1999/2000

level	tariff sum	first decision	review decision	appeal	total	gross value £
1	£1,000	8,381	1,447	477	10,305	10,305,000
2	£1,250	1,422	186	52	1,660	2,075,000
3	£1,500	6,227	887	331	7,445	11,167,500
4	£1,750	535	110	63	708	1,239,000
5	£2,000	4,477	610	207	5,294	10,588,000
6	£2,500	1,003	220	93	1,316	3,290,000
7	£3,000	3,264	540	181	3,985	11,955,000
8	£3,500	1,709	363	143	2,215	7,752,500
9	£4,000	780	277	108	1,165	4,660,000
10	£5,000	1,241	257	121	1,619	8,095,000
11	£6,000	306	66	14	386	2,316,000
12	£7,500	1,601	526	251	2,378	17,835,000
13	£10,000	512	97	50	659	6,590,000
14	£12,500	21	9	4	34	425,000
15	£15,000	74	21	17	112	1,680,000
16	£17,500	199	48	14	261	4,567,500
17	£20,000	72	17	18	107	2,140,000
18	£25,000	21	4	1	26	650,000
19	£30,000	9	2	0	11	330,000
20	£40,000	4	3	1	8	320,000
21	£50,000	2	0	0	2	100,000
22	£75,000	1	1	0	2	150,000
23	£100,000	0	1	0	1	100,000
24	£175,000	0	0	0	0	0
25	£250,000	0	0	1	1	250,000
Totals		31,861	5,692	2,147	39,700	108,580,500

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 28 to 32 under the Criminal Injuries Compensation Act 1995.

Respective responsibilities of the Chief Executive and Auditor

As described on page 24, the Chief Executive is responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Chief Executive is also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements properly present the receipts and payments of the Criminal Injuries Compensation Authority and are properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and directions made thereunder by the Secretary of State and whether in all material respects the receipts and payments have been applied to the purposes intended by Parliament and conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Authority has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 24 reflects the Authority's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control.' I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Statement on the system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Criminal Injuries Compensation Authority.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- (i) comprehensive budgeting systems with annual budgets for compensation and administrative costs which are reviewed regularly by the Management Team and by the Home Office and Scottish Executive (Criminal Injuries Compensation Scheme Departmental Committee);
- (ii) regular reviews by the Management Team of periodic and annual financial reports which indicate financial performance against the targets;
- (iii) the setting of targets to measure financial and other performance; and
- (iv) a detailed system for the authorisation of payments of compensation and for the procurement of goods and services.


In addition to establishing its own Quality Assurance and Security Section, the Authority has appointed the Home Office Audit and Assurance Unit as its internal auditor. The Unit operates to standards defined in the Government Internal Audit Manual.

The work of the Audit and Assurance Unit is informed by an analysis of the risk to which the Authority is exposed and annual audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Authority's Audit Committee and approved by me. At least annually, the Head of Internal Audit provides me with a report on internal audit activity in the Authority. The report includes the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Authority's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the Quality Assurance and Security Section, internal auditors, the Audit Committee (which oversees the work of the internal auditor), the Management Team within the Authority who have responsibility for the development and maintenance of the financial control framework and comments made by the external auditors in their Management Letter and other reports.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance [to be] issued by them.

Signed: 

Howard Webber
Chief Executive and Accounting Officer
20 December 2000

For applications from close relatives of a person who has died following a violent assault, the possible components are:

- a standard amount of £5,000 for each applicant who qualifies for a fatal injury award (or £10,000 if there is only one applicant)
- an award to compensate for loss where an applicant was dependent on the income of the deceased, running until the deceased would have reached normal retirement age
- loss to a child under 18 of a parent's services, made up of a standard amount of £2,000 a year until the child reaches 18, plus the actual costs incurred in replacing the parent's services (either through the surviving parent giving up their job to provide childcare, or through employing someone else)
- funeral expenses (which may be paid to whomever was responsible for meeting the costs of the funeral, not just a close relative).

More detailed information on the provisions of the scheme can be found in 'A guide to the Criminal Injuries Compensation Scheme' available from the Authority and on our website at: www.cica.gov.uk.

Reaching a decision

Nearly 75 per cent of applications are settled at the 'first decision' stage, without the applicant seeking a review of the decision. Reaching a decision on an application is a rigorous process and calls for a meticulous and detailed approach. Over half of the Authority's staff work in thirteen first decision sections, examining and investigating the nearly 80,000 applications made each year. We carry out

"Your pleasant and helpful manners have been a great encouragement at a time when it is easy to be despondent and to feel that you cannot trust anyone."

Over half of the 40,000 people who made successful applications to the Authority in 1999/2000 received between £1,000 and £2,000 to recognise their pain and suffering.

More serious cases accounted for around 14,000 awards of between £2,000 and £25,000, and there were 25 cases where applicants received between £30,000 and £250,000, the maximum we are able to pay for pain and suffering. Compensation is also available for lost earnings and care costs.

We handled 1,378 applications from partners, parents and children of people murdered in violent crimes. But these

figures and others recorded in this report give no real insight into the nature of CICA's work. Most of the people who apply to us have suffered a traumatic and violent episode in their lives, some a devastating personal tragedy from which they may never fully recover. All our staff face a unique challenge in carrying out their normal enquiries while remaining sensitive to the trauma suffered by the people they are dealing with. We train them to be aware of this when they deal with people on the telephone and in correspondence and try to ensure that we provide at all times a caring and compassionate service.

Table 1:
Disallowed claims 1st April 1999 – 31st March 2000

scheme paragraph	reasons for refusal	disallowed claims
6	Injury sustained on or after 1.8.64	34
7(a)	Previous claim for same injury	29
7(b)	Injury sustained in family setting before 1.10.79	185
8(a)	Injury did not result from crime of violence	5,082
9	Application does not meet restrictions in the paragraph	388
11	Mainly, vehicle not used deliberately to injure	320
12	Accidental injury sustained in law enforcement: risk not justifiable or not exceptional	182
13(a)	Failure to report without delay to police	2,934
13(b)	Failure to co-operate with police in bringing assailant to justice	6,472
13(c)	Failure to co-operate with the Authority	2,054
13(d)	Conduct before, during and after the incident	4,097
13(e)	Applicant's criminal record	2,766
15(a)	Assailant would have benefitted from award	164
15(b)	Award against a minor's interest	10
16(a)	Assailant in family violence/abuse claim not prosecuted	40
16(b)	Violence between adults in same family – assailant and victim still living in same household	58
17	Claim not submitted within 2 years of incident	1,190
24	Injury not serious enough to qualify for minimum award of £1,000	11,403
25	Pre-existing medical condition	749
	Total	38,157

In 4,191 cases there was more than one reason for the case to be refused.

Statement of Criminal Injuries Compensation Authority's and Chief Executive's responsibilities

Section 6(3) of the Criminal Injuries Compensation Act 1995 and paragraph 4 of the Criminal Injuries Compensation Scheme together require that the Accounting Officer of the Authority must prepare a statement of accounts for each financial year in such form as the Secretary of State may direct. The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at year end.

As the senior full time official of the Criminal Injuries Compensation Authority, the Chief Executive carries the responsibilities of an Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, as set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in Government Accounting.

Howard Webber

Chief Executive and Accounting Officer
20 December 2000

Review of activities

The financial year 1999/00 was the fourth year of operation of the tariff-based scheme, made under the Criminal Injuries Compensation Act 1995 and effective from 1 April 1996, alongside clearance of claims received by 31 March 1996 to be resolved under the 1990 common law damages scheme by the Criminal Injuries Compensation Board. The staff of the Authority continued to service the Board's requirements for this purpose. A separate account has been prepared for the Board's activities, including such proportion of staff and other administrative costs as may appropriately be assigned to them. The targets set by Ministers for the Authority included the clearance of 81,000 claims under the tariff-based scheme in 1999/00. By 31 March 2000, 75,917 claims had been wholly resolved and responses from claimants were awaited to decisions made in 13,506 other cases. Compensation expenditure totalled £116.3m.

The Annual Report for the Board is published at the same time as this report for the Authority.

Future developments

The programme of work for 2000/2001 agreed by Ministers includes clearance of 84,000 tariff scheme claims.

Staff involvement

The Authority is not an employer of staff in the conventional sense and so does not itself have a full range of personnel management responsibilities. It aims, nevertheless, to follow best practice in the management of staff, including giving proper attention to communication, consultation and information and ensuring adherence to the Departments' guidance for the development of individual people, the provision of a safe working environment and facilities for health and welfare.

Disabled people

Recruitment and engagement of staff assigned to the Authority is currently undertaken by the Home Office and Scottish Executive in accordance with their policies and practices as equal opportunities employers.

Howard Webber

Chief Executive

Criminal Injuries Compensation Authority

20 December 2000

a thorough and detailed investigation to ensure that all applicants who are eligible for an award under the terms of the scheme receive compensation.

Once we have established that a claim satisfies the eligibility criteria we determine the amount of compensation that the applicant is entitled to, by checking the nature and severity of their injuries against the tariff, and considering any extra compensation due for loss of earnings or to cover care costs.

Gathering information

We work closely with the police, organisations representing victims of crime and the medical profession, mainly GPs and hospitals, so that we can look at each application for compensation on its merits.

Using information provided by an applicant as a starting point, we gather details from the police investigation of the incident which caused the victim's injuries. This includes information about the applicant's conduct at the time, and whether they have helped in the investigation.

We ask the doctor or hospital that treated the applicant for a report of their injuries and treatment. This tells us whether the injury suffered was sufficiently serious to qualify for the minimum amount of compensation payable under the scheme – £1,000. We have to turn down many applications because the injuries suffered by the victim, a black eye or bruises, for example, while very distressing for the applicant, are not serious enough to meet this threshold.

We are committed to investigating claims efficiently and deciding on applications promptly and fairly. We are also mindful that our applicants have been victims of a violent crime and aim to treat them at all times respectfully

The main eligibility criteria of the scheme are:

- prompt reporting of the incident to the police – generally within two days
- the applicant's conduct before, during and after the incident
- the applicant's character (as shown by, particularly, his or her criminal record)
- the applicant's willingness to co-operate with the police and CICA.

and considerately. In a year when the Authority's activities were examined in great detail, a picture emerged of a diligent and dedicated workforce, whose consideration is recognised by our partners and customers.

Taking a fresh look – review

The review stage of the Authority's procedures enables applicants to question the initial outcome of their compensation claim, if they do not agree with the decision we have made. Reviewed applications are looked at afresh, by staff from an entirely separate part of the Authority. Once again, we carry out enquiries with the applicants, police, medical and other authorities in order to determine whether:

- applicants can provide any fresh information
- we have overlooked or misinterpreted information already supplied
- the injury suffered matches the correct tariff description and level
- there are good reasons to dispute the Authority's original decision.

When the review has been completed we write to let applicants know the decision. If they are not satisfied with the review decision, they can request an oral hearing of their case by the independent Criminal Injuries Compensation Appeals Panel (CICAP).

The appeals process

It is the task of the, now around fifty, staff of the CICA's Presenting Officers Unit – caseworkers as well as Presenting Officers – to prepare for the hearing by investigating cases anew in the light of points made by the applicants in the reasons given for their appeal.

Caseworkers and Presenting Officers gather, examine and index the documentary evidence and compile a summary of the issues to be decided by the Appeals Panel. These set out for the applicants and Panel members the basis of the Authority's decisions to date, drawing their attention to the elements of their case most likely to be of interest to the Panel. They also identify the witnesses who will be called to give evidence.

On the day of the hearing the Presenting Officer helps the Appeals Panel test the evidence in the case by outlining the facts of the case, explaining how the Authority has assessed the application under the terms of the scheme and asking the victim and any other witnesses relevant questions. The applicant may be unrepresented, or may be represented by the independent charity Victim Support or by a lawyer.

An oral hearing at which victims of violent crimes must recall in front of strangers the circumstances of the crime and the injuries they suffered can be a traumatic experience for them. Members of the Appeals Panel and the Presenting Officers make every effort to prepare people attending the hearing by explaining carefully what will happen on the day. They also aim to present as informal an atmosphere as is consistent with the Appeal Panel's need to test the facts and ensure that they make a fair and proper decision.

"... a short letter to thank you for your calming and reassuring influence... I quickly became aware that your line of questioning was to extract the truth in a non-judgmental manner and I felt you brought out the best in me."

Foreword to accounts

Under Section 1 of the Criminal Injuries Compensation Act 1995, the Secretary of State is required to make arrangements for the payment of compensation to, or in respect of, persons who have sustained one or more criminal injuries. These arrangements are set out in the Criminal Injuries Compensation Scheme made by the Secretary of State on 12 December 1995.

Payments of compensation under the scheme are made by the Criminal Injuries Compensation Authority (the Authority) which is a Non-Departmental Public Body sponsored by the Home Office. Claims officers in the Authority determine claims in accordance with the scheme and are appointed by the Secretary of State under Section 3(4)(b) of the Act. Their decisions are open to appeal to an independent Criminal Injuries Compensation Appeals Panel comprising of adjudicators appointed by the Secretary of State under Section 5(1)(b) of the Act.

Section 6(3) of the Criminal Injuries Compensation Act 1995 requires that the scheme includes provision for such persons as the Secretary of State considers appropriate, to prepare a statement of accounts in each financial year in such form as the Secretary of State may direct. Under the scheme,

the Chief Executive, as Accounting Officer, must prepare such a statement of accounts for the Authority.

The Criminal Injuries Compensation Appeals Panel prepares its own separate Annual Report and Accounts.

The Authority is financed in respect of its administrative costs and payment of awards of compensation by grant-in-aid from Home Office Class IV, Vote 1 with a contribution from The Scottish Executive.

Creditor payment policy

The CICA supports the CBI prompt payment code, undertaking to pay all invoices within 30 days of receipt or within stated credit terms. A review of invoices paid during 1999/00 showed that 92% of those from commercial organisations were paid within 30 days. Formal procedures have been introduced for investigating all payments not made within 30 days or the stated credit terms and a supplier has issued a reminder to pay.

than 46,000 visits from the public and others, including victims representatives and journalists. In early 2001 we shall publish a brief guide to the scheme, *Compensation for Victims of Violent Crime*, written in plain English and also available in twelve other languages. Members of the public will be able to get the booklet from the police, Victim Support schemes, Citizen's Advice Bureaux and a number of other places such as GPs' surgeries and libraries. The Authority is also planning to pilot a telephone call centre to respond to requests for advice and information on the scheme.

CICA in the news

Reports and editorials on individual cases for compensation appear frequently in local and tabloid newspapers. When an incident of violent crime attracts widespread public interest, such as the bombing of the Admiral Duncan, the public house in Soho, London in April 1999, or a brutal assault, it follows that there will be media interest in the fate of the victims. But even when less notorious crimes occur, the Authority's decisions may be scrutinised and questioned by journalists. We do not generally make any public comment on individual cases, because to do so would breach our applicants' right to confidentiality and privacy. This means, however, that newspaper and radio reports of criminal injuries compensation cases can be unbalanced, as they cover only one side of the story.

"I would like to take this opportunity of thanking you and the staff of the CICA. We are very pleased with the outcome and my mother does feel very accepted and acknowledged as a result, after her frightening experience, and the pain and inconvenience arising from her injury."

In 1999/2000 we began a review of our relations with the media with a view to discovering whether a more active approach to publicising the scheme through contacts with newspaper journalists and broadcasters would improve their and other people's understanding of the scheme. We also hope to find out – by trying it – whether placing articles about the scheme in professional and specialist publications will extend knowledge of the right to compensation for blameless victims of violent crime.

Behind every headline and newspaper column that reports an horrific violent crime there are people suffering the consequences of that crime, attempting to rebuild their lives and recover a degree of normality. The CICA works with other organisations, including national and local victim support schemes, the police and health professionals, to support people at a time in their lives when they most need help.

In 1999/2000 we handled incidents which involved large numbers of people, for example, the bombing of the public house, the Admiral Duncan, in London and the serial murder of his patients by Dr Shipman, the Manchester GP. No amount of money can ever make up for the loss of a loved one or the pain and suffering, physical and psychological, of those who have experienced violent crime. Criminal injuries compensation can however alleviate the financial consequences and can help people to put the event behind them. Many people write to us expressing their gratitude and the sense of relief they feel when they receive compensation. This report has included a few extracts from their letters

1999/2000 Performance Review

Objectives

The Authority has three key objectives and three key performance indicators set by its sponsor department, the Home Office. These relate to:

- the volume of applications resolved
- the time taken to reach decisions
- the unit cost of applications resolved.

Volume of applications

The Authority's business plan for the year carried through the previous year's objective of resolving marginally more applications than the intake of new ones, so that the number of applications outstanding at the end of the year would be less than at the beginning. On the assumption that we would receive 80,000 new applications in 1999/2000, the

target was to resolve a total of 90,500 of which 81,000 would be considered under the 1996 tariff scheme. The actual number of new claims was 78,742. Figure 1 shows the growth of the scheme over the past ten years. Our performance against the 1999/2000 targets is given in the table 2.

While our percentage achievement was lower than in previous years, the actual number of cases settled was higher than in any previous year of either the Board's or Authority's history. Two further points must be made to put these figures in context. First, the relatively few cases outstanding under the 'old' common law scheme have proved of increasing complexity, and have demanded a high (and unpredictable) level of staff time and effort. Second, in all four years of the Authority's existence we have ended the year with fewer cases outstanding than at the beginning of the year – something

Figure 1: Growth of the Criminal Injuries Compensation Scheme 1990 to 2000

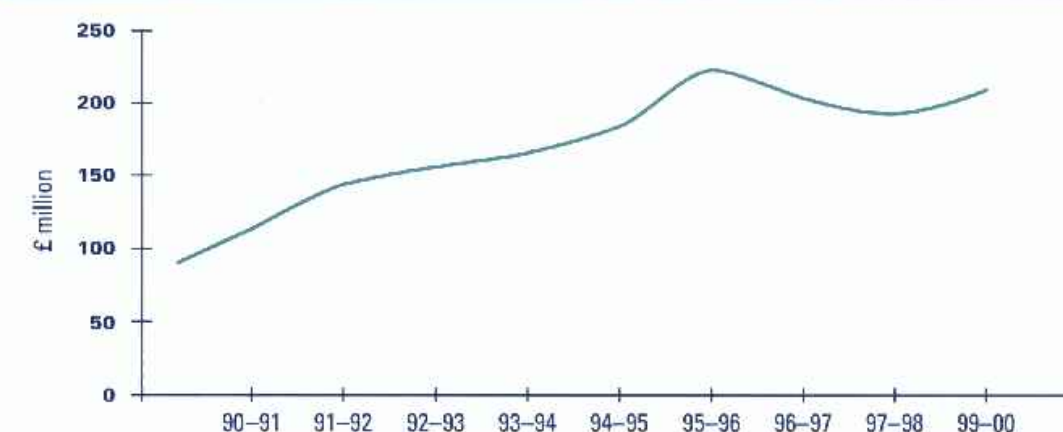


Table 2: Applications resolved 1999–2000 – old and new schemes

	1997–98	1998–99	1999–00
Target for resolved claims	56,700	78,000	90,500
Achievement	57,814	74,859	83,021
% achievement	102	96	92

that was achieved in only three of the 32 years' previous existence of the Criminal Injuries Compensation Board.

At 31 March 2000 there were 93,579 applications outstanding compared with 97,236 at 31 March 1999. This met our objective to reduce the overall number of claims outstanding in the system.

Table 3 gives the position on outstanding applications to the current tariff scheme as at 31 March 2000.

Of the total 87,595 unresolved claims, nearly a quarter had received a first or reviewed decision by the Authority.

While the level of outstanding applications under the 1996 scheme rose by 6,600 (eight per cent) between 1997–98 and 1999–2000, the number of cases outstanding under the

Table 3: Outstanding applications 31 March 2000

	1997–98	1998–99	1999–00
Awaiting a first decision	53,774	53,011	55,574
Awaiting a reviewed decision	10,411	10,888	11,018
Awaiting applicant's response to a first or reviewed decision	14,702	15,433	13,506
Awaiting appeal	2,091	5,438	7,497
Total	80,978	84,770	87,595

1990 scheme fell by 38,183. As cases under that scheme are resolved this will free resources to attack the backlog under the 1996 scheme.

We have already taken action to deal with the most serious backlog issue – the number of cases awaiting appeal. It was largely inevitable that this would rise during the early years of the new scheme – as more decisions were made, more were likely to be appealed. But the rise in the number of cases awaiting appeal, and the waiting time for appeals to be heard, were higher than we wished; so, with the agreement of our sponsors, we substantially increased the complement of our Presenting Officers Unit at the start of 2000–01. Given the lead time, the full results of this will be clear only in 2001–02, but early results should be visible before the end of 2000–01.

Time taken to reach decisions

A quick response to applications for compensation from victims of violent crime is central to our aims. It can make a great deal of difference to the way people feel about the service we provide and to whether they are satisfied that the scheme works well. But however great the desire to reach a decision quickly, we also need to ensure that we get sufficient information from the police and medical authorities to make fair and proper decisions that people can accept and understand.

Under the Victim's Charter, we aim to make a decision on 90 per cent of applications within twelve months of receiving the application. There are inevitably some more complicated cases which make 100 per cent settlement within twelve months impossible. Even when we receive an application immediately after the incident, it may be necessary to await the outcome of a trial before we make a decision.

Communications

Effective communications are central to the CICA's business aims. In order to fulfil our statutory role and meet our goals and objectives, we communicate every day with a range of audiences. First and most important are the members of the public who apply to us and the voluntary organisations and individuals who support them. We also rely on health professionals, the police, social services, lawyers and many others to provide us with accurate and timely information to enable us to do our job well. In addition, we benefit from politicians, civil servants, journalists and broadcasters understanding our purpose and procedures.

In some ways we face a particularly acute challenge. We are part of the criminal justice system, which has a language of its own that can often be off putting to members of the public unfamiliar with it. But we must also communicate directly and clearly with people who have no specialist knowledge of the law and in many cases have suffered a traumatic event which has made them feel damaged and vulnerable. We need to ensure the way we work with people who apply to us for compensation is appropriate, sensitive, compassionate and tailored to their needs. We must also ensure that everyone who has a right to compensation knows that we exist. To this end, we must provide information through materials that are easily read and understood by all our audiences. This means knowing our audiences well.

Research

We began work in 1999/2000 on designing research which will help us learn more about the people who apply to us for compensation. The National Audit Office research and report in April 2000 looked, among other things, at the effectiveness of our communications with victims of violent crimes and opportunities for modernising the Authority's operations. The NAO found that the level of applications for criminal injuries compensation relative to the rate of recorded violent crime varied widely across the police force areas of England, Scotland and Wales. It recommended that we commission research to find out why this should be.

The National Audit Office report was followed by a report of the Public Accounts Committee. Following these reports, the Authority is putting in place arrangements to monitor the ethnic origin of applicants (we already monitored age and gender), with a view to determining whether all potentially eligible victims of crime have an equal opportunity to get to know about the scheme and to apply.

Communicating with the public

Work began over the year on a number of projects designed to improve the Authority's direct communications with the public. The Authority now has a website – operational from May 2000 – which has received more

ways of communicating effectively with staff in order to increase motivation, win understanding from staff of the Authority's corporate aims and learn from staff's experience and knowledge.

Communications between management and staff are much improved. Managers at all levels are encouraged to adopt a systematic and in-depth approach to performance appraisals and job reviews. Staff learn of policy changes and other developments that affect their work via e-mail and now see the minutes of management team meetings, including statistics and information on business targets. As a result, individual teams are able to manage their own progress and measure it against the performance of others. If they wish, members of staff can speak directly to the Chief Executive on the telephone or face to face, and are always able to communicate with him by e-mail.

Information technology

In 1999/2000 the CICA began a review of its information technology. The existing computer system, which dates from the introduction of the 1996 scheme, is a vital underpinning of the Authority's work. The database, statistics and case management information that the system provides are central to the efficient and timely handling of compensation claims. In order to keep up with new developments in technology, however, we are working with IT specialists to design a more sophisticated computer system which will make many aspects of the caseworkers' regular tasks easier and quicker to complete and will enable them to provide a better service to applicants.

The new system should be fully operational in 2002 and will enable us to provide a thoroughly efficient and responsive service to our customers.

'It is a cliché to say that our staff are our greatest asset. But it is truer here than anywhere else I have worked. The job they do is complex and demanding and we must both support them through training and development that meets their needs, and learn from them what we can do to serve our customers – the applicants – better.'

'TiP helps greatly in the process of training, development and communications – and has helped to prove that good practice in training and development leads to good results.'

Howard Webber
Chief Executive, July 2000

In line with the Government's modernising agenda, the Authority is also seeking in the medium term to establish electronic links with other organisations, such as the police and medical authorities, with a view to sharing information about the claims we receive. If we can access directly existing records, such as those already held on the Police National Computer or by general practitioners and hospitals, we will reduce the time it takes to gather information and reach a decision on applications – and reduce the burden we place on GPs, hospitals and the police.

The purpose and function of the CICA, its business aims and objectives, are unique. Measuring our efficiency against organisations inside or outside government therefore presents difficulties. In 1999, however, the National Audit Office commissioned research designed to measure CICA's performance against that of three private sector insurance companies.

The NAO report concluded that our productivity and processes compared well with those of the insurance companies. On average we took less time to decide a case (approximately 11 months as compared with up to 19 months for the insurance companies) and we did so more economically.

When applicants have suffered serious injuries, we may need to wait to see the long-term effect on their lives and study medical reports on their condition.

In 1999/2000, we made 71,739 first decisions. Of all the decisions we made during the year, 85 per cent were within twelve months. This left 10,171 claims that were more than twelve months old. In such cases, once we have decided that the applicant is eligible for an award, we usually make an interim payment to applicants until we have a clear enough picture of their circumstances to make a final decision.

During the year 1999/2000 25 per cent of applicants to the CICA requested a review of the original decision on their case. Fewer than 10 per cent of applicants went on to request an oral hearing before the Appeals Panel. The corresponding figures for 1998/99 were 23 per cent and 9 per cent respectively.

As noted above, reducing the waiting time and the backlog at the appeals stage were key priorities at the end of 1999–2000, which we addressed by increasing the complement of the Presenting Officers Unit. In the summer of 2000, we also commissioned, jointly with the Appeals Panel, a management review of the appeals process, to provide an objective, external view of possible efficiency savings and other improvements.

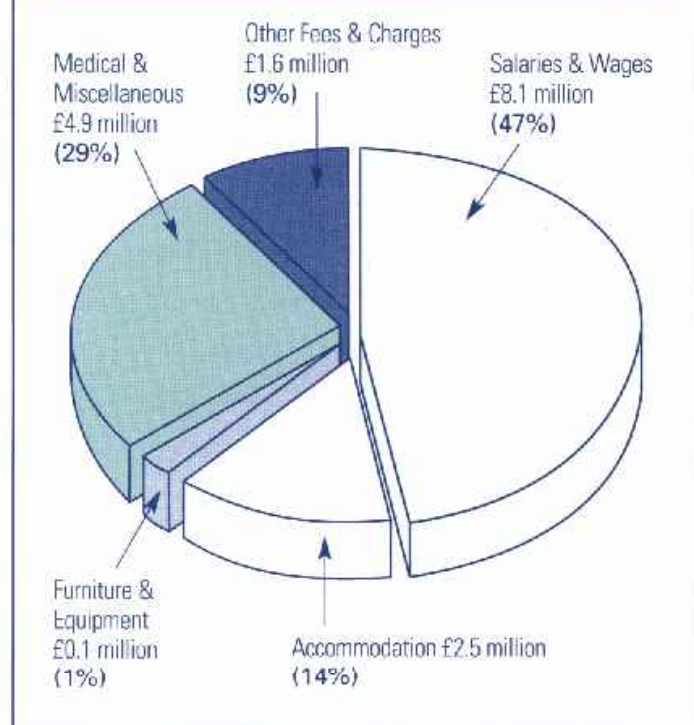
Table 4: Time taken to reach decisions 1999/2000

Period of time	number of decisions	%	cumulative %
within 2 months	6,812	9.50	9.5
2–4 months	14,151	19.73	29.23
4–6 months	16,040	22.36	51.58
6–8 months	11,988	16.71	68.30
8–10 months	7,416	10.34	78.63
10–12 months	5,161	7.19	85.83
over 12 months	10,171	14.18	100.00
Total	71,739	100	

Unit cost of settling a claim

As the CICA operates the two schemes from the same administrative framework, there is no clearly separable budget for the administrative costs of the new scheme. Under the business plan for 1999–2000 the Authority expected to achieve with its administrative budget of £20.6 million an average unit cost per resolved case of £228. The combined administration costs of both schemes amounted to £20.7 million in 1999–2000, giving an average unit

Table 5: Administration costs 1996 Scheme



cost of £249. There is a clear tension between, on the one hand, keeping unit and overall costs as low as possible and, on the other, providing the level of service to our customers which we wish and they deserve. Good service costs money. One of the key challenges for the future will be to ensure continuing improvements in customer service while keeping firm control of our administrative costs.

Salary costs account for less than 50 per cent of the total administrative expenditure across the two schemes. The running costs of the 1996 scheme amounted to £17.2 million in 1999/2000. Table 5 shows how this amount was accounted for.

In March 1999, the Home Office published a consultation paper, *Compensation for Victims of Violent Crime*, inviting views on ways in which the scheme could be changed to create a better deal for victims. The Government is considering responses to the paper and suggestions for extending or altering the scheme including:

- increasing the rates in the tariff of injuries in line with inflation each year
- increasing the amounts paid under the tariff for secondary injuries
- increasing the size of awards related to sexual assault and physical abuse
- raising the lower limit for awards, concentrating resources on the more seriously injured victims.

Valuing our staff

The majority of CICA's staff are caseworkers, in our three main areas of work – first decision, review and appeal. A team of legal advisers, an information technology and training group and administrative, quality control and accounting personnel are on hand to support them. The Chief Executive is based in London, his deputy in Glasgow, and a management team of eleven oversees policy and management performance.

Our staff are undoubtedly the Authority's main and most important resource. Most staff work for the Authority on secondment from the Home Office and the Scottish Executive. While the work at the Authority is interesting and challenging and offers good opportunities in terms of experience and career development, many staff see their natural career progression as being with the parent department. Salary levels hardly reflect the difficulty and responsibility of their work – nor the dedication with which they approach it. These factors can lead to difficulties in recruiting and retaining staff.

CICA caseworkers fulfil a challenging and demanding role. They make difficult decisions on a daily basis on the eligibility of claimants and in doing so must interpret detailed medical and police reports. They may also have to make complicated financial calculations when applicants have lost earnings because they are unable to work due to the injuries they have suffered. Specialised training for staff is therefore very important.

Training and development

The Authority's training and development strategy provides a framework and direction for training new staff in the skills they need to do their job. The six training officers also offer courses tailored to the needs of specialist groups, like the Presenting Officers Unit (see page 12).

During 1999/2000 the training group provided 1,233 training days. Desk training accounted for around a further 2,000 days. In March 2000, over one hundred managers attended a seminar in York to share experience and good working practices, while all other staff attended day long training seminars in Glasgow and London in June 2000. These measures have ensured that staff understand the Authority's business goals and are equipped to do their jobs successfully.

In December 1999 the Authority gained an Investors in People award. The Authority had introduced a formal training plan in 1996, including measures to evaluate the success of training courses offered. Investors in People helped take this a stage further. It helped us to think more systematically about staff needs, and to focus more clearly on key issues of training and development such as induction, management training, planning and evaluation.

Improved communications were also central to the Authority's adopting the Investors in People process and standard. Senior managers recognise the need to find more and better