

cica

CRIMINAL

INJURIES

COMPENSATION

AUTHORITY

Annual report

1996/97



CRIMINAL

INJURIES

COMPENSATION

AUTHORITY

Annual report

1996/97

cica

First Report

Accounts for the year ended 31 March 1997

Ordered by the House of Commons to be printed 26 March 1998



Foreword by The Chief Executive

This is the Criminal Injuries Compensation Authority's first Annual Report and Accounts, and covers the Authority's operation in 1996-1997 of the Tariff-based Scheme effective for all claims received on or after 1 April 1996. It is presented in accordance with Section 6 of the Criminal Injuries Compensation Act 1995 and Paragraph 4 of the Scheme made by the Secretary of State on 12 December 1995.

There is a separate Annual Report and Accounts for the activity of the independent Criminal Injuries Compensation Appeals Panel in dealing with appeals against the decisions made by the Authority.

Since claims received before 1 April 1996 remain the responsibility of the Criminal Injuries Compensation Board to determine under the terms of the 1990 common law damages Scheme, there is also a separate Annual Report and Accounts for the Board, which is the thirty-third in the series.

The challenges to the Authority in the first year of the Scheme were essentially twofold: to ensure that the organisation was properly equipped in terms of structure, staff, skills and technology to meet the requirements of the Scheme itself which were in significant respects different from its predecessors; and to deliver from the outset an effective service to the victims of violent crime whom the Scheme is intended to support. That the staff of the Authority - civil servants on assignment from the Home Office and Scottish Office - continued simultaneously to service the requirements of the Criminal Injuries Compensation Board for the clearance of claims remaining under the 1990 Scheme was an extra dimension, but not one which detracted from the core objective of successfully implementing the new Scheme.

I am able to report that besides maintaining a high level of activity on clearance of 1990 Scheme cases (as shown in the CICB's 33rd Report) the Authority met that objective as demonstrated by the material which follows. Over a third (28,027 or 37%) of the 75,032 applicants whose claims were received in 1996-97 had received a first decision from the Authority by 31 March 1997, providing a solid foundation on which to continue to develop our service to victims in accordance with Ministers' policy.

Peter Spurgeon
Chief Executive



Contents of Report

	<i>Paragraphs</i>	<i>Page</i>
1. The Planning Background		
Business Plan 1996-97	1.1 - 1.2	7
The Tariff-based Scheme	1.3 - 1.8	7
Operational Planning	1.9 - 1.10	8
Financial Planning	1.11	8
2. Operational Performance 1996-97		
Key Objectives and Key Performance Indicators	2.1 - 2.6	9
Time taken to reach decisions	2.7 - 2.9	10
Administration Costs	2.10 - 2.12	11
3. Operation of the Scheme		
Process for considering claims	3.1 - 3.5	13
Awards made	3.6 - 3.9	14
Disallowed claims	3.10 - 3.12	15
4. The People We Serve	4.1 - 4.4	17
5. Forward Look	5.1 - 5.3	18
ACCOUNTS		
Foreword to the Accounts		19
Statement of CICA's and Chief Executive's Responsibilities		21
The Certificate of the Comptroller and Auditor General to the Houses of Parliament		22
Receipts and Payments Account for the year end 31 March 1997		23



The Planning Background

BUSINESS PLAN 1996-97

1.1 The Authority's published Business Plan for 1996-97, approved by Ministers, was based on the premise that an improved service should be provided to victims of crimes of violence by making the system of compensation simpler and more transparent and, where possible, faster in its response to those who make a claim. At the same time, Ministers expected the service to be delivered efficiently and economically, with close attention to the control of administration costs. Thus the planning and the setting of key objectives and key performance indicators focused on:

- the volume of claims to be resolved;
- time taken to reach decisions;
- the unit cost of claims resolved.

1.2 Given that the new Scheme was at a standing start on 1 April 1996, the plan assumed that claims would not be ready for settlement in any significant volume until the second half of the year. Enquiries of the police and medical authorities are necessary in practically all claims and the speed with which decisions may be issued is determined by the speed of response to these enquiries. There were thus a number of uncertainties, but the Authority's working objective throughout the year was to issue a decision on all claims which had sufficient information for a sound assessment to be made. The detailed outcomes are shown in section 2 of this report.

THE TARIFF-BASED SCHEME

1.3 The Scheme itself is designed to be simpler to administer than the former system based on common law damages principles. While the Scheme retains the core elements of the common law approach to personal and fatal injury, its provisions are framed so as to facilitate decision-making by claims officers in the Authority, who, although well-trained, are not required to be members of the legal profession. By the same token, the Scheme is intended to be more accessible to, and better understood by, members of the public who may become victims of violent crime.

1.4 For claims involving personal injury, the Scheme makes it clear that there are three possible components in an award of compensation, depending on the circumstances of the case.

1.5 The first component is the Tariff, which fixes the standard amount of compensation according to the type of injury. The Tariff of Injuries in the Scheme covers some 330 descriptions of injury, ranking them against 25 levels of award between £1,000 and £250,000, the descriptions and values having been drawn by reference to awards made under the former common law damages Scheme. Thus a victim can more readily assess, by looking at the Tariff of Injuries, what an award for his or her injury is likely to be once eligibility under the Scheme is established.

1.6 The second component is loss of earnings or earning capacity, for which the Scheme provides compensation where the loss runs beyond 28 weeks (and starts the calculation of compensation from week 29). And the third is special expenses for medical and care costs which again require a qualifying period of more than 28 weeks' incapacity (but expenses from the date of the injury are then claimable). For both of these components, the Scheme sets out the approach to calculation and assess-

ment in a way which was not previously made generally available. But because these provisions can be more complex in practical application, the Authority, in addition to producing a Guide to the provisions of the Scheme as a whole, published a supplementary Guide, giving examples of the calculations including the use of the multiplier table in the Scheme for computing the present value of a future stream of losses.

1.7 The same approach was taken by the Authority in explaining the provisions for fatal cases under which qualifying relatives may receive a fixed award under the Tariff, compensation in respect of dependency on the deceased's income and, where the claimant is a child whose parent has been killed, an award for loss of parental services.

1.8 Thus as part and parcel of the planning for the introduction and operation of the new Scheme, the Authority's concern in the production of guidance for the public was to place victims as far as possible on a footing equal to those who would be deciding their claims. This extended to detailed explanation of the rules of eligibility, largely drawn from the former Schemes, which continued to rely on the proposition that those seeking compensation from public funds should be blameless victims who have done their duty as citizens by reporting the incident in question promptly to the police and cooperated in bringing an identifiable offender to justice.

OPERATIONAL PLANNING

1.9 The key elements which were put in place for operating the new Scheme from 1 April 1996 were:

- training and assigning claims officers to decide claims;
- establishing a review function to meet the requirement of the Scheme that first decisions made by claims officers are reviewable at a higher level where the applicant so requests;
- creating a Presenting Officers' Unit to present cases to the independent Criminal Injuries Compensation Appeals Panel where a reviewed decision is appealed;
- extending the IT systems to provide technological support for processing claims and to produce key management and financial information.

1.10 The approach to the organisation and management of administrative resources was that these activities were to be established and developed with minimal increase in staff over the 1995-96 position, despite the operation of two Schemes in parallel.

FINANCIAL PLANNING

1.11 The historical data on the former Scheme provided few pointers to the likely cost of compensation in the first year of operating the new one. The Authority put forward, and Ministers supported, ambitious targets for the volume of claims to be resolved in 1996-97 with the objective of delivering a good service from the outset, but it was acknowledged that there was some uncertainty about the number of claims which would be received, how quickly they would progress to a decision being made, the volume and value of successful claims and the extent to which applicants would take advantage of the wholly new arrangements for review of decisions and then the avenue of appeal to the Criminal Injuries Compensation Appeals Panel.



Operational Performance 1996-97

KEY OBJECTIVES AND KEY PERFORMANCE INDICATORS

2.1 The Home Office, as sponsor Department, had defined the Authority's business in terms of the following key objectives and key performance indicators:

KEY OBJECTIVES	KEY PERFORMANCE INDICATORS
To resolve* an optimum number of compensation claims	Volume of claims cleared within planned financial provision.
To process claims efficiently.	Average unit cost of claims resolved. Time taken to reach decisions on claims.

*A claim is treated as resolved when the applicant either accepts the decision of the Authority or has exhausted the appeals process.

2.2 The Business Plan for 1996-97 set as a global objective covering both Schemes that marginally more claims should be resolved than the volume of new ones received during the year in order to reduce the number of claims outstanding at any one time. On the assumption that 81,000 new claims would come in, the initial overall target was to resolve 83,000, of which 25,000 would be new Scheme cases. Ministers reviewed the position in December 1996 in the light of information that the estimate for new claims was revised downwards to 76,000 and the distribution on resolved cases between the two Schemes was showing a stronger outturn than forecast for the former Scheme and weaker one for the new Scheme. They agreed a revised target of 20,000 for the new Scheme.

2.3 Achievement against the revised target is shown in the table below.

REVISED TARGET FOR RESOLVED CLAIMS	ACHIEVED	% ACHIEVEMENT
20,000	13,566	68

2.4 The number of cases resolved was substantially short of the ambitious target which the Authority had itself put forward and which Ministers supported. The shortfall resulted mainly from the degree of optimism invested by the Authority in the speed with which new Scheme cases would be ready for a decision to be issued, but output was also affected by the attention which had to be given to former Scheme cases as they progressed to final settlement in greater numbers than forecast. First decisions were issued in 28,027 new Scheme cases - 37% of the 75,032 applications received - and in 10,679 cases responses from claimants to the decisions were still awaited at 31 March. Claimants have 90 days in which to decide whether to accept the Authority's decision or to ask for it to be reviewed at a higher level.

2.5 At 31 March 1997, there were 61,466 claims outstanding under the new Scheme and their position in the system is shown in the table below.

Awaiting a first decision	46,701
Awaiting a reviewed decision	3,002
Awaiting applicant's response to a first or reviewed decision	11,135
Awaiting appeal in the CICAP	628
TOTAL	61,466

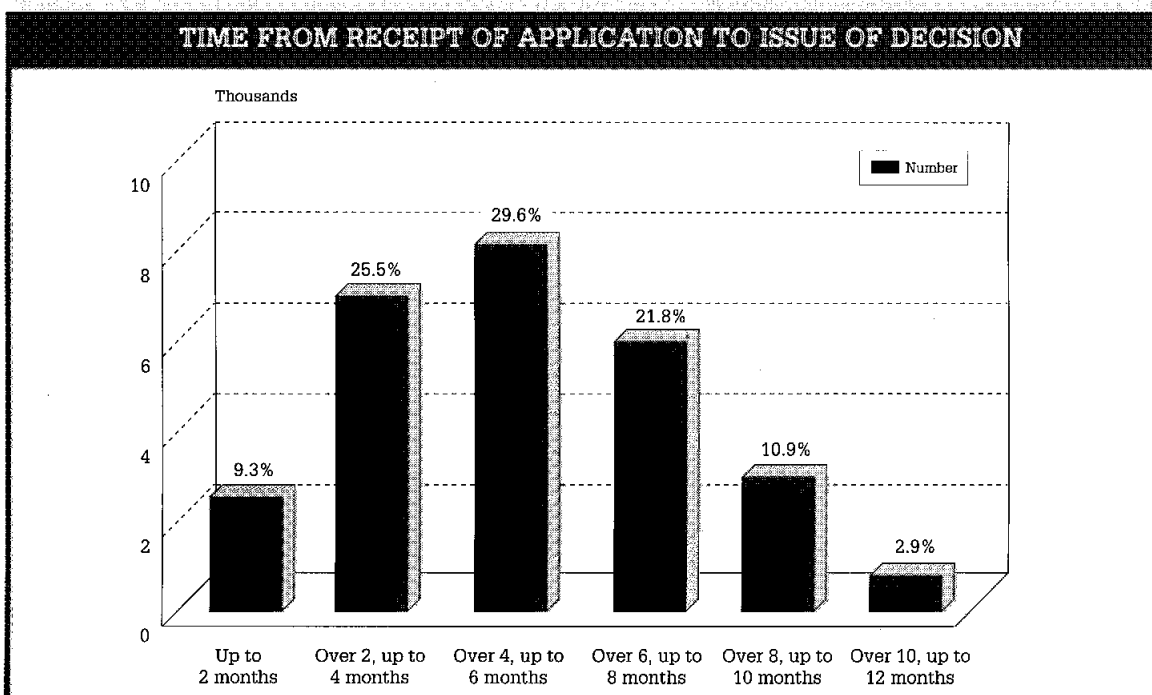
2.6 Taking the two Schemes together, there were 105,633 claims outstanding at 31 March 1997 in comparison with 109,438 for the former Scheme at 31 March 1996. The global objective of reducing the volume of unresolved cases in the system had thereby been met.

TIME TAKEN TO REACH DECISIONS

2.7 One of the key performance standards by which any system of compensation is judged is the time taken to reach decisions on the claims which are presented. Victims of violent crime expect a fast, responsive service and tend to be robustly critical if they do not receive it; but speed of delivery is also a crucial factor in the efficient management of the system. The more claims there are awaiting a decision at any one time, the more likely it is that inefficiencies through case handling problems and other delaying factors have the opportunity to intrude. The Authority's concern from the outset has been to ensure that the processes for obtaining supporting information on claims from the police and medical authorities, for assessing that information carefully and fairly within the terms of the Scheme and for issuing decisions are all consistent with the fundamental requirement to give claimants as fast a service as we can.

2.8 Under the Victim's Charter, the Authority's commitment is to aim to issue a decision within 12 months of receiving a claim. Since the Authority's true performance against that commitment could not be assessed within the first year of operating the Scheme (since no claim could be outstanding for more than 12 months), we set a benchmark of 8 months against which all claims received within that period were subject to further checks to ensure that all those which were ready for assessment were decided. As a more general measure to test whether the volume of decisions issued was keeping pace with the intake of new claims, we set a minimum target for the year of issuing a volume of decisions at least equivalent to the number of applications received in the first four months. That number was 27,232 and 28,027 decisions were issued in the year as a whole. The time taken to reach these decisions is shown in the following tables.

TIME FROM RECEIPT OF APPLICATION TO ISSUE OF DECISION	NUMBER	%	Cumulative %
Up to 2 months	2,602	9.3	9.3
Over 2, up to 4 months	7,137	25.5	34.8
Over 4, up to 6 months	8,305	29.6	64.4
Over 6, up to 8 months	6,110	21.8	86.2
Over 8, up to 10 months	3,062	10.9	97.1
Over 10, up to 12 months	811	2.9	100.00
TOTAL	28,027	100	



2.9 While these figures are indicative of the Authority's focus on this crucial area of its service delivery, it will not be until later periods, when the throughput of work becomes typical, that a proper assessment may be made. In the meantime, the Authority's efforts continue to be geared to issuing decisions on claims as soon as the supporting information is received. In that connection, the response of police forces and the medical authorities is generally commendable. In 75% of cases, the police report is received within three months and for the remainder there are commonly difficulties in tracing the incident from the information which the applicant has given us, or a trial is awaited before which no more than an outline of the incident may be disclosable. We also receive a good service from the medical authorities, but it is inevitable that for some types of injury the diagnosis and prognosis may take some considerable time to obtain.

ADMINISTRATION COSTS

2.10 Since two Schemes were to be operated in parallel from the same administrative base, no distinct budget was set in 1996-97 for the administration costs of the new Scheme. Under the published Business Plan, the Authority was required to operate within a ceiling of £20.9m for administration covering both Schemes and the associated unit cost per claim resolved of £252. There was to be no

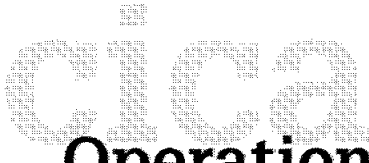
more than minimal increase in the staff complement, with a ceiling of 495. Performance against the Business Plan is shown in the table below.

ADMINISTRATION ITEM VARIANCE	BUSINESS PLAN	OUTTURN	%
Staff	495	458	- 8.1
Pay costs £m	8.95	7.85	-12.3
Other costs £m	11.95	11.40	-4.6
Total	20.90	19.25	-7.9
Unit cost per resolved claim*	£252	£243	- 3.6

*A total of 79,219 claims were resolved in 1996-97, of which 65,653 were under the former Scheme.

2.11 The major factor in achieving an outcome well within budget was the careful management of staff numbers. Recruitment of staff to provide capacity for the review and presenting officer functions under the new Scheme was phased as the workloads for these functions developed throughout the year, taking account also of the progressive release of staff resources as the finite volume of claims to be resolved under the former Scheme was reduced.

2.12 While no distinct budget was set for the new Scheme at the outset, the Accounts at the end of this report disaggregate from the global administration budget the costs attributable to setting up and running the new Scheme in the first year. The costs so assigned amount to £4.6m of which £1.85m was in respect of payments for medical reports on the new claims.



Operation of the Scheme

PROCESSES FOR CONSIDERING CLAIMS

3.1 The Scheme provides that all claims are to be determined first by claims officers in the Authority but that if the applicant disagrees with a first decision, a request for it to be reviewed at a higher level in the Authority may be made within 90 days and, further, that if the applicant is dissatisfied with the outcome of the review, an appeal may be made to the independent Criminal Injuries Compensation Appeals Panel (CICAP).

3.2 There are therefore three processes potentially involved before a claim is finally resolved. The provision in the Scheme whereby applicants are entitled to a review at a higher level on whatever grounds they put forward for contesting the first decision represented a significant departure from the former arrangements. Under the former Scheme, a challenge to the first decision had to be made by way of an application for an oral hearing before at least two Board Members, but such an application could be reconsidered on the papers by the original decision maker if the previous information was incomplete or erroneous. There was therefore some uncertainty about the extent to which the broader provision for review under the new Scheme would be exercised by applicants and about what impact the review function would have on the proportion of claims received which would eventually progress to an appeal to the CICAP.

3.3 Central to the efficiency and effectiveness of the process as a whole was the accuracy and quality of first decisions made since the earlier in the process a claim is settled (with or without an award) on a basis which the applicant accepts, the lighter becomes the volume of cases for further consideration at later stages with the costs and inevitable extension of time for final resolution thereby entailed. Review was seen as having the significant role of giving claimants an open and simple means of coming back on any aspect of the first decision and in enabling the Authority to reconsider the claim afresh, responding to the points raised with a revised decision where appropriate, or confirmation of the first one. The ultimate avenue of appeal to the CICAP is crucial in ensuring that full justice is done to those claims where, for example, evidential difficulties or a dispute about the material facts emerge, but it is not of course a substitute for careful assessment and high quality decision-making within the Authority.

3.4 The throughput of claims in 1996-97 was atypical for the reasons covered in previous sections of this report, but the table below gives some preliminary indication of how the processes within the Scheme for deciding claims may operate once a full business volume is achieved.

PROCESS	THROUGHPUT	OUTCOME IN RESOLVED CLAIMS	
Claims received	75,032		
First decisions issued	28,027		
Applicant's response received by 31.03.97	17,348		
First decision accepted		73.7%	12,789
First decision rejected by request for Review	4,559		
Review decisions issued	1,861		
Applicant's response received by 31.03.97	1,405		
Review decision accepted		53.2%	747
Review decision rejected by appeal to CICAP	658		
Appeals resolved by CICAP			30
		TOTAL	13,566

3.5 It will be seen that some 74% of first decisions issued were accepted by applicants. That compares with 78% applicable to the former Scheme, possibly reflecting the broader provision for review. For reviewed decisions the acceptance rate was over 50% against a background where only 10% of first decisions were altered. These initial indications suggest that the proportion of cases which progress to a hearing or other adjudication of CICAP will be lower than that experienced under the former Scheme. The indicative rate as a proportion of first decisions was of the order of 12%.

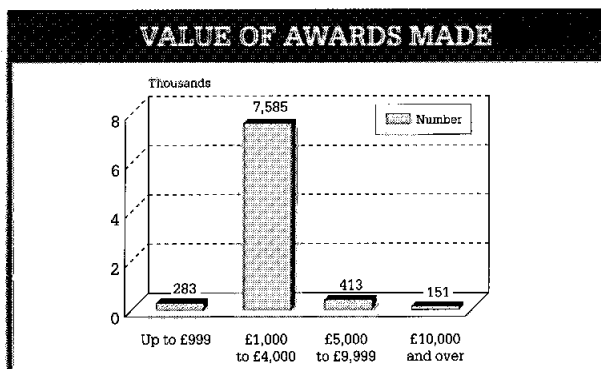
AWARDS MADE

3.6 Of the 13,566 resolved claims, awards were paid to 8,432 victims and the remaining 5,134 claims were disallowed (for the reasons given in paragraph 3.10). The proportion of successful claims, at 62%, was consistent with the historical success rate for the former Scheme. Given that the eligibility rules for both Schemes are very similar, that alignment was not unexpected.

3.7 The total compensation paid was £19.2m. Since by reason of the factors set out in paragraph 2.4, the cases settled in 1996-97 were predominantly in respect of victims with less serious injuries in which the medical enquiries could be completed relatively quickly, the distribution of awards by value shown in the following tables does not approach what might be expected from a comprehensive cohort of settled claims.

VALUE	NUMBER
Up to £999	+283
£1,000 to £4,999	7,585
£5,000 to £9,999	413
£10,000 and over	151
TOTAL	8,432

*These are cases in which the injury under the tariff attracted £1,000 or more but the award was reduced by reason of partial failure of the claim against the eligibility criteria (Paragraph 13 of the Scheme).



3.8 The highest award finalised in 1996-97 was for £30,000. Interim payments of £40,000 were made in two other cases.

3.9 The distribution of awards made in England and Wales and in Scotland is shown below.

	Number of awards	Compensation Paid £
England and Wales	7,289	16,830,118
Scotland	1,143	2,349,699
Total	8,432	19,179,817

DISALLOWED CLAIMS

3.10 The Scheme stipulates a series of eligibility criteria which an applicant must satisfy for a claim for compensation to be successful. The following table sets out these criteria in brief and shows the number of resolved cases which were judged to have failed them.

SCHEME PARAGRAPH	CRITERION	DISALLOWED CLAIMS
6	Injury must be sustained on or after 1.8.64.	4
7(a)	No previous claim for same injury.	27
7(b)	Injury sustained in family setting must be on or after 1.10.79.	37
8(a)	Injury must result from crime of violence.	447
8(b)	Injury sustained by railway employee from others' trespass on a railway.	-
8(c)	Injury attributable to apprehension of offender.	4
9	Conditions applicable to psychological injury alone.	-
11	Injury attributable to use of a vehicle other than deliberate infliction.	87
12	Accidental injury sustained in law enforcement etc in taking justifiable exceptional risk.	25
13(a)	Report without delay to police.	579
13(b)	Cooperate with the police in bringing assailant to justice.	1,130
13(c)	Cooperation with Authority.	40
13(d)	Conduct before, during and after incident.	552
13(e)	Applicant's criminal record.	650
15(a)	Assailant not to benefit from award.	3
15(b)	Award against a minor's interests.	-
16(a)	Assailant in family violence/abuse claim to be prosecuted.	3
16(b)	Violence between adults in same family - assailant and victim to stop living in same household.	6
17	Claim to be submitted within 2 years of incident.	81
24	Injury must be serious enough to qualify for minimum award of £1,000	1,480
	TOTAL	*5,158

*In 24 cases there was more than one reason for the claim to be refused.

3.11 As with the former Scheme, the major reasons for disallowing claims were failure to establish a crime of violence, circumstances not reported to the police without delay (or at all), failure to cooperate with police enquiries, provocative conduct at the time of the incident, the applicant's own criminal convictions and the injury not meeting the criteria for the minimum award of £1,000. These categories together accounted for 94% of the disallowed claims, closely consistent with the outcomes in the former Scheme.

3.12 With the exception of Paragraphs 6 and 7 of the Scheme, which have the effect of barring certain claims altogether, claims officers are required to exercise judgement as to the acceptability of the claim for detailed consideration and then again when the enquiries of the police and medical authorities which have been instituted are complete. And in relation to the series of criteria in Paragraph 13 of the Scheme, the claims officer has discretion whether an award should be made, withheld or reduced. Should the decision be to refuse or reduce an award to which the applicant may consider he is entitled from the terms of the Scheme, adequate reasons must be given so that there is a proper opportunity for the decision to be challenged whether by way of review or appeal.



The People We Serve

4.1 The previous sections of this Report have provided data and observations on the performance of the CICA against the operational and financial targets set for the efficient running of the compensation Scheme. This section offers a commentary on the nature of the work with a special focus on those who make a claim since they are central to it.

4.2 Each of the 75,000 or more applications received annually is from or on behalf of someone who has been hurt, whether physically or psychologically, or both, by the violent act of another human being. This tends to set them apart from people who have suffered injury in other ways. The victim of a crime of violence may feel more vulnerable, or angry or let down than those who experience other hazards of life. While the Authority's staff therefore aim to ensure that each person who applies is given individual attention as distinct from merely processing the claim, there is an inevitable tension between that aim and the volume, pace and objectivity by which claims need to be decided. We are helped considerably by Victim Support who are involved in some 25% of the cases which come to us and will often be the channel of communication for resolving any initial problems with the claim and steering it through the system.

4.3 Victims of violent crime are not in any sense an homogenous 'customer group'. They are people from all backgrounds; the only common factor is that they have suffered violence in one form or other ranging from minor assault to determined acts of the utmost brutality. The circumstances in which the injury is inflicted reflect the complete spectrum of human environments - home, school, work, leisure, entertainment, sport, travel - and thus much of the violence arises from a social or familial context as distinct from a conventional criminal one such as an armed robbery. For example, 12,000 or 16% of claims received annually are in respect of physical injury and/or sexual abuse inflicted in childhood with over a third of the latter arising within a family setting. Some 10% of all claims arise from incidents in pubs, clubs and discos. Neighbours' disputes, along with a host of other argumentative situations which have escalated to violence - sometimes with catastrophic consequences - from what appear to be trivial beginnings, regularly feature in the claims, often accompanied by evidential problems.

4.4 Whatever the context, each claim conveys to us the distress of the person who has been injured. While from a volume of claims presenting every kind of injury from a minor bruise to death we may have some notion of an hierarchy of severity, that has no bearing on the personal perspective of the victim. If the eligibility criteria are met, entitlement to compensation follows and our job is to deliver against that entitlement as quickly as is consistent with proper consideration of the claim. It is in so doing that we derive satisfaction from conveying to individual people the Scheme's concept of giving, on behalf of society as a whole, some tangible recognition and support to them as victims of violent crime.



Forward Look

5.1 The Authority's primary objective in 1997-98 will be to ensure that claims are decided and resolved at a volume and speed which at least keeps pace with intake of new claims in year, estimated at 80,000.

5.2 The new Scheme will predominate and the Authority's target will be to clear 57,000 claims. The target for the former Scheme will be to resolve 25,000 of the finite volume of some 44,000 outstanding at the beginning of the year.

5.3 It will be a testing period for our concern to secure continuing improvements in service delivery. Volume output will be accompanied by quality assurance measures to run a critical eye over the operation of the Scheme's processes and their impact on our customers not least in the terms of the courtesy and sensitivity which our first standard of service says they can expect.

FOREWORD

BACKGROUND INFORMATION

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 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 VII Vote 1 with a contribution from the Scottish Office.

REVIEW OF ACTIVITIES

The financial year 1996-97 entailed the implementation and operation from 1 April 1996 of the Tariff-based Scheme made under the Criminal Injuries Compensation Act 1995 alongside progress to clear 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 20,000 claims received under the Tariff-based Scheme in 1996-97. By 31 March 1997, 13,566 claims had been wholly resolved and responses from claimants were awaited to decisions made in 10,679 other cases. Compensation expenditure totalled £19.2 million.

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 1996-97 showed that, on average, 94% of all Authority invoices were paid within the stated credit terms. Invoices from commercial organisations (as distinct from medical ones) were paid within 30 days of receipt in 95.1% of the sample taken. Formal in-year monitoring will be introduced in 1997-98.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Annual Report for the Authority's activities is to be published in March 1998 following the laying of the Accounts before Parliament.

FUTURE DEVELOPMENTS

The programme of work for 1997-98 and beyond is within the ambit of the Government's Comprehensive Spending Review. Subject to Ministers' decision, the Authority will aim to clear 56,700 claims in 1997-98.

The Authority itself is subject to examination in the context of the Government's review of Non-Departmental Public Bodies. A separate review is being undertaken by the Authority of the pay and grading arrangements which are currently tied to those of the Home Office and the Scottish Office.

DISABLED PERSONS

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

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 nevertheless aims 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.

P G Spurgeon
Chief Executive
Criminal Injuries Compensation Authority

4 February 1998

STATEMENT OF CRIMINAL INJURIES COMPENSATION AUTHORITY'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

The Criminal Injuries Compensation Scheme, under section 6(3) of the Criminal Injuries Compensation Act 1995, requires 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 for the Authority. The Chief Executive's relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in Government Accounting.

P G Spurgeon

Chief Executive
Criminal Injuries Compensation Authority

4 February 1998

CRIMINAL INJURIES COMPENSATION AUTHORITY 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 23 to 25 under the Criminal Injuries Compensation Act 1995.

Respective Responsibilities of the Chief Executive and Auditor

As described on page 21 the Chief Executive is responsible for the preparation of financial statements and for ensuring the regularity of financial transactions. It is my responsibility to form an independent opinion, based on my audit, on these statements and on the regularity of the financial transactions included in them and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 mis-statement, whether caused by error or 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 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 1997 and the balances held at that date and have been properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and 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
Comptroller and Auditor General
19 February 1998

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

CRIMINAL INJURIES COMPENSATION AUTHORITY
RECEIPTS AND PAYMENTS ACCOUNTS
for the year ended 31 March 1997

	<i>Note</i>	<i>1996/97</i> £
HMG Grants received	2	26,421,771
Operating Receipts	3	16,145
		<hr/> 26,437,916
Salaries and Wages etc	4	1,334,483
Other operating payments	5	21,762,074
		<hr/> 23,096,557
Surplus/(deficit) from operations		3,341,359
Other receipts/payments (net)	6	(675,075)
Excess of receipts over payments for the financial year		<hr/> 2,666,284

STATEMENT OF BALANCES AT 31 MARCH 1997

	<i>1996/97</i> Cash at Bank (note 8) £	<i>Investments held on behalf of victims (note 7) £</i>
Balance at 1 April 1996	-	-
Excess of receipts over payments for the financial year	2,666,284	130,977
Balance at 31 March 1997	<hr/> 2,666,284	<hr/> 130,977

The notes below form part of this Account

NOTES TO THE ACCOUNT

1. This account is drawn up in a form directed by the Secretary of State.

2. HMG Grants received	<i>1996/97</i> £
+Grant received from Class VII, Vote 1, (Subhead I1)	21,414,422
*Grant received from Class VII, Vote 1, (Subhead H1)	5,007,349
	<hr/> 26,421,771

A contribution towards the Grant in Aid was paid by the Scottish Office Home Department as follows:

+£2,059,900 from Class XIII Vote 5 (subhead D4)
*£ 431,810 from Class XIII Vote 5 (subhead C2)

3. OPERATING RECEIPTS	1996/97
	£
Compensation recovered by victims: from offenders by Court Compensation Orders	16,145
	<u>16,145</u>

4. SALARIES AND WAGES ETC

(a) Senior Employees

The Chief Executive received emoluments of £55,593 in the year to 31 March 1997. These emoluments are apportioned between the Authority and the Board. The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme. Other than the Chief Executive, no staff received emoluments greater than £40,000.

(b) Staff costs	1996/97
	£
Salaries and Wages	1,133,569
Social Security Costs	80,890
Pension Payments	120,024
	<u>1,334,483</u>

(c) Average number of staff employed during the year: **1996/97**

Admin staff* 444

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

5. OTHER OPERATING PAYMENTS	1996/97
	£
Compensation	19,179,817
Medical and miscellaneous fees	1,853,907
Accommodation	433,678
Post Office and Telecom Services	89,040
Office supplies, stationery etc.	64,024
Travelling etc expenses of staff	92,378
Training	20,583
Advertising, publicity and incidental expenses	28,647
	<u>21,762,074</u>

6. OTHER RECEIPTS/PAYMENTS **1996/97**

	£
Receipts	
Miscellaneous receipts	2,224
	<u>2,224</u>
Payments	
Purchase of computer hardware and software	535,834
Purchase of furniture and office equipment	141,465
	<u>677,299</u>
Total of other receipts/payments (net)	(675,075)

7. INVESTMENTS ON BEHALF OF VICTIMS
 Under Paragraph 3 of the Scheme the Authority held and invested awards to victims as follows:

	1996/97 Bank of Scotland Deposit A/C £
Balance at 1 April 1996	-
Deposits in year	130,575
Interest 1996/97	402
	130,977

8. BALANCES OF ALL FUNDS AT 31 MARCH 1997

	1996/97 £
CICA	
Cash at bank (current a/c)	2,637,373
Cash held at headquarters	537
CICAP imprest outstanding	28,374
	2,666,284

Held on behalf of victims	
Bank of Scotland Deposit Accounts	130,977

P G Spurgeon
 Chief Executive
 Criminal Injuries Compensation Authority

Date: 4 February 1998

The Stationery Office

Published by The Stationery Office Ltd and available from:

The Stationery Office Bookshops

71 Lothian Road, Edinburgh, EH3 9AZ
59-60 Holborn Viaduct, London, EC1A 2FD
(temporary location until mid-1998)
Fax 0171-831 1326
68-69 Bull Street, Birmingham, BA 6AD
0121-236 9696 Fax 0121-236 9699
33 Wine Street, Bristol, BS1 2BQ
0117 926 4306 Fax 0117 929 4515
9-21 Princess Street, Manchester, M60 8AS
0161-834 7201 Fax 0161-833 0634
16 Arthur Street, Belfast, BT1 4GD
01232 238451 Fax 01232 235401
The Stationery Office Oriel Bookshop
The Friary, Cardiff CF1 4AA
01222 395548 Fax 01222 384347

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders 0171 219 3890
General enquiries 0171 219 3890
Fax orders 0171 219 3866

The Stationery Office Publications Centre

(mail, fax and telephone orders only)
PO Box 276, London, SW8 5DT
General enquiries 0171-873 0011
Telephone orders 0171-873 9090
Fax orders 0171-873 8200

Accredited Agents

(see Yellow Pages)
And through good booksellers

ISBN 0-10-253498-5



9 780102 534986