



Annual report and statement of accounts 2015/16



Independent Police Complaints Commission Annual report and statement of accounts 2015/16

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of Schedule 2 of the Police Reform Act 2002

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1. Performance report

Overview

About us – who we are and what we do

The IPCC oversees the police complaints system in England and Wales and sets the standards by which the police should handle complaints. It has a statutory obligation to secure and maintain public confidence in the police complaints system. The IPCC investigates serious and sensitive cases, and handles some appeals. We do this independently of the police, government and interest groups.

Our values are:

- Justice and respect for human rights
- Independence
- Diversity
- Integrity
- Openness

Our mission is to improve public confidence in the police complaints system.

Our vision is that we are trusted to seek the truth and hold the police to account.

You can read about our commissioners and senior staff on our website (www.ipcc.gov.uk/page/our-team).



Chair's foreword



This was an important and challenging year for the IPCC, its staff and commissioners. It was a pivotal point in our

expansion programme. In the three years to March 2016, we doubled our staff numbers, and more than quadrupled the number of investigations we have been able to take on, with further increases projected for 2016/17. The opportunity for expansion is a vote of confidence in us and in the importance of independent investigation into the most serious and sensitive cases, as a key part of police accountability. But we are very aware that this is not just about numbers. It is also about ensuring that we have the systems and processes in place that can support our staff and ensure the quality and timeliness of the work that we do. That is what will drive confidence in us, and in policing.

During the year, we therefore set ourselves another challenge: to examine our governance structure and see whether it was right for the size and scale of the organisation and its work. We decided that the current structure – where accountability and decision-making is divided between commissioners and staff – could not effectively support an organisation of nearly 1,000 staff and the range and number of investigations planned. So we proposed a new governance structure, with a single head and a single line of accountability.

The government accepted this, commissioned an external review of our proposals and a public consultation, and legislated for the new governance structure in the Policing and Crime Act, 2017. Our role and remit will not change, nor will our independence, which must continue to be at the heart of the new organisation. The new structure will operate through regional heads, responsible for the organisation's work in the English regions, and a national director for Wales. We believe that the changes will strengthen our presence and links in the English regions and in Wales, which has its own distinct structures and stakeholders.

This report records the performance of the organisation across its strategic objectives during 2015/16. The range and importance of our work is evident. Within investigations, it includes the huge and complex Hillsborough investigations and the growing number of allegations that the police (along with other services) failed to act in relation to allegations of child sexual abuse. It also includes individual investigations that are of great importance to the people concerned, and which can also have wider impact. Our investigation into the police's failure properly to protect Bijan Ebrahimi, a vulnerable man murdered by neighbours, resulted in the criminal convictions of two police officers and the dismissal of two more. It also led to significant changes in the way the local force handles the whole question of vulnerability.

But it is not only our investigations that are important. During 2015/16, we finalised around 3,600 appeals from people dissatisfied with the way their complaint had been handled by the police, and upheld a third of them. In that way, we are able to provide redress for some individual complainants. Just as importantly, we are able to use our appeals and investigations work to try to improve policing practice. We issued guidance on dealing with complaints of discrimination, which is crucial to public confidence among minority communities. We also made 142 recommendations to improve police practice and policy. In Wales, our commissioner has worked with forces to improve their response to domestic abuse incidents, including enhanced police training.

Our Learning the Lessons bulletins use examples from our investigations and appeals to try to ensure that when things go wrong, there is an opportunity to learn and improve practice. Our major report on police use of force highlighted a number of concerns, including the use of force in custodial settings and the links between force, fatalities and mental health problems. It called for consistent data collection and analysis in order to identify trends and improve public confidence.

More broadly, we have used our experience to urge reform of the system itself, which we have described as over-bureaucratic, over-complex and over-focused on blame. That has been taken on board by the government, and the Policing and Crime Act seeks to simplify the system. It allows

for early resolution where appropriate, provides a single appeal right on the outcome rather than the process, and gives more powers to the IPCC. Our policy staff have worked to ensure that the legislation is informed by our unique experience of the system, and our, and others', frustrations with some of its current complexities and anomalies. We will continue to monitor the Act's implementation through regulations.

Finally, and importantly, we are taking steps to strengthen our own internal resilience and effectiveness. That includes developing and implementing new ways of working, incorporating processes for management and quality assurance. However, the most crucial element is the people who operate those processes and systems. For that reason, the implementation of our new people strategy has been a key part of our change programme: focusing on leadership, continuous development, support and values. One of the most important of those values is diversity. This has been a specific focus over the year, not just in our recruitment, but also in strengthening internal networks and mechanisms that engage staff in the promotion of equality and diversity.

I would like to thank all our staff, who have responded positively to the many changes and challenges during the year and, in particular, the Chief Executive and her management team and my fellow commissioners, who have provided leadership to the organisation through its expansion and transition. During this

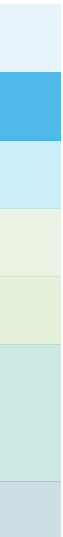
process, we have also benefited from the views and input of a wide range of stakeholders and communities, helping us to frame our future structure, so that we can most effectively carry out our crucial role on behalf of the public.



Dame Anne Owers



Key issues and risks



The IPCC has six objectives that are described in this report. We identify significant strategic risks to our objectives, assess these and then manage them through a range of mitigation and risk reduction activities. Quarterly updates on the strategic risks are presented to both the Audit and Risk Committee and the Commission. Lower-level risks are managed within directorates, programmes and projects as appropriate. An escalation and de-escalation process is in place to ensure that risks are being managed at the correct level.

The Governance Statement on page 50 describes the major risks we face and explains the mitigation measures in place. These risks include the continuing change programme to enable us to deliver a greater workload, as well as legislative and governance changes expected in 2017/18.

We will continue to assess the impact on our operations and funding requirements of the legislative reform of the complaints and discipline systems, and our governance changes. We will liaise with appropriate Home Office officials to provide our view on the likely impact of each change on system complexity, efficiency and effectiveness. We want to make sure that the outcomes that are available for complainants contribute to confidence in the complaints system.

Summary of our performance during 2015/16

Further information about the projects we carried out during 2015/16 is included in the performance analysis section of this report (see page 11).

We expanded our operations to enable us to investigate more serious and sensitive allegations against the police

- We recruited 171 new staff.
- We opened our new office in Croydon, where 70 staff are now working.
- We implemented new systems and processes to ensure that our ways of working are efficient and effective.

Referrals

- We received 3,900 referrals in 2015/16¹.
- Our target for 2015/16 was to process 70% of referrals within three working days. 63% of referrals were processed within this target. The average time to process referrals was five working days.

Independent investigations

- As planned, we took on significantly more independent investigations than in previous years. We started 519 – more than double the 241 started during 2014/15. This is well within our target of starting between 400 and 700 investigations during 2015/16.
- We completed a total of 259 independent investigations – 139 more than during the previous year.
- On average, it took 226 working days to complete independent investigations during 2015/16. This compares to an average of 294 working days during the previous year.
- We concluded our work to support the Hillsborough inquest and are continuing our independent and managed investigations into the disaster and its aftermath (see page 20).

¹ Further information about how we deal with referrals is available on our website (www.ipcc.gov.uk/page/referral).

Appeals

- We received 3,850 appeals in 2015/16.
- We processed and finalised 3,610 appeals in 2015/16, upholding 1,258 of them².
- The active caseload of appeals has been relatively stable over the year; with 112 more active appeals open at the start of 2016/17 than at the start of 2015/16.
- Our casework staff have also contributed to overall performance by closing 77 supervised investigations during 2015/16.

We worked to increase public confidence in the police complaints system

- Publishing and implementing new guidance on the handling of complaints about discrimination (see page 13).
- Drafting new guidance for police forces on the post-incident procedures they should follow when a death or serious injury has occurred either during or following police contact.
- Developing an improved approach to community engagement for the most serious and sensitive investigations (see page 11).
- Working to improve access to the complaints system.
- Bringing together people with diverse views, perspectives and connections to contribute to our stakeholder reference group (see page 12).
- Running a series of engagement events for a range of stakeholders.

We contributed to better policing

- Publishing our research report into the police use of force, which includes a number of recommendations for police forces (see page 32).
- Sharing learning from our work with police forces through our Learning the lessons bulletins (see page 32).
- Publishing 142 recommendations to improve police practice, update policy or change the way that police officers/staff members are trained.
- Publishing our position statement on police use of body worn video (see page 33).
- Developing a protocol with the Association of Police and Crime Commissioners (PCCs) to formalise the way we work with them to ensure that the police are effective and accountable.

² Not all of these were received during the year under review.

Performance analysis

This section sets out progress on the work we planned for 2015/16 under our six corporate objectives.

Strategic objective one: improve the confidence of those groups who have the least confidence in the police complaints system

Research (www.ipcc.gov.uk/page/public-confidence) has shown that young people and people from BME backgrounds have lower levels of confidence in making a complaint to the police. Improving their confidence in the complaints system is a vital part of our work.

We recognise that communities may become particularly engaged when high-profile local events increase interest in the work of the police service. At such times, the visible presence of the IPCC can provide reassurance that a robust and independent investigation will take place.

In March 2016, we launched our interim approach to stakeholder and community engagement for critical incidents. In summary, where an investigation (or other incident) meets the IPCC's definition of a critical incident we will:

- conduct a community and stakeholder engagement assessment
- develop a community and stakeholder engagement plan to support the investigation and contribute to managing tensions

The actions we take in response to critical incidents may include: participating in public meetings, one-to-one engagement with key stakeholders, arranging visits to explain how the IPCC works, issuing investigation updates and Q&As or using community reference groups. For example, in response to a police shooting in north London in December 2015, we attended a community meeting to respond to local concerns.

Training and developing our staff

To support the launch of this new approach we held a training and development day for staff and commissioners. This included:

- presentations from Manchester Metropolitan University on using data to develop community profiles and mapping stakeholders
- a presentation from the Metropolitan Police Service on the actions they take following a critical incident
- presentations from a range of voluntary and community sector stakeholders that outlined barriers to engagement and how to overcome them

Our approach will evolve as we revise our stakeholder engagement strategy.

Engagement strategy

Work is underway to revise our current stakeholder engagement strategy. So far, this includes:

- developing a strategic approach to proactive stakeholder engagement
- plotting all our regular engagement activity
- mapping and setting out a schedule of

renewal for all our memorandums of understanding and other protocols

- developing a best practice model for engagement on strategic policy and research projects that builds on our previous work

We have received strong feedback from stakeholders, police forces, communities of interest and others that it is essential for us to develop relationships with outside

Listening to our stakeholders

In 2015, we established a stakeholder reference group. We invited a number of policing and non-policing stakeholders to help advise us on the agenda and direction of our work. The group, which meets quarterly, identifies and discusses key strategic issues that have an impact on public confidence in the police complaints system.

A number of organisations are represented on the group. They include Refuge, INQUEST, Black Mental Health UK, the Crown Prosecution Service (CPS), the College of Policing and two PCCs. Topics discussed so far include our approach to assessing serious and sensitive cases, our strategy for stakeholder engagement and implementing learning from our investigations.

Events

In May 2015, we held a series of events in Cardiff, Leeds, Manchester and

London. A variety of stakeholders joined us to hear from commissioners and staff and raise any concerns directly with them. As a result, we developed an action plan to respond to the messages we received – for example, they helped us to decide the criteria for assessing matters as ‘serious and sensitive’ (see page 14). After the events, we sent attendees a summary of what they had told us – along with information about the actions we were taking as a result.

Attendees said:

“Very interesting day, and very well organised. Thank you for the opportunity to engage with you.”

“The transparency from the commissioners gave an excellent insight into what they do.”

“A really well-presented, positive day – optimistic about your work.”

times of crisis. We are committed to doing so. This builds on the relationships we have developed through previous engagement work, including regional and youth engagement events, and engagement on strategic projects and critical incidents.

As we revise our strategy, we will seek to develop and implement a model of proactive engagement across the English regions and Wales. This will support the development of ongoing relationships outside of crisis, and provide us with insight into issues of concern in communities.

Tackling discrimination

We published revised guidelines on handling allegations of discrimination (www.ipcc.gov.uk/guidelines_for_handling_allegations_of_discrimination.pdf) in September 2015. The guidelines set out how police professional standards departments (PSDs) should handle allegations of discrimination – including discrimination based on race, sexual orientation, religious belief, age, or disability.

While developing the guidelines, we listened to people who had experienced discrimination firsthand, and to groups that support people to make complaints about discrimination. We also consulted the Equality and Human Rights Commission, the College of Policing and police forces.

We delivered training on the guidelines for our staff and commissioners, and held launch events for PSDs. The events were attended by more than 160 police officers and staff from various forces. We received a number of positive comments about both the guidelines and the stakeholder engagement that contributed to their development.

Feedback on our discrimination guidelines:

“The guidelines are specific, clear and easy to follow. We will be using them in our work to support victims of discrimination.”

Tell Mama (national project for recording anti-Muslim incidents)

“On behalf of Surrey, Sussex and Thames Valley Police forces could I pass on our thanks for delivering excellent input today. I am confident this training will assist our staff to deal appropriately with such cases going forward, in doing so ensuring that public confidence in the police complaints process is maintained.”

Det Supt Darren McInnes, Head of Surrey Police Professional Standards Department

“I attended the launch of the guidelines for handling allegations of discrimination in Manchester recently, and thought it an excellent, useful event.”

Dave Roome, former head of North Wales Police Professional Standards Department

Assessing our performance against strategic objective one

We measured our success using the public confidence survey published in February 2017. We aim to increase the percentage of people with least confidence in the police complaints system (young people, and those from BME groups) who say they are likely to make a complaint if they are unhappy about how a police officer behaved towards them. In the 2014 survey, 64 per cent of young people and 66 per cent of those from BME groups were very or fairly likely to make a complaint compared with 73 per cent overall. The 2016 survey shows a continued upward trend with 66 per cent of young people and 69 per cent of those from BME groups saying they were very or fairly likely to make a complaint, compared with 74 per cent overall.

Ongoing work

Research into our users' and stakeholders' satisfaction with our service

During 2015/16, we commissioned a research company (ESRO) to find out about the opinions and feedback of people who have experience of our role in the police complaints system. The fieldwork for this research is ongoing. Once it concludes, we will continue to collect feedback from our service users so that listening to, and acting on, people's experiences is integral to our overall way of doing business. In the meantime, we have agreed a range of actions in response to the feedback we have received so far with the aim of improving the service we provide.

To establish the opinions and experiences of our stakeholders about our work, we commissioned the research agency Populus to carry out a feedback survey. More than 350 of our stakeholders participated. This will assist us in establishing priorities for our transition and future development.

Strategic objective two: deliver an increased number of timely and high-quality independent investigations

In February 2013, the Home Secretary announced that she would give the IPCC responsibility for investigating "all serious and sensitive allegations". Following consultation with stakeholders, we developed a list of factors to help us consider the seriousness and sensitivity of matters that are referred to us.

In April 2016, our Assessment Unit started a pilot of the draft factors (www.ipcc.gov.uk/assessing_seriousness_and_sensitivity.pdf). We evaluated the pilot in November 2016 and found that the factors provide a useful framework for decision making. They have now been implemented within our Assessment Unit.

The factors are for internal use by the IPCC. They do not affect mandatory referral requirements and therefore have no impact on the type of case that must be referred to the IPCC.

As planned, during 2015/16 we took on significantly more independent investigations than in previous years.

We started 519 – more than double the 241 started during 2014/15. This is well within our target of starting between 400 and 700 investigations during 2015/16 (see figure 1).

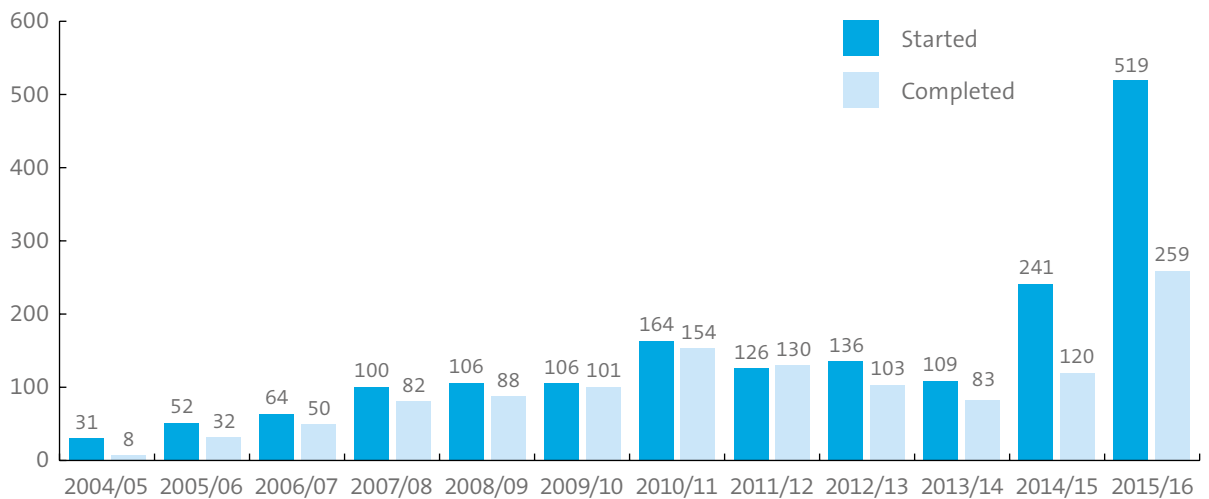
We completed a total of 259 independent investigations – 139 more than during the previous year. On average, it took 226 working days to complete independent investigations during 2015/16. This compares favourably to an average of 294 working days during the previous year.

In addition to starting significantly more independent investigations, we also started 57 managed and 30 supervised investigations. We started 62 managed and 74 supervised investigations in 2014/15.

Highlighting concerns about police response to vulnerable people

Many of the cases we investigate involve situations where vulnerable people have been let down by police officers or staff. The case studies on pages 16-19 give some examples.

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



Coroner calls for action following our investigation

We carried out an independent investigation into contact between Devon and Cornwall Police and Kerry Power before her death (www.ipcc.gov.uk/investigations/kerry-power-devon-and-cornwall-police).

Following our investigation, high-level recommendations have been made to prevent a repeat of the circumstances that resulted in her 999 call being unanswered. Miss Power’s body was discovered in Plymouth in December 2013. Her former partner subsequently pleaded guilty to her murder and received a life sentence.

Our investigation raised a number of concerns about police dealings with Miss Power in the days leading up to her death. It also revealed shortcomings with the ‘Silent Solution’ – a system that handles 999 calls when the person making the call cannot or does not speak. The system helps deal with the large number of accidental or ‘hoax’ 999 calls when assistance is not actually required. It is also intended to assist people who are in danger or need assistance, but cannot speak.

Miss Power may have been advised by a Devon and Cornwall Police officer that if she were to make an emergency call from her mobile phone, but did not speak, emergency assistance would still be despatched. Miss Power made a 999 call when her ex-partner broke into her house, but she did not respond to the operator’s instructions and was transferred to the ‘Silent Solution’. Because there was no response to commands from the automated voice system, the call was not transferred to Devon and Cornwall Police.

Following our investigation, we made national recommendations to ensure there is better accountability for the system, and that its effectiveness is reviewed. We also recommended that the issues identified in this investigation be formally considered by the 999/112 Liaison Committee – the body that co-ordinates and oversees the emergency call system.

The Assistant Coroner for Plymouth, Torbay and South Devon also adopted several of our recommendations and took those concerns directly to the Chief Constable of Devon & Cornwall Police, the Home Office, and the Metropolitan Police Service, which is responsible for hosting and monitoring the ‘Silent Solution’ system. Like the IPCC, the Assistant Coroner believes that a system created to handle inadvertent or malicious calls should also provide appropriate help for people in genuine need.

The National Police Chiefs’ Council is now considering the development of an awareness package to help educate the public and police officers about the ‘Silent Solution’, to make sure those at risk get the help they need.

Call for lessons to be learnt on grooming following murder of teenager

In November 2015, we wrote to the relevant lead officers in the National Police Chiefs’ Council (NPCC) to urge them to review their policies and procedures on handling reports of grooming to ensure that they were robust and fit for purpose. This followed publication of our investigation report into how Surrey Police handled a report from Lorin LaFave, the mother of Breck Bednar (www.ipcc.gov.uk/breck_bednar_final_report.pdf). Mrs LaFave had contacted police to report her concern that her son was being groomed online. Despite giving two possible surnames and two possible locations for

the alleged perpetrator and highlighting information that should have triggered more detailed checks, the call was closed very quickly afterwards and no further checks were carried out. Two months later, Breck was murdered by Lewis Daynes.

We concluded that the call handler who took Mrs LaFave's call, and their supervisor, had failed in their duty. Mrs LaFave's call was closed by people who were trained in child protection – this training meant that they should have known that further action was required. Both of these members of staff resigned from their roles at the Force before the investigation was completed, so did not face misconduct proceedings.

We recommended that Surrey Police provide further training to its call handlers on recognising and responding to reports of grooming and radicalisation. We also recommended that the Force train more of its staff on how and when to make a PNC check, and that its call handlers be provided with details of specialist agencies, such as the Child Exploitation and Online Protection Centre, to pass on to parents. Surrey Police responded positively to our recommendations. The College of Policing also incorporated our findings into its training for call handlers.

National guidance updated to provide stronger protection for people who may be at risk of domestic violence

In July 2015, Sussex Police officers attended a domestic incident after a woman alleged she was assaulted by her ex-partner. He was arrested and intelligence checks established that in 2005 he had been sentenced to five years in prison for wounding a previous partner by stabbing her in the leg after they had ended their relationship. The woman was not made aware by the police of her ex-partner's history of violence. The decision was made to take no further action in relation to the July incident. Police appear to have left a voicemail for the woman to inform her of this decision, but she did not receive it. In August 2015, the woman's ex-partner stabbed her repeatedly causing serious injuries. He was found guilty of attempted murder.

Following our investigation, we recommended that changes were made (www.ipcc.gov.uk/recommendations/national-recommendation-home-office-february-2016) to Home Office guidance on the Domestic Violence Disclosure Scheme. This applies to all police forces. The Home Office accepted all our recommendations, and is updating its guidance. We also made various recommendations (www.ipcc.gov.uk/recommendations/recommendation-sussex-police-february-2016-0) to Sussex Police, which were accepted.

One officer and one PCSO convicted and dismissed, and two more officers dismissed after failing vulnerable man

In July 2013, Bijan Ebrahimi, a vulnerable man who had repeatedly complained to the police about victimisation by neighbours, was killed outside his home in Bristol and his body set on fire by a neighbour.

Avon and Somerset Constabulary made a referral to us because of the contact they had had with Mr Ebrahimi before his death. We carried out a substantial and detailed investigation both into the actions of their officers and staff in the days before Mr Ebrahimi's murder and also into the contact they had had with him over the previous seven years.

Our investigation found that police officers and staff repeatedly failed to take action to protect Mr Ebrahimi. They treated his complaints as untrue, failing to recognise his vulnerability. In doing so they consistently failed to adhere to policies on repeat victims of anti-social behaviour, hate crime and crime recording.

The evidence we gathered informed both criminal and misconduct proceedings. At a trial at Bristol Crown Court in December 2015, a police constable and police community support officer were convicted of misconduct in public office and two

other officers were acquitted. The four individuals have since been dismissed from the Constabulary.

As a result of our investigation, Avon and Somerset Constabulary conducted misconduct proceedings against 17 officers and civilian staff. As well as the four dismissals, these proceedings led to a range of outcomes, including two officers receiving final written warnings, and two others written warnings.

The Constabulary has produced a comprehensive organisational learning report to address the issues raised from the investigation.

Kent Police accept our recommendations following woman's murder

Anne-Marie Birch was strangled in a field near her home in Kent in November 2013. In April 2014, her husband Lee Birch was jailed for life for her murder.

Ms Birch had raised concerns about her husband's behaviour to Kent Police on nine separate occasions in the months leading up to her death. Our investigation found that the police could have handled several of her calls better. Problems included failing to identify or investigate potential offences of harassment and threats to kill, incorrect logging of calls, and a lack of awareness among some call centre staff about non-molestation orders (NMOs)³.

³ Non-molestation orders are civil court orders. They aim to protect victims of domestic violence from being abused, and stop the abuser being violent towards the victims, either physically or by threatening and intimidating.

Our investigation found that these failings may have warranted the officers being subject to unsatisfactory performance procedures. Kent Police has since taken steps to address these issues through formal learning for the staff and officers concerned. We also made 12 recommendations to Kent Police, which it accepted. These highlighted several important areas, including:

- improving call centre staff awareness of NMOs
- improving the way that systems log multiple calls from the same person/address
- improving how calls and operational information are recorded
- ensuring that frontline staff are familiar with policies on dealing with harassment and threats to kill

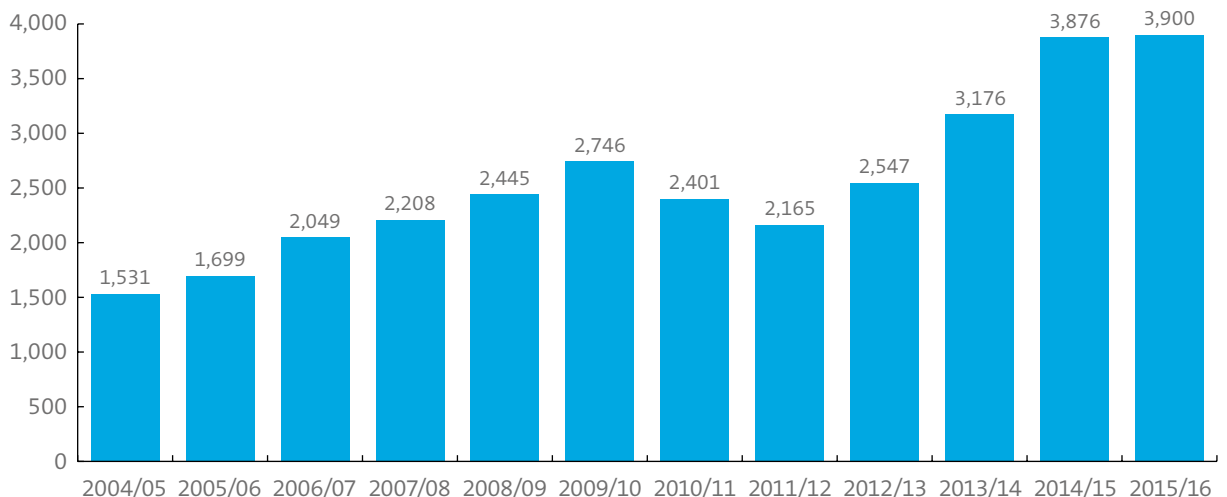
Referrals

During 2015/16, we received 3,900 referrals, which were dealt with by our Assessment Unit. Following increased demand over the past three years, the number of referrals we received in 2015/16 stabilised (see figure 2).

We aim to process referrals – which means deciding how the matter should be dealt with and communicating this decision to the relevant organisation – within

three working days 70% of the time. We achieved this for 63% of the referrals we processed in 2015/16. On average, we processed referrals within five working days, compared to an average of 14 days in 2014/15. Performance dipped around the middle of the year when our active caseload was high. We are now seeing improvements following a management and team restructure in our Assessment Unit, maintaining the requisite staffing levels, and a focus on performance management.

Figure 2: Referrals received by the IPCC by year



Investigation into discharge of police weapon during public event

After investigating the discharge of a police firearm at a public event at Nottinghamshire Police headquarters, we concluded that operational authorised firearms officers (AFOs) should not be expected to take part in public events where live firearms are displayed.

A seven-year-old girl was injured at the event, held for winners of a competition and their families in October 2014. During an open-air demonstration by AFOs, a live assault rifle was discharged into the ground. The girl received an injury to her lip, caused by the bullet casing.

Our investigation found that the Force had no protocols or policies in place that dealt with the use of firearms,

live or otherwise, at public events. In addition, evidence showed that no risk assessment had been carried out relating to the use of firearms before the event took place.

Following our investigation, and a hearing held by the Force, an officer was redeployed to a role with no firearm or taser duties. Another officer involved in the incident subsequently left the firearms department. We recommended that a third officer undergo further training in the planning of public events.

It was extremely fortunate that no one was more seriously injured. The officer's actions, while not deliberate, posed a real risk to those present. We made a number of recommendations, which the Force accepted, including replacing live firearms with training weapons at future public events.

Hillsborough investigations

We are independently investigating police actions in the aftermath of the Hillsborough disaster. We also manage part of Operation Resolve – a separate investigation into the disaster itself. These investigations made significant progress during 2015/16.

The inquests into the 96 deaths concluded in April 2016 and the jury's determinations included that those who died were

unlawfully killed. However, the end of the inquests did not mark the end of the process. Our independent criminal investigation into the aftermath of the disaster is by far the biggest and most complex investigation ever undertaken by the IPCC. It has looked at:

- amendments to police accounts
- allegations that misleading information was passed to the media, MPs, Parliament and the investigations/inquiries set up immediately after the disaster

- the checking of blood alcohol levels and the undertaking of police national computer checks on the dead and injured
- the role of West Midlands Police and those who led its investigation after the disaster in 1989
- allegations that families and campaigners were subject to surveillance after the disaster

Operation Resolve is wide-ranging, examining several different organisations' involvement in the planning and preparation for the match, and the events on the day of the disaster. We continued to manage the element looking at the actions of South Yorkshire Police. We worked closely with Operation Resolve and the CPS to pursue remaining lines of enquiry as quickly and as thoroughly as possible. In January 2017, we referred files of evidence along with Operation Resolve, to the CPS to decide whether criminal charges should follow.

The most current information is available on our website (www.ipcc.gov.uk/hillsborough).

Handling cases involving child sexual abuse and exploitation

Responding to referrals we have received relating to child sexual abuse (CSA) cases has presented a considerable challenge. Cases such as those in Rotherham have had a huge impact on local communities and on levels of trust and confidence in the police forces involved. It is vital that the response from public authorities, including

the IPCC, goes some way to regaining public confidence.

We received a total of 182 CSA-related referrals during 2015/16. These can be split into non-recent and recent cases. At the end of March 2016, we were working on 77 independent investigations relating to CSA, 94 managed investigations and one supervised investigation. Managed investigations are carried out by police force PSDs, but under the direction and control of the IPCC. Our investigations are running in parallel with a number of criminal investigations, independent inquiries and reviews, including the Inquiry being carried out by Professor Alexis Jay OBE.

To make sure we employ a consistent and effective approach to handling and decision-making for CSA cases, we developed our CSA strategy (www.ipcc.gov.uk/conduct_matters_relating_to_child_abuse_and_child_sexual_exploitation.pdf) during 2015/16.

The strategy sets out how we deal with issues such as consistency, capacity and capability. It is our guide for handling these cases, and allows sufficient flexibility for individual cases to be dealt with based on their specific circumstances.

Our decision following referral in relation to events at Orgreave plant

In June 2015, we announced our decision not to conduct an investigation into South Yorkshire Police's handling of events at the Orgreave coking plant during the miners' strike, and the subsequent prosecutions in 1984/85. This followed an extensive and complex scoping exercise relating specifically to the IPCC's remit to investigate allegations of police misconduct. The reasons include:

- the passage of time meant that allegations of assault and of misconduct could not now be pursued
- some matters were subject to complaints and civil proceedings at the time
- detailed analysis did not reveal any other issues relating to individual officers that could now be investigated

Thousands of pages of documents, film, and photographic material from across the country were gathered, secured and analysed for the first time as a result of the scoping exercise following South Yorkshire Police's referral in November 2012. New material continued to be identified and examined as late as December 2014.

The report published on our website (www.ipcc.gov.uk/investigations/orgreave-coking-plant-referrals-south-yorkshire-police) in June 2015 was redacted. Following consultation with the CPS, the IPCC has decided not to publish an unredacted report at this stage. This is because there is some material in the report that may be relevant to our ongoing

Hillsborough investigations. As decisions around criminal proceedings are yet to be made, we need to ensure we do not prejudice that process in any way.

Following the Home Secretary's announcement that there will be no public inquiry into the events at Orgreave, the Home Affairs Select Committee requested a range of documentation from us as an initial step towards examining this decision.

Our responsibilities for non-police organisations

The IPCC is responsible for the way that certain complaints about non-police organisations are handled. This includes:

- serious complaints against the National Crime Agency, including complaints relating to proceeds of crime activity
- certain types of serious complaints against Home Office staff carrying out some border and immigration functions (including those against staff contracted by the Home Office to carry out certain functions on their behalf)
- serious complaints against Her Majesty's Revenue and Customs (HMRC) staff

Following a referral/complaint, we may investigate the matter. Alternatively, we may decide that the case does not need to be dealt with under the regulations and the organisation can deal with it through internal processes or take no further action.

We aim for these organisations to learn from our work and improve their practice as a result.

NCA investigations and appeals in 2015/16

Between 1 April 2015 and 31 March 2016 we received 16 referrals from the NCA:

- eight were sent back to the NCA for local investigation
- eight were referred back to the NCA to deal with as it saw fit

Of the 17 NCA investigation appeals that we finalised during 2015/16, six were upheld, seven were not upheld, and four were not valid. Of the 16 NCA non-recording appeals that we finalised during 2015/16, five were upheld, nine were not upheld, and two were not valid.

We have issued supplementary guidance for the NCA to complement the Statutory Guidance issued to police forces. This is to assist them in applying the regulations to the NCA complaints system.

Home Office investigations and appeals in 2015/16

Between 1 April 2015 and 31 March 2016 we received 26 referrals from the Home Office:

- two were subject to an independent investigation
- five were sent back to the Home Office for local investigation
- 19 were referred back to the Home Office to deal with as it saw fit

Of the five Home Office non-recording appeals that we finalised during 2015/16, one was not upheld and four were not

valid. We did not receive any investigation appeals in relation to the Home Office.

HMRC investigations and appeals in 2015/16

Between 1 April 2015 and 31 March 2016 we received 24 referrals from HMRC:

- one was subject to a supervised investigation
- 18 were sent back to HMRC for local investigation
- five were referred back to HMRC to deal with as it saw fit

Of the six HMRC investigation appeals that we finalised during 2015/16, four were upheld and two were not upheld. Of the eight HMRC non-recording appeals that we finalised during 2015/16, three were not upheld and five were not valid.

Changes to legislation

The Policing and Crime Act will make major changes to the legislation governing the police complaints system. The regulations that govern police complaints complement those that govern NCA, Home Office and HMRC complaints, but there are differences.

We have begun discussions with these organisations to consider which of the changes to the police complaints system it would be beneficial to reflect in the NCA, Home Office and HMRC complaint systems. We will continue this work, and make any necessary changes to the Regulations, in the coming year.

Assessing our performance against strategic objective two

During the early stages of an investigation, a target date is agreed for when the final report should be approved by the commissioner or the person delegated by the Commission. For the second year, we have used this target date to measure our timeliness. During 2015/16 we aimed to complete 80% of our independent investigations within this timeframe, which we achieved in 59% of our cases. However, this figure includes a significant number of our oldest cases, which have been closed following a focused effort overseen by High-Profile Case Panel meetings.

In 2017/18, we will continue to set targets at the start of an investigation, but we will also aim to complete 80% of our investigations within 12 months of starting them. This will improve on our performance at the end of 2015/16, when 75% of independent investigations were completed within 12 months.

Ongoing work

During 2015/16, we prepared a revised memorandum of understanding (MOU) with the CPS. The revisions reflect the increased number of independent investigations we are carrying out. The MOU sets out how we liaise with the CPS both during and following our independent investigations. It will be published on our website in due course. We are continuing to embed the new processes in our work during 2016/17.

Ensuring that our investigations are of the highest quality

During 2015/16, we developed a draft Quality Strategy. This new strategy was agreed by Commission in April 2016. To develop a culture as a learning organisation underpinned by quality and continuous improvement, we defined three areas of focus: people, processes and standards. This strategy sets out our quality standards, the principles for our delivery approach, and specific actions in these three areas of focus. We are already implementing certain elements of the strategy in our operational work, and trialling and evaluating a new quality assurance process for our investigations. We are also developing and evaluating robust measures to monitor our performance on investigations. This work continues.

Strategic objective three: ensure that the IPCC operates a timely and high-quality appeals process

The IPCC is responsible for considering certain appeals about the way that police forces and the National Crime Agency (NCA) have dealt with complaints. We also consider certain appeals relating to complaints made to the Home Office and HMRC.

There are various grounds for appeal, which are explained on our website (www.ipcc.gov.uk/appeals).

The number of appeals we receive has changed over recent years following the implementation of the Police Reform and Social Responsibility Act in 2012. This Act gave police forces responsibility for dealing with certain appeals.

Figure 3 shows the overall number of appeals made to the IPCC each year by people who were dissatisfied with the way their complaint was dealt with by others. The number of appeals received has fallen over the past three years; during 2015/16 we received 3,850 appeals – a 6% reduction compared to the 4,108 received during 2014/15 and 2,721 fewer than the 6,571 received during 2012/13 when demand was at its highest (see figure 3).

Funding for our appeals work was cut during 2015/16, with the additional funding we received ring-fenced for investigations. Despite performance and staffing level challenges, the active

caseload of appeals has been kept relatively stable over the year; with 112 more appeals open at the start of 2016/17 than at the start of 2015/16.

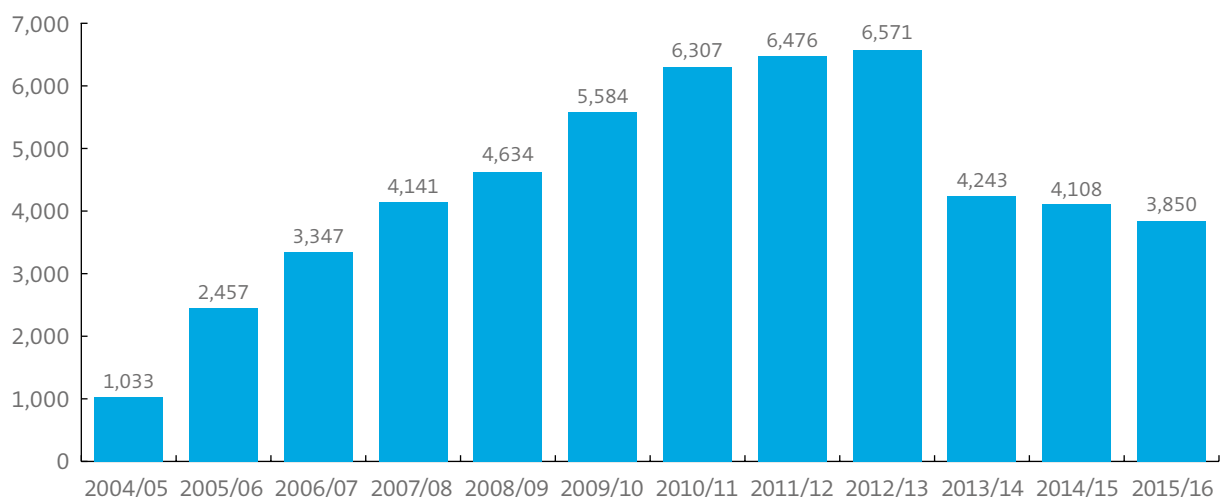
Feedback from people who use our appeals service

We asked people who had submitted an appeal to tell us their views about a number of aspects of their appeal, and the service they received from us. This resulted in a range of recommendations, many of which involved us making better use of digital media to present information about appeals. We have now implemented the majority of these recommendations.

Assessing our performance against strategic objective three

Performance in 2015/16 was significantly below our target to process 80% of investigation and local resolution appeals

Figure 3: IPCC appeals received by year



within 35 working days. By the end of 2015/16, we had processed 47% of investigation and local resolution appeals within 35 days. The average time taken to process these appeals was 50 working days.

Although we have not been able to meet our target, performance has improved compared to the previous year, when we processed 30% of these appeals within 35 working days.

NCA updates its forensic policy following an appeal handled by the IPCC

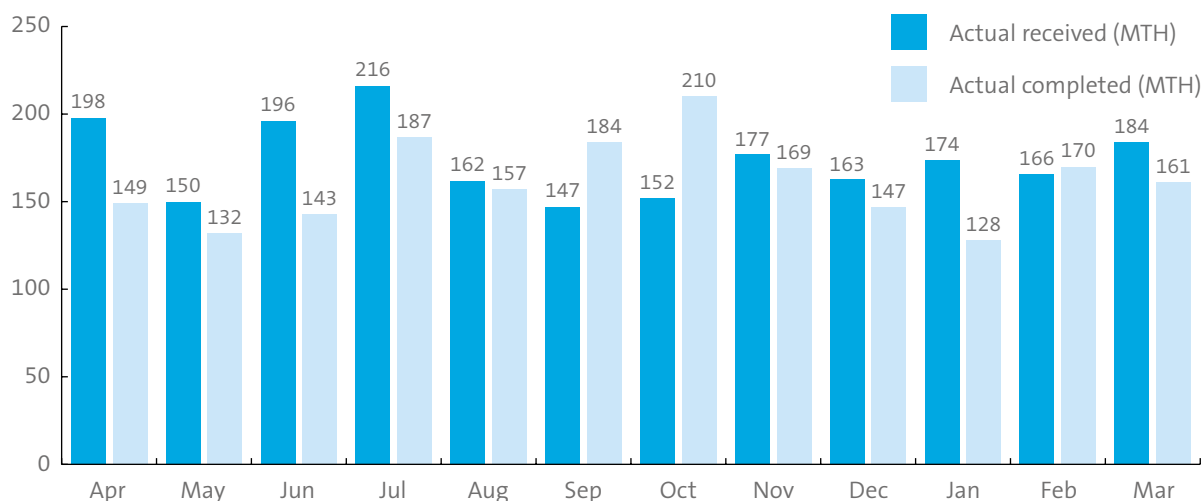
A man was arrested for importing a large amount of class A drugs. He was remanded in custody for 29 days. The arrest took place on the basis of a positive test on the substance at the scene – a ‘field test’. It was subsequently established that the field tests were not accurate and that the man was innocent. He then made a complaint to the NCA, after which he appealed to the IPCC when he was dissatisfied with the response he received.

When we examined the appeal, we found that the NCA’s investigation into

the man’s complaint was inadequate, with no finding of any failings. We directed the NCA to reinvestigate the complaint, raising some quite serious concerns.

After reinvestigating the complaint, the NCA revised its forensic policy on drugs submissions. The policy now makes clear the requirement that where a suspect has been charged and remanded on the basis of evidence that includes reliance on a presumptive test, but without clear smuggling indicators – such as concealments, urgent forensic analysis of the drugs must be sought. The results must be received within three days from the date the person is remanded.

Figure 4: IPCC investigation and local resolution appeals received and completed 2015/16



We have planned the following project work to improve performance in 2016/17. We will:

- define and implement a new quality assurance approach for appeals

This work will draw on the lessons learned from work undertaken in 2015/16 to trial new quality assurance processes for our investigations. We will build on this and will deliver a revised quality assurance approach that allows quality issues to be identified and corrected as they arise. The new approach will also make sure that themes, trends and learning are captured and acted upon.

- revise our operations manual

We will make sure our staff working on appeals have a comprehensive and up-to-date source of advice, guidance and expectations for the work they carry out. This will make sure there is consistency and improved quality in the work on appeals and will provide advice, share knowledge and best practice in this area.

Strategic objective four: improve the quality of police forces' own complaints handling

During 2015/16, we established our force liaison and oversight function. Its role is to:

- hold forces to account for their performance in handling complaints and appeals

- work with our commissioners and forces to identify issues, actions for improvement, and best practice
- share knowledge, and provide guidance and a means and a route for resolving operational issues between forces and the IPCC

We monitor each force's complaints performance on a rolling basis to identify themes and trends in their complaints handling. Our force liaison officers attend regular meetings with representatives from force PSDs. This cycle of contact ensures that actions, recommendations and directions made by the IPCC are complied with, and that organisational learning is being addressed.

Practical advice for police forces on handling complaints

Our Statutory Guidance (www.ipcc.gov.uk/page/statutory-guidance) sets out how we expect police forces to handle complaints in order to comply with their legal obligations and ensure public confidence in the complaints system. We know that police forces value practical advice from us, in addition to this formal guidance.

Last year, we therefore began producing Focus (www.ipcc.gov.uk/page/focus), to provide more detailed regular guidance on specific aspects of handling complaints, conduct matters, and death or serious injury matters under the Police Reform Act 2002. During 2015/16, we published two editions.

May 2015's edition focused on making sure that decisions at the end of an investigation comply with the Police Reform Act. January 2016's edition covered dealing with expressions of dissatisfaction with the service someone has received. If such matters can be resolved there and then with an explanation, provided the person is satisfied with this – and they confirm that they do not wish to pursue a formal complaint – there is no need to record this as a complaint under the Police Reform Act.

Feedback on Focus continues to be very positive.

“Excellent document. Very helpful in complementing the statutory guidance. Keep it going in the same format and content!”

“Having only recently started this role with no previous PSD experience, I have found these documents to be invaluable.”

“I have found the issues of Focus very useful and a further point of reference when looking for further information on an issue.”

Working with police forces to ensure that members of the public can access the complaints system

In September 2015, we published a leaflet for all police forces (www.ipcc.gov.uk/key_principles_for_police_forces.pdf) setting out the key principles of access to the complaints system. These are:

- the complaints system should be visible – information about how to make a complaint should be prominent
- access to the complaints system should be easy – police forces should accept complaints by telephone, in writing via letter, in writing online (via email or a website form) or in person
- access to the complaints system should be supported – forces should provide FAQs about the complaints process, and ensure that their officers and staff can explain how to make a complaint
- information about the complaints system should be accurate – force websites should include clear, accurate and up-to-date information about complaint procedures

Research into referrals from police forces

Referral to the IPCC is an important part of ensuring independence, accountability and integrity of the police complaints system⁴.

Research that we carried out during 2015 found that forces were not referring all they should to us. We published a report (www.ipcc.gov.uk/referrals_review.pdf) in January 2016 setting out our findings. It included recommendations that aim to increase forces’ understanding of the referral criteria and bring about changes to their internal reporting mechanisms for notifying their PSDs about relevant cases.

Our force liaison and oversight team is working with PSDs to support them in implementing the recommendations.

Simplifying how police forces send information to us

Following a pilot with several police forces, we have expanded use of our extranet. The police extranet is a purpose-built website that changed the way that police PSDs submit information to us. Rather than submitting referrals by post or non-secure emails, the extranet provides forces with direct access to e-forms, which are automatically transferred over a secure network to our holding area.

Thirty-seven police PSDs are now able to use the extranet to submit information to us securely. The information arrives in our central electronic ‘post room’ and is processed by one team. This has streamlined our processes, ensuring that we deal with referrals as efficiently as possible.

Assessing our performance against strategic objective four

Throughout the year, we tracked the proportion of non-recording appeals and investigation appeals that we upheld:

	2014/15	2015/16
Non-recording appeals upheld	42%	39%
Investigation appeals upheld	39%	41%

Our target for this year was to see a statistically significant reduction in the number of appeals we uphold. We upheld fewer non-recording appeals during 2015/16 – however, there are too few to determine whether this is statistically significant.

As the table above shows, there has been a slight increase in the proportion of appeals upheld following complaint investigations carried out by a police forces. A number of factors influence this and you can read more about the statistics for 2015/16 in our latest police complaints statistics report⁵.

4 Our website (www.ipcc.gov.uk/page/referral) includes more information about the matters that police forces must refer to us.

5 www.ipcc.gov.uk/sites/default/files/Documents/research_stats/complaints_statistics_2015_16.pdf

Where we have identified issues with force handling of complaints, we have taken action with the force – see examples below.

You can read more about appeals dealt with both by the IPCC and police forces in the police complaints bulletins published on our website.

Focusing on non-recording appeals involving Surrey Police, Essex Police, and Thames Valley Police

Work carried out by our Force Liaison Team found that both Essex Police and Surrey Police had high rates of upheld appeals against non-recording – 70% and 43% at the end of 2014/15. We identified the two main reasons why we were upholding appeals involving these forces: decisions not being made within ten days, and the force not informing the complainant about why they had not recorded their complaint.

We met with staff at the force PSDs. In Essex, we found that half of the upheld non-recording appeals involved one complainant. He had made numerous very similar complaints about the same incident. We provided guidance to ensure that the force processed the complainant's correspondence more accurately, thus reducing the number of appeals that were upheld.

After receiving our advice, both Surrey Police and Essex Police changed the information included in their letter to complainants, with the new versions clearly setting out why the complaint had not been recorded.

Thames Valley Police also had high numbers of appeals against non-recording decisions. We found that the force was having some difficulty with the test that decides whether the IPCC or the force is the appeal body for the complaint. They also had some issues with understanding the correct approach to dealing with complaints about how a police force is run, or its policies (these are known as 'direction and control' complaints).

We met staff at the force and provided them with guidance about what should and should not be recorded as a complaint, and about how to manage contact with persistent complainants. The force's non-recording appeals subsequently reduced from an average of 5.3 a month to 2.5.

Dip-sampling carried out in April 2016 showed that the force's decisions about direction and control matters were correct in 80% of cases – up from just 15% since our intervention with the force began in May 2015.

You can read more about the work of our Force Liaison Team on page 27.

Ongoing work

Work to implement our knowledge and information management strategy (KIM) is making good progress. The strategy aims to better enable us to identify, create, capture, acquire and share knowledge, information and intelligence across the whole business. A team has been recruited and has identified priorities from the strategy. As a result of this, a number of projects have been developed to deliver improvements. This year has involved laying many of the foundations for future work. We have established a KIM Board to monitor the progress of this ambitious set of projects:

- Creating a new portal/repository – KnowledgeBase – to enable our staff to share knowledge and information across all disciplines, find the information they need easily, and work more efficiently.
- Creating an intelligence model to concentrate on identifying and sharing information that is not specifically covered in other KIM projects, such as the KnowledgeBase.
- Establishing a KIM function: we have completed recruitment of a small team and carried out extensive work to define requirements from around the business.
- Revising our taxonomy – we have updated our organisational taxonomy (the way we categorise data). A great deal of work has gone into developing a taxonomy that will be fit for our growing organisation and allow us to use the information we generate more effectively.

Working with PCCs

Our oversight and confidence strategy included an action to formalise how we work with PCCs. During the year under review, we agreed a protocol with the Association of Police and Crime Commissioners (APCC), the national body that supports PCCs. This agreement formalises how we will work with PCCs in terms of our complementary roles and responsibilities in securing police accountability.

It addresses:

- how we work together on handling complaints and investigations against PCCs and chief officers
- how we will work with PCCs when conducting an investigation that involves the police force they are responsible for

Following the May 2016 elections, we have liaised with newly elected PCCs about their responsibilities to hold chief officers to account for the performance of their force in dealing with complaints.

Memorandum of understanding with Coroners

Work to revise/replace the current memorandum of understanding between the IPCC and the Coroners' Society is ongoing.

Strategic objective five: improve policing practice as a result of learning from investigations and appeals work

It is vital that learning from our work feeds back into the way that police forces carry out their duties. Our Learning the lessons bulletins (www.ipcc.gov.uk/reports/learning-the-lessons/learning-lessons) share information gathered during investigations into complaints and conduct matters carried out either by the IPCC or by the police service locally.

We published three editions in the year under review. They covered a range of issues, including call handling, custody and detention, public protection and information management:

- Bulletin 24 raised concerns about how contact with vulnerable people is managed after a case in which a Police Community Support Officer behaved inappropriately towards a vulnerable woman when he was her single point of contact.
- Bulletin 25 highlighted learning around responding to calls that relay concern for someone's welfare. This followed the death of a man in poor mental health after a neighbour called police on his behalf.
- Bulletin 25 also dealt with problems in the process for approving officers' expense claims, focusing on a case in which claims submitted by a special constable, sometimes for when he was off duty, had not been checked for accuracy.

"If you are involved in operational policing at any level then you should be reading the entire Bulletin".

Comment from a police officer/other policing professional

"I thought this was the best 'learning lessons' type bulletin I have seen."

Comment from a police officer/other policing professional

"I find it a very useful way of drawing cases to the attention of key people within the force and checking on the adequacy of force policy, procedure and operational practice."

Comment from a police officer/other policing professional

Research highlights lack of standard system to capture data on police use of force

People understand and expect that our police officers should have the power to use force when it is necessary to protect the public. However, officers must be accountable for their use of force, particularly when it leads to death or serious injury. Our use of force study (www.ipcc.gov.uk/use_of_force_report.pdf) was published in March 2016. It examined police use of force based on evidence informed by:

- analysis of public complaints recorded by the police
- research into the perceptions and experiences of members of the public, police personnel, and other stakeholders

- analysis of referrals and completed appeals against a local police investigation
- in-depth analysis of completed independent and managed investigations

The research looked at a five-year sample of IPCC investigations into the most serious incidents of use of force. Findings from these incidents included:

- a high rate of fatalities when restraint equipment was used, or when police used force in a hospital
- the disproportionate number of people with mental health concerns who died or experienced multiple uses of force
- young people experiencing use of force were disproportionately likely to be of BME background
- concerns about half of the incidents that took place in police custody
- half the incidents investigated took place between 9pm and 3am, when other services are less likely to be available

The report also examined in detail the data collated in relation to people from black and minority ethnic groups, people with mental health concerns, children, and those held in custody.

One of our most important findings was the need for a comprehensive system to record incidents when police in England and Wales have used force. This will help to identify concerns and improve public confidence.

The report made a number of recommendations. They are designed

to improve how force is used and recorded, and how its effectiveness is evaluated, with the overall aim of improving public confidence in its use. All police forces have been invited to respond to the recommendations directed to them, including details of any action they plan to take in response.

Body worn video

Body worn video (BWV) refers to a small camera attached to a police officer's chest or headwear. In most cases, the camera can be clipped on or removed quickly. Officers switch the camera on and off by pressing a button. Police officers in England and Wales have been using BWV when attending incidents and responding to crime since 2005.

Initially, the use of BWV was restricted to various trials, but in recent years it has been rolled out to more police forces, and is being made available to more officers for use during their daily work. Increasingly, police forces are providing BWV footage to us during investigations alongside other evidence, such as written statements, call logs, and CCTV footage.

We consider BWV to be a useful tool, but not the complete answer to fair and accountable policing. There are important limitations to consider when BWV forms part of the available evidence.

In January 2016, we published our position statement on BWV (www.ipcc.gov.uk/page/body-worn-video-ipcc-position-and-recommendations) and provided

this to all heads of PSD and PCCs. The statement outlines our stance as the use of BWV expands. It offers practical recommendations to police forces and includes important caveats about how footage is treated during investigations.

Assessing our performance against strategic objective five

Our measure for this strategic objective is the percentage of stakeholders who agree that our Learning the lessons publication is a useful tool to help drive changes in policy and practice.

We survey readers of the bulletin when they receive each issue. In October 2015, 89.04% of respondents agreed with the statement above. In February 2016, 80.77% of respondents agreed and in March 2016, 90.79%.

Strategic objective six: ensure that the IPCC is fit for purpose and agile, able to manage significant expansion and representative of the communities we serve

Embedding our commitment to equality, diversity and inclusion across our organisation

Following an independent report into our internal approach to equality and diversity (July 2015), we agreed an equality and diversity action plan to take forward

the report's recommendations. We also recruited a permanent equality and diversity lead, who represents the IPCC at external forums, including meetings held by the Equality and Human Rights Commission and the Equality and Diversity Forum.

We have six staff networks⁶. Most focus on one of the protected characteristics, and each is supported by a director. The networks cover all aspects of our business, including:

- helping to remove barriers faced by staff
- informing and educating
- advising on internal policy
- producing ideas and practical solutions
- raising awareness of equality and diversity issues
- providing support and a safe space for discussion

An equality and diversity position statement has been developed to guide our work. We have shared this with our external stakeholder reference group, and intend to publish it in due course.

We have also begun a project to update our equality analysis procedure. This will lead to the production of a new equality impact assessment with guidelines to reflect the requirements of the public sector equality duty⁷. Our Management Board has received training to ensure that they are aware of their responsibilities under the Equality Act 2010.

⁶ Age; disability (including mental health); race; religion and belief; sexual orientation and gender reassignment; sex; pregnancy; maternity and paternity; marriage and civil partnership, and Welsh speakers.

⁷ www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty

Throughout the year we have undertaken significant levels of recruitment to ensure that we have the capacity to carry out more independent investigations. Our permanent workforce has increased by 73 staff over the year, with the proportion of staff identifying their ethnicity as BME rising from 10.7% to 14.6%.

Our people strategy

As we progress through our change programme and expand our operations, it is especially important to maintain a strong focus on our people, continuing to ensure that they have the learning and development opportunities they need to work effectively.

We made progress with a number of projects to implement our people strategy during 2015/16. Following an analysis of learning needs across the organisation, we produced a learning and development strategy. We also ran focus groups with our staff to gain an understanding of their perceptions of the organisation.

Staff survey – listening to our people

In 2015, we participated in the Civil Service People Survey (CSPS), which is overseen by the Cabinet Office. Participating in the CSPS, rather than running our own survey, provided us with significant cost savings and allowed us to measure our results against other non-departmental public bodies (NDPBs) and government departments.

We achieved a 74% response rate with 662 staff completing the survey. Results showed that we rated well in the areas of ‘organisational objectives and purpose’, ‘my team’, and ‘inclusion and fair treatment’. They also showed that there is more we can do to tackle some less positive views on leadership and change management, and learning and development.

The Management Board and teams across the organisation agreed, and have implemented, actions to improve the visibility of leaders and encourage staff involvement and discussion.

We also ran a survey in October 2016.

Our estate

We need to have appropriate office space from which to conduct our business, while achieving value for money. Our estates strategy was agreed in April 2015. During 2015/16, we opened a new office in Croydon, where staff focus on carrying out investigations. We also obtained agreement for retaining our Sale office, and taking on additional space in the same building. Funding to do this has been confirmed, and will allow space for additional operations staff. A business case to consider our options in relation to our accommodation in London has been drafted, as our current lease is approaching its end point.

The accountability report on page 42 of this report includes further information about our estate.

Assessing our performance against strategic objective six

Our measure for this objective is our staff survey engagement score. Our 2015 staff survey included five questions that make up the engagement index. The questions were about feeling proud to work for the IPCC, motivation and inspiration. The index score represents the average level of engagement. Our engagement index score was 59%, which is just above the civil service score of 58%.

Ongoing work

Work to implement our People Strategy will continue, as will work to review and update our operations manual – which houses guidance and supporting documents for staff and commissioners performing the operational work of the IPCC. We aim to make relevant sections of the operations manual available publicly in due course, once the revised manual has been launched internally.

We are also continuing to introduce a framework to make sure that companies that provide us with goods and services are acting in accordance with the Equality Act 2010.

Our work in Wales during 2015/16

We work across England and Wales, with the same responsibilities for Welsh and English police forces. Though policing in Wales is not a devolved matter, the environment within which it is carried

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

The Commissioner for Wales also met with the Minister of State at the Wales Office and the Welsh Local Government Association (WLGA), which represents the interests of local government. Regular meetings with other regulatory and inspection bodies also took place, including with the Children's Commissioner for Wales, the Welsh Language Commissioner, the Wales Audit Office and the Wales Equality and Human Rights Commission. These meetings provided a forum for discussion of relevant issues, enabling the IPCC in Wales to call on the services of these organisations when required. In addition, the Commissioner for Wales continued to liaise regularly with Her Majesty's Inspector of Constabulary, Healthcare Inspectorate Wales, the Head of the CPS in Wales and Citizens Advice Bureau Wales. She continued to hold meetings with domestic abuse professionals in Wales to look at how Welsh police forces are addressing this issue, as well as meeting representatives of mental health organisations.

Quick-time learning and collaboration in Wales

During 2015/16, the Commissioner for Wales assisted Welsh forces to learn lessons and improve their practice following a number of investigations. During the year, the Wales Chief Officer Group agreed a collaborative approach to sharing learning with counterparts across Welsh police forces.

Domestic abuse has been a theme for Gwent Police and South Wales Police (SWP). We issued findings from our investigation into Gwent's handling of a domestic abuse case in Newport. This examined how the force responded to incidents that were reported to it before a sustained attack on a woman by her ex-partner. In response to our recommendations, the Chief Constable said that his force had made "dramatic operational and organisational changes to address the issues rightly raised by the IPCC", and that "staff have received additional training, and structural changes have significantly increased levels of public satisfaction". The force took steps to enhance control room call handling and strengthen decision making around prioritising resources.

Following an investigation into the police response to a domestic incident before the body of a woman was found in Barry, SWP accepted a recommendation to review and amend their domestic abuse guidance and

procedures to minimise duplication, and ensure that officers and staff had access to up-to-date documents. The force also organised a seminar to improve its officers' expertise in progressing international enquiries. This followed an investigation into police handling of information received before a woman was killed in Cardiff.

Other areas on which the Commissioner for Wales issued quick-time learning to all Welsh forces during 2015/16 included:

- non-trained police drivers not continuing pursuits in a fail to stop situation
- the need for explicit 'concern for welfare' policies for officers entering properties
- the importance of custody officers retaining prisoner escort forms when detainees were transferred to hospital
- a protocol for control room staff to follow when dealing with water search, rescue and recovery

We have also liaised with SWP as a result of ongoing investigations into the deaths of two young men who fell into the River Tawe near Swansea Marina after a night out. SWP has since taken significant steps, with the local PCC and other agencies, to help address public safety. This includes targeted patrols, better access to life-saving equipment, and drink awareness campaigns, including the 'Don't Drink and Drown' campaign, being run in conjunction with Swansea University.

Working with Welsh PCCs and the Wales Chief Officer Group

The Commissioner for Wales and other IPCC staff continued to liaise with the Wales Chief Officer Group to ensure that the IPCC remains aware of the issues and challenges for Welsh forces. Individual meetings also took place with each PCC in Wales and with all Welsh PCCs collectively to discuss matters associated with their role in overseeing the police complaints system.

Communicating in Welsh

The IPCC continues to be committed to complying with duties under the Welsh Language Act 1993, and the Welsh Language Measure. Throughout the year we liaised with the Welsh Language Commissioner to ensure that our Welsh language provision was appropriate, and continued work to meet new Welsh language standards, to which we will become subject in 2017.

Sustainability report

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

This meets the requirements of 'HM Treasury Guidance 2015-16 Sustainability Reporting in the Public Sector'. There is no biodiversity action plan as this does not apply to our functions.

Our sustainability performance in 2015/16

The key performance indicators are set out in the table below, compared with results for the previous two financial years where these figures are available. During this reporting period, we opened our new Croydon office, which has a net internal area of 1,026 m².

Over the course of 2015/16 we have worked to improve our waste figures and lower the percentage of waste we send to landfill. Please note that for waste, we are only able to report the cost of recycled waste.

Information about our water consumption and costs are not available for our London, Birmingham and Croydon offices.

All the figures below were calculated using the recommended conversion factors provided by the Department for Rural Affairs, as set out in its Environmental Reporting Guidelines. Where improved information is now available for previous reporting periods, we have amended the data to reflect this.

Greenhouse gas emissions*		2013/14	2014/15	2015/16**
Non-financial indicators (tCO ₂)	Gross emissions scope 1	493	598	693
	Gas (kwh)	N/A	N/A	224,443
	Gross emissions scope 2	326	533	637
	Gross emissions scope 3	92	100	102
	Total emissions	912	1,233	1,433
Non-financial indicators (kg)	Total waste	44,296	54,204	66,679
	sent to landfill	2,197	7,831	5,927
	recycling	25,978	32,340	46,720
	incineration	14,032	14,032	14,032
	incineration energy recovery	0	0	0
Non-financial indicators (m ³)	Water consumption***	1,750	12,623	13,449
Financial indicators (£)	Expenditure on energy purchased, including travel	£887,239	£1,012,146	£1,057,223
	Expenditure on waste disposal, including:	n/a	n/a	n/a
	sent to landfill	n/a	n/a	n/a
	recycling	£10,178	£12,013	£11,747
	incineration	0	0	0
	expenditure on water consumption	£12,934	£19,061	£20,308
Paper purchased	A4 (boxes)	1,391	1,668	1,740
	A3 (boxes)	16	27	60

* Scope 1 emissions are from sources owned or controlled by the organisation, such as vehicles and boilers.

Scope 2 emissions are from energy consumed by the organisation, but purchased from external suppliers, such as electricity.

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

** Our estate continued to grow during the year under review. The number of full-time staff increased by 145 (including temporary staff) between the end of 2014/15 and the end of 2015/16. Therefore, it is not possible to compare these figures on a like-for-like basis. However, over the course of this expansion the amount of CO₂ generated per employee for total emissions has gone down by 29kg CO₂.

*** Water consumption for 2014/15 has been restated to include data for our office in Warrington.

Sustainable procurement

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

Action taken during 2015/16 to improve the IPCC's sustainability performance

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

- the lighting systems in our Cardiff and Sale offices were replaced with LEDs, which are up to ten times more energy efficient
- we reduced consumption of power through installing timers on high-wattage electrical items; replacing lamps with low power LED devices (where economically viable) and encouraging staff to switch off appliances when not in use
- we aligned the temperature in our offices to fall within best practice. Where building management systems allow, our space is heated at 19C and cooled at 24C

- we implemented a system whereby our heating/cooling turns on at 8am and off at 6pm (where building management systems allow). It is not on at weekends or bank holidays
- we continued to encourage staff to recycle as much as possible. We have increased the number of recycling bins and, in some offices, have arranged more frequent collections. We have also reviewed waste contracts in several of our offices
- we expanded our suite of video conferencing units and increased the number of locations we can have connected to a call in an effort to make this a viable alternative to travel
- we introduced energy efficient WYSE terminals

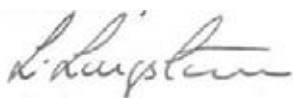
Our fleet vehicles contribute to our greenhouse gas emissions. To minimise the impact of this, our fleet consists of Vauxhall Corsa 1.3 cdtri ecoflex vehicles, which can achieve up to 85.6mpg combined and produce CO₂ emissions of 88g/km. The nature of our investigative work means that there is rarely an alternative to using a vehicle. However, travel in relation to administrative activities is done using rail and other public transport wherever possible. In March 2016, we updated our fleet to a mixture of Vauxhall Corsa, and Toyota Yaris and Auris. We now have a total of 79 vehicles.

Our future strategy

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

We will continue to improve the accuracy of our data – in particular, our water and waste figures. We have reviewed all our waste collection contracts and have appointed new waste collection services in our Sale and Wakefield offices. Our new arrangements will further reduce the amount of waste we send to landfill. We are looking into moving to energy recovery incineration for our London office. Our car fleet expanded in 2015/16 and we will work on ways to improve our reporting with regards to this – in particular, reporting on grey fleet figures⁸.

We consider keeping in line with GGC and reporting to the levels set by HM Treasury Guidance as our main key performance indicator for sustainability. As our estate is likely to expand further in 2016/17, like-for-like data analysis will not be possible. Therefore, we will aim to keep our level of CO₂ generated per employee at its current level or reduce it.



Lesley Longstone
Chief Executive and Accounting Officer
28 February 2017

⁸ This refers to staff members' own cars when they are used for work purposes.

2. Accountability report

Corporate governance report

The directors' report

Our Boards

The Commission

The IPCC is overseen by a Commission that at 31 March 2016 was made up of a part-time non-executive Chair, eight full-time commissioners with operational responsibilities and three non-executive commissioners. The Chair and commissioners collectively act as the Commission and as the governing board of the IPCC. The Commission is accountable to Parliament through the Home Secretary.

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

The commissioners who served during 2015/16 are listed below.

Anne Owers	Chair
Rachel Cerfontyne	Deputy Chair
Sarah Green	Deputy Chair
Carl Gumsley	Commissioner
Cindy Butts	Commissioner
Jennifer Izekor	Commissioner
Mary Cunneen	Commissioner
Kathryn Stone	Commissioner (until 15 January 2016)
James Dipple-Johnstone	Commissioner (until 11 September 2015)
Derrick Campbell	Commissioner
Jan Williams	Commissioner
Sue Whelan-Tracy	Non-executive Commissioner
David Bird	Non-executive Commissioner
Tim Robinson	Non-executive Commissioner (appointed 20 Apr 2015)
Jonathan Tross	Non-executive Commissioner (until 27 May 2015)
Ruth Evans	Non-executive Commissioner (until 31 May 2015)

The Executive Management Board

The Executive Management Board (EMB) is primarily made up of the IPCC senior management team, which provides corporate strategic leadership and oversees the day-to-day running of the organisation. The EMB, which meets monthly, supports the Commission in driving the development of the IPCC's leadership capabilities; maintaining oversight of operational and financial performance; and in ensuring that all parts of the organisation are working together effectively.

The Chief Executive chairs the EMB and is accountable to the Commission for the effective running of the organisation. As the IPCC's Accounting Officer, the Chief Executive is responsible for the effective management of grant in aid in accordance with a Framework Agreement with the Home Office.

The members of the EMB during 2015/16 are listed below:

Lesley Longstone	Chief Executive
Nick Hawkins	Chief Operating Officer (until 30 September 2015)
Ian Todd	Chief Operating Officer (from 26 October 2015)
Kathie Cashell	Director, Strategy and Impact
David Knight	Acting Director, Strategy and Impact (from 15 February 2016)
Kevin Woodrow	Director, Resources
Tim Bianek	Director, Change
David Emery	Head of Legal Services
Anna O'Rourke	Commission Secretary (until 19 July 2015)
Emma Maloney	Commission Secretary (from 20 July 2015)

Audit and Risk Committee

The Commission is supported by an Audit and Risk Committee whose role is to review the adequacy and effectiveness of the internal control systems that underpin delivery of the IPCC's objectives. It is also responsible for overseeing the IPCC's systems and processes for finance, corporate governance, risk management, accountability and complaints against the organisation.

The members of the Audit and Risk Committee during 2015/16 are listed below:

David Bird	Non-Executive Commissioner (Chair)
Tim Robinson	Non-Executive Commissioner (Deputy Chair)
Sue Whelan-Tracy	Non-Executive Commissioner
Jan Williams	Operational Commissioner
Kathryn Stone	Operational Commissioner (until 15 January 2016)
Jonathan Tross	Non-Executive Commissioner (Chair until May 2015)
Ruth Evans	Non-Executive Commissioner (Deputy Chair until May 2015)

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

Further information about the Audit and Risk Committee and other committees that support the Commission is included in the Governance Statement.

Register of interests

A register that includes details of company directorships or other significant interests held by members of the Commission and EMB is available on our website. It may be obtained in writing from the IPCC Commission Secretary at 90 High Holborn, London, WC1V 6BH.

Personal data

There were no data-related incidents reported to the Information Commissioner's Office in 2015/16 (2014/15: 0 incidents). One incident occurred subsequently, which has been reported to the Information Commissioner.

Health and safety

There has been renewed focus on health and safety in 2015/16. This has been driven by the establishment of the Health and Safety Executive Committee and the newly appointed role of Health and Safety Manager. Chaired by the Chief Executive, the Committee has agreed a 12-month plan that focuses on enhancing our safety management. The plan maintains our commitment to complying with our health and safety responsibilities towards staff and third parties affected by our activities.

The Committee has agreed new governance arrangements for health and safety, and has focused on reviewing our risk assessments. A full health and safety training needs analysis has been completed. This has fed into the organisation's wider learning needs.

During 2015/16, 19 accidents and 11 incidents were recorded (a total of 30 overall). This compares to 25 in the previous 12-month period. The increase is in part due to an increase in reporting encouraged by a new accident / incident policy; and a significant increase in our staffing levels during this period. None of these incidents were required to be reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

Research and development

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

Research undertaken during the year under review includes: a thematic study into police use of force, research into user satisfaction, a stakeholder survey and producing annual statistics on the police complaints system and national statistics on deaths during or following police contact. Information about these pieces of work can be found elsewhere in this report.

FOI and DPA

The IPCC has established an information rights team as the central point of contact for processing all requests for information under the Freedom of Information (FOI) Act 2000, and subject access requests under the Data Protection Act (DPA) 1998. The team ensures that all requests are processed in accordance with current statutory obligations, internal policies and procedures. The team also provides advice, guidance and assistance to staff and managers about all aspects of FOI and DPA work. The tables below show IPCC performance against the statutory deadlines.

Freedom of information

Year	Number received	Statutory deadline met
2014/15	283	75%
2015/16	295	83%

Subject access requests

Year	Number received	Statutory deadline met
2014/15	315	78%
2015/16	265	74%

Charitable donations

The IPCC did not make any donations to charity during 2015/16. During the year, IPCC staff held fundraising events and donated a total of £3,700 (including Gift Aid) to a number of UK charities.

Payment of suppliers

The IPCC abides by the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890) and, in particular, aims to pay all valid invoices in accordance with contract terms or 30 days after receipt of a valid invoice where no terms are agreed. We paid 84% within ten working days (2014/15: 80%) and we paid 97% within 30 working days (2014/15: 97%); 2014/15 has been restated to calculate from the date the invoice was received rather than the date shown on the invoice.

Outturn

The IPCC is responsible to Parliament for its expenditure through the Home Office. The Home Office considers our expenditure plans and provides grant in aid on an annual basis, which we draw down in year as required.

In February 2013, the Home Secretary approved additional funding to enable

us to investigate all serious and sensitive allegations against the police. In 2015/16 we completed the second year of our expansion programme towards achieving this goal.

The statement of comprehensive net expenditure shows expenditure of £64.7 million in 2015/16 compared to £54 million in 2014/15. Our expenditure has increased by £10.7 million as a result of additional resources required for completing expansion of our core activity and for the Hillsborough investigation. The table below shows where we have increased or (decreased) expenditure this year.

Increase (decrease) in £m expenditure includes:	Core business	Hillsborough
Additional staff costs	6.5	1.5
Estates costs	1.4	(0.3)
ICT	0.2	0.3
Service concession costs	1.3	-
Purchase of other goods and services	(1.1)	0.1
Depreciation and amortisation	0.8	0.1
Provisions	(0.1)	-
Total increase in expenditure in 2015/16	9.0	1.7

The additional expenditure on staff is because we recruited 171 additional staff during the year. Of these, 71% are for our operational activities. Headcount at the end of the reporting year was 877, including commissioners, and more detail on our staff profile is included elsewhere in

this report. We also had 80 temporary staff at the end of the year mostly working on the Hillsborough investigation.

There has been an increase in estates expenditure as a result of us taking a ten-year lease on a public sector property in Croydon in May 2015.

Service concession costs have increased because the growth in staff numbers has resulted in renegotiation of the services provided by Sopra Steria. This is described in greater detail in the notes to the financial statements.

Purchase of other goods and services has reduced since last year as in 2014/15 we used short-term consultants for work related to organisational design, process improvement and quality assurance. In 2015/16 this work was undertaken by our own staff.

Capital expenditure

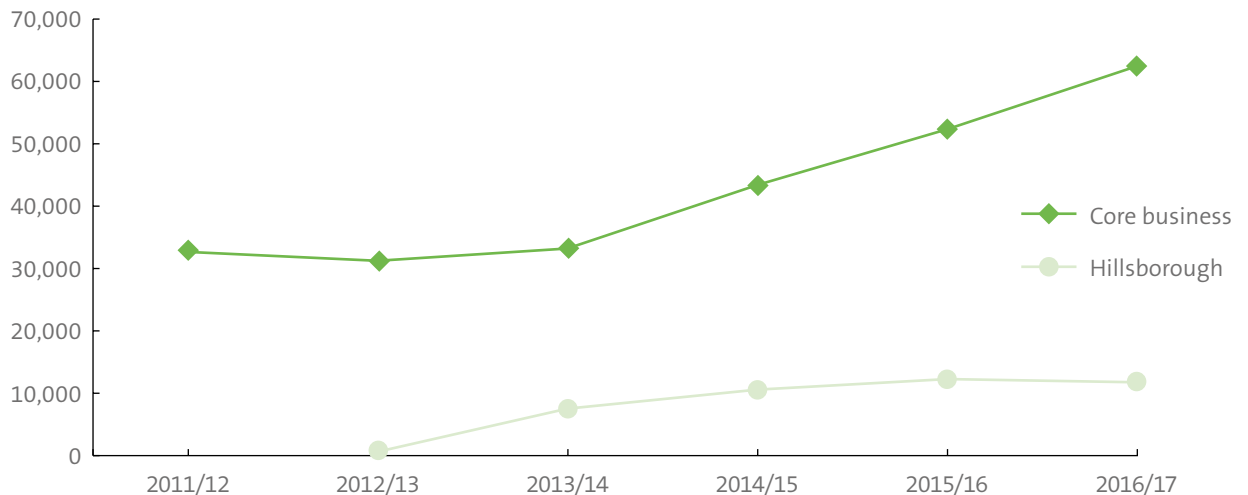
During the year we spent £5.3m on asset additions. The main purchases were for the new office in Croydon, replacement of cars used by our investigators, and development and upgrades to the ICT system we use for work on our investigations and appeals. The table below summarises the expenditure.

Capital expenditure	£m
ICT used for investigations and appeals	2.4
Croydon office and other estates improvements	2.1
Cars used by investigators	0.8
Total	5.3

Long-term expenditure trends

Our long-term expenditure trends are shown below:

Expenditure trends £000s	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Core business	32,636	31,207	33,183	43,389	52,346	62,500
Hillsborough	–	581	7,546	10,615	12,319	11,800
Total	32,636	31,788	40,729	54,004	64,665	74,300



The figures show that there has been a material increase in expenditure since 2013/14 as result of additional funding so that we can investigate all serious and sensitive cases. Expenditure has also grown as a result of our work on the Hillsborough disaster. Historic figures are based on audited financial statements and 2016/17 is based on funding figures agreed with the Home Office.

Procurement strategy

Procurement delegation from the Home Office is given on the basis that best practice is followed, best value is achieved and that we comply with Home Office procurement policies and applicable legal and regulatory requirements. For most categories of expenditure, Crown Commercial Services frameworks are used.

Estates strategy

Our Estates strategy was agreed in 2015 and updated in the year to support ongoing business and expansion plans. The strategy sets out a programme to reduce our occupancy of private sector property by surrendering leases and using government hubs or other public sector property. These estates decisions will be taken based on a clear understanding of the IPCC broader strategy and will reflect operational considerations and the impact of our change programme.

Following the additional offices we have opened (in Croydon this year and in Birmingham last year), we now have seven offices in England and Wales. The table below shows the occupancy levels for each location at March 2016.

Office location	Headcount	Temps	Total office staff	Area (m ²)	m2 per head	Property type
Birmingham	129	6	135	1,607	11.9	Public sector
Cardiff	89	2	91	775	8.5	Private sector
Croydon	70	1	71	879	12.4	Public sector
Holborn	251	4	255	1,945	7.6	Private sector
Sale	137	2	139	854	6.1	Private sector
Wakefield	74	1	75	551	7.3	Public sector
Warrington	110	64	174	2,382	13.7	Public sector
Total	860	80	940	8,993	9.6	

Headcount excludes 17 home-based workers.

Statement of the Accounting Officer's responsibilities

Under paragraph 17(1) of Schedule 2 to the Police Reform Act 2002, the IPCC is required to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction issued by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the IPCC and of its income and expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, with the consent of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis

The responsibilities of an Accounting Officer are set out in Managing Public Money published by HM Treasury. They include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the IPCC's assets.

The Accounting Officer has confirmed that as far as she is aware, there is no relevant audit information of which the IPCC's auditors are unaware, and that she has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the IPCC's auditors are aware of that information.

The Accounting Officer has also confirmed that the annual report and accounts as a whole are fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Chief Executive's personal end of year governance statement for 2015/16

Governance framework

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

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

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

activities, one via the Chief Executive and the other via the deputy chairs, coming together in a non-executive Chair.

The Triennial review of the IPCC in 2015, recommended changes to our governance and, in particular, 'the separation of the governance and operational roles'. Steps were taken to mitigate the risks of the current arrangements and proposals were put to the Home Office to change the governance structure. These proposals were subsequently subject to an independent review by Sheila Drew Smith, who made a number of further recommendations. This additional report formed part of a Home Office consultation: 'Reforming the Independent Police Complaints Commission: structure and governance', which closed on 28 January 2016. The Policing and Crime Bill, which received Royal Assent in January 2017, contained proposals to amend the IPCC's governance. It reflects the report's recommendations and should address the matters raised in the Triennial review.

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

organisation and how the IPCC might best meet those challenges.

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

The establishment of a Transition Committee was also agreed in January 2016. With a purpose to support transition of the IPCC's governance framework, and associated other organisational changes, the Committee is chaired by the IPCC Chair.

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

Committee members was identified and a training session agreed with the members. This was subsequently delivered by the Director, Resources and the Risk and Audit Manager. A further training session for non-executive members was also delivered by the Home Office.

The People and Human Resources Committee agrees the Chief Executive's recommendations on pay progression and bonus awards for each director, and has oversight of the Chief Executive's pay within its terms of reference. The Committee does not currently determine my pay, however, as I am seconded from the Department for Education. This Committee replaced the Remuneration Committee in 2015/16 and its expanded role includes oversight of the People Strategy, Conflict of Interest Policy, Health and Safety Policy and the Code of Conduct. The first meeting took place on 21 April 2015 and the Committee is chaired by a non-executive commissioner.

The Strategy and Impact Committee is now established and has met each quarter since May 2015. This has been an effective forum to oversee the implementation of strategies relating to oversight and confidence, stakeholder engagement, communications and knowledge and information management. It is chaired by the Chair of the IPCC and has ensured that the Chair and commissioners have sufficient time to consider and scrutinise these issues in detail. A permanent Director, Strategy and Impact was appointed as well as a Head of Communications, who has developed

a new Communications Strategy for the IPCC. This was considered by Management Board in December 2015 and adopted by the Commission in February 2016.

These Committees undertook a review of their own effectiveness. The findings were reported to the Commission in April 2016.

The Commission itself acts in accordance with its Standing Orders and is accountable to Parliament. Through the Chair and Chief Executive's meetings with the Home Secretary and Minister of State for Policing and Criminal Justice, the effectiveness of the organisation is kept under regular review and, more generally, is subject to considerable parliamentary and public interest and scrutiny. Bilateral meetings have been established with the Home Office's IPCC Sponsor Unit to discuss strategic, budgetary and operational matters. No matters are discussed that could present a risk to the IPCC's independence. These meetings are supplemented with further meetings on risk, finance, human resources and estates, as required.

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

2016 the Head of Communications also attended MB meetings.

Following the year end there was a nine-week period when, because of my pre-arranged absence, the Chief Operating Officer was temporarily acting as CEO and Accounting Officer. In addition, the Director, Strategy and Impact has been on maternity leave since the end of February 2016 and interim cover has been provided.

Health and safety policies and procedures have been identified as inadequate in some respects. Remedial action has been taken with the formation of a Health and Safety Executive Committee, which I chair. It includes representatives from all directorates. The Committee is overseeing the identification of policy and procedural changes, action planning and implementation. Qualified health and safety resources have been increased to deliver the improvements and significant progress has been, and continues to be, made.

In December 2015, the IPCC submitted a business case to the Ministry of Justice and the Home Office setting out the need for an exemption to the Rehabilitation of Offenders Act 1970 (ROA) and why we need the ability to request Disclosure and Barring Service (DBS) checks on staff. This was agreed and came into force in August 2016. This means that the IPCC can request relevant checks in relation to staff who have contact with, or carry out work relating to vulnerable adults or children. A policy is currently being developed to

establish how these checks would be applied and therefore no checks have been carried out to date.

Commission performance

The Commission maintains a number of processes and systems to ensure that it can operate effectively. No new appointments to the Commission have been made during this year. Operational commissioners are each subject to a yearly appraisal by a deputy chair and appraisal of deputy chairs and non-executive commissioners is undertaken by the Chair. The Commission has reviewed its own effectiveness and set objectives for 2016/17.

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

Corporate governance

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

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

We continue to work collaboratively with the Home Office as part of an initiative by them to ensure a consistent approach to compliance with Cabinet Office Controls across the various arms length bodies.

Risk assessment

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

All of these risks are subject to the IPCC risk management processes, with relevant mitigating activity identified and reported to MB, the Audit and Risk Committee and Commission in line with the organisation's reporting cycles. The risks relating to our expansion programme are reviewed and

discussed at the Change Programme Implementation Board and escalated to the strategic risk register as necessary.

A risk appetite statement has been developed, which was approved by MB and considered by the Audit and Risk Committee. The statement was then discussed and agreed by Commission in April 2016.

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

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

was awarded ISO 27001 status for the Information Security Management System it provides to the IPCC.

Security and data breaches have been reported to the Senior Information Risk Owner and IAOs have taken action to address any identified issues. No breaches have been required to be reported to the Information Commissioner in the year. One breach occurred subsequently, which has been reported to the Information Commissioner.

The IPCC has a suite of Business Continuity Plans (BCP) in place at organisational, directorate, and office level, supported by critical incident plans and contact lists. These are reviewed annually.

The IPCC receives most of its IT services from a single supplier, Sopra Steria. The IPCC's ICT infrastructure has been subject to a number of interim measures to deal with the increased capacity and tactical decisions have been taken to remove individual systems or services from the contract. Plans are now being developed for the overall exit from the contract, which had its first break point in December 2016. Exit from the contract will take place in a phased way and will require careful dependency management, especially with the concurrent work to reform the complaints system and transition to a new IPCC governance structure. The required internal and external governance to manage this has now been established.

Following a comprehensive equality and diversity review, an action plan was put in

place and some of the recommendations from that plan have been actioned and completed. Recommendations that were not completed during 2015/16 will be considered by the relevant director for 2016/17. Each year, directors will also be asked to provide an assurance statement detailing arrangements they have made in relation to equality and diversity within their directorates.

An audit of one project conducted in the Resources Directorate suggested weaknesses in project management. At the time, project management resources were not available internally, and a contract project manager was appointed. This project manager was lost to an alternative opportunity, and completion of delivery was managed by functional managers rather than a project manager for the final stages of the project. The audit also identified weaknesses, such as incomplete records in the filing of the departed project manager.

The IPCC has now recruited more project managers and these have been allocated to projects based on business need. Change projects are overseen by MB, and key projects are challenged by a Delivery Board, including scrutiny of project documentation. An example is that of the project to implement the People Strategy, where a project manager has been allocated and has followed appropriate project management policies and procedures to deliver significant progress on this project throughout the year. Two incidents occurred where the full recruitment policy was not followed

within the Change Programme. Exceptions had to be arranged in order to enable the new staff to start working as planned. A single point of contact within the team has been identified with responsibility for the full recruitment process to ensure that this error is not repeated.

In addition, an internal audit review of exhibit management identified a number of areas where improvements could be made. The resulting recommendations have been accepted and will be implemented by the end of the current financial year.

Business planning has continued throughout the year, with planned items being reprioritised to meet changing demands, pressure on resources and changes in legislation. Business planning for 2016/17 is now complete, though subject, as always, to in year review – in particular, in light of continuing uncertainties about changes in legislation and changes to our organisational governance structure.

Our rapid expansion has presented challenges for our financial planning and forecasting. Line managers with budget responsibility have been trained in elements of financial management, and the Finance team has been strengthened with more qualified staff. Our forecasting performance has noticeably improved over the second half of the year with our outcome against our mid-year forecast showing a 1% variance.

The expansion has also presented us with an opportunity to address our lack

of diversity as an organisation. At the beginning of the year we had 10.7% BME staff in the organisation. At the end of the year we had increased this to 14.6%, and this is currently running at 14.85% – slightly above the target that we had set ourselves of the national average of 14%.

A HMRC audit identified that we were not fully compliant in recognising dual location working for a small number of staff. The organisation will need to tax travel expenses for staff deemed to have a second permanent work location. The appropriate processes have been put in place to maintain and monitor compliance and relevant policies are being developed.

As a result of this issue, the remuneration of one senior member of staff who left in the year under review had breached a Cabinet Office control and retrospective approval had to be obtained. This is likely to affect two of our other senior staff members and appropriate processes are being put in place to ensure that relevant approvals are obtained in advance.

During the potential recruitment of a senior member of staff, relocation expenses were paid to a candidate before the formal offer of employment was issued. This employment offer was not subsequently made.

Major risks

The IPCC continues to be in the process of a large and complex change programme to enable the organisation to deliver a greater workload. This,

combined with legislative change and governance change, neither of which are yet fully specified, creates significant resource and other risk to the organisation. This is being managed through agreement of assumptions to underpin our planning with the Home Office.

The IPCC's independent and managed (Operation Resolve) investigations into the Hillsborough tragedy continue to make progress. Following the conclusion of the Hillsborough Inquests in April 2016 the media focus intensified and public expectation increased. Given the scale, complexity and profile, the need to deliver investigations that were timely and high quality remained a strategic risk for the organisation. The IPCC and Operation Resolve worked closely to ensure that the two investigations were co-ordinated appropriately, with shared understanding of mutual lines of enquiry and planning for any future proceedings that may arise. We also engaged with the CPS to ensure that their requirements for reaching any future charging decisions were understood and built into our investigative and disclosure work, while retaining the necessary independence. In January 2017, we referred files of evidence, along with Operation Resolve, to the CPS to decide whether criminal charges should follow. The investigation continues to be resourced appropriately and scrutinised routinely through the Hillsborough Investigation Board to ensure that risks are understood, managed and mitigated where appropriate.

As the Hillsborough investigation draws towards a conclusion there will be a transition phase for staff towards the wider IPCC. This will be governed by a project board and will enable the phased release of experienced operational staff to support a growing independent caseload in the wider IPCC. The timing and location of this release of staff is significant both to our operational workforce planning and to decisions about our estate in the north west of the country.

The IPCC is also involved in a number of high-profile investigations arising from potential failings in the police response to child sexual abuse (CSA). These are large and complex investigations, often with historic and/ or multiple complaints and referrals across multiple forces. Many run in parallel with criminal or coronial processes. Resources for these investigations have been drawn from our existing establishment – however, we are monitoring how this impacts on our ability to deliver an increased number of independent investigations across other areas of business. We have encountered difficulties in recruiting suitably skilled or experienced staff, particularly in the north where we compete with a number of other bodies for a limited pool of candidates. These investigations will often require specialist skills, investigative functions, and are resource intensive. We have implemented a strategic approach to respond to the large numbers of CSA investigations we are now carrying out, including developing our own bespoke training involving key external stakeholders and a knowledge hub for

staff working on these investigations. We liaise closely with the Independent Inquiry into CSA and Operation Hydrant (which co-ordinates the police response to non-recent institutional CSA). It remains a risk that we cannot accurately forecast likely future demand in this area. Following the departure of the Director, Hillsborough in March 2016, and in recognition of the complex, often historic and large scale of these types of investigations being referred and undertaken, we have responded by establishing a new Directorate, Major Investigations, with a newly appointed Director. This directorate will manage the Hillsborough investigation and any subsequent proceedings and have oversight of all CSA cases. The directorate sits within the wider Operations Directorate, reporting to the Chief Operating Officer, who will continue to chair the relevant boards for oversight purposes. The development and establishment of this new directorate is a business objective for 2016/17.

With significant upheaval and many new opportunities for staff to gain promotions or to diversify into other work, it has been and remains a challenge to maintain the number and skills of frontline investigative staff. There has been significant investment of time and resources in the recruitment process and in the induction and training of new staff. This will need to continue through 2016/17.

In light of the falling volume of work within appeals there was a need during 2014/15 to reduce the number of

casework managers and senior casework managers. Ninety five members of staff were declared at risk of redundancy. At the end of the exercise it was not necessary to make any staff redundant. Nonetheless, there was some disruption and a negative impact on morale in the short term, with the impact of the at-risk exercise being felt in our performance on appeals work. We have recently completed a review of the process and noted a number of lessons related to communication and consultation with affected staff.

Despite these challenges, we have delivered the main target set by the Home Secretary, for which we primarily received our additional funding – to open between 400 and 700 new independent investigations this year. We opened 519 independent investigations during 2015/16. The timeliness of investigations still remains a challenge, although the average duration of our independent investigations fell from 294 working days in 2014/15 to 225 working days in 2015/16. In this financial year we completed 259 independent investigations, twice as many as in 2014/15. A new case management panel is successfully focusing attention on long-running and high-profile investigations, enabling a number to be progressed to completion. The panel is also affording senior managers an opportunity to focus on risks on a thematic basis. Plans are in place to replicate the system of national panels locally so that matters raised at local panels can be elevated to the national panel if they have a significant risk value.

One significant risk is that a focus on delivering a larger quantity of investigations could have a detrimental effect on their quality. A new quality review team was established in the early part of the year and revised quality processes will continue to be embedded during 2016/17. The team's approach ensures that investigations are reviewed continuously throughout their life to build in high standards from the outset, encourage good practice, and minimise wasteful rework at the report writing stage. A number of process improvements have also been introduced.

The increasing number of investigations, and reducing number of commissioners, has necessitated the delegation of certain cases to operations managers (OMs). This approach was evaluated recently and shown not to have had any detrimental effect on the quality of outputs. However, evidence indicated that demand would fast outstrip the capacity of existing OMs and we therefore created four additional posts, which have now been filled alongside a number of new OTL (Operational Team Leader) and investigator posts. That exercise generated a number of concerns and a review of the recruitment process is now underway to identify any lessons for future exercises.

There is a risk that forecasts of IPCC expanded capacity were based on over optimistic assumptions about the type and complexity of the cases we would be taking on. Levels of demand remain unpredictable, with fatal police shootings ranging from zero to five over the last ten years and the number of overall referrals increasing.

Specifically in relation to fatal police shootings, we have prepared revised guidance on post-incident procedures, designed to prevent conferring and achieve best evidence. The guidance takes into account past experiences and the views of stakeholders. Although the police have moved some way towards our position, risks remain around the reception on the ground if and when our guidance is implemented. This guidance is currently being considered by the Home Secretary.

In July 2014, the then Home Secretary announced three reviews and public consultations, to which the IPCC contributed. The subjects were the police disciplinary system, police whistleblowing, and the police complaints system – including the role, powers and funding of the IPCC. The proposed reform of the police complaints system and governance changes, due to take effect in October 2017, combined with an already ambitious expansion programme present a significant challenge for the IPCC in the coming one to two years. The timing of the reforms, combined with the need to review the senior structure, increases the risk both that staff or commissioners may leave the IPCC and that a conflict arises between the interests of the individuals involved in the decision-making process and those of the organisation going forward. Plans are in place to mitigate this risk. These include the extension of the terms of all commissioners either until June 2018 or until the governance changes that result in the establishment of the Independent Office for Police Conduct are implemented (whichever is sooner). The

process of recruiting the new Director General has begun.

We have worked closely with Home Office officials to influence the reforms to the complaints system and to assess the practical impact of the reforms on the complaints system, as well as any impact on IPCC operations and funding requirements. This included, in particular, the proposal to remove managed and supervised investigations, where we successfully made the argument for a power to direct police resources, where this is a more appropriate response than an independent investigation using only IPCC resources. Many of the proposed legislative changes reflect our views about how the complaints system could be simplified and introduce new or enhanced IPCC powers to increase public confidence. We are also in the preliminary stages of planning for the potential extension of IPCC jurisdiction in relation to merged police and fire services and the Gangmasters and Labour Abuse Authority.

Effectiveness of the Whistleblowing Policy

The IPCC Whistleblowing Policy has been updated in keeping with its three-yearly review cycle. Part of the review included a change of name to the Raising Concerns Policy. The publication of the updated policy provided an opportunity to remind staff about the provisions of the Policy should they have concerns about the conduct of colleagues at any time. During 2015/16, no concerns were raised by staff using the whistleblowing procedures.

Accounting Officer

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

My review is informed in part by the work of our internal auditors who have provided an indicative assurance level of moderate for the full year, based on the work they have undertaken. Moderate assurance is defined by them as:

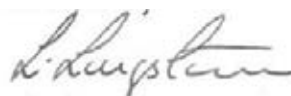
Strengths in the control, risk and information management systems in place outweigh weaknesses. Although there is a need for improvement in specific areas, systems generally operate effectively.

IPCC Head of Internal Audit states; 'To maintain this level of assurance, attention must be spent on further strengthening internal control and first and second lines of assurance; enabling the organisation to be best placed for the future governance and legislative changes and for the potential expansion of its remit in relation to the Gangmaster and Labour Abuse Authority and Fire Service.'

During a recent internal audit, however, evidence came to light of an instance of apparent fraud. Evidence suggests that this apparent fraud was conducted by a single individual who was able to exploit a unique position in the organisation to gain personal advantage. The immediate actions of suspension and removal of system access were taken, the individual resigned, and the medium-term actions to investigate and quantify the apparent fraud and breach in controls have taken place. The incident was reported to the police and actions to review other internal controls for weaknesses have taken place. Following prosecution after the end of the reporting year, the individual concerned was convicted of fraud, and the defrauded sum has been recovered.

After the year we identified weaknesses in the operation of some of our internal complaints processes. We have identified ways to improve the system, to ensure that our processes are as effective and yet as efficient as possible, and are currently working to put these improvements in place.

It is my opinion that further review and modification of controls will be necessary as the organisation transitions to a new governance structure.



Lesley Longstone
Chief Executive and Accounting Officer
28 February 2017

Commission and committee attendance records

	Commission					Audit and Risk Committee			
	22 Apr	3 Jun	9 Sep	4 Nov	3 Feb	19 Jun	22 Oct	28 Jan	24 Mar
Dame Anne Owers	1	1	1	1	1				
David Bird	1	1	1	1	1	Apols	1	Apols	1
Cindy Butts	1	Apols	1	1	1				
Derrick Campbell	1	1	1	1	1				
Rachel Cerfontyne	1	1	1	1	Apols				
Mary Cuneen	1	1	Apols	1	1				
James Dipple-Johnstone	1	1	1	Note 1					
Ruth Evans	1	Note 2							
Sarah Green	1	1	1	1	1				
Carl Gumsley	1	1	1	1	1				
Jennifer Izekor	1	1	1	1	Apols				
Tim Robinson	1	1	1	1	1	1	1	1	1
Kathryn Stone	1	1	Apols	1		Apols	Apols	Note 3	
Jonathan Tross	1	Note 4							
Sue Whelan-Tracy	1	1	1	1	1	1	1	1	1
Jan Williams	1	1	1	1	1	1	1	1	Apols
Total	16/16	13/14	12/14	13/13	10/12	3/5	4/5	3/4	3/4
Average	100%	92.9%	85.7%	100%	83.3%	60%	80%	75%	75%

Note 1 – Left the IPCC September 2015

Note 2 – Term of office ended May 2015

Note 3 – Left the IPCC in January 2016

Note 4 – Term of office ended May 2015

Remuneration and staff report

Remuneration policy

The IPCC aims to ensure that the remuneration packages it offers are competitive. They are designed to attract, retain and motivate senior executives and other employees. The Commission has delegated to the People and Human Resources Committee authority to agree the staff pay and reward strategy and the annual staff pay remit. The Committee also considers and agrees the Chief Executive's recommendations on pay progression and bonus awards for each director.

The IPCC works within Government policy guidelines for public sector pay and for current and future years follows the recommendations of the Senior Salaries Review Body for directors and commissioners. The Chair's remuneration is increased annually by the average base pay awards for the Senior Civil Service pay band 2. Commissioner remuneration is increased annually by the average base pay awards for the Senior Civil Service pay band 1.

Service contracts

The IPCC Chair is a Crown appointment for a period of five years, terminable by Her Majesty with no notice period. Dame Anne Owers was appointed IPCC Chair from 2 April 2012 on the advice of the Prime Minister and Home Secretary. Commissioners are usually appointed for a fixed period of three to five years, and can be extended with the approval of the Home Secretary.

The Chief Executive was appointed under a secondment agreement with the Department of Education ending on 31 March 2017. The IPCC pays the department for her remuneration and associated costs, including VAT.

The Chief Executive appoints directors. Their contracts normally have no fixed period and are terminable on up to six months' notice by the IPCC. There are two exceptions, Ian Todd and Tim Bianek both of whom have fixed-term contracts ending on 30 September 2017. Early termination of directors or the Chief Executive, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Single total figure of remuneration for each commissioner and senior manager

The information in the remuneration tables below is compliant with Employer Pension Notice (452) and provides details of the remuneration and pension interests of commissioners, the Chief Executive and senior management of the IPCC and is subject to audit.

Single total figure of remuneration

This table has been audited.

Commissioners	Salary	Salary	Pension benefits	Pension benefits	Total remuneration	Total remuneration
	2015/16 £'000	2014/15 £'000	2015/16 £	2014/15 £	2015/16 £'000	2014/15 £'000
Anne Owers (Chair)	60-65	85-90	–	–	60-65	85-90
Rachel Cerfontyne	95-100	95-100	39,000	37,000	135-140	135-140
Sarah Green	95-100	95-100	42,000	56,000	155-160	155-160
Carl Gumsley	75-80	65-70	30,000	25,000	105-110	90-95
Cindy Butts	80-85	80-85	33,000	31,000	110-115	110-115
Jennifer Izekor	80-85	80-85	33,000	31,000	110-115	110-115
Mary Cunneen	80-85	80-85	40,000	55,000	135-140	130-135
Kathryn Stone (left 15 Jan 2016)	60-65 (80-85)*	55-60	26,000	22,000	80-85	80-85
James Dipple- Johnstone (left 11 Sept 2015)	35-40 (80-85)*	80-85	17,000	–	75-80	80-85
Derrick Campbell	80-85	80-85	32,000	30,000	110-115	110-115
Jan Williams	80-85	80-85	–	–	80-85	80-85
Sue Whelan-Tracy (non-executive Commissioner)	10-15	20-25	–	–	10-15	20-25
David Bird (non-executive Commissioner)	5-10	5-10	–	–	5-10	5-10
Tim Robinson (non-executive Commissioner, started 20 Apr 2015)	5-10	–	–	–	5-10	–
Jonathan Tross (non-executive Commissioner, left 27 May 2015)	0-5	5-10	–	–	0-5	5-10
Ruth Evans (non-executive Commissioner, left 31 May 2015)	0-5	10-15	–	–	0-5	10-15

* Full year equivalent.

Single total figure of remuneration

This table has been audited.

Senior management	Salary	Salary	Bonus payments	Bonus payments	
	2015/16 £'000	2014/15 £'000	2015/16 £'000	2014/15 £'000	
Lesley Longstone	135-40	75-80	15-20	–	
Nick Hawkins Chief Operating Officer (left 30 September 2015)	60-65 (125-130) [†]	70-75	–	–	
Ian Todd Chief Operating Officer (started 26 October 2015)	55-60 (125-130) [†]	–	–	–	
Mike Benbow Director, Hillsborough (left 31 March 2016)	100-105	95-100	–	–	
Kathie Cashell Director, Strategy and Impact	100-105	50-55	–	–	
David Knight Director, Operations (Acting Director, Strategy and Impact from 15 February 2016)	100-105	90-95	–	–	
Kevin Woodrow Director, Resources	100-105	100-105	–	–	
Tim Bianek Director, Change	95-100	25-30	–	–	
Julian Blazeby Director, Major Operations (started 1 March 2016)	5-10 (100-105) [†]	–	–	–	

[†] Full year equivalent.

	Benefits in kind*	Benefits in kind	Pension benefits	Pension benefits	Total remuneration	Total remuneration
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
	£	£	£	£	£'000	£'000
	–	–	41,000	17,000	195-200	90-95
	–	–	48,000	54,000	110-115	125-130
	–	–	22,000	–	75-80	–
	60,900	41,000	29,000	23,000	190-195	160-165
	–	–	38,000	23,000	140-145	75-80
	39,000	–	110,000	70,000	250-255	160-165
	38,000	48,800	29,000	132,000	165-170	280-285
	–	–	57,000	7,000	150-155	35-40
	3,900	–	–	–	10-15	–

* Senior managers are required to travel to IPCC offices for the performance of their duties. Where, by nature of the tasks performed and the frequency of travel, these are deemed a permanent workplace then the cost of travel is not deductible under Section 338 ITEPA 2003. The cost of travel, other than that to the location where they are based, is paid for by the IPCC and is reported as a benefit in kind.

Salary

This includes gross salary; performance pay; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the IPCC and thus recorded in these accounts.

Bonuses

The Chief Executive's bonus reported for 2015/16 in the single total figure of remuneration table (page 64) is for work completed in 2014/15. Her bonus for work completed in 2015/16 will be included in the table for 2016/17.

Payments made to directors under the civil service compensation scheme

During 2015/16, one payment of £49K was made to a director under the civil service compensation scheme. This was made to Mike Benbow.

Benefits in kind

Senior managers are required to travel to IPCC offices for the performance of their duties. Where, by nature of the tasks performed and the frequency of travel, these are deemed a permanent workplace, the cost of travel is not deductible under Section 338 ITEPA 2003. The cost of travel, other than that to the location where they are based, is paid for by the IPCC and is reported as a benefit in kind.

Pension benefits

Commissioners and all staff are eligible for membership of the Principal Civil Service Pension scheme.

Certain IPCC former commissioners and staff who served as members with the Police Complaints Authority (PCA) participate in a 'broadly by analogy' (BBA) pension scheme as an alternative to membership of the Civil Service Pension scheme. The IPCC is responsible for funding future pension benefits.

The information in the pension benefits tables below provides details of the pension benefits of commissioners, the Chief Executive and the directors and is subject to audit.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From 1 April 2015, all newly appointed civil servants and the majority of those already in service joined **alpha**. Before that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole

career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with pensions increase legislation. Existing members of the PCSPS who were within ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and 13 years and five months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and

8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where

they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or state pension age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

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

benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax that may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

This table has been audited.

Pension benefits					
Commissioners	Accrued pension at pension age as at 31/3/16 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2016 £'000	CETV at 31 March 2015 £'000	Real increase/ (decrease) in CETV £'000
Rachel Cerfontyne	15-20 Nil lump sum	0-5 Nil lump sum	235	183	23
Sarah Green	15-20 Nil lump sum	0-5 Nil lump sum	246	198	20
Carl Gumsley	0-5 Nil lump sum	0-5 Nil lump sum	38	17	13
Cindy Butts	5-10 Nil lump sum	0-5 Nil lump sum	67	43	12
Jennifer Izekor	5-10 Nil lump sum	0-5 Nil lump sum	79	51	15
Mary Cunneen	25-30 Nil lump sum	0-5 Nil lump sum	374	309	9
Kathryn Stone	0-5 Nil lump sum	0-5 Nil lump sum	17	16	(5)
James Dipple-Johnstone	15-20 50-55 Lump sum	0-5 0-5 Lump sum	232	219	5
Derrick Campbell	15-20 Nil lump sum	0-5 Nil lump sum	234	195	11

Pension benefits					
Senior management	Accrued pension at pension age as at 31/3/16 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2016 £'000	CETV at 31 March 2015 £'000	Real increase/(decrease) in CETV £'000
Lesley Longstone	50-55 150-155 Lump sum	0-5 5-10 Lump sum	942	834	31
Nick Hawkins Chief Operating Officer (left 30 September 2015)	25-30 75-80 Lump sum	0-5 5-10 Lump sum	538	470	43
Ian Todd* Chief Operating Officer (started 26 Oct 2015)	0-5 Nil lump sum	0-5 Nil lump sum	12	–	8
Mike Benbow Director, Hillsborough (left 31 March 2016)	15-20 Nil lump sum	0-5 Nil lump sum	320	300	25
Kathie Cashell Director, Strategy and Impact	10-15 Nil lump sum	0-5 Nil lump sum	107	77	8
David Knight Director of Operations (Acting Director, Strategy and Impact from 15 Feb 2016)	35-40 115-120 Lump sum	0-5 15-20 Lump sum	782	626	92
Kevin Woodrow Director, Resources	25-30 90-95 Lump sum	0-5 0-5 Lump sum	614	541	24
Tim Bianek Director, Change	15-20 Nil lump sum	0-5 Nil lump sum	279	221	30

* Ian Todd's accrued pension is for IPCC service only.

Compensation on early retirement or loss of office

This section has been audited.

None.

Payments to past directors

This section has been audited.

None

Fair pay disclosure

This section has been audited.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the organisation’s workforce.

The highest paid director of the IPCC is the Chief Executive. Her banded remuneration in the financial year 2015/16 was £155,000–£160,000 (2014/15, £135,000-£140,000). This was 5.1 times (2014/15, 3.9 times) the median remuneration of the workforce, which was £31,113, 2014/15, £33,775).

In 2015/16 no employee received remuneration in excess of the highest paid director (2014/15, 0). Staff are paid across 13 pay ranges linked directly to job evaluation (JE) scores. The scores and entry level pay are shown in the table below

JE score	Entry rate
16	66,600
15	58,274
14	52,442
13	43,685
12	35,855
11	30,805
10	27,876
9	25,000
8	23,300
7	21,600
6	19,100
5	16,260
Apprentice	13,000

Senior civil service staff by band

Band	
SCS2	2
SCS1	6
Total	8

Staff numbers and costs

This section has been audited.

The following table shows the average number of whole-time equivalent staff employed during the year. Permanent staff includes staff on fixed-term contracts, generally of 12 months' duration. Other staff includes temporary and inward seconded staff.

The majority of the other staff are temporary staff retained for our investigation into the Hillsborough disaster.

Average number	2015/16	2014/15
Permanent	830	766
Other	60	23
Total	890	789

The following table shows the cost of staff employed during the year. Permanent staff includes staff on fixed-term contracts, generally of 12 months' duration. Other staff includes temporary and inward seconded staff. Costs are after recoveries in respect of outward secondments (2015/16 nil, £63,000 in 2014/15).

Staff costs	2015/16	2015/16	2015/16	2014/15
	£'000	£'000	£'000	£'000
	Permanent staff	Other	Total	Total
Salaries and emoluments	29,373	3,581	32,954	26,911
Social security cost	2,452	–	2,452	2,031
Pension contributions	5,673	–	5,673	4,164
Sub total	37,498	3,581	41,079	33,106
Less: recoveries in respect of outward secondments	-	–	–	–
Net costs of all other staff	37,498	3,581	41,079	33,106

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

There was a 1 per cent pay increase during 2015/16 for staff and commissioners.

Staff composition

The IPCC is committed to ensuring that both men and women are able to reach their full potential in the organisation. The following table provides an analysis of the headcount of each gender who were directors, senior civil servants or equivalents and employees at 31 March 2016.

Composition	Female	Male
Senior civil servants or equivalent	2	6
Other staff	515	354
Total	517	360

We monitor the diversity of the organisation through both HR data and the experience of staff, as relayed through our staff survey results. The tables included on the following pages reflect the make up of the organisation in the financial year under review.

Ethnicity by grade, 31 March 2016

Ethnic origin	5 & 6 & Apprentices	7 & 8	9, 10 & 11	
Asian Bangladeshi	5	2	4	
Asian Indian	1	5	18	
Asian Other	0	0	4	
Asian Pakistani	1	3	8	
Black African	0	2	7	
Black Caribbean	1	1	11	
Black Other	1	2	4	
Chinese or other Chinese Ethnic Background	0	0	3	
Mixed – White and Black African	0	0	1	
Mixed White and Black Caribbean	1	0	3	
Mixed White Asian	1	1	1	
Other	0	0	1	
Other mixed background	0	0	5	
Total black and minority group	11 21.15%	16 23.88%	70 14.17%	
Information refused	0	1	1	
Not stated	0	1	1	
Undisclosed	0	0	4	
Total unknown	0 0.00%	2 2.99%	6 1.21%	
White	38	46	395	
White other	2	1	11	
White Irish	1	2	12	
Total White/White other/White Irish	41 78.85%	49 73.13%	418 84.62%	
Total	52	67	494	
Comparator figures for BME staff, March 2015	17.02%	17.74%	9.85%	

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

	12 & 13	14, 15 & 16	Total staff no.	Commissioner	Director	Total
	2	0	13	0	0	13
	8	1	33	0	0	33
	1	0	5	0	0	5
	1	2	15	0	0	15
	1	0	10	1	0	11
	2	0	15	1	0	16
	1	0	8	1	0	9
	0	0	3	0	0	3
	0	1	2	0	0	2
	1	0	5	0	0	5
	3	0	6	0	0	6
	1	0	2	0	0	2
	2	0	7	1	0	8
	23 12.37%	4 6.78%	124 14.45%	4 33.33%	0 0.00%	128 14.60%
	1	0	3	0	0	3
	1	0	3	0	0	3
	1	1	6	3	0	9
	3 1.61%	1 1.69%	12 1.40%	3 25.00%	0 0.00%	15 1.71%
	155	52	686	5	7	698
	2	2	18	0	0	18
	3	0	18	0	0	18
	160 86.02%	54 91.53%	722 84.15%	5 41.67%	7 100%	734 83.69%
	186	59	858	12	7	877
	9.03%	5.77%	10.49%	26.67%	0.00%	10.70%

Ethnicity by directorate, 31 March 2016

Ethnic origin	CEO and Commission		Change		Legal	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
Black and minority group	9	27.27%	3	15.00%	2	8.33%
Unknown	3	9.09%	1	5.00%	0	0.00%
White/ White other/ White Irish	21	63.64%	16	80.00%	22	91.67%
Total	33	3.76%	20	2.28%	24	2.74%

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

Ethnicity by location, 31 March 2016

Ethnic origin	Birmingham		Cardiff		Croydon		Holborn	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
Black and minority group	34	26.36%	5	5.62%	16	22.86%	56	22.31%
Unknown	1	0.78%	1	1.12%	1	1.43%	6	2.39%
White/ White other/ White Irish	94	72.87%	83	93.26%	53	75.71%	189	75.30%
Total	129	100.00%	89	100.00%	70	100.00%	251	100.00%
BME age 16-64 comparator figures for office catchment area from ONS	15%		5%		21%		21%	

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

	Operations		Resources		Strategy & Impact		Total staff no.	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
	88	13.48%	17	22.97%	9	12.33%	128	14.60%
	8	1.23%	2	2.70%	1	1.37%	15	1.71%
	557	85.30%	55	74.32%	63	86.30%	734	83.69%
	653	74.46%	74	8.44%	73	8.32%	877	100.00%

	Home		Sale		Wakefield		Warrington		Total	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
	3	17.65%	9	6.57%	3	4.05%	2	1.82%	128	14.60%
	0	0.00%	1	0.73%	0	0.00%	5	4.55%	15	1.71%
	14	82.35%	127	92.70%	71	95.95%	103	93.64%	734	83.69%
	17	100.00%	137	100.00%	74	100.00%	110	100.00%	877	100.00%
	n/a		10%		11%		10%		14%	

Gender by grade, 31 March 2016

Gender	5 & 6 & apprentices		7&8		9,10&11		12&13	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
Female	35	67.31%	53	79.10%	287	58.10%	107	57.53%
Male	17	32.69%	14	20.90%	207	41.90%	79	42.47%
Total	52	100.00%	67	100.00%	494	100.00%	186	100.00%
Female comparator data end March 15	63.83%		74.19%		59.12%		56.94%	

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

Gender by directorate, 31 March 2016

Gender	CEO and Commission		Change		Legal	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
Female	26	78.79%	12	60.00%	17	70.83%
Male	7	21.21%	8	40.00%	7	29.17%
Total	33	100.00%	20	100.00%	24	100.00%

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

Gender by location, 31 March 2016

Gender	Birmingham		Cardiff		Croydon		Holborn	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
Female	70	54.26%	56	62.92%	40	57.14%	154	61.35%
Male	59	45.74%	33	37.08%	30	42.86%	97	38.65%
Total	129	100.00%	89	100.00%	70	100.00%	251	100.00%
Female comparator data end March 15	54.07%		62.65%		n/a		59.21%	

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

	14, 15 & 16		Total staff no.		Commissioner		Director		Totals	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
	25	42.37%	507	59.09%	8	66.67%	2	28.57%	517	58.95%
	34	57.63%	351	40.91%	4	33.33%	5	71.43%	360	41.05%
	59	100.00%	858	100.00%	12	100.00%	7	100.00%	877	100.00%
	38.46%		58.82%		66.67%		28.57%		54.55%	

	Operations		Resources		Strategy & Impact		Undefined		Totals	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
	377	57.73%	40	54.05%	45	61.64%	0	0.00%	517	58.95%
	276	42.27%	34	45.95%	28	38.36%	0	0.00%	360	41.05%
	653	100.00%	74	100.00%	73	100.00%	0	0.00%	877	100.00%

	Home		Sale		Wakefield		Warrington		Totals	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
	15	88.24%	80	58.39%	42	56.76%	60	54.55%	517	58.95%
	2	11.76%	57	41.61%	32	43.24%	50	45.45%	360	41.05%
	17	100.00%	137	100.00%	74	100.00%	110	100.00%	877	100.00%
	94.12%		59.84%		53.85%		57.05%		59.31%	

Age by directorate, 31 March 2016

Age category	CEO & Commission		Change		Legal		
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	
16 to 19	0	0.00%	0	0.00%	0	0.00%	
20 to 24	0	0.00%	0	0.00%	0	0.00%	
25 to 29	6	18.18%	2	10.00%	1	4.17%	
30 to 34	2	6.06%	5	25.00%	6	25.00%	
35 to 39	4	12.12%	7	35.00%	7	29.17%	
40 to 44	3	9.09%	1	5.00%	4	16.67%	
45 to 49	6	18.18%	4	20.00%	2	8.33%	
50 to 54	8	24.24%	1	5.00%	2	8.33%	
55 to 59	2	6.06%	0	0.00%	2	8.33%	
60 to 64	1	3.03%	0	0.00%	0	0.00%	
Over 65	1	3.03%	0	0.00%	0	0.00%	
Total	33	100.00%	20	100.00%	24	100.00%	

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

Age by grade, 31 March 2016

Age category	5 & 6 & apprentices		7 & 8		9, 10 & 11		12 & 13		
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	
16 to 19	4	7.69%	0	0.00%	0	0.00%	0	0.00%	
20 to 24	13	25.00%	6	8.96%	8	1.62%	0	0.00%	
25 to 29	8	15.38%	20	29.85%	109	22.06%	9	4.84%	
30 to 34	7	13.46%	12	17.91%	104	21.05%	40	21.51%	
35 to 39	4	7.69%	12	17.91%	107	21.66%	43	23.12%	
40 to 44	3	5.77%	4	5.97%	43	8.70%	19	10.22%	
45 to 49	3	5.77%	5	7.46%	36	7.29%	26	13.98%	
50 to 54	5	9.62%	5	7.46%	42	8.50%	29	15.59%	
55 to 59	3	5.77%	2	2.99%	32	6.48%	13	6.99%	
60 to 64	0	0.00%	0	0.00%	10	2.02%	6	3.23%	
Over 65	2	3.85%	1	1.49%	3	0.61%	1	0.54%	
Total	52	100.00%	67	100.00%	494	100.00%	186	100.00%	

	Operations		Resources		Strategy & Impact		Total staff no.	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
	4	0.61%	0	0.00%	0	0.00%	4	0.46%
	25	3.83%	2	2.70%	0	0.00%	27	3.08%
	118	18.07%	9	12.16%	10	13.70%	146	16.65%
	124	18.99%	12	16.22%	17	23.29%	166	18.93%
	119	18.22%	16	21.62%	25	34.25%	178	20.30%
	53	8.12%	7	9.46%	11	15.07%	79	9.01%
	57	8.73%	10	13.51%	5	6.85%	84	9.58%
	77	11.79%	9	12.16%	4	5.48%	101	11.52%
	52	7.96%	5	6.76%	1	1.37%	62	7.07%
	17	2.60%	3	4.05%	0	0.00%	21	2.39%
	7	1.07%	1	1.35%	0	0.00%	9	1.03%
	653	100.00%	74	100.00%	73	100.00%	877	100.00%

	14, 15 & 16		Total staff no.		Commissioner		Director		Total no.	
	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %	Staff number	Staff %
	0	0.00%	4	0.47%	0	0.00%	0	0.00%	4	0.46%
	0	0.00%	27	3.15%	0	0.00%	0	0.00%	27	3.08%
	0	0.00%	146	17.02%	0	0.00%	0	0.00%	146	16.65%
	3	5.08%	166	19.35%	0	0.00%	0	0.00%	166	18.93%
	12	20.34%	178	20.75%	0	0.00%	0	0.00%	178	20.30%
	8	13.56%	77	8.97%	0	0.00%	2	28.57%	79	9.01%
	11	18.64%	81	9.44%	2	16.67%	1	14.29%	84	9.58%
	11	18.64%	92	10.72%	6	50.00%	3	42.86%	101	11.52%
	9	15.25%	59	6.88%	2	16.67%	1	14.29%	62	7.07%
	4	6.78%	20	2.33%	1	8.33%	0	0.00%	21	2.39%
	1	1.69%	8	0.93%	1	8.33%	0	0.00%	9	1.03%
	59	100.00%	858	100.00%	12	100.00%	7	100.00%	877	100.00%

Leavers by ethnicity & grade 1 April 2015 – 31 March 2016

Ethnic origin	5 & 6 & apprentices		7 & 8		9, 10 & 11		12 & 13		
	Leaver number	Leaver %	Leaver number	Leaver %	Leaver number	Leaver %	Leaver number	Leaver %	
Asian Indian	1	11.11%	1	12.50%	4	6.56%	0	0.00%	
Asian Pakistani	0	0.00%	0	0.00%	2	3.28%	0	0.00%	
Black Caribbean	0	0.00%	0	0.00%	1	1.64%	0	0.00%	
Chinese or other Chinese Ethnic Background	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Mixed – White and Black African	1	11.11%	0	0.00%	0	0.00%	0	0.00%	
Other mixed background	0	0.00%	0	0.00%	0	0.00%	1	9.09%	
White Irish	0	0.00%	0	0.00%	2	3.28%	0	0.00%	
White	6	66.67%	7	87.50%	48	78.69%	10	90.91%	
White other	0	0.00%	0	0.00%	1	1.64%	0	0.00%	
Unknown	1	11.11%	0	0.00%	3	4.92%	0	0.00%	
Total	9	100.00%	8	100.00%	61	100.00%	11	100.00%	

Excludes temporary agency workers

Performance management – formal disciplinary, grievance and capability cases, 1 April 2015 – 31 March 2016

	Disciplinary		Grievance		Capability	
	Number	% of total	Number	% of total	Number	% of total
White/White other/White Irish	16	80%	20	69%	2	67%
BME	4	20%	9	31%	1	33%
Total	20	100%	29	100%	3	100%
Male	13	65%	12	41%	0	0%
Female	7	35%	17	59%	3	100%
Total	20	100%	29	100%	3	100%

	14, 15 & 16		Total		Commissioner		Director		Total	
	Leaver number	Leaver %	Leaver number	Leaver %	Leaver number	Leaver %	Leaver number	Leaver %	Leaver number	Leaver %
	0	0.00%	6	6.25%	0	0.00%	0	0.00%	6	5.88%
	0	0.00%	2	2.08%	0	0.00%	0	0.00%	2	1.96%
	0	0.00%	1	1.04%	0	0.00%	0	0.00%	1	0.98%
	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	1	1.04%	0	0.00%	0	0.00%	1	0.98%
	0	0.00%	1	1.04%	0	0.00%	0	0.00%	1	0.98%
	0	0.00%	2	2.08%	0	0.00%	0	0.00%	2	1.96%
	5	71.43%	76	79.17%	3	75.00%	2	100.00%	81	79.41%
	2	28.57%	3	3.13%	0	0.00%	0	0.00%	3	2.94%
	0	0.00%	4	4.17%	1	25.00%	0	0.00%	5	4.90%
	7	100.00%	96	100.00%	4	100.00%	2	100.00%	102	100.00%

Number of ex-police officers and ex-police civilians

Date	Number of ex-police officers			Number of ex-police civilians		
	Ex-police officer*	Non-ex police officer	% of total workforce	Ex-police civilian*	Non-ex police civilian	% of total workforce
31 March 2010	55	378	12.7	51	384	11.8
31 March 2011	47	368	11.3	50	365	12.0
31 March 2012	43	335	11.4	38	340	10.1
30 Sept 2012	46	320	12.6	40	326	10.9
31 March 2013	31	349	8.5	25	355	6.8
31 March 2014	80	480	14.3	71	489	12.7
30 September 2014	98	568	14.7	90	576	13.5
31 March 2015	107	697	13.3	102	702	12.7
30 September 2015	115	740	13.5	105	750	12.3
31 December 2015	102	782	11.9	88	796	10.3
31 March 2016	96	781	10.9	86	791	9.8

Please note, the ex-police officer figures include staff who were both ex-police officers and ex-police civilians

March 2010	9
March 2011	8
March 2012	4
September 2012	4
March 2013	3
March 2014	10
September 2014	13
March 2015	15
September 2015	18
December 2015	18
March 2016	18

* Ex-police data excludes commissioners, temps and seconded in. Headcount includes commissioners and seconded in, but excludes temps.

Our staff by career background, 31 March 2016

Job title	Total staff	Ex-police officer	%	Ex-police civilian	%
Investigator *	272	53	19%	41	15%
Operations team leader/deputy senior investigator	49	15	31%	2	4%
Operations manager/senior investigator **	16	9	56%	2	13%
Operations casework and contact and assessment	103	4	4%	6	6%
Other ***	437	33	8%	53	12%
Total staff	877	114	13%	104	12%

* 11 investigators previously worked as both a police officer and a police civilian

** 2 operations managers/senior investigators previously worked as both a police officer and a police civilian

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

'Investigator' includes all grades, i.e. trainee investigator, investigator and lead investigator

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

Please note: our organisational restructure took effect from 1 April 2015

Investigations and Hillsborough directorate by career background, 31 March 2016

	Headcount	Ex-police officer	% ex-police officer	Ex-police civilian	% ex-police civilian
Operations (excl. Hillsborough)					
Investigator *	254	41	16.1%	38	15.0%
Operations team leader/deputy senior investigator	46	15	32.6%	2	4.3%
Operations manager/senior investigator **	14	7	50.0%	2	14.3%
Other investigations/operations ***	237	20	8.4%	30	12.7%
Operations total	551	83	15.1%	72	13.1%
Hillsborough					
Investigator ****	18	12	66.7%	3	16.7%
Operations team leader/deputy senior investigator	3	0	0.0%	0	0.0%
Senior investigator	4	2	50.0%	0	0.0%
Other Hillsborough *****	77	13	16.9%	15	19.5%
Hillsborough total	102	27	26.5%	18	17.6%

For Operations (excl. Hillsborough):

- * 10 investigators previously worked as both a police officer and a police civilian
- ** 2 operations manager/senior investigators previously worked as both a police officer and a police civilian
- *** 3 'other investigations/operations' previously worked as both a police officer and a police civilian

For Hillsborough:

- **** 1 investigator previously worked as both a police officer and a police civilian
- ***** 1 'other Hillsborough' previously worked as both a police officer and a police civilian

'Investigator' includes all grades i.e. trainee investigator, investigator and lead investigator. For Hillsborough, 'investigator' includes all grades, i.e. investigator, lead investigator and senior lead investigator.

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

Please note: our organisational restructure took effect from 1 April 2015.

Our staff by career background and directorate, 31 March 2016

Directorate	Total staff	Ex-police officer	%	Ex-police civilian	%
Resources	74	0	0.0%	3	4.1%
Operations Casework	103	4	3.9%	6	5.8%
CEO & Commission	33	1	3.0%	0	0.0%
Change *	20	2	10.0%	3	15.0%
Operations Hillsborough **	102	27	26.5%	18	17.6%
Operations ***	448	79	17.6%	66	14.7%
Strategy and Impact	73	1	1.4%	7	9.6%
Legal	24	0	0.0%	1	4.2%
Total staff	877	114	13.0%	104	11.9%

* 1 Change staff member previously worked as both a police officer and a police civilian

** 2 Operations Hillsborough staff previously worked as both a police officer and a police civilian

*** 15 Operations staff previously worked as both a police officer and a police civilian

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

Please note: our organisational restructure took effect from 1 April 2015.

New starters, 1 April 2015 – 31 March 2016

	Total	BME	BME%	Female	Female %	Ex-police	Ex-police %
Investigations staff	61	19	31%	39	64%	13	21%
Operations	122	35	29%	80	66%	24	20%
All IPCC	171	51	30%	110	64%	29	17%

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

Sickness absence data

During 2015/16, our staff incurred an average of 6.5 days sick leave. This compares to an average of 6.6 days in 2014/15. The IPCC is committed to the health and wellbeing of staff and has a comprehensive sickness absence policy. The IPCC provides an Occupational Health Service and an Employee Assistance Programme.

Staff policies applied during the year

People with disabilities

The IPCC gives full and fair consideration to applications for employment from people with disabilities, where the nature of the employment makes this appropriate. The IPCC is similarly committed to enabling any members of staff who may become disabled during their period of employment to continue in their role.

Equality and diversity

The Equality and Diversity Group is led by the Chief Executive and supported by the Equality and Diversity lead. It includes one commissioner and 14 members of staff from across the organisation. These members of staff take the role of Equality and Diversity directorate leads. The group has an important governance role in ensuring accountability and ownership of equality work across the organisation. It provides a forum to:

- monitor and challenge progress in relation to our Equality and Diversity Plan
- evaluate and make recommendations for change in relation to our Equality and Diversity policies or their implementation
- raise awareness of generic equality and diversity concerns among staff and provide advice as appropriate
- provide quality assurance for equality and diversity key products

Staff networks

During 2015/16 staff networks were established. These will help to advance equality across the IPCC and support leaders and managers in implementing it. The networks focus on each of the nine protected characteristics from the Equality Act 2010, as well as Welsh Speakers. The IPCC acknowledges the significance of the Welsh language and treats it as a tenth protected characteristic.

Expenditure on consultancy

There was no expenditure on consultancy during the reporting period.

Off payroll engagements

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

This table shows the number of off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than six months.

Number of existing engagements as of 31 March 2016	3
of which:	
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	3
Number that have existed for between two and three years at the time of reporting	-
Number that have existed for between three and four years year at the time of reporting	-
Number that have existed for four or more years at the time of reporting	-
of which:	
Number for whom assurance in relation to income tax and national insurance obligations has been received	-
Number for whom assurance in relation to income tax and national insurance obligations has not been received	3
One contract was terminated after 31 March 2016 and risk-based assessment of whether the remaining individuals are paying the right amount of tax was completed by 30 June 2016.	

Exit packages

This section has been audited.

Reporting of Civil Service and other compensation schemes – exit package

Comparative data shown (in brackets) for 2014/15

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	– (–)	– (–)	– (–)
£10,000-£25,000	– (–)	– (1)	– (1)
£25,000-£50,000	– (–)	2 (3)	2 (3)
£50,000-£150,000	– (–)	– (2)	– (2)
£150,000-£200,000	– (–)	– (–)	– (–)
Total number of exit packages by type (total cost)	– (–)	2 (6)	2 (6)
Total resource cost (2015/16) in £000	–	85	85
Total resource cost (2014/15) in £000	–	234	234

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the IPCC has agreed early retirements, the additional costs are met by the IPCC and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Parliamentary accountability

Auditors

Arrangements for external audit are provided under paragraph 17 (2) of Schedule 2 to the Police Reform Act 2002. This requires the Comptroller and Auditor General (C&AG) to examine, certify and report on the statement of accounts, and to lay copies of it (together with his report) before each House of Parliament. The National Audit Office (NAO) conducts the audit on behalf of the C&AG. The fees for these services for 2015/16 are £47,000 (in 2014/15 the audit fee was £46,000). The NAO did not undertake any non-audit work. Internal audit services are provided under contract by the Home Office Internal Audit Unit, which was appointed on 1 April 2009 with the agreement of the sponsor unit.

Losses and special payments

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

Fees and charges

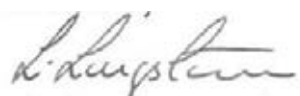
This section has been audited.

The IPCC received income from HMRC for investigations carried out under section 28 of the Commissioners for Revenue and Customs Act 2005. Income was received from the Home Office for investigations undertaken into appropriate referrals. The IPCC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved. The analysis below is provided for fees and charges purposes and not for IFRS 8 purposes as directed by the FReM.

Fees and charges	2015/16 £'000 Income	2015/16 £'000 Costs	2015/16 £'000 (Deficit)	2014/15 £'000 Income	2014/15 £'000 Costs	2014/15 £'000 (Deficit)
HMRC income	9	(9)	–	22	(22)	–
Home Office income	218	(218)	–	79	(79)	–
Income from activities	227	(227)	–	101	(101)	–
Sundry income	–	–	–	15	(15)	–
Other income	–	–	–	15	(15)	–
Total	227	(227)	–	116	(116)	–

Remote contingent liabilities

None.



Lesley Longstone
Chief Executive and Accounting Officer
28 February 2017

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Independent Police Complaints Commission for the year ended 31 March 2016 under the Police Reform Act 2002. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Police Reform Act 2002. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate the Independent Police Complaint Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Independent Police Complaint Commission; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Performance and Accountability sections of the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Police Complaint Commission's affairs as at 31 March 2016 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police Reform Act 2002 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Police Reform Act 2002; and
- the information given in the Performance and Accountability sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
8 March 2017

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

3. Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2016

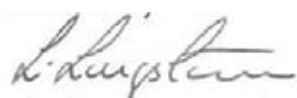
	Note	2015/16 £'000	2014/15 £'000
Other operating income	4	227	116
Total operating income		227	116
Staff costs	2.1	(41,079)	(33,106)
Purchase of goods and services	3	(19,032)	(17,383)
Depreciation and impairment charges	3	(4,282)	(3,515)
Loss on disposal of fixed assets	3	(601)	–
Provision expense	3	102	(116)
Total operating expenditure		(64,892)	(54,120)
Net operating expenditure		(64,665)	(54,004)
Net expenditure for the year		(64,665)	(54,004)
Other comprehensive net expenditure			
Actuarial (loss)/gain	2.2	94	(132)
Total comprehensive net expenditure for year end		(64,571)	(54,136)

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

The notes on pages 99 to 122 form part of these accounts.

Statement of financial position as at 31 March 2016

	Note	31 March 2016 £'000	31 March 2015 £'000
Non-current assets			
Property, plant and equipment	5	9,482	8,249
Intangible assets	6	6,128	7,020
Financial assets	10	259	975
Total non-current assets		15,869	16,244
Current assets			
Financial assets	10	1,678	1,936
Cash and cash equivalents	11	2,904	6,823
Total current assets		4,582	8,759
Total assets		20,451	25,003
Current liabilities			
Provisions	13	(18)	(179)
Trade and other payables	12.1	(5,431)	(7,212)
Other liabilities	12.2	(659)	(608)
Total current liabilities		(6,108)	(7,999)
Total assets less current liabilities		14,343	17,004
Non-current liabilities			
Provisions	13	(1,314)	(1,260)
Pension liabilities	2.2	(1,954)	(2,042)
Other payables	12.1	(981)	(2,037)
Total non-current liabilities		(4,249)	(5,339)
Total assets less total liabilities		10,094	11,665
Taxpayers' equity and other reserves			
General reserve		12,048	13,707
Pension reserve		(1,954)	(2,042)
Total equity		10,094	11,665



Lesley Longstone, Chief Executive and Accounting Officer, 28 February 2017
The notes on pages 99 to 122 form part of these accounts.

Statement of cash flows for the year ended 31 March 2016

	Note	2015/16 £'000	2014/15 £'000
Cash flows from operating activities			
Net operating expenditure		(64,665)	(54,004)
Adjustment for non-cash transactions	3	4,781	3,631
(increase) in trade and other receivables	10	(276)	(80)
(Decrease)/increase in trade and other payables	12.1	(1,046)	2,279
increase in employee benefits payable	12.2	51	158
less movements in pension provisions relating to items not passing through the Statement of Comprehensive Net Expenditure		(65)	(65)
Use of provisions	13	(49)	(23)
Net cash outflow from operating activities		(61,269)	(48,104)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3,818)	(3,819)
Purchase of intangible assets	6	(1,238)	(1,790)
Proceeds of disposal of PPE		100	-
Net cash outflow from investing activities		(4,956)	(5,609)
Cash flows from financing activities			
Grants from the Home Office		63,000	57,000
Capital element of payments in respect of on SoFP service concession arrangements		(694)	(693)
Net financing		62,306	56,307
Net (decrease)/increase in cash and cash equivalents in the period		(3,919)	2,594
Cash and cash equivalents at the beginning of the period		6,823	4,229
Cash and cash equivalents at the end of the period	11	2,904	6,823

The notes on pages 99 to 122 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Note	General reserve £'000	Pension reserve £'000	Total reserves £'000
Balance at 31 March 2014		10,695	(1,894)	8,801
Changes in taxpayers' equity for 2014/15				
Grant from the Home Office received for revenue expenditure	22	51,311	–	51,311
Grant from the Home Office received for capital expenditure	22	5,689	–	5,689
Transfers between reserves		16	(16)	–
Comprehensive expenditure for the year		(54,004)	–	(54,004)
Actuarial (loss) in year		–	(132)	(132)
Balance at 31 March 2015		13,707	(2,042)	11,665
Changes in taxpayers' equity for 2015/16				
Grant from Home Office received for revenue expenditure	22	57,884	–	57,884
Grant from Home Office received for capital expenditure	22	5,116	–	5,116
Transfers between reserves		6	(6)	–
Comprehensive expenditure for the year		(64,665)	–	(64,665)
Actuarial gain in year		–	94	94
Balance at 31 March 2016		12,048	(1,954)	10,094

The notes on pages 99 to 122 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2015/16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the IPCC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the IPCC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

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

1.1 Accounting conventions

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

1.2 Going concern

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

Grant in aid for 2016/17 and 2017/18, taking into account the amount required to meet the IPCC's liabilities falling due in the year, has already been included in the Home Office's estimates for that year. These have been approved by Parliament. There is no reason to believe that the Home Office's future sponsorship and future parliamentary approval will not be forthcoming. It has, therefore, been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.3 Grant in aid

Grant in aid received is used to finance activities and expenditure that support the statutory objectives of the IPCC. The FReM requires that grant in aid is treated as financing and is credited to the general reserve because it is regarded as a contribution from a controlling party.

1.4 Property, plant and equipment

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

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

The IPCC does not own any property. All plant and equipment is reviewed annually for impairment and is carried at fair value. The IPCC has elected to adopt depreciated historic cost as a proxy for fair value for short-life or low-value PPE assets. This is permitted by the FReM.

Expenditure on the fitting out of buildings financed by operating leases is capitalised as a tangible non-current asset if the works add value to the building. Fitting out cost of buildings may include the costs of new furniture and equipment which individually costs less than £5,000 where the Accounting Officer considers it more appropriate to capitalise the costs. Future replacement costs of furniture and equipment will be funded from the resource budget subject to the costs being below the capitalisation threshold at the time of replacement.

1.5 Intangible assets

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

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

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

1.6 Depreciation and amortisation

Depreciation or amortisation is provided on all non-current assets in use on a straight line basis to write off the cost or valuation over the asset's useful life as follows:

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

1.7 Service concessions

Assets in use and under the control of the IPCC are capitalised as non-current assets as provided for under interpretation 12, Service Concession Arrangements, of the International Financial Reporting Interpretation Committee and interpretation 29, Service Concession Arrangements: Disclosures of the Standards Interpretation Committee. These assets are depreciated over the expected life of the contract.

1.8 Pensions

a) Principal Civil Service Pension Scheme

Pensions are ordinarily to be provided by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described more fully in the remuneration report. There is a separate scheme statement for the PCSPS as a whole. Employer pension contributions are accounted for on an accruals basis. Liabilities rest with the PCSPS and not the IPCC.

b) Broadly By Analogy

In the case of some former members of the Police Complaints Authority, pensions are provided by a Broadly By Analogy pension arrangement. In these cases, the annual cost of the pension contribution is recognised in the Statement of Comprehensive Net Expenditure. Amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Changes in Taxpayers' Equity. Liabilities for the Broadly By Analogy scheme rest with the IPCC. These are recognised in the Statement of Financial Position (SoFP).

These financial statements are fully compliant with IAS 19: Employee Benefits.

1.9 Early departure costs

The IPCC meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early by paying

the required amounts annually to the Principal Civil Service Pension Scheme over the period between early departure and normal retirement date. The IPCC provides for this in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the HM Treasury discount rate applicable at the SoFP date. At 31 March 2016 this was 1.37 per cent in real terms (2014/15, 1.8).

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

1.10 Staff costs

In accordance with IAS 19 Employee Benefits, the IPCC recognises the expected costs of short-term employee benefits in the form of compensated absences, as follows:

- (a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and
- (b) in the case of non-accumulating compensated absences, when the absences occur.

1.11 Provisions

In accordance with IAS 37, provisions are disclosed in the SoFP for legal or constructive obligations in existence at the end of the reporting period if the payment

amount to settle the obligation is probable and can be estimated reliably. The amount recognised in provisions takes into account the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability or if the probabilities are equivalent, then using the expected value of the settlement amounts. If the effect is material, expected future cash flows are discounted using the real rate set by HM Treasury. To the extent that reinstatement claims exist within the meaning of IAS 37, they are recognised as a separate liability if their realisation is virtually certain.

1.12 Leases

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

The IPCC does not have any finance leases.

1.13 Income

Income from activities relates directly to income from HMRC and Home Office for activities carried out as part of the discharge of the IPCC statutory responsibilities and powers.

Other income relates to fees and charges for other services provided.

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

1.14 Value Added Tax

The IPCC is registered for VAT, but can only recover VAT on purchases when the IPCC is undertaking non-statutory activities. Income is shown as net of VAT, where VAT is due, and expenditure is charged as gross. Any input tax recoverable is credited to the Statement of Comprehensive Net Expenditure.

1.15 Corporation Tax

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

1.16 Standards in issue but not yet effective

The IPCC provides disclosure that it has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that the initial application of the new standard will have on the IPCC financial statements. There were no new standards issued for 2015/16 and not applied, which would materially affect the IPCC financial statements. The IPCC has also not adopted any standards early.

2 Statement of operating costs by operating segment

The operating segments are based on the management reporting structure within the IPCC. This places financial responsibility with the director best placed to take expenditure decisions and ensures that value for money is achieved.

The Hillsborough operating segment includes Commission expenditure and non cash where appropriate. Information on Hillsborough expenditure is shown in note 23.

	2015/16			2014/15		
	Gross expenditure £000	Income £000	Net expenditure £000	Gross expenditure £000	Income £000	Net expenditure £000
Resources	18,190	(26)	18,164	12,538	(15)	12,523
Operations	22,972	(201)	22,771	11,257	(101)	11,156
Change	3,371	–	3,371	14,076	–	14,076
Commission	2,084	–	2,084	1,640	–	1,640
Hillsborough	12,319	–	12,319	10,615	–	10,615
Chief Executive	503	–	503	552	–	552
Legal	2,029	–	2,029	1,135	–	1,135
Strategy and Impact	3,424	–	3,424	2,307	–	2,307
Total	64,892	(227)	64,665	54,120	(116)	54,004

2.1 Staff costs

Staff costs	2015/16	2015/16	2015/16	2014/15
	£'000 Permanent staff	£'000 Other	£'000 Total	£'000 Total
Salaries and emoluments	29,373	3,581	32,954	26,911
Social security cost	2,452	–	2,452	2,031
Pension contributions	5,673	–	5,673	4,164
Sub total	37,498	3,581	41,079	33,106
Less: recoveries in respect of outward secondments	–	–	–	–
Net costs of all other staff	37,498	3,581	41,079	33,106

2.2 Broadly by Analogy pension scheme

Certain commissioners and staff who served as members with the Police Complaints Authority (PCA) receive pension benefits broadly by analogy (BBA) with the PCSPS.

The BBA pensions are unfunded, with benefits being paid as they fall due and guaranteed by the IPCC. There is no fund and therefore no surplus or deficit. The scheme liabilities for service have been calculated by the Government Actuary's Department using the following financial assumptions:

	2015/16	2014/15
Rate used to discount scheme liabilities	3.60%	3.55%
Rate of increase in salaries	4.20%	4.20%
Rate of increase in pensions payment and deferred pensions	2.20%	2.20%
CPI inflation assumption	2.20%	2.20%

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

	31 March 2016 £000	31 March 2015 £000
Pension provision		
Balance at 1 April	2,042	1,894
Increase (decrease) in provision	(88)	148
Present value of liabilities	1,954	2,042

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

	31 March 2016 £000	31 March 2015 £000
Scheme liability at the beginning of the year	2,042	1,894
movement in the year:		
Current service cost (net of employee contributions)	–	–
Interest cost	71	81
Employee contributions	–	–
Actuarial loss/(gains)	(94)	132
Benefits paid	(65)	(65)
Past service cost	–	–
Increase in scheme liability	(88)	148
Scheme liability at the end of the year	1,954	2,042

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

	2015/16 £000	2014/15 £000
Current service cost net of employee contributions	–	–
Interest costs	71	81
Past service cost	–	–
Total expense	71	81

Actuarial (gains)/losses to be recognised in Changes in Taxpayers' Equity

	2015/16 £000	2014/15 £000
Experience loss/(gain) arising on the scheme liabilities	(40)	(35)
Change in assumptions underlying the present value of the scheme liabilities	(54)	167
Net total actuarial loss/(gain) on Taxpayers' Equity	(94)	132

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

Present value of scheme liabilities	31 March 2016 £000	31 March 2015 £000	31 March 2014 £000	31 March 2013 £000	31 March 2012 £000
Liability in respect of					
Active members	–	–	–	546	468
Deferred pensioners	398	406	353	298	263
Current pensions	1,556	1,636	1,541	879	837
Total present value of scheme liabilities	1,954	2,042	1,894	1,723	1,568
History of experience losses /(gains)	(40)	(35)	75	(12)	29
Percentage of scheme liabilities at the end of the year	-2.0%	-1.7%	4.0%	-0.7%	1.8%

2.3 Civil Service pensions

The PCSPS is an unfunded multi-employer defined benefit scheme, but the IPCC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2015/16, employers' contributions of £5,487k were payable to the PCSPS (2014/15 £4,052k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions, usually every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2015/16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £178k (2014/15 £105k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £7k (2014/15 £7k), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

3 Other operating costs

	Note	2015/16 £000	2014/15 £000
Other expenditure includes the following:			
IT		2,701	2,610
Service concession service charges		4,462	3,182
Accommodation rental		2,538	2,307
Accommodation non-rental		3,234	2,303
Travel and subsistence		2,102	1,873
Training		879	689
Forensics		330	325
Recruitment		956	1,332
Stationery		237	325
Research		124	113
Legal services		666	683
Guidance for police and public		105	105
Consultants*		–	690
Audit fee – external		47	46
Service concession interest charges		30	64
Other costs		621	736
Total other expenditure		19,032	17,383
Non-cash items:			
Depreciation	5	2,743	2,182
Amortisation	6	1,539	1,333
Provisions provided in the year less provisions not required	13	(173)	33
Profit or loss on disposal of asset		601	–
BBA pension expense		71	81
Change in discount rate in early compensation provision	13	–	2
Total non-cash items		4,781	3,631
Total		23,813	21,014

The fee for the audit of the Statement of Accounts was £47,000 (2014/15 £46,000). The external auditors did not undertake any non-audit work.

* Expenditure on consultants in 2014/15 related to organisational design and IT process improvement work for the operating model and quality and knowledge management for the change programme.

4 Income

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

The IPCC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved. The analysis below is provided for fees and charges purposes and not for IFRS 8 purposes as directed by the FReM.

Fees and charges	2015/16			2014/15		
	£'000 Income	£'000 Costs	£'000 (Deficit)	£'000 Income	£'000 Costs	£'000 (Deficit)
HMRC income	9	(9)	–	22	(22)	–
Home Office income	218	(218)	–	79	(79)	–
Income from activities	227	(227)	–	101	(101)	–
Sundry income	–	–	–	15	(15)	–
Other income	–	–	–	15	(15)	–
Total	227	(227)	–	116	(116)	–

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

5 Property, plant and equipment

	Payments on account & assets under construction £000	Information technology £000	Vehicles £000	Furniture & fittings £000	Total £000
Cost or valuation					
At 1 April 2015	984	5,151	442	9,106	15,683
Reclassifications	(984)	202	–	782	–
Additions	656	1,008	776	1,647	4,087
Disposals		(120)	(365)		(485)
At 31 March 2016	656	6,241	853	11,535	19,285
Depreciation					
At 1 April 2015	–	2,433	245	4,756	7,434
Charge for the year	–	951	64	1,728	2,743
Disposals	–	(120)	(254)	–	(374)
At 31 March 2016	–	3,264	55	6,484	9,803
Net book value at 31 March 2016	656	2,977	798	5,051	9,482
Net book value at 31 March 2015	984	2,718	197	4,350	8,249
Asset financing:					
On SoFP service concession arrangement	–	959	–	–	959

	Payments on account & assets under construction £000	Information technology £000	Vehicles £000	Furniture & fittings £000	Total £000
Cost or valuation					
At 1 April 2014	–	4,266	442	6,997	11,705
Additions	984	1,032	–	2,115	4,131
Disposals	–	(147)	–	(6)	(153)
At 31 March 2015	984	5,151	442	9,106	15,683
Depreciation					
At 1 April 2014	–	1,709	181	3,461	5,351
Charge for the year	–	816	64	1,302	2,182
Disposals	–	(92)	–	(7)	(99)
At 31 March 2015	–	2,433	245	4,756	7,434
Net book value at 31 March 2015	984	2,718	197	4,350	8,249
Net book value at 31 March 2014	–	2,557	261	3,536	6,354
Asset financing:					
On SoFP service concession arrangement	–	1,023	–	–	1,023

6 Intangible assets

Intangible assets comprise of software development and licences

	Payments on account & assets under construction £000	Information technology £000	Total £000
Cost or valuation			
At 1 April 2015	747	9,478	10,225
Reclassifications	(724)	724	–
Additions	403	835	1,238
Disposals	–	(945)	(945)
At 31 March 2016	426	10,092	10,518
Amortisation			
At 1 April 2015	–	3,205	3,205
Charge for the year	–	1,539	1,539
Disposals	–	(354)	(354)
At 31 March 2016	–	4,390	4,390
Net book value at 31 March 2016	426	5,702	6,128
Net book value at 31 March 2015	747	6,273	7,020
Asset financing:			
On SoFP service concession arrangement	–	2,791	2,791
Cost or valuation			
At 1 April 2014	–	8,964	8,964
Additions	747	1,043	1,790
Disposals	–	(529)	(529)
At 31 March 2015	747	9,478	10,225
Amortisation			
At 1 April 2014	–	2,401	2,401
Charge for the year	–	1,333	1,333
Disposals	–	(529)	(529)
At 31 March 2015	–	3,205	3,205
Net book value at 31 March 2015	747	6,273	7,020
Net book value at 31 March 2014	–	6,563	6,563
Asset financing:			
On SoFP service concession arrangement	–	3,525	3,525

7 Financial instruments

The IPCC does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the IPCC will be unable to collect an amount due in accordance with agreed terms.

The IPCC's resources are mainly met through grant in aid from the Home Office through the supply process and from income from work carried out on a repayment basis. The IPCC has no powers to borrow money or to invest surplus funds other than financial assets and liabilities generated by day-to-day operational activities. As a result the IPCC is exposed to little or no credit, liquidity, foreign currency or inflation risk.

8 Impairments

The IPCC has no impairments in the period.

9 Inventories

The IPCC has no inventories in the period.

10 Trade receivables, financial and other assets

	31 March 2016 £000	31 March 2015 £000
Amounts falling due within one year:		
Current part of service concession receivables	496	1,030
Accrued income	356	77
Trade receivables	8	46
Other receivables	1	2
Staff advances	78	68
Prepayments	739	713
	1,678	1,936
Amounts falling due after more than one year:		
Non-current part of service concession receivables	259	975
	259	975
Total trade and other receivables	1,937	2,911

11 Cash and cash equivalents

	31 March 2016 £000	31 March 2015 £000
Opening balance	6,823	4,229
Net change in cash balances during the year	(3,919)	2,594
Closing cash balance	2,904	6,823

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

12.1 Trade payables and other current liabilities

	31 March 2016 £000	31 March 2015 £000
Amount falling due within one year		
Government creditors	(418)	(163)
Other taxation and social security	(1,427)	(1,284)
Trade payables	(234)	(126)
Other payables	(1)	(13)
Accruals and deferred income	(2,403)	(3,964)
Current part of service concession arrangement accruals for assets coming into use before payment	(452)	(632)
Current part of imputed finance lease element of service concession arrangement	(496)	(1,030)
	(5,431)	(7,212)
Amounts falling due after more than one year		
Other payables, accruals and deferred income	(486)	(464)
Non-current part of service concession arrangement accruals for assets coming into use before payment	(236)	(598)
Imputed finance lease element of service concession arrangement	(259)	(975)
	(981)	(2,037)

12.2 Other liabilities

IAS 19 requires the disclosure of employee benefits that are recognised in the period in which the entity receives services from the employee, rather than when the benefits are paid or payable. Taking this definition of IAS 19 into account, the IPCC recognises holiday accruals for the year 2015/16 to be staff benefits.

The average number of holidays accrued per person based on the number of staff at the end of March 2016 is four days (four days at March 2015).

	31 March 2016 £000	31 March 2015 £000
Staff benefits	(659)	(608)
Total	(659)	(608)

13 Provisions for liabilities and charges

For property provisions the IPCC recognises a dilapidation provision for all leased properties where it has an obligation to bring the property into a good state of repair at the end of the lease. The provision is based on the estimated costs of reinstatement of modifications the IPCC has made and the repair obligations required during the lease. The estimated cost of reinstating modifications made to the buildings is £1,195,000 (£1,256,000 for 2014/15). In line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the costs of reinstatement have been recognised as part of the fit-out assets and will be depreciated over the lease terms.

The early departure provision is the remaining balance of early departure costs of directors and other staff made redundant prior to 1 April 2016.

The early departure provision has been discounted at a rate of 1.37% (1.3% for 2014/15) set by HM Treasury.

	Property £000	Early departure £000	Total £000
Balance at 1 April 2015	1,256	183	1,439
Provided in the year	236	3	239
Provisions not required written back	(297)	–	(297)
Provisions utilised in the year	–	(49)	(49)
Change in discount rate	–	–	–
Unwinding of discount	–	–	–
Increase/(decrease) in provisions	(61)	(46)	(107)
Balance at 31 March 2016	1,195	137	1,332
Represented by:			
Non-current element of provision	1,195	119	1,314
Current element of provision	–	18	18
Analysis of expected timing of discounted flows:			
Not later than one year	–	18	18
Later than one year and not later than five years	1,075	119	1,194
Later than five years	120	–	120
Balance at 31 March 2016	1,195	137	1,332

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

14 Capital commitments

As at 31 March 2016, the IPCC had no capital commitments (nil at 31 March 2015).

15 Commitments under leases

15.1 Operating leases

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

	31 March 2016 £000	31 March 2015 £000
Obligations under operating leases comprise		
Buildings:		
Not later than one year	2,696	1,967
Later than one year and not later than five years	4,436	4,331
	7,132	6,298

15.2 Finance leases

The IPCC had no finance leases in the period.

16 Commitments under service concession arrangements

The IPCC entered into a contract with Steria Limited on 25 August 2009 for the provision of IT and telephony services. The contract was novated to Sopra Steria Limited during 2014/15.

The contract became effective on 20 December 2009. This is a fixed-price contract with a ten-year term and a break point at seven years, the first break point being December 2016.

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

At the year-end date no firm decision had been taken to exercise the break and therefore the notes 10, 12 and 16 have been prepared on the same basis as last year.

Under the contract Sopra Steria Limited has an obligation to build and to maintain both tangible and intangible assets with an expected value at 31 March 2016 of £7.1 million (£7.6 million at 31 March 2015) for use by the IPCC as well as provide operating services over the life of the contract at an expected value at 31 March 2016 of £40.0 million (£30.9 million at 31 March 2015). Finance charges over the life of the contract are expected to be £0.6 million (£0.7 million at 31 March 2015).

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

The annual payments to be made by the IPCC were agreed at the start of the contract and are subject to ongoing contract change notices. There is minimal uncertainty over future cash flows. The contract provides for re-pricing if the RPI-X exceeds 6%.

The assets acquired under the contract are under the control of the IPCC and under IFRIC 12 the contract is a service concession arrangement with the IPCC as grantor and Sopra Steria Limited as the operator.

SIC interpretation 29 describes the information to be disclosed in the accounts of the grantor.

Under IFRIC 12 the IPCC must recognise on its statement of financial position the assets to be provided under the service concession arrangement. These are shown as follows:

- assets already in use are included in the property plant and equipment note and the intangible assets elsewhere in these accounts (notes 5/6)
- payments in advance of assets provided are shown in the trade receivables note elsewhere in these accounts (note 10)
- accruals for assets coming into use in advance of payment are shown in the trade payables note elsewhere in these accounts (note 12)
- assets yet to be provided are shown in the service concession receivables note elsewhere in these accounts (note 12)

This recognition of assets creates a corresponding financial obligation on the IPCC and the note below shows the obligations of the IPCC to pay for assets that are to be provided in future periods.

A unitary payment is made by the IPCC consisting of service charge, capital charge and interest.

The notes below show the IPCC obligations to pay for future operating services.

Operating service charges already paid for are shown in note 4.

16.1 On statement of financial position (SoFP)

	31 March 2016 £000	31 March 2015 £000
Total obligations under on SoFP service concession arrangements for the following periods comprise:		
Not later than one year	508	1,073
Later than one year and not later than five years	269	1,010
Later than five years	–	–
	777	2,083
Less interest element	(22)	(78)
Total service concession SoFP obligations	755	2,005
Represented by:		
Current (included in trade and other receivables and payables)	496	1,030
Non-current (included in other payables & trade and other receivables)	259	975
Total service concession SoFP obligations	755	2,005

16.2 Charged to statement of comprehensive net expenditure

The total amount charged in the statement of comprehensive net expenditure for the service element of the on SoFP service concession arrangement was £4.5 million (2014/15 £3.2 million).

	31 March 2016 £000	31 March 2015 £000
The payments to which the IPCC is committed at 31 March 2016, analysed by the period during which the commitment expires, is as follows:		
Not later than one year	5,404	3,272
Later than one year and not later than five years	12,993	10,509
Later than five years	–	–
	18,397	13,781

17 Other financial commitments

The IPCC has no other financial commitments.

18 Contingent liabilities disclosed under IAS 37

The IPCC has contingent liabilities in respect of a number of legal claims or potential claims against the IPCC, the outcome and timing of which cannot be estimated with certainty. Full provision is made in the financial statements for all liabilities that are expected to materialise.

The early departure provisions in note 13 are based on estimates based on the Civil Service Compensation Scheme. If there is a change in terms the IPCC may be liable to further costs. This contingent liability cannot be quantified. If there is a change in terms affecting provisions already made, the provision will be re-estimated.

19 Related-party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2016 the Home Office provided grant in aid, as disclosed in note 22. Our office in Warrington is rented from the Home Office, and payments for this accommodation are shown in note 23.

Government bodies are related parties. The income from these bodies is shown under Other Income at note 2. The amounts owed by these bodies to the IPCC are classified as trade and other receivables and amount to £268k (£124k at March 2015).

The Principal Civil Service Pension Scheme and the Cabinet Office are also related parties. Further information on the transactions with these bodies can be found in the pensions section of the remuneration report.

Details of balances with other government bodies can be found in notes 10 and 12.

During the year ended 31 March 2016 none of the appointed commissioners, directors or key managerial staff undertook any material transactions with the IPCC.

The IPCC has adopted a Code of Conduct based on the Cabinet Office Code of Practice for Board Members of Public Bodies. The IPCC maintains a register of interests for commissioners and all staff who are required to declare interests. The register of interests for commissioners is available to the public and is on our website. Where any decisions are taken that could reasonably be seen as giving rise to a conflict of interest individuals are required to declare the relevant interest and, when appropriate, withdraw from participating in the taking of the decision. The commissioners and staff codes of conduct are available on our website. The IPCC procedures also ensure that investigators are not engaged on investigations in which they would have an interest.

20 Third-party assets

On occasion, the IPCC holds third-party assets when required to facilitate investigations. These are stored securely and are normally returned to the lawful owner when no longer required. Reliable estimates of their value cannot be made.

Third party assets are not included in the financial statements because the IPCC does not have a beneficial interest in them. As at 31 March 2016 no monetary assets were held.

21 Events after the reporting period

The direct implications of Brexit on the IPCC are expected to be minimal because EU regulations and directives have a relatively small impact on our operational activities.

The Police and Crime Act 2017 makes provision about the handling of police complaints and other matters relating to police conduct and makes further provision about the IPCC. This includes changes to the governance and name of the IPCC. These changes have no impact on going concern.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on the same date that the accounts were certified by the Comptroller and Audit General.

22 Grant in aid

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

	2015/16 £000	2014/15 £000
Received for revenue expenditure	57,884	51,311
Received for capital expenditure	5,116	5,689
	63,000	57,000

23 Hillsborough

The Home Office has agreed to provide additional grant in aid when the IPCC incurs additional expenditure as result of the investigation into the aftermath of the Hillsborough disaster. This funding is included in note 22 above.

This note shows the expenditure incurred during 2015/16 and 2014/15.

	2015/16 £000	2014/15 £000
Staff costs		
Salaries and emoluments	4,707	4,715
Social security cost	394	395
Pension contributions	850	755
Temporary staff	2022	664
Total staff costs	7,973	6,529
Other expenditure		
Accommodation rental	598	517
Accommodation non-rental	727	498
IT	1,054	757
Legal services	74	240
Other costs	125	250
Recruitment	33	179
Stationery	37	48
Training	65	112
Travel and subsistence	396	419
Total other expenditure	3,109	3,020
Non cash		
Depreciation	1,018	1,066
Loss on disposal of assets	219	–
Total non cash	1,237	1,066
Total revenue expenditure	12,319	10,615
Asset additions		
Information technology	–	26
Furniture and fittings	–	61
Intangible assets	–	20
Total capital expenditure	–	107







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