

Economic Note	Number: HOEN 0042
Title of regulatory proposal	The Police (Conduct) (Amendment) Regulations 2024
Lead Department/Agency	Home Office
Expected date of implementation	7 May 2024
Origin	Domestic
Date	12/04/2024
Lead Departmental Contact	Ian.Balbi@homeoffice.gov.uk
Departmental Assessment	GREEN

Rationale for intervention, objectives and intended effects

Following the review into police officer dismissals, the Home Office concluded that the police disciplinary system requires action to strengthen standards and improve public confidence. Based on this, the package of legislation changes assessed in this appraisal aim to provide police chief officers with additional responsibility in the police disciplinary system, in turn meaning they are more effectively held to account for standards in their force.

Policy options (including alternatives to regulation)

Option 1: ‘Do nothing’

Option 2: Amend secondary legislation within The Police (Conduct) regulations (2020) to hand responsibility for chairing hearings back to senior police officers; introduce a new conflict of interest clause for members of misconduct panels and introduce a provision to support the scrutiny function of local policing bodies over the disciplinary system. **Option 2 is the government’s preferred option.**

Costs and benefit summary

The costs of this policy are the costs of familiarisation for Independent Panel Members and Legally Qualified Advisors for Police Misconduct hearings and the increase in panel labour costs for standard hearings for non-senior officers and all misconduct hearings for senior officers. There is an unmonetised cost of other panel members becoming familiarised with a conflict of interest policy but this is likely negligible. The monetised benefit in this case is the labour cost saving for accelerated hearings for non-senior officers. The Net Present Social Value is negative in all scenarios due to increase staffing costs and familiarisation costs outweighing monetised benefits.

Risks

The main analytical risks of this policy concern any substantial changes to labour costs or the number of hearings that take place. The impact of this is shown through sensitivity analysis with the largest impacts seen from changes to labour costs.

Total Cost £m PV	Transition Cost £m	Cost to Business £m	Total Benefit £m PV
1.88	0.01	0	0.34
NPSV (£m)	BNPV (£m)	EANDCB (£m)	BIT Score (£m)
-1.54	0	0	0
Price Base Year	PV Base Year	Appraisal period	Transition period
2024/25	2024	10 years	1 year

Departmental sign-off (SCS):

Michael Cordy

Date: 11/04/24

Chief Economist sign-off:

Jehangir Ullah

Date: 12/04/24

Better Regulation Unit sign-off:

Emma Kirk

Date: 15/04/24

Evidence Base

1. Background

1. Police officers are subject to a regulated disciplinary system, which governs the handling of, and investigation into, allegations of misconduct and gross misconduct as well as the holding of any subsequent misconduct proceedings or appeals.
2. Recent high-profile cases and concerning reviews, including Baroness Casey's review¹ of culture and standards in the Metropolitan Police Service (MPS) and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' inspection report on vetting, misconduct and misogyny², raised questions regarding the effectiveness of the existing system in ensuring effective accountability in the police.
3. This led to the then Secretary of State for the Home Department (Home Secretary) launching an internal review³ into the process of police officer dismissals in January 2023. The review engaged widely the policing sector both in establishing a Terms of Reference⁴ and in considering evidence. The Terms of Reference stated that the review would seek to:
 - Understand the consistency of decision making at both hearings and accelerated hearings - particularly in cases of discrimination, sexual misconduct and violence against women and girls.
 - Assess whether there is disproportionality in dismissals and, if so, examine the potential causes.
 - Establish any trends in the use of sanctions at both hearings and accelerated hearings – in particular, the levels of dismissals.
 - To review the existing model and composition of misconduct panels, including assessing the impact of the role of Legally Qualified Chairs (LQCs), review whether chiefs should have more authority in the process (including whether the chief should take the decision with protection for the officer provided by way of a right of appeal to the Police Appeals Tribunal and consideration of when barring occurs) and review the legal/financial protections in place for panel members.
 - Ensure that forces are able to effectively use Regulation 13 of the Police Regulations 2003 to dispense with the services of probationary officers who will not become well-conducted police officers.
 - Review the available appeal mechanisms for both officers and chief constables, where they wish to challenge disciplinary outcomes or sanctions, ensuring that options are timely, fair and represent value for public money.
 - Consider the merits of a presumption for disciplinary action against officers found to have committed a criminal offence whilst serving in the police.

¹ The Baroness Casey Review | Metropolitan Police: <https://www.met.police.uk/police-forces/metropolitan-police/areas/about-us/about-the-met/bcr/baroness-casey-review/>

² An inspection of vetting, misconduct, and misogyny in the police service - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (justiceinspectorates.gov.uk): <https://hmicfrs.justiceinspectorates.gov.uk/publications/an-inspection-of-vetting-misconduct-and-misogyny-in-the-police-service/>

³ Review of police dismissals launched - GOV.UK (www.gov.uk): <https://www.gov.uk/government/news/review-of-police-dismissals-launched>

⁴ Review into the process of police officer dismissals: terms of reference - GOV.UK (www.gov.uk): <https://www.gov.uk/government/publications/police-officer-dismissals-review-terms-of-reference/review-into-the-process-of-police-officer-dismissals-terms-of-reference>

- Review whether the current three-stage performance system is effective at being able to reasonably dismiss officers who demonstrate a serious inability or failure to perform the duties or their rank or role, including where they have failed to maintain their vetting status.
4. The review identified a decrease in officers dismissed as a proportion of those referred to a misconduct hearing between 2015/16 (56 per cent) and 2020/21 (51 per cent), with it reaching 42 per cent in 2017/18. This then increased in 2021/22 to 64 per cent.
 5. The review's report⁵ was published in September 2023 and made a series of recommendations to reform the police misconduct, vetting and performance systems, designed to strengthen standards and improve public confidence in policing. After that announcement, the Home Office established a series of policy development workshops with policing stakeholders to ensure that all views were taken into consideration. A draft of the Regulations was subsequently provided to the Police Advisory Board for England and Wales and amendments have been made on the basis of comments received.
 6. The reforms announced by the government are separated into three tranches, designed to deliver the changes stakeholders consider the most beneficial as soon as possible. Tranche one covers changes to the composition of misconduct panels, tranche two will address wider changes to police misconduct, vetting and performance. Tranche three will enable police chief officers to appeal to the Police Appeals Tribunal, as well as Police and Crime Commissioners (PCCs) where the officer concerned is the chief officer. This Economic Note refers to the first tranche of changes only and amendments have been laid for implementation on 7 May 2024.
 7. Since 1 January 2016, the chair of a misconduct hearing has been a LQC, an individual appointed by the local policing body (this is ordinarily the PCC) and who operates independently of the force and local policing body. The other panel members consist of a police officer of at least Superintendent rank and an independent panel member, appointed respectively by the force and local policing body.
 8. Chief officers are held to account for standards in the forces and so the government believes that chief officers should have greater responsibility over their respective workforce. That is why the government is moving responsibility for chairing misconduct hearings of non-senior officers from LQCs to the chief officer (or delegated senior officer, former senior officer or equivalent police staff member). Misconduct panels will now also comprise of two independent panel members (IPMs), with the panel supported by a legal advisor.

2. The policy issue and rationale for government intervention

8. The first tranche of work resulting from the dismissals review recommendations, involves three main policy changes:
 1. Changes to the composition of misconduct panels;
 2. A conflict of interest duty on those involved in misconduct proceedings;
 3. A requirement on the chair of misconduct proceedings to provide certain information relating to the hearing to the local policing body.

Policy 1: Composition of misconduct panels

⁵ Police officer dismissals: Home Office review - GOV.UK (www.gov.uk): <https://www.gov.uk/government/publications/police-officer-dismissals-home-office-review>

9. Serious concerns persist regarding standards and culture in policing in light of recent high-profile cases and the findings of Baroness Casey's review⁶ into culture and standards in the MPS, as well as concerns from some senior policing leaders around a perceived leniency in the decision-making of some cases. The government has been clear that standards in policing must improve⁷.
10. Chief officers are expected to uphold standards in their forces, but the current processes at misconduct proceedings limit their impact in determining who should or should not serve in their force and ultimately in maintaining those standards. Chief officers are also likely to have a greater understanding of the impact of officers' actions on public confidence in their force. The government therefore considers it necessary that chief officers should have greater responsibility in that process.

Misconduct hearings

11. There are two types of misconduct hearings, standard misconduct hearings and accelerated misconduct hearings. Misconduct hearings are heard by a misconduct panel. The current structure of misconduct panels means that the main responsibility – that of the chair – is a non-police role, instead held by a LQC, appointed by the local policing body. The panel also comprises of an officer of at least Superintendent rank, appointed by the force, and an independent panel member, also appointed by the local policing body. Where the officer concerned is a senior officer (that is, above the rank of Chief Superintendent), the police panel member is instead His Majesty's Chief Inspector of Constabulary (HMCIC) or a nominated His Majesty's Inspector (HMI).
12. Under the future system, the chair of a misconduct hearing for non-senior officers will be the chief officer of the police force concerned (that is, the Chief Constable or Commissioner). The chief officer will be able to delegate that responsibility to another senior officer, individual who has been a senior officer within the previous five years, or member of police staff whom the chief officer considers an equivalent grade to a senior officer. Allowing chief officers to delegate functions will increase the available capacity to hear cases, enabling them to be heard more swiftly.
13. The chair will in future be supported on the misconduct panel by two IPMs, ensuring that misconduct panels retain independence and that decisions continue to be on a majority basis. One of those panel members will also be required to have specific experience or qualifications which are relevant for the purposes of disciplinary proceedings.
14. A legally qualified advisor (LQA) will also be appointed to misconduct panels in a non-decision-making role. The chair will be able to require them to provide advice on legal or procedural issues and will also be able to delegate responsibility for drafting the final outcome report on behalf of the panel.
15. For senior officers who are not a chief officer, Deputy Commissioner or Assistant Commissioner, the chair will be a senior officer selected from a separate force who is at least one rank senior to the officer concerned. The wider panel composition will mirror that for non-senior officers with two independent panel members.
16. For chief officers, as well as officers of the rank of Deputy Commissioner or Assistant Commissioner, the chair will either be HMCIC or an HMI nominated by HMCIC. The wider panel composition will also mirror that for non-senior officers. Tables 1 and 2 below, show the current and future compositions of misconduct panels.

Accelerated misconduct hearings

⁶ The Baroness Casey Review | Metropolitan Police: <https://www.met.police.uk/police-forces/metropolitan-police/areas/about-us/about-the-met/bcr/baroness-casey-review/>

⁷ Review of police dismissals launched - GOV.UK (www.gov.uk): <https://www.gov.uk/government/news/review-of-police-dismissals-launched>

17. Where certain special conditions are met⁸, namely that there is sufficient evidence on the balance of probabilities that an officer has committed gross misconduct and that it is in the public interest for them to cease to be an officer without delay, the officer is referred to an accelerated misconduct hearing.
18. Accelerated hearings are chaired currently by the chief officer, sitting alone – unless the officer is a senior officer, in which case it is chaired by an LQC, supported on the panel by HMCIC or a nominated HMI and an IPM.
19. Chief officers are currently unable to delegate this function to other senior officers. Under the future system, the chief officer will be able to delegate that responsibility to another senior officer, individual who has been a senior officer within the previous 5 years, or member of police staff whom the chief officer considers an equivalent grade to a senior officer. Allowing chief officers to delegate functions will increase the available capacity to hear cases, enabling them to be heard more swiftly.
20. Under the new system, the chair of an accelerated hearing for a senior officer will also depend on the rank of the officer concerned. Senior officer panels have the same composition in standard and accelerated hearings, with accelerated hearings heard by a misconduct panel, unlike for non-senior officers. The new system will mirror the composition which will be in place for misconduct hearings for senior officers, as set out above in this document.

Table 1 - Current and future compositions for non-senior officer misconduct panels

Hearing Type	Role	Current Composition	Future Composition
Standard	Chair	LQC	Senior officer, former senior officer or police staff member equivalent
	Panel members	Officer of Superintendent rank of above IPM	2 x IPM
	Advisor	N/A	LQA
Accelerated	Chair	Chief officer / Assistant Commissioner	Senior officer, former senior officer or police staff member equivalent
	Panel members	N/A	N/A
	Advisor	N/A	N/A

Source: Home Office Internal Analysis, 2024

Table 2 - Current and future compositions for senior officer misconduct panels at misconduct hearings and accelerated misconduct hearings

Type of Officer	Role	Current Composition	Future Composition
Chief Constable / Commissioner / Deputy Commissioner / Assistant Commissioner	Chair	LQC	HMCIC or HMI
	Panel members	HMCIC or HMI IPM	2 x IPM
	Advisor	N/A	LQA
Other senior officer	Chair	LQC	More senior officer (selected from a separate force)

⁸ The Police (Conduct) Regulations 2020 (legislation.gov.uk): <https://www.legislation.gov.uk/uksi/2020/4/made>

	Panel members	HMCIC or HMI IPM	2 x IPM
	Advisor	N/A	LQA

Source: Home Office Internal Analysis, 2024

Policy 2: Conflict of Interest

21. The existing system of misconduct panels places no responsibility on individuals not to sit where conflicts of interest arise. The risk of potential conflicts of interest may increase, where misconduct proceedings are, for all but the most senior officers, by other police officers. It is therefore considered important to ensure that all those operating in regulated positions are subject to the same requirements, where such circumstances arise.
22. With the chairing of misconduct hearings now being the responsibility of chief officers, concerns have been raised as to the fairness, or perceived fairness, of misconduct proceedings where a determination by the Independent Office for Police Conduct (IOPC) to refer an officer to misconduct proceedings is disagreed with by the appropriate authority. This risks impacting public confidence in both the system and specific proceedings.
23. In addition, there are similar concerns around the potential fairness of proceedings if misconduct hearings for senior officers were chaired by another senior officer in the same force as the officer concerned, given how closely senior officers in a force would be working. The government recognises the wider need to ensure that there is fairness in proceedings and avoid circumstances which could reasonably rise to a conflict of interest.
24. To ensure fairness in the system, the government is introducing a 'conflict of interest' provision, which places a statutory duty on those in regulated positions not to sit if them doing so either gives rise, or could reasonably be considered to give rise, to a conflict of interest. There is an equivalent duty on appointing bodies, where they become aware of relevant information relating to those they are responsible for appointing.
25. The government is also providing a new power to the IOPC in cases which it investigates. This will enable the IOPC to make representations to the chief officer on whether the chair of a misconduct hearing for a non-senior officer should be delegated to a separate force, where the force has disagreed with its determination. This aims to ensure that both the public and the police can have confidence in the system.

Policy 3: Information to support local policing body scrutiny of the police dismissals system

26. Existing legislation currently sets out that local policing bodies must hold to account the chief officer for that area in the exercise of a number of functions. Chief officers in their new role as chairs of misconduct panels will gain greater responsibility for the police disciplinary system. The scrutiny function of local policing bodies and their role in holding chiefs to account will therefore be important in maintaining independent oversight and public confidence.
27. Provisions will be introduced to support the scrutiny framework of local policing bodies over the disciplinary system, given that chief officers will gain greater responsibility in their role as chairs of misconduct panels.
28. There will be a requirement in regulations for chiefs to provide the following to local policing bodies on a case-by-case basis:
 - Justification for hearings held in private; and
 - Justification for any finding of gross misconduct not leading to dismissal.
29. Hearings which take place in private can be seen to reduce transparency in the disciplinary system. Moreover, the public would reasonably expect that officers who are found guilty of

something as serious as gross misconduct should be dismissed from policing. A duty on chief officers to provide the number and rationale of such decisions will mean that local policing bodies can more easily scrutinise decision-making in a timely way, which is a matter of public confidence. It will be for PCCs to decide whether and how best to make this information accessible to the public.

3. Policy objectives and intended effects

30. The objective of the policy measures is to provide greater responsibility to chief officers to manage their workforce, strengthen standards and improve public confidence in policing.
31. Chief officers (or their delegate) will now chair misconduct hearings for non-senior officers, giving them greater control over their respective workforce and enabling them to take a robust approach to serious wrong-doing. This aims to uphold public confidence in the police and ensures that chief officers can be more effectively held to account for standards in their respective force.
32. Enabling chief officers to delegate chairing responsibility ensures a wider capacity, so that cases can be heard more swiftly.
33. The wider misconduct panel will comprise of two independent panel members, with the panel supported by an independent legal advisor, who will sit in a non-decision-making role. This will maintain independence and fairness in the system.
34. Introducing a 'conflict of interest' provision, which places a statutory duty on those sitting in a regulated position, not to sit if doing so either gives rise, or could reasonably be perceived to give rise, to a conflict of interest, is expected to further ensure fairness in the system and give the public and the police confidence in the system.
35. The ability for the IOPC to make representations to the chief officer on the chair of a misconduct hearing where, following an IOPC investigation, there is disagreement between the force and the IOPC, is expected to give the public and the police confidence in the fairness of the system.
36. Given that chief officers will gain greater responsibility in their role as chairs of misconduct panels, provisions will be introduced to further support the scrutiny framework of local policing bodies over the disciplinary system. Chief officers will be obliged to provide summary rationale in cases where hearings are held in private and provide summary rationale in cases where findings of gross misconduct do not lead to dismissal. This information will increase transparency in decision-making and therefore improve public confidence.

4. Policy options considered, including alternatives to regulation

37. Two options have been considered:
 - **Option 1: 'Do nothing'**. This option does not address the policy issues identified, which have been detailed in Section 2, and therefore does not fulfil the government's objectives.
 - **Option 2:** Amend secondary legislation, The Police (Conduct) Regulations (2020), which includes handing responsibility for chairing hearings to senior police officers or police staff equivalents; introducing a new conflict of interest clause for members of misconduct panels; enabling the IOPC to make representations on the chair of misconduct hearings in specific circumstances and introducing a provision to support the scrutiny function of local policing bodies over the disciplinary system.
38. **Option 2 is the government's preferred option** as it would strengthen standards and increase public confidence in the police discipline system.
39. Whilst there are other additional ways to support improvements to standards and public confidence in the police – including through training and guidance - police officers are

governed by a regulated disciplinary system and the government therefore considers that non-regulatory options would not be sufficient to achieve the policy aims, including giving greater responsibility to chief officers, described in this economic note.

5. Appraisal

General assumptions and data

40. The following general assumptions are used in this Economic Note (EN) which is in line with the guidance set out in HM Treasury (2022) Green Book:
 - The appraisal period used is 10 years 2024 to 2033
 - The Price Base year used is FY 2024/25
 - The Present Value base year 2024
 - The HM Treasury GDP deflator, 2024
41. Data and assumptions have been drawn from several sources including;
 - The Reading soft calculator⁹ is used in calculating familiarisation costs
 - Data on the number of hearings was drawn from the Police Officer Dismissals Review¹⁰
 - Assumptions have been drawn from information published by various PCC offices and informed by the Police Integrity Unit
 - The proportion of senior officer and non-senior officer hearings was based on Home Office internal data collected for the review into the process of police officer dismissals

Costs

42. The monetised costs of these policies include;
 - Familiarisation costs
 - Increased staff costs of three of the four panel types
43. The costs of venues and legal representation for the forces and the officers have not been calculated as it is not expected to change as a result of this legislation. This is because there are no changes of these requirements, and the length of hearings is expected to stay the same.

Familiarisation costs

44. There are three types of familiarisation cost involving the reading and comprehension of guidance documents included in this economic note. These include:
 - **PCC guidance document for IPMs:** This guidance provides advice and guidance to support the work of local policing bodies and independent panel members. The guidance details the roles and responsibilities of IPMs and the misconduct hearing process. This guidance is expected to be 15 pages long.
 - **A guidance document for LQAs** which is expected to be 20 pages long.
 - **The College of Policing guidance for IPMs:** This guidance outlines a general framework for assessing the seriousness of conduct, including factors that may be taken into account. This guidance is expected to be 42 pages long.

⁹ Free Speed Reading Test: How fast do you read? (readingsoft.com): <https://readingsoft.com/>

¹⁰ Police officer dismissals: Home Office review - GOV.UK (www.gov.uk):

<https://www.gov.uk/government/publications/police-officer-dismissals-home-office-review>

45. Additionally, an extra page has been added to the PCC document for IPMs and to the document for LQAs to account for the new conflicts of interest clause which has an expected length of one page.
46. To calculate the cost of familiarisation the estimated reading time of each document was multiplied by the labour cost of those required to read it. The estimated reading time for each document was found by using reading speeds from readingsoft.com¹¹. The reading speed can be seen in table 3 below.
47. Table 3 below shows the estimated reading times (in hours) for each guidance document.

Table 3 – Estimated time taken to read guidance (hours per person)

Document Type	Scenario	Estimate for Words per page	Total number of words	Reading speed (wpm)	Estimated reading time (hours)
PCC Guidance Document for IPMs	Low	400	6,400	240	0.95
	Central	500	8,000	400	0.42
	High	600	9,600	1,000	0.10
Guidance Document for LQAs	Low	400	8,400	240	1.25
	Central	500	10,500	400	0.53
	High	600	12,600	1,000	0.13
College of policing guidance for IPMs	Low	400	16,800	240	1.65
	Central	500	21,000	400	1.07
	High	600	25,200	1,000	0.42

Source: Home Office Internal Analysis, 2024

48. The cost to read each document was calculated by multiplying the labour costs of IPMs and LQAs by the time taken to read the relevant document. There is no overarching record of all rates for IPMs and LQAs across the different areas, therefore an estimate was constructed based on rates published by some areas.
 - **IPMs:** The daily rate for IPM was taken from the rate in Northumbria¹² and Lancashire¹³. Both areas pay IPM the same daily rate of £211.50.
 - **LQAs:** Currently panels are chaired by a LQC, this position will move to be an advisory role and therefore is known as an LQA. It is anticipated at this stage that this will not result in any changes to their pay. The daily rate for an LQA was estimated as the current daily rate of an LQC in Sussex¹⁴, this was the only available source at this time.
49. Additionally, the wages were adjusted to consider the non-wage costs such as national insurance and pension contributions, this was an uplift of 22 per cent and is based on BEIS and UK Government guidance, using Eurostat data¹⁵. This gives;
 - IPM daily rate with non-wages labour costs included of £258.03.
 - LQA daily rate with non-wage labour costs included of £624.10.
50. To account for uncertainty around both these estimates the value was increased by 25 per cent in the high scenario and decreased by 25 per cent in the low scenario.

¹¹ Free Speed Reading Test: How fast do you read? (readingsoft.com): <https://readingsoft.com/>

¹² IPM-handbook – Guidance for Independent Panel Member on Police Misconduct Hearings (northumbria-pcc.gov.uk): <https://northumbria-pcc.gov.uk/v3/wp-content/uploads/2023/08/IPM-handbook-25-01-2023.pdf>

¹³ <https://www.lancashire-pcc.gov.uk/wp-content/uploads/2023/05/APACE-IPM-handbook.pdf>: IPM-handbook – Guidance for Independent Panel Member on Police Misconduct Hearings (lancashire-pcc.gov.uk): <https://www.lancashire-pcc.gov.uk/wp-content/uploads/2023/05/APACE-IPM-handbook.pdf>

¹⁴ Legally Qualified Chairs Handbook (sussex-pcc.gov.uk): <https://www.sussex-pcc.gov.uk/media/7240/lqc-handbook.pdf>

¹⁵ Statistics | Eurostat (europa.eu): https://ec.europa.eu/eurostat/databrowser/view/lc_lci_lev/default/table?lang=en

51. There is not currently a record of the total number of IPMs and LQCs nationally. It was possible to obtain this data for a number of regions and police areas. Using published data on the police officer headcount in these areas an average ratio of IPMs and LQCs to officers was calculated. This ratio was assumed to represent the national ratio and therefore the total number of IPMs and LQAs was estimated based on national officer headcount figures. The areas covered in the data available amounted to areas representing approximately 45 per cent of police officer headcount. To account for uncertainty around these estimates the number of IPMs and LQAs was increased by 25 per cent in the high scenario and decreased by 25 per cent in the low scenario.
52. It was estimated that there are between 105 and 176 IPMs with a central estimate of 141. It was estimated that there are 104 and 173 LQCs (who will act as LQAs in the new composition) with a central estimate of 138. All IPMs and LQAs will need to read the guidance documents.
53. The familiarisation cost was found by multiplying the cost of reading a document multiplied by the number of individuals expected to read the document. The daily rates were converted to hourly rates by assuming an eight hour day. The calculations of familiarisation costs can be seen in Table 4 below.

Table 4 – Familiarisation cost of each guidance document (£, Price year 2024/25)

Document	Scenario	Hourly rate (£)	Estimated reading time (hours)	Number of individuals required to read	Cost per individual (£)	Total Cost (£)
PCC Guidance Document for IPMs	Low	24.19	0.10	105	2.42	255
	Central	32.25	0.42	141	13.55	1,905
	High	40.32	0.95	176	38.30	6,733
Guidance Document for LQAs	Low	58.51	0.13	104	7.61	790
	Central	78.01	0.53	138	41.35	5,723
	High	97.52	1.25	173	121.90	21,088
College of policing guidance for IPMs	Low	24.19	0.42	105	10.16	1,072
	Central	32.25	1.07	141	34.51	4,854
	High	40.32	1.65	176	66.52	11,694

Source: Home Office Internal Analysis, 2024

54. The total familiarisation costs can be seen in Table 5 below. All costs are assumed to be incurred in year zero (2024).

Table 5: Total Familiarisation costs (£ PV base year 2024, Price year 2024/25)

Scenario	Total Familiarisation cost (£)
Low	2,116
Central	12,481
High	39,516

Source: Home Office Internal Analysis, 2024

55. The total familiarisation cost is estimated to be between £1,735 and £32,390 with a **central estimate of £10,232 (PV)**.

Ongoing Increased Labour Costs of Misconduct Hearing Panels

56. The cost of running standard misconduct hearing for senior and non-senior officer, and accelerated hearings for senior officers will increase when the composition of the panels change. The changes to the panels can be seen in Tables 2 and 3.

57. In the current composition the panels are chaired by an LQC. In the future composition LQC's will take on an advisory role but are anticipated to remain on the same pay rates. This means the staffing costs are not impacted by this change.
58. To estimate the increase in panel staffing costs, the average daily rates of each panel member must be estimated. This is then multiplied by the estimated length of the hearing and estimated number of hearings.

Length of Hearings

59. Accelerated hearings are assumed to be one day long¹⁶.
60. Standard hearings are expected to vary between two and three days¹⁷. In the central scenario an estimate of 2.5 days has been used, with three days being used in the high scenario and two days being used in the low scenario.

Number of hearings

61. The number of hearings per year is separated into accelerated hearings and standard hearings. The annual number of both types of hearings have been estimated by taking the average of number of misconduct hearings by type over the period between 2016 and 2022. This gives an annual figure of 137 accelerated hearings and 277 standard hearings¹⁸. The highest and lowest values were used from this period to construct a high and low scenario.

Proportion of Senior and Non-Senior Hearings

62. Of the Misconduct panels occurring between 2016 and 2023, 99.9 per cent were non-senior¹⁹, it has been assumed that this will continue to be the case. Senior hearings therefore represent the equivalent of 0.24 standard hearings and 0.12 accelerated hearings a year. It has therefore been assumed that a senior standard hearing occurs once every 4 years and an accelerated once every 8 years in the central scenario. This will likely be a more realistic scenario as it's not possible to have 24 or 12 per cent of a hearing in a year.
63. This means that;
 - a senior standard hearing is expected in 2024, 2028 and 2032 and,
 - an accelerated senior hearing is expected in 2024.
64. All remaining hearings of the estimated total hearings are expected to be non-senior. Whilst the senior hearings may occur in a different year, the impact of the change discounting on just one hearing is expected to be negligible.

Panel Labour Costs

65. All labour costs have been adjusted to consider the non-wage labour costs such as national insurance and pension contributions, this was an uplift of 22 per cent drawn from Eurostat data²⁰.
66. All panels maintain the cost of an LQC, whilst the role is now advisory and as an LQA the daily rate is expected to stay the same, for the LQA it is not expected that there will be any impact on costs resulting from the policy change.
67. All panels have an additional IPM this adds an additional labour cost of £258.03 per day.
68. In a standard hearing for non-senior officers under the old composition there would be an officer of superintendent rank or above sitting on the panel. It is assumed that this will just be a superintendent as there is no evidence to suggest that a more senior officer would be placed

¹⁶ Assumption provided by Police Integrity Unit, Home Office

¹⁷ Assumption provided by Police Integrity Unit, Home Office and Office of the Kent Police and Crime Commissioner

¹⁸ Police officer dismissals: Home Office review - GOV.UK (www.gov.uk):

<https://www.gov.uk/government/publications/police-officer-dismissals-home-office-review>

¹⁹ Home Office internal data collected for the review into the process of police officer dismissals.

²⁰ Statistics | Eurostat (europa.eu): https://ec.europa.eu/eurostat/databrowser/view/lc_lci_lev/default/table?lang=en

in this position²¹. The average hourly cost of a superintendent is estimated at £64.85 (including non-wage costs) and this gives an average daily cost of £518.78.

69. In the new composition this superintendent is replaced by a senior officer or police staff member, of which it is expected to be an Assistant Chief Constable (ACC)/Commander as it is not expected that a more senior officer would be placed here if it is not necessary. The ACC/Commander salary is assumed to be the average of the three pay points for an ACC. This average was adjusted to account for non-wage labour costs as described in paragraph 65 giving the annual labour cost of £149,219 and a daily cost of £587.48.
70. For both standard and accelerated hearings of Senior officers previously an HMI or HMCIC would sit on the panel. In the new composition;
 1. For hearings of Chief Constables, Commissioners, Deputy Commissioners, and Assistant Commissioners an HMI or HMCIC will chair the panel.
 2. For hearings of ACCs, Deputy Chief Constables, Commanders and Deputy Assistant Commissioners an HMI or HMCIC can sit on the panel but it can also be another officer of at least one rank above the officer who the hearing is for will chair the panel.
71. For the first type of hearing, it is assumed that HMCIC will only chair 10 per cent of hearings²². In order to calculate the cost of an HMI, an average of all five HMIs labour costs were used which comes to £274,412 and this was then combined with the HMCIC labour cost of £305,750 and weighted with 90 per cent being HMI of the overall HMI/ HMCIC cost. This was divided by the estimated number of working days per year being 254²³. The central estimate of the weighted average HMI/HMCIC labour cost is £1,092.70 per day.
72. For the second type of hearing, to calculate the cost of a senior officer an average has been taken of the labour costs for Commissioners, Deputy Commissioners, Assistant Commissioners, Chief Constables, Deputy Chief Constables and Deputy Assistant Commissioners which totals £223,065 and this was divided by 254 to give a daily cost of £878.21.
73. The total daily cost of both types of hearings have been weighted at 50 per cent each due to a lack of data to suggest otherwise. This leads to a central estimate of the weighted cost per day of £985.45.

Labour cost per hearing

74. Labour costs per hearing were estimated by multiplying the estimated daily labour costs of the members of each panel and multiplying this by the length of the hearing.
75. All labour cost data is based on averages across regions or across pay bands. To account for the potential that there are more panel staff on salaries higher or lower than average in the low cost high benefit scenario staff cost were decreased by 25 per cent and increase by 25 per cent in the high cost low benefit scenario.
76. Table 6 below shows cost per hearing of each hearing type in the old and new composition alongside the change in costs. The cost of standard non-senior hearings increases by 23 per cent after the new composition. The cost of both senior hearings increases by eight per cent.

²¹ Assumption provided by Police Integrity Unit, Home Office

²² Assumption provided by Police Integrity Unit, Home Office

²³ How Many Working Days in a Year UK: <https://uk-bankholidays.co.uk/working-days.html>

Table 6 – Labour Cost per hearing of each hearing type and the change in costs (£, Price year 2024/25)

Hearing Type	Scenario	Current Composition	Future Composition	Change in costs per hearing (£)
Standard of non-senior officer	Low	2,101	2,591	490
	Central	3,502	4,319	817
	High	5,253	6,479	1,225
Standard of Senior Officer	Low	2,962	3,188	226
	Central	4,937	5,314	377
	High	7,406	7,971	565
Accelerated of Senior Officer	Low	1,481	1,594	113
	Central	1,975	2,126	151
	High	2,469	2,657	188

Source: Internal Home Office analysis 2024

77. To calculate total labour costs, the number of hearings annually was multiplied by the labour cost per hearing for both the current and future composition. Then the cost of the current composition was subtracted from the future composition to find the total change in labour costs and thus the additionally staff costs that result from the change.
78. Given this policy will come into force in May, the 2024 labour costs represent 4 months of panels running with the original composition and eight months of the new composition. From 2025 onwards the full year cost is calculated using the new panel composition. The figures in the table below have been discounted at a rate of 3.5 per cent per year in line with the Green Book guidance.
79. Table 7 below shows the estimated total increase in staffing costs for the full 10 year appraisal period in present value terms.

Table 7 – Total I costs (£ million, Price year 2024.25, PV Base Year 2024)

Scenario	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Low	0.07	0.11	0.10	0.10	0.10	0.09	0.09	0.09	0.08	0.08	0.91
Central	0.15	0.22	0.21	0.20	0.20	0.19	0.18	0.18	0.17	0.17	1.87
High	0.25	0.36	0.35	0.33	0.32	0.31	0.30	0.29	0.28	0.27	3.06

Source: Internal Home Office analysis 2024

80. The total ongoing increase in staff cost ranges between £910,000 and £23.06 million with a **central estimate of £1.87 million (PV)**.

Total Monetised costs

81. Table 8 below shows the estimated total costs of the appraisal period in present value terms. This includes both familiarisation costs in the first year only and total staff costs.

Table 8 – Total Monetised Costs (£ million, Price Year 2024/25, PV Base Year 2024)

Scenario	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Low	0.08	0.11	0.10	0.10	0.10	0.09	0.09	0.09	0.08	0.08	0.91
Central	0.16	0.22	0.21	0.20	0.20	0.19	0.18	0.18	0.17	0.17	1.88
High	0.29	0.36	0.35	0.33	0.32	0.31	0.30	0.29	0.28	0.27	3.10

Source: Home Office Internal Analysis, 2024

82. The total monetised costs range between £914,000 and £3.10 million with a **central estimate of £1.88 million (PV)**.

Non-Monetised Costs

Familiarisation of other Panel members (not IPMs or LQAs)

83. The conflict of interest guidance will also be read by other panel members. It is not known how many additional panel members will need to read this guidance as the remaining panel members are police officers and it is not known how many police officers will sit on multiple panels. Given the short length of the conflict of interest guidance, and that the number of other panel members is not known this has not been monetised. However, it is anticipated that it would likely be negligible.

Cost of chairs' pre-hearing preparation

84. There will be a cost of pre-hearing preparation. Where the chair is paid a higher salary, on average this will lead to additional cost. Additionally, in cases where the hourly pay of the officer chairing the hearing is lower than the LQC this would represent a saving. While the average hourly pay rate of each chair type has been estimated it is not possible to monetise these preparation costs as they vary significantly depending on the seriousness of the complaint. In addition, it is anticipated that there could be significant variation in how much preparation time is required depending on the officer's experience of chairing hearings. Given the significant unknown factors the pre-hearing costs have not been included at this time.

Benefits

Monetised Benefits

Labour cost savings for accelerated misconduct hearings for non-senior officers

85. The only monetised benefit is the savings from the changes to composition of panels for accelerated misconduct hearings for non-senior officers. This saving is estimated using the same methodology as the increased labour costs of the other panel types.

Number of hearings

86. The annual number of both types of hearings have been estimated by taking the average of number of misconduct hearings by type over the period between 2016 and 2022. This gives an annual figure of 137 accelerated hearings²⁴. The highest and lowest values were used from this period to construct a high and lows scenario.

Proportion of non-senior and senior hearings

87. Of the misconduct panels occurring between 2016 and 2023, 99.9 per cent were non-senior²⁵, it has been assumed that this will continue to be the case. It was assumed that given senior accelerated hearings therefore represent the equivalent of 0.12 hearings a year, they occur approximately once every 8 years. As it is not possible to have 12 per cent of a hearing in a year. This means that a senior hearing is expected in 2024 and 2031, otherwise all accelerated

²⁴ Police officer dismissals: Home Office review - GOV.UK (www.gov.uk):

<https://www.gov.uk/government/publications/police-officer-dismissals-home-office-review>

²⁵ Home Office internal data collected for the review into the process of police officer dismissals.

hearings are expected to be non-senior. Whilst it may occur in a different year, the impact of the discounting on just one hearing is expected to be negligible.

Length of hearing

88. The staffing cost of an individual hearing was calculated for the current and future composition of hearings. The length of an accelerated hearing is assumed to be one day²⁶.

Labour costs of current and future panel compositions.

89. All labour costs have been adjusted to consider the non-wage costs such as national insurance and pension contributions. The uplift used was 22 per cent, a value drawn from Eurostat data²⁷
90. The non-senior accelerated panel currently includes one Chief Constable. The average labour cost of a Chief Constable was estimated by taking an average of all Chief Constable labour costs nationally and weighting them by police officer headcount in the region.
91. This is because it is assumed the number of hearings occurs approximately at the same rate across regions. Therefore, a region with more officers will have more hearings and therefore more of the chief constable time is effectively used.
92. This gives an estimated average chief constable labour cost of £226,593 and a daily rate of £892.10.
93. The future composition will include a senior officer, this is assumed in the modelling to be an (ACC since it is anticipated this is who will be most likely to undertake these hearings²⁸. The ACCs labour cost is assumed to be the average of the three pay points for an ACC giving an annual labour cost of £149,219 and a daily rate of £587.48.
94. All staff cost data is based on averages across regions or across pay bands. To account for the potential that there are more panel staff on salaries higher or lower than average in the low cost high benefit scenario labour cost were decreased by 25 per cent and increase by 25 per cent in the high cost low benefit scenario.
95. Given that accelerated hearings are assumed to be one day long the staff cost saving under the new composition is £304.62 in nominal terms which represents a 34 per cent saving on the original cost. The calculations of the saving per hearing are shown in table 9 below.

Table 9 – Labour cost savings per hearing (£, nominal terms, Price year 2024/25)

	Low	Central	High
Average Chief Constable Daily Rate	1,115	892	669
Average ACC Daily Rate	734	587	441
Saving per hearing	381	305	228

Source: Internal Home Office analysis 2024

96. Table 10 below shows estimated total benefits for the appraisal period in present value terms.

²⁶ An assumption provided by Police Integrity Unit, Home Office

²⁷ Statistics | Eurostat (europa.eu): https://ec.europa.eu/eurostat/databrowser/view/lc_lci_lev/default/table?lang=en

²⁸ An assumption provided by Police Integrity Unit, Home Office

Table 10 – Total monetised benefits (£ million, Price year 2024/45, PV Base Year 2024)

Scenario	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Low	0.04	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.04	0.51
Central	0.03	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.34
High	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.17

Source: Internal Home Office analysis 2024

97. The total benefit for the savings made is estimated to be between £170,000 and £510,000, with a **central estimate of £340,000 (PV)**.

Non-monetised benefit

98. There is a non-monetised benefit of increased public trust and confidence in policing. The measures and their impacts detailed in paragraphs 30-36 aim to increase the robustness, efficiency and transparency of the misconduct hearing process. This increased trust is expected to improve the ability of the police to work more effectively with the public. Additionally, it is expected that increase confidence in public services, such as the police, will increase overall public wellbeing. It is not possible to isolate the impacts of these measures alone in trends of public attitude to policing. It is anticipated that these measures will act as part of a wider set of changes that would improve the public's trust and confidence in policing.

Value for money metrics

99. The monetised costs and benefits have no impact on business therefore both the Business Net Present Value (BNPV) and the equivalent annual net direct cost to business (EANDCB) are zero. The total costs, benefits, BCRs and NPSVs are shown in Table 11 below.

Table 11 – Total Benefits and Costs, NPSVs (£ million, Price year 2024/25, PV base year) and BCRs

	Low	Central	High
Familiarisation cost	0.00 ²⁹	0.01	0.04
Staff Cost	0.91	1.87	3.06
Total Cost	0.91	1.88	3.10
Total Benefit	0.51	0.34	0.17
NPSV	-0.41	-1.54	-2.93
BCR	0.55	0.18	0.06

Source: Home Office Internal Analysis, 2024

100. The NPSVs range from -£2.93 million the high-cost low-benefit scenario, and -£0.41 million in the low-cost high-benefit scenario, **with a central estimate of -£1.54 million in PV terms**.
101. Whilst the NPSV is negative, the non-monetised benefit of increase public trust and confidence in policing align with the objectives of the policy. In addition, Option 1 of a do nothing approach would not meet government objectives of strengthening standards in the police disciplinary system as chief officers would not have a greater responsibility over their respective workforce.

²⁹ £2,116 rounds to 0 in £ million

Small and Micro Business Assessment (SaMBA)

102. Given that this measure is not a regulatory provision this policy is not anticipated to have any impacts on business.

6. Risks

Key Analytical risks

- **Number of hearings:** A key underpinning assumption in this analysis is that average rates of each hearing type from 2016 to 2022 will continue over the appraisal period. Whilst this assumption is based on the best available data there are a number of factors that could influence the total number and balance of each type of hearing. However, currently there is no way for us to anticipate these trends. To account for this, scenarios were used to the lowest and highest number of hearings between 2016 and 2022. Tranche 1 changes will not result in increased accelerated hearings. However, further legislative changes being introduced in the summer as part of tranche 2 will likely increase the number of accelerated hearings taking place. However, this will only occur if the tranche 2 legislation is implemented. As this is not a direct result of the tranche 1 measures it has not been included in the analysis.
- **Staff costs** Staff costs make up the majority of both costs and savings. All staff cost data is based on averages across regions or across pay bands. To account for the potential that there are more panel staff on salaries higher or lower than average in the low cost high benefit scenario staff cost were decreased by 25 per cent and increase by 25 per cent in the high cost low benefit scenario.

Sensitivity Analysis

103. Given that the number of hearings and the level of labour costs are the main analytical risks in this appraisal. Scenarios were examined in which only salaries were varied with number of hearings held the same and vice versa. This aimed to see which factor would lead to the greatest variation from the central estimate

Table 12 - NPSV's of sensitivity analysis scenarios (£ million, Price year 2024/25)

	Low	Central	High
Labour Costs varied only	-0.69	-1.54	-2.59
Number of hearings varied only	-0.81	-1.54	-2.25
Both Varied	-0.41	-1.54	-2.93

Source: Internal Home Office analysis 2024

104. This showed that changing labour costs has the most significant impact on NPSVs. Whilst estimates for labour costs are the best available data at this time it is important to note that significant changes in labour costs of panel members or changes to the rank of police officers that make up the misconduct panels could significantly impact NPSVs.

Other Analytical risks

- **Estimated number of IPMs and LQCs:** The number of IPMs and LQC's was estimated based on a relatively small sample of policing areas. In addition, it is assumed that current staffing levels will remain approximately the same. Given these individuals are paid per case, the only real impact of a change to this estimate is on familiarisation costs. The number of IPMs and LQCs was increased and decreased by 25 per cent in the high

and low scenario. In all scenarios familiarisation costs remain very small and therefore no further sensitivity analysis was examined.

- **Number of appeals:** There have been suggestions from stakeholders that chief officers chairing misconduct hearings will increase the likelihood of officers appealing to the Police Appeals Tribunal. However, there is currently no evidence base for this, and the new panel composition will retain two thirds independence on the panel, as well as a legal advisor, to mitigate the risk of increased appeals.
- **Indemnity of IPMs:** Although there will be the introduction of an additional IPM, it is not expected that LQAs will need indemnification and therefore the overall cost will should remain broadly the same.

Additional Sensitivity Analysis of Increased IPM Labour Cost

105. Currently there is a significant proposed increase to IPM pay to increase it to be in line with IPM pay in other sectors. This increase would take the daily labour cost of IPMs from £211.50 to £357.³⁰ When adjusted for non-wage labour costs this represents an increase from £258.03 to £451.55. This represents an approximate 69 per centage increase to IPM pay rates. This will also lead to an increase of around 41 per cent in familiarisation costs and a 59 per cent increase in labour costs.
106. Then overall impact of this pay increase means that the central estimate for NPSV would increase from -£1.54 million to -£2.65 million (PV)
107. Whilst this is a very large increase, given that the pay increase is not confirmed the new pay rate has not been incorporated into the main cost-benefit analysis.

Table 13 – Total Benefits and Costs, NPSVs (£ million, Price year 2024/25, PV base year) and BCRs for both original analysis and increase IPM pay scenario

Cost/Benefit	Which Analysis?	Low	Central	High	% Increase
Familiarisation cost	Original analysis	0.00	0.01	0.04	41%
	Pay Increase included	0.00	0.02	0.05	
Staff Cost	Original analysis	0.91	1.87	3.06	59%
	Pay Increase included	1.45	2.98	4.87	
Total Cost	Original analysis	0.91	1.88	3.10	59%
	Pay Increase included	1.46	3.00	4.93	
Total Benefit	Original analysis	0.51	0.34	0.17	0%
	Pay Increase included	0.51	0.34	0.17	
NPSV	Original analysis	-0.41	-1.54	-2.93	72%
	Pay Increase included	-0.95	-2.65	-4.75	
BCR	Original analysis	0.00	0.01	0.04	-37%
	Pay Increase included	0.00	0.02	0.05	

Source: Internal Home Office analysis 2024

7. Implementation, monitoring and evaluation

108. Implementation of these provisions is through amendments to the Police (Conduct) Regulations 2020. The Regulations do not include a statutory review clause, however approach to monitoring this legislation will through engagement with the sector and the Home Office’s annual statistics publication on police misconduct and the legislation may be amended accordingly.

³⁰ <https://www.lancashire-pcc.gov.uk/wp-content/uploads/2024/03/3-IPM-FAQs-.pdf>

Specific Impact Test Checklist

Mandatory specific impact test - Statutory Equalities Duties	Complete
<p data-bbox="204 275 584 309">Statutory Equalities Duties</p> <p data-bbox="204 327 1350 539">An Equality Impact Assessment (EIA) has been completed for the overall package of reforms set out in the Police Dismissals Review, of which the measures in the statutory instrument form part. The government's overall objective is to ensure a fair and effective dismissals system, and it is expected that the review and its recommendations will have a positive effect on all groups to that end. We have not identified any specific negative impacts in relation to those measures contained in this statutory instrument.</p> <p data-bbox="204 593 687 627">The SRO has agreed these findings.</p>	<p data-bbox="1417 416 1469 450">Yes</p>