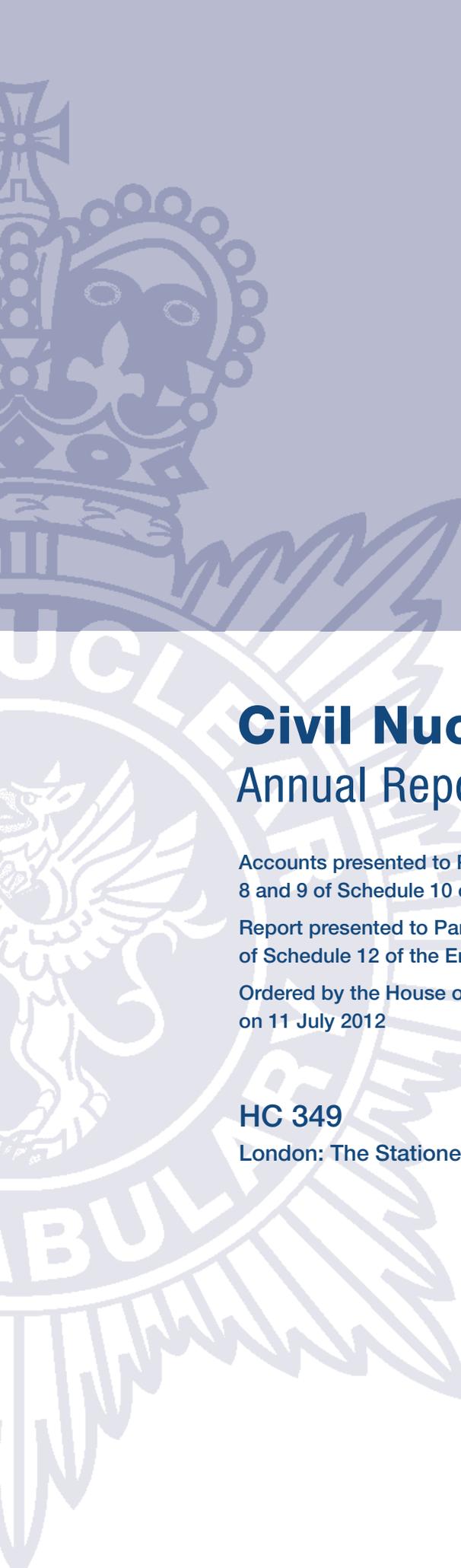




Civil Nuclear Police Authority

Annual Report & Accounts 2011-12





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Accounts presented to Parliament pursuant to Paragraphs
8 and 9 of Schedule 10 of the Energy Act 2004

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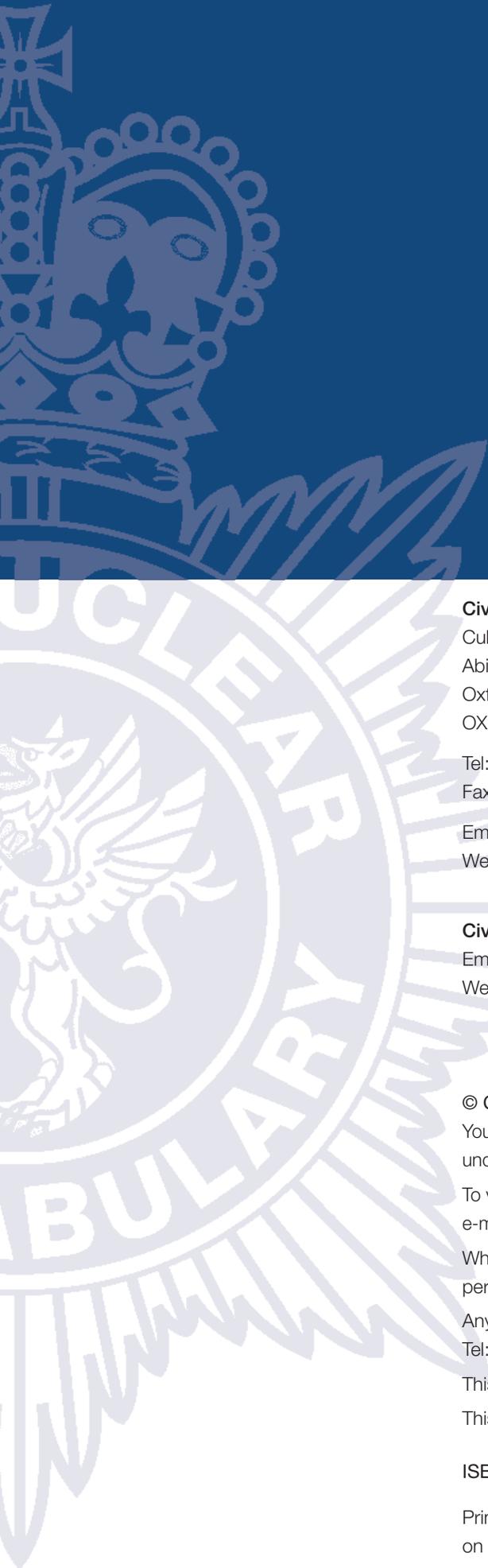
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● Civil Nuclear Police Authority, Constabulary Headquarters and Centre for Learning & Development

● Operational Policing Units

Chairman's Statement

The period covered by this report has been one of continuing change and expansion as the Command Team implements the Government's plans to upgrade security at our operational sites. This has involved every level of the organisation, with perhaps the greatest pressure being felt by the trainers, who have had to deal with the surge of recruits, and the police staff at Culham, who have had to translate the expansion into reality. I recognise that the continuing change programme has had a real impact on everybody at a personal level. The change to an all AFO force, the standards which that demands and the increasing requirement for a measurable level of fitness are but three of the changes which have had to be met. On some sites, the employment of a civilian guard force has been an extra dimension of change. Disruption has been almost part of daily life as workloads have increased whilst the force levels have been expanded and skills have been uplifted. We will always be in a climate of change, but I am confident that the rate of turbulence will decrease when the force levels stabilise. I am grateful to all the officers and staff of the CNC for the commitment and tolerance that they have shown in the last year.

In the last report, mention was made of the establishment of the CNPA Board to help streamline and strengthen the Authority's governance arrangements. The CNPA Board, to which is delegated the volume of the Authority's business and management responsibilities, currently meets every other month. In the intervening months a group of non-executive members of the CNPA Board now meets with the Command Team as an Executive Committee. The Executive Committee monitors progress in the implementation of actions specified in our Strategic Plan, and additionally plays a key role in programming and preparing work which is destined for the CNPA Board. This system, although still bedding-in, demonstrates real potential for increasing effectiveness and efficiency.

The establishment of the CNPA Board and the Executive Committee also demonstrates how we are responding to the challenges of an expanding and increasingly dynamic workforce. At the end of this period of expansion, the Constabulary will be about one third larger than its current size. In order to manage this larger workforce, we will need to examine different business models in every aspect of our work, including human resources, training, deployments and funding. If we are to meet the enhanced requirements of both Government and Industry, we must continue to accept the challenges of change.

We say farewell to Chief Constable Richard Thompson. He has been an energetic engine for change during his time in post, and there is no doubt that the Constabulary would not have advanced to its current status and position without his determination and drive. On behalf of the Authority and all those who work in the Civil Nuclear Constabulary, my CNPA Board colleagues and I wish Richard every good fortune in the future.

Sir Philip Trousdell

Chairman

About Us

This document, published in accordance with the requirements of the Energy Act 2004, constitutes the Civil Nuclear Police Authority's report and accounts for the financial year to 31 March 2012.

The Civil Nuclear Police Authority (Authority or CNPA) is a body corporate, established by the 2004 Act and classified as an executive Non Departmental Public Body (NDPB), which operates under the aegis of the Department of Energy and Climate Change (DECC).

The Authority is charged, pursuant to the 2004 Act, with securing the maintenance of an efficient and effective Civil Nuclear Constabulary (Constabulary or CNC) whose primary function is the protection of licensed nuclear sites not used wholly or mainly for defence purposes and the safeguarding of nuclear material in the UK and elsewhere.

The Authority thus has oversight of, and employs the CNC. In turn, the Constabulary provides a dedicated on site armed response capability for the nuclear industry, with operational and support units based at licensed nuclear sites. Together with site operators and carriers, the Constabulary shares responsibility for the protection of nuclear material and facilities, and for the safe and secure movement of nuclear material within the UK and internationally.

Governance

The Authority's governance framework is designed to achieve two objectives; first, to enable the Authority as effectively and efficiently as possible to discharge its statutory responsibilities, achieve its Strategic Objectives, manage its business, and secure the maintenance of an efficient and effective Constabulary. Second, in conformity with the requirements of the 2004 Act, to enable the Authority to operate as far as possible on lines similar to those of other executive NDPBs.

An essential component in this framework is the CNPA Board, to which the Authority delegates the bulk of its business and management responsibilities. The CNPA Board comprises the Authority's Chairman and fellow Members, who collectively act as non-executives – and members of the Constabulary's Command Team, who serve in an executive capacity. In line with practice in other executive NDPBs, Members of the Authority in their role as non-executive members of the CNPA Board provide constructive challenge and support to the Command Team and, in particular, to the Chief Constable in his role as Accounting Officer. They also monitor and scrutinise the performance of the Constabulary and of the

Command Team in assuring the health of the business and hold the Command Team to account for the achievement of agreed objectives.

In addition, the Authority operates to terms of reference specifying the functions that are not delegated to the CNPA Board or other committees, including the continuing overriding accountability of the Authority for the arrangements put in place for the effective discharge of its business. The Authority's governance framework thus enables the effective discharge of its responsibilities while ensuring that those matters specifically reserved by Statute or direction of the Secretary of State and those matters not delegated by the Authority to the CNPA Board or any of its other committees remain responsibilities of the Authority and its Members.

CNPA Board

The CNPA Board is responsible for the majority of the Authority's business and management outputs, including:

- Setting the strategic, policy, resource and performance management framework for the Constabulary.
- Monitoring the overall performance of the Constabulary against the agreed strategies and agreeing remedial action as necessary.

- Discharging the financial duties laid down by the Secretary of State and in the Energy Act 2004.
- Approving arrangements for the governance, administration and conditions of service of the Constabulary.
- Determining the overall culture and values of the Authority, and the behaviours and standards required of its Members and employees.
- Ensuring wide stakeholder engagement in the work of the Authority, and the effective management of relationships with key strategic stakeholders and the public.
- Ensuring that the Authority remains compliant with all applicable legislation.

The Board currently comprises:

- Lt Gen (Retd) Sir Philip Trousdell KBE CB, *Chairman**
- Richard Thompson OBE, *Chief Constable and Accounting Officer (to 10 June 2012)*
- John Sampson, *Acting Chief Constable and Interim Accounting Officer*
- Stephen Barrett*
- George Beveridge***
- Alan Cooper, *Assistant Chief Constable*
- Simon Middlemas OBE***
- Dame Elizabeth Neville DBE QPM DL**
- Alan Rae***
- Justin Rees, *Director of Corporate Services*
- Matt Sykes***
- Rob Wright*

* Non-executive (and independent Member of the Authority).

** Non-executive (and independent policing advisor Member of the Authority).

*** Non-executive (and industry representative Member of the Authority).

Richard Thompson's service contract expired on 10 June 2012. John Sampson, as Deputy Chief Constable, has been appointed Acting Chief Constable and Interim Accounting Officer during the interregnum between Mr Thompson's departure and the commencement of a new Chief Executive Officer. Mr Sampson has been a member of the Command Team throughout 2011/12 and has familiarised himself with the role and responsibilities of Accounting Officer.

A complete list of CNPA Board members who served during the year is provided, together with their terms of appointment and services contracts, on page 33 of the Remuneration Report.

Principal Committees

The CNPA Board is supported by the following Committees:

- Audit, Risk and Governance Committee
- Senior Appointments, Leadership and Development Committee
- Executive Committee

Further information about these Committees, together with a review of their effectiveness is provided in the Governance Statement.

Command Team

The day-to-day management of the Constabulary is carried out by the Command Team, which currently comprises:

- Richard Thompson OBE, *Chief Constable; (to 10 June 2012)*
- John Sampson, *Acting Chief Constable and Interim Accounting Officer;*
- Alan Cooper, *Assistant Chief Constable; and*
- Justin Rees, *Director of Corporate Services.*

Operational and Regulatory Context

As previously indicated, the Constabulary's primary function is the protection of licensed nuclear sites not used wholly or mainly for defence purposes and the safeguarding of nuclear material in the UK and elsewhere. In discharging this function, the Constabulary works closely with the Office for Nuclear Regulation (ONR) which, in a regulatory capacity, has delegated authority from the Secretary of State to direct certain security-related activities of the Authority, and thus of the Constabulary. Policing services required at each licensed nuclear site are agreed with site operators in accordance with the Nuclear Industries Security Regulations 2003 (NISR) and ratified by ONR. To comply with the NISR, armed policing services are required at most licensed nuclear sites in the UK. The majority of officers in the Constabulary are Authorised Firearms Officers.

The Constabulary is recognised by the Association of Chief Police Officers of England, Wales and Northern Ireland and the Association of Chief Police Officers in Scotland. Through the National Co-ordinated Policing Protocol, the Constabulary has, at all 15 of its Operational Policing Units, established memoranda of understanding with the relevant local police forces. The mutual support and assistance afforded by these arrangements enable the Constabulary to maintain focus on its core role.

The patrol strategy employed by the Constabulary is intended to constrain and disrupt the operating environment for those with terrorist intent; it also gives reassurance to the public in the vicinity of licensed nuclear sites. Whilst on patrol, officers will often come across incidents within their local vicinity; such incidents have included officers providing first aid at road traffic accidents, dealing with suspected drink driving offences as well as assisting local Home Office/ Scottish police forces with disturbances and attempted suicides.

While it is the aim of the Constabulary to gain wider recognition of its role and to provide reassurance to the public about civil nuclear security, the information contained in this report necessarily omits operational details that might present opportunities to any person or group planning to attack civil nuclear facilities or materials.



Our ambition

To be recognised as providers of a world class service for the protection of nuclear materials and facilities.

Our mission

To defend and protect those sites to which CNC is deployed, with a view to denying unauthorised access to nuclear material and, if necessary, recover control of any nuclear material which may have been lost to any unauthorised persons.

The safe and secure movement of nuclear material within the UK and internationally.

Our core values

Respect

We will show respect for each other, valuing individual differences and conduct our business fairly.

Integrity

We will continue to build trust through being open, honest and transparent, taking responsibility for our actions and doing what we say.

Commitment to excellence

We will do the right things, deliver on our promises and strive to provide service excellence in all we do.

Investment in people

We will invest in people as our most valued resource, creating opportunities to develop potential and learning from our experiences.

Summary of Performance

In this Summary of Performance we provide a detailed look at the successes, developments and future plans of the Constabulary, with a focus on the 2011/12 reporting year. The activities undertaken during the year have sought to reinforce the Constabulary's ambition "to be recognised as providers of a world class service for the protection of nuclear materials".

Strategic Objectives

Each year, Strategic Objectives are set by the CNPA Board for the Constabulary which concentrate on various elements of the organisation's responsibilities. Each Strategic Objective (SO) set for 2011/12 is provided below. Further details can be found within the Summary of Performance (on pages 10 to 23).

- S01** *'To provide a world class armed response and policing capability for both licensed nuclear sites and nuclear material in transit'*
- S02** *'To upgrade operational capability to deliver on the Mission going forward'*
- S03** *'To implement a programme of workforce modernisation to provide a more flexible and responsive service delivery framework'*
- S04** *'To prepare for changes in our operating geography given current and future decommissioning and new build proposals'*
- S05** *'To maximise the effectiveness of our allocated budget, achieve efficiency savings and secure value for money'*
- S06** *'To collaborate with stakeholders to improve service delivery and confidence in our business'*
- S07** *'To upgrade the operational capacity to deliver on the Mission both today and going forward'*

Performance Highlights

Provision of an armed response and policing capability for both licensed nuclear sites and nuclear material in transit was successfully achieved. There were some minor dips in shift level performances at some nuclear power station sites due to a combination of resource prioritisation to Sellafield, sickness absence and initial minimum staffing levels.

The Constabulary's operating capability has been improved through the successful completion of Programme New Dawn.

Highlights for 2011/12 are:

- Implementation of the Firearms Records Management System
- Specialist training in the areas of advanced first aid and specific tactical techniques
- Maintenance of the Firearms license requirements and delivery of the increased firearms training required

Workforce modernisation has been progressed through the Futures programme, which in 2011/12 looked to establish a package of pay and conditions that better met the needs of its employees and the organisation, and the need for a more modern and progressive approach to reward. During 2011/12, significant nationally-led work pieces were also undertaken to re-assess police terms and conditions, which led to delays on the outcome of the CNC work. However, it did enable us to contribute to the national Winsor Review team. The internal CNC work stream on terms and conditions will now be taken forward in 2012/13. In addition, fitness standards have been implemented for all new officers, helping to ensure that officer fitness levels are equal to the demands of the role. The CNC has, and will continue to, consistently track and analyse the impact of shifting decommissioning and new build timescales. Workforce modelling was established in 2011/12 to ensure that necessary fluctuations are appropriately considered and monitored moving ahead. The CNC manages the ACPO Nuclear New Build group which co-ordinates national activity and information sharing. This collaborative approach has been echoed with site operators and we have collectively worked to prepare for the changing operational requirements.

During 2011/12 the CNPA has worked closely with Site Licence Companies to

plan service delivery and to model the financial implications of those plans.

Opportunities to improve efficiency are continuously sought and examples of this include rationalising accommodation for its administrative functions, facilitating training on shift where appropriate, market-testing all major procurements and reviewing travel arrangements.

During 2011/12 the CNC consistently engaged and worked with its stakeholders. Communication levels were increased through the Energy Minister, DECC and site licensing companies. The increased level of engagement has resulted in improved relations and better programme co-ordination. Key messages have been delivered and a Communications Plan is being finalized. Work will continue in 2012/13 to strengthen engagement methodologies.

To upgrade its operational capacity the CNC completed an uplift in officer numbers to

enhance security at the Sellafield site. The uplift was completed in half of the original scheduled timescale and within budget. This was a major achievement delivered alongside normal operational delivery and increased capability enhancements. Preparations also began for the planning of future security enhancements at other UK sites.



New Dawn

On 31 March 2012 the Constabulary completed the third year of the Programme New Dawn (PND) improvement plan. One of the key achievements of the Programme was the awarding of the full National Policing Improvement Agency (NPIA) Firearms Licence on the 16th November 2010, a year ahead of schedule. The key objectives and benefits can be summarised as:

- The improvement in Command and Control capability and the introduction of Force Incident Manager providing round the clock cover;
- The uplift of firearms training capacity to meet National Police Firearms Training Curriculum (NPFTC) standards and NPIA firearms license requirements;
- Modification of weaponry and ammunition;
- An increase in the capacity to manage and deliver counter terrorist exercises;
- A feasibility study to assess the long term firearms range requirements;
- An uplift in relevant specialist training; and
- A review of the Constabulary's capacity in line with the vital area study undertaken by Site Operators.

During the three year implementation, a survey of officers and staff was undertaken to establish the benefits of the New Dawn programme and how it supports both officers and staff in supporting the Constabulary's Mission. The results of the survey have been very positive, not only in relation to the perception of staff on the governance, management, delivery and implementation of the programme, but also in relation to the increased level of competence and confidence in AFOs, obtained as a result of PND.

A review of benefits and lessons learnt has been undertaken. This review concluded that PND has been a worthwhile investment for the Constabulary. A number of the forecast benefits for PND have been realised during the project, namely the upgrades of weaponry and ammunition, the exercise team and the completion of various training courses.

Disability

Within the Equality Scheme, the Constabulary has a “disability duty” which is as follows:

- Promote equality of opportunity between disabled persons and other persons;
- Eliminate disability related discrimination and harassment;
- Promote positive attitudes towards disabled persons;
- Encourage participation by disabled persons in public life; and
- Take steps to take account of disabled person’s disabilities, even where that involves treating disabled persons more favourably than other persons.

The disability duty is largely informed by the concept of the social model of disability which maintains that disabled people are disadvantaged by attitudinal and environmental barriers rather than their impairment or medical condition alone. The Constabulary maintains that by improving both attitudes and environments it is possible to promote equality for disabled people.

Welsh Language Scheme

The Authority’s Welsh Language Scheme was prepared in accordance with the Welsh Language Act 1993, and was approved by the Welsh Language Board on 31 March 2008. Since then, the Constabulary has been successfully implementing the action plan on behalf of the Authority as agreed with the Welsh Language Board.

The Authority’s Welsh Language Scheme states:

In the conduct of public business in Wales, the Authority will treat the English and Welsh languages on a basis of equality.

The Scheme set out by the Authority incorporates the approach taken by the Constabulary and specifically the OPU at Wylfa.

The Scheme will not be changed without prior consultation with the Welsh Language Board; the Authority may submit Scheme revisions to the Board.

The Constabulary remains committed to providing Welsh language training for its officers, something that helps to positively promote the Constabulary’s role within the local community.

Physical and Data Security

In order to provide assurance to governing agencies and stakeholders on the delivery of the protection of both Government Protectively Marked (GPM) and Sensitive Nuclear Information (SNI), the Constabulary is committed to the continual improvement of its physical and data security performance. This includes the adaptation of systems to reflect the requirements of the mandatory and key requirements stated within the Her Majesty’s Government (HMG) and Office for Nuclear Regulation (ONR), Security Policy Frameworks.

Performance and compliance against HMG and the ONR Security Policy Frameworks is measured through both external and internal inspections; this is bolstered by periodic internal assessment and biennial unit and departmental security inspections carried out by the security department.



Information Assurance

Through the Constabulary’s adoption of the HMG Information Assurance Maturity Model (IAMM) in 2010/11, it aims to ensure that improvements in security performance are measured against a consistent baseline. All information either owned by or entrusted to the Constabulary, whether of a physical, personal, GPM or of a sensitive nuclear nature, is provided with the appropriate security controls required to maintain its confidentiality, integrity and its availability.

Adoption of the IAMM will enable the Constabulary to progress through clearly identifiable milestones towards the achievement of three main information assurance goals:

- Embedding information risk management culture within the organisation;
- Implementing best practice information assurance measures; and
- Effective compliance.

Assisted by the IAMM, achieving maturity towards these goals will enable all

departments to generate greater trust in their information systems and processes, internally and between departments, delivery partners and third party suppliers. The Accounting Officer and the Senior Information Risk Owner (SIRO) report compliance against the IAMM requirements to DECC and NPJA.

During 2011/12 the Constabulary’s level of maturity will be evaluated using the Information Assurance Assessment Framework (IAAF). The IAAF, issued by the Government’s Communications and Electronic Security Group (CESG) is designed to assist an independent review of progress against the IAMM within the Constabulary.

Protecting Information and Assets

All security incidents involving Constabulary assets are recorded and reported through the Information Governance Panel; chaired by the SIRO and documented within the departmental monthly performance returns.

Reporting of Security Breaches & Incidents

During 2011/12 no security breaches involving personal data have been reported to the Information Commissioners Office. All security breaches involving GPM or SNI at ‘Restricted’ and above is reported to the appropriate regulatory body; DECC, ONR, NPJA and CESG.

A summary and breakdown of the 2011/12 security breaches and incidents are within the table opposite;

Summary of GPM/SNI and Personal Data Related Incidents 2011/2012

Nature of incident	Total
Loss of inadequately protected electronic equipment, devices or paper documents from secured Constabulary premises	Nil
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured Constabulary premises <ul style="list-style-type: none"> • Loss of Blackberry mobile phone. Device found and handed into police station by member of public on day of loss. Investigation assessed compromise as negligible. • Loss of Airwave radio: Device found and handed into police station 16 hours after loss. Investigation assessed compromise as negligible. • Loss of Airwave Terminal vehicle set. Not recovered. Investigation concluded that as a result of the Airwave procedural controls that compromise of information is assessed as negligible. • Loss of Airwave radio. Not recovered. Investigation concluded that as a result of the Airwave procedural controls that compromise of information is assessed as negligible. 	4
Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	Nil
Unauthorised disclosure; <ul style="list-style-type: none"> • Compromise of PM documents through insecure transmission of PM Restricted information from Constabulary secure network to non-secure stakeholder (x2) and staff personal email address (x1). 	3
Other breaches/incidents considered as 'Low Level' as per Constabulary procedure; Reporting Breaches of Security & Security Incidents: <ul style="list-style-type: none"> • Breach of Information & IT Security Operating Procedures • Breach of Physical Security Procedures 	13 14

Security breach and near-miss statistical information is continually assessed and reviewed annually so as to enable the security department to effectively target specific areas or repeated security incidents. During 2011/12, assisted by continual security education and rise in organisational awareness, there has been an increase in reporting of security breaches, near-misses and concerns. This is an essential element to improve information security management and further development is planned in 2012/13 with the aim of increases in security near-miss/concern reporting leading to a reduction in future security breaches.



Dog Training

This year the Dog Training Facility carried out 18 General Purpose Police Dog and ten Explosive Search Dog refresher courses. In addition to this, two Initial General Purpose Police Dog courses were conducted. All dog teams were successfully licensed to agreed National standards during this reporting period. The Constabulary has been present at both Regional and National ACPO Police Dog Working groups, and Explosive Search Dog Instructors have carried out umpiring roles at National CTSU exercises, receiving positive feedback.

Dignity at Work

Dignity at work is about working in an environment free from harassment, bullying, victimisation or discrimination, and the Authority believe it is the right of everyone who works for the Constabulary to be treated with dignity and respect.

To make sure that this happens throughout the Constabulary, a Dignity at Work Procedure has been developed.

The Dignity at Work Procedure:

- Defines unacceptable behaviours;
- States that the Constabulary will not tolerate these behaviours in any circumstances; and
- Provides guidance to individual and to managers as to how to challenge unacceptable behaviour.



Firearms Training

During the year, the Firearms Training Unit has provided significant support to the Sellafield uplift whilst ensuring business as usual training was not adversely affected. To enable this to be undertaken, additional resources have been recruited during the past twelve months, including firearms instructors, armorers and additional support staff.

These additional resources have ensured that the required uplift in Authorised Firearms Officers (AFO) numbers could be met through the delivery of 14 back to back Initial Firearms Courses, and that already established officers continued to receive refresher training. Work is ongoing to establish new facility requirements for the future needs of the organisation to ensure all training requirements can be met.

The following are a selection of achievements that have been made by the Firearms Training Unit during 2011/12:

- Warranted Officers from the Firearms Training department based at Sellafield now form part of a 'surge capacity' for the site and can support operations and incidents whilst delivering training on duty;
- Initial Intervention Recovery Team training has been delivered throughout the year resulting in a partial deployment of trained officers on 28th January 2012;
- Additional Tactical Care Officer training has been delivered and was completed in March 2012;
- Interoperability work has been undertaken with Cumbria Constabulary and all their AFOs have undertaken Sellafield site familiarisation training and have been given an insight into

the Constabulary's capability input, including Road Escort and Sellafield CTU response;

- Throughout the year there has been a significant decrease in the number of officers requiring development training; this is testament to both the standard of the training delivery and the subsequent improved skills of firearms officers; and
- In December 2011 the roll out of the Firearms Records Management system was completed and all armouries now issue and return weapons through an electronic system.

The next 12 months will see further changes within the department as all strands of programme New Dawn become business as usual, the introduction of 15 days training per AFO is implemented, and staff numbers are increased.

Escorts

The Marine Escort Group (MEG) is a specialist team that provides on-board armed protection for any Category I or II nuclear cargo during transportation overseas. Protecting nuclear material during marine operations is vital in safeguarding the public and is a key part of the Constabulary's Mission to ensure "the safe and secure movement of nuclear material within the UK and internationally".

MEG officers receive demanding and bespoke training from the Royal Navy and various other agencies which provide specialist training on specific items of equipment which is not normal equipment for police officers to be trained on.

Escort Operations Firearms Trainers have assisted the Constabulary, by ensuring that courses delivered are compliant with both NPIA and Royal Navy standards. During the year there has been a review of training and this has resulted in a significant increase in training demands, ensuring that both Road and Marine Escort Groups are trained and qualified to the highest standards before being deployed in the public arena.

The Royal Navy has incorporated the MEG method of weapons training into their training programme as 'best practice'; highlighting the level of training the Constabulary is currently operating at. In addition to the MEG, the Constabulary has a Road Escorts Group (REG). REG officers receive specialist training to ensure they have the correct skills and competencies to protect nuclear material during road movements and, ultimately, safeguard the public. REG officers are selected and trained to high standards with some requiring additional specialist input depending on the role they carry out within the convoy.

Planning of these operations involves meetings with government representatives from the appropriate countries as well as mutual support and joint working agreements with Home Office counterparts and other agencies. All planning and training is in accordance with the required protective standards, including those from ONR, ACPO & MoD.

During this reporting year, the MEG has successfully undertaken an armed escort of nuclear material to the USA, part of the Global Threat Reduction Programme. An escort of material to Japan was postponed due to the earthquake and tsunami in early 2011.

Exercises

With a robust firearms training and development programme in place, the Exercise Planning team is responsible for organising multi-agency response situations, testing preparedness for a critical incident, and providing assurance of the Constabulary's ability to fulfil its Mission statement.

On Wednesday 23rd November 2011 a combined Level 1 Counter Terrorist (CT) response and nuclear safety exercise was held at Wylfa Power Station. The Office for Nuclear Regulation (ONR) and the site registered no areas for improvement for the Constabulary and were satisfied with the police response, particularly as this was the first combined CT/Safety exercise at Wylfa.

The Constabulary has satisfied the regulatory requirement to support exercises sponsored by Site Licence Companies (SLCs), with initiatives towards incorporating security and safety aspects on the increase. The Exercise Planning team has also instigated exercises examining crime scene management and corporate preparedness in the event of a crisis. Preparations are at an advanced stage to match Constabulary responsibilities, with partners, exercising at national level.

Emphasis will continue to be placed on working closely with colleagues across all emergency service disciplines, where such co-operation affords confidence in mutual competence and capability to deal with a terrorist incident. Aligned with this objective is the requirement to collaborate with the wider emergency response community – applying contingency/emergency planning expertise, through central government organisations.

Occupational Health Service Provision

During the year a Chief Medical Officer (CMO) was appointed to support the Constabulary with a number of key activities, including a further review of the medical specifications against all related legislation and guidance, to ensure best practice in this area. Due to the CMO's wealth of knowledge and experience in Occupational Health, the Constabulary has been able to utilise his expertise to ensure an appropriate level of service provision across the various sites.

In September 2011, due to increased focus in the area of health and wellbeing, the growth of the organisation and the change to the workforce model, an HR Co-ordinator was appointed to ensure that all appropriate medicals are delivered at the appropriate time, to the required standard, and are aligned to fitness tests and PST timelines.

The Constabulary has undertaken an exercise to identify an "Employee Assistance Programme" provider and have recently appointed Workplace Options to undertake the work. Workplace Options also provide this service for a number of Home Office Forces and will commence their work with the Constabulary from 1 April 2012. Support provided will include practical information, resources and counselling to help employees with their work-life balance in areas such as; health and wellbeing, disability and illness, debt, bereavement and loss, stress, life events and family issues.

Occupational Health support has been available on site at Culham since October 2011. The Constabulary has worked closely with the various operators and on-site providers to build relationships and proactively manage and develop the Occupational Health Service provision. This work will continue into the new financial year with a programme of site visits being undertaken. The Constabulary has also been working closely with external Occupational Health providers, including Home Office Occupational Health departments who provide additional support to the units, enabling access to a consistent Occupational Health service at all times.

Professional Standards Department



The Constabulary strives to provide the highest standard of service to the public and its nuclear industry partners. Public confidence depends on staff demonstrating the highest level of personal and professional standards of behaviour, on and off duty. To that end, they should comply with the Standards of Professional Behaviour for police officers. The Professional Standards Department (PSD) is responsible for promoting standards, ensuring all complaints against police and allegations of misconduct against staff are appropriately dealt with and investigating all serious complaints and allegations of gross misconduct against police officers.

All complaints made by members of the public, whether against individual staff members or organisational procedures, are recorded and dealt with according to the provisions of the Police Reform Act 2002, and Statutory Guidance issued by the Independent Police Complaints Commission (IPCC) in England and Wales. Complaints of non criminal conduct against Constabulary staff based in Scotland may be subject to review by the Police Complaints Commissioner for Scotland. Formal agreements are in place between the Authority and both organisations. The Authority has a statutory duty to oversee complaint and conduct matters and there is a member of the authority appointed to conduct regular oversight of PSD.

Complaint numbers remain consistently low, and recording of complaints and local resolution where appropriate are well within IPCC time guidelines. There has

been no formal disciplinary action taken against any staff as a result of a public complaint this year.

The majority of misconduct matters are dealt with at a local level, and during this reporting year, 14 members of staff have been dealt with by a sanction known as management action, for a variety of failures in respect of the standards of professional behaviour, and their details recorded in a corporate database. More serious matters, which potentially amount to criminal behaviour or serious misconduct are recorded and addressed by PSD. Sixteen such matters, five of which have been investigated by local managers, the remainder by PSD, have been recorded this year. The department is the dedicated point of contact for a confidential reporting line which has generated three actions, all of which have been dealt with by the appropriate senior manager.

Recruitment

The Constabulary's continued growth is greatly assisted by the recruitment team, who have had an extremely busy year recruiting 239 individuals, both officers and staff, into the organisation. E-recruitment is now embedded within the recruitment process and this has been essential given the numbers of new recruits. This has also provided a useful tool for communicating not only with candidates but also prospective candidates, and saved considerable costs in advertising.

HR Services have used a variety of media and open days to raise the profile of the organisations brand and now have a considerable number of applicants on the waiting list, in anticipation of further recruitment within the Constabulary.

There is a review of recruitment in progress to ensure the organisation has a process that provides the most suitable candidates in the most cost effective and timely way, without compromising the necessary stringent security and vetting requirements.

During the year HR have initiated a number of meetings with Home Office police forces to forge greater links and share best recruitment practice. There is further work in progress to streamline processes and shape the service to meet future organisational needs.



Procurement

Procurement practice focuses on improving the efficiency of purchasing activity through collaboration across the wider public sector and participation in government sponsored initiatives.

Through compliance with the public sector procurement agency of the Office of Government Commerce, the organisation ensures that contracts comply with best procurement practice and represent value for money; further efficiency gains are achieved by many of the procurement services being electronically based.

Policies and Procedures

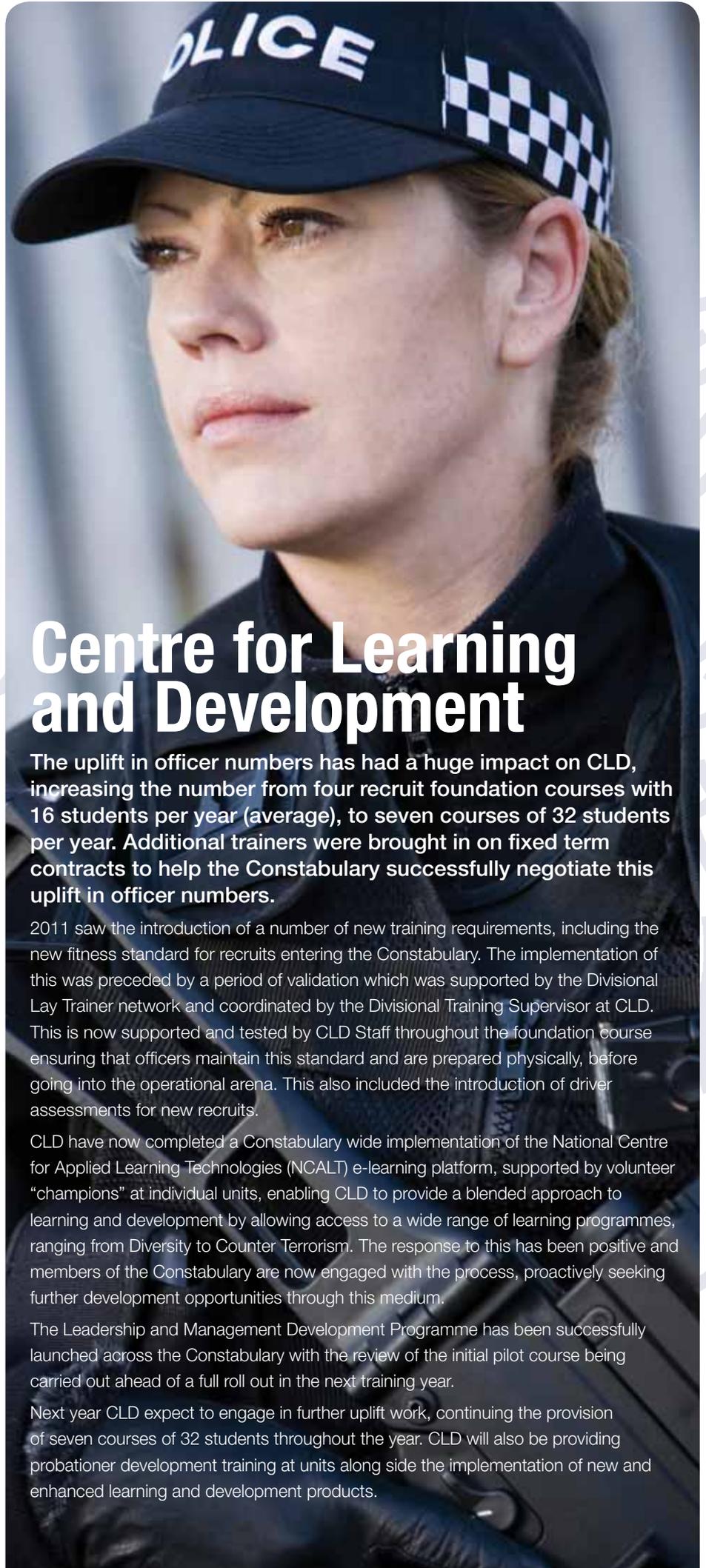
The Constabulary publishes its policies on the internet and a programme of review of these has been maintained with updates to reflect changing circumstances and changes in national policing and government policies and arrangements.

Policies are implemented by standard and local procedures which have also been subject to a programme of review to confirm and maintain their relevance to current activities.

Estates

As an executive non-departmental public body, the Authority is required to have a 'Property Asset Management Plan'. A plan for the management of the total estate covers the organisation until 2012.

The organisation does not own any buildings or accommodation either in part or outright. With unit and headquarter functions located at 16 sites in England, Scotland and Wales, the objective is to ensure a consistent standard of accommodation, which is fit for purpose and meets the requirements for the delivery of the Mission.



Centre for Learning and Development

The uplift in officer numbers has had a huge impact on CLD, increasing the number from four recruit foundation courses with 16 students per year (average), to seven courses of 32 students per year. Additional trainers were brought in on fixed term contracts to help the Constabulary successfully negotiate this uplift in officer numbers.

2011 saw the introduction of a number of new training requirements, including the new fitness standard for recruits entering the Constabulary. The implementation of this was preceded by a period of validation which was supported by the Divisional Lay Trainer network and coordinated by the Divisional Training Supervisor at CLD. This is now supported and tested by CLD Staff throughout the foundation course ensuring that officers maintain this standard and are prepared physically, before going into the operational arena. This also included the introduction of driver assessments for new recruits.

CLD have now completed a Constabulary wide implementation of the National Centre for Applied Learning Technologies (NCALT) e-learning platform, supported by volunteer "champions" at individual units, enabling CLD to provide a blended approach to learning and development by allowing access to a wide range of learning programmes, ranging from Diversity to Counter Terrorism. The response to this has been positive and members of the Constabulary are now engaged with the process, proactively seeking further development opportunities through this medium.

The Leadership and Management Development Programme has been successfully launched across the Constabulary with the review of the initial pilot course being carried out ahead of a full roll out in the next training year.

Next year CLD expect to engage in further uplift work, continuing the provision of seven courses of 32 students throughout the year. CLD will also be providing probationer development training at units along side the implementation of new and enhanced learning and development products.

Freedom of Information Requests

Between 1st April 2011 and 31 March 2012, 75 Freedom of Information Act requests were submitted. This is a significant reduction compared to the 116 that were received during the previous year. Six requests were subsequently withdrawn by the applicant.

Requests were received for the following subject areas; staff structure/details, UFO, aliens and big cat sightings, number of personal data losses, number of transactions using Government Procurement cards, number of empty dwellings owned by the Authority, the number of Union/Federation representatives employed by the Constabulary, Operational information and redundancy figures. The number of questions contained within each request ranged from 1-19. The breakdown of timescales for completion is as follows:

1-10 days	33
11-15 days	17
16-20 days	15
20 + days	4
Withdrawn	6

Extensions to the 20 day deadline were requested on four occasions, as a result of the bulk of information needing to be assessed and/or redacted before release. Of the 75 requests that were dealt with a total of 10 were judged to be fully exempt from disclosure. No requests for internal reviews were received during the reporting year.

IT and Communications

The IT and Communications (IT&C) department provides an important service to both frontline operations and back office functions, ensuring the Constabulary makes the best use of technology, processes and people.

This year, the IT&C department achieved the following:

- Chronicle, a firearms and training operating system, was deployed to enable NPIA Firearms Licensing
- Sellafield and Harwell Control Rooms became operational with new Airwave equipment
- Hinton House in Risley was closed, Special Branch moved their offices to SECTU and the Constabulary's office at Wylfa was relocated. All of these moves required IT&C assistance to help install equipment and securely transfer documents
- Enhancements were made to the network for speed, quality and security

IT Service Management migrated the Authority to the Constabulary's network before the closure of their facilities at Hinton House. The IL4 network (Confidential) went live nationally in July following formal sign-off by ONR. Improvements to the quality of video conference calls meant that the Constabulary can now hold reliable calls over an internal network, allowing communication at a Restricted level.

The risk of data loss was further limited with the introduction of protective markings on emails. Security on computers was enhanced with the latest Microsoft patches which were automatically delivered to each computer. Also Avecto has been introduced to constrain the use of unauthorised software and administration rights and the Constabulary has increased the complexity of passwords to line up with national standards.

In conjunction with CLD, the NCALT service was made available to all to allow access to national training and in due course for Constabulary-specific courses.



Special Branch

Special Branch (SB) performs the intelligence role for the Constabulary, enabling threats to be detected, disrupted or deterred in the planning stages. Gathering intelligence quickly and efficiently is often a crucial part of fighting a potential or emerging threat.

SB gathers, analyses, and disseminates intelligence, ensuring that Constabulary staff and stakeholders are aware of current or potential threats to any site; this significantly reduces the risks to the civil nuclear industry, and helps the Constabulary fulfil its Mission.

This year has seen SB continue to reinforce its relationships with external partners and the industry. Several pieces of work are ongoing aimed at improving the overall intelligence architecture in relation to the nuclear sector.

The relocation of the Headquarters SB function to the South East Counter Terrorist Unit has been completed. In addition, the skills and expertise of SB have evolved to incorporate specialist civilian posts and additional officers have been recruited to improve resilience and capacity.

Health, Safety and Environment

For the reporting year 2011/12 the principal incident reporting matrix used by the Constabulary has moved from the Days Away Case Rate/Total Recordable Injury Rate methodology, commonly used in the nuclear industry. The Constabulary has changed to the reporting matrix used in Home Office Forces, which looks across a range of categories and relates the number of incidents in the category to 100 officers or staff as relevant to the category. This has been done in order to enable benchmarking against Home Office Forces while still enabling information relevant to the status of the Constabulary as an employer within the Nuclear Industry.

There was an 87% reduction in the number of injury incidents recorded during this reporting year despite a significant increase in the overall establishment of the Constabulary.

Establishing a baseline level with the same reporting matrix as Home Office Police Forces will enable effective benchmarking in comparable areas when the Home Office Police Force data is published later this year.

During the reporting year there were 272 near miss reports submitted (a positive Health, Safety and Environment cultural indicator) and other than a small number of estates related issues

– subject to ongoing resolution with individual sites – all of these reports have been closed.

Each Operating Unit was audited by the Health and Safety department during the year with almost all of the operating units achieving a higher grading than previous years. Although location specific areas for improvement were actioned, no significant organisational trends were identified during the audit process.

The Health, Safety and Environment Strategy sets out a number of aims with associated performance measures and were all achieved during the reporting year.



All Constabulary officers and a small number of staff are designated as 'monitored workers'. The following table shows the radiation dose figures for calendar year 2011 (January to December 2011) as radiation dose are reported by calendar rather than financial year.

The average annual exposure was 0.02mSv for 2011 compared with an average of 0.04mSv during 2010 despite the uplift in personnel and with many sites changing working practices whereby increased numbers of personnel undertook duties in radiologically designated areas. Likewise the highest dose of 0.43mSv is lower than the highest dose in the previous reporting year.

During the course of the year, Radiation Awareness and REPPIR training (Radiation Emergency Preparedness and Public Information Regulations 2001) were provided to 217 personnel, and 308 personnel completed the refresher training program.

In accordance with the ALARP (As Low As Reasonably Practicable) principles a review was conducted of the annual dose readings for the last three years. As the highest readings were less than 1mSv the Dose Constraint level for the 2012 dosimetry year has been lowered from 1.5 mSv to 1 mSv.

A small number of unusual readings were investigated during the year but in each case they were not work related exposures to ionising radiation and were not included in the above figures.

There have been no radiological events or incidents affecting Constabulary personnel during the reporting year.

Unit	Average Reading	Highest Reading
Dounreay	0.03	0.31
Chapelcross	0.08	0.34
Torness	0.00	0.05
Hunterston	0.00	0.03
Sellafield	0.02	0.38
Capenhurst	0.13	0.43
Springfields	0.02	0.11
Hartlepool	0.01	0.12
Heysham	0.02	0.08
Wylfa	0.03	0.25
Harwell	0.00	0.00
Sizewell	0.00	0.02
Dungeness	0.00	0.02
Oldbury	0.00	0.00
Hinkley Point	0.00	0.02
CNC	0.02	0.43

All figures are in millisievert (mSv)

Human Resources

The Human Resources (HR) department has throughout the year met the challenge of ensuring that frontline capacity increase is fulfilled.

This has posed a number of corresponding challenges for the development and management of HR processes. The Constabulary has managed in excess of 280 permanent, voluntary and temporary transfer requests and has continued to develop the processes for these transfers within a difficult housing market. Ensuring the current conditions and processes are fit for purpose and support the increased workforce size, has seen all existing HR procedures reviewed and put in place including the new Dignity at Work pamphlet. HR continue to support the engagement of the workforce and have been instrumental in creating dedicated groups to support involvement at all levels of the organisation, running the biennial employee survey and again planning for Investors in People.



Equality, Diversity and Human Rights

The Authority is committed to encouraging and achieving a working environment which is underpinned by fairness to all individuals, where diversity is recognised, encouraged and valued. The Constabulary continues to recognise the need for, and the business benefits arising from, a diverse workforce that reflects the community it serves.

The Equality, Diversity and Human Rights Scheme 2010-13 was designed to meet the expectations of stakeholders and to comply with the requirements of NPIA, the Home Office, ACPO, the Association of Police Authorities, and the Equality Act 2010. The Equality Scheme has three strategic themes:

Strategic theme 1

Improving operational delivery: delivering a service that responds to, engages with and meets the needs of all communities and stakeholder groups.

Strategic theme 2

Valuing people and culture: building a values driven working environment that values and includes everyone, rejects inappropriate and potentially damaging behaviours and encourages all staff to develop and make progress.

Strategic theme 3

Enhancing organisational processes: building equality, diversity and human rights into the Constabulary's processes

The Constabulary has made great strides towards achieving these strategic themes during 2011/12, including the following:

- Diversity training has successfully been delivered to all staff;
- The Constabulary has established partnerships with Home Office/Scottish police forces, energy companies and equality groups in an effort to improve community engagement and to deliver best practice;
- An internal Equality Network has been launched for staff in the North and Scotland Division;
- Equality Impact Assessment has become an integral element of all programmes and projects; and
- Equality, diversity and human rights objectives are a key element of The Authority's Strategic Plan.

Crime

In line with previous trends, crime dealt with by officers at civil nuclear sites remains low in volume. The management and investigation of crime does not form any part of the Constabulary's mission statement.



Inspections and Standards

As reported in the last Annual Report, the Internal Inspection Programme for 2011/12 has been limited in capacity due to a shortage of staff within the department. Nevertheless, performance reviews have taken place at Headquarters, within the Corporate Development department, Centre for Learning and Development as well as at most Units in North, Scotland and South Divisions. The main focus of the inspectorate was operational readiness and management of absence.

In addition the inspectorate completed an assurance programme in relation to operational deployment.

A full time Chief Inspector of Inspection and Standards has now been appointed and

this will provide a greater capacity for the inspection programme in 2012/13.

The Inspection process begins with the programme being approved by the Inspection Review Panel, which is chaired by the Deputy Chief Constable and includes the Assistant Chief Constable as head of operations, and senior representatives from operational and functional areas.

Findings from these inspections are reported to the relevant heads of Department/Unit where they are translated into actions, which are monitored for completion by the inspection team. Once complete, they become part of daily business. The inspection team will ensure that the issue has been resolved by undertaking follow-up inspection activity.

One of the objectives within 2012/13 will be to develop and evaluate a more focussed baseline assessment process for the

Inspection Review Panel to consider using within the 2013/14 year.

The internal auditors, KPMG LLP, have reviewed the following business areas during the year:

- Human Resources
- Risk Management Review
- Internal Inspection Unit Assurance
- Human Resources
- Key Performance Information
- Compliance Government Expenditure Restrictions
- Policy and Procedure
- Strategic Improvement Programme
- Stakeholder Communication
- Absence Management
- Payroll
- Fixed assets and capital
- Stocks and Stores
- General Ledger

Communications

Day-to-day communication with staff mainly takes place via electronic media and regular team briefings. Staff are kept up-to-date with the Constabulary's progress via emailed messages, internal posters, briefings and a series of newsletters including; Uniform X-ray, which covers a wide variety of subjects from progress to good news stories, The SIP newsletter which updates officers and staff on the progress of the Strategic Improvement Programme and Excel Through People, the HR departments internal messaging service.

Formal updates are also issued in the form of Constabulary orders and Operation Support and Security briefings.

Business Resilience

The Constabulary recognises Business Resilience as a key element in maintaining its around the clock operational response.

The term resilience means being flexible and able to bounce back after a disruption. For many 999 responders across the UK there is a statutory requirement to demonstrate 'resilience' and while that legislation does not apply to the Constabulary, the organisation still tries to meet these standards and is inspected and audited as if they did apply. To achieve this objective, the Constabulary maintains links across the UK and at national level with mainstream 999 responders. It has business disruption and recovery plans in place and maintains emergency plans for a range of emergencies. In addition to this kind of preparation there are special plans in place to ensure Units are able to meet their Mission objectives in a consistent way across the UK.

Key Performance Indicators

In order to populate the KPI figures, operational data is sourced directly from the OPU and specialist data (i.e. training records) is obtained from centralised departments such as HR.

Circumstances affecting our staffing resource	2010/11 Target	2010/11 Outturn	2011/12 Target	2011/12 Outturn
Absence management				
Average number of working hours lost per annum due to sickness per police officer	67.5 hours	93.5 hours	84 hours	99 hours
Average number of working hours lost per annum due to sickness per police staff member	58 hours	58.7 hours	55.7 hours	35.9 hours
Recruitment and retention				
% strength against establishment	N/A	101%	N/A	95%
Police officer turnover rate	N/A	2.9%	N/A	5.2%
Police staff turnover rate	N/A	6.5%	N/A	9 %
Protecting nuclear material and facilities				
Operational Compliance				
Deploy armed officers to planned duties*	100%	98.9%	100%	99.1%
Completion of search and alarm activity*	100%	99.4%	100%	100%
Police officers at Operational Policing Units qualified for Personal Safety Programme	95%	78%	95%	96%
Developing & sustaining modern workforce				
Firearms & Project New Dawn training to plan	95%	93%	95%	93%
Response courses – Project New Dawn training to plan	100%	87%	100%	90%
Other training within annual training plan to plan	70%	89%	70%	91%

News in brief...



Charity Events

An officer at Wylfa found he had a talent for long-distance running after taking part in his first ever 10k race. The officer put on his running shoes for the BUPA Great Manchester Run and raised more than £200 for the charity, Leukaemia & Lymphoma Research. He completed the race in an impressive 46 minutes and 44 seconds.

A charity set up by a Constabulary Officer in memory of his son who tragically died in 1999 has raised more than £75,000 over the past decade. In May 2011, the official opening took place of the Carl Sutton Academy. Suttly's Shooting Stars provides sports facilities, equipment and coaching for young people. The charity's aim is 'giving young people a chance to shine'. The academy was launched by Blackburn

Rovers defender Phil Jones before his move to Manchester United.

An officer entered the Chester Marathon last year which took place on Sunday 13th October 2011. The officer completed the marathon in 3hours 12mins 04sec raising a total of £2,202 for Help the Heroes.

Torness Officers move into their new building

Cardboard boxes have been packed and unpacked by staff at Torness following the move to a new home.

Staff have relocated to a new building on the site. They moved to the new base in October after spending five years in four separate portacabin-style units. The new building has been provided by the site's operator, EDF Energy, and includes office space, equipment storage, a rest area and a kitchen.

Drama Students in "mock" protest

In December, the Constabulary undertook an exercise at Harwell, which involved both the host force Thames Valley Police and the South Central Ambulance service.

Local students from Abingdon and Whitney College staged a "mock" protest outside the gates as part of the exercise, which involved a fictitious scenario approved by ONR to test operational, tactical and strategic outcomes at the site. The students created banners, chants and a drum circle, as part of their mock protest, under the direction of umpires at all times.

From Russia with Love

A group of children from Russia were treated to a demonstration by one of the Constabulary's explosive search dogs during a visit to Springfields.

The children were flown over to the UK for a holiday by the Medicine and Chernobyl charity, which helps people in Belarus affected by the Chernobyl nuclear disaster. They spent most of their day trip to Springfields exploring the nature reserve and historic woodland at the site, but also got the chance to meet Jake – an explosives search dog.

Hinkley Point, at the heart of the community

Hinkley Point has been at the forefront of building Community and Stakeholder relationships during the reporting year.

The Operational Unit Commander (OUC) represented the Constabulary at Site Stakeholder meetings, EDF New Build Community Forum meetings, Local Resilience Forums and Avon and Somerset Constabulary Local Sector Priority Meetings. The OUC was one of the originators of the Hinkley Point Liaison Group comprising members from Avon and Somerset Constabulary (uniform and SB), EDF, Magnox, G4S, EDF New Build Team and ONR which has resulted in a successful working partnership both in the sharing of information and planning for protester action. As well as giving presentations to local Parish councils and new starters in the Hinkley Point Security department on the role of the Constabulary, the OUC hosted a visit to Hinkley Point for students studying for the BTEC in Public Services (Uniform) from Minehead Community College which comprised of a tour of the reactor building and a talk on the Constabulary. The OUC has now transferred to HQ to take on the role of Stakeholder Liaison Officer.



Strategic Plan:

What does the future hold?

The Authority published its Strategic Plan 2012-15 on 31 March 2012, setting eight strategic objectives that have been substantially reworked and refreshed, increasing from six over the previous year and setting out goals which extend beyond the three year lifetime of the strategy.

The Strategic Objectives for 2012-15 are as follows:

S01

To work with site operators to deliver our Mission, continually improving our capability to deliver appropriate levels of security at nuclear sites as a contribution to the overall security of the UK.

S02

To strengthen our capability to work interoperably with other agencies to deliver the security of nuclear material under UK civil control, including support to the resolution of a safety incident.

S03

To deepen the integration of our training, exercising and career development programmes and embed them fully in our day-to-day operations so as to produce a highly skilled, well led, motivated, adaptable and effective workforce.

S04

To develop our leadership, command, organisational and communication capabilities in such a way as to strengthen the engagement of all staff in the achievement of our Mission and to empower decision making in all circumstances at the most appropriate level.

S05

To strengthen our strategic capability so as to ensure we have an organisation which adapts rapidly to changes in the level and nature of the security threat, which can exploit new and emerging developments in technology, and which is ready to adapt to expected changes in the UK nuclear industry.

S06

To work with site operators to integrate the delivery of safety and security practices into jointly reviewed, exercised and continuously improved arrangements.

S07

To maximise the effectiveness and efficiency with which we use all the resources at our disposal, delivering value for money and high quality services to our stakeholders.

S08

Through effective and timely engagement with all our stakeholders, to enhance the reputation of the Constabulary and strengthen confidence in our ability to deliver our Mission.

The Authority has agreed these objectives, considering them to be a vital component in ensuring that it meets the Minister's stated goals, as well as upholding the organisations Mission and Core Values.

The Constabulary will be looking to achieve the following over the next three years:

- Strengthening and improving multi-agency response and communication mechanisms at both local and national levels;
- The re-alignment of training, exercise and talent management strategies, moving towards a more integrated approach;
- Key performance measurements will focus on training delivery, quality, capacity and utilisation of resources, as well as measurements related to the implementation of the fitness standard; and
- New build and decommissioning preparatory work along with improvements to the risk management, intelligence and threat assessment processes.

Sustainability Report

In July 2011, HM Treasury published new rules requiring public bodies to report on sustainability within their Annual Reports.

The following information covers the Constabulary's performance on sustainability during the reporting year. This includes information on energy use and business travel along with associated carbon emissions and related financial expenditure.

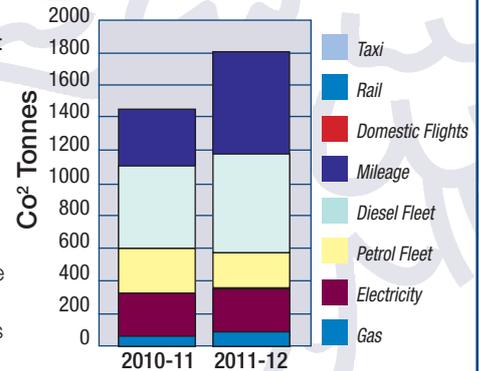
Green House Gas



GREEN HOUSE GAS EMISSIONS		2010-11	2011-12
Non-Financial Indicators (tCo2e)	Direct GHG emissions (known as Scope 1)	443.29	605.5
	Energy indirect emissions (known as Scope 2)	320.06	329.72
	Emissions attributable to Scope 3 official business travel	706.03	851.74
Financial Indicators (£k)	CRC Gross Expenditure (2010 Onwards)	-	-
	Expenditure on accredited offsets (e.g. GCOF)	-	-
	Expenditure on official business travel	1,649	2,191

The Constabulary has applied for exemptions from the Greening Government Commitment targeted reductions as the organisation has been required to grow in the interests of National Security.

As predicted, Co2 emissions have increased in some key areas; specifically mileage, fleet and car hires when compared to the previous financial year. These increases are entirely due to organisational growth necessary to enhance the Constabulary's contribution to national security. Options to minimise the impact of this growth are currently being researched.



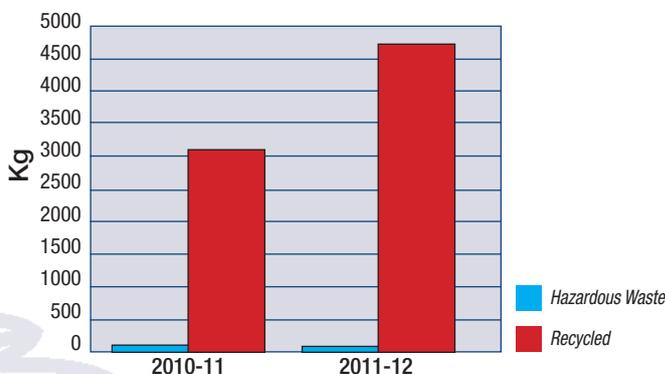
1. The CNPA has no control over premises occupied on civil nuclear licensed sites. Information relating to Greenhouse Gas Emissions on these sites is therefore excluded from this report. The CNPA is reporting only against the occupation of its headquarters and training school at Culham.
2. The majority of electricity and gas charges for CNPA headquarters and the training school are apportioned by floor area and the cost spread across multiple tenants. As it stands, the CNPA cannot assess the effectiveness of activities to reduce the usage of electricity and gas as it cannot influence the behaviour of other significant tenants who are not subject to the same requirements. During the course of 2012 - 2013, the CNPA will investigate the cost and practicality of installing individual meters to these premises. If the CNPA can establish an accurate basis for consumption in 2012 - 2013, then it can set a target for reduction.
3. The CNPA is reporting against all staff for all official business travel, including mileage and fleet. Such travel will link closely to operational effectiveness of the organisation and therefore to limit that aspect may have an undesired consequence. The CNPA will alter its travel processes so that it can identify where business has no operational impact and will aim for a 25% reduction in the volume of travel by 2015 for those aspects of travel that will not impact on operational deployment.
4. The CNPA's diesel and petrol fleet is operational and therefore the mileage that it accumulates is unavoidable due to the fact that its activities are defined. The CNPA is committed to the procurement of evermore efficient vehicles to ensure that the environmental impact is minimised and will continue to pursue this objective. The CNPA aims to deploy 100% of the most efficient fit-for-purpose operational vehicles over the course of the next three years.
5. The CNPA does not currently assess the emissions from its firearms training activities. Any attempt to reduce the volume of rounds discharged will likely have an undesired consequence.

Waste



WASTE		2010-11	2011-12
Non financial Indicators (kg)	Total waste (Minimum requirement)	3,178.5kg+	4,863kg
	Hazardous waste*	Total	71kg+ 69kg+
	Non Hazardous waste*	Landfill	N/A N/A
	*Report if possible	Reused/recycled	3,107.5kg+ 4,794.5kg+
		Incinerated/energy from waste	N/A N/A
Financial Indicators (£k)	Total disposal cost (minimum requirement)	2.7+	3.1+
	Hazardous waste - Total disposal cost*	N/A	N/A
	Non Hazardous waste* - Total disposal cost*		
*Report if possible	Landfill	N/A	N/A
	Reused / recycled	N/A	N/A
	Incinerated/energy from waste	N/A	N/A

Hazardous Waste and Recycled Waste



1. The CNPA has no control over premises occupied on civil nuclear licensed sites. Information relating to Greenhouse Gas Emissions on these sites is therefore excluded from this report. The CNPA is reporting only against the occupation of its headquarters and training school at Culham.
2. The CNPA's landlord at Culham processes the majority of office waste on behalf of all tenants. The Landlord does not have the means to attribute waste to individual tenants. The Landlord is an NDPB, the United Kingdom Atomic Energy Authority, so they should be reporting all of their waste management processes as part of this same regime. The UKAEA cannot provide a breakdown of the disposal costs to the CNPA as this is incorporated into overall charges for occupation. The CNPA will investigate during 2012 - 2013, whether it is practical and economic for the UKAEA to account for CNPA's waste as a proportion of total site waste.
3. The CNPA currently recycle waste using the UKAEA recycling scheme. This site scheme covers office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottles, plastic cups, domestic glass bottles / jars and take-away coffee cups. This forms part of the site's overall waste disposal and at this time cannot be apportioned to individual tenants.
4. The CNPA uses a company to recycle computer equipment, furniture, office equipment, electrical items and print cartridges. All items are recycled in compliance with EU waste and environmental directives and nothing is sent to landfill. The Constabulary will continue to process 100% of such items through an appropriate disposal route.
5. Clothing and Equipment. The CNPA has negotiated a contract with the MoD to remove a stockpile of old clothing and equipment. The MoD will recycle wherever possible. The aim is that 100% of old clothing and equipment will be processed by the MoD.
6. The CNPA also has two recycling buckets for batteries not covered in point 4 above, but consumption is minimal.
7. The CNPA recycles 100% waste ammunition cartridges, but does not currently record any quantifiable data*. This waste cannot be limited without an undesirable outcome. An exemption will be applied for in respect of this waste. The CNPA will assess the environmental impact of its ammunition 2012 - 2013 and identify actions that may minimise this impact.

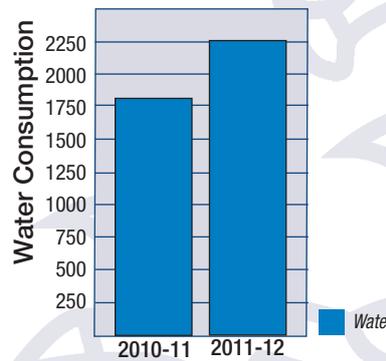
*(currently managed by Site Licensed Company)
 +(applies only to waste disposed as per number 4. above)

Finite Energy/Water

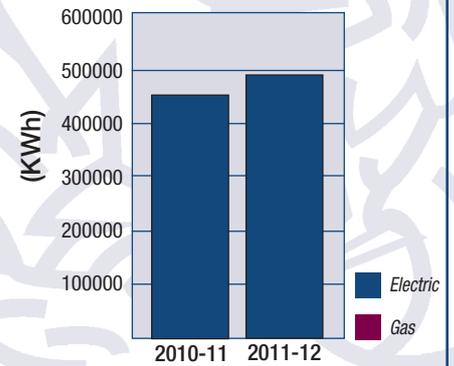


FINITE RESOURCE CONSUMPTION - Water			2010-11	2011-12
Non Financial Indicators	Water consumption (M3)	Supplied	1,948	2,023
		Abstracted	N/A	N/A
Financial Indicator (£k)	Water Supply Costs		2	2
FINITE RESOURCE CONSUMPTION - Energy			2010-11	2011-12
Non Financial Indicators	Energy Consumption (KWh)	Electricity - Non Renewable	441,926	484,140
		Electricity - Renewable	N/A	N/A
		Gas	471,112	412,493
		LPG	N/A	N/A
		Other	N/A	N/A
Financial Indicator (£k)	Total Energy Expenditure		54	68.5

Total Water Usage



Total Energy Usage



1. The CNPA has no control over premises occupied on civil nuclear licensed sites. Information relating to Greenhouse Gas Emissions on these sites is therefore excluded from this report. The CNPA is reporting only against the occupation of its headquarters and training school at Culham.
2. The majority of energy/water charges for CNPA headquarters and the training school are apportioned by floor area and the cost spread across multiple tenants. As it stands, the CNPA cannot assess the effectiveness of activities to reduce the usage of energy/water as it cannot influence the behaviour of other significant tenants who are not subject to the same requirements. During the course of 2012 - 2013, the CNPA will investigate the cost and practicality of installing individual meters to these premises. If the CNPA can establish an accurate basis for consumption in 2012 - 2013, then it may be able to establish a strategy to minimise consumption.

OVERVIEW OF INDIRECT IMPACTS

1. The CNPA has extremely limited resources with which to manage indirect impacts.
2. The CNPA will continue to engage with its Landlord to ensure that the Landlord is taking all practicable measure to reduce water consumption within the management of the estate.
3. For key procurement activities, the CNPA will ensure that its supply chain delivers goods and services with the least environmental impact that is practicable. Energy management will be incorporated into the assessment process for future tenders, taking appropriate steps to ensure that the process continues to be transparent, objective, non-discriminatory and reflects Value-for-Money.

Management Commentary

Principal Activities

The CNPA is a body corporate, established by the Energy Act 2004 and classified as an executive non-departmental public body, which operates under the aegis of the Department of Energy and Climate Change. The CNPA is charged, pursuant to the Act, with securing the maintenance of an efficient and effective Civil Nuclear Constabulary whose primary function is the protection of licensed nuclear sites not used wholly or mainly for defence purposes and the safeguarding of nuclear material in the UK and elsewhere. The Authority thus has oversight of, and employs the Civil Nuclear Constabulary. In turn, the Constabulary provides a dedicated on site armed response and policing capability for the nuclear industry, with operational and support units based at licensed nuclear sites. Together with site operators and carriers, the Constabulary shares responsibility for the protection of nuclear materials and facilities, and for the safe and secure movement of nuclear material within the UK and internationally.

Operating Environment

CNPA is part of the counter measures to terrorist threats and is tied in to national arrangements through the nuclear security regulator and through the Association of Chief Police Officers Committee on Terrorism and Allied Matters. CNPA protects the energy sector of the critical national infrastructure by providing policing at nuclear power stations.

CNPA works in partnership with the appropriate Home Office and Scottish Executive police force at each site. Policing services required at each individual site are agreed with nuclear operators in accordance with the Nuclear Industries Security Regulations 2003 and ratified by the UK regulator, the Office for Nuclear Regulation.

Objectives and Strategies

CNPA's activities in 2011/12 were attributed to the following six strategic objectives (SOs):

- SO1** – To provide a world class armed response and policing capability for both licensed nuclear sites and nuclear material in transit;
- SO2** – To upgrade operational capability to deliver on the Mission going forward;
- SO3** – To implement a programme of workforce modernisation to provide a more flexible and responsive service delivery framework;
- SO4** – To prepare for changes in our operating geography given current and future decommissioning and new build proposals;
- SO5** – To maximise the effectiveness of our allocated budget, achieve efficiency savings and secure value for money; and
- SO6** – To collaborate with stakeholders to improve service delivery and confidence in our business.

Each strategic objective had specific activities and measures against which performance was monitored.

Review of Activities

A review of the development of the CNPA during the year, of events since the year end, and of future plans is given in the Chairman and Chief Constable's Statement on page 7 and in the Summary of Performance on pages 10 to 23.

Financial Performance

CNPA is expected to recover its full operating costs each year. Income of £73,548,000 for the year ended 31 March 2012 (2010/11: £61,360,000) represents a re-charge of running costs to Site Licence Companies of £73,398,000 (2010/11: £61,217,000) and miscellaneous income of £150,000 (2010/11: £143,000). Miscellaneous income was generated by recharging secondment costs, providing policing services to non-SLCs, communications support for the unescorted transport of nuclear materials throughout the UK and charging for training provided to Russian nuclear power station security staff.

Expenditure for the year ended 31 March 2012 was £73,547,000 (2010/11: £61,348,000). The increase in expenditure was due largely to increased staff costs of £8,202,000 to £56,988,000 (2010/11: £48,786,000). The increase was due to recruitment of increased numbers of officers deployed to civil nuclear sites and staff employed at corporate departments. Other expenditure increased by £3,997,000 to £16,559,000 (2010/11: £12,562,000).

Interest receivable of £10,000 (2010/11: £7,000) was earned on cash balances held by CNPA. This was matched by interest payable of the same amount, as CNPA is not permitted to retain any interest earned but required either to remit it back to DECC to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from DECC.

Financial Position

The carrying value of property, plant and equipment at 31 March 2012 was £6,456,000 (2010/11: £5,726,000). Asset additions in 2011/12 amounted to £1,996,000 (2010/11: £2,398,000) and depreciation of £1,008,000 was charged to the Statement of Comprehensive Income (2010/11: £640,000). Asset additions comprised £901,000 for 36 replacement vehicles, which included £151,000 for

an armoured vehicle for the road escort fleet, £863,000 on plant and machinery, operational and firearms training equipment and £153,000 of IT equipment including video conferencing facilities. Payments on account and assets under construction of £52,000 and furniture and fittings of £27,000 made up the balance of asset purchases. Assets which cost £2,037,000 have been completed in 2011/12 and transferred from assets under construction: this comprised £1,364,000 on a new IT network, £247,000 on a firearms records management system and £169,000 for firearms training equipment. The balance of £257,000 was transferred to intangible assets.

The carrying value of intangible assets increased by £412,000 to £691,000 at 31 March 2012 (2010/11: £279,000). Intangible asset additions of £277,000 comprised the purchase of software licences for a number of IT applications used by the Constabulary. Intangible assets were also increased by £257,000 for software for the firearms records management system which was transferred from assets under construction. Amortisation of £122,000 was charged to the Statement of Comprehensive Income (2010/11: £78,000).

Trade and other receivables due after one year amounted to £189,000 (2010/11: £180,000). These balances represent amounts owed by CNPA's pension scheme for staff who retired early and housing loans to staff. CNPA pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to CNPA by the pension scheme when the staff member reaches normal retiring age.

Inventories at 31 March 2012 amounted to £1,134,000 (2010/11: £1,177,000). The decrease in inventory was due to a reduction in clothing and ammunition held at the end of the reporting period.

Provisions for liabilities and charges decreased by 22% to £384,000 (2010/11: £490,000). This decrease was the net effect of amounts provided for during the year of £59,000, payments made against existing provisions of £108,000 and a release to the statement of comprehensive income of £57,000 for unused provisions.

Taxpayers' equity increased by 15% at 31 March 2012 to £14,867,000 (2010/11: £12,937,000). This comprised a net increase in financing of £1,930,000.

Cash Flows

Cash generated from operations in 2011/12 was an inflow of £2,222,000 (2010/11: inflow of £551,000). Interest received on CNPA's cash balances amounted to £10,000 (2010/11: £7,000). Payments of £3,583,000 (2010/11: £1,003,000) were made to purchase property, plant and equipment and £276,000 (2010/11: £59,000) were made to acquire intangible assets. The net cash inflow from financing was £3,215,000 (2010/11: inflow of £1,994,000), which comprised capital grant receipts of £1,295,000 (2010/11: £440,000), grants from CNPA's parent department, DECC, of £1,764,000 (2010/11: £1,413,000) and other financing contributions of £156,000 (2010/11: £141,000). This resulted in an overall increase in cash held in 2010/11 of £1,588,000 (2010/11: increase of £1,577,000).

CNPA maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. CNPA banks with the Royal Bank of Scotland Plc. It had an overdraft facility of £1million during the year to mitigate the risk that, due to the timing of receipts and payments, it was unable to meet its liabilities as and when they fell due. The overdraft facility was not used during the reporting period. Surplus funds are transferred daily to an interest earning account. This interest is paid quarterly to CNPA and is treated as a receipt from an Exchequer source and is credited to Financing on CNPA's Statement of Financial Position. CNPA's Financial Memorandum allows it either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in grant-in-aid, or surrender it to the Consolidated Fund via DECC.

CNPA recovers the full cost from SLCs. SLCs pay two months in arrears and the Authority pays its creditors up to one month in arrears. There is a funding gap between payments to creditors and receipts from SLCs. The former Department of Trade and Industry provided working capital of £6 million on start up, which was commuted to grant-in-aid. This is used to fund timing differences between receipts from SLCs and payments to creditors.

Resource Availability

The CNPA Board has approved a revenue expenditure budget of £88.3 million for 2011/12. This represents an increase of 12% on the approved budget of £78.5 million for 2010/11. £62.6 million of the 2011/12 revenue expenditure budget is to fund CNPA's 'business as usual' activities with the balance of £25.7 million to fund the organisation's uplift in operational capacity. A capital expenditure budget has been set for 2011/12 at £8.8 million (2010/11: £3.9 million). This is split £0.9 million for the Constabulary's 'business as usual' asset replacement programme, which consists of replacement vehicles, risk management software and weaponry. The balance of £7.9m is to fund the uplift in operational capacity.

The Constabulary's capital funding is treated as a capital grant. Further information on the accounting policy is provided in note 1.10 to the financial statements. The Constabulary's financial resources are reviewed at least each quarter by the CNPA Board. The quarterly reviews provide an opportunity for the Board to revise the budget to ensure that the financial resources available to the Constabulary are consistent with the achievement of its strategic objectives.



Significant Accounting Policies and Projects

Alignment (Clear Line of Sight) Project

In the July 2007 Green Paper *The Governance of Britain*, the Government announced that it would simplify its financial reporting to Parliament by ensuring that it reports in a more consistent fashion, in line with the fiscal rules, at three stages in the process – on plans, Estimates and expenditure outturns. The Alignment (Clear Line of Sight) Project has been set up to meet this objective. The aims of the project are to:

- Align budgets, Estimates and accounts in a way that allows Treasury to control what is needed to deliver the fiscal rules, incentivises value for money and reduces burdens on government departments; and
- Combine and/or align the timing of publication of government financial reporting documents in order to avoid duplication and make them more coherent.

As part of the project, NDPBs are consolidated in to department's Estimates and resource accounts. In addition, departments are expected to publish their consolidated financial statements by the middle of June following the end of the financial year.

DECC is required to prepare consolidated financial statements that include its NDPBs. To support the achievement of DECC's consolidation timetable, CNPA has prepared its financial statements to a tighter timescale this year.

Government Spending Controls and Transparency Agenda

Following election of the Coalition Government, there were a number of directives issued by government

departments that impacted on CNPA in 2010/11. Spending controls were introduced to support a reduction in expenditure across the public sector together with greater accountability through greater transparency. One directive was for CNPA, like all NDPBs, to publish expenditure on goods and services in excess of £25,000 online. CNPA has responded to this by publishing online all its expenditure on goods and services for 2011/12 regardless of value. It will continue to publish this information on a monthly basis for future reporting periods.

Key Stakeholders

The key stakeholders for the organisation include (in alphabetical order):

- Airwave Solutions Limited;
- Association of Chief Police Officers;
- Association of Police Authorities;
- Chiltern Transport Consortium;
- Department of Energy and Climate Change;
- Employee and employer organisations;
- Her Majesty's Inspectorate of Constabulary;
- Local communities with civil nuclear sites at which CNC officers are deployed;
- Logica Plc;
- Nuclear Decommissioning Authority;
- Office for Nuclear Regulation;
- Office for Security and Counter Terrorism; and
- Site Licence Companies.

The future of the organisation is closely related to the future of its key stakeholders. Any changes to the Energy Act 2004 may directly affect the organisation. As the nuclear decommissioning process continues to proceed, the organisation may still face a reduction in the number of sites to be

policed in the short to medium term; however, publication of the government's new build programme for nuclear power stations expands the remit of the organisation in the longer term.

Policies

CNPA's policies on community engagement and environmental matters and the extent to which they have been successfully implemented are included in the Summary of Performance on pages 10 to 23.

Employees

The average number of employees and details of employment costs are set out in note 4 to the financial statements. CNPA's policies on employees and the extent to which policies have been successfully implemented are included in the Summary of Performance on pages 10 to 23. Sickness absence data and actions to develop the provision of information to, and consultations with, employees are provided in the Summary of Performance on pages 10 to 23.

Key Performance Indicators

Performance against the CNPA's 2011/12 key performance indicators is included in the Summary of Performance on pages 10 to 23.

Sustainability Report

CNPA produces a sustainability report that reports performance for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. This is included in the Summary of Performance on pages 10 to 23.

Personal Data Related Incidents

There were no personal data related incidents formally reported to the Information Commissioner's Office during 2011/12. Further information is provided in the Summary of Performance on pages 10 to 23.

Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

Financial Risk Management

Information on CNPA's financial risk management objectives and policies and its exposure to credit risk, liquidity risk and market risk is disclosed in note 10 to the financial statements.

Events After the Reporting Period

Events after the reporting period are disclosed in note 23 to the financial statements.

Payment of Suppliers

CNPA complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. CNPA's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice.

In 2011/12, CNPA paid 97% of its invoices on time (2010/11: 96%). CNPA, in line with other public sector organisations, has sought to comply with central government's commitment to speed up the payment

process and pay suppliers within 10 working days from receipt of a valid invoice. For the year to 31 March 2012, CNPA paid 90% of its invoices within 10 working days (2010/11: 87%).

Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.8 and 5 to the financial statements.

Auditors

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £42,000 (2010/11: £42,000). The external auditors received no remuneration during the year for the provision of non-audit services.

Disclosure of Information to Auditors

In accordance with s234ZA of the Companies Act 1985:

- As Interim Accounting Officer, and after discussions with the outgoing Accounting Officer, so far as I am aware, there is no relevant audit information of which CNPA's auditors are unaware; and
- I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the CNPA's auditors are aware of that information.

John Sampson

Acting Chief Constable and Interim Accounting Officer

15 June 2012

Remuneration Report

The CNPA Board operates within the principles set out in the Civil Nuclear Police Authority Management Statement and Financial Memorandum with regard to Industry Representative Board Members, Independent Board Members, the Command Team and the Executive Director's remuneration policies and practice as approved by the Secretary of State. The principal implementation arrangements are set out below.

Procedures for Setting Remuneration

Remuneration for the CNPA Chairman and Independent Board Members' is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004. The remuneration of the Command Team and Executive Director is set by the CNPA Board (within the terms of the Management Statement and Financial Memorandum) through its Senior Appointments, Leadership and Development Committee as detailed below. Industry Representative Board Members do not receive any remuneration.

Membership of the Senior Appointments, Leadership and Development Committee:

Sir Chris Fox –
Chair (to 23 May 2011)

Sir Philip Trousdell –
Chair (from 23 May 2011)

Dame Elizabeth Neville

Mr George Beveridge

Statement of Remuneration Policy

The individual components of and arrangements for the remuneration packages are:

Fees

Independent Board Members are entitled to fees that are determined by DECC and are reimbursed for reasonable expenses in line with CNPA policy.

Salaries and Allowances

The Command Team and the Executive Director receive a basic salary which is reviewed annually. A performance-related bonus based on objectives achieved throughout the reporting period is payable to the Command Team and the Executive Director. This is a percentage-based bonus related to basic salary of up to 15%, based on the performance against set objectives of the individuals concerned. Other allowances are included to the extent that they are subject to UK taxation.

Benefits in Kind

The Command Team and the Executive Director are entitled to benefits in kind that comprise a fully maintained lease car and private healthcare for themselves and their spouses or partners and dependent children. A cash allowance may be taken in lieu of these benefits.

Pensions

The Command Team and the Executive Director are eligible to become members of the Combined Pension Scheme (CPS) of the United Kingdom Atomic Energy Authority that pays an annual pension based on pensionable final earnings together with a lump sum of three times the pension at normal retirement age. Benefits are also payable in the event of death or ill health retirement. Independent Board Members are not members of the CPS or any other CNPA-related scheme while Industry Representative Board Members make their own pension arrangements through their employers.

Terms of Appointment and Service Contracts

The following is a summary of the terms of appointment/ service contracts for the CNPA Board.

Name	Date of continuous service	Unexpired term at 31 March 2012	Notice period
Stephen Barrett Independent Member	1 April 2010	1 year	3 months
George Beveridge Industry Representative Member (Sellafield Ltd)	3 August 2009	3 years	Not stated
Peter Bradley Industry Representative Member (URENCO UK Ltd)	1 April 2008	-	Contract expired 25 July 2011
Alan Cooper Assistant Chief Constable	7 January 2008	9 months	6 months
Sir Chris Fox¹ Chairman and Independent Member	1 April 2009	-	Contract expired 23 May 2011
Simon Middlemas² Industry Representative Member (Dounreay Site Restoration Ltd)	25 July 2011	-	Not stated
Dame Elizabeth Neville Independent and Policing Advisor Member	23 March 2005	9 months	3 months
Alan Rae Industry Representative Member (Nuclear Decommissioning Authority)	10 January 2011	2 years	Not stated
Justin Rees Director of Corporate Services	17 August 2009	2 years, 5 months	6 months
Tony Regan³ Executive Director	8 September 2008	-	Contract expired 6 May 2011
John Sampson Acting Chief Constable	1 December 2008	1 year, 11 months	6 months
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	1 April 2007	3 years	Not stated
Richard Thompson⁴ Chief Constable	11 June 2007	2 months	6 months
Sir Philip Trousdell Chairman and Independent Member	23 May 2011	1 year, 6 months	3 months
Robert Wright Independent Member	4 January 2010	9 months	3 months

¹ Sir Chris Fox stepped down as Chairman with effect from 23 May 2011 and was succeeded by Sir Philip Trousdell.

² Simon Middlemas's service contract expired on 2 April 2012. Mr Middlemas remains an ex officio Industry Representative Member of the CNPA Board.

³ Tony Regan was on secondment from the Home Office. Mr Regan's secondment ended on 6 May 2011.

⁴ Richard Thompson's service contract expired on 10 June 2012. John Sampson, as Deputy Chief Constable, has been appointed Acting Chief Constable and Interim Accounting Officer during the interregnum between Mr Thompson's departure and the commencement of a new Chief Executive Officer.

The provision for compensation for early termination and CNPA's liability in the event of early termination are not stated in the terms of appointment/ service contracts.

The Secretary of State has responsibility for the appointment and removal of the Chairman and both Industry Representative and Independent Board Members and approving their terms and conditions of appointment in line with provisions of the Energy Act 2004, Schedule 10.



The following information is subject to audit.

Remuneration

Remuneration payable to CNPA Board members in 2011/12 was as follows:

Name	2011/12 Salary and allowances £000	Bonus £000	Benefits in kind (to nearest £100) ¹	2010/11 Salary and allowances £000	Bonus £000	Benefits in kind (to nearest £100) ¹
Stephen Barrett Independent Member	15-20	-	-	15-20	-	-
George Beveridge Industry Representative Member (Sellafield Ltd)	-	-	-	-	-	-
Peter Bradley Industry Representative Member (URENCO UK Ltd)	-	-	-	-	-	-
Alan Cooper Assistant Chief Constable	90-95	10-15	8,900	90-95	5-10	8,800
Sir Chris Fox (to 23 May 2011) ² Chairman and Independent Member	5-10 (25-30 full year equivalent)	-	-	25-30	-	-
Simon Middlemas (from 25 July 2011) Industry Representative Member (Dounreay Site Restoration Ltd)	-	-	-	-	-	-
Dame Elizabeth Neville Independent and Policing Advisor Member	15-20	-	-	15-20	-	-
Alan Rae Industry Representative Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Justin Rees Director of Corporate Services	95-100	10-15	2,500	95-100	5-10	2,500
Tony Regan (to 6 May 2011) ³ Executive Director	10-15 (140-145 full-year equivalent)	-	-	145-150	-	-
John Sampson Acting Chief Constable	105-110	10-15	6,000	105-110	5-10	6,600
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Richard Thompson (to 10 June 2012) Chief Constable	125-130	15-20	8,900	125-130	5-10	9,600
Sir Philip Trousdell (from 23 May 2011) Chairman and Independent Member	60-65 (65-70 full year equivalent)	-	-	-	-	-
Robert Wright Independent Member	15-20	-	-	15-20	-	-

1 Benefits in kind for Richard Thompson and Alan Cooper comprised a fully maintained lease car and private healthcare insurance. John Sampson received a fully maintained lease car. A cash allowance was paid to Justin Rees in lieu of a lease car. Mr Rees received private healthcare insurance.

2 Sir Chris Fox stepped down as Chairman on 23 May 2011 and received 3 months salary in lieu of notice.

3 Tony Regan was on secondment from the Home Office. No salary, allowance or bonus was paid directly to him. Salary and allowances represent the amount payable to the Home Office for his services and represent a recharge of his salary, bonus (2010/11 only), employers national insurance contributions, employers pension contributions and allowances in lieu of a lease car and private health care insurance. Mr Regan remained with his Home Office pension scheme.

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2012 and include the value of added years paid for by members of the CPS. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2012 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2012 £000	Cash equivalent transfer value at 31 March 2011 £000	Real increase in cash equivalent transfer value £000
COMMAND TEAM					
Richard Thompson	35-40 plus 105-110 lump sum	0-2.5 plus 5-7.5 lump sum	681	642	39
John Sampson	0-5 plus 10-15 lump sum	0-2.5 plus 2.5-5 lump sum	89	60	29
Alan Cooper	0-5 plus 10-15 lump sum	0-2.5 plus 2.5-5 lump sum	93	70	23
Justin Rees	20-25 plus 65-70 lump sum	0-2.5 plus 0-5 lump sum	403	379	24

1 CETVs have been restated as at 31 March 2011 due to changes in actuarial assumptions used to calculate them.

Cash Equivalent Transfer Value

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. It 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 pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total actuarial service as a civil servant, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme and for which the CS Vote has received a transfer commensurate to the additional pension liabilities being assumed. They also include additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Hutton Review of Fair Pay

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

The banded remuneration of the highest-paid director in CNPA in the financial year 2011/12 was £150,000-£155,000 (2010/11: £140,000-£145,000). This was 3.8 times the median remuneration of CNPA's employees (2010/11: 3.6 times), which was £39,762 (2010/11: £39,488). Median remuneration increased by approximately 1% between 2010/11 and 2011/12. The average salary cost per employee fell in 2011/12 due to the increase in new officer recruits employed at the lower end of the Police Constable salary scale. This was offset by higher overtime costs incurred in providing additional capacity at operational sites.

In 2011/12, nil employees received remuneration in excess of the highest paid director (2010/11: nil). Remuneration, excluding that of the highest-paid director, ranged from £16,058 to £128,106 (2010/11: £18,220 to £122,012).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Real Increase in CETV

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of 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.

John Sampson

*Acting Chief Constable and
Interim Accounting Officer*

15 June 2012

Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Civil Nuclear Police Authority 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, 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 accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department of Energy and Climate Change has designated the Acting Chief Constable as Interim Accounting Officer of the Civil Nuclear Police Authority. The responsibilities of an Accounting Officer, including 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 Civil Nuclear Police Authority's assets, are set out in *Managing Public Money* published by HM Treasury.

CNPA Governance Statement

Scope of Responsibilities

1. Scope of Responsibilities

The Civil Nuclear Police Authority (the Authority) is established under the Energy Act 2004 and is responsible for the maintenance of an efficient and effective Civil Nuclear Constabulary (the Constabulary) with the primary purpose of protecting civil nuclear licensed sites and safeguarding nuclear material in the UK and elsewhere. It is required to ensure its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging this overall responsibility, the Authority is also responsible for putting in place suitable arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility the Authority places reliance on the Acting Chief Constable of the Constabulary, as Interim Accounting Officer, to support the governance and risk management processes.

2. The Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to the Department of Energy and Climate Change (DECC) and engages with its stakeholders. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including value for money. The system of internal control is a significant part of that

framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risk to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.

The governance framework was in place at the Authority for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts.

3. The Governance Framework

Key Principles

As a statutory public body entrusted with significant resources and responsibilities, the Authority has a duty of 'stewardship', not only of public money, but also in relation to relevant sites and assets within our communities. In discharging this duty, the Authority has adopted a number of principles through which it discharges its key functions. These are:

- To maintain the confidence and active support of all stakeholders including the government, the nuclear operating companies, our staff and the general public to whom we are responsible and accountable;
- To maintain total security in accordance with identified responsibilities;
- To ensure that the Constabulary delivers a policing service that is effective and efficient, ethical and professional, responsive to the needs of all our stakeholders;
- To adequately resource the Constabulary, taking into account the current and

anticipated needs of stakeholders;

- To promote diversity and aim to maximise the contributions of all employees;
- To build a Constabulary that resembles the communities that it polices and one that is free from racism, sexism and any other form of discrimination;
- To ensure the Constabulary recognises the rights and fundamental freedoms of individuals and communities, aiming at all times to act proportionately, reasonably and in a way that is justified by the circumstances; and
- To exercise strong corporate governance, scrutinising performance and striving continually for self improvement, learning from past experience and incorporating good practice from elsewhere.

CNPA Board and Committee Structure

The CNPA Board:

The Authority has assessed its capability to deliver against these principles, and following extensive discussion and consultation with, amongst others, DECC and the Office for Nuclear Regulation (ONR), has established the CNPA Board, to which it delegates the conduct of the majority of the Authority's business and management responsibilities. The new governance model enables the effective discharge of the CNPA's responsibilities whilst ensuring that matters reserved by Statute or direction of the Secretary of State and those matters not delegated by the Authority to the CNPA Board remain responsibilities of the Civil Nuclear Police Authority and its Members.

Audit Risk and Governance Committee:

The purpose of this key Committee is to keep under review, and to report to the Board on, the comprehensiveness, reliability and integrity of assurances given, to meet the Authority's and the Accounting Officer's assurance needs.



This committee is chaired by an Independent Member of the Board, and meets quarterly. The Committee's terms of reference require that it reviews the Authority's internal financial controls and its internal controls and risk management system. At each of its meetings, it has received reports and sought assurances from management in each of these areas. The Committee continues to promote best practice whenever the opportunity arises and its meetings are attended by both internal and external auditors.

Finance, Planning and Performance Committee:

This Committee monitored the adequacy of CNPA's finance, planning and performance processes and evaluated whether or not financial and operational resources were properly and effectively allocated and managed across the organisation. This Committee was disbanded in February 2011/12 and the work transferred for 2012/13 to an Executive Committee, which will meet bimonthly.

Senior Appointments and Leadership Development Committee:

This Committee has responsibility for the appointment and conditions of service of members of the Command Team (which comprises the Chief Constable, the Deputy Chief Constable, any Assistant Chief Constable and the Director of Corporate Services); for driving forward the Command

Team's leadership agenda; and for the development of all the Authority's employees.

This committee is chaired by the Chair of the Authority, and considers matters relating to the appointment, performance appraisal and remuneration of the executive team. Meetings are convened as required.

Executive Committee:

This Committee deliberates the CNPA Board's forward business programme, including all anticipated inputs and outputs, to secure the CNPA Board's effective and coherent operation, and supports the CNPA Board in monitoring complex and working level activity.

4. Review of Effectiveness

The CNPA Board adheres to the principles contained in the Cabinet Office corporate governance 'Code of Good Practice' to ensure it is able to discharge its responsibilities effectively. These provisions include formal arrangements for the appointment and induction of members, annual planning of Board business to promote effective use of committee time, regular formal evaluation of the Board's performance and a dedicated secretariat.

The Board plans to devote time during its July 2012 meeting to consider its own effectiveness and will devote resources to addressing identified development

opportunities for the Board as a whole, and for individual Members as required.

The Members' attendance record is shown below:

Attendance at Corporate Meetings

	Eligible	Attended	% Attended
Sir Philip Trousdell	13	13	100%
Sir Chris Fox	2	2	100%
Matt Sykes	14	9	64%
Alan Rae	15	15	100%
George Beveridge	18	14	78%
Simon Middlemas	8	6	75%
Rob Wright	15	14	93%
Stephen Barrett	14	13	93%
Dame Elizabeth Neville	15	12	80%

The Chair of the Audit, Risk and Governance Committee in his Annual Report highlighted key aspects of the Committee's work during 2011/12. These included:

- Maintaining effective control by monitoring the systems of internal control;
- Overseeing the work of the internal and external audit service, including retendering of the internal audit service; and
- Demonstrating that the Committee has complied with best practice guidance for audit committees and discharged its duties in respect of financial report, internal control and risk management, internal audit, external audit and governance.

As noted above, the Finance, Planning and Performance Committee was disbanded in February 2012.

The Senior Appointments and Leadership Development Committee has focussed on succession planning, review of the terms and conditions of senior staff and developing training opportunities for senior employees. This Committee is responsible for setting the objectives for senior employees and for monitoring performance against those objectives.

Risk Management

The Authority's risk management framework has continued to develop during 2011/12. As part of the strategic planning process, the CNPA Board has identified 11 strategic risks that could impact on the ability of the organisation to deliver against its strategic objectives. A mapping process has taken place across the Constabulary to group

departmental level risks together under the relevant strategic risk. This will ensure there is an effective mechanism for identifying and elevating risks to the appropriate level and highlight management intervention. This approach has enabled the Constabulary to develop in graphical format its overall strategic risk profile and has improved the reporting of risk exposure to the Board.

Responsibility for developing and monitoring the risk management framework, including the maintenance of the risk register and the subsequent tracking of actions to treat the risks identified, is delegated to the Deputy Chief Constable. An important aspect of the risk management framework is collaborative working with colleagues in DECC and with ONR to promote an effective dialogue on risk matters.

During the year, the Authority in line with other non-departmental public bodies has complied with an HM Treasury requirement to undertake a self assessment of its ability to manage its risk of financial loss. This includes a Financial Process Assessment which looks at key financial systems, and an Organisational Capability Assessment. Whilst the Authority has a well-established framework of financial controls, the self assessment results identify opportunities for further strengthening both financial systems and organisational capability.

Sources of Assurance

The Authority places reliance on the following sources of assurance when assessing its governance arrangements:

Audit Risk and Governance Committee:

The Annual Report of the Chair of the ARGC has identified the work that it has undertaken on behalf of the CNPA Board. It confirms the key audit results from both the internal and external audit functions and provides a commentary on the Authority's risk management arrangements.

Internal Audit:

KPMG LLP has provided an internal audit service which has complied with Government Internal Audit Standards throughout the year. KPMG LLP have reviewed the Authority's systems in accordance with the 2011/12 Internal Audit Plan and have based their opinion on the work undertaken for the 12 months ending 31 March 2012. The internal audit plan is informed by the Authority's risk profile and by the work of other review mechanisms. These plans are reviewed for effectiveness

and synergy with other audit activity.

Internal Inspection:

The Constabulary's internal inspection process follows the methodology used by Her Majesty's Inspectorate of Constabulary to inspect police services. The internal inspection programme has progressed significantly within all Divisions and has been extended to include the functions of Constabulary Headquarters. In addition, the inspection and performance frameworks have been aligned to ensure a more effective and efficient use of resources and improved delivery and monitoring.

Areas for improvement have been identified; the majority have been addressed with the remainder being tracked to ensure completion within agreed timescales.

Certificates of Assurance and Internal Control Checklists:

During the year, Certificates of Assurance and Internal Control Checklists have been maintained by the Constabulary's Information Asset Owners (IAOs). Each information asset within the Constabulary has a designated IAO with whom the ownership of the business system/process, and the collection and disposal of information, lies. Divisional Commanders, Sub-Divisional Commanders and Departmental Heads are responsible for all information assets within their area of control and are therefore designated as the Constabulary's IAOs.

During this exercise, the IAOs were asked to provide an assurance to the Accounting Officer on the standard of internal control within their areas of responsibility. To assist in that process, the IAOs were asked to confirm that they had undertaken a review, evidenced by the Internal Control Checklist, of the internal control arrangements in their areas of responsibility. In addition, the IAOs also made enquiries as to whether there are any internal control issues within their Department/Units likely to merit inclusion in the Governance Statement as a significant governance issue.

Professional Standards Department:

The Professional Standards Department is responsible for maintaining professional standards and investigating any alleged instances of misconduct including fraud and corruption. The department identifies areas for improvement and disseminates best practice guidelines where appropriate.

Complaint numbers remain consistently low, and recording of complaints and local resolution where appropriate are well within time guidelines set by the Independent Police Complaints Commission. There has been no formal disciplinary action taken against any staff as a result of a public complaint this year. A summary of misconduct matters involving police officers can be found on page 16.

Data Security:

There have been no significant lapses in data security during the reporting period and no security breaches involving personal data have been reported to the Information Commissioners Office. All security breaches involving government protective marking or sensitive nuclear information at 'Restricted' and above is reported to the appropriate regulatory body; DECC, ONR, NPIA and CEGS.

A summary and breakdown of the 2011/12 security breaches and incidents are within the table shown on page 13.

5. Significant Governance Issues

The existing Management Statement and Financial Memorandum under which the CNPA operates needs updating. There is a potential lack of clarity around a number of accountabilities between the Authority and the Department. Action is in hand in DECC to resolve this matter.

The Constabulary needs to ensure that the high level recommendations identified by Internal Audit in their reports on payroll monitoring and project management are completed.

Notwithstanding the issues noted above, CNPA has complied in all material respects with the principles of the UK Central Government Corporate Governance Code. The CNPA Board will work with the Constabulary over the coming year to take steps to address the above issues to further enhance our governance arrangements. The Board is satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor implementation and operation as part of our next annual review.

John Sampson

*Acting Chief Constable and
Interim Accounting Officer*

15 June 2012

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 Civil Nuclear Police Authority for the year ended 31 March 2012 under the Energy Act 2004. The financial statements comprise: the Statement of Comprehensive Income, 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 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 Civil Nuclear Police Authority's and 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 the financial statements in accordance with the Energy Act 2004. 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 to the Civil Nuclear Police Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Civil Nuclear Police Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

In my opinion, in all material respects the expenditure and income 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 Civil Nuclear Police Authority's affairs as at 31 March 2012 and of its net income; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State directions issued under the Energy Act 2004; and
- the information given in the Chairman's Statement, Summary of Performance and Management Commentary 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
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or 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.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

18 June 2012

Statement of Comprehensive Income

For the year to date ended 31 March 2012

	Notes	2011/12 £000	2010/11 £000
Income	3	73,548	61,360
Expenditure			
Staff costs	4	(56,988)	(48,786)
Other expenditure	6	(16,559)	(12,562)
Operating surplus		1	12
Loss on disposal of property, plant and equipment		(1)	(12)
Surplus on ordinary activities before financing costs		-	-
Financial income – interest receivable		10	7
Financial expense – interest payable		(10)	(7)
Net financing costs		-	-
Total comprehensive income for the year		-	-

All operations are continuing.

The notes on pages 45 to 62 form part of these financial statements.

Statement of Financial Position

As at 31 March 2012

	Note	2011/12 £000	2010/11 Restated £000
Non-current assets			
Property, plant and equipment	8	6,456	5,726
Intangible assets	9	691	279
Trade and other receivables	12	189	180
Total non-current assets		7,336	6,185
Current assets			
Inventories	11	1,134	1,177
Trade and other receivables	12	9,208	8,033
Cash and cash equivalents	13	6,292	4,704
Total current assets		16,634	13,914
Total assets		23,970	20,099
Current liabilities			
Trade and other payables	14	(7,082)	(6,032)
Total current liabilities		(7,082)	(6,032)
Non-current assets plus net current assets		16,888	14,067
Non-current liabilities			
Trade and other payables	14	(1,637)	(640)
Provisions	15	(384)	(490)
Total non-current liabilities		(2,021)	(1,130)
Assets less liabilities		14,867	12,937
Taxpayers' equity			
Financing reserve	16	14,867	12,937
		14,867	12,937

The financial statements on pages 51 to 76 were approved by the CNPA Board on 15 June 2012 and signed on its behalf by:

John Sampson

Acting Chief Constable and Interim Accounting Officer
15 June 2012

See note 1.2 for more information on the restated comparative values.
The notes on pages 45 to 62 form part of these financial statements.

Statement of Cash Flows

For the year to date ended 31 March 2012

	Note	2011/12 £000	2010/11 £000
Cash flows from operating activities			
Retained surplus for the year		-	-
Adjustments for:			
Loss on disposal of property, plant and equipment		1	12
Amortisation of intangible assets		122	78
Depreciation of property, plant and equipment		1,008	640
Release of capital grant		(114)	(55)
Operating cash flows before changes in working capital and provisions		1,017	675
(Increase)/Decrease in trade and other receivables		(1,184)	389
Decrease in inventories		43	338
Increase/(Decrease) in trade and other payables		2,452	(827)
Decrease in provisions		(106)	(24)
Cash generated from operations		2,222	551
Interest received		10	7
Net cash inflow from operating activities		2,232	558
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,583)	(1,003)
Receipts from the sale of property, plant and equipment		-	87
Purchase of intangible assets		(276)	(59)
Net cash outflow from investing activities		(3,859)	(975)
Cash flows from financing activities			
Capital grant received		1,295	440
Grants from parent department		1,764	1,413
Other financing contributions		156	141
Net financing		3,215	1,994
Net increase in cash and cash equivalents in the period	13	1,588	1,577
Cash and cash equivalents at the beginning of the period	13	4,704	3,127
Cash and cash equivalents at the end of the period	13	6,292	4,704

The notes on pages 45 to 62 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year to date ended 31 March 2012

	Note	Financing reserve £000
Balance at 31 March 2010		11,376
Changes in taxpayers' equity 2010/11	16	
Grant-in-aid received		1,413
Other financing contributions		148
Balance at 31 March 2011		12,937
Changes in taxpayers' equity 2011/12	16	
Grant-in-aid received		1,764
Other financing contributions		166
Balance at 31 March 2012		14,867

See note 1.2 for more information on the removal of the government grant reserve.

The notes on pages 45 to 62 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

The Civil Nuclear Police Authority is an executive non-departmental public body of the Department of Energy and Climate Change and is domiciled in the United Kingdom.

Statement of Compliance

These financial statements have been prepared in accordance with the 2011/12 *Government Financial Reporting Manual* issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of Accounting

The financial statements are presented in pounds sterling, rounded to the nearest thousand. They have been prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the Command Team to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are listed below:

- Asset lives for property, plant and equipment and intangible assets;
- Recoverability of receivables;
- Estimates of accrued expenses;
- Provisions; and
- Inventory obsolescence.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Changes in Accounting Policy and Disclosures

Capital grants received

CNPA has removed the government grant reserve from the taxpayers' equity section of the Statement of Financial Position. Capital grants received are now recognised as deferred income and released to the Statement of Comprehensive Income over the life of the asset. This change is in compliance with guidance issued by HM Treasury on the grounds that this will result in improved consistency of financial reporting. The impact on the primary statements and notes to the accounts are as follows:

Statement of Financial Position

The government grant reserve of £1,950,000 (2010/11: £769,000) has been removed from taxpayers' equity. The balance remaining of capital grants received is included in trade and other payables of which £312,000 has been classified as due to be released in less than one year and £1,638,000 (2010/11: £640,000) in more than one year.

Statement of Changes in Taxpayers' Equity

The government grant reserve of £1,950,000 (2010/11: £769,000) has been removed from taxpayers' equity and is therefore no longer shown in this statement.

Note 2: Segment Information

The government grant reserve of £1,950,000 (2010/11: £769,000) has been removed from taxpayers' equity. This balance remaining of capital grants received is included in segment liabilities.

Note 14: Trade Payables and Other Current Liabilities

The balance remaining of £1,950,000 (2010/11: £769,000) on the capital grants received is included within deferred income £312,000 due to be released in less than one year and £1,638,000 (2010/11: £640,000) in more than one year.

Note 16: Taxpayers' Equity

The government grant reserve of £1,950,000 (2010/11: £769,000) has been removed from taxpayers' equity and is no longer shown in this note.

IFRS not yet applied

Certain new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board are not yet effective for the year ended 31 March 2012 and have not been applied in preparing these financial statements. CNPA does not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on its financial statements.

1.3 Property, Plant and Equipment

Property, plant and equipment is stated at cost, including any costs directly attributable to bringing such assets in to working condition, less accumulated depreciation and net of accumulated impairment losses. Assets are carried at value in use and in all asset classes depreciated historical cost is used as a proxy for current valuation for assets which have a short useful economic life or low value, or both. Property, plant and equipment below £2,000 is treated as revenue expenditure and recognised in full in the year of purchase.

Depreciation is calculated so as to write off the cost or valuation of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected economic lives of the assets concerned. The principal asset categories and their expected useful economic lives are as follows:

Transport equipment	Up to 8 years
Plant and machinery	5-10 years
Furniture and fittings	5-10 years
Information technology	Up to 5 years

Assets under construction are stated at cost and not depreciated until commissioned.

1.4 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of accumulated impairment losses as a proxy for fair value. The cost of intangible assets comprises the purchase cost and any directly attributable costs incidental to their acquisition. Intangible assets below £2,000 are treated as revenue expenditure and recognised in full in the year of purchase.

Amortisation of intangible assets is charged to the Statement of Comprehensive Income on a straight-line basis when the assets are available for use so as to allocate the carrying amounts of the intangible assets over their estimated useful economic lives as follows:

Software licences	Life of licence
Information technology	Up to 5 years

1.5 Impairment of Assets

The carrying amounts of CNPA's non-current assets and all financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is the higher of the net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 Income Recognition

Income is measured at the fair value of the consideration received or receivable and excludes Value Added Tax. Income is recognised in the Statement of Comprehensive Income when CNPA has performed its contractual obligations, the income can be measured reliably and it is probable that the economic benefits from the transaction will flow to CNPA. No income is recognised if there are significant uncertainties regarding recovery of the consideration due.

1.7 Taxation

CNPA is not registered for VAT. All expenditure and asset purchases are shown inclusive of VAT and VAT is not charged on its sales invoices.

CNPA is outside the scope of Corporation Tax, being part of a government body, and is not registered for Corporation Tax.

1.8 Employee Benefits

Staff costs

Staff costs are recognised as an expense as soon as CNPA is obligated to pay them. This includes the cost of any untaken annual leave that is carried forward to the following financial year. CNPA recognises as an obligation the value of untaken annual leave carried forward at the end of the reporting period. CNPA re-charges its costs to its customers and recognises a receivable equal in value to the obligation for unused annual leave.

Pension costs

Past and present employees are covered by the provision of the Combined Pension Scheme of the United Kingdom Atomic Energy Authority, which is an unfunded defined benefit pension scheme which prepares its own scheme statements. CNPA recognises the cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payments to the CPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on CPS. More information is given in note 5.

1.9 Provisions and Contingent Liabilities

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that the CNPA will be required to settle the obligation and an amount has been reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Amounts are disclosed as contingent liabilities where it is probable that CNPA will be required to settle the obligation and is unable to reliably estimate the amount, or where it is possible that CNPA will be required to settle the obligation.

1.10 Grant-in-Aid and Capital Grants

Grant-in-aid provided by DECC is treated as financing and is credited to the financing reserve as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of CNPA.

Capital grants for the purchase of property, plant and equipment are credited to deferred income and released to the Statement of Comprehensive Income over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

The profit or loss on disposal of grant-financed assets is taken to the Statement of Comprehensive Income and offset by a transfer from deferred income of the same proportion of the profit or loss that the amount of the grant bears to the original cost of the asset. The balance in deferred income in respect of the asset is transferred to the income and expenditure reserve representing the same proportion of the disposal proceeds.

1.11 Operating Leases

Rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

1.12 Foreign Currencies

All transactions denominated in foreign currency are translated into sterling at the exchange rate ruling on the date the transaction takes place. Monetary assets and liabilities denominated in foreign currency at the end of the reporting period are translated at the rate ruling at that date. All exchange rate differences are recognised in the Statement of Comprehensive Income.

1.13 Inventories

Inventories comprise clothing, ammunition and ancillary items including protective equipment. Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. As inventories are intended for use, not resale, replacement cost is used as the best measure of carrying value. Where necessary, inventory values are adjusted for obsolete, slow moving and defective items.

1.14 Financial Instruments**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, which is available for immediate withdrawal.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less any allowance for irrecoverable amounts.

Trade and other payables

Trade and other payables are measured at amortised cost, which equates to nominal value.

Financial income and financial expense

Financial income/ expense is recognised in the Statement of Comprehensive Income on an accruals basis.

1.15 Segment Reporting

Operating segments are identified on the basis of internal reports about components of CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. CNPA has one reportable segment: Operational Policing Units. CNPA operates 15 separate OPUs that provide a policing service to civil nuclear licensed sites. The financial performance of these units has been aggregated as it meets the aggregation criteria set out in IFRS 8.

2. Segment Information

Operating segments are identified on the basis of internal reports about components of CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

CNPA has one reportable segment: Operational Policing Units. CNPA operates 15 separate OPUs that provide a policing service to civil nuclear licensed sites. The financial performance and financial position of these units have been aggregated as they meet the aggregation criteria set out in IFRS 8. The accounting policies of the reportable segment are the same as CNPA's accounting policy in note 1.

The financial performance of all non-operating segments covers back office functions such as Human Resources, Finance and Information Technology and Communications, and functions that support front line operations, such as Firearms Training, Learning and Development and Operations Support. All non-operating segments have been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments.

2011/12	Operational Policing Units £000	Corporate Departments £000	Total £000
Income	73,548	-	73,548
Expenditure			
Staff costs	(45,497)	(11,491)	(56,988)
Other expenditure	(6,722)	(8,819)	(15,541)
Depreciation and amortisation	(380)	(750)	(1,130)
Release of capital grants	96	18	114
Provisions provided for in year	-	(59)	(59)
Provisions not required written back	-	57	57
Operating surplus/(deficit)	21,045	(21,044)	1
Loss on disposal of property, plant and equipment	(1)	-	(1)
Surplus/(deficit) on ordinary activities before financing costs	21,044	(21,044)	-
Finance income – interest receivable	-	10	10
Finance charges – interest payable	-	(10)	(10)
Retained surplus/(deficit) for the year	21,044	(21,044)	-
Assets and liabilities			
Segment assets	3,707	20,263	23,970
Segment liabilities	(6,184)	(2,919)	(9,103)
Net assets	(2,477)	17,344	14,867
Taxpayers' equity			
Financing reserve	-	14,867	14,867
Taxpayers' equity	-	14,867	14,867

2011/12 Restated	Operational Policing Units £000	Corporate Departments £000	Total £000
Income	61,360	-	61,360
Expenditure			
Staff costs	(37,284)	(11,502)	(48,786)
Other expenditure	(2,058)	(9,791)	(11,849)
Depreciation and amortisation	(283)	(435)	(718)
Release of capital grants	41	13	54
Provisions provided for in year	-	(101)	(101)
Provisions not required written back	-	52	52
Operating surplus/(deficit)	21,776	(21,764)	12
Loss on disposal of property, plant and equipment	(3)	(9)	(12)
Surplus/(deficit) on ordinary activities before financing costs	21,773	(21,773)	-
Finance income – interest receivable	-	7	7
Finance charges – interest payable	-	(7)	(7)
Retained surplus/(deficit) for the year	21,773	(21,773)	-
Assets and liabilities			
Segment assets	9,786	10,313	20,099
Segment liabilities	(3,266)	(3,896)	(7,162)
Net assets	6,520	6,417	12,937
Taxpayers' equity			
Financing reserve	-	12,937	12,937
Taxpayers' equity	-	12,937	12,937

See note 1.2 for more information on the restated comparative values.

Geographical areas

All income from external customers arose wholly in the United Kingdom and all non-current assets are located in the United Kingdom.

Major customers

CNPA is reliant on income from a small number of Site Licence Companies for a significant proportion of its income. Transactions with four SLCs (2010/11: Four SLCs) individually amounted to 10% of CNPA's total income. This income is reported within the OPU's operating segment. A breakdown of income by major customer is provided below:

	2011/12 £000	%	2010/11 £000	%
SLC 1	32,293	44	20,435	33
SLC 2	10,977	15	10,580	17
SLC 3	8,792	12	8,267	14
SLC 4	8,342	11	8,123	13
Others	13,144	18	13,955	23
Total	73,548	100	61,360	100

3. Income

CNPA is required to recover its full operating costs each year. Income of £73,548,000 for the year to 31 March 2012 (2010/11: £61,360,000) represents a re-charge of running costs to SLCs of £73,398,000 (2010/11: £61,217,000) and miscellaneous income of £150,000 (2010/11: £143,000). All activities are regarded as continuing.

4. Staff Numbers and Related Costs

Staff costs comprise:

	Permanently employed staff 2011/12 £000	Temporary and agency staff 2011/12 £000	Total 2011/12 £000
Wages and salaries	44,547	1,660	46,207
Social security costs	4,243	151	4,394
Other pension costs	5,811	200	6,011
Agency staff	-	376	376
Sub-total	54,601	2,387	56,988
Less costs recovered in respect of outward secondments	(2)	-	(2)
Total staff costs	54,599	2,387	56,986

	Permanently employed staff 2010/11 £000	Temporary and agency staff 2010/11 £000	Total 2010/11 £000
Wages and salaries	38,553	1,051	39,604
Social security costs	3,257	99	3,356
Other pension costs	5,125	142	5,267
Agency staff	-	559	559
Sub-total	46,935	1,851	48,786
Less costs recovered in respect of outward secondments	(19)	-	(19)
Total staff costs	46,916	1,851	48,767

Average number of persons employed

The average number of full-time equivalent persons employed during the year was as follows:

	Permanently employed staff 2011/12	Temporary and agency staff 2011/12	Total 2011/12
Police staff	128	53	181
Police officers	961	4	965
Total average staff numbers	1,089	57	1,146

	Permanently employed staff 2010/11	Temporary and agency staff 2010/11	Total 2010/11
Police staff	123	21	144
Police officers	838	3	841
Total average staff numbers	961	24	985

Exit packages

		2011/12	2010/11
		Number of packages	Number of packages
Compulsory redundancies	Less than £10,000	1	-
	£10,000 - £14,999	1	-
Other departures	Less than £10,000	1	-
	£20,000 - £24,999	-	1
	£25,000 - £29,999	-	1
Total number of exit packages		3	2

Redundancy and other departure costs have been paid in accordance with the provisions of the CNPA's terms and conditions. Exit costs are accounted for in full in the year of departure. Where the CNPA has agreed early retirements, the additional costs are met by it and not by the Combined Pension Scheme of the United Kingdom Atomic Energy Authority. Ill-health retirement costs are met by the pension scheme and are not included in the above table.

5. Pension Costs

All employees of CNPA are eligible to be members of the Combined Pension Scheme of the United Kingdom Atomic Energy Authority for the year ended 31 March 2012. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

The scheme is managed and administered by Babcock International Group with the approval of the Department for Business, Innovation and Skills. Contributions made to the scheme are used to meet the payment of scheme benefits. Any surplus of contributions over payments is surrendered to HM Government via the Consolidated Fund. Any deficit is met by Parliamentary Vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the scheme's future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and Parliament votes the necessary funds.

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from CNPA effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2012/13 scheme year.

CNPA employees also participate in the United Kingdom Atomic Energy Authority and Associated Employers Additional Voluntary Contribution Scheme which is a defined contribution arrangement. There is no employer contribution to this arrangement. The scheme is fully insured and administered by the Prudential Assurance Company Limited to whom contributions are paid. The AVC scheme covers those employees of CNPA, and of other employers, who are members of the CPS and who have opted to pay additional voluntary contributions.

6. Other Expenditure

	Notes	2011/12 £000	2010/11 £000
External charges			
Subsistence		2,246	781
Car hire		553	278
Mileage allowance		556	331
Other travel and subsistence costs		347	217
Rentals under operating leases		318	334
Rental of the Constabulary's training facilities		527	409
Commercial property rental		20	92
Telecommunications		798	661
IT support charges		1,571	1,456
Training costs		18	777
Professional services		628	342
Course fees		434	370
Insurance		311	267
Repairs and maintenance		595	547
Relocation		282	238
Recruitment		267	126
Payments under service level agreements		106	78
Site support charges		147	122
Legal fees		66	130
Regulatory charges		70	76
Security vetting		317	131
Range fees		326	129
Professional subscriptions and memberships		140	94
Consultancy		160	408
Staff medical costs		233	46
Other external charges		620	633
Total external charges		11,656	9,073
Operating materials			
Motor fuel		429	329
Weapons		145	269
IT equipment		195	126
Inventory withdrawals		1,817	575
Stationery		107	86
Non-capital equipment		368	216
Firearms spares and supplies		416	554
Dog related expenditure		30	41
Electricity charges		55	52
Inventory items written off		14	16
Other operating materials		155	372
Total operating materials		3,731	2,636
Other operating charges		154	141
Non-cash items			
Amortisation of intangible assets	9	122	78
Depreciation	8	1,008	640
Capital grants		(114)	(55)
Provisions provided in the year	15	59	101
Provisions not required written back	15	(57)	(52)
Total non-cash items		1,018	712
		16,559	12,562

7. Operating Surplus

Operating surplus is stated after charging:

	Notes	2011/12 £000	2010/11 £000
Operating lease rentals:	18		
Plant and machinery		28	33
Others		290	301
Auditors' remuneration			
Audit fees		42	42
Payments to auditors for internal audit services		106	71

8. Property, Plant and Equipment

	Transport equipment £000	Plant and machinery £000	Furniture and fittings £000	Information technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
At 1 April 2011	3,049	2,773	411	918	2,023	9,174
Additions	901	863	27	153	52	1,996
Disposals	(133)	(6)	-	(3)	-	(142)
Reclassifications	-	259	-	1,521	(2,037)	(257)
At 31 March 2012	3,817	3,889	438	2,589	38	10,771
Depreciation						
At 1 April 2011	1,849	625	204	770	-	3,448
Charged in year	204	385	45	374	-	1,008
Disposals	(132)	(6)	-	(3)	-	(141)
At 31 March 2012	1,921	1,004	249	1,141	-	4,315
Net book value at 31 March 2012	1,896	2,885	189	1,448	38	6,456
Asset financing						
Owned	1,896	2,885	189	1,448	38	6,456
Net book value at 31 March 2012	1,896	2,885	189	1,448	38	6,456

	Transport equipment £000	Plant and machinery £000	Furniture and fittings £000	Information technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
At 1 April 2010	2,719	1,742	283	894	1,537	7,175
Additions	674	460	-	35	1,229	2,398
Disposals	(344)	(44)	-	(11)	-	(399)
Reclassifications	-	615	128	-	(743)	-
At 31 March 2011	3,049	2,773	411	918	2,023	9,174
Depreciation						
At 1 April 2010	1,883	419	161	648	-	3,111
Charged in year	224	240	43	133	-	640
Disposals	(258)	(34)	-	(11)	-	(303)
At 31 March 2011	1,849	625	204	770	-	3,448
Net book value at 31 March 2011	1,200	2,148	207	148	2,023	5,726
Asset financing						
Owned	1,200	2,148	207	148	2,023	5,726
Net book value at 31 March 2011	1,200	2,148	207	148	2,023	5,726

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by CNPA. At 31 March 2012 this related to £38,000 (2010/11: £nil) for police control room equipment.

9. Intangible Assets

	Software licences £000	Information Technology £000	Total £000
Cost or valuation			
At 1 April 2011	131	429	560
Additions	245	32	277
Reclassifications	-	257	257
At 31 March 2012	376	718	1,094
Amortisation			
At 1 April 2011	46	235	281
Charged in year	29	93	122
At 31 March 2012	75	328	403
Net book value at 31 March 2012	301	390	691
Asset financing			
Owned	301	390	691
Net book value at 31 March 2012	301	390	691

	Software licences £000	Information Technology £000	Total £000
Cost or valuation			
At 1 April 2010	81	428	509
Additions	50	1	51
At 31 March 2011	131	429	560
Amortisation			
At 1 April 2010	32	171	203
Charged in year	14	64	78
At 31 March 2011	46	235	281
Net book value at 31 March 2011	85	194	279
Asset financing			
Owned	85	194	279
Net book value at 31 March 2011	85	194	279

Amortisation charge

The amortisation charge is recognised in other expenditure in the Statement of Comprehensive Income.

10. Financial Instruments

CNPA has exposure to the following risks from its use of financial instruments.

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about CNPA's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk. The CNPA Board has overall responsibility for the establishment and oversight of CNPA's risk management framework. The Audit, Risk and Governance Committee oversees how management monitors compliance with CNPA's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by CNPA.

Credit risk

Credit risk is the risk of financial loss to CNPA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from CNPA's debtors and cash balances held in a commercial bank.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

Loans and other receivables	2011/12 £000	2010/11 £000
Total receivables (excluding prepayments)	9,207	7,931
Cash and cash equivalents	6,292	4,704
	15,449	12,635

Credit risk for receivables at the reporting date was wholly in relation to the United Kingdom. CNPA's exposure is concentrated among a small number of customers. No collateral or other credit enhancements is held as security over the recoverability of these balances. CNPA expects its receivable balances to be recovered in full due to its customers' past payment histories and high credit ratings. Cash balances are held in highly rated, short-term fixed rate deposits with the Royal Bank of Scotland Plc.

An analysis of total receivables (excluding prepayments) including those which are past due but not impaired is set out below:

	2011/12 £000	2010/11 £000
Not past due	8,954	7,187
Past due less than 1 month	253	519
Between 1 and 2 months	-	225
	9,207	7,931

No receivables balances were considered impaired at the end of the reporting period (2010/11: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2010/11: £nil).

Liquidity risk

Liquidity risk is the risk that CNPA will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities at the end of the reporting period:

	Within 1 month £000	Between 1 and 3 months £000	Between 3 and 12 months £000	Total contractual maturity £000
At 31 March 2012				
Trade payables	129	-	-	129
Accrued expenses	-	3,561	-	3,561
Other payables	1,594	-	-	1,594
	1,723	3,561	-	5,284
At 31 March 2011				
Trade payables	521	-	-	521
Accrued expenses	-	3,470	-	3,470
Other payables	733	-	-	733
	1,254	3,470	-	4,724

The former Department of Trade and Industry provided working capital of £6 million when CNPA was established. This is used to fund timing differences between receipts from customers and payments to creditors. In addition, CNPA has an overdraft facility of £1 million with the Royal Bank of Scotland Plc, repayable on demand, and used to meet short-term working capital requirements. This facility was used once during the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect CNPA's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk. CNPA's exposure to these components of market risk is described below:

Currency risk

The foreign currency risk to CNPA is minimal as very little trading is done except in sterling and all sales invoices are raised in sterling. All material monetary assets and liabilities are held in sterling, so CNPA is not exposed to foreign currency risk.

Interest rate risk

All cash balances were positive during the reporting period and held in highly rated short-term fixed rate deposits. CNPA had no significant interest rate risk.

Other price risk

CNPA had no significant other price risk.

Carrying amount and fair value of financial assets and liabilities

An analysis of the carrying value and fair values at 31 March, by category and by class, of financial assets and liabilities is set out below:

	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Total fair value £000
At 31 March 2012				
Financial assets				
Trade receivables	8,227	-	8,227	8,227
Early departure receivables	151	-	151	151
Other receivables	829	-	829	829
Cash at bank and in hand	6,292	-	6,292	6,292
Financial liabilities				
Trade payables	-	(129)	(129)	(129)
Accrued expenses	-	(3,561)	(3,561)	(3,561)
Other payables	-	(1,594)	(1,594)	(1,594)
	15,499	(5,284)	10,215	10,215
At 31 March 2011				
Financial assets				
Trade receivables	7,286	-	7,286	7,286
Early departure receivables	151	-	151	151
Other receivables	494	-	494	494
Cash at bank and in hand	4,704	-	4,704	4,704
Financial liabilities				
Trade payables	-	(521)	(521)	(521)
Accrued expenses	-	(3,470)	(3,470)	(3,470)
Other payables	-	(733)	(733)	(733)
	12,635	(4,724)	7,911	7,911

Estimation of fair values**Trade receivables, accrued income and other receivables/payables and accrued expenses**

The carrying values of trade and other receivables and trade and other payables and accrued income and accrued expenses are assumed to approximate their fair value due to their short-term nature.

Early departure receivables

The carrying amount of this asset approximates to its fair value.

Cash at bank and in hand

The carrying amount of this asset approximates to its fair value.

11. Inventories

	2011/12 £000	2010/11 £000
Clothing	182	200
Ammunition	780	819
Other inventory items	172	158
	1,134	1,177

During the reporting period £14,000 (2010/11: £16,000) of obsolete, slow moving or defective items of inventory was written off.

12. Trade Receivables and Other Assets**12(a) Analysis by type**

	2011/12 £000	2010/11 £000
Amounts falling due within one year:		
Trade receivables	8,227	7,286
Prepayments and accrued income	190	293
Other receivables	791	454
	9,208	8,033
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	151	151
Other receivables	38	29
	189	180

12(b) Intra-government balances

	2011/12 £000	2010/11 £000
Amounts falling due within one year:		
Balances with other central government bodies	462	90
Balances with public corporations and trading funds	730	311
Balances with Scottish local government	-	1
Balances with English local government	3	1
Intra-government balances	1,195	403
Balances with bodies external to government	8,013	7,630
Total receivables at 31 March	9,208	8,033
Amounts falling due after more than one year:		
Balances with other central government bodies	151	151
Intra-government balances	151	151
Balances with bodies external to government	38	29
Total receivables at 31 March	189	180

13. Cash and Cash Equivalents

	2011/12 £000	2010/11 £000
Balance at 1 April	4,704	3,127
Net change in cash and cash equivalent balances	1,588	1,577
Balance at 31 March	6,292	4,704

The following balances at 31 March were held at:

	2011/12 £000	2010/11 £000
Commercial bank	6,292	4,704
	6,292	4,704

14. Trade Payables and Other Current Liabilities**14(a) Analysis by type**

	2011/12 £000	2010/11 Restated £000
Amounts falling due within one year		
Trade payables	129	521
Other taxation and social security	1,427	1,128
Accrued expenses	3,561	3,470
Deferred income	371	180
Other payables	1,594	733
	7,082	6,032
Amounts falling due after more than one year:		
Deferred income	1,637	640
	1,637	640

14(b) Intra-government balances

	2011/12 £000	2010/11 Restated £000
Amounts falling due within one year:		
Balances with other central government bodies	2,606	1,962
Balances with English local government	30	50
Balances with Welsh local government	2	14
Balances with public corporations and trading funds	-	13
Intra-government balances	2,638	2,039
Balances with bodies external to government	4,444	3,993
Total payables at 31 March	7,082	6,032
Amounts falling due after one year:		
Balances with bodies external to government	1,637	640
Total payables at 31 March	1,637	640

For more information on the comparative values see note 1.2.

15. Provisions for Liabilities and Charges

	Insurance claims £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 2010	129	179	206	514
Provided in the year	90	11	-	101
Provisions utilised in the year	(10)	-	(63)	(73)
Provisions not required written back	(52)	-	-	(52)
At 31 March 2011	157	190	143	490
Provided in the year	40	18	1	59
Provisions utilised in the year	(50)	-	(58)	(108)
Provisions not required written back	(57)	-	-	(57)
At 31 March 2012	90	208	86	384
Expected timings of cash flows				
Within one year	90	-	60	150
Between two and five years	-	-	26	26
After five years	-	208	-	208
	90	208	86	384

Insurance claims

A provision has been included for four new insurance claims. Of the fourteen claims open at 1 April 2011 the provision is unchanged for six and the remaining eight have been utilised or written back during the reporting period.

Dilapidations

CNPA is legally obliged to restore the properties it occupies under lease to their original condition at the end of the lease term. Significant alterations have been made to offices leased at Constabulary headquarters in Culham. The cost of restoring the property was estimated by an external specialist organisation and includes VAT. This provision is expected to be used in 2021/22 on the termination of the lease (including extension period).

Early departure costs

This provision has been made to cover pension payments to former members of staff who have retired early. These payments continue until the date at which the staff member would have reached normal retirement age. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index to the previous September. Forecast CPI has been taken from the Budget Report published in March 2012 by HM Treasury.

16. Taxpayers' Equity**Reconciliation of movement in taxpayers' equity**

	Financing reserve £000
At 1 April 2010	11,376
Grant-in-aid received	1,413
Other financing contributions	148
At 1 April 2011	12,937
Grant-in-aid received	1,764
Other financing contributions	166
At 31 March 2012	14,867

See note 1.2 for more information on the removal of the government grant reserve.

Financing reserve

The finance reserve relates to grant-in-aid provided by CNPA's sponsoring department. It is credited to the financing reserve as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of CNPA. Other financing contributions comprised £10,000 (2010/11: £7,000) of interest earned on CNPA's bank accounts and £156,000 (2010/11: £141,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to DECC and, by agreement with DECC, included within financing.

17. Capital Commitments

Contracted capital commitments at 31 March 2012 not otherwise included in these financial statements comprised:

	2011/12 £000	2010/11 £000
Property, plant and equipment	308	219
Intangible assets	14	-
	322	219

18. Commitments Under Operating Leases

CNPA leases office accommodation and photocopiers under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Typical lease terms are shown below:

Office accommodation	15 years
Photocopiers	3 - 4 years

During the year to 31 March 2012, £318,000 (2010/11: £334,000) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

An analysis of the total future minimum lease payments under non-cancellable operating leases is set out below:

	2011/12 £000	2010/11 £000
Leasehold properties		
Less than one year	345	190
Between one and five years	1,151	-
More than five years	-	-
	1,496	190

	2011/12 £000	2010/11 £000
Leasehold plant and equipment		
Less than one year	7	22
Between one and five years	4	11
More than five years	-	-
	11	33

19. Other Financial Commitments

CNPA has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts) for access to the Airwave communication network. The payments to which CNPA is committed during 2012/13, analysed by the period during which the commitment expires, are as follows:

	2011/12 £000	2010/11 £000
Expiry within one year	-	-
Expiry between two and five years	-	-
Expiry after five years	689	656
	689	656

20. Contingent liabilities

There are a number of potential liabilities in respect of claims from employees, which depend on actual or potential proceedings. The timing and amounts of any payment are uncertain. These liabilities have not been provided for as CNPA believes that the claims are unlikely to be successful and unlikely to lead to a transfer of economic benefits.

21. Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2012.

22. Related-Party Transactions

CNPA is an executive non-departmental public body of DECC. DECC is regarded as a related party. During the year, CNPA has had various material transactions with DECC and with International Nuclear Services Ltd a subsidiary of the Nuclear Decommissioning Authority for which DECC is regarded as the parent department.

In addition, CNPA has had a small number of material transactions with other government departments and other central government bodies. Most of these transactions have been with:

United Kingdom Atomic Energy Authority;
United Kingdom Atomic Energy Authority Pension Scheme;
Health and Safety Executive; and
Home Office.

No CNPA Board member, key manager or other related parties has undertaken any material transactions with CNPA during the year.

23. Events After the Reporting Period

There are no reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 18 June 2012 the date that the accounts were certified by the Comptroller and Auditor General.

24. Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

Glossary

ACPO	Association of Chief Police Officers in England, Wales and Northern Ireland	HM	Her Majesty's
ACPOS	Association of Chief Police Officers in Scotland	HMG	Her Majesty's Government
AFOs	Authorised Firearms Officers	HQ	Headquarters
APA	Association of Police Authorities	HR	Human Resources
AVC	Additional Voluntary Contribution Scheme	IAO	Information Asset Owner
CETV	Cash Equivalent Transfer Value	IAMM	Information Assurance Maturity Model
CESG	Communications and Electronic Security Group	IASB	International Accounting Standards Board
CLD	Centre for Learning and Development	IFRS	International Financial Reporting Standards
CMO	Chief Medical Officer	IGP	Information Governance Panel
CNC	Civil Nuclear Constabulary	IPCC	Independent Police Complaints Commission
CNPA	Civil Nuclear Police Authority	ISO	International Standard Organisation
CPI	Consumer Prices Index	IT	Information Technology
CPNI	Centre for Protection of National Infrastructure	IT&C	Information Technology and Communications
CPS	Combined Pension Scheme	KDP	Key Delivery Priorities
DECC	Department of Energy and Climate Change	KIM	Knowledge and Information Management
FReM	HM Government Financial Reporting Manual	KPI	Key Performance Indicator
GIAS	Government Internal Audit Standards	MEG	Marine Escort Group
HMIC	Her Majesty's Inspectorate of Constabulary	MoD	Ministry of Defence
		MOU	Memoranda of Understanding
		MSP	Managing Successful Programmes
		mSv	Millisievert

NCALT	National Centre for Applied Learning Technologies	SCAPE	Superannuation Contributions Adjusted for Past Experience
NDA	Nuclear Decommissioning Authority	SECTU	South East Counter Terrorist Unit
NAO	National Audit Office	SIC	Statement of Internal Control
NDPB	Non-departmental public body	SIRO	Senior Information Risk Owner
NISR	Nuclear Industries Security Regulations 2003	SLC	Site Licence Company
NPIA	National Policing Improvement Agency	SMT	Senior Management Team
ONR	Office for Nuclear Regulation	SNI	Sensitive Nuclear Information
OHS	Occupational Health Service	SPF	Security Policy Framework
OPU	Operational Policing Unit	TCO	Tactical Care Officer
OSHA	US Department of Labor's Safety and Administration	UKAEA	United Kingdom Atomic Energy Authority
OUC	Operational Unit Commander	USB	Universal Serial Bus
PCCS	Police Complaints Commissioner for Scotland	VAT	Value Added Tax
PCD	Performance and Career Development		
PFI	Private Finance Initiative		
PM	Protectively Marked		
PND	Programme New Dawn		
PSD	Professional Standards Department		
P2M2	Project and Programme Management Methodology		
REG	Road Escort Group		
SB	Special Branch		



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