



ASSOCIATION OF
CHIEF POLICE OFFICERS



NPIA
National Policing
Improvement Agency

National Policing Improvement Agency

Annual Report and Accounts 2010/11

National Policing Improvement Agency

Annual Report and

Accounts 2010/11

Annual Report presented to Parliament pursuant to paragraph 28 (5) of Schedule 1 to the Police and Justice Act 2006

Accounts presented to Parliament pursuant to paragraph 36 (4) (b) of Schedule 1 to the Police and Justice Act 2006

Ordered by the House of Commons to be printed 4 July 2011

HC 1102

London: The Stationery Office

£16.75

These financial statements were authorised for issue on the date of the Certificate and Report of the Comptroller and Auditor General.

© National Policing Improvement Agency (2011)

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as National Policing Improvement Agency copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

ISBN: 978-0-10-297131-6

Printed in the UK for The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office

ID Immedia No ID P002422071 06/11

Printed on paper containing 75% recycled fibre content minimum.

Contents

Foreword.....	4
MANAGEMENT COMMENTARY	5
Overview of Performance	5
Our Contribution to Improving Policing.....	7
Financial Planning and Future Developments	23
The NPIA's Chief Officer Team	38
The NPIA Board and Register of Members' Interests	41
ACCOUNTING MATTERS.....	49
Statement of the Accounting Officer's Responsibilities	49
Statement on Internal Control	50
Remuneration Report.....	55
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	63
The Statement of Accounts.....	65
Notes to the Statement of Accounts.....	69
APPENDIX A – CHIEF CONSTABLE COMMENDATIONS.....	101

Foreword

By the Chairman of the Board

The past year has been one of considerable change for the agency, both in the context of the policing landscape in which it operates and for the NPIA itself. The Government's timetable for change means that the agency is due to be phased out in 2012, with its products and services provided in different ways, and so we are working constructively with our partners to manage this transition.

Along with the rest of the public sector, we are working with more limited resources. In 2010/11 we secured savings of £54.5 million of which £30 million were an additional 'in year' requirement following the emergency budget. In order to preserve the majority of our services to policing, this was done primarily through cutting internal costs. This will continue to be our guiding principle as we make further savings in order to meet the challenges laid down in the Government's Spending Review.

Despite the pressures of dramatic change and reducing budgets, we have continued to deliver to our partners for the benefit of policing and to improve the service received by the public. We have maintained the high-quality delivery of our critical national services that directly support the delivery of operational policing, in most cases exceeding our required performance levels.

A particular highlight of the last year was the initial roll out of the Police National Database, which provides frontline officers with the most up to date intelligence from around the country and has already played a vital role in identifying criminals operating across force borders. We also delivered the new interactive Crime Mapping website on-time and on-budget, allowing people to learn more about their local policing teams and crime in their area.

We have continued to provide tailored professional advice and support to forces and authorities. A major theme of this work continues to be cost effectiveness, helping forces to identify and implement significant savings in order to balance their budgets, while preserving and improving frontline services. Through this work, we also embed key skills within the force and transfer knowledge to the local level to help ensure forces and authorities continuously improve. Our work to build smarter national procurement frameworks, deploy more efficient technology, and grow the business and financial skills of police leaders and practitioners alike, is also helping the service to meet current and future financial challenges.

I would like to express my sincere thanks for the great effort that NPIA staff have invested in achieving our delivery objectives this year, and for the positive way that they have reacted to the challenges facing the agency. I am also grateful for the ongoing advice and support received from our tripartite partners and the NPIA Board and Committee members. I look forward to a successful year ahead as the agency readies itself and its partners for the new policing landscape.

Peter Holland CBE DL
Chairman

MANAGEMENT COMMENTARY

Overview of Performance

This year has brought with it major change for the NPIA. The Government announced its intention to phase the agency out and transition the majority of our functions throughout 2012 as part of the work towards a new policing landscape. We have been working with our stakeholders to ensure that this can be effected as smoothly and quickly as possible and with minimal impact on the quality of our ongoing service. We have remained focused on delivery, providing high quality products, services and support. We have continued to make significant progress in building the capability of the police service.

Our achievements include the successful delivery of the national street-level crime map, launched by the NPIA and Home Office on 31 January 2011. This is a good example of how the NPIA is assisting in driving out local benefits through a national programme. Within an hour of the launch, the site had received 4.5 million hits and it received over 310 million hits in its first week. As well as proving popular with the public, the crime map has set the new standard for Government transparency.

We have now moved to the next stage of implementing the Police National Database. This service will allow for better sharing of intelligence and information between forces to improve public safety and will generate significant efficiency savings for forces by reducing the time that it takes for forces to exchange information.

With budget cuts across government and more being asked from police forces, we have given particular focus this year to developing our support to forces and authorities in delivering ever more cost effective policing. We have tailored our support and tools in order to help them drive out value for money.

A significant number of the NPIA's existing workstreams, such as workforce development and national procurement, have for some time supported improved productivity in policing. We have accelerated work in these areas. We have established a number of procurement frameworks for the police service, such as a framework for forensics, with a saving for the service of £2.1 million this year rising to a cumulative total of over £8 million by 2014. The vehicle fleet framework, together with associated frameworks, will deliver £11.7 million worth of savings this year, rising to £23 million by 2014.

We have refined, developed and continued to implement the Information Systems Improvement Strategy (ISIS). This will release savings and deliver operational improvements across policing and into the wider criminal justice system. This year, £41.9 million worth of savings have been realised by the service, with £27.5 million in IT procurement savings and £14.4 million in non-procurement IT savings. We have also, as part of ISIS, helped to negotiate a new national arrangement with suppliers that will help forces switch from using outdated audio cassettes to digital technology to record and store police interviews. This will speed up the interview recording process, free up police officer time and use information better to streamline the criminal justice process and bring offenders to justice more quickly.

As well as supporting the service as it responds to the challenge of the spending review, the agency continues to deliver critical national ICT infrastructure systems to a relentlessly high level of reliability. These systems include the Police National Computer, which is critical to all working in the Criminal Justice Sector, and was available for 99.86 per cent of the year.

We have continued to provide high quality specialist training and leadership development to the Service. Our courses are regularly reviewed to ensure that they remain relevant to the challenges of modern policing. For example, in October 2010, we launched wide-ranging improvements to detective training, including advice on how to investigate 'honour'-based violence, how to track down suspects through social media and other web-based technology, and use different techniques for interviewing vulnerable people, such as those with mental health problems. Around 3,500 students who take the NPIA's Initial Crime Investigators Development Programme each year will benefit from the improvements. As well as better quality training, the new programme can be delivered more flexibly and cost effectively than previously, because forces have the option to deliver it in modules or online.

We have also continued to develop and deliver e-learning modules for police forces through the Managed Learning Environment, hosted by the NPIA's National Centre for Applied Learning Technologies. This is a cost effective way of delivering training. Police staff and officers access study modules covering topics ranging from sudden death to tackling anti-social behaviour, with approximately 40,000 courses completed each month.

As well as these initiatives, the agency has continued to deliver key national services which have benefitted the police service and helped to improve public safety, including providing professional support to specific police investigations. The NPIA's Specialist Operational Support unit continued to work with individual forces, lending expertise in critical incidents, operational issues and serious crime investigations, including the high profile shooting cases in Cumbria and Northumbria in 2010. Our Missing Persons Bureau has supported missing person investigations, working alongside the police and related organisations, and specifically helping to match missing people and unidentified bodies.

Within the context of transition and reduced resource, we will continue to fulfill our responsibility to support the service and protect the public throughout 2011/12, and to do so cost effectively. We will continue to provide critical national IT services, which support operational policing through high quality, accessible information and communications systems. We will provide specialist operational and support services, which increase policing capability and capacity through hands-on support, advice, training and sharing knowledge at local, national and international levels. We will also continue our work to help police forces and authorities drive up cost effectiveness and minimise bureaucracy. In 2011/12, we will focus on these priority areas, while planning for a smooth transition, to ensure that the public continues to receive the best possible policing services.

Chief Constable Nick Gargan
Chief Executive and Accounting Officer,
National Policing Improvement Agency
22 June 2011

Our Contribution to Improving Policing

Progress against agreed targets

In our business plan for 2010/13, we set out a list of high level indicators and measures through which we would assess delivery. Following the Coalition Government's election in May 2010 and the subsequent budget announcement in June 2010, these indicators were reviewed and some were amended in a revised Business Plan for October 2010 to March 2011.

Performance monitoring was undertaken by the agency on a monthly basis in its Operating Board. Membership of the Operating Board comprised the agency's directors, with other attendees acting in an advisory capacity. The purpose of monthly monitoring was to identify any potential problems with delivery, provide support to these work packages and provide assurance to the Chief Executive Officer as to the delivery status of the measure.

The NPJA Board, as well as agreeing the key performance indicators (KPIs) initially, also monitored the agency's progress against its measures and ratified the revised Business Plan. From April to November 2010, more detailed scrutiny was delegated to the Strategy and Planning Committee of the NPJA Board. The Committee was chaired by the Chairman of the Board and membership included the Home Office, the Association of Chief Police Officers (ACPO), the Association of Police Authorities (APA), Superintendents' Association, Police Federation, Unison, Independent members and Association of Chief Police Officers in Scotland. From December 2010 onwards, the NPJA Board took back this responsibility for detailed scrutiny to itself after the Committee was dissolved as part of cost saving measures.

All the performance information that follows is sourced from the reports provided to the Committees and Board, named above, and the underlying data and interviews on which these are based. Other information throughout the Annual Report and Accounts is derived from internal management information systems.

The NPJA monitored the performance of the agency in three different categories: critical national services performance indicators; external KPIs; and internal KPIs. The critical national services are technological and operational support services that we develop and manage to support frontline policing. The external KPIs measured the agency's performance against its improvement priorities to assure delivery of our objectives and the internal KPIs measured the efficiency of the agency's use of its own resources.

Performance against the targets is explained in the tables that follow. All of these indicators include a milestone or percentage target. On the rare occasions when any revision to the original KPIs is necessary, it follows consultation with stakeholders, agreement by the NPJA's Operating Board, and is subsequently monitored by the NPJA Board.

Critical National Services Performance Indicators

The NPJA provides a range of critical national services that directly enable frontline policing. In the NPJA's Business Plan, 22 indicators were selected to

monitor the performance of some of these services. 19 indicators achieved or exceeded their target performance for 2010/11.

External KPIs

We started the year with 23 external KPIs. Two KPIs were discontinued when the NPIA's Business Plan was revised in October 2010. Of the remaining 21 KPIs:

- 17 were completed within 2010/11
- 1 was partially completed within 2010/11
- 2 were not scheduled to complete within 2010/11
- 1 was not completed within 2010/11.

Internal KPIs

We started the year with 10 internal KPIs, two of which were then merged together when the NPIA's Business Plan was revised in October 2010. Of the remaining 9 KPIs:

- 7 were completed within 2010/11
- 1 was not scheduled to complete within 2010/11
- 1 was not completed within 2010/11.

The table below shows the status of our performance measures at the end of 2010/11 with a summary of how and when work was progressed.

Key:

Status	Description	Total
Achieved; to target	The activity was achieved as originally intended.	39
Achieved; with revision	The activity was achieved in accordance with agreed revisions to timescale and/or scope.	4
Not achieved	The KPI was not fully achieved within the financial year.	6
Discontinued	The NPIA Board agreed to discontinue the KPI during the revision of the NPIA's Business Plan in October 2010.	3
Continuing	The activity was not due to complete within this financial year	3

Critical National Services Performance Indicators¹

Indicator	Target	Status²
Police National Computer availability The Police National Computer is a national tool run by the NPIA, and is critical to all working in the Criminal Justice Sector.	99.5%	Achieved; to target 99.86% (2009/10: 99.82%)
Police National Computer service desk calls answered in 30 seconds The Police National Computer service desk responds to technical queries concerning the running of the Police National Computer and associated systems.	90%	Achieved; to target 97.3%
ViSOR availability ViSOR is a UK-wide system used by the police, prison and probation services to store and share information and intelligence on dangerous people.	99.5%	Achieved; to target 99.83% (2009/10: 99.91%)
National Firearms Licensing Management System availability The National Firearms Licensing Management System is a national register of people who have applied for or been granted a firearms certificate.	99%	Achieved; to target 99.89% (2009/10: 99.82%)
National Ballistics Intelligence Service Database availability National Ballistics Intelligence Service Database is a database of firearms and ammunition seized and recovered at crime scenes, and is used for matching weapons in linked crimes.	98.5%	Achieved; to target 99.98% (2009/10: 99.97%)
Crime Operational Support Deployed Crime Operational Support provides expert assistance to Senior Investigating Officers dealing with serious crime investigations, and deploys advisors to forces to assist with particular investigations.	70%	Achieved; to target 99% (2009/10: 100%)
Crime Operational Support enquiries responded to by end of the next working day Crime Operational Support responds to requests from Senior Investigating Officers for assistance with serious crime investigations.	95%	Achieved; to target 95% (2009/10: 97.5%)
Uniform Operational Support enquiries responded to by end of the next working day Uniform Operational Support section provides advice, debriefing, learning and development in such matters as public order, firearms, civil contingencies and emergency planning (such as for widespread flooding or mass evacuations).	95%	Achieved; to target 98% (2009/10: 95%)

¹ All indicators that are measures of the availability of a system refer to the availability of that system between 1 April 2010 and 31 March 2011. These systems are expected to be available for use 24 hours a day, barring any scheduled down time for essential maintenance.

² Where available and directly comparable, 2009/10 data has also been included.

Structured debrief reports provided in 28 days or as agreed Uniformed Operational Support provides debriefing services to forces on request.	95%	Achieved; to target 100% (2009/10: 100%)
Firearms Code of Practice - licensing contact with forces within agreed timescales Working closely with the ACPO Lead and the Secretariat on the Police Use Of Firearms, Uniformed Operational Support provides operational support to the Police Service across the UK in relation to firearms incidents and operations.	95%	Achieved; to target 100% (2009/10: 100%)
Customers rating Serious Crime Analysis Section report as valuable Serious Crime Analysis Section supports criminal investigations nationally by identifying the potential emergence of serial killers and serial rapists at the earliest stage of their offending.	90%	Achieved; to target 97%
Serious Crime Analysis Section analysis reports returned to the Senior Investigating Officer within deadline The Serious Crime Analysis Section provides reports to Senior Investigating Officers concerning the likelihood of a serial killer or serial rapist being involved in a particular crime.	95%	Achieved; to target 99% (2009/10: 100%)
Missing persons cross-match requests met within 10 days The Missing Persons Bureau acts as the centre for the exchange of information connected with the search for missing persons, nationally and internationally.	75%	Achieved; to target 94% (2009/10: 86%)
Airwave - Overall radio voice availability Airwave is a secure national digital radio network for the use of the UK's emergency and public safety services.	99.74%	Achieved; to target 99.96% (2009/10: 99.86%)
IDENT1 - Availability of central systems IDENT1 is the national repository of finger and palm prints and crime scene marks, used to identify offenders and search against crime scene marks.	99.5%	Achieved; to target 99.9% (2009/10: 99.47%)
Driver Offending Retraining Scheme (DORS) - National Training Booking System Availability DORS is a system to support the use of driver retraining courses as an alternative to the issue of a penalty notice.	98%	Achieved; to target 100%
Proceeds of Crime Centre (POCC) enquiries responded to by end of working day POCC provides expert assistance to all police forces and 90 other UK law enforcement bodies investigating organised crime.	95%	Achieved; to target 96.5%

<p>National DNA Database Availability National DNA Database is used by the police to identify offenders and eliminate people from enquiries.</p>	<p>99.5%</p>	<p>Achieved; to target 99.8% (2009/10: 99.76%)</p>
<p>National ANPR Data Centre availability - receipt of reads National ANPR Data Centre availability - transmission of hotlist alarms National ANPR Data Centre availability - processing of user queries Automatic Number Plate Recognition (ANPR) is used by all forces in England and Wales and data will be captured centrally in the NPIA-managed National ANPR Data Centre (NADC).</p>	<p>99.8% 99.8% 99.8%</p>	<p>Not achieved A software upgrade, that allows forces to directly access the information held on the NADC, was delayed due to technical issues identified during testing and thus this data has not been collected throughout the year. This upgrade was installed in all forces by March 2011, enabling two-way access to data held by NADC.</p>
<p>Increase the number of active communities using Police Online Knowledge Area (POLKA) by 50% in 2010/11 POLKA is a new online collaboration system that offers a simple, efficient way of sharing knowledge and practice. POLKA Communities bring together people with a shared policing interest, experience, expertise and skills, allowing them to share information in that area of policing.</p>	<p>50% Increase</p>	<p>Achieved; to target 56.8%</p>

External Key Performance Indicators

KPI	Status	Description
KPI 1 - Implement £19 million of national police non-IT procurement savings by March 2011	Achieved; to target	<p>A total £39.9 million worth of savings are projected to be achieved, with £21.4 million having been confirmed by 31 March 2011.</p> <p>This KPI is delivered by the service making savings in the cost of items purchased together with managing demand such that intelligent purchasing occurs and fewer items procured. Part of the NPIA's work to support this has been the launch of new national procurement frameworks, such as that for police vehicles. These are not only value for money in terms of what is procured, but also save forces the administrative costs that would otherwise arise from running bespoke procurement exercises.</p> <p>Savings realised include £13 million saving within the NPIA in consultancy spend (NPIA spend represents a proportion of UK policing spend), and £5 million relating to forensic purchases.</p>
KPI 2 - Reduce the volume of doctrine, guidance and standards by 20% and develop and improve the commissioning process, by March 2011	Achieved; to target	<p>The volume of doctrine, guidance and standards published by the NPIA has been reduced by 26%. Items have been considered in consultation with relevant ACPO leads and where appropriate, been converted into an online publication on the Police Online Knowledge Area (POLKA) Knowledge Bank, which is accessible to all forces. 1,745 pages, from a baseline measurement of 6,702 pages of hard copy publications, are not to be published on POLKA and work continues with ACPO Business Areas to identify documents which should be retained, de-commissioned or merged. This is now part of the wider ACPO-led Approved Professional Practice project described in the NPIA's 2011/12 Business Plan.</p> <p>A revised ACPO - NPIA commissioning process has been put in place to ensure more effective and streamlined commissioning with clear accountability and approval. The process enables approvers to consider the totality of new and emerging work, and prioritise within this context.</p>

<p>KPI 3 - Reduce the overall number of core Manual of Guidance (MG) forms by 15% and develop and agree national guidance to drive the delivery of proportionate case file content in relation to each case by March 2011</p>	<p>Achieved; to target</p>	<p>MG forms are the standard forms used by the police and other authorities to enable the Crown Prosecution Service to prosecute criminal cases. Agreement to remove the original MG1, MG13 and MG17 forms from the baseline of 20 MG forms, a reduction of 15%, took place in December 2010. These were respectively the file front sheet, a form listing possible orders that can be made by a court on conviction and grounds for applying for the same, and a form used to assess whether a Proceeds of Crime confiscation order may be applicable in relation to a particular case. Whilst these have been discontinued, any salient aspects that need to be retained were incorporated elsewhere in the MG forms set.</p> <p>As well as reducing the number of forms, the NPJA has revised the business process for case file preparation, reducing bureaucracy and duplication. The complete set of forms and accompanying guidance has been endorsed by the Chair of the ACPO-led overseeing Change Delivery Board. Publication of the revised process is imminent, but aspects have already been successfully implemented in some forces.</p>
<p>KPI 4 - Deliver with the service £100 million worth of efficiency savings in 2010/11 using Quest and other business improvement models</p>	<p>Achieved; with revision</p>	<p>The revision relates to the method of measuring savings – we are currently reliant on forces' forecasts of savings being made. Projected savings arising from force 'Value for Money' statements in their policing plans, the committed process savings and an extrapolation of the uncommitted savings identified by forces, indicates a saving of £228 million. This initial calculation has been agreed with the Home Office.</p> <p>The NPJA support the delivery of the Service's efficiency savings by providing support through its Cost Effectiveness and Continuous Improvement programmes. Work has been undertaken with a number of forces such as Gwent where an improvement diagnostic was developed. This continues to be developed to assist in providing support to other forces seeking to make business process improvements to deliver savings. In addition, the Quest process, which was passed to the NPJA from the Home Office this year, delivers efficiency savings and the calculation above includes £46.8 million of inherited savings.</p>

<p>KPI 5 - Equip a further 10,000 frontline officers with mobile devices that will enable forces to deliver further efficiency savings</p> <p>Original wording: "Equip a further 10,000 frontline officers with mobile devices, enhancing the capabilities to support officers in confirming identities in real time, enabling forces to deliver efficiency savings."</p>	<p>Achieved; to target</p>	<p>By December 2010, over 10,000 mobile devices had been delivered to forces, bringing the total number of devices deployed to 40,239. These devices save officer time by allowing them to access information on the beat rather than them have to return to the station to do so.</p>
<p>KPI 6 - Complete pilots in three forces of the accelerated DNA identification / elimination systems by March 2011, that will enable forces to procure the technology in 2012</p>	<p>Achieved; to target</p>	<p>The successful pilots, led by competing commercial organisations, took place in three forces (West Midlands, West Yorkshire, and Derbyshire) and were completed by March 2011. Results of the pilots were recently considered by the ACPO-led Strategic Forensics Board, who are now giving consideration to how these pilot systems might be resourced for wider use.</p>
<p>KPI 7 - Support forces and the tripartite in the delivery of the Safe and Confident Neighbourhoods Strategy</p>	<p>Achieved; to target</p>	<p>This KPI required the delivery of several workstreams, all of which were completed to target. The NPJA's Local Policing and Criminal Justice Unit provided support to the review of the National Standard for Incident Reporting, helping to ensure that there is a framework in place for qualitative and quantitative recording of anti-social behaviour. We published guidance on integrated local service delivery and peer-led support on neighbourhood partnerships, and we integrated citizen focus into refreshed critical incident guidance material. We helped forces to integrate neighbourhood profiling and community intelligence into intelligence-led processes through beat meetings. The agency also launched a contact management and local policing module e-learning product in March 2011.</p>

<p>KPI 8 - Undertake a national Neighbourhood Policing Stocktake to include identification of good practice and areas for improvement</p>	<p>Achieved; to target</p>	<p>The Neighbourhood Policing Stocktake was completed and the final report issued in November 2010. The Stocktake Assessment and Items of Interest were sent to the Home Office, APA, HMIC, all Neighbourhood Policing Leads and were published on the NPJA's website.</p> <p>The Neighbourhood Policing Stocktake Seminar took place at NPJA Ryton on 24th November. The Stocktake has continued to be discussed at Regional Meetings, ACPO and the Home Office to see how the findings can be best used. All forces were asked to consider the reports as they respond to budgetary pressures.</p>
<p>KPI 9 - Identify emerging effective practice and develop a Tactical Diagnostic Toolkit to support the police and their partners in responding to local crime and anti-social behaviour problems</p>	<p>Discontinued</p>	<p>The NPJA Board agreed to discontinue this KPI as part of the revision of the Business Plan in October 2010. Prior to this, work on the KPI had been suspended at the request of the Home Office, which has since taken on the development of the toolkit. Removal of responsibility for this KPI also reflects the reduced resources available in the NPJA's Local Policing and Criminal Justice Unit following the revised delegation.</p>
<p>KPI 10 - Provide bespoke support to embed, sustain and develop local policing in response to the needs of individual police forces</p>	<p>Discontinued</p>	<p>The NPJA Board agreed to discontinue this KPI as part of the revision of the Business Plan in October 2010. This reflects both the change in role for the Local Policing Field Officers, who are now focused on confidence in the wider Criminal Justice System, and the reduced resources available in the NPJA's Local Policing and Criminal Justice Unit following the revised delegation.</p>
<p>KPI 11 - Deliver Schengen Information System II (SIS II) to agreed target dates and within delegated budget</p> <p>Original wording: "Deliver those activities in the current (baselined) Schengen Information System (SIS) Programme Schedule that fall within the financial year 2010/11 and to demonstrate robust financial control of SIS Programme and its component projects"</p>	<p>Achieved; with revision</p>	<p>A deceleration in the Schengen Information System II Programme was proposed as part of the NPJA's package of in-year savings proposals, as this would assist in realignment of timescales with European partners. The Home Secretary formally accepted this proposal. Plans for the delivery of the Schengen Information System II have been duly revised, and agreed with its Programme Board, with a projected delivery date of 2015. Progress on developing the system has been made in line with the revised Programme Plan.</p>

KPI 12 - Deliver Olympics Airwave infrastructure ready for testing by March 2011, as part of the Olympics planning activity	Not achieved	By the end of March 2011, 90% of the infrastructure had been installed. The remaining 10% faced challenges and delays in acquiring the required sites. The entire infrastructure will be installed and tested by June 2011.
KPI 13 - Develop and deliver agreed products for the Communications Capabilities Directorate by March 2011	Achieved; with revision	The revision relates to in-year changes to the number of delegates expected to be trained. The products have been agreed as delivered with the Communications Capabilities Directorate in the Home Office. Part of this included working in partnership with forces to develop training solutions for 14 differing requirements and training an agreed number of police personnel. Over 2,000 delegates have attended training events and courses.
KPI 14 - Deliver by March 2011, £10 million worth of cashable savings through the delivery and further development of the collaboration support centre	Achieved; with revision	<p>The revision relates to the method of measuring the planned savings – we are reliant on forces' forecasts of savings being made. Forces expressed the intention in their Value for Money returns of achieving £10.3 million worth of savings.</p> <p>The agency supported this work by developing a POLKA site to provide for the sharing of effective practice, including the collaboration tool kit; carrying out a series of visits to regional collaborations to consolidate effective practice; and developing standard diagnostic products to help forces work out how to reduce the costs of the back office.</p>
KPI 15 - Provide specific support to police forces and police authorities to ensure they meet the ACPO (2010) Minimum Standards on Protective Services by March 2011	Achieved; to target	We have provided assisted implementation to forces to help them meet the Protective Services Minimum Standards that were approved by ACPO in April 2010. This included roll out events held at seven locations to which all forces were invited and tailored support to individual forces. We have created a Protective Services Tool that allows forces to assess their progress towards compliance with the Minimum Standards. By analysing the results of this, we can highlight high risk areas where forces are clearly having difficulty and it assists with the identification and sharing of good practice. 26 forces have completed a survey to capture where forces are not meeting the standard, in order to aid in prioritising work. Tailored support has also been provided to police authorities, and to support forces in collaboration.

<p>KPI 16 - Demonstrate through working with candidates and police authorities a reported improvement in readiness and quality of ACPO candidates in preparation to deliver subsequent appropriate improvements</p>	<p>Continuing</p>	<p>In 2010/11 the primary deliverable for this indicator was a baselined assessment of current readiness and quality. A Home Office project quality Approval Board evaluation plan has been drafted and agreed with the National College of Police Leadership. Interviews with ACPO members were completed. Following the analysis of the interviews, a questionnaire for a large scale survey was drafted and agreed. The findings from the questionnaires were used to draft the Benchmark report.</p>
<p>KPI 17 - Assess all learning programmes and, where relevant, ensure that business and financial management skills are fully integrated</p>	<p>Continuing</p>	<p>A review was conducted and the outcome presented to ACPO in September 2010. This identified that the majority of the 280 courses delivered by the NPJA were potentially suitable for business and finance skills inclusion. All leadership courses already have these skills integrated within them. Given the resource requirement needed to achieve a completion against all potentially suitable courses by March 2011, the three courses were prioritised by ACPO for revision - Disaster Management, Senior Investigative Officers and BCU Commander – and these were duly revised before the end of March 2011. Additional courses are identified as part of Phase Two, with learning descriptors being revised in the future as budgets allow.</p>

<p>KPI 18 - Deliver a package of specified HR, Workforce and Learning Practices and Process, aligned with the cost effectiveness programme, which will allow forces to report improved efficiencies in 2011/12</p> <p>Original wording: "Deliver a package of specified HR, workforce and learning practices and process, mapped to the 'Police Productivity Framework', which will allow forces to report improved efficiencies in 2011/12"</p>	<p>Achieved; to target</p>	<p>Four key products were delivered as part of this KPI. The Strategic Operational Resource Planning (SORP) Model was developed. This is a model that enables forces to gain a detailed understanding of both current and future demand and supply. By establishing the current policing demands and workforce supply, and projecting how this may vary in the future, forces are able to make more informed and cost effective workforce decisions.</p> <p>A review of the National PDR Process was completed in March 2011. The new PDR is proportionate in the level of evidence required to show competence, but more importantly is aimed at identifying and developing the skills required to be effective in the workplace. It was launched by the Home Secretary at the beginning of May 2011.</p> <p>In April 2010, the NPJA launched the first National Recruitment Assessment Process and associated standards for special constables, and an evaluation report of adopter forces was completed in March 2011.</p> <p>The NPJA Equality in Employment report was published in September 2010, to paint a clear picture of the police service's current workforce profile in order to improve future workforce and positive action planning.</p> <p>Additional products may be added to this package pending the outcomes of the Winsor and Neyroud reviews.</p>
<p>KPI 19 - Provide peer support to forces and authorities through the mechanisms of the Insight and cost effectiveness programmes to achieve positive outcomes</p> <p>Original wording: "Provide peer support to forces and authorities in using the 'Police Productivity Framework' to achieve positive outcomes"</p>	<p>Achieved; to target</p>	<p>Peer support has been provided to forces to supplement the cost effectiveness diagnostic, a tailored tool that helps identify improvement opportunities in individual forces and provides flexible bespoke solutions. For example, NPJA workforce change managers, after supporting the use of the diagnostic in force, are now providing workforce planning assisted implementation in that force.</p>

<p>KPI 23 - Provide the resource available to provide capability support and establish a new tasking and co-ordination process for its supply to police forces and authorities</p> <p>Original wording: "Double the resource and set up new tasking and co-ordinating processes to deliver capability support to police forces and authorities across the UK"</p>	<p>Achieved; to target</p>	<p>The NPIA has continued to provide Capability Support to police forces and authorities throughout the year. We work with police forces and authorities in responding to perceived performance gaps in areas such as: improving detection rates in serious acquisitive crime; improving response times to calls for service; reducing bureaucracy in managing cases which go to court; and developing better systems for protecting vulnerable adults. Much of this work is carried out by successful practitioners working on a peer support basis. During the year, we have provided significant support to 34 forces and 18 police authorities across England and Wales.</p> <p>In the latter part of the year, new tasking and co-ordinating processes have been put in place to ensure the efficient allocation of resources.</p>
--	-----------------------------------	---

Internal Key Performance Indicators

KPI	Status	Description
KPI A - Complete the London consolidation to integrate our central London operations onto one site, reducing our London footprint to a maximum of 680 deskspaces by Oct 2011	Continuing	A plan is in place to complete the London sites consolidation in autumn 2011, with a reduced footprint of 500 deskspaces. The majority of our London-based staff have moved to our new headquarters. We are currently waiting for another organisation to vacate the required area before the final group of staff move.
KPI B - Improve performance against customer standards	Achieved; to target	All customer standard measures were either maintained or improved during the year. There are six customer standard measures used for this indicator, other customer standards are measured under critical national services measures. These are: IT Service Desk; Specialist Operations Centre (SOC) enquires dealt within SLA; SOC customer satisfaction; NCALT customer satisfaction; and overall satisfaction with training facilities.
KPI C - Reduce the agency's establishment to less than 2,000 including at least a 15% reduction in senior posts by end of 2011 Original wording: "Reduce the number of senior posts by the start of FY 2013/14"	Not achieved	This KPI has been partly achieved. The total establishment figure at end of March 2011 was 1,848 staff. However, the percentage reduction in senior posts (3b or above) has just been missed by just 7 posts. Against the baseline figure of 201 posts, there were 177 senior posts at the end of March 2011, a 11.5% reduction. The reductions in head count have been achieved through natural wastage, the deletion of vacancies, and two large voluntary exit schemes that took place in October 2010 and March 2011.
KPI D - Not exceed the total number of permanent posts at 2,350 by March 2011 whilst at the same time reducing the total cost of the workforce from the April 2010 starting point	Discontinued	This KPI was merged with Internal KPI C during the revision of the NPIA's Business Plan in October 2010, in order to reflect the changes in the agency's establishment anticipated as a result of budgetary reductions.
KPI E - Reduce spend on consultants by 45% on the 2009/10 baseline, to a total of less than £10 million in 2010/11	Achieved; to target	The year end spend on consultants was £2.3 million, well below the target of £10 million.

<p>KPI F - Deliver NPfA's full year 2010/11 outturn for capital and resource within the new delegation</p> <p>Original wording: "Deliver NPfA's full year 2010/11 outturn for capital and resource in line with the £80 million capital and £386.3 million resource budgets within the budget tolerances agreed with the Home Office"</p>	<p>Achieved; to target</p>	<p>The audited financial position is a resource underspend of £0.2 million and a capital underspend of £10.5 million.</p>
<p>KPI G - Within the 2010/11 budget, deliver £54.5 million of planned budgetary reductions by March 2011</p> <p>Original wording: "Within the 2010/11 budget, deliver £24.5 million of planned budgetary reductions by March 2011"</p>	<p>Achieved; to target</p>	<p>These budgetary reductions have been achieved. The original 2010/11 Resource Budget included savings of some £24.2 million across all directorates. In addition, the NPfA was required to make savings of a further £30 million in year. The agency has a well established process for scrutinising savings plans to ensure their viability and delivery of the savings.</p>
<p>KPI H - Lay the NPfA Annual Report & Accounts 2009/10 before summer recess</p>	<p>Achieved; to target</p>	<p>The NPfA Annual Report and Accounts for 2009/10 were laid before Parliament on the 19 July 2010, and subsequently published on the 22 July 2010. Summer recess started on 27 July 2010.</p>
<p>KPI I - Successfully maintain Investors in People accreditation to December 2011</p> <p>"Original wording: Successfully maintain the IiP requirements at the formal interim reviews of three directorates by December 2010 in order to gain re-accreditation in December 2011."</p>	<p>Achieved; to target</p>	<p>Following the NPfA's successful retention of Investors in People accreditation in December 2008, the agency commenced a rolling review process. However, following the 2010/11 in-year budgetary reductions and the announcement that the agency would be phased out and the majority of our functions transitioned during 2012, the agency decided that the rolling review process would cease as accreditation was valid until December 2011. The NPfA have since reached agreement with the accreditors to extend the NPfA's Investors in People accreditation a further four months until March 2012 and agreed that no further reviews were necessary.</p>
<p>KPI J - Improve performance in the quarterly staff survey employee engagement measures by March 2011</p>	<p>Achieved; to target</p>	<p>A pulse survey was taken in November 2010. Both of the employee engagement measures retained on the pulse survey showed positive results. Overall all but one of the questions showed a positive trend against the original survey that was taken in September 2009.</p>

Financial Planning and Future Developments

Introduction

The NPIA's business planning process fully integrates business, resource, and financial planning, including efficiencies, ensuring that robust workforce planning is undertaken in line with people, estate, and procurement requirements. In the June 2010 Budget, the agency was required to make an additional £30 million of in-year savings, and in July 2010 it was announced that the NPIA would be phased out and the majority of our functions transitioned in 2012. The NPIA subsequently revised its business plan for 2010/11 to take account of its altered circumstances. The agency prioritised its savings using a service risk assessment, validated with ACPO and the APA. This analysed our functions and estimated the risk to policing and public protection of ceasing or reducing particular activities. This is a living document that is updated to inform all future savings decisions.

The NPIA has set up a Transition Programme to co-ordinate the work associated with the phase out of the agency and the transition of our functions into other bodies. The programme is managed by a Programme Board, chaired by the Chief Executive. This is supported by a Delivery Board and a dedicated Transition Team.

A mature detailed planning and monitoring process is in place in the agency, with a dedicated Performance Inspection and Improvement Team (PIIT) reporting to the Head of Finance. PIIT reviews proposed savings on a regular basis and takes a view on both the credibility of the savings offered and on the quality of planning that is in place to deliver the savings. This activity sits within a broader Value for Money strategy, which is promulgated in part through the business planning process outlined above.

Review of performance

The table below compares the NPIA's financial outturn for 2010/11 with its budget.

	Budget £ million	2010/11 Spend £ million	(Over) / under spend £ million
Resource DEL	368.1	367.9	0.2
Resource AME	21.0	15.8	5.2
Capital DEL	68.1	57.6	10.5
Resource + Capital	457.2	441.3	15.9

The outturn for resource spending for the year was £0.2 million (less than 0.1 per cent) less than the delegated expenditure limit (DEL) budget and £5.2 million less than the Annually Managed Expenditure (AME) budget. The outturn for capital spending for the year was £10.5 million under budget.

This builds upon the positive position reported last year and reflects a continued drive to improve control processes and to develop ever more robust forecasting.

It is noteworthy that the NPfA has largely delivered its business plan 2010/11 this year against a budget that required cash releasing savings of £54.5 million, including £30 million savings in-year.

Going concern

The activities of the NPfA are primarily financed by the Home Office. The statement of financial position as at 31 March 2011 shows total assets, less liabilities, of £301.327 million. In 2009/10 this was £283.572 million, restated.

In July 2010, the Home Secretary announced the phasing out of the NPfA. In a notification to the NPfA in February 2011, she confirmed that she anticipates that the transfer of the bulk of the transfers of NPfA functions, statutory duties and associated responsibilities will be completed throughout 2012. The destinations for most functions have yet to be decided – it is possible that primary legislation will be needed to establish successor bodies. A detailed timetable has yet to be decided. Once the NPfA's functions have passed to other entities, the NPfA in its current legal form will be dissolved by the passage of primary legislation. Legislative changes are at Parliament's discretion so there is uncertainty as to the nature and timing of changes that affect the NPfA's future.

The valuation methods used for the assets and liabilities of the NPfA depend on the future service use. Continued use, albeit in a different delivery body, would support the current valuations on a going concern basis.

Budget for 2011/12, taking into account the amounts required to meet the NPfA's liabilities in the year, has already been included in the Home Office's estimates for that year, and guideline amounts for the rest of the Comprehensive Spending Review period have been advised. These will transfer to successor bodies. There is no reason to believe that this budget and future sponsorship by the Home Office will not be forthcoming.

Having considered the circumstances described above and from discussion with the Home Office, the NPfA's Management considers it appropriate to adopt a going concern basis for the preparation of these financial statements.

Assets

The valuation of NPfA's property at Harperley Hall, County Durham has been amended from Depreciated Replacement Cost (DRC) to Open Market Value (OMV) as the site is not sufficiently specialist to warrant the use of DRC. The building at Hendon, which is a specialist data centre, has been valued at DRC because it cannot be sold on the open market.

The NPJA is responsible for a number of assets that are defined as heritage assets, the main one being the 17th century Mansion House and grounds at the Bramshill site. The 300 acre Bramshill site was purchased by the Home Office from Lord Brocket in 1953 and was transferred to Centrex in 2002 and then to the NPJA on its vesting in April 2007. The Mansion House is used as offices, meeting rooms and is the home of the National Police Library. The Grade I and Grade II listed parts of the site undergo conservation in order to prevent further deterioration, as required by legislation and related regulations. The Mansion House and grounds are opened to the public annually, on Heritage Open day.

Auditors

The NPJA uses internal audit services, provided by the Home Office. The charge for these services was £145,000, compared with £146,000 in 2009/10.

Under paragraph 36(4) (a) and (b) of Schedule 1 Part 4 to the Police and Justice Act 2006, the Comptroller and Auditor General audits the statement of accounts and lays a copy of the statement and his report before both Houses of Parliament. The amount of the external audit fee for 2010/11 was £132,000, compared with £137,000 in 2009/10. During 2009/10, the external auditors, the National Audit Office (NAO), carried out a statutory audit of International Financial Reporting Standards conversion for a charge of £25,000. The NAO were not paid for any work of a non-audit nature during the year.

Compliance with public sector payment policy

In 2010/11 the NPJA's policy, as required by NPJA's Financial Memorandum, has been to pay valid invoices within 30 days of receipt, unless the amount is in dispute or a longer payment period has been agreed. The NPJA's standard terms and conditions set out this 30 day payment policy, but NPJA has been aiming to pay 80 per cent of valid invoices within 10 days of receipt, unless in dispute or otherwise agreed. The NPJA's policy aim for 2011/12 will be to pay 80 per cent of undisputed invoices within five days as set out in the Office of Government Commerce's Policy Principles.³

At 31 March 2011 NPJA's Trade Creditors of £23,855,000 amounted to 15 days as measured against all payments to suppliers in the previous year (at 31 March 2010, Trade Creditors of £24,159,000 amounted to 14 days). The NPJA incurred late payment penalties totalling £641 (£149 in 2009/10).

Provision of information to auditors

There is no known relevant audit information of which the auditors are unaware. The Accounting Officer has taken all necessary steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

³ Published March 2010 at www.ogc.gov.uk

Description of the agency's principal risks and uncertainties

At the end of the financial year 2010/11, the principal risks facing the NPIA included those summarised and collated below. All risks and uncertainties are managed through an internal control system.

The principal risks summarised include:

1. Lack of clarity on the future of the agency's functions may lead to the agency being unable to manage assets or complete legal requirements effectively. This could result in the post-transition body/bodies not being fit for purpose, with reduced benefit to police and public.

Mitigating Action: The NPIA's Senior Management Team regularly engages with the Home Office, attends governance boards and has regular meetings with Ministers. The Home Office is clear that no critical functions or services will be transferred out of the NPIA until the receiving organisation is ready to receive them. Our Transition Programme is continuing to prepare the agency for its functions' migration to other bodies, including keeping staff informed of developments.

2. Staff with key skills, or a critical mass of staff, could leave the agency during the transition period, adversely affecting service delivery.

Mitigating Action: The risks relating to particular staff groups have been identified at directorate level, and mitigating actions agreed to alleviate these risks. Voluntary release schemes have been managed to ensure that key skills are retained and, where possible, opportunities are provided to staff to reskill.

3. Delivery of 'business as usual' undertakings may be adversely affected by the demands of effectively managing the transition of the agency's functions.

Mitigating Action: An achievable and flexible Business Plan for 2011/12 has been produced, and performance management processes are well established within the NPIA. Any adjustment to the Plan will be agreed through the appropriate channels and communicated to customers as necessary.

4. There is a risk that the agency could fail to manage correctly the personal, financial and commercial data it holds, which could lead to unauthorised access to and/or loss of data and its associated impacts on people or the agency.

Mitigating Action: All staff complete annual information assurance training, Protecting Information Level 1, and the role of the Information Asset Owners has been developed. Information Asset Owners complete Level 2 training, and the agency is progressing towards full implementation of Her Majesty's Government (HMG) Information Assurance Maturity Model Level 2.

5. The agency may be unable to deliver to budget as planned if it is unable to achieve savings or additional costs are imposed as a result of transition or 'business as usual' activities. This could result in unplanned (additional) savings having to be made in year.

Mitigating Actions: The agency has a well established process for ensuring that savings are achieved. Detailed plans for making savings are put in place and regularly monitored to confirm delivery.

Future developments

The NPJA's 2009/10 Annual Report and Accounts anticipated that there would be increased pressure on finances in 2010/11 and that we would have to respond to policy changes arising from the change in Government. These were accurate predictions. The agency was required to make a total of £54.4 million savings in 2010/11 and in July 2010, the Coalition Government announced its intention to phase out the NPJA as part of the wider changes to the national policing landscape. The agency responded proactively to this by establishing a Transition Programme involving our stakeholders, to ensure the smooth transfer or closure of our functions.

Although the final landscape is not yet fully populated, the Home Office has in recent months advised that it expects the vast bulk of the phasing out of the NPJA to take place throughout 2012. The agency's non-ICT police procurement function will be the first of the NPJA's functions to transfer, moving into the Home Office in 2011/12. The destination of other functions will be informed in part by the outcome of the Neyroud Review of Policing Leadership and Training, currently part way through its post-publication consultation process, and Lord Wasserman's Review of Police IT, which is expected to report to the Home Secretary imminently.

Some of the NPJA's functions may transfer to the proposed new National Crime Agency (NCA). In a notification from the Home Secretary in February 2011, she stated that in the event that the NPJA is phased out before the NCA is formally established, any agreed functions will transfer to a shadow NCA body once available.

Other functions, such as our role in cost effectiveness, will remain with the NPJA at present. We have a number of statutory and contractual responsibilities, to which we have given effect in our 2011/12 Business Plan. In consultation with our partners, and in line with our transitional status and reducing resources, we agreed four priority areas for the agency during 2011/12. They are described in our business plan as follows:

- **Critical National IT Services** - supporting operational policing through high quality, accessible information and communications systems.
- **Specialist Operational and Support Services** - increasing policing capability and capacity, including through hands-on support, advice, training and sharing knowledge at local, national and international levels.
- **Cost Effectiveness and Reducing Bureaucracy** - supporting police forces and authorities to drive out value for money, including the provision of tailored support.
- **Transition** - ensuring the smooth transfer or closure of agency functions, with due diligence, and maintaining efficient and effective corporate governance until the agency is wholly phased out.

This plan has been fully costed, and on the basis of the budgetary delegation advised to date, we are confident that we will come in on budget for this financial year.

Environmental, Social and Community Issues

Environment

The NPIA Estates Strategy aims to provide an estate that effectively and efficiently meets the current and future needs of the agency. This is a live document, first drafted in February 2009, and is subject to biannual review as a minimum. The most recent of these was carried out in October 2010 in order to reflect changes in priorities, focus and available funding. The current strategy focuses on providing the strategic vision, principles and deliverables for the development of the NPIA estate. It was underpinned by a capital investment programme based on the priorities of the business at that time, also taking into account various duties and constraints.

Following on from the London estate transition in 2009, full adoption into the Home Office Shared Services for Facilities Management was completed across the NPIA estate this year. The implementation of the new and total facilities management contract on the residential sites provided a saving to the agency of £500,000 per annum.

The NPIA has continued work to reduce the concentration of staff based in central London through the consolidation of its two sites into one London headquarters. In September 2010, the NPIA relocated its headquarters into the Home Office building at 2 Marsham Street. A further move of around 100 people from the second central London site took place later in the financial year, with the final vacation from that site into the consolidated headquarters expected to take place in autumn 2011.

The move into our new headquarters has not only been a physical move of staff but a radical change in working practices that introduced 'Agile Working'. At 2 Marsham Street desks are shared, with fewer desks than headcount, and the whole ethos is based on open plan working and the sharing of space and other office resources. This transition has been a success and is a model for further implementation, notably at Wyboston.

Everyone working for the NPIA or on its behalf is required to carry out activities in line with the 'Home Office Environmental Policy'. Since April 2007, we have articulated our approach to environmental issues in an Environmental Policy Statement made by the CEO (revised January 2011). This statement describes the broad approach we are taking across our sites. All members of staff have ready access to this statement through the NPIA's intranet.

The NPIA is an active participant in the Home Office Sustainability Implementation Group. A legal requirement to complete NPIA carbon registration by September 2010 was fulfilled by incorporation within the Home Office return.

A review of NPIA fleet management in September 2010 revealed the volume and nature of business trips by road undertaken by the agency, and a series of measures are being implemented that will not only reduce cost but also carbon emissions. Where possible, business journeys are being reduced by using video and teleconferencing facilities, and more cost- and carbon-efficient methods of

travel such as public transport, car sharing, and using smaller more fuel efficient vehicles are being encouraged. The agency's pool car fleet has been reduced by 30 per cent and tighter controls placed on size of hire cars and own car use.

The Carbon Trust has carried out energy audits of 5 of our sites (Bramshill, Harperley Hall, Ryton, Hendon and Harrogate). Some of the more straightforward recommendations, such as insulation and lagging, were completed in 2010/11 and others are part of the 2011/12 Energy Conservation programme for the agency.

The NPIA Environmental Working Group is now embedded within the agency with quarterly meetings to review actions and progress. At a site level there are Energy and Environment Teams to progress actions at a local level and engage staff and change behaviours.

Management information capture, analysis and reporting are a high priority for 2011/12 in order to evidence the effectiveness of the measures already taken and identify further opportunities. A number of improvements to building management systems and metering are near completion and will assist in this.

Social and Community Matters including employment

As of 31 March 2011, the NPIA's headcount was 1,820 people. Headcount includes permanent employees, fixed contract, contractor/agency workers and secondees. Sickness absence figures however, are measured against a base of employees only on the payroll during the relevant period. In 2010/11, the average number of sickness absence days per employee, including long term sickness (i.e. more than one month) was 5.03 days, which is below our target of no more than 7.5 days per person.

We have maintained a good level of engagement between our senior management team and staff throughout the year, using a variety of methods. Corporate communication increased following the announcement that the agency was to be phased out, in order to address the concerns of our staff. Our Internal Communications team have put in place a network of 'critical friends' throughout the agency continuously to evaluate the effectiveness of corporate communication, and feedback is used to improve the content and delivery method of future messages.

Our Chief Executive Officer and chief officers each on rotation host an hour-long online webchat forum for all NPIA staff approximately twice a month. This provides an opportunity for staff to raise any issues or questions they may have. Web-chats have also been held by others such as the Head of Human Resources and the Project Manager for our London Office Move, in order to focus on particular issues of concern to staff. The Chief Officer Team also launched an interactive blog to help keep staff up to date on all issues facing the NPIA and new developments that take place during the year.

Throughout May 2010, we held a series of staff engagement events across each of our eight major sites, attended by approximately 1,000 staff. These sessions provided staff with the opportunity to discuss issues in an open forum with the Chief Officer Team, and for the Chief Officer Team to share its vision for the agency and discuss the agency's business plan and the political context. Further

'Time to Talk' events were held in October and November 2010, and March 2011, to provide staff with the opportunity to question and listen to the Chief Officer Team.

Many staff undertake all types of voluntary work in their own time and the NPIA provides opportunities for its people to give back to their communities. A number of staff are special constables, directly improving public safety. The agency facilitates this by allowing them to take up to 15 days paid special leave to undertake their duties. Alternatively, staff have the option to take up to five days special leave for voluntary work to support the community.

Every year the NPIA stages special events, in conjunction with several charities, in support of International Missing Children's Day. In May 2010, the annual Learning at Work Day, part of the National Campaign for Learning, took place across 8 of our sites. During this event, we provided more than 75 sessions for staff under the theme 'Creating Connections'. Sessions included interactive workshops, demonstrations and presentations on our specialist work supporting policing. Topics ranged from 'Personality Insights' at Harperley Hall to 'the IMPACT of the Soham murders on policing' at Bramshill and Harrogate, plus 'Training the Detectives' which took place across most of the sites. Regular 'Meet the Police' events have also taken place throughout the year, involving visits from frontline police officers at all sites, to help broaden staff understanding of the wider policing family.

The NPIA has a Staff Council set up at both directorate and agency level. The councils meet quarterly and discuss organisational issues ranging from working conditions to business performance matters. Representatives are nominated by staff and cover all directorates, the trades unions and the Police Federation.

In December 2008, the NPIA successfully completed a formal review against the 'Investors in People' standard. By meeting this standard, organisations are able to improve performance and meet their objectives by effectively managing and developing their people. Rather than seeking re-accreditation in three years time we decided to proceed on a rolling review basis. However, following the 2010/11 in-year budgetary reductions and the announcement that the agency would be phased out and the majority of functions transitioned in 2012, the NPIA decided not to divert resources into the rolling review process as accreditation was valid until December 2011. The agency has since reached agreement with the accreditors to extend the NPIA's 'Investors in People' accreditation a further four months until March 2012, with no further reviews necessary.

In February 2011 a number of NPIA staff and teams were awarded a Chief Constable's Commendation in recognition of their contributions to policing. A list of commendation recipients can be found at Appendix A.

Promoting equality, diversity and human rights

The NPIA has a duty to promote equality and eliminate discrimination. There is a clear business case to do this, which is supported by legislation. Our Equality, Diversity and Human Rights (EDHR) unit is dedicated to providing support to the NPIA to ensure that duties are met as an employer and that we also support the wider police service to meet its duties through the services the NPIA provides.

Our Single Equality Scheme sets out how the NPJA will promote equality of opportunity, eliminate discrimination, and create a workplace where people feel supported and valued.

Within the agency we have developed a diversity course to raise awareness and continue good practice, and we have run refresher sessions to ensure that the relevant business units are aware of the legislative changes arising from the Equality Act 2010.

This year our EDHR team, working alongside the HR transition team, focused on activities from the positive action plan and disability action plan that support staff through the changes they may face. This has included working on the development of a package that includes coaching and mentoring, career progression and recruitment skills, and demand-led staff support network plans for under represented staff.

The agency's policy in respect of the employment, training, career development and promotion of disabled persons is contained within the Single Equality Scheme and is embedded into the relevant agency-wide policies. Work on the Disability multi-point action plan has promoted training and disability awareness in the agency and we have provided a highly impactful, motivating leadership development experience for our disabled staff, along with 'lunch and learn' sessions on health and well being. We have guidance available for staff and managers on how to use the government backed 'Access to Work' initiative and IT support in place to ensure reasonable adjustment requests, such as visual, audio, travel and office assistance, are prioritised and dealt with appropriately.

The agency now has a support network for disabled staff and links to the Home Office disabled staff network to provide wider support mechanisms, engagement and development opportunities.

Our team makes improvements to our policies, practices, monitoring and analysis to improve outcomes for our under represented staff, prevent discrimination and promote equality of opportunity for people with or without a protected characteristic.

The NPJA ensures that the products we provide to the wider police service are compliant with equalities legislation and that we promote fair practices. Our EDHR advisors provide professional advice and 'equality assurance' to key areas of work such as the Independent Review of Police Leadership and Training, National Police Promotions Framework, the Releasing Potential Programme for Inspectors and Chief Inspectors from under represented groups, and the review of police Performance Development Reviews.

Our EDHR unit provides professional equality risk assessment advice and in response to bespoke requests from forces, we have identified issues in relation to how decisions impact on our communities and supported forces restructure proposals. Recommendations have been adopted that provide in-force savings and ensure that long term gains of community engagement and community confidence are not compromised by the changing landscape. Our analytical support has provided forces with evidence to ensure risks are highlighted early and implementation of force restructuring decisions do not disproportionately affect any specific protected characteristic group.

The NPIA has been supporting the service to increase community confidence concerning the use of 'Stop and Search' powers following the findings from the Equality and Human Rights Commission 'Stop and Think' report (2010). We have gained ministerial approval to introduce a 'Next Steps' diagnostic tool, developed by the NPIA EDHR Unit in partnership with our stakeholders, to ensure forces use stop and search powers efficiently and effectively. It encourages appropriate and effective use of the powers while exposing inappropriate, ineffective usage that has a detrimental impact on community confidence. Following successful preliminary reports from pilot forces, we will support the roll out of 'Next Steps' nationally.

In October 2010, the majority of the provisions of the Equality Act 2010 came into force. The NPIA EDHR unit has been working with forces, HR professionals and line managers to ensure forces understand and can meet their duties under the Act. Having developed and launched the 'Equality Standard for the Police Service' in 2009/10, the service is now equipped with a national framework for improving equality performance across the police service. Specifically designed for policing, the framework helps forces assess how far they have developed beyond basic compliance with equality law, and improve delivery of services for their local communities. In the light of the new duties under the Equality Act 2010 and the drive by forces to reduce bureaucracy and increase cost effectiveness, the EDHR team is using the Equality Standard to assist forces in evidencing how they are meeting their public sector equality duties.

NPIA workforce representation

The following tables summarise changes in the diverse make-up of the NPIA between 31 March 2010 and 31 March 2011 and includes the main protected characteristics of age, disability, ethnicity, gender, religion and belief and sexual orientation. The remaining protected characteristics under the Equality Act 2010 are not included for our purposes.

Age	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
20 and under	1	0.1%	4	0.2%
21 – 30	290	15.9%	396	17.8%
31 – 40	483	26.5%	577	25.9%
41 – 50	598	32.9%	748	33.6%
51 – 60	396	21.8%	436	19.6%
61 +	52	2.9%	66	3.0%
Total	1820		2227	

Disability	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
Disability Declared	45	2.5%	54	2.4%
No Disability Declared	993	54.6%	1059	47.6%
Prefer not to say	57	3.1%	77	3.5%
Unknown / Blank	725	39.8%	1037	46.6%
Total	1820		2227	

Ethnicity	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
Asian	107	5.9%	116	5.2%
Black	47	2.6%	55	2.5%
Chinese or Other	23	1.3%	23	1.0%
Mixed	21	1.2%	18	0.8%
White	1177	64.7%	1258	56.5%
Not Stated	99	5.4%	121	5.4%
Unknown / Blank	346	19.0%	636	28.6%
Total	1820		2227	

Gender	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
Male	1014	55.7%	1296	58.2%
Female	806	44.3%	931	41.8%
Total	1820		2227	

Religion and Belief	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
Buddhist	7	0.4%	13	0.6%
Christian	652	35.8%	670	30.1%
Hindu	48	2.6%	51	2.3%
Jewish	9	0.5%	10	0.4%
Muslim	34	1.9%	37	1.7%
Sikh	14	0.8%	14	0.6%
Other	35	1.9%	37	1.7%
No Religion	412	22.6%	433	19.4%
Prefer not to say	114	6.3%	88	4.0%
Unknown / Blank	495	27.2%	874	39.2%
Total	1820		2227	

Sexual Orientation	31 March 2011		31 March 2010	
	Volume	% Total	Volume	% Total
Bisexual	5	0.3%	4	0.2%
Gay / Lesbian	22	1.2%	24	1.1%
Heterosexual	1153	63.4%	1176	52.8%
Prefer not to say	164	9.0%	172	7.7%
Unknown / Blank	476	26.2%	851	38.2%
Total	1820		2227	

Information assurance

The NPfA makes concerted efforts to ensure that its data and that of its partners is properly managed to assure its confidentiality, integrity and availability. In 2010/11, we have continued to promote the importance of information assurance (IA) in our daily activities and to maintain a level of awareness of the significant risks that can ensue from personal data loss. Our programme of work ensures that we manage information securely, effectively and in compliance with the recommendations made in the pan-government Data Handling Review (June 2008).

The Information Assurance Maturity Model (IAMM) has been designed by government to help Senior Information Risk Owners (SIROs) establish a comprehensive programme of work to achieve three main IA goals. These are:

- Embedding an information risk management culture within the organisation
- Implementing best practice IA measures
- Building an effective compliance regime.

In April 2010 NPIA was assessed by the Home Office as being at IAMM Level 2, save for the area of information risk management where it scored 93%, which is 2% short of achieving Level 2. An IA culture change programme was put in place to improve IA across NPIA.

Each NPIA Information Asset Owner (IAO) completes a quarterly information asset risk register which identifies the risks to each asset and the management of that risk. The process provides an organisation-wide view of information assets and the risks associated with each one, for the NPIA SIRO.

All NPIA staff receive IA training as part of induction and are also required annually to complete an e-learning course, Protecting Information Training Level 1. All IAOs are required to complete the Level 2 training, and the NPIA SIRO and NPIA Deputy SIRO will complete a Level 3 SIRO training e-learning package and receive further training in 2011/12.

Information security breaches are reported according to NPIA's information security management policy and procedure. This defines incidents as those that affect, or have the potential to affect, the confidentiality, availability or integrity of data. Incidents are then investigated and the lessons we learn are implemented. Those incidents affecting NPIA corporate networks are also reported to the Information Services Compliance and Risk team to feed into the accreditation of those networks. Any lessons learnt requiring infrastructure changes are implemented via a Change Advisory Board including both compliance and risk and technical subject matter experts.

A summary of personal data related incidents formally reported to the Information Commissioner's office in 2010/11 would normally appear here as Table 1. This has been omitted as no incidents have been formally reported.

The following table summarises protected personal data incidents that have occurred during 2010/11. At the time of each incident, we reviewed the 'Guidance on Notification of Data Security Breaches' and concluded that these incidents were not notifiable. This is because there was very limited potential for harm to the data subjects, and the volume and sensitivity of the compromised data did not meet the thresholds identified in the Information Commissioner's guidance.

Table 2: Summary of Other Protected Personal Data Related Incidents in 2010/11

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the agency are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	nil
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	1
IV	Unauthorised disclosure	2
V	Other	5

It should be noted that incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

About Us

We are a Non-Departmental Public Body sponsored by the Home Office, with a remit that covers most of the UK. The duties and powers of the NPfA are vested in the tripartite NPfA Board; tripartite refers to the Association of Police Authorities (APA), the Association of Chief Police Officers (ACPO), and the Home Office. The NPfA Board is required to provide governance and corporate oversight to the NPfA. The primary role of the ACPO, APA and Home Office members of the Board is (as for all members) to work in the best interests of the police service. We work with police forces and authorities to support them in performing their functions.

The agency is funded from two main sources: the Home Office as the government sponsoring department, and income from charges for specific services.

Our purpose

Our purpose is to **make a unique contribution to improving public safety**. In our 2010/11 Business Plan, we described this as taking three forms:

- **We provide critical national services** that directly enable frontline policing. These account for the largest portion of our expenditure.
- **We build capability in the police service and police authorities** through improvement priorities.
- **We provide professional expertise to forces and police authorities** by directly helping forces identify capability gaps and improve service delivery, and support police authorities to implement improvements.

Our vision

We will help to make our country and every citizen in it safer. When they need the police, they will receive the right service, delivered to a consistently high standard. Services will be accessible when people require them, delivered with care, compassion and sensitivity.

Our vision is of a police service where the right staff have the time, skills, knowledge, information and equipment to give the best service, where careers are developed, where staff are recognised for good performance, and are led well by people that they and the community respect.

Our vision is of a strong public service, engaged with every community, a service that values the dedication of staff and volunteers, and believes that trust in the police service is crucial to a safe and confident society.

Our status

The NPJA was established under the Police and Justice Act 2006 and came into existence on 1 April 2007. We are currently scheduled to be phased out, and the majority of our functions transitioned, in 2012. As part of this Act, the following 'objects' were laid out for the agency:

- identifying, developing, and promulgating good practice in policing
- providing police forces with expert advice about, and expert assistance in connection with, operational and other policing matters
- identifying and assessing opportunities for, and threats to, police forces in England and Wales, and making recommendations to the Secretary of State
- sharing internationally our understanding about policing issues
- providing support to police forces regarding technology, procurement, training and other personnel matters
- anything else that is reasonably expected in order to complete the above tasks.

Our values are:

Trusted partner

- We are open and honest
- We challenge when necessary
- We seek and respond positively to feedback
- We are true to ourselves and respected for our integrity
- We bring others with us when making difficult decisions

Passionate about policing

- We work hard to understand what's needed
- We are committed to serving those who serve
- Everything we do is motivated by making a difference to public safety

Focused on delivery

- We prioritise key needs
- We take ownership of and accountability for results
- We use our initiative and take considered risks
- We value joined-up thinking and solutions

Quality matters

- We seek out and share best practice
- We evaluate options professionally and objectively
- We turn the best expertise into customer focused solutions

Valuing people

- We enable talented people to be successful
- We treat people with respect
- We value diversity
- We prioritise learning and development

The NPIA's Chief Officer Team

There have been a number of personnel changes at the Chief Officer Team level during 2010/11:

- In September 2010, Peter Neyroud, our then CEO, was commissioned by the Home Secretary to conduct a review of police leadership and training functions. Nick Gargan, our then Deputy CEO, Chief Operating Officer and Director of Policing Policy and Practice, was appointed as CEO on a temporary basis with the responsibilities of Accounting Officer.
- In October 2010, our then Chief Information Officer and Director of Information, Communications, Technology and Science (ICTS), Richard Earland, took Voluntary Early Release. Tom McArthur, Director of Operations, became the interim Director for ICTS in addition to his role in the Operations Directorate. These two directorates were subsequently merged and roles rationalised.
- In December 2010, Peter Neyroud retired from the Police Service. Nick Gargan was appointed as substantive CEO from January 2011 and continued as Accounting Officer.
- In January 2011, Deputy Chief Constable Paul Minton was appointed as Deputy CEO, Chief Operating Officer and Director of Policing Policy and Practice.

A number of structural changes also took place during the year and the responsibilities for some units changed from one directorate to another. These changes have been made in line with the continuing effort to improve the effectiveness and efficiency of the agency.

The NPIA's organisational chart showing Chief Officer Team responsibilities as at 31 March 2011 is on the following page.⁴

⁴ Note that from 1 April 2011, the Strategic Operations Unit ceased to exist and the Schengen (SIS) II Programme moved to the Operations Directorate.



Nick Gargan
Chief Executive
T 020 3113 7213

CEO Directorate

- Marketing and Communications
- Equality, Diversity and Human Rights
- Strategy
- Secretariat, Planning and Portfolio



Paul Minton
Deputy Chief Constable
and Chief Operating
Officer
T 020 3113 7211

Policing Policy and Practice Directorate

- Continuous Improvement
- Criminal Justice and Local Policing
- Practice Improvement
- Strategic Operations
- Capability Support
- Protective Services
- Police Science and Forensics
- Schengen (SIS) II Programme
- Research, Analysis and Information
- Cost Effectiveness



Angela O'Connor
Chief People Officer
T 020 3113 7212

People and Development Directorate

- Learning Delivery, including Proceeds of Crime Centre
- Learning and Development Strategy
- International Academy
- National College of Police Leadership
- Examinations and Assessment
- Workforce Strategy



Tom McArthur

T 020 3113 7216

Operations Directorate

- Specialist Operational Support
- Crime Analysis Unit
- Police National Computer
- Information Services
- Technology Product Management Unit
- Information and Communications Development
- Chief Technology Office
- Information Systems Improvement Strategy (ISIS)
- IMPACT Programme



Dr David Horne

T 020 3113 7215

Resources Directorate

- Finance
- Human Resources
- Commercial and Procurement
- Property Services and Delivery
- SAP Competency Centre
- Internal Value for Money

The NPJA Board and Register of Members' Interests

Members' details

Peter Holland CBE DL

Length of term: April 2007 – March 2012

Chairman, NPJA Board

A journalist by profession, Peter was at Reuters for 23 years, starting out as a financial journalist and moving through varied roles, including Managing Director of Reuters Europe, Reuters Overseas Ltd and Chairman of Reuters Latin America/Africa and what is now Reuters Television.

He was also on the boards of both Centrex and the Police Information Technology Organisation. In 1995 he was appointed independent member of Hertfordshire Police Authority, and in 1997 was elected Chairman until standing down in 2003. He was, until 2007, the elected Vice Chairman of the Association of Police Authorities, leading on IT matters.

In 2001 he was appointed an independent council member of the Telecommunications Ombudsman Service and subsequently elected Chairman. Until 2010, he was Chairman of the Ombudsman Service Limited which operates ombudsman services for telecommunications, energy and surveyors.

He was appointed a Deputy Lord Lieutenant of Hertfordshire in 2000, and in 2002 he was appointed Chairman of Herts in Trust, a charity working to support safer communities and lower crime rates in Hertfordshire; and in 2005 appointed to the Board of St John Ambulance Ltd and Chairman of its Audit Committee. Peter was awarded the CBE for services to policing in the New Years Honours 2005.

Nick Gargan

Length of term: January 2011 – March 2012

Chief Executive Officer, NPJA

Nick joined the NPJA in January 2010, initially as Chief Operating Officer and Deputy Chief Executive until stepping up to the role of Acting Chief Executive in September 2010. As Chief Executive, Nick is a member of ACPO Cabinet and Council as well as the High Level Working Group on Police Value for Money. He is the Senior Responsible Owner for the Information Systems Improvement Strategy as well as for the IMPACT Programme.

Nick's police career began in Leicestershire Constabulary in 1988, fresh from a degree in French and Politics at the University of Leicester. He served in a variety of uniform and detective roles in and around Leicester before commencing a 3 year secondment to the National Criminal Intelligence Service in 1995. During his secondment he was based both in London and Paris. In Paris, he worked extensively in support of the investigation into the death of the Princess of Wales and Mr Dodi Al Fayed – subsequently giving evidence at the inquest.

On his return to Leicestershire in 1998, Nick performed a variety of roles including Detective Superintendent, Head of Crime Squads and Basic Command Unit Commander for Leicestershire East area. He transferred to Thames Valley Police at the beginning of 2006 as Assistant Chief Constable, responsible for local policing, and then crime and criminal justice.

Peter Neyroud QPM

Length of term: April 2007 – September 2010

Chief Executive Officer, NPIA (to December 2010⁵)

Peter Neyroud retired from the Police Service in December 2010, having served as the NPIA's Chief Executive Officer since it was created.

A police officer since joining Hampshire Constabulary in 1980, he rose through the ranks to become Detective Superintendent with responsibility for intelligence, covert operations and drug strategy. He was appointed Assistant Chief Constable of West Mercia Constabulary in 1998, was appointed Deputy Chief Constable two years later and became Chief Constable of Thames Valley Police in 2002. Peter also served as Vice President of ACPO with responsibility for the NPIA and the reform of ACPO.

Peter is a widely published author on policing. He has an Honours Degree in Modern History from Oriel College, Oxford University, an MSc in Professional Studies (Crime and Policing) and diplomas in Applied Criminology and Business Excellence. He was awarded the Queen's Police Medal for Services to Police in 2004.

Stephen Webb

Length of term: July 2010 – June 2012

Home Office member

Stephen is currently Director of Finance and Strategy Directorate in the Crime and Policing Group at the Home Office. The Finance and Strategy Directorate provides strategic leadership over the management of Crime and Policing Group's resources. As Director, Stephen is responsible for two corporate units – Strategy, Skills and Planning Unit and the Group Finance Unit – and is Senior Responsible Owner for three major strategic projects: the closure of the Forensic Science Service; the replacement for Airwave; and the winding down of the NPIA.

Vic Hogg

Length of term: April 2007 – May 2010

Home Office member (to May 2010)

At the time of his term on the NPIA Board, Vic was the Deputy Director General of the Crime and Policing Group at the Home Office. The group is responsible for delivery of the department's strategic objectives on policing and crime reduction across England and Wales.

⁵ From 1 September, 2010 to 31 December, 2010 Peter Neyroud was seconded to the Home Office. During this period Nick Gargan carried out the role of Interim Chief Executive Officer in addition to his other roles.

Vic joined the Crime and Policing Group senior team in 1999. Since that time he has held a number of group board positions, including Director of the National Drug Strategy, and more recently Director of Policing Policy and Operations.

Sir Hugh Orde OBE QPM

Length of term: September 2009 – August 2012

ACPO President

Sir Hugh joined the Metropolitan Police Service in 1977 and initially served in Central London. On promotion to sergeant he moved to Brixton, followed by further promotion to inspector after which he held a number of posts in South and South East London. He was appointed to the post of Chief Constable of the Police Service of Northern Ireland in 2002. In April 2009, Sir Hugh was elected as President of the Association of Chief Police Officers, taking up this new role in September 2009.

He was awarded the OBE in the New Year Honours List 2001 for services to policing. Sir Hugh received a Knighthood in the Birthday Honours List in 2005. In April 2008 he received the annual Leadership Award from the Police Executive Research Forum. This award recognised his achievements in managing the massive change which took place in policing in Northern Ireland since 'The Agreement' in 1998.

Jim Barker-McCardle QPM

Length of term: April 2010 – March 2013

ACPO member

Jim joined Kent Police in 1981 and served throughout the county in a number of uniform and detective roles. He was appointed Assistant Chief Constable in Kent in 1999, first holding the personnel and training portfolio. He then moved to Area Operations with responsibility for the performance and service delivered by Kent Police territorial divisions, and the provision of specialist uniform resources. He was appointed Deputy Chief Constable in March 2004.

Jim transferred to the NPIA in November 2007 as Deputy Chief Constable and the Deputy Chief Executive. His responsibilities included those of Chief Operating Officer and Director of Policing, Policy and Practice. He was appointed Chief Constable of Essex Police in September 2009. Jim was awarded the Queen's Police Medal in the Birthday Honours List in 2007.

Tim Godwin OBE QPM

Length of term: September 2009 – August 2012

Deputy Commissioner of Metropolitan Police Service

Tim joined Sussex Police in 1981, and was appointed as Commander (Crime) in the Metropolitan Police Service in 1999. He was promoted to Deputy Assistant Commissioner in 2001 and Assistant Commissioner (Territorial Policing) in January 2003. He is the ACPO lead for Criminal Justice and also the chair of the London Criminal Justice Board. He is also the ACPO lead for mobile phone crime. In July 2009, Tim was appointed Deputy Commissioner of the Metropolitan Police Service.

He received the Royal Humane Society Testimonial in 1991 for rescuing a man from a high bridge over a railway line. He was awarded the runner up prize for Equal Opportunities Achievement in the Police Service by the Home Secretary in 1996. In 1998 he was awarded the National Prize for Public Management Leadership by the Office for Public Management.

Tim was awarded the OBE in the New Year's Honours List in 2003 and the Queen's Police Medal in the New Year's Honour's list in 2009.

Cllr Rob Garnham

Length of term: December 2009 – March 2013

Chairman APA

Rob was elected as Chair of the Association of Police Authorities (APA) in September 2009 having been a member of the APA Board since 2008. He has been a councillor member of Gloucestershire Police Authority since 1997, and its Chair since 2007. He has been a Cheltenham Borough Councillor since 1996 and a Gloucestershire County Councillor since 1997.

Rob's early career was as a Radio Officer in the Merchant Navy before he left to work for GCHQ. After 21 years at GCHQ he left to concentrate on local politics and policing issues, and to establish his own business.

He was a Parliamentary Candidate for Cheltenham in 2001, Deputy Leader of Cheltenham Borough Council from 2006 - 2008, and chaired the Gloucestershire Scrutiny Inquiry into the Summer Emergencies of 2007 when severe flooding, and a subsequent loss of drinking water to over 350,000 people, affected the county. As well as his business, Rob also has a portfolio of work commitments involving recruitment and selection.

Cllr Mark Burns-Williamson

Length of term: April 2007 – March 2013

Deputy Chair of APA

Mark was elected Deputy Chair of the APA in September 2009 and has been Chair of the West Yorkshire Police Authority since June 2003, having been a member of the Authority since 1999. He has been an elected Wakefield Metropolitan District Councillor since 1998 representing the Castleford Central and Glasshoughton Ward. As a Councillor, Mark is currently Chairman of the Castleford Town Centre Partnership and Chair of the Wakefield Council Labour Group.

Previous employment has spanned over 20 years in public and private sector organisations, including West Yorkshire County Council, the Citizens Advice Bureau, CableTel Ltd, the Rugby Football League and Halifax plc.

Alan Edwards

Length of term: July 2009 – June 2012

Independent member

Alan is a qualified accountant and the International Director of the Chartered Institute of Public Finance and Accountancy. Previously, he was Chairman of the Royal Wolverhampton Hospitals NHS Trust.

He has wide experience of working with government organisations to transform service delivery, improve performance and strengthen financial management. Alan is an experienced management consultant having held partner positions at PriceWaterhouseCoopers and KPMG, and as a consultant in IBM's Business Consultancy Services.

Chris Hughes CBE

Length of term: April 2007 – March 2012

Independent member

Chris is Chair of the Learning and Skills Network, an independent not for profit company delivering improvement training and research services to the further education and training sector. He is also Chair of two awarding bodies, Northern Council for Further Education and Signature.

Chris was formerly a specialist adviser to the House of Commons Select Committee on Educational Skills and currently advises the Royal Anniversary Trust on the Queen's Awards to Further and Higher Education. He was awarded the CBE in 2005 for services to education and training.

David Marshall

Length of term: April 2008 – March 2012

Independent member

For the last four years David has been an independent consultant specialising in financial management, leadership and senior management development.

David is a qualified accountant (Fellow Chartered Management Accountant), and has extensive business experience in senior finance and HR roles. He has held a number of directorships in both the public and private sectors. Currently, alongside his appointment to the NPIA Board, David is a Fellow at the Centre for Leadership Studies at the University of Exeter, and Chairman of the Centre for Excellence in Leadership. He is an experienced assessor, executive coach and team development adviser.

Register of Members' Interests

Under Paragraph 18 of the April 2007 Code of Practice for Members of the Board of the National Policing Improvement Agency, the NPIA is required to publish the register of interests in the Annual Report. Board Members have declared interests as follows:

Peter Holland CBE DL **Chairman, NPIA Board**

- Chairman - The Ombudsman Service Ltd (TOSL) (resigned June 2010)
- Chairman - Herts in Trust
- Chairman - Firebuy Ltd
- Board Member - St John Ambulance Ltd

Nick Gargan **Chief Executive Officer, NPIA (January 2011 – present)**

- Member - ACPO
- Member - National Policing Improvement Agency Board (from September 2010)

Peter Neyroud QPM **Chief Executive Officer, NPIA (April 2007 – September 2010)**

- Chairman - the Advisory Board for the Evidence based Crime Center at George Mason University, Washington DC
- Visiting Fellow - Nuffield College, Oxford (2008-12)
- Fellow - Royal Society of Arts
- General Editor - The Oxford Journal of Policing (paid at £2000 per annum)
- Member - Parole Board Review Committee (public appointment with no reimbursement)
- Member - National Policing Improvement Agency Board (until September 2010)
- Member - Institute of Directors
- Member - Association of Chief Police Officers

Stephen Webb **Home Office member**

- Member - National Policing Improvement Agency Board (from July 2010)

Vic Hogg

- Member - National Policing Improvement Agency Board (until 21 May 2010)

Sir Hugh Orde OBE QPM

ACPO President

- Visiting Professor - Ulster University (2010 - 2014)
- Board Member - Police Executive Research Forum
- Member - Association of Chief Police Officers
- Member - Committee of Management of the Police Mutual Assurance Society
- Member - National Policing Improvement Agency Board

Jim Barker-McCardle QPM

ACPO member

Chief Constable - Essex Police
 External Examiner - Canterbury Christ Church University
 Member - Association of Chief Police Officers
 Member - Chief Police Officers' Staff Association
 Member - Essex Criminal Justice Board
 Member - National Policing Improvement Agency Board

Tim Godwin OBE QPM

Deputy Commissioner of Metropolitan Police Service

- Chair - London Criminal Justice Partnership
- Trustee - The Metropolitan Police Commissioner's Fund
- Trustee - The Metropolitan Police Sports Fund
- Member - Association of Chief Police Officers
- Member - Sentencing Council for England and Wales
- Member - National Policing Improvement Agency Board

Cllr Rob Garnham

Chairman APA

- Councillor - Gloucestershire County Council
- Director - Mediation in Planning Ltd
- Honorary Vice President - Cheltenham YMCA
- Governor - Belmont School, Cheltenham
- Senior Invigilator and Senior Assessor - National Policing Improvement Agency
- Accredited Independent Assessor - Office of the Commissioner for Public Appointments
- Independent Assessor - NHS Appointments Commission
- Member and Chairman - Association of Police Authorities Board
- Member - Gloucestershire Police Authority
- Member - Gloucestershire College Board of Governors
- Public Member - Gloucestershire Hospitals NHS Trust
- Public Member - Gloucestershire '2gether NHS Foundation Trust' (formally known as the Partnership Trust)
- Member - Royal National Lifeboat Institution
- Member - National Trust
- Member - Conservative Party
- Member - Public and Commercial Services Trade Union
- Member - National Policing Improvement Agency Board

Cllr Mark Burns-Williamson
Deputy Chair APA

- Chair - West Yorkshire Police Authority
- Chair - Castleford Town Centre Partnership Ltd
- Director - Glasshoughton Community Forum
- Governor - Castleford High and Technology College
- Governor - Wheldon Infants School
- Member - Association of Police Authorities Board
- Member - Wakefield Crime and Disorder Reduction Partnership Board
- Member - West Yorkshire Police Community Trust
- Member - Wakefield Council
- Member - Safer Communities Board (Local Government Association)
- Trustee - Castleford Heritage Trust
- Member - Wakefield and District Housing Local Management Committee
- Member - National Policing Improvement Agency Board

Alan Edwards
Independent member

- Chair - ConsultantsBlackBook Limited
- Director - Chartered Institute of Public Finance and Accountancy
- Director - 43Consultancy Limited
- Advisory Board Member - Finnamore Management Consultancy
- Advisory Board Member - KMPG Public Governance Institute
- Member - National Policing Improvement Agency Board

Chris Hughes CBE
Independent member

- Chair - Learning and Skills Network
- Chair - Northern Council for Further Education awarding body
- Chair - Signature (awarding body)
- Advisor - Royal Anniversary Trust
- Member - National Policing Improvement Agency Board

David Marshall
Independent member

- Chairman - Inspire Learning Ltd
- Chairman - Inspire Leadership
- Director - AM Consulting
- Fellow - Centre for Leadership Studies, University of Exeter
- Associate - t3 Consulting
- Associate - Kiddy and Partners
- Independent Member - Audit Committee of Learning and Skills Network
- Member - National Policing Improvement Agency Board

Chief Constable Nick Gargan
Chief Executive and Accounting Officer,
National Policing Improvement Agency 22 June 2011

ACCOUNTING MATTERS

Statement of the Accounting Officer's Responsibilities

Under Paragraphs 28 and 36 of Schedule 1 to the Police and Justice Act 2006, the Secretary of State for the Home Department with the approval of the Treasury has directed the NPJA 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 NPJA and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Secretary of State for the Home Department has appointed the Chief Executive Officer as the Accounting Officer of the NPJA. 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 NPJA's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in 'Managing Public Money'.

Chief Constable Nick Gargan
Chief Executive and Accounting Officer,
National Policing Improvement Agency
22 June 2011

Statement on Internal Control

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of NPIA's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing Public Money'.

I have particular responsibilities in relation to business planning and performance monitoring (including financial performance), management of risk and resources, inspection and audit, and in accounting for the NPIA's activities. An additional particular function is to advise the NPIA Board of certain matters. The detail of these responsibilities is in the Management Statement and Financial Memorandum agreed with the Home Office, which is available on request from the NPIA's headquarters. I understand a new framework will be developed for implementation during 2011/12.

Throughout 2010/11, I reported regularly to the NPIA Board on a variety of matters including progress in identifying and managing risk, and progress in delivering the NPIA's objects. Effective communication of risk and other issues between the NPIA and the Home Office is assured by including on the Board and Audit and Risk sub-committee a senior representative of the Home Office sponsor unit. When appropriate, matters will be communicated directly to the Home Office Audit and Risk Committee Chair. Significant matters are also discussed personally with the Minister of State for Policing.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to 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 risks to the achievement of NPIA policies; aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the NPIA for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and it accords with Treasury guidance.

3. Capacity to handle risk

The Chief Officer Team (COT) has executive responsibility for ensuring that risk is effectively managed and provides the forum to co-ordinate risk management actions. The COT, which has reduced during the year by one net post, ensures that the requirements of the NPIA Risk Management Policy are discharged. When acting in the capacity of a Director, individual Chief Officers each ensure that within their own directorates risk management structures and processes are in place, including risk registers, risk review, and escalation processes.

Directorate Risk Co-ordinators have raised risk awareness at directorate Senior Management Team meetings, and during 2010/11 were advised by the Risk Improvement Manager. He also provided advice and guidance on risk management to business units and project managers where appropriate. Guidance on risk management is available on the intranet, and is also included in the agency's project management framework, an online toolkit of information launched in January 2010 and since updated.

Project managers and support staff have undertaken formal PRINCE2 training, the UK Government standard for IT project management. This includes the management of risk. In addition, through the project management framework, the Office of Government Commerce guidelines have been adopted relating to good practice in project and programme management, which embraces the proper management of risk.

Pre-selected business areas of the NPIA have ISO9001 certification until June 2012. This includes a consideration of risk management processes. The scope of our certification was expanded this year to include National DNA Database Custodian Delivery Team and the Forensics Centre at Harperley Hall. Certification is subject to regular six month surveillance visits by the Lloyds Register Quality Assurance, the latest of which we passed in January 2011.

During the year, the agency's senior staff and staff in our finance, procurement and HR units underwent fraud awareness training, and our anti fraud policy is regularly communicated to staff by email reminding them of more detail on the intranet.

4. The risk and control framework

The NPIA's Audit and Risk Committee continues to operate as a committee of the NPIA Board, to support it in its responsibilities for issues of risk, control and governance, and associated assurance. This includes reviewing the comprehensiveness of assurances in meeting the NPIA Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. The Committee also provides an opinion on how well the NPIA Board and Accounting Officer are supported in decision making and in discharging accountability obligations (particularly in respect of financial reporting). The Committee meets regularly, but has decided to increase the frequency with which either the full committee or independent members meet during the period whilst the NPIA is phased out.

The NPIA's Operating Board (OB) is chaired by the Chief Operating Officer. OB meets monthly and, during the year, its membership has included a representative from the Home Office sponsor unit, in addition to the COT. The purpose of OB is to monitor and scrutinise the performance of the agency. This includes the management of risk and it is the forum through which corporate level risk mitigation activities are co-ordinated. OB also reviews these risks to confirm ratings, appetite, actions and progress. The risk appetite of the agency varies according to the particular risk being considered and the nature of the environment in which we are operating.

Corporate risks are escalated from risk registers held at directorate or programme levels. There is a process for escalating corporate risks to department level and such issues can be discussed at the monthly meetings with our Sponsor Unit. The corporate risk register has been amended to include the severe and very severe rated risks relating to the transition / phasing out of the agency. These risks are managed by the Transition Delivery Board as well as the OB.

Risks are identified and recorded in risk registers at corporate, directorate and business unit level depending on potential impact and likelihood. Risk and action owners are assigned. Risks are also identified for all key business programmes and projects, and recorded and monitored in accordance with project management methodology. Project risks are identified by project managers, and are managed according to PRINCE2 methodology.

A process for the escalation of new and emerging risks has been implemented and is included in the NPIA's Risk Management Policy and Implementation Guidance. This also includes clear delineation between the characteristics of corporate, directorate, and local (project, programme, or unit) risks.

Criteria for risk appetite have been included in the NPIA Risk Management Policy and the Implementation Guidance. Risks associated with the implementation of activities and decisions in the Business Plan and directorate plans are assessed in relation to risk appetite. In addition, risks arising during the year are reviewed to determine whether action taken is acceptable, is in line with risk appetite, and is working, or if additional intervention is necessary.

A framework of reports and meetings is in place to consider performance in support of the agency's objects, progress towards achieving directorates' objectives and the monitoring of capital and resource spend.

Information risk is overseen by a Senior Information Risk Owner (SIRO). Following the early release of the earlier incumbent, this responsibility passed to another director colleague in October 2010. All NPIA staff receive information assurance (IA) training as part of induction and are required to complete 'Protecting Information Training Level 1' annually. All Information Asset owners (IAO) are required to complete the Level 2 training. The new SIRO and Deputy SIRO will complete Level 3 training shortly.

The NPIA continues to review and improve its information assurance strategies and policies. It has in place mechanisms to raise awareness of information security risks and ensure they are considered in the management of live services and within projects and programmes. Using HMG standards, the NPIA regularly undertakes reviews of national and internal systems to test for information assurance compliance. In April 2010 NPIA was assessed by the Home Office as being at Information Assurance Maturity Model Level 2, save for the area of information risk management where it scored 93 per cent, which is 2 per cent short of achieving Level 2. An IA culture change programme is in place to improve information assurance across NPIA.

Terms and conditions specific to information assurance continue to be accepted by suppliers identified as holding personal and/or sensitive data. A requirement for Non-Disclosure Agreements also exists where contractors are engaged on

temporary requirements. A robust business continuity process was introduced in previous years. This records specific continuity actions for our key suppliers and includes the regular review of financial stability. It is now business as usual.

Each NPJA IAO completes a quarterly information asset risk register which identifies the risks to each asset and the management of that risk. The process provides an organisation wide view of information assets and the risks associated with each one for NPJA Information Risk Owners including the NPJA SIRO. Information breaches are investigated according to policy.

National IT systems provided by the NPJA are run in accordance with Information Technology Infrastructure Library best practice. Access to these systems is controlled in accordance with the security level of each system and systems are housed in secure environments where necessary. Proportionate back-up and disaster recovery plans are in place and have been tested, with findings being acted upon as needed.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. My review of effectiveness is also informed by the opinion of the Head of Internal Audit, who assessed the system of internal control as being able to provide moderate assurance.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee. Activity is underway to address weaknesses, including but not limited to those identified by internal audit, and ensure that continuous improvement of the system takes place.

In late 2010, the COT commissioned a review of the effectiveness of the Risk Management Model. This was intended to improve further the processes applied across the agency, reduce unnecessary bureaucracy and ensure that escalation and de-escalation of risks was sufficiently dynamic and agile. The outcome of this review has been embedded in improved corporate governance arrangements that are also designed to reduce bureaucracy at the executive level of the organisation.

Taking these improvements into account, together with the control issues documented below, I am able to provide MODERATE assurance regarding the internal control system of the NPJA.

6. Significant Control Issues

The announcement in July 2010 of the phasing out of the agency in 2012 is an issue that:

- has taken significant resources to resolve
- resulted in the diversion of resources from other parts of the business.

For these reasons I report it here.

Our response to this announcement was constructive and immediate. We established a Transition Team from within existing resources, and established a formal Transition Programme, with minimal bureaucracy but appropriate governance, resource, and delivery structures. Its goals are to:

- develop and deliver the NPIA's response to the government's deficit reduction programme
- manage the transition of its functions to successor bodies
- oversee the phasing out of the agency, with due diligence.

The programme has five workstreams, focused on matters of finance, restructure, future business design, migration, and communications. These streams are integrated with the established strategy, finance, planning and risk business areas. As CEO, I chair the Programme Board that meets every fortnight and whose members include the Chief Officer Team, other senior NPIA colleagues, Home Office representation and ACPO representation. The Board is integrated with the broader transition governance structures within the Home Office. We invited Office of Government Commerce to conduct a Gateway review of this programme in February 2011 to provide assurance and recommendations for improvement. We provided very good evidence of a purposeful and well structured project, and are in the process of implementing its recommendations where these are in our power to do so.

The wider changes proposed by the Home Office to declutter the police landscape directly impact on the agency and the police service. It is critical that there is in place a robust and comprehensive planning capability to ensure that there is a smooth transition of live services into new arrangements. I continue to work closely with the Home Office in this regard, but remain concerned that a significant portion of the transition period has passed without there being the necessary clarity about the future of the agency's functions. Risks to delivery continue to mount as a direct consequence of continued uncertainty.

Chief Constable Nick Gargan
Chief Executive and Accounting Officer,
National Policing Improvement Agency
22 June 2011

Remuneration Report

Remuneration policy

The policy and remuneration of the directors and other senior staff of the NPJA are overseen by the Remuneration Sub-Committee of the NPJA Board.

The Committee comprises:

- Peter Holland CBE DL (Chairman of NPJA Board)
- David Marshall (Independent Board member and Chairman of the Resources Committee)
- Chris Hughes CBE (Independent Board member and Chairman of the Audit and Risk Committee)
- Alan Edwards (Independent Board Member).

In reaching its recommendations, the Committee has regard to the following recommendations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional / local variations in labour markets and their effects on the recruitment and retention of staff
- Government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the Government's departmental expenditure limits
- the Government's inflation target.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme and pay in lieu should their notice period not be worked. The Chairman, Chief Executive Officer, and Deputy Chief Executive Officer have fixed-term contracts of between three and five years.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Appointment of Board Members and Directors

A Non-Departmental Public Body, the NPJA is sponsored and funded by the Home Office. The agency's Board comprises representatives of ACPO, APA, the Metropolitan Police Service and the Home Office, together with the Chair, the Chief Executive Officer and three Independent Board members. The NPJA's Board Members are appointed under the Police and Justice Act 2006.

	Date Appointed	Term Ends	Fee £'000
Independent Members			
Alan Edwards	01 July 2009	30 June 2012	Overleaf
Chris Hughes CBE	01 April 2007	31 March 2012	Overleaf
David Marshall	21 April 2008	31 March 2012	Overleaf
Peter Holland CBE DL (Chairman)	01 April 2007	31 March 2012	Overleaf
ACPO			
Sir Hugh Orde OBE QPM	01 September 2009	31 August 2012	No remuneration
Jim Barker-McCardle QPM	01 April 2010	31 March 2013	No remuneration
Metropolitan Police Service			
Tim Godwin OBE QPM	01 September 2009	31 August 2012	No remuneration
APA			
Rob Garnham	01 December 2009	31 March 2013	No remuneration
Mark Burns-Williamson	01 April 2007	31 March 2013	No remuneration
Home Office			
Vic Hogg	01 April 2007	31 May 2010	No remuneration
Stephen Webb	01 July 2010	30 June 2012	No remuneration
Executive Members			
Nick Gargan (Chief Executive)	01 January 2011	31 December 2012	Overleaf
Peter Neyroud (Chief Executive) QPM*	01 April 2007	30 September 2010	Overleaf

Note: The dates stated above are as per their appointment letters. Any terms that extend beyond the expected life of the agency will be ended once the agency is decommissioned.

* From 1 September, 2010 to 31 December, 2010 Peter Neyroud was seconded to the Home Office. During this period Nick Gargan carried out the role of Interim Chief Executive in addition to his other roles.

Salaries and emoluments of the paid members of the NPIA Board (Audited)

Name with date Appointed	Salary and Allowances 2010/11 (full year equivalent)	Bonus Payments 2010/11 (full year equivalent)	Benefits in kind 2010/11 (to nearest £100)	Salary and Allowances 2009/10 (full year equivalent)	Bonus Payments 2009/10 (full year equivalent)	Benefits in kind 2009/10 (to nearest £100)
	£'000	£'000	£	£'000	£'000	£
Peter Holland (1 April 2007)	70-75 (120-125)	-	14,000	80-85 (120-125)	-	6,300
Alan Edwards (1 July 2009)	20-25	-	2,300	20-25	-	4,100
Chris Hughes (1 April 2007)	20-25	-	1,800	20-25	-	2,200
David Marshall (21 April 2008)	20-25	-	1,100	20-25	-	800

Benefits in kind include travel and subsistence reimbursed when attending Board meetings, together with the tax payable by the NPIA.

Pension entitlements of the Chairman of the NPIA Board (Audited)

Name with date Appointed	Real increase in pension	Real increase in lump sum	Total Accrued Pension at pension age at 31/3/11	Total Lump Sum at pension age at 31/3/11	CETV at 01/4/10*** (see below)	CETV at 31/3/11***	Real increase in CETV	Pension scheme (PCSPS or as shown)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Peter Holland (1 April 2007)	0-2.5	-	7.5-10	-	153	178	15	Broadly By Analogy to Premium

Independent Board members have no pension entitlements.

Salaries and emoluments of the Senior Management Team (Audited)

Name with date Appointed	Salary and Allowances 2010/11 (full year equivalent)	Bonus Payments 2010/11 (full year equivalent)	Benefits in kind 2010/11 (to nearest £100)	Salary and Allowances 2009/10 (full year equivalent)	Bonus Payments 2009/10 (full year equivalent)	Benefits in kind 2009/10 (to nearest £100)
	£'000	£'000	£	£'000	£'000	£
Nick Gargan						
Deputy Chief Executive and Chief Operating Officer (until 31 December 2010)	150-155	-	15,100	35-40 (140-145)	-	-
Chief Executive Officer (From 1 January 2011)						
Peter Neyroud QPM	140-145	-	8,400	175-180	-	12,500
Chief Executive Officer (Retired 31 December 2010)	(185-190)					
Paul Minton	35-40	-	-	N/A	N/A	N/A
Deputy Chief Executive and Chief Operating Officer (From 1 January 2011)	(145-150)					
Dr David Horne	125-130	-	-	125-130	-	-
Director of Resources						
Tom McArthur						
Director of Operations						
Interim Chief Information Officer (from 22 October 2010)	110-115	-	-	110-115	10-15	-
Angela O'Connor	125-130	-	-	125-130	5-10	-
Chief People Officer						
Richard Earland*	80-85	-	-	140-145	5-10	-
Chief Information Officer (Retired 22 October 2010)	(145-150)					

In 2010/11, when Chief Executive, Peter Neyroud, had use of London accommodation as part of his role, the cost of which amounted to £17,100 (2009/10: £23,200). As Chief Executive and previously as Deputy Chief Executive, Nick Gargan, also had use of London Accommodation as part of his roles, the cost of which amounted to £22,200 (2009/10: £6,300). These costs are not taxable benefits.

From 1 September, 2010 to 31 December, 2010 Peter Neyroud was seconded to the Home Office. During this period Nick Gargan carried out the role of Interim Chief Executive in addition to his other roles.

* Richard Earland left under Agreed Early Retirement terms on 22 October, 2010. The capitalised cost of the package he received was in the range £125,000-130,000.

Pension entitlements of the Senior Management Team (Audited)

Name with date Appointed	Real increase in pension £'000	Real increase in lump sum £'000	Total accrued pension at pension age at 31/3/11 £'000	Total lump sum at pension age at 31/3/11 £'000	CETV at 01/4/10*** (See below) £'000	CETV at 31/3/11*** £'000	Real increase in CETV £'000	Pension scheme (PCSPS or as shown)
Nick Gargan*								
Deputy Chief Executive and Chief Operating Officer (until 31 December 2010)	0-2.5	10-15	70-75	435-440	888	812	(76)	NPIA Police Scheme
Peter Neyroud QPM								
Chief Executive Officer (Retired 31 December 2010)	0-2.5	0-5	N/A	N/A	2,770	N/A	N/A	NPIA Police Scheme
Paul Minton**								
Deputy Chief Executive and Chief Operating Officer (from 1 January 2011)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Police Scheme (Force)
Dr David Horne								
Director of Resources	60-62.5	-	65-70	-	35	768	723	Nuvos
Tom McArthur								
Director of Operations Interim Chief Information Officer (from 22 October 2010)	0-2.5	-	20-25	-	362	443	34	Premium
Angela O'Connor								
Chief People Officer	0-2.5	0-5	40-45	125-130	660	756	3	Classic
Richard Earland								
Chief Information Officer (Retired 22 October 2010)	0-2.5	-	N/A	N/A	613	N/A	N/A	Premium

* The Deputy Chief Executive and Chief Operating Officer, Nick Gargan, was appointed to the role of Chief Executive Officer on 1 January 2011 following Peter Neyroud's retirement.

** Deputy Chief Executive and Chief Operating Officer, Paul Minton is seconded from the Metropolitan Police Service, NPIA is not responsible for his pension.

*** The actuarial factors used to calculate CETVs for PCSPS were changed in 2010/11. The CETV at 31/03/10 and 31/03/11 have both been calculated using the new factors for consistency. The CETV at 31/03/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Salary and allowances

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowances to the extent that it was subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the NPIA and treated by HM Revenue and Customs as a taxable emolument. Peter Neyroud, as Chief Executive, had the use of a motor vehicle and driver, on which NPIA paid the tax, and both the Chief Executive and Deputy Chief Executive had the use of London accommodation which is not taxable and is reported at the base of the remuneration table.

Board members were reimbursed the cost of travelling to and staying in London when attending meetings. The taxable portion is included in the Board table above.

David Horne, Director of Resources, was loaned £2,000 in year to buy an annual rail season ticket, on the same terms as are available to all NPIA employees. During 2010/11 he repaid £500, leaving a balance at 31/3/2011 of £1,500.

Bonuses

Bonuses for the Chief Executive and Deputy Chief Executive are based on performance levels attained and are made as part of the appraisal process. They relate to performance in the previous year, therefore, bonuses paid in 2010/11 are based on 2009/10 performance and bonuses paid in 2009/10 are based on 2008/09 performance. Following the emergency budget in June 2010, under the Government's Civil Service wide pay freeze NPIA began its 2 year freeze, under which there are no annual pay awards/increases for NPIA staff who are paid more than £21,000 until July 2012. Therefore no bonuses were paid in 2010/11. Both the Chief Executive and the then Deputy Chief Executive declined their bonus in 2009/10.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase Legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement, or a 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus, and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from

October 2002 calculated as in premium. In nuvos, a member builds up a pension based on his/her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pensions Increase Legislation. In all cases, members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Seconded police officer pensions

Seconded police officers are members of the pension schemes managed by their associated police forces.

Other schemes

The Police Pension scheme referred to below is the Police Pension Scheme 1987. The Chairman's scheme is Broadly By Analogy (BBA) to the Premium PCSPS Scheme. As part of these schemes, the NPIA accepts liability for payment of the pension benefits in respect of the officer's past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service while employed by the agency. Pension benefits are paid as they fall due from the NPIA resources.

Pensions paid in the year are charged against the Pension Provision (see Accounts and Notes to the Accounts). In order to comply with HM Treasury's Financial Reporting Manual and Accounts Guidance, the NPIA is required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. The NPIA commissioned the Government Actuary Department (GAD) to value the scheme liabilities as at 31 March 2011.

The basis for indexing the future pension liability changed from RPI to CPI in 2010/11, for more details see Note 22 a) to the Accounts.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchase of additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

There are many reasons that could cause a negative value in the "real increase in CETV" including:

- If a rise in pensionable salary is less than the rate of inflation
- If someone joined or left mid year
- In Classic Plus, the lump sum for service up to 30 September 2002 will always give a negative value
- The pension factors for the over 60s decrease the value of the pension that could have been taken at 60
- Errors in the assessment of pensionable salary that result in refunds of contributions.

Chief Constable Nick Gargan
Chief Executive and Accounting Officer,
National Policing Improvement Agency
22 June 2011

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 National Policing Improvement Agency for the year ended 31 March 2011 under the Police and Justice Act 2006. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayer 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 Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Police and Justice Act 2006. 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 National Policing Improvement Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the National Policing Improvement Agency; 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 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 National Policing Improvement Agency's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police and Justice Act 2006 and Secretary of State directions issued thereunder.

Emphasis of matter

Without qualifying my opinion, I draw attention to the disclosures made in note 1 to the financial statements concerning the application of the going concern principle in light of the announcement to phase out the National Policing Improvement Agency. This is subject to legislation and there is therefore uncertainty whether the Agency will continue to operate in its current legal form.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Police and Justice Act 2006; and
- the information given in the 'Management Commentary' section 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
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control 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

Date: 30 June 2011

The Statement of Accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

		2010/11	Restated 2009/10
	Note	£'000	£'000
Expenditure			
Staff costs	3	112,977	116,668
Depreciation, Amortisation and other Asset Costs	4	56,156	53,862
Other Expenditure	4	367,058	385,359
		536,191	555,889
Income			
Income from activities	5	(133,997)	(107,180)
Other Income		(1)	(2)
		(133,998)	(107,182)
Net expenditure after Interest		402,193	448,707
Interest payable to Consolidated Fund	5	17	18
Net expenditure		402,210	448,725

Other Comprehensive Expenditure for the year ended 31 March 2011

		2010/11	Restated 2009/10
	Note	£'000	£'000
Net (gain)/loss on revaluation of Pension Liability	22	(2,470)	2,429
Total Comprehensive Expenditure		399,740	451,154

The NPfIA was funded in the financial year 2010/11 from a top slice of the total funds available to provide for policing including grants to police authorities. The budgeted amount for the year was £456.79 million (2009/10: £554.73 million).

All income and expenditure was derived from continuing operations.

The accounting policies and notes on pages 69 to 100 form part of these accounts.

Statement of financial position

		31 March 2011 £'000	Restated 31 March 2010 £'000	Restated 1 April 2009 £'000
	Note			
Non-current assets:				
Property, plant and equipment	6	258,702	291,006	284,211
Intangible assets	7	114,402	96,362	29,979
Financial assets	8	427	393	377
Total non-current assets		373,531	387,761	314,567
Current assets:				
Assets classified as held for sale	10	-	-	3,100
Trade and other receivables	11	26,726	25,014	34,850
Cash and cash equivalents	12	6,992	7,010	5,245
Total current assets		33,718	32,024	43,195
Total assets		407,249	419,785	357,762
Current liabilities				
Trade and other payables	13	(69,258)	(96,575)	(74,345)
Provisions	14	(2,872)	(14,516)	(9,971)
Total current liabilities		(72,130)	(111,091)	(84,316)
Non-current assets less net current liabilities		335,119	308,694	273,446
Non-current liabilities				
Provisions	14	(13,921)	(1,691)	(1,602)
Pension Liabilities	22	(6,271)	(8,131)	(5,178)
Other payables	13	(13,600)	(15,300)	(17,000)
Total non-current liabilities		(33,792)	(25,122)	(23,780)
Assets less liabilities		301,327	283,572	249,666
Reserves				
Pension Fund Reserve (Capital Reserve)		(6,271)	(8,131)	(5,178)
Trust Funds (Capital Reserve)		469	434	422
Donated Asset reserve (Capital Reserve)		1,910	1,845	2,072
Revaluation reserve		20,039	18,323	11,210
General reserve		285,180	271,101	241,140
Total		301,327	283,572	249,666

The accounting policies and notes on pages 69 to 100 form part of these accounts.

**Chief Constable Nick Gargan,
Accounting Officer and Chief Executive Officer
22 June 2011**

Statement of cash flows for year ended 31 March 2011

		2010/11	Restated 2009/10
		£'000	£'000
Cash flows from operating activities	Note		
Total Comprehensive Expenditure		(399,740)	(451,154)
Adjustments for:			
Depreciation	4	31,875	29,732
Amortisation	4	5,196	2,265
Impairment & Asset write Off	4	19,218	23,327
Indexation	4	130	24
IAS 19 Pension Revaluation	22	(1,860)	2,953
(Profit) / Loss on Disposal of Fixed Assets	4	(263)	(1,486)
Provisions provided in Year	14	2,861	8,598
Provisions written back	14	(375)	-
(Increase)/Decrease in trade and other receivables		(1,712)	9,836
Increase/(Decrease) in trade payables		(29,017)	20,530
Less movements in payables relating to purchases of non current assets		13,329	(20,505)
Use of provisions	14	(1,900)	(3,964)
Net cash outflow from operating activities		(362,258)	(379,844)
Cash flows from investing activities			
Purchase of property, plant and equipment		(29,611)	(39,794)
Purchase of intangible assets		(25,877)	(60,212)
Proceeds of disposal of property, plant and equipment		2,728	4,615
Net cash outflow from investing activities		(52,760)	(95,391)
Cash flows from financing activities			
Grants from parent department		415,000	477,000
Net Financing		415,000	477,000
Net increase/(decrease) in cash and cash equivalents in the period		(18)	1,765
Cash and cash equivalents at the beginning of the period	12	7,010	5,245
Cash and cash equivalents at the end of the period	12	6,992	7,010
Increase / (Decrease) in cash		(18)	1,765

The accounting policies and notes on pages 69 to 100 form part of these accounts.

Statement of Changes in Taxpayer Equity for year ending 31 March 2011

68

	Note	Donated Assets Reserve £'000	Trust Funds £'000	Pension Fund Reserve £'000	Revaluation Reserve £'000	General Reserve £'000	Total Reserves £'000
Balance at 31 March 2009		2,072	422	(5,178)	11,210	247,276	255,802
Changes in accounting policy	1aa	-	-	-	-	(6,136)	(6,136)
Restated balance at 1 April 2009		2,072	422	(5,178)	11,210	241,140	249,666
Changes in taxpayer's equity 2009/10							
Net gain/(loss) on revaluation of property, plant and equipment		-	-	-	8,046	-	8,046
Net gain/(loss) on revaluation of intangible assets		-	-	-	-	-	-
Transfers between reserves		(227)	2	(2,953)	(933)	4,111	-
Retained Surplus/Deficit		-	14	-	-	-	14
Total recognised income and expense for 2009/10		-	(4)	-	-	(451,150)	(451,154)
Grant from Parent Department - Resource		-	-	-	-	356,489	356,489
- Capital		-	-	-	-	120,511	120,511
Balance at 31 March 2010		1,845	434	(8,131)	18,323	271,101	283,572
Changes in taxpayer's equity 2010/11							
Net gain/(loss) on revaluation of property, plant and equipment		65	-	-	2,395	-	2,460
Net gain/(loss) on revaluation of intangible assets		-	-	-	-	-	-
Net gain/(loss) on revaluation of Pension Liability		-	-	2,470	-	(2,470)	-
Transfers between reserves		-	-	(610)	(679)	1,289	-
Retained Surplus/Deficit		-	36	-	-	-	36
Total recognised income and expense for 2010/11		-	(1)	-	-	(399,740)	(399,741)
Grant from Parent Department - Resource		-	-	-	-	372,841	372,841
- Capital		-	-	-	-	42,159	42,159
Balance at 31 March 2011		1,910	469	(6,271)	20,039	285,180	301,327

The accounting policies and notes on pages 69 to 100 form part of these accounts.

Notes to the Statement of Accounts

1 Accounting policies

a) Accounting convention

The statement of accounts has been prepared in accordance with the accounts direction issued by the Secretary of State for the Home Department with the consent of HM Treasury, in accordance with Section 36, Schedule 1 of the Police and Justice Act 2006.

The accounts meet:

- the accounting and disclosure requirements of the Companies Act 2006 to the extent that such requirements are appropriate to the NPIA and are in line with the requirements of the accounts direction
- standards issued and adopted by the Accounting Standards Board
- the 2010/11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NPIA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NPIA are described below. They have been applied consistently in dealing with items that are considered material to the accounts
- the requirements of the accounts direction and the financial memorandum.

Accounts for the Police Training Authority Trust have been consolidated within the accounts of the NPIA.

Going concern

The activities of the NPIA are primarily financed by the Home Office. The statement of financial position as at 31 March 2011 shows total assets, less liabilities, of £301.327 million. In 2009/10 this was £283.572 million, restated.

In July 2010, the Home Secretary announced the phasing out of the NPIA. In a notification to the NPIA in February 2011, she confirmed that she anticipates that the bulk of the transfers of NPIA functions, statutory duties and associated responsibilities will be completed throughout 2012. The destinations for most functions have yet to be decided – it is possible that primary legislation will be needed to establish successor bodies. A detailed timetable has yet to be decided. Once the NPIA's functions have passed to other entities, the NPIA in its current legal form will be dissolved by the passage of primary legislation. Legislative changes are at Parliament's discretion so there is uncertainty as to the nature and timing of changes that affect the NPIA's future.

The valuation methods used for the assets and liabilities of the NPIA depend on the future service use. Continued use, albeit in a different delivery body, would support the current valuations on a going concern basis.

Budget for 2011/12, taking into account the amounts required to meet the NPJA's liabilities in the year, has already been included in the Home Office's estimates for that year, and guideline amounts for the rest of the Comprehensive Spending Review period have been advised. These will transfer to successor bodies. There is no reason to believe that this budget and future sponsorship by the Home Office will not be forthcoming.

Having considered the circumstances described above and from discussion with the Home Office, the NPJA's management considers it appropriate to adopt a going concern basis for the preparation of these financial statements.

b) Grants and Grant-in-Aid

The NPJA receives the majority of its funding by way of Grant-in-Aid from the Home Office, from a top slice of the total funds available for policing including grants to police authorities. The grants received are used to finance expenditure which supports the statutory and other objectives of the agency. These grants are treated as financing and credited to the Income and Expenditure Reserve because they are regarded as contributions from a controlling party. Other grants such as European Union Grants are received from time to time; these are recorded as Funding within Income.

c) Recognition of income

The NPJA recognises income, net of VAT, on an accruals basis at the transaction amount or the amount which the customer is committed to pay. Where fees have been invoiced and the service has not been completed by the year end, fees are treated as deferred income. The amount deferred is calculated by reference to the proportion of work undertaken at the end of the year relative to the target timescale for the work and is released back to the Statement of Comprehensive Net Expenditure as the work is completed.

d) Property, plant and equipment

Non-current assets are carried on the statement of financial position at fair value. They are defined as assets where it is probable that an associated future economic benefit will flow to the NPJA and the cost can be reliably measured. These are acquired, or constructed, with the intention of being used on a continuous basis for a period of more than one year. Assets are only capitalised where the original purchase cost is equal to or more than £5,000, or where the asset is purchased within a group of similar assets which are valued at more than £5,000.

e) Property assets

Fair value of Properties is established through a rolling programme of valuations, conducted by valuers using the Royal Institution of Chartered Surveyors (RICS) Practice Statements and United Kingdom Practice Statements contained within the RICS Valuation Standards, 6th Edition (the "Red Book").

f) Non Property assets

The NPJA has adopted a depreciated historical cost basis as a proxy for fair value where the assets have short useful lives or low value (or both). For assets not covered by that definition, i.e. Communications Assets, fair value is calculated by using appropriate indices. The appropriate useful lives of the assets are reviewed annually.

g) Donated assets

Donated assets, consisting of art and antiques are included at the valuation for insurance purposes as prepared by Webb Valuations Fine Art Ltd in November 2008 and are not depreciated because of their nature. Many of the items are unique, and in line with the FReM definition of Heritage Assets, the value of each is unlikely to be fully reflected in a market price.

h) Heritage assets

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Their value is unlikely to be fully reflected in a financial value derived from a market mechanism or price. They are irreplaceable and their value may increase over time even if their physical condition deteriorates, their life may be measured in hundreds of years and they may require significant maintenance. Many of the Donated Assets would be seen as Non Operational Heritage Assets. The heritage land and buildings are operational, and are valued in the same way as Property Assets as set out above. No Heritage Assets were disposed of during the year.

i) Depreciation

Depreciation is provided on Non Current assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated useful life. The anticipated useful lives of assets for the calculation of depreciation are as follows:

Land (freehold)	Not Depreciated
Buildings (including dwellings)	5 to 50 Years
Plant and machinery	5 Years
Computer hardware	3 to 7 Years
Software development	3 to 10 Years (to align with useful life of service)
Furniture and Fittings	5 to 10 Years
Art and antiques	Not Depreciated
Transport Equipment	5 to 7 Years
Communications Network	14 Years or to the end of contract

The depreciation method and the useful lives are reviewed annually.

j) Assets held for sale

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

k) Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical substance. Examples will include application software but operating software which forms an integral part of the related hardware is handled as tangible. Information Technology Software includes development costs. Software Licences are depreciated over the life of the associated asset.

l) Impairments

The NPJA carries out an annual impairment review of its tangible and definite life intangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss. There are currently no intangible assets with indefinite useful lives. The objective is to ensure that assets are carried for no more than their recoverable value.

m) Financial instruments

Financial Investments, held by the Police Training Authority Trust, are in the form of unit trusts authorised as investments for charities. The units are valued at the price quoted on the latest statement from the unit trusts' managers before the last day of March in each year. There were no acquisitions or disposals of investments during the year. See note 8 for more details.

n) Inventories

There are no material inventories held by the NPJA.

o) Leases

All leases are evaluated at inception to determine whether they are a Finance Lease or an Operating Lease. Traditionally the NPJA would not be permitted Finance Leases as this would constitute borrowing, however, prior to adoption of IFRS all leases were evaluated to ensure the nature of each lease. These were seen to be Operating Leases. Further, all major contracts were assessed under IFRIC 4 to determine whether an arrangement contains a lease.

Payments made under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis; any lease incentives are identified and recognised as part of the net consideration agreed for the contract irrespective of its nature or timing.

p) Service concessions (PPP/PFI)

The NPJA have reviewed all contracts with regard to IFRIC 12 Service Concession Arrangements to ensure the correct treatment. If it is deemed that a contract qualifies under IFRIC 12 then it is reviewed under IFRIC 4 to see if a lease is present, the accounting treatment is then in line with the determined lease type.

q) Value Added Tax (VAT)

Vocational training and examination services provided by the NPJA are exempt from VAT. Police National Computer services are provided on a statutory / monopoly basis, and are therefore deemed to be non-business for VAT purposes. Other services, funded by the Home Office from the Police Grant, are provided to forces on an agency basis and VAT is recovered from the forces. Expenditure in these statements is inclusive of VAT, to the extent that we are not able to reclaim input VAT, in line with our exempt and non-business status.

r) Insurance

NPJA self-insure for all aspects of insurance, except for vehicle insurance and international travel insurance, which is purchased at market value and accounted for directly to the Statement of Comprehensive Net Expenditure. The Home Office underwrite the risk associated with the self-insured element.

s) Provisions

Provision is made for early retirement, redundancy and property costs, when any relevant programme is announced and a constructive obligation is created, and also for the estimated liabilities for employment and injury claims.

t) Research and development

Research and development costs are written off in the year of expenditure, with the exception of allowable development costs which contribute directly to the value of asset, these will be capitalised.

u) Foreign currency

The NPJA only holds foreign currency as necessary, the only currency currently held is the Euro and only in quantities required in the near future.

v) Capital charge

A charge, reflecting the cost of capital utilised by the NPJA, was included in the Statement of Comprehensive Net Expenditure in 2009/10 published accounts. HM Treasury have removed the requirement for this charge and the amounts reported for 2009/10 have been restated.

w) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and, since 1 October 2002, can be contributory. The NPJA recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. The rate of employer's contribution is determined from time to time by the scheme's actuary and advised by HM Treasury. Contributions are charged to the Statement of Comprehensive Net Expenditure. Employed Officers are covered by a defined benefit Police Pension Scheme, under the Police Pension Scheme 1987. The NPJA also operates an unfunded pension scheme for the Chairman. This scheme is analogous with the Principal Civil Service Pension Scheme and is known as "the BBA scheme".

The NPJA commissioned the Government Actuary's Department to value the Police Pension scheme's and the BBA scheme's liabilities. Full provision for these liabilities is reflected in the statement of financial position.

x) Staff leave

Under IAS19 - Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using data from electronic leave records.

y) Estimates

As described in IAS8, owing to the inherent uncertainty in business activity, preparing financial statements is not an exact science and involves making numerous estimates.

Estimates are applied in:

- the useful lives of Property, Plant and Equipment and Intangible Assets
- determining the provision for Impairment of Trade Receivables
- the fair values of financial instruments, which are open to market risks
- actuarial assumptions relating to defined benefit pension schemes
- provisions for liabilities and charges.

IAS 1 requires disclosure of key assumptions concerning the future and other key sources of uncertainty at the reporting date that carry significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The closure of NPfA and transfer of its activities to other bodies constitutes such an event, on which NPfA has taken the view that a going concern basis is appropriate as set out in note 1a) above.

z) Reserves constitute the following:

- **Donated Assets**, which consists of the value of arts and antiques donated to NPfA, the Police Training Authority Trust and precursors
- **Trust Funds**, the investments and cash belonging to the Police Training Authority Trust, which is consolidated as noted above
- **Pension Fund reserve**, the total of the defined benefit pension schemes as set out in note 22
- **Revaluation reserve**, the upward revaluation amounts of Property, Plant and Equipment
- **General reserve**, funds accumulated by the usual operation of the business.

1 aa) Summary of the effect of accounting policy changes

The charge for notional cost of capital has been removed from the FReM by HM Treasury and for 2010/11 budgets, but had a nil net effect in the accounts.

The valuation method for the NPfIA site at Harperley Hall, Crook, County Durham, has been changed from Depreciated Replacement Cost (DRC) to Open Market Value as the site is not sufficiently specialist to warrant the use of DRC.

Accounting policy changes effect	Notional cost of capital £'000	Valuation of Harperley Hall £'000	Total of changes £'000
Statement of Financial Position at 31 March 2009			
Property plant and equipment	-	(6,136)	(6,136)
Total non-current assets	-	(6,136)	(6,136)
Total assets	-	(6,136)	(6,136)
Non-current assets less liabilities	-	(6,136)	(6,136)
Assets less liabilities	-	(6,136)	(6,136)
General Reserve	-	6,136	6,136
Statement of Comprehensive Net Expenditure for 2009/10			
Depreciation, amortisation and other asset costs	-	3,561	3,561
Other expenditure	(9,692)	-	(9,692)
Net Expenditure after interest	(9,692)	3,561	(6,131)
Cost of capital reversal	9,692	-	9,692
Net expenditure	-	3,561	3,561
Statement of Financial Position at 31 March 2010			
Property plant and equipment	-	(9,697)	(9,697)
Total non-current assets	-	(9,697)	(9,697)
Total assets	-	(9,697)	(9,697)
Non-current assets less liabilities	-	(9,697)	(9,697)
Assets less liabilities	-	(9,697)	(9,697)
General Reserve	-	9,697	9,697

2. Analysis of net expenditure by directorate

<u>Net Expenditure by Directorate</u>	2010/11 £'000	Restated 2009/10 £'000
<u>Resource</u> (DEL)		
Chief Executive Officer	7,449	11,231
Resources	39,114	43,647
People and Development	23,329	24,090
Policing Police and Practice	16,909	16,065
Operations *,**	281,275	284,107
Corporate **	(117)	10,192
Total	367,959	389,332
<u>Resource</u> (AME)		
Impairment ***	14,658	20,248
Provision Movements ****	1,105	-
Total	15,763	20,248
<u>Capital</u> (DEL)		
Chief Executive Officer	3	-
Resources	8,795	33,410
People and Development	2,165	6,860
Policing Policy and Practice	9,194	21,565
Operations *	39,881	95,473
Corporate	(2,464)	(5,113)
Total	57,574	152,195

* A new Operations Directorate was formed from the merger of the previous Operations and Information Communications Technology and Science Directorates during 2010/11.

** The 2009/10 Operations and Corporate Resource DEL totals have been restated to remove a notional Cost of Capital Charge which was not required in 2010/11.

*** Fixed asset impairment, indexation and any depreciation charged to AME.

**** Net changes to provision balances during the year. From 2010/11 the non-cash effect of provision movements are charged to AME.

A brief description of the work carried out in each directorate can be found on page 38 of the management commentary and in the Charging policy note 5b.

The NPIA's budget delegations from the Home Office were reduced by £31.0 million for Resource DEL and £85.7 million for Capital DEL between 2009/10 and 2010/11. Budget cuts have been made across all directorates in 2010/11 in order to achieve these lower delegations.

In 2009/10 some depreciation was shown centrally as Corporate Expenditure; for 2010/11 all depreciation has been allocated to the directorate to which it relates.

The main changes between 2010/11 and 2009/10 were:

Resource DEL

Resources - Increase in conservation provision in 2009/10; additional depreciation in 2010/11.

Operations - Custody and Case Preparation expenditure in 2009/10. Additional fixed asset write-offs and depreciation in 2010/11.

Corporate - Reallocation of depreciation to directorates in 2010/11.

Resource AME

Buildings impairment - Reduced in 2010/11.

Capital DEL

People and Development - Reduced capital expenditure on National Centre for Applied Learning Technologies in 2010/11.

Policing Policy and Practice - Reduced capital expenditure on Schengen Information System (SIS) II in 2010/11.

Operations - Major reductions in capital expenditure in 2010/11 as a number of programmes either completed or approached completion.

One-off project in 2010/11 to provide a procurement hub for the police forces.

Corporate - Sale of Ashford in 2009/10; sale of old PNC servers in 2010/11.

3. Staff numbers and related running costs

Staff costs comprise:

	£'000	£'000	£'000	2010/11 £'000	Restated 2009/10 £'000
	Permanent	Seconded	Temporary /Casual	Total	Total
Wages and salaries	64,514	21,170	11,201	96,885	101,169
Social security costs	4,874	-	-	4,874	4,429
Other pension costs	11,210	-	-	11,210	10,349
Pension Fund Costs	610	-	-	610	524
Staff Leave Accrual	18	-	-	18	238
Sub Total	81,226	21,170	11,201	113,597	116,709
Less recoveries in respect of outward secondments	(62)	(558)	-	(620)	(41)
Total net costs	81,164	20,612	11,201	112,977	116,668

The majority of NPIA employees are members of the Principal Civil Service Pension Scheme (PCSPS) a multi-employer defined benefit scheme. Employed police officers, currently 4 (5 in 2009/10), are members of a, by analogy, defined benefit Police Pension Scheme. The Chairman is a member of a scheme which is analogous with the PCSPS Scheme. All other police officers are seconded and their seconding force remains responsible for their pension benefits. Full details are shown in Note 22. The seconding force is also responsible for the staff leave and so they do not feature in NPIA's staff leave accrual.

Pension fund costs in 2009/10 have been reduced to show the actuarial losses as Other Comprehensive Expenditure on page 65.

An additional £59,000 permanent and £4,365,000 temporary/casual staff costs (2009/10 £536,000 and £6,033,000 respectively) have been capitalised.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

			2010/11 Number	2009/10 Number
	Permanent staff	Others	Total	Total
Directly Employed	1,538	-	1,538	1,489
Seconded in	-	274	274	353
Temporary/Casual	-	189	189	424
Total	1,538	463	2,001	2,266

Temporary and casual headcount includes a whole time equivalent of 53 (2009/10: 61) for Associate Tutors. Of the above 74 (2009/10: 117) whole time equivalent persons were capitalised.

3(a) Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total of exit packages by cost band
2010/11 (2009/10)			
<£10,000	- (1)	44 (-)	44 (1)
£10,000 - £24,999	- (8)	46 (-)	46 (8)
£25,000 - £49,999	1 (9)	25 (-)	26 (9)
£50,000 - £99,999	2 (4)	18 (-)	20 (4)
£100,000 - £149,999	- (2)	15 (-)	15 (2)
£150,000 - £199,999	- (1)	4 (-)	4 (1)
£200,000 - £499,999	- (2)	1 (-)	1 (2)
£500,000 and over	- (1)	- (-)	- (1)
Total number of exit packages	3 (28)	153 (-)	156 (28)
Total cost of exit packages (£'000)	195 (2,320)	5,927 (-)	6,122 (2,320)

The above table shows exit costs included in the above staff costs table in the year when the exit was agreed, which may be earlier than the year of departure where costs are accrued or provided in line with IAS 37.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

Where the NPIA has agreed early retirements, the additional costs are met by the NPIA and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

4. Other expenditure

		2010/11	Restated
	Note	£'000	2009/10
			£'000
Running Costs			
IT Support & Maintenance		18,051	39,466
Information Technology Equipment		65,275	35,932
Consultancy*		2,295	12,030
Maintenance & Equipment		15,825	13,636
Professional programme & Technical Services		20	3,952
Accommodation costs (including light and heat)		3,739	6,040
Travel/Vehicles costs		6,080	7,144
Professional Fees		2,119	2,702
Telecommunications		3,846	4,353
Staff & Customer Training		5,493	3,888
Receipts from settlement of claims		(4,132)	(4,571)
General Running Costs**		5,590	9,297
External audit fees		132	162
Rentals under operating leases		5,503	5,616
PFI Liability Release (Airwave transferrable Assets)	17	(1,700)	(1,700)
PFI Liability imputed interest Charge		523	575
PFI service charges		227,709	216,417
Grants given***		11,615	22,940
Non-cash items			
Increase in Provisions		(925)	7,480
Other Expenditure		367,058	385,359
Depreciation		31,875	29,732
Amortisation		5,196	2,265
Profit on disposal of asset		(263)	(1,486)
Impairment & write offs****	9	19,218	23,327
Indexation		130	24
Total Asset Costs		56,156	53,862
Total		423,214	439,221

* Consultancy consists of ad hoc advisory services provided to management and excludes outsourced ICT and professional services which support NPIA's usual business.

** General running costs includes marketing and event costs £1,430,000 (2009/10: £2,822,000), photocopier and printing costs £912,000 (2009/10: £1,905,000), recruitment costs £110,000 (2009/10: £808,000), and increase in bad debt provision of £593,000 (2009/10: nil).

*** Grants given includes amounts granted to police authorities and central government bodies for such projects as £7.1 million for the Schengen programme's Sirene bureau (2009/10 - £16.5 million for Mobile Information capital funding).

**** A review of projects in progress resulted in write offs including incomplete software development on the Holmes 2020 replacement for Holmes 2.

5. Income

Income Source	2010/11 £'000	2009/10 £'000
Income and Funding		
Funding from Police Authorities	30,065	27,913
Funding from Scottish Executive	20,957	22,676
EU Grant	166	13
Other Funding	26,655	10,719
Information Services	40,118	27,280
People and Development Services	14,166	16,663
Other	1,853	1,898
Total Income and Funding	133,980	107,162
Interest Received	17	18
Total Income	133,997	107,180

5(a) Fees and charges

The NPIA's improvement agenda is funded both from the Police Grant and from police forces by charging for its services. Fees are charged for NPIA's services as set out in the table below. This information is provided for the purposes of reporting fees and charges information, not to comply with IFRS 8.

	2010/11			2009/10		
	Cost	Income and Funding	Surplus / (Deficit)	Cost	Income and Funding	Surplus / (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Information Services						
Airwave	250,551	41,077	(209,474)	227,100	19,647	(207,453)
Fingerprint identification (IDENT1)	31,396	14,771	(16,625)	37,164	14,747	(22,417)
Police National Computer (PNC)	30,741	35,643	4,902	25,869	35,535	9,666
Police Science and Forensics	6,987	1,233	(5,754)	7,611	1,307	(6,304)
Project support charges	31,771	16,805	(14,966)	35,675	14,858	(20,817)
Other information services	74,829	4,247	(70,582)	91,449	2,142	(89,307)
Total Information services	426,275	113,776	(312,499)	424,868	88,236	(336,632)
People and Development services						
Exams and Assessments	3,591	724	(2,867)	4,945	1,372	(3,573)
Learning and Development Services	20,197	11,016	(9,181)	16,648	10,050	(6,598)
Leadership Development Services	7,384	5,011	(2,373)	7,345	3,918	(3,427)
Other People and Development Services	10,199	1,155	(9,044)	11,820	1,343	(10,477)
Total People and Development services	41,371	17,906	(23,465)	40,758	16,683	(24,075)
Property recharges	27,801	891	(26,910)	29,767	1,008	(28,759)
Other	38,273	1,407	(36,866)	62,923	1,235	(61,688)
Total	533,720	133,980	(399,740)	558,316	107,162	(451,154)

5(b) Charging policy

The Chief Officer Team has determined that the cost recovery policy of the NPIA will be: 'for services that the NPIA charge for, costs will be recovered on a full cost basis'.

This policy is consistent with the 'ACPO/APA Guidance on Charging for Police Service – Paying the Bill 2' and is working towards the requirements of 'Managing Public Money'. A charging project has been established in 2011/12 to ensure that the full economic costs of services are established and are factored into charges for 2012/13.

In the main, new services are being charged for as they are introduced and the aim is to introduce other changes in time for 2011/12 by using a product by product phased review to agree the balance between Home Office funding and income generation.

- I. **Airwave radio service.** Airwave is a digital trunked radio service for police and other emergency services in England, Scotland and Wales provided by Airwave Solutions Limited under contract to the NPIA. This is a long-term contractual partnership, as Airwave Solutions Ltd will be responsible for providing the service until 2020. The NPIA pays the core service charge for the Airwave police radio contract, a portion of which is funded by the Scottish Executive and the balance from Home Office grant-in-aid as a part of police grant funding. Additional funding has been provided by the Home Office for the development of the Airwave Olympic service.
- II. **Fingerprint Identification (IDENT).** The original IDENT1 service is funded by the Home Office through grant-in-aid and by the Scottish Executive. The more recent Livescan system costs are fully recovered from the forces and the cost of the UK Visa fingerprint service is paid for by the Home Office.
- III. **Police National Computer.** The portion funded by the Scottish Executive is calculated using the Barnett formula for public funding. The police forces in England and Wales pay a subscription which is proportional to their Police Grant allocation. Non police users pay a usage related charge.
- IV. **Police Science and Forensics.** The cost of hosting the national DNA database and developing scientific and forensic analysis methods for the police forces is funded by the NPIA from Home Office grant-in-aid with some income for accrediting those laboratories that send samples for matching.
- V. **Project support** charges include charges to 27 police forces for support and maintenance for which 100 per cent has been charged in 2010/11. All police authorities fund the Automatic Number Plate Recognition system (ANPR) as an element of their PNC subscription and other developing projects are either directly or indirectly funded. The Department for Transport is paying for the development of CRASH (Collision Recording and Sharing) system and the Home Office funds the Police National Chemical, Biological, Radiological, and Nuclear Centre.
- VI. **Other information services** mainly include the mobile information capital grants (£16.5 million in 2009/10), the costs of internal IT systems, and the uncapitalised costs of the IMPACT and Schengen programmes.

Some small amounts fund specialist operational support and interoperability.

- VII. **Exams and assessments** costs are mainly funded from Home Office grant-in-aid, but charges are made for bespoke events and those run for non England and Wales forces. New recruit assessment events are charged at cost to all forces.
- VIII. **Learning and development** services include full cost recovery of covert and forensic training courses and partial recovery of other specialist training courses.
- IX. **Leadership development** services are charged at cost to overseas governments and sponsoring UK government departments such as the Foreign and Commonwealth Office or Department for International Development. Leadership training for England and Wales police forces is funded by the NPJA from Home Office grant-in-aid.
- X. **Other people and development** services are mainly strategic in nature and are not charged out. The income here is for financial investigator training and accreditation.
- XI. **Property recharges** include commercial rents and charges for accommodation and conference events. The costs include all of NPJA's estates costs that have not been allocated to the other fees and charges headings.

6. Property, plant and equipment

	Land £'000	Buildings £'000	Dwellings £'000	Transport Equipment £'000	Plant & Machinery £'000	Communications £'000	Information Technology £'000	Furniture & Fittings £'000	Antiques and Works of Art £'000	Operating Software £'000	Payments on Account & Assets under Construction £'000	Total £'000
Cost or valuation												
At 1 April 2010	5,847	93,808	2,964	2,474	6,155	217,347	41,404	7,653	1,865	10,577	31,447	421,541
Additions	-	3,558	216	66	1,257	-	11,234	32	-	-	3,376	19,739
Disposals	-	-	-	(290)	-	-	(7,968)	-	-	(387)	-	(8,645)
Write Off	-	-	-	-	(28)	-	(21)	(9)	(13)	-	(767)	(838)
Indexation	-	-	-	-	-	2,665	-	-	-	-	-	2,665
Reclassifications	-	6,334	-	706	404	467	11,350	81	-	1,497	(25,824)	(4,985)
Revaluations	(1,270)	(14,586)	(346)	-	-	-	-	-	29	-	-	(16,173)
Acquisitions	-	-	-	-	-	-	-	-	36	-	-	36
At 31 March 2011	4,577	89,114	2,834	2,956	7,788	220,479	55,999	7,757	1,917	11,687	8,232	413,340
Depreciation												
At 1 April 2010	-	40,144	344	1,759	2,853	41,711	29,905	5,845	-	7,974	-	130,535
Charged in year	-	2,548	60	360	1,264	17,050	8,142	765	-	1,686	-	31,875
Disposals	-	-	-	(281)	-	-	(5,512)	-	-	(387)	-	(6,180)
Impairments	-	(2,366)	-	-	-	-	-	-	-	-	-	(2,366)
Indexation	-	-	-	-	-	587	-	-	-	-	-	587
Write Off	-	-	-	-	(22)	-	-	(4)	-	-	-	(26)
Reclassifications	-	(1,149)	1,149	-	-	-	213	-	-	-	-	213
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2011	-	39,177	1,553	1,838	4,095	59,348	32,748	6,606	-	9,273	-	154,638
Net book value at 31 March 2011	4,577	49,937	1,281	1,118	3,693	161,131	23,251	1,151	1,917	2,414	8,232	258,702
Net book value at 31 March 2010	5,847	53,664	2,620	715	3,302	175,636	11,499	1,808	1,865	2,603	31,447	291,006
Asset financing:												
Owned	4,577	49,937	1,281	1,118	3,693	-	23,251	1,151	1,917	2,414	8,232	97,571
Finance Leased	-	-	-	-	-	-	-	-	-	-	-	-
On-balance sheet PFI Contracts	-	-	-	-	-	161,131	-	-	-	-	-	161,131
Net book value at 31 March 2011	4,577	49,937	1,281	1,118	3,693	161,131	23,251	1,151	1,917	2,414	8,232	258,702

Notes

Arts and Antiques were valued by Webb Valuations Fine Art Ltd in November 2008.

The UK financial climate since the property valuations in March 2008 indicated that there was a possibility that the market value of NPJA's property may have been impaired. Land, buildings and dwellings were valued as at September 2010 by DTZ Debenham Tie Leung Limited (DTZ). Impairment adjustments by site are shown in Note 9.

Bramshill, Harrogate, Harperley Hall and Ryton sites are valued on an open market basis. Hendon is valued on a Depreciated Replacement Cost (DRC) basis. For the purposes of the valuation DTZ considered recent sales of colleges with specialist teaching blocks, student accommodation and new office accommodation. There had been little in the way of comparable open market transactions of training centres across the UK during the year with the exception of Candover Hall in Shropshire which was sold in September 2010 to a children's holiday operator. Whilst there was interest from a wide range of institutional occupiers the property achieved a sale price below the asking price, which supports the view that there is a market for training and conference centres, it shows no evidence of an increase in value for properties of this nature.

The valuation reports on the NPJA properties were prepared using the appropriate sections of the Practice Statements and United Kingdom Practice Statements contained within the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, 6th Edition (the 'Red Book'). The communication assets have subsequently been revalued by use of indices issued by the Office of National Statistics. A rolling programme of further valuations has been implemented.

	Land £'000	Buildings £'000	Dwellings £'000	Transport Equipment £'000	Plant & Machinery £'000	Communications £'000	Information Technology £'000	Furniture & Fittings £'000	Antiques and Works of Art £'000	Operating Software £'000	Payments on Account & Assets under Construction £'000	Total £'000
Cost or valuation												
At 1 April 2009	7,601	53,159	2,905	1,493	3,434	208,497	41,459	6,993	2,095	10,537	31,607	369,780
Additions	-	29,180	59	709	2,799	-	1,568	517	-	9	17,771	52,612
Disposals	-	-	-	(289)	(195)	-	(1,637)	(32)	-	(6)	-	(2,159)
Write Offs	-	-	-	-	-	-	-	-	-	-	-	-
Indexation	480	(505)	-	-	-	8,930	(8)	(2)	(229)	-	-	8,666
Reclassifications	(200)	16,952	-	2	117	(80)	22	162	(1)	37	(17,931)	(920)
Revaluations	(2,034)	(4,978)	-	-	-	-	-	-	-	-	-	(7,012)
Acquisitions	-	-	-	559	-	-	-	15	-	-	-	574
At 31 March 2010	5,847	93,808	2,964	2,474	6,155	217,347	41,404	7,653	1,865	10,577	31,447	421,541
Depreciation												
At 1 April 2009	-	21,894	162	1,244	2,408	24,166	25,199	4,485	-	6,011	-	85,569
Charged in year	-	2,444	59	244	639	16,553	6,328	1,347	-	2,118	-	29,732
Disposals	-	-	-	(289)	(192)	-	(1,623)	(35)	-	(5)	-	(2,144)
Impairments	-	15,828	121	-	-	-	-	-	-	-	-	15,949
Indexation	-	(1)	-	-	-	995	-	-	-	-	-	994
Reclassifications	-	(21)	2	1	(2)	(3)	1	19	-	(150)	-	(153)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	559	-	-	-	29	-	-	-	588
At 31 March 2010	-	40,144	344	1,759	2,853	41,711	29,905	5,845	-	7,974	-	130,535
Net book value at 31 March 2010	5,847	53,664	2,620	715	3,302	175,636	11,499	1,808	1,865	2,603	31,447	291,006
Net book value at 1 April 2009	7,601	31,265	2,743	249	1,026	184,331	16,260	2,508	2,095	4,526	31,607	284,211
Asset financing:												
Owned	5,847	53,664	2,620	715	3,302	-	11,499	1,808	1,865	2,603	31,447	115,370
Finance Leased	-	-	-	-	-	-	-	-	-	-	-	-
On-balance sheet PFI Contracts	-	-	-	-	-	175,636	-	-	-	-	-	175,636
Net book value at 31 March 2010	5,847	53,664	2,620	715	3,302	175,636	11,499	1,808	1,865	2,603	31,447	291,006

7. Intangible assets

	Software Licences £'000	Information Technology £'000	Intangible AUC £'000	Total £'000
Cost or valuation				
At 1 April 2010	14,729	3,288	89,195	107,212
Additions	18	958	21,444	22,420
Donations	-	-	-	-
Write Off	(856)	(290)	(4,224)	(5,370)
Indexation	-	-	-	-
Reclassification	(5,069)	41,515	(31,461)	4,985
Revaluation	-	-	-	-
Acquisitions	-	-	-	-
At 31 March 2011	8,822	45,471	74,954	129,247
Amortisation				
At 1 April 2010	9,056	1,793	-	10,849
Charged in year	1,296	3,900	-	5,196
Write Off	(711)	(274)	-	(985)
Indexation	-	-	-	-
Reclassification	(3,342)	3,127	-	(215)
Revaluation	-	-	-	-
Acquisitions	-	-	-	-
At 31 March 2011	6,299	8,546	-	14,845
Net book value at 31 March 2011	2,523	36,925	74,954	114,402
Cost or valuation				
At 1 April 2009	10,986	2,378	25,031	38,395
Additions	1,762	11	66,126	67,899
Donations	-	-	-	-
Disposals	(37)	-	(27)	(64)
Impairments	-	-	-	-
Reclassification	1,951	899	(1,935)	915
Revaluation	-	-	-	-
Acquisitions	67	-	-	67
At 31 March 2010	14,729	3,288	89,195	107,212
Amortisation				
At 1 April 2009	7,593	823	-	8,416
Charged in year	1,326	939	-	2,265
Disposals	(38)	-	-	(38)
Impairments	-	-	-	-
Revaluation	-	-	-	-
Reclassification	122	32	-	154
Acquisitions	53	-	-	53
At 31 March 2010	9,056	1,794	-	10,850
Net book value at 31 March 2010	5,673	1,494	89,195	96,362
Net book value at 1 April 2009	3,393	1,555	25,031	29,979

Material intangible assets

Intangible assets include the following major projects:

Schengen Information System II	£26.7m (2009/10: £23.1m)
Pentip Penalty Notice processing system	£15.4m (2009/10: £11.4m)
Access Management Licences	£17.9m (2009/10: £13.4m)
Police National Database	£39.7m (2009/10: £23.7m)

8. Financial instruments

As the cash requirements of the NPfA are met through grant-in-aid provided by the Home Office, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the NPfA's expected purchase and usage requirements and the NPfA is therefore exposed to little credit, liquidity or market risk.

Cash and cash equivalents comprise cash held by the NPfA and the Police Training Authority Trust. The carrying amount of these assets approximates to their fair value. Cash and cash equivalents are categorised as loans and receivables under IAS 39. At period end, there was £41,983 (£40,271 in 2010) cash and cash equivalents held by the Police Training Authority Trust.

	31st March 2011 £'000	31st March 2010 £'000	1st April 2009 £'000
Investments held by the Trust amounted to			
Non-Current Financial Assets			
Common Investment Funds	414	380	365
Charity Funds	13	13	12
	427	393	377

9. Impairments

The NPIA carries out an impairment review of its tangible and definite life intangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss. More information is shown in Note 7. Intangible assets with indefinite useful lives are tested for impairment at least annually (there are currently no assets with indefinite lives). Detail of major write offs is disclosed at Note 23 below.

Property	2010/11 £'000	2009/10 £'000
Harperley Hall	395	4,060
Bramshill	7,665	3,711
Harrogate	20	-
Ryton	5,943	15,299
	14,023	23,070
Antiques	-	229
Write Off	5,195	28
	19,218	23,327

In addition, the following property valuations went through the revaluation reserve:

Property	2010/11 £'000	2009/10 £'000
Hendon	(94)	785
Harrogate	(128)	(895)
	(222)	(110)

10. Assets held for sale

Assets held for sale consisted of the former police training site at Ashford in Kent which was sold during 2009/10.

	31 March 2011 £'000	31 March 2010 £'000
At the beginning of the year	-	3,100
Disposals	-	3,100
At the end of the year	-	-

11. Trade receivables and other current assets

	31 March 2011 £'000	31 March 2010 £'000	1 April 2009 £'000
Amounts falling due within one year:			
Trade receivables	13,125	13,900	18,014
Less Provision for Impairment of Trade Receivables	(1,171)	(651)	(728)
Deposits and advances	324	247	159
Other receivables			
Tax including VAT	585	2,272	1,374
Accrued Charges	7,284	5,345	13,788
Prepayments	6,579	3,901	2,243
Current part of PFI prepayment	-	-	-
	26,726	25,014	34,850
<u>Intra-government balances</u>			
Balances with other central government bodies	11,278	11,713	15,415
Balances with police and local authorities	8,739	4,790	13,948
Balances with NHS Trusts	32	-	1
Balances with public corporations and trading funds	43	258	1,222
Total intra government	20,092	16,761	30,586
Balances with bodies external to government	6,634	8,253	4,264
	26,726	25,014	34,850

12. Cash and cash equivalents

	31 March 2011 £'000	31 March 2010 £'000
Balance at 1 April	7,010	5,245
Net change in cash and cash equivalent balances	(18)	1,765
Balance at 31 March	6,992	7,010

The following balances at 31 March were held at:

Commercial banks and cash in hand	6,992	7,010
Balance at 31 March	6,992	7,010

13. Trade payables and other current liabilities

	31 March 2011 £'000	31 March 2010 £'000	01 April 2009 £'000
Amounts falling due within one year			
Other taxation and social security	2,892	3,088	2,704
Trade payables	23,855	24,159	5,319
Other Payables			
Home Office balance to fund MoG changes	-	-	1,460
Other	-	-	1,066
Accruals and deferred Income	39,640	66,474	61,180
Staff Leave Accrual	1,171	1,154	916
Current part of imputed finance lease element of on-balance sheet PFI contracts	1,700	1,700	1,700
	69,258	96,575	74,345
Amounts falling due after more than one year:			
Imputed finance lease element of on-balance sheet PFI contracts	13,600	15,300	17,000
	13,600	15,300	17,000
<u>Intra-government balances</u>			
Balances with other central government bodies	12,810	7,082	8,447
Balances with police and local authorities	9,759	11,543	8,241
Balances with NHS Trusts	12	116	109
Balances with public corporations and trading funds	88	161	5,495
Total intra government	22,669	18,902	22,292
Balances with bodies external to government	60,189	92,973	69,053
	82,858	111,875	91,345

14. Provisions for liabilities and charges

	Conservation £'000	Rationalisation £'000	Other £'000	2010/11 Total £'000	2009/10 Total £'000
Balance at 1 April 2010	10,986	3,496	1,725	16,207	11,573
Provided in the year	219	2,495	147	2,861	8,598
Provisions not required written back	-	-	(375)	(375)	-
Provisions utilised in the year	(692)	(984)	(224)	(1,900)	(3,964)
Balance at 31 March 2011	10,513	5,007	1,273	16,793	16,207

Analysis of expected timing of flows				31 March 2011 Total £'000	31 March 2010 Total £'000	1 April 2009 Total £'000
	Conservation £'000	Rationalisation £'000	Other £'000			
Not later than one year	500	1,099	1,273	2,872	14,516	9,971
Current liability	500	1,099	1,273	2,872	14,516	9,971
Later than one year and not later than five years	2,000	2,964	-	4,964	1,500	1,449
Thereafter	8,013	944	-	8,957	191	153
Non-current liability	10,013	3,908	-	13,921	1,691	1,602
Balance at 31 March 2011	10,513	5,007	1,273	16,793	16,207	11,573

Conservation provision

For urgent repairs required to the Bramshill mansion (a Grade I listed building), and to the grounds and outbuildings (some Grade I and some Grade II), as set out in a report of an unintrusive survey carried out by Gilmore Hankey Kirke and Scott Wilson Group PLC dated April 2009. The costs of the required works have been estimated, but due to the nature of conservation work must be uncertain.

Rationalisation provision

For early retirement pension payments to be made under terms of the Principle Civil Service Pension Scheme to employees who left on redundancy terms during internal restructures which were necessary to realise efficiency gains and budget reductions. These payments are made by the PCSPS pension payroll and reimbursed by NPIA up to the employee's 60th birthday.

Other provisions cover:

- Personal injury and employment claims valued using legal advice and where both the value and payment date is uncertain.
- The cost of restoring a leased property to its original state at the end of the lease in 2011, valued using professional advice.

15. Capital commitments

	31 March 2011 £'000	31 March 2010 £'000
Contracted capital commitments at 31 March 2011 not otherwise included in these financial statements		
Property, plant and equipment	181	1,396
Intangible assets	10,944	28,194
Total	11,125	29,590

16. Commitments under leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2011 £'000	31 March 2010 £'000
Obligations under operating leases comprise:		
Land		
Not later than one year	53	53
Later than one year and not later than five years	211	211
Later than five years	4,304	4,357
	4,568	4,621
Buildings		
Not later than one year	5,130	4,107
Later than one year and not later than five years	4,065	1,821
Later than five years	-	22
	9,195	5,950

16.1 Finance leases

There are no finance leases.

17. Commitments under PFI contracts

a) Off-balance sheet

In 2000, the Police Information Technology Organisation (PITO), now part of the NPIA, entered into a 19-year Public Finance Initiative (PFI) arrangement to design, build and operate a digital radio system providing national secure voice and data coverage for UK policing (Airwave). The cost to the NPIA consists of two elements:

- a core service charge, originally estimated to cost £1.18 billion over the entire 19-year life, payable monthly
- a menu service charge, initial estimated total cost of £290 million over 19 years, payable in respect of services provided over and above those within the core provision.

This is determined to be an off-balance sheet deal under IFRIC12 Service Concession Arrangements as the NPIA does not control access to the Service or use all but an insignificant amount of the output. Airwave is increasingly being used by the Fire and Ambulance Services as well as other public sector organisations.

	31 March 2011 £'000	31 March 2010 £'000
Obligations under PFI contracts comprise:		
Total Liability		
Not later than one year	210,384	204,515
Later than one year and not later than five years	903,675	878,463
Later than five years	748,140	983,736
Total commitment under PFI	1,862,199	2,066,714

It is anticipated that the charge for 2011/12 will be in the region of £210 million and increases each year by indexation.

b) On-balance sheet

On-balance sheet communication assets, which are in Note 6, represent Airwave assets for London Underground and the resilience network that have already been paid for. Further, a few assets are deemed as transferable to the NPIA at the end of the contract, providing that the NPIA pays Airwave Solutions Ltd the fair market value of said assets. The value on-balance sheet represents the current assessment of these assets' fair value, and these are treated as if they were a finance lease. The liability for these is set out below

	31 March 2011 £'000	31 March 2010 £'000
Obligations under PFI contracts comprise:		
Total Liability		
Not later than one year	2,170	2,223
Later than one year and not later than five years	8,158	8,368
Later than five years	7,323	9,283
	17,651	19,874
Less Notional Interest	2,351	2,874
Total commitment under PFI	15,300	17,000

c) Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet PFI transactions and the service element of on-balance sheet PFI transactions was £227,709,000 (2009/10: £216,992,000). £523,000 (2009/10: £575,000) has been imputed as the notional interest charge in the on-balance sheet PFI liability.

18. Contingent assets and liabilities disclosed under IAS 37

Contingent assets

At 31 March 2011 NPJA had no material contingent assets within the meaning of IAS 37.

Contingent liabilities

At 31 March 2011 NPJA had no material contingent liabilities within the meaning of IAS 37.

19. Related party transactions

The NPJA is a Non-Departmental Public Body financed by grant-in-aid from the Home Office. The Home Office is regarded as a related party to the NPJA. The NPJA has various material transactions with the Home Office. Home Office grants-in-aid have been taken direct to reserves.

The Home Office sponsors other bodies. These bodies are regarded as related parties with which the NPJA has had various material transactions during the year, especially the Serious Organised Crime Agency (SOCA). The NPJA considers the police forces and police authorities in England and Wales to be related parties because senior police officers and police authority members are appointed by ACPO and APA respectively to serve on the NPJA Board.

In addition, the NPJA has had a number of transactions with other government departments and other central government bodies, especially the Scottish Government for the provision of services to the police forces of Scotland. Amongst the other transactions there were significant transactions with the Forensic Science Service, British Transport Police, HM Revenue and Customs, the Cabinet Office and the Department for Transport.

As reported in the Register of Members' Interests, Peter Neyroud, Chief Executive and Accounting Officer (to 31st December 2010), is Chairman of the Advisory Board for the Evidence Based Crime Centre at George Mason University, Washington DC, USA. During the year NPJA made no payments to George Mason University (2009-10: £147,309). Payments in 2009-10 were approved by the Home Office as grants to enable the university's crime and justice professors to carry out systematic reviews of policing.

During the period ending 31 March 2011, no members of the Board or members of the key management staff have undertaken any material transactions with the NPJA.

20. Charitable Trust

The Charities Commissioners for England and Wales under the power of the Charities Act 1993 granted a scheme on 9 March 2004, creating The Police Training Authority Trust, with the object of promoting life-long learning and continuous professional development to those employed in the police service of England and Wales, by the provision of items, services, facilities and awards, thereby improving the efficiency and effectiveness of the service.

21. Events after the reporting period

In accordance with the requirements of IAS 10, post reporting period events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

As outlined in note 22a, the decision to uprate public service pensions using the Consumer Prices Index rather than the Retail Prices Index has been recognised in these accounts. This decision is currently before the courts in judicial review proceedings. The Government is robustly defending the case and therefore no adjustment has been made to the accounts for this matter. The financial implications consequent on the review finding against the government have not been assessed.

There are no other material events after the reporting date.

22. Pension benefits

a) Change from RPI to CPI

In the UK Budget Statement of 22 June 2010, the Chancellor of the Exchequer announced that, with effect from 1 April 2011, the Government would use the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for the price indexation of benefits and tax credits; and that this would also apply to other public service pensions through the statutory link to the indexation of the Second State Pension.

The change from RPI to CPI for the purposes of uprating index-linked features of post employment benefits has been recognised as a negative past service cost in accordance with IAS 19. This accounting treatment has been adopted by all central Government reporting entities where RPI has been used for inflation indexing for many years.

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in

making very substantial savings at a time when the Government had adjudged that deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

b) Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme where the NPJA is unable to identify its share of the underlying assets and liabilities. The scheme actuary revalues the scheme centrally and reassesses contributions every four years. The FReM instructs the NPJA to account for PCSPS as a defined contribution scheme.

c) Police Pension Scheme

The agency operates a defined benefit Police Pension Scheme for direct recruits from within the police service. The Police Pension Scheme is identical to the Police Pension Scheme 1987.

As part of the scheme, the NPJA accepts liability for payment of the pension benefits in respect of the officers' past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service whilst employed by the agency. Pension benefits will be paid as they fall due from the NPJA resources. In order to comply with HM Treasury's Financial Reporting Manual and Accounts Guidance, the NPJA is required to provide in these accounts for the full value of the expected future pensions liabilities of these officers.

The NPJA commissioned the Government Actuary's Department (GAD) to value the scheme liabilities as at 31 March 2011. Full provision for this liability in 2010/11 of £6.13 million (£7.98 million in 2009/10) is reflected in the statement of financial position and is based on the assumptions and information set out below and includes injury benefits. The main cause of the decreased liability is the change in basis for annual increases from the Retail Prices Index to the Consumer Prices Index, see note a) above.

Pension disclosures - Police Pension Scheme 1987

Past service liabilities

	31 March 2011 £'000	31 March 2010 £'000	31 March 2009 £'000
Liability in respect of:			
Active members (past service)	(4,200)	(7,980)	(5,080)
Pensions in Payment	(1,930)	-	-
Net pensions deficit	(6,130)	(7,980)	(5,080)
Liabilities are valued on an actuarial basis using the Projected Unit Method.			

The main actuarial assumptions are as follows:

	Year Ending 31 March 2011	Year Ending 31 March 2010	Year Ending 31 March 2009
Rate of inflation	2.65%pa	2.75% pa	2.75% pa
Rate of increase in salaries	4.90%pa	4.3% pa	4.3% pa
Rate of increase in pensions	2.65%pa	2.75% pa	2.75% pa
Rate of discounting scheme liabilities	5.60%pa	4.60% pa	6.04% pa

Analysis of movement in scheme liability

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Net surplus / (deficit) at the beginning of year	(7,980)	(5,080)	(5,240)
Removal of provision for injury awards	N/A	N/A	N/A
Net surplus / (deficit) at the start of current year	(7,980)	(5,080)	(5,240)

Movement in the year:

Current Service Cost	(200)	(140)	(160)
Cost covered by employee contributions	(50)	(40)	(40)
Past Service Cost	980	-	-
Interest on pension liabilities (ie 'Finance Income')	(330)	(310)	(280)

Benefits paid (recurring element)	20	-	-
Benefits paid (lump sums)	520	-	-
Total benefits paid	540	-	-

Actuarial gain – changes in assumptions underlying the present value of the pension

	910	(2,410)	640
Net deficit at the end of year	(6,130)	(7,980)	(5,080)

Expense recognised in profit or loss

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Current Service Cost (net of participants' contributions)	(200)	(140)	(160)
Interest cost	(330)	(310)	(280)
Any past service cost	980	-	-
Total	450	(450)	(440)

Actuarial gain/(loss) can be further analysed as follows:

Experience gains and losses arising on the pension liability	500	(330)	(130)
Changes in assumptions underlying the present value of the pension liabilities	410	(2,080)	770
Actuarial gain / (loss)	910	(2,410)	640

Pension disclosures - Police Pension Scheme 1987 (continued)

History of Experience gains and losses	2010/11	2009/10	2008/09
	£'000	£'000	£'000
Experience gains / (losses) on the scheme liabilities	500	(330)	(130)
Percentage of the liability at the end of year	8.20%	-4.10%	-2.60%
Total actuarial gain / (loss)	910	(2,410)	640
Percentage of the liability at the end of year	14.80%	-30.20%	12.60%

Note: Employer contributions of £122,985 were received.

d) By Analogy Pension Scheme

The NPJA also operates a 'Broadly By Analogy' (BBA) Pension Scheme for the Chairman, this scheme is analogous with the Principal Civil Service Pension Scheme (PCSPS).

The By Analogy Pension arrangement is operated by the NPJA under broadly the same rules as the Principal Civil Service Pension Scheme (PCSPS). The benefits valued are those accrued up to 31 March 2011. Liabilities relating to payments made before normal retirement age as compensation for early retirement under the terms of the Civil Service Compensation Scheme are excluded. The pension arrangements are unfunded, with benefits being paid as they fall due and guaranteed by the employer. There is no fund and, therefore, no surplus or deficit.

Assumptions

The main financial assumptions to be adopted for the assessment of liabilities are announced by HM Treasury at the beginning of February each year. The demographic assumptions are consistent with those used elsewhere in Central Government for resource accounting purposes and from aggregate experience across all authorities with officers in the police pension schemes supplemented, as necessary, by appropriate standard tables.

The main financial assumptions (used to assess liabilities as at 31 March 2011) are as follows:

- Gross discount rate of 5.6% as prescribed by HM Treasury
- Earnings inflation rate of 4.9%
- CPI price inflation rate of 2.65% as prescribed by HM Treasury
- Net discount rate of 2.9% as prescribed by HM Treasury.

Liability as at 31 March 2011

The capitalised value of accrued pension benefits payable under the NPJA's By Analogy pension arrangement as at 31 March 2011 is £141,000 (March 2010 £151,000). Full provision for this liability is reflected in the balance sheet. An actuarial gain of £25,000 was experienced in the year. The main cause of the decreased liability is the change in basis for annual increases from the Retail Prices Index to the Consumer Prices Index, see note a) above.

e) Other police officers

All other police officers are currently seconded to the NPfA and their seconding forces remain responsible for their pension benefits. The NPfA paid £3.0 million in employer contributions to the relevant home force. The employer contribution is set at either 24.2 per cent or 25.5 per cent depending on the home force.

f) IAS16 Pension liability per balance sheet

	31 March 2011	31 March 2010	31 March 2009
	£'000	£'000	£'000
BBA Scheme	141	151	98
Police Pension Scheme	6,130	7,980	5,080
	6,271	8,131	5,178

23. Statement of losses and special payments

The following are included in the Statement of Comprehensive Net Expenditure:

	Number of cases	Amount £'000
Write offs	29	5,195
Losses of accountable stores	5	6
Special Payments	6	50
Total	40	5,251

Write offs include the following:

- £2,908,000 relating to the development of a replacement for the Holmes 2 linked major enquiry system that had been capitalised in assets under construction but was written off as not being affordable to complete.
- £639,000 relating to the project to equip frontline officers with mobile equipment. Costs capitalised as assets under construction in 2009/10 which should have been expensed.
- £270,000 relating to services procured to upgrade a helpdesk system in 2009, which should have been expensed.
- £592,000 relating to a project to enhance the mechanical and electrical equipment at Hendon Data Centre, which was discontinued due to the uncertainty of future funding.

APPENDIX A – CHIEF CONSTABLE COMMENDATIONS

This year, CEO Nick Gargan made a commitment to recognising and celebrating exceptional contributions to the NPJA and policing. A reception was held in March 2011 to thank individuals and teams across the NPJA for their achievements. Many of the nominations were a result of direct feedback from Chief Constables, ACPO leads and forces. All commended received a certificate.

Recipient	Achievement
Group Commendations	
Crime Map Team: Rebecca Bradfield CI Amanda Diggins Alex Edwards Mark Hazelby CI Darren Miller Amanda Smith	For the successful delivery of the National Crime Map, against very challenging deadlines, which enabled this key ministerial priority to be met.
Infrastructure Services Team: Max Black Robin Durrant Darren Forty Karl Pilgrim Ritesh Patel	For showing dedication and tenacity to minimise the impact on the NPJA of the Storage Area Network (SAN) failure at the Hendon Data Centre in May 2010.
Investigative Skills Training Team: Jeff Boxer MIFL, BSc (Hons), PGCE John Fox	For outstanding enthusiasm in work on the Child Homicide Training Module and Child Abuse Investigators Module.
Special Constabulary Regional Co-ordinator Team: Susan Burn Emily Carrington James Deller Nadine Fairweather Nigel Green MBE Julie Lloyd Tina Shelton Carol Smythe John Truswell Caroline Warburton	For dedicated efforts and important work with police forces to support retention, growth and the facilitation the ongoing professional development of the Special Constabulary to support forces.
Transition Communications Team: Joleen Smith Penny Sims Zoë Dawes Katrina Horsey	For showing resilience and innovation in designing an internal communications strategy to support the agency's transition programme.
Individual Commendations	
Cameron Bayly	For exceptional initiative and perseverance to proactively help the National Senior Careers Advisory Service (NSCAS) to deliver the Releasing Potential (Pilot) Programme.

Brian Button	For exceptionally high level of customer service standards.
CI Amanda Diggins	For commitment, dedication, leadership and drive in successfully ensuring all forces adopted and supported the Minimum Technical Requirement for Local Confidence Surveys.
Graham Dunn	For dedication, determination, commitment and efforts to ensure significant cost savings for the police service in delivering the Identity and Access Management programme.
Chris Ferguson	For leadership in the development of the Prüm Strategic Business Case.
DS Angela Jones	For inspirational, enthusiastic and invaluable support to front line colleagues in a vast amount of major crime investigations.
Stuart Kent	For efforts and dedication in the successful development of a Master of Arts qualification in Financial Investigation and Financial Crime with Teesside University.
Sascha Kiess	For being instrumental in designing, driving and delivering a diagnostic tool that has already benefitted frontline policing.
Davina Lawrence	For exemplary and remarkable efforts and professionalism in developing the role of People Champion for the CEO Directorate.
Tanya O'Doherty	For invaluable support, exceptionally high professionalism and flexibility in providing HR support to both the HR Senior Management Team and the agency.
Danielle Pearson	For outstanding work, enthusiasm and professionalism in improving the agency's performance, in relation to responding to Parliamentary Questions.
Mary Schollum	For exceptional leadership and professionalism in the development of the National Decision Model (NDM).
Kay Southall	For exceptional commitment, drive and determination in supporting the development of the Emergency SMS (ESMS) service.
Simon Timms	For drive, determination, diligence and professional ability when working on renegotiating the IDENT1 service contract.
John Wedgwood	For dedication, professionalism and enthusiasm in enhancing the National Covert Human Intelligence Source Management Course.
Michelle Weller	For hard work, determination and professionalism to support Operation Pinstripe: an investigation into the murders of three women in Bradford, and subsequent conviction of Stephen Griffiths.

If you would like additional copies of the report, please contact Marketing and Communications.

Tel **+44 (0)1256 602733**

If you would like this document in another format to assist you:

Equality, Diversity and Human Rights team

Email **diversity@npia.pnn.police.uk**

Tel **+44(0) 1256 602358**

Post **Equality, Diversity and Human Rights**
NPIA
Bramshill
Hook
Hampshire
RG27 0JW

National Policing Improvement Agency (HQ)

1st Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

For further information:

NPIA General Information

Email: enquiries@npia.pnn.police.uk
Telephone: 0800 496 3322
Monday - Friday: 09:00 - 17:00 GMT
Website: www.npia.police.uk



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Telephone orders/general enquiries: 028 9023 8451

Fax orders: 028 9023 5401

ISBN 978-0-10-297131-6



9 780102 971316